

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 28, 2011
POSITION: Neutral

BILL NUMBER: AB 1055
AUTHOR: J. Hill

BILL SUMMARY: Public Utilities Commission

Existing law requires a member of the California Public Utilities Commission (CPUC) to report any gift of \$5,000 or more, received for legislative, governmental, or charitable purpose per calendar year. The report is forwarded to the Fair Political Practices Commission. In addition, existing law prohibits a member of the CPUC from holding a financial interest in a person or corporation regulated by the CPUC.

This bill would prohibit the CPUC from soliciting contributions from utilities it regulates and require the CPUC to report to the Legislature annually on specified information concerning conflicts of interest between the CPUC and the entities the CPUC regulates.

FISCAL SUMMARY

The CPUC estimates the costs associated with the bill would be minor and absorbable within existing resources. The Department of Finance (Finance) concurs.

COMMENTS

Finance is neutral on the bill as it would require the CPUC to report on activities that could be perceived as conflicts of interest.

In January, a nonprofit foundation bearing the CPUC name (i.e, The California Public Utilities Commission Foundation), received donations from the CPUC 100 Dinner Committee, a nonprofit entity created to manage fund raising, ticket sales and logistics for the CPUC 100th anniversary dinner. Donations to the CPUC 100 Dinner Committee included donations from companies regulated by the CPUC, including Pacific Gas and Electric Company. Additional event costs were also subsidized by entities regulated by the CPUC. Subsequently, concerns regarding the potential conflict of interest were raised during a budget subcommittee hearing.

The bill would prohibit a CPUC commissioner or employee from knowingly soliciting contributions from any person or entity subject to CPUC regulation, and is intended to reinforce conflict of interest rules and requirements for CPUC members.

The bill would require the CPUC to annually report to the Legislature on the following:

- The name of each organization subject o disclosure.
The name of the CPUC member who serves as an officer, member of the board of directors or other leadership body of the organization subject to disclosure.
The mission statement of each organization subject to disclosure.

These reporting requirements would sunset on July 21, 2016.

Analyst/Principal Date Program Budget Manager Date
(0621) J. McGuinn Karen Finn

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

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Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2011-2012	2012-2013	2013-2014	
8660/PUC	SO	No		----- No/Minor Fiscal Impact -----			0462
<u>Fund Code</u>	<u>Title</u>						
0462	Publ Utilities Comm Utilities Reimb Acct						