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August 17, 2009

Via Electronic Mail and Overnight Delivery

Terry J. Romine
Executive Secretary
Public Service Commission of Maryland
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

Re: Interim Report – Washington Gas's Diverse Supplier Program

Dear Ms. Romine:

In accordance with Section 6.5 of the Memorandum of Understanding, dated February 6, 2009, between Washington Gas and the Maryland Public Service Commission, enclosed for filing are the original and 17 copies of Washington Gas Light Company's Interim Report.

Thank you for your attention to this matter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Donald R. Hayes".

Donald R. Hayes
Attorney

Enclosures

cc: Todd E. Givens, Esquire
Abigail R. Hopper, Esquire



DIVERSE SUPPLIER

INTERIM REPORT

TO THE

MARYLAND

PUBLIC SERVICE COMMISSION

January – June 2009

MARYLAND PUBLIC SERVICE COMMISSION
Supplier Diversity Interim Report
August 17, 2009

INTRODUCTION

Washington Gas Light Company ("Washington Gas" or "Company") submits its Interim Report on its Diverse Supplier Program in accordance with Section 6.5 of the Memorandum of Understanding (MOU), dated February 6, 2009, between Washington Gas and the Maryland Public Service Commission ("Commission"). The MOU documents the commitment of Washington Gas and the Commission to the continuing expansion of opportunity for diverse suppliers to participate in the procurement of goods and services. Washington Gas's corporate policy is to support Diverse Suppliers. Seeking and procuring goods and services from a diverse set of vendors enhances competition in the marketplace, benefiting the community, our customers, and our employees.

SUMMARY OF TOTAL DIVERSE SPEND

The overall summary of total Diverse Supplier purchases for the period from January 1, 2009 through June 30, 2009, with breakdown by socially disadvantaged grouping, compared to total utility dollars spent on goods and services covered by the MOU, is provided as Attachment F. Washington Gas has provided separate attachments for expenditures for (i) other than gas purchases, and (ii) for gas purchases. (Section 5.1 of the MOU allows for separate goals for gas purchases and all other purchases covered by the MOU).

PROGRESS IN TRACKING SPEND WITH DIVERSE SUPPLIERS

In January 2009, Washington Gas began working with an enterprise supply management services company, to assist with evaluating procurement data, and developing a more robust Tier 2 Reporting program. This vendor is itself a certified Minority Business Enterprise.

Under the MOU, each diverse supplier with annual gross revenues of \$25,000 or more from business with Washington Gas must be certified, or in the process of becoming certified within the first year, in order for procurement amounts with such supplier to be included as reportable spend. The vendor has screened the Company's vendor data and provided the Company with an accurate assessment of vendor diversity status. Through the data review process, Washington Gas has been able to ascertain the status of suppliers as Certified Diverse Suppliers, the percent of spend in the diverse categories, and the amount of spend in each specified category.

This year, Washington Gas has developed and implemented a web-based Tier 2 reporting system. Washington Gas identified prime contractors with contracts (including construction contracts) exceeding \$550,000 for products and services, solicited their participation, scheduled training, and held two training sessions in June 2009. The initial prime contractor reporting period was completed in July 2009. Washington Gas invited twenty five (25) prime contractors to participate in our Tier 2 program. Of that number, twenty (20) were trained and nine (9) primes reported their second tier spend on the web-based system. Washington Gas plans to provide additional assistance and, if necessary, additional training to the primes that were not able to fully participate in the Tier 2 Reporting process. We expect to have full participation by the end of 2009. Additionally, for all new contracts for products and services with spend of \$550,000 or greater, the Company has included language to require Tier 2 reporting, and detailed plans and goals for using diverse suppliers.

During the year, the Washington Gas Supplier Diversity team has met with Washington Gas executives and Business Unit staff to provide them with information on the Company's enhanced Diverse Supplier Program. The meetings included a presentation on the corporate commitment to supplier diversity, the measures we have put in place that will allow us to work toward our goals, and the key points outlined in the MOU.

ANNUAL REPORT & ANNUAL PLAN

Washington Gas does not anticipate any problems in filing its initial Annual Plan under the MOU by November 16, 2009, which is forty-five (45) days following the start of the Company's fiscal year on October 1, 2009.

Washington Gas does not anticipate any problems filing its initial Annual Report by March 31, 2010, which will be based on actual spend data for calendar year 2009. Work on the Tier 2 reporting will continue and the Company expects all vendors with annual spend greater than \$550,000 to participate. The determination of the 10-12 North American Industry Classification System ("NAICS") codes will have to be finalized and Washington Gas will then have to classify all vendor spend in order to be able to report in the agreed-upon format. Washington Gas does not currently utilize NAICS codes and does not plan to utilize NAICS codes for other than MD PSC reporting purposes. While this will require a significant amount of work between now and next March, Washington Gas does not anticipate that this will impact the Company's ability to file the Annual Report by March 31, 2010.

		Public Service Commission of Maryland Supplier Diversity Annual Report of Interim Report (MOU Sec 6.5)					
ATTACHMENT F--GAS PURCHASES							
UTILITY NAME:		WASHINGTON GAS					
INTERIM REPORTING FOR THE PERIOD		January through June, 2009					
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
LINE #	DESCRIPTION	DIRECT (\$)	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER PROCUREMENT	TOTAL UTILITY PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER TO TOTAL UTILITY PROCUREMENT
				Cols. (C) + (D)	\$/Total Col. (E)		Col (E) Line Item/ Col. (G) Total
1	MINORITY BUSINESS ENTERPRISE	\$22,750,292.00	\$0.00	\$22,750,292.00	42.85%		3.82%
2							
4	WOMEN BUSINESS ENTERPRISE	\$30,336,623.00	\$0.00	\$30,336,623.00	57.15%		5.09%
5	SERVICE DISABLED VETERAN BE	\$0.00	\$0.00	\$0.00	0.00%		0.00%
6							
7	NOT FOR PROFIT WORKSHOPS	\$0.00	\$0.00	\$0.00	0.00%		0.00%
8							
9	TOTALS	\$53,086,915.00	\$0.00	\$53,086,915.00	100.00%	\$595,697,003.00	8.91%