



SOUTHWEST GAS CORPORATION

March 1, 2024

via Electronic Mail

Ms. Rachel Peterson, Executive Director
rachel.peterson@cpuc.ca.gov
California Public Utilities Commission
505 Van Ness Avenue, 5th Floor
San Francisco, California 94102

Re: Southwest Gas Corporation (U 905 G)
Utility Supplier Diversity Program

Dear Ms. Peterson:

Pursuant to Section 9 of General Order 156, Southwest Gas Corporation submits for filing the following:

- Supplier Diversity Program 2023 Annual Report and 2024 Annual Plan
- Supplier Diversity Program 2023 Annual Fuel Procurement Report and 2024 Annual Fuel Procurement Plan

Should you have any questions, please do not hesitate to contact me at (702) 876-7323.

Respectfully submitted,

Valerie J. Ontiveroz
Regulatory Manager/California

Attachment

c: Stephanie Green
CPUC Utility Supplier Diversity Program
stephanie.green@cpuc.ca.gov

Karmin Bailey, Manager
Southwest Gas Corporation
Supplier Diversity Manager
karmin.bailey@swgas.com



SUPPLIER DIVERSITY™

Growing Opportunities
Powered by Southwest Gas

2023 REPORT • 2024 PLAN

2023 FUEL PROCUREMENT REPORT –
2024 FUEL PROCUREMENT PLAN



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2023 ANNUAL FUEL PROCUREMENT REPORT AND 2024 ANNUAL PLAN

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A MESSAGE FROM KAREN HALLER, Chief Executive Officer



As a leader in delivering safe, reliable, and sustainable energy service, Southwest Gas Corporation (Southwest Gas or Company) is proud of its commitment to enriching our communities and creating opportunities for our local economies. For more than 30 years, we have been partnering with diverse businesses through our Supplier Diversity Program fostering sustainable business relationships and ensuring equity in our procurement opportunity process and throughout our supply chain.

In 2023, Southwest Gas spent more than \$199M with diverse suppliers, including women, minority, service-disabled veterans, persons with disabilities, and LGBT-owned business enterprises. This significant investment reflects our commitment to economic empowerment as well as providing equity and opportunities for all. Diversity, equity and inclusion (DE&I) are integral components of our business strategy, and we will continue to support our partners in these efforts to further strengthen our economy and build a more sustainable energy future.

We are delighted to share with you the collective successes, milestones, and impact we have made across our service areas through our Supplier Diversity Program (Program) and look forward to continued collaboration with stakeholders as we uplift our communities and continue *Growing Opportunities* for all.

A MESSAGE FROM JUSTIN BROWN, President



We are proud of the tremendous achievements of Southwest Gas in cultivating a diverse and inclusive business procurement ecosystem through our Program. As a company we have a long-standing history of supporting and shaping the communities where we live and work. This commitment is demonstrated through both our internal DE&I programs as well as external efforts that are extending opportunities to enterprising individuals from all backgrounds.

In 2023, we made substantial progress in advancing our Supplier Diversity Program. Among other accomplishments, our progress included hiring a dedicated Program manager, Karmin Bailey, who has a track record of delivering tangible results. To bring further alignment between our DE&I efforts and our Supplier Diversity Program, we continue to provide education and training to our employees. Additionally, through the efforts of our diversity council and employee resource groups, we continue to emphasize and raise awareness about the value of a workplace that embraces the diverse thoughts, innovation, experiences, and culture from our employees, suppliers, and customers.

I also had the distinct pleasure of touting the rich history and outstanding accomplishments of our Supplier Diversity Program throughout the years during the 2023 California Public Utilities Commission En Banc meeting. We are extremely proud of the partnerships and relationships we have fostered with our diverse suppliers and the significant impact we have made through the program. Together, we will continue to elevate these efforts as we deliver exceptional and safe energy service to our customers and communities.

EXECUTIVE SUMMARY

As illustrated in the table below, Southwest Gas' 2023 procurement with Clearinghouse-Verified diverse suppliers in California was \$51,012,509. Our commitment to advance supplier diversity stretches beyond our California borders and is demonstrated with the additional spend of \$148,858,576 with Clearinghouse-Verified diverse suppliers in support of Southwest Gas' Arizona and Nevada operations.

Our accomplishments in 2023 reflect Southwest Gas' unwavering commitment to offer opportunities for women, minority, lesbian, gay, bisexual, transgender, persons with disabilities, and service-disabled veteran-owned business enterprises.

	California	Arizona and Nevada	Total
Minority Men	\$ 5,867,819	\$ 28,384,141	\$ 34,251,959
Minority Women	\$ 1,398,109	\$ 14,390,197	\$ 15,788,306
Total Minority Business Enterprise (MBE)	\$ 7,265,928	\$ 42,774,338	\$ 50,040,265
Women Business Enterprise (WBE)	\$ 4,249,914	\$ 55,637,864	\$ 59,887,779
Subtotal Women, Minority Business Enterprise (WMBE)	\$ 11,515,842	\$ 98,412,202	\$ 109,928,044
LGBTE	\$ 119,363	\$ 750,279	\$ 869,642
Disabled Veteran Business Enterprise (DVBE)	\$ 34,346,926	\$ 44,687,300	\$ 79,034,225
Person with Disabilities Business Enterprise (PDBE)	\$ 5,030,379	\$ 5,008,796	\$ 10,039,174
Total Clearinghouse-Verified Supplier Diversity Procurement	\$ 51,012,509	\$ 148,858,576	\$ 199,871,086
Agency-Certified Spend (Non Clearinghouse)	\$ 3,293,304	\$ 2,400,563	\$ 5,693,866
Total Net Procurement	\$ 103,487,349		
% Clearinghouse-Verified Procurement	49.3%		

PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

2023 ANNUAL REPORT

9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

Internal Activities

Diverse suppliers play a crucial role in fortifying Southwest Gas's resilient and sustainable supply chain. We acknowledge and value the significant contributions they make, and our commitment to fostering opportunities and positive outcomes for diverse businesses remains unwavering through our Supplier Diversity Program (Program). In 2023, Southwest Gas dedicated efforts to enhance relationships and forge partnerships that actively contribute to the overall success of the Program. Program activities encompassed:

- Collaborating with business units to enhance program awareness and keeping supplier diversity at the forefront;
- Leveraging DE&I efforts to promote supplier diversity and diverse businesses;
- Coming together with business units to assess their needs and identify opportunities for diverse suppliers;
- Meeting regularly with Supply Chain representatives on Program strategy, supplier diversity trends, and best practices;
- Encouraging key stakeholders to utilize diverse suppliers in under-spent categories;
- Working closely with internal business units to identify and immediately address issues impacting diverse suppliers; and
- Providing opportunities for internal stakeholders to participate in supplier diversity conferences, events, and workshops.

Meet Karmin Bailey

In 2023, Southwest Gas reinforced its commitment to supplier diversity through the hiring of Karmin Bailey. With over 5 years of experience in supplier diversity, Karmin strives to think beyond compliance and achieve measurable results and was recognized as an Outstanding Diversity Champion by Columbus Business First in 2020. Through the promotion of business opportunities and the collaboration of partnerships with internal and external stakeholders, Karmin plans to enhance the way Southwest Gas executes supplier diversity.



9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

Throughout 2023, Southwest Gas persisted in fortifying relationships with our partner organizations and chambers of commerce that align with the vision of cultivating diverse businesses, fostering economic opportunities, and enhancing supplier diversity. Southwest Gas actively engaged in and/or sponsored the following outreach activities:

External Activities

January 26 – American Indian Chamber of Commerce Panel

April 30 – Diversity Professional Women of Excellence

May 11 – Western Regional Minority Supplier Development Council (WRMSDC) Excellence in Supplier Diversity Awards

May 15 – National Association of Women Business Owners (NAWBO) California Propel Conference



Manager, Diversity Programs, Telma Lopez, and Supplier Diversity Manager, Karmin Bailey, participate at the Veterans in Business Conference.

May 25 – National Utility Diversity Council (NUDC) Conference

June 1 – BuildOut California Founders Day

June 28 – WRMSDC Program Managers Meeting

July 16-18 – American Indian Chamber of Commerce Expo

July 19 – NUDC Virtual Panel Discussion

July 26 – Women’s Business Enterprise Council (WBEC) West Unconventional Women’s Conference

August 16-18 – National LGBT Chamber of Commerce (NGLCC) Conference

August 18-19 – California Hispanic Chamber of Commerce Conference

August 25 – WRMSDC Multi-Industry Supplier Diversity Expo

September 27 – California Public Utilities Commission (CPUC) Small & Diverse Business Expo



Supplier Diversity Manager, Karmin Bailey, participates in the WRMSDC Multi-Industry Supplier Diversity Expo.

9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

External Activities

October 19 – High Desert Opportunity Summit

November 13-14 – Veterans In Business (VIB) Conference

December 1 – American Indian Chamber of Commerce (AICC) Native American Heritage Month Luncheon

December 7 – Energy Career Pathways Summit



Supplier Diversity Manager, Karmin Bailey, attends American Indian Chamber of Commerce Native American Heritage Month Luncheon.

Regulatory Participation

In 2023, Southwest Gas participated in the following regulatory activities:

- March 16 – Quarterly Joint Utility Meeting
- June 15 – Quarterly Joint Utility Meeting
- September 21 – Quarterly Joint Utility Meeting
- September 28 – Commission 21st Annual Supplier Diversity En Banc
- December 14 – Quarterly Joint Utility Meeting



Representatives from Southwest Gas at En Banc.

SUPPLIER PROFILE ECONOMIC IMPACT OF DIVERSE BUSINESSES



Founded in 1997, Proximo is an information services company that holds certifications through the National Gay & Lesbian Chamber of Commerce and the Supplier Clearinghouse. Proximo helps its clients turn data into intelligence by utilizing the data to better run their organizations. Proximo has a line of business dedicated to supplier diversity data and analytics and works in three key areas:

- Data strategy and governance
- Data warehousing and integration
- Data analytics and business intelligence

Southwest Gas began its partnership with Proximo in 2022 for Proximo to perform advanced analytics on the economic impact of the Company's procurement spend and assist in further development of the overall supplier diversity strategy. Flexibility in the relationship was critical, as a utility must first and foremost provide exceptional service for its customers. Proximo's unique methodology helped Southwest Gas achieve both objectives of analyzing the economic impact of procurement spend and further development of overall supplier diversity strategy, while also providing valuable and verifiable data.

"We value our relationship with Southwest Gas," says Proximo Director of Supplier Diversity Services, Lindsay Burger. "Not only do we get to bring our expertise in this area to bear for them, but we are also helping to tell the stories of diverse communities in the State of California, which is a bellwether for supplier diversity nationwide."

9.1.2 RESULTS BY ETHNICITY

Ethnicity		Direct	Sub	Total \$	%
Minority Male	African American	3,477,323	-	3,477,323	3.4%
	Asian Pacific American	1,548,929	-	1,548,929	1.5%
	Hispanic American	95,576	52,018	147,594	0.1%
	Native American	693,973	-	693,973	0.7%
	Other	-	-	-	0.0%
Total Minority Male		5,815,801	52,018	5,867,819	5.7%
Minority Female	African American	-	217,154	217,154	0.2%
	Asian Pacific American	377,440	-	377,440	0.4%
	Hispanic American	-	415,100	415,100	0.4%
	Native American	-	388,415	388,415	0.4%
	Other	-	-	-	0.0%
Total Minority Female		377,440	1,020,669	1,398,109	1.4%
Total Minority Business Enterprise (MBE)		6,193,240	1,072,687	7,265,928	7.0%
Women Business Enterprise (WBE)		3,604,328	645,587	4,249,914	4.1%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		106,800	12,563	119,363	0.1%
Disabled Veteran Business Enterprise (DVBE)		34,295,916	51,010	34,346,926	33.2%
Persons with Disabilities Business Enterprise (PDBE)		36,300	4,994,079	5,030,379	4.9%
Other 8(a)*		-	-	-	0.0%
TOTAL Supplier Diversity Spend		44,236,584	6,775,925	51,012,509	49.3%
Net Procurement**		103,487,349			

TABLE 9.1.2 (A)

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-WMDVLTGTPDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDERS, NON-PURCHASE ORDERS, AND CREDIT CARD DOLLARS
 Direct - MEANS DIRECT PROCUREMENT FROM A SUPPLIER
 Sub - MEANS SUBCONTRACTOR PROCUREMENT WHEN A PRIME CONTRACTOR PROCURES FROM A SUBCONTRACTOR
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 PRODUCTS AND SERVICES

Procurement by Product and Service Categories – Direct

Ethnicity		Product	Product	%	Services	%	Total	%
			\$		\$		\$	
Minority Male	African American	Direct	\$ 10,544	0.2%	\$ 3,466,779	3.5%	\$ 3,477,323	3.4%
	Asian Pacific American	Direct	\$ 1,548,929	27.1%	\$ -	0.0%	\$ 1,548,929	1.5%
	Hispanic American	Direct	\$ -	0.0%	\$ 95,576	0.1%	\$ 95,576	0.1%
	Native American	Direct	\$ 4,319	0.1%	\$ 689,654	0.7%	\$ 693,973	0.7%
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Male		Direct	\$ 1,563,792	27.3%	\$ 4,252,009	4.3%	\$ 5,815,801	5.6%
Minority Female	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Asian Pacific American	Direct	\$ -	0.0%	\$ 377,440	0.4%	\$ 377,440	0.4%
	Hispanic American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Female		Direct	\$ -	0.0%	\$ 377,440	0.4%	\$ 377,440	0.4%
Total Minority Business Enterprise (MBE)		Direct	\$ 1,563,792	27.3%	\$ 4,629,449	4.7%	\$ 6,193,240	6.0%
Women Business Enterprise (WBE)		Direct	\$ 154,695	2.7%	\$ 3,449,632	3.5%	\$ 3,604,328	3.5%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	0.0%	\$ 106,800	0.1%	\$ 106,800	0.1%
Disabled Veteran Business Enterprise (DVBE)		Direct	\$ -	0.0%	\$ 34,295,916	35.1%	\$ 34,295,916	33.1%
Persons with Disabilities Business Enterprise (PDBE)		Direct	\$ 36,300	0.6%	\$ -	0.0%	\$ 36,300	0.0%
Other 8(a)*		Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL SUPPLIER DIVERSITY SPEND		Direct	\$ 1,754,787	30.7%	\$ 42,481,797	43.5%	\$ 44,236,584	42.7%
Net Diverse Procurement			\$ 51,012,509					
Total Product Procurement \$			\$ 5,721,390					
Total Service Procurement \$			\$ 97,765,959					
Net Procurement**			\$ 103,487,349					
Total Number of Diverse Suppliers that Received Direct Spend			28					

TABLE 9.1.2 (B)

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-WMDV/LGBT/PDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDERS, NON-PURCHASE ORDERS, AND CREDIT CARD DOLLARS
 Direct - MEANS DIRECT PROCUREMENT FROM A SUPPLIER
 Sub - MEANS SUBCONTRACTOR PROCUREMENT WHEN A PRIME CONTRACTOR PROCURES FROM A SUBCONTRACTOR
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 PRODUCTS AND SERVICES

Procurement by Product and Service Categories – Subcontracting

Ethnicity		Product	Product	%	Services	Services	Total	Total
			\$		\$	%	\$	%
Minority Male	African American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic American	Sub	\$ -	0.0%	\$ 52,018	0.1%	\$ 52,018	0.1%
	Native American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Male		Sub	\$ -	0.0%	\$ 52,018	0.1%	\$ 52,018	0.1%
Minority Female	African American	Sub	\$ -	0.0%	\$ 217,154	0.2%	\$ 217,154	0.2%
	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic American	Sub	\$ 415,100	7.3%	\$ -	0.0%	\$ 415,100	0.4%
	Native American	Sub	\$ -	0.0%	\$ 388,415	0.4%	\$ 388,415	0.4%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Female		Sub	\$ 415,100	7.3%	\$ 605,569	0.6%	\$ 1,020,669	1.0%
Total Minority Business Enterprise (MBE)		Sub	\$ 415,100	7.3%	\$ 657,587	0.7%	\$ 1,072,687	1.0%
Women Business Enterprise (WBE)		Sub	\$ 259,384	4.5%	\$ 386,202	0.4%	\$ 645,587	0.6%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.0%	\$ 12,563	0.0%	\$ 12,563	0.0%
Disabled Veteran Business Enterprise (DVBE)		Sub	\$ -	0.0%	\$ 51,010	0.1%	\$ 51,010	0.0%
Persons with Disabilities Business Enterprise (PDBE)		Sub	\$ -	0.0%	\$ 4,994,079	5.1%	\$ 4,994,079	4.8%
Other 8(a)*		Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL SUPPLIER DIVERSITY SPEND		Sub	\$ 674,484	11.8%	\$ 6,101,442	6.2%	\$ 6,775,925	6.5%
Net Diverse Procurement			\$ 51,012,509					
Total Product Procurement \$			\$ 5,721,390					
Total Service Procurement \$			\$ 97,765,959					
Net Procurement**			\$ 103,487,349					
Total Number of Diverse Suppliers that Received Subcontract Spend			20					

TABLE 9.1.2 (C)

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-WMDV/LGBT/PDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDERS, NON-PURCHASE ORDERS, AND CREDIT CARD DOLLARS
 Direct - MEANS DIRECT PROCUREMENT FROM A SUPPLIER
 Sub - MEANS SUBCONTRACTOR PROCUREMENT WHEN A PRIME CONTRACTOR PROCURES FROM A SUBCONTRACTOR
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 PRODUCTS AND SERVICES – STANDARD INDUSTRIAL CLASSIFICATION CODE REPORTING

Standard Industrial Classification Code Reporting

Pursuant to Decision D.05-12-023, Southwest Gas reports diverse supplier procurement results by Standard Industrial Classification (SIC) Code. The following is a list of SIC codes and detailed descriptions of the products and/or services that Southwest Gas obtained from Clearinghouse-Verified diverse suppliers throughout 2023. These SIC codes are also utilized in the table on the following page, which provides a breakdown of the dollars spent in each category.

SIC Code	Code Description	Product or Service Provided
07	Agricultural Services	Agricultural Services
15	Building Construction General Contractors & Operative Builders	General Contracting
16	Underground Utility Contractor	Underground Utility Contractor
17	Special Trade Contractor	Special Trade Contractor
23	Apparel & Other Finished Products	Protection Clothing
26	Paper and Allied Products	Industrial Products
30	Rubber and Miscellaneous Plastics Products	Pipe Fittings
33	Primary Metal Industries	Iron Castings
34	Fabricated Metal Products	Valves and Pipe Fittings, NEC
35	Industrial and Commercial Machinery	Industrial Products
37	Transportation Equipment	Transportation Equipment
38	Instruments and Related Products	Industrial Instruments
47	Transportation Services	Logistics Service
50	Wholesale Trade Durable Goods	Industrial supplies, including meter paint and coating, electrical apparatus and equipment wiring suppliers and construction materials
51	Wholesale Trade NonDurable Goods	Wholesale goods, chemical and construction products
52	Building Materials	Building materials
73	Business Services, NEC	Business Services; Computer Integrated Systems Design & Computer Related Services, Guard Services
87	Engineering & Management Services	Engineering Services

9.1.2 ANNUAL RESULTS BY PRODUCTS AND SERVICE CATEGORIES PRIME CONTRACTOR BY SIC CODES

SIC Category	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Total Supplier Diversity Spend	Total Procurement
	Male	Female	Male	Female	Male	Female	Male	Female								
07 - Agricultural Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,852	\$ -	\$ -	\$ -	\$ -	\$ 153,852	\$ 153,852
15 - Building Construction General Contractors and Operative Builders	\$ -	\$ 183,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,161	\$ 183,161
16 - Underground Utility Contractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,863	\$ -	\$ -	\$ 34,295,916	\$ -	\$ -	\$ 34,317,778	\$ 34,317,778
17 - Special Trade Contractor	\$ 3,466,779	\$ -	\$ -	\$ -	\$ 47,152	\$ -	\$ -	\$ -	\$ 3,513,931	\$ 977,636	\$ -	\$ -	\$ -	\$ -	\$ 4,491,567	\$ 4,491,567
23 - Apparel & Other Finished Products	\$ -	\$ -	\$ -	\$ 2,637	\$ -	\$ -	\$ -	\$ -	\$ 2,637	\$ 3,512	\$ -	\$ -	\$ -	\$ -	\$ 6,149	\$ 6,149
26 - Paper and Allied Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ 344
30 - Rubber and Miscellaneous Plastics Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,300	\$ -	\$ 36,300	\$ 36,300
33 - Primary Metal Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,540	\$ -	\$ -	\$ -	\$ -	\$ 4,540	\$ 4,540
34 - Fabricated Metal Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,412	\$ -	\$ -	\$ -	\$ -	\$ 313,412	\$ 313,412
35 - Industrial and Commercial Machinery	\$ -	\$ -	\$ -	\$ -	\$ 1,185	\$ -	\$ -	\$ -	\$ 1,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,185	\$ 1,185
37 - Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,427	\$ -	\$ -	\$ -	\$ -	\$ 63,427	\$ 63,427
38 - Instruments and Related Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,034	\$ -	\$ -	\$ -	\$ -	\$ 35,034	\$ 35,034
47 - Transportation Services	\$ -	\$ -	\$ 374,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,803	\$ -	\$ 119,363	\$ -	\$ -	\$ -	\$ 494,166	\$ 494,166
50 - Wholesale Trade Durable Goods	\$ 10,544	\$ -	\$ 1,544,925	\$ -	\$ -	\$ -	\$ 4,319	\$ 388,415	\$ 1,948,203	\$ 442,964	\$ -	\$ -	\$ -	\$ -	\$ 2,391,167	\$ 2,391,167
51 - Wholesale Trade NonDurable Goods	\$ -	\$ -	\$ -	\$ 3,681	\$ 415,100	\$ -	\$ -	\$ -	\$ 418,781	\$ 5,256	\$ -	\$ -	\$ -	\$ -	\$ 424,037	\$ 424,037
52 - Building Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,312	\$ -	\$ -	\$ -	\$ -	\$ 29,312	\$ 29,312
73 - Business Services	\$ -	\$ 27,993	\$ -	\$ -	\$ 36,069	\$ -	\$ -	\$ -	\$ 64,061	\$ 2,092,642	\$ -	\$ -	\$ 4,934,079	\$ -	\$ 7,150,782	\$ 7,150,782
87 - Engineering & Management Services	\$ -	\$ -	\$ 4,004	\$ -	\$ 59,507	\$ -	\$ 689,654	\$ -	\$ 753,165	\$ 106,120	\$ -	\$ 51,010	\$ -	\$ -	\$ 910,295	\$ 910,295
TOTAL	\$ 3,477,323	\$ 217,154	\$ 1,548,929	\$ 377,440	\$ 147,594	\$ 415,100	\$ 693,973	\$ 388,415	\$ 7,265,928	\$ 4,249,914	\$ 119,363	\$ 34,346,926	\$ 5,030,379	\$ -	\$ 51,012,509	\$ 51,012,509
	% 3.4%	% 0.2%	% 1.5%	% 0.4%	% 0.1%	% 0.4%	% 0.7%	% 0.4%	% 7.0%	% 4.1%	% 0.1%	% 33.2%	% 4.9%	% 0.0%	% 49.3%	% 49.3%
Total Product Procurement	\$ -	\$ 5,721,390														
Total Service Procurement	\$ -	\$ 97,765,959														
Net Procurement**	\$ -	\$ 103,487,349														

TABLE 3.1.2 (D)

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-W/M/D/V/LGBT/PDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDERS, NON-PURCHASE ORDERS, AND CREDIT CARD DOLLARS
 Direct - MEANS DIRECT PROCUREMENT FROM A SUPPLIER
 Sub - MEANS SUBCONTRACTOR PROCUREMENT WHEN A PRIME CONTRACTOR PROCURES FROM A SUBCONTRACTOR
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 ANNUAL RESULTS BY SUPPLIERS' GROSS REVENUE SIZE

Data on Number of Suppliers

Number of Diverse Suppliers	Revenue Reported to SCH							Utility - Specific 2023 Summary										
	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Disabled Veteran Business Enterprise (DVBE)		Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Grand Total	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Disabled Veteran Business Enterprise (DVBE)		Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Grand Total
			Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	Business Enterprise (DVBE)	Business Enterprise (DVBE)						Business Enterprise (DVBE)	Business Enterprise (DVBE)					
Under \$1 million	4	0	2	1	1	1	0	8	4	0	2	1	1	1	0	0	8	
Under \$5 million	1	6	0	0	0	0	0	7	1	6	0	0	0	0	0	0	7	
Under \$10 million	1	6	0	0	0	0	0	7	1	5	0	0	0	0	0	0	6	
Above \$10 million	12	12	0	1	1	1	0	26	12	13	0	1	1	1	0	0	27	
Total	18	24	2	2	2	2	0	48	18	24	2	2	2	2	0	0	48	

Revenue and Payment Data

Revenue of Diverse Suppliers	Revenue Reported to SCH							Utility - Specific 2023 Summary										
	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Disabled Veteran Business Enterprise (DVBE)		Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Grand Total	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Disabled Veteran Business Enterprise (DVBE)		Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Grand Total
			Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	Business Enterprise (DVBE)	Business Enterprise (DVBE)						Business Enterprise (DVBE)	Business Enterprise (DVBE)					
Under \$1 million	\$ 1,736,811	\$ -	\$ 83,329	\$ -	\$ 512,876	\$ -	\$ -	\$ 2,333,016	\$ 426,060	\$ -	\$ 119,363	\$ 51,010	\$ 36,300	\$ -	\$ -	\$ -	\$ 632,733	
Under \$5 million	\$ 1,751,847	\$ 16,669,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,421,186	\$ 59,507	\$ 215,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,701	
Under \$10 million	\$ 5,699,415	\$ 42,574,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,273,717	\$ 189,161	\$ 204,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394,097	
Above \$10 million	\$ 1,923,160,391	\$ 453,427,407	\$ -	\$ 214,750,000	\$ -	\$ -	\$ -	\$ 2,591,337,798	\$ 6,591,199	\$ 3,829,785	\$ -	\$ 34,295,916	\$ 4,994,079	\$ -	\$ -	\$ -	\$ 49,710,978	
Total	\$ 1,932,348,464	\$ 512,671,048	\$ 83,329	\$ 214,750,000	\$ 512,876	\$ -	\$ -	\$ 2,660,365,717	\$ 7,265,928	\$ 4,249,914	\$ 119,363	\$ 34,346,926	\$ 5,030,379	\$ -	\$ -	\$ -	\$ 51,012,509	

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-WMDV/LGBT/PDBE SCH. SUPPLIER CLEARINGHOUSE REVENUE AND PAYMENT DATA MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (E)

9.1.2 DIVERSE SUPPLIERS WITH MAJORITY WORKFORCE IN CALIFORNIA

Based on available information, approximately 45 percent of Southwest Gas' Clearinghouse-Verified diverse suppliers have a majority of their workforce in California.

9.1.3 ANNUAL PROGRAM EXPENSES

Expense Category	2023
Wages	\$ 109,000
Other Employee Expenses	\$ 15,555
Program Expenses	\$ 105,510
Reporting Expenses	\$ -
Training Expenses	\$ -
Consultant Expenses	\$ 24,163
Other Expenses	\$ 10,909
Total	\$ 265,137

9.1.4 ANNUAL RESULTS AND GOALS

In 2023, Southwest Gas exceeded its internal procurement goal and the Commission's goal of 22.5 percent for procurement with Clearinghouse-Verified diverse suppliers in California. Southwest Gas achieved a remarkable figure of over \$51 million dollars, representing 49.3 percent of its total procurement in the state. Southwest Gas remains committed to diligently working towards attaining the goals in each individual category, demonstrating its ongoing dedication to supplier diversity initiatives.

Category	2023 Results*	Goals
Minority Male Business Enterprise	5.7%	-
Minority Female Business Enterprise	1.4%	-
Minority Business Enterprise (MBE)	7.0%	15.0%
Women Business Enterprise (WBE)	4.1%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.1%	1.0%
Disabled Veteran Enterprise (DVBE)	33.2%	1.5%
Persons with Disabilities Business Enterprise (PDBE)	4.9%	0.0%
Total	49.3%	22.5%

*PERCENTAGES MAY REFLECT ROUNDING DIFFERENCES
 PERCENTAGES BASED UPON NET PROCUREMENT

TABLE 9.1.4

9.1.5 PRIME AND SUBCONTRACTING UTILIZATION OF DIVERSE SUPPLIERS

In 2023, Southwest Gas continued its proactive approach to encouraging prime contractors to support diverse subcontractors within their supply chains, resulting in a reported subcontracting spend of \$6,775,925. This spend involved seven prime contractors and twenty diverse subcontractors, reflecting an 8.3 percent increase from 2022. Over the past five years, Southwest Gas has consistently made notable progress in enhancing its Tier 2 spend.

2023 Southwest Gas	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Other 8(a)*	Total Supplier Diversity Spend
Direct \$	\$ 5,815,801	\$ 377,440	\$ 6,193,240	\$ 3,604,328	\$ 106,800	\$ 34,295,916	\$ 36,300	\$ -	\$ 44,236,584
Subcontracting \$	\$ 52,018	\$ 1,020,669	\$ 1,072,687	\$ 645,587	\$ 12,563	\$ 51,010	\$ 4,994,079	\$ -	\$ 6,775,925
Total \$	\$ 5,867,819	\$ 1,398,109	\$ 7,265,928	\$ 4,249,914	\$ 119,363	\$ 34,346,926	\$ 5,030,379	\$ -	\$ 51,012,509
Direct %	5.6%	0.4%	6.0%	3.5%	0.1%	33.1%	0.0%	0.0%	42.7%
Subcontracting %	0.1%	1.0%	1.0%	0.6%	0.0%	0.0%	4.8%	0.0%	6.5%
Total %	5.7%	1.4%	7.0%	4.1%	0.1%	33.2%	4.9%	0.0%	49.3%

Net Procurement** \$ 103,487,349

NOTE: * FIRMS CLASSIFIED AS 8(a) BY THE SMALL BUSINESS ADMINISTRATION INCLUDE NON-WMDVLGBTPOBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDERS, NON-PURCHASE ORDERS, AND CREDIT CARD DOLLARS
 Direct - MEANS DIRECT PROCUREMENT FROM A SUPPLIER
 Sub - MEANS SUBCONTRACTOR PROCUREMENT WHEN A PRIME CONTRACTOR PROCURES FROM A SUBCONTRACTOR
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

Diverse Subcontracting 5-Year Program Results

Program Year	Number of Primes	Number of Subcontractors	Diverse Subcontracting Spend	\$ Increase	% Increase
2023	7	20	\$ 6,775,925	\$ 563,869	8.3%
2022	7	18	\$ 6,212,057	\$ 4,181,472	67.3%
2021	7	16	\$ 2,030,585	\$ 16,550	0.8%
2020	4	8	\$ 2,014,035	\$ 765,641	38.0%
2019	4	7	\$ 1,248,394	\$ 967,826	77.5%

9.1.6 DIVERSE SUPPLIER COMPLAINTS

Southwest Gas did not receive any formal supplier diversity-related complaints during 2023.

SUPPLIER PROFILE

**Macher Logistics**

Southwest Gas began partnering with transportation service provider Macher Logistics (Macher) in 2022. Macher is a full-service logistics management company that holds certifications through the National Gay & Lesbian Chamber of Commerce and the Supplier Clearinghouse. Macher served as a Tier 2 supplier for Southwest Gas under prime supplier Agile Sourcing Partners. Macher became a Tier 1 supplier for Southwest Gas and coordinates inbound and inter-company freight requirements for the entire organization. In 2023, because of its partnership with Southwest Gas, Macher has seen an increase in business and has progressed into parcel management and recovery, resulting in an increase of Southwest Gas spend with Macher of over 1300% from 2022 to 2023. Additionally, Macher has streamlined the entire shipping process for Southwest Gas and in 2023, saved the Company approximately \$800,000 on less-than-truckload freight.

9.1.7 RECRUITMENT EFFORTS IN LOW UTILIZATION AREAS

Financial Services***Investment Banking***

Southwest Gas continues to cultivate and strengthen relationships with diverse investment banks. Since 2012, Southwest Gas has had ten public debt issuances. In nine issuances, Southwest Gas appointed diverse investment banks as co-managers as reflected in the table below. Unfortunately, the tenth offering was tied to a maturing bank loan and the banks in the bank loan were appointed as agreed upon to the bond transaction.

Issue Date	Maturity Date	Gross Principal Offered	Allocated to WMDVPDBEs	
			Principal	Percent
3/23/2012	4/1/2022	\$ 250,000,000	\$ 44,000,000	17.6%
10/4/2013	10/1/2043	\$ 250,000,000	\$ 44,000,000	17.6%
9/29/2016	9/29/2046	\$ 300,000,000	\$ 60,000,000	20.0%
3/15/2018	4/1/2028	\$ 300,000,000	\$ 60,000,000	20.0%
5/31/2019	6/1/2049	\$ 300,000,000	\$ 60,000,000	20.0%
6/4/2020	6/15/2030	\$ 450,000,000	\$ 110,000,000	24.4%
8/20/2021	8/15/2051	\$ 300,000,000	\$ 48,000,000	16.0%
3/22/2022	3/15/2032	\$ 600,000,000	\$ 132,000,000	22.0%
12/1/2022	12/1/2027	\$ 300,000,000	\$ 60,000,000	20.0%
3/23/2023	3/23/2028	\$ 300,000,000	\$ -	0.0%
		\$ 3,350,000,000	\$ 618,000,000	18.4%

Asset Management

In 2023, Southwest Gas continued its more than 21-year relationship with a diverse asset manager for the Company's 401k plan. The diverse asset manager continues to do well for our employees.

Leasing Services

Southwest Gas has and continues to seek new diverse businesses for lease financing opportunities.

Legal Services

Southwest Gas is committed to diversity and inclusion in all aspects of its business, including the procurement of legal services. Southwest Gas believes that a robust supplier diversity program contributes to the Company's growth, competitiveness, and ability to provide enhanced services to our customers. In 2023, Southwest Gas engaged a woman-owned firm for the provision of environmental legal services. In addition, a number of women and minority attorneys who are members/partners of majority-owned law firms serve as lead counsel representing Southwest Gas in a wide range of legal matters. Further, the Southwest Gas Legal Affairs Department, through pro bono work, partners with organizations that advocate on behalf of underserved minority communities and other vulnerable groups. Southwest Gas continues in its dedication to the advancement of diversity and inclusion in the procurement of legal services and throughout the organization.

9.1.9 RENEWABLE AND NON-RENEWABLE ENERGY

Southwest Gas' fuel procurement is reflected in the Company's 2023 Annual Fuel Procurement Report.

RENEWABLE ENERGY/ENERGY EFFICIENCY PROJECTS

Southwest Gas is playing a vital role in the transition to renewable energy and is committed to offering energy solutions to our customers throughout our service territory.

Renewable Natural Gas (RNG) – In Victorville, California, Southwest Gas continued to partner with Victor Valley Wastewater Reclamation Authority (VWVRA) a biomethane project commissioned in 2022, with research ongoing for RNG production expansion into the system.

Hydrogen - Southwest Gas proposed and submitted to the Commission for approval (Application 22-09-006) a Hydrogen blending pilot project in Truckee, California. The Application is currently pending before the Commission.

Compressed Natural Gas (CNG) – In Victorville, California, Southwest Gas continued to partner with Burrtec Waste Industries to increase their use of CNG. Additional Southwest facilities are needed to double the size of their CNG fleet and the new facilities will be commissioned in 2024.



Burrtec Waste Industries Truck in Victorville, CA partnering with Southwest Gas to increase use of CNG.

Natural Gas Service to the National Army Training Center (NTC) at Fort Irwin, California.

Extending service to the NTC will increase energy independence, security, reliability and resilience through the installation of the natural gas pipeline together with site-wide energy efficient infrastructure improvements, including non-tariff Energy Conservation Measures (ECMs). Southwest Gas' application is currently pending approval by the Commission.

2024 ANNUAL PLAN

10.1.1 GOALS

Southwest Gas remains steadfast in its commitment to meet or surpass the goals outlined in GO 156. The Company is dedicated to strengthening existing partnerships with like-minded entities while also forging new relationships within the diversity sphere. Southwest Gas aligns its short, mid, and long-term product and service category goals with those set forth in GO 156, as demonstrated in the table provided below. This alignment underscores the Company's ongoing efforts to continue to promote diversity and inclusivity across its operations and supply chain.

Short-Term 2024					Mid-Term 2026					Long-Term 2028				
Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)
15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	1.00%

Services

Short-Term 2024					Mid-Term 2026					Long-Term 2028				
Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)
15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	1.00%

Overall WMDVLGBTBPD BE Procurement Goal
47.00%

10.1.2 DESCRIPTION OF PLANNED PROGRAM ACTIVITIES

Internal Outreach Activities

Southwest Gas has outlined a comprehensive strategy to enhance its Supplier Diversity Program. Key initiatives include:

1. **Enhancing Program Awareness:** Utilize internal resources and established communication channels to increase awareness of the Program among stakeholders.
2. **Researching Best Practices:** Continuous research on supplier diversity best practices to refine the Program's strategy and ensure long-term sustainability.
3. **Improving Program Tracking:** Implement methods to enhance Program tracking and conduct thorough data analysis to measure effectiveness and identify areas for improvement.
4. **Increasing Tier 2 Subcontracting Spend:** Collaborate with internal stakeholders to boost Tier 2 subcontracting spend, thereby expanding opportunities for diverse suppliers within the supply chain.
5. **Educating Business Units:** Educate and engage business units on Program goals, with a focus on under-utilized and underspent categories, to foster greater participation and support.
6. **Promoting Engagement:** Encourage diverse supplier participation and engagement through attendance at conferences, outreach events, and workshops aimed at fostering relationships and expanding opportunities.
7. **Addressing Issues Promptly:** Prioritize addressing any issues impacting diverse suppliers promptly and effectively to ensure their continued success and participation in the Program.

By implementing these initiatives, Southwest Gas aims to strengthen its Program, drive meaningful progress, and further its commitment to DE&I.

External Outreach Activities

Southwest Gas is dedicated to further strengthening its partnerships with organizations that foster and advocate for the diverse business community. The Company is committed to achieving procurement in all spend categories and will pursue this goal through targeted outreach efforts tailored to each category. Southwest Gas will continue to cultivate connections with internal stakeholders to ensure positive experiences for these suppliers. Additionally, Southwest Gas will persist in its outreach efforts, whether in-person or virtual, to promote the Program and actively support events that facilitate connections with diverse suppliers. These efforts underscore Southwest Gas' ongoing commitment to DE&I in its procurement practices and supplier relationships.

10.1.2 PLANNED INTERNAL AND EXTERNAL PROGRAM ACTIVITIES

California Outreach Organizations	
African American Chamber of Commerce	Los Angeles Gay & Lesbian Chamber of Commerce
American Indian Chamber of Commerce	National Utilities Diversity Council
CalAsian Chamber of Commerce	Pacific Southwest Minority Supplier Development Council
California Hispanic Chamber of Commerce	Southern California Black Chamber
Disability:IN	Southern California Minority Supplier Development Council
High Desert Community Foundation DVL	Veterans In Business
High Desert Hispanic Chamber	Western Regional Minority Supplier Development Council
Hispanic Small Business Coalition	Women’s Business Enterprise Council-Pacific
Long Beach Gay & Lesbian Chamber of Commerce	Women’s Business Enterprise Council-West

10.1.3 PLANS FOR RECRUITING DIVERSE SUPPLIERS IN LOW-UTILIZATION AREAS

Southwest Gas seeks to expand opportunities for diverse businesses, particularly in areas where utilization rates are lower. In 2024, the Program staff will intensify efforts to target categories characterized by low utilization, focusing on the following activities:

1. **Collaboration with Utility Partners:** Collaborate with other utility partners to share information and best practices, aiming to increase the pool of qualified diverse suppliers. By leveraging collective knowledge and resources, Southwest Gas seeks to enhance opportunities for diverse businesses across the sector.
2. **Support for Business Organizations:** Provide support to business organizations dedicated to developing diverse suppliers in underspent categories. By investing in these initiatives, Southwest Gas aims to foster growth and capacity-building within the diverse supplier community, ensuring they are well-equipped to participate in procurement opportunities.
3. **Bolster Outreach Efforts:** Strengthen outreach efforts with added emphasis on minority, female, and LGBT business enterprises. By actively engaging with these communities and providing tailored support, Southwest Gas aims to create a more inclusive procurement environment and increase opportunities for diverse businesses.

Through these targeted activities, Southwest Gas is committed to driving meaningful progress in supplier diversity, fostering inclusivity, and creating opportunities for diverse businesses to thrive.

10.1.4 PLANS FOR RECRUITING DIVERSE SUPPLIERS WHERE UNAVAILABLE

Pursuant to D.03-11-024, Southwest Gas does not include exclusions in its procurement reporting.

10.1.5 PLANS FOR ENCOURAGING PRIME CONTRACTORS TO ENGAGE IN DIVERSE SUBCONTRACTORS

In 2024, Southwest Gas is placing significant emphasis on sourcing and expanding opportunities for diverse subcontractors. The Program staff will continue to educate prime contractors and internal business units on Program goals while actively seeking ways to cultivate a more inclusive process. Key strategies for achieving these objectives include:

1. **Developing Partnerships with Prime Contractors:** Strengthen and forge new partnerships with prime contractors to enhance collaboration and support for diverse subcontractors.
2. **Providing Program Assistance and Awareness:** Offer support and raise awareness among prime contractors about the Program, its objectives, and the benefits of engaging diverse subcontractors.
3. **Assisting Prime Suppliers in Identifying Diverse Subcontractors:** Provide assistance to prime suppliers in identifying qualified diverse subcontractors, thereby increasing opportunities for diverse businesses to participate in procurement activities.
4. **Offering Certification Assistance:** Provide guidance and assistance to subcontractors in obtaining necessary certifications, ensuring they meet the qualifications required for participation in procurement opportunities.
5. **Increasing Efforts in Data Collection and Tracking:** Enhance efforts to collect and track Tier 2 subcontracting spend data, enabling better monitoring of progress and identifying areas for improvement.
6. **Providing Networking Opportunities:** Facilitate opportunities for prime contractors to connect with diverse subcontractors through networking events, matchmaking sessions, and other outreach initiatives.

By implementing these strategies, Southwest Gas aims to continue to grow an inclusive and diverse supplier base, driving positive outcomes for both the Company and the communities it serves.

10.1.6 GENERAL ORDER 156 COMPLIANCE

Southwest Gas is firm in its commitment to promote the continued growth of diverse suppliers and adhere to the guidelines established in GO 156. Southwest Gas further intends to integrate revisions to GO 156 in its business practices and continue to deliver positive outcomes for diverse businesses.

2023 ANNUAL FUEL PROCUREMENT REPORT AND 2024 PLAN

2023 ANNUAL FUEL PROCUREMENT REPORT AND 2024 PLAN

In 2023, Southwest Gas spent a total of \$20,593,005 on purchases from Clearinghouse-Verified diverse suppliers to support its operations in California (*see Fuel Purchases Chart*). That spend represents over fourteen percent of the Company's total California procurement during 2023. Southwest Gas also spent an additional \$7,809,134 on purchases from Clearinghouse-Verified diverse supplies to support its operations in Nevada and Arizona. The total company-wide spend of \$28,402,239 represents almost three percent of Southwest Gas' total gas purchases for 2023. Southwest Gas remains committed and steadfast to include diverse businesses in its gas supply solicitations.

Current Market Conditions – The Company's Gas Supply Department secures natural gas supplies to serve Southwest Gas' sales customers in California, Nevada, and Arizona. Southwest Gas meets these requirements through a combination of firm contract purchases, monthly spot market purchases, and daily spot market purchases. Southwest Gas purchases gas supplies in the most economical manner from a wide variety of sources and an ever-changing number of potential suppliers. Southwest Gas acquires the necessary gas supplies on a competitive price basis, also taking into consideration the reliability and assured performance of potential gas suppliers, as well as the reliability of the actual sources of supply. Diverse suppliers have an opportunity to compete directly with the Company's other natural gas suppliers. Southwest Gas has a longstanding commitment to doing business with diverse suppliers and will provide opportunities when possible and economic.

Southwest Gas actively solicits both firm and spot market gas supply offers from diverse suppliers. Whether daily, monthly, or long-term, the Company encourages diverse suppliers to participate when it seeks offers for natural gas supplies. Southwest Gas may receive responses to its solicitation programs from various diverse suppliers, some of whom become successful in the competitive process. During 2023, in support of Southwest Gas' California operations, diverse suppliers provided successful offers in response to the Company's gas supply short and long-term solicitations providing supplies for three months. In support of Southwest Gas' operations in Nevada and Arizona, diverse suppliers provided successful offers for short and long-term deals in response to the Company's gas supply solicitations for delivery during six months.

Outreach Efforts – Southwest Gas reviews proposals from prospective diverse gas suppliers and provides those potential suppliers with information and the opportunity to participate in all bidding programs. Additionally, the Company's Gas Supply Department fields calls directly from prospective suppliers, accepts referrals from industry contacts, and pursues contacts provided by Program staff.

Recruiting Diverse Suppliers in Low-Utilization Areas – In 2024, Southwest Gas will continue its efforts to increase procurement in areas of low utilization.

Supplier Diversity Program Fuel Procurement Annual Plan for 2024 – In 2024, the Company's Gas Supply department will endeavor to identify and engage with new diverse suppliers and continue to encourage existing diverse suppliers to participate in Southwest Gas' various natural gas supply solicitation opportunities. Gas Supply staff will also meet with prospective diverse suppliers to discuss natural gas supply requirements, existing supply arrangements, and settlements for gas purchased. Southwest Gas will continue to engage and welcome Clearinghouse-Verified diverse natural gas suppliers that offer cost-competitive natural gas supplies to the Company.

9.1.11 SUPPLIER DIVERSITY RESULTS IN FUEL PROCUREMENT

	Natural Gas \$		LPG \$ ¹		Totals \$ ²			% ³	
	SHORT TERM	LONG TERM	SHORT TERM	LONG TERM	Total Natural Gas	Total LPG	Total \$		
Minority Male	African American	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
	Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
Minority Female	African American	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
	Asian Pacific American	\$11,200	\$20,581,805	\$0	\$0	\$20,593,005	\$0	\$20,593,005	14.5%
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Total Minority Female	\$11,200	\$20,581,805	\$0	\$0	\$20,593,005	\$0	\$20,593,005	14.5%
Total Minority Business Enterprise (MBE)	\$11,200	\$20,581,805	\$0	\$0	\$20,593,005	\$0	\$20,593,005	14.5%	
Women Business Enterprise (WBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
Disabled Veteran Business Enterprise (DVBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
Disabled Business Enterprise	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
Other 8(a)⁴	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
TOTAL WMDVLGBTBE	\$11,200	\$20,581,805	\$0	\$0	\$20,593,005	\$0	\$20,593,005	14.5%	
Net Fuel Procurement	\$142,365,141								
Net Natural Gas Procurement	\$142,365,141								
Net LPG Procurement	\$0								

NOTES:

Short Term: The term of the deal is no longer than one calendar month.

Long Term: The term of the deal is greater than one calendar month but less than one calendar year.

¹ LPG - Liquefied Petroleum Gas

² Excludes purchases from the CAISO, other utilities, federal entities, state entities, municipalities and cooperatives.

³ % - Percentage of Net Fuel Procurement

⁴ 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business

Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).