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Decision 98-01-021 January 7, 1998

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Rulemaking on the Commission's own Motion for the purpose of amending the Commission's Conflict of Interest Code as set forth in 20 Cal. Adm. Code, Chapter 1, Subchapter 2, Appendix.

Rulemaking 97-09-035  
(Filed September 24, 1997)

**ORIGINAL**

**ORDER ADOPTING REVISED CONFLICT OF INTEREST CODE**

We opened this rulemaking docket on September 24, 1997 to amend the Commission's Conflict of Interest Code as required under Government Code §§ 87300-87302 and § 87306. In this decision, we are honoring the Legislature's recent instructions, as provided in Senate Bill (SB) 595, that we adopt amendments to our code no later than February 28, 1998. The code is set forth in an Appendix to the Commission's Rules of Practice and Procedure, 20 Cal. Adm. Code, Chapter 1, Subchapter 2. The language we are adopting, today, is attached to this order as an appendix.

After issuing this rulemaking, we served notice of our proposed changes to the code on the Office of Administrative Law, which published that notice October 10, 1997. We invited interested parties to file comments on the proposed changes no later than December 1, 1997. Comments were filed by Pacific Bell, GTE California, Southern California Edison (Edison), and jointly another on behalf of the Professional Engineers in California Government and the Association of State Attorneys and Administrative Law Judges (PECG and ACSA). We address those comments below. In addition, in our notice, we informed all interested parties of the opportunity to request a public hearing. The deadline for making such a request was November 16, 1997, and none was received.

### **Comments on the Proposed Changes**

Pacific Bell and GTE California raised only one issue and it is one that is not addressed in the proposed code. The same issue was also raised by Edison. They seek assurance that the applicability of the code will not be extended to impose filing requirements on its employees serving on various Commission-created advisory boards. The proposed code applies only to employees of the Commission in the job classifications listed in the code and to consultants under contract to the Commission. Thus, unless the Commission takes specific steps to create such a requirement, the code does not extend to cover non-employees who serve on advisory boards. Pacific Bell states that its concern is prompted by D.97-09-117, in which we determined that we would treat members of the Low Income Governing Board and the California Board for Energy Efficiency as designated employees under our code. No Pacific Bell or GTE California employees serve on either of these boards.

The companies suggest that we state that we will never ask utility employees who serve without pay on advisory boards, to file statements or be subject to disqualification in a manner consistent with our Conflict of Interest Code. We choose not to add such language to the code because we may face other situations in which it is important for the Commission to ensure that advisory commission members are economically disinterested in the advice they give. It is important to make that determination on a case-by-case basis rather than to decide, in advance, that such a determination will never be necessary. Thus, we will not make the change requested by Pacific Bell, GTE California, and Edison.

PECG and ACSA oppose the proposed disclosure categories in their entirety. Its comments, in critical part, are as follows:

"...ACSA and PECG members are paid for their work, not for disclosing their private lives where such disclosures have nothing to do with their day to day work. Therefore, if the Code is to be amended at all, we

suggest that it be amended to only require disclosures when the employee knowingly anticipates a conflict situation. For example, when an employee owns stock in a company that manufactures telephones, disclosure would not be necessary until and unless he was involved in a decision where his ownership of the stock might influence his judgment or give the appearance that it might influence his judgment (i.e. he was on a committee responsible for purchasing phones...The interests of privacy and the Department's interest in conflict avoidance can each be served by a policy that focuses on actual conflicts as they arise rather than overbroad disclosures."

The comments offered by PECG and ACSA blur the lines between an employee's obligation to disclose and his or her obligation to disqualify. The Political Reform Act requires most public officials and employees to do two separate things:

1. disclose, for public scrutiny, their personal assets and income, and
2. disqualify themselves from participating in decisions that may affect their personal financial interests.

The disclosure required under a conflict of interest code for a particular employee must include the kinds of personal economic interests he or she could significantly affect through the exercise of his or her official duties. The instructions issued by the Fair Political Practices Commission on its Form 700 explain this as follows:

"For example, an employee whose duties are limited to reviewing contracts for supplies, equipment, materials or services provided to the agency should be required to report only those interests he or she holds which are likely to be affected by the agency's contracts for supplies, equipment, materials or services."

It is the agency's responsibility to identify the types of interests which could be affected when various employees act in an official capacity and draft its code so as to require employees to disclose those interests. At some later time, if the employee becomes involved in a particular matter that could affect his or her financial interests, then he or she must determine if disqualification is necessary. The disclosure requirements ensure an opportunity for public scrutiny of this process. If we were to adopt the proposal offered by PECG and ACSA and only required disclosure on a case-by-case basis, we would be denying the public the oversight opportunity envisioned in the law.

As we noted in the order instituting this rulemaking process, the present code was developed in 1977, and the reporting categories have never been modified. In the two decades since then, the Commission's work has changed dramatically, with the introduction of competition in at least some aspects of all of the industries we regulate. With these changes has come a significant increase in the types and number of organizations and individuals that can be materially affected by our decisions. It is in this context that we feel compelled to significantly expand the types of interests that must be disclosed and we have done so in our revised code. While the former categories focused exclusively on economic interests in regulated entities, the new categories include interests in competitive firms that are affected by the decisions we make. In addition, the new categories include firms that provide goods and services to the Commission.

In considering these changes, we must determine that no alternative approach would be more effective in carrying out these purposes or would be as effective and less burdensome to the individuals involved. With the limited exception discussed below, we have discovered no less burdensome or more effective way to ensure that the agency's officers and employees undertake the type of disclosure envisioned in the Political Reform Act.

#### **Changes We Will Make In the Final Code**

We will make changes to the list of designated employees who must disclose interests listed in Category 1, which requires disclosure of all sources of income, interests in real property, and investments and business positions in business entities as directed by 2 Cal. Adm. Code § 18000 et seq. This is similar to the provision of the Political Reform Act which governs the disclosure requirements for the commissioners. It includes all financial interests, whether or not they are related to the regulation of public utilities subject to the explicit reporting exemptions contained in 2 Cal. Adm. Code § 18000 et seq.

Because the category is so broad, we should limit its application to those officials who have the broadest powers. Generally, these are the employees who report most directly to the commissioners. Currently, the General Counsel, the Executive Director, an Advisor to a Commissioner, a consultant and any other designated employee who

reports directly to a commissioner or the Commission all fall into this reporting category. Consistent with this philosophy, we will require the Chief Administrative Law Judge, the Public Advisor and the Director of Strategic Planning to report Category 1 interests, since these positions now report directly to the Commission. Under the proposed revisions, we would have added several categories of employees who do not report directly to a commissioner or the Commission: the Assistant Chief Public Utilities Counsel, CEA Level 3, and the Legislative Liaison, Public Utilities Commission. In order to be consistent with our over-all approach to assigning employees to Category 1 and to prevent overly burdensome requirements, we will change the designation for these employees to Categories 2, 3 and 15. This will ensure that the listed employees will report the same broad set of interests as most division directors and other senior managers without requiring them to report interests that are unrelated to public utility regulation.

We have made two other small changes as well. We have added a sentence in the introduction of the reporting categories to clarify the fact that gifts are considered to be "income" for reporting purposes. In addition, we have added a parenthetical reference, in Category 16, to the Fair Political Practices Commission's definition of "consultants" as it is found in the administrative code.

With these changes, we find that the revised code is acceptable and will adopt it. We will now pass it on to the Fair Political Practices Commission for final approval.

#### **Findings of Fact**

1. The revised Conflict of Interest Code attached to this decision is consistent with the law and is reasonable.
2. No alternative approach would be more effective in carrying out our responsibilities or would be as effective and less burdensome to the individuals involved.

**Conclusions of Law**

1. The revised Conflict of Interest Code attached to this decision should be adopted and forwarded to the Fair Political Practices Commission for its approval.

2. Because the Commission is required under Senate Bill 595 to adopt a new code prior to February 28, 1998, this decision should be effective today.

**IT IS THEREFORE ORDERED that:**

1. The revised Conflict of Interest Code attached to this decision is hereby adopted.

2. The Executive Director shall forward this decision to the Fair Political Practices Commission for its approval of the revised Conflict of Interest Code.

3. Rulemaking 97-09-035 closed.

This order is effective today.

Dated January 7, 1998, at San Francisco, California.

P. GREGORY CONLON  
President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners

## AMENDED CONFLICT OF INTEREST CODE PROVISIONS

The Political Reform Act, Government Code Sections 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Public Utilities Commission, with the addition provided below.

Pursuant to Section 4(A) of the standard Code, designated employees shall file statements of economic interests with the agency.

### (a) Designated Positions

The following are "designated employees" and the applicable disclosure categories:

<u>Designated Employees</u>	<u>Applicable Disclosure Categories</u>
Administrative Assistant I	2 and 3
Administrative Assistant II	2 and 3
Administrative Law Judge I	15
Administrative Law Judge II	15
Assistant Chief ALJ	2,3 and 15
Assistant Chief PU Counsel	2, 3, 15
Assistant Engineer Specialist (Utilities)	15
Assistant Utilities Engineer	15
Associate Budget Analyst	2,3
Associate Governmental Program Analyst	2,3,15
Associate Info Systems Analyst (Spec)	3
Associate Info Systems Analyst (Supv)	3
Associate Management Analyst	2,3
Associate Personnel Analyst	2,3
Associate Programmer Analyst (Specialist)	3
Associate Transportation Representative	15
Associate Utilities Engineer	15
Business Services Officer I (Spec)	2,3
Business Services Officer I (Supv)	2,3
CEA Level 1	2,3,15
CEA Level 2	2,3,15
CEA Level 3	2, 3, 15
CEA Level 4	2,3,15
Chief Administrative Law Judge	1
Chief Hearing Reporter	2,3
Computer Operator C	3
Consumer Affairs Manager	15

R.97-09-035 ALJ/SAW/gab \*

Consumer Affairs Representative	15
Consumer Affairs Supervisor	15
Data Processing Manager I	3
Data Processing Manager II	3
Data Processing Manager III	3
Director of Strategic Planning	1
Graduate Legal Assistant	15
Information Officer I (Specialist)	15
Information Officer I (Supervisor)	15
Information Officer II	15
Information Systems TechnicianC	3
Information Systems Technician Supv I	3
Information Systems Technician Supv II	3
Junior Utilities Engineer	15
Legal Counsel A	15
Legal Counsel B	15
Legislative Analyst	15
Management Services Technician B	2,3
Personnel Services Specialist I B	2,3
Personnel Services Specialist II	2,3
Principal PU Financial Examiner	15
Principal Transportation Division	2, 3, 15
Program and Project Supervisor	2, 3, 15
Program Manager	2, 3, 15
Public Advisor	1
Public Utilities Counsel I, PUC	15
Public Utilities Counsel II, PUC	15
Public Utilities Counsel III, PUC	15
Public Utilities Counsel IV, PUC	15
Public Utilities Regulatory Analyst I A	15
Public Utilities Regulatory Analyst I B	15
Public Utilities Regulatory Analyst I C	15
Public Utilities Regulatory Analyst II	15
Public Utilities Regulatory Analyst III	15
Public Utilities Regulatory Analyst IV	15
Public Utilities Regulatory Analyst V	15
Public Utilities Financial Examiner II	15
Public Utilities Financial Examiner III	15
Public Utilities Financial Examiner IV	15
Senior Electrical Engineer	15
Senior Rapid Trans. Comp. Control Syst. Spec	11, 12
Senior Reliability and Quality Engineer	11, 12
Senior Transportation Engineer	11, 12
Senior Transportation Operations Supervisor	11, 12
Senior Transportation Rate Expert	11, 12
Senior Transportation Representative	11, 12
Senior Utilities Engineer (Specialist)	15
Senior Utilities Engineer (Supervisor)	15
Staff Information Systems Analyst (Specialist)	3
Staff Information Systems Analyst (Supervisor)	3



Staff Programmer Analyst (Supervisor)	3
Staff Services Analyst (General) A,B,C	2, 3
Staff Services Manager I	2, 3
Staff Services Manager II (Managerial)	2, 3
Staff Services Manager II (Supervisory)	2, 3
Staff Services Manager III	2, 3
Supervising Transportation Engineer	11, 12
Supervising Transportation Rate Expert	11, 12
Supervising Transportation Representative	11, 12
Supervisor Operations & Safety Section, PUC	11, 12
Transportation Analyst B,C	15
<b>Exempt Classes</b>	
Legal Advisor I, II	1
Technical Advisor, PUC	1
Executive Director, PUC	1
Executive Coord for Media & Pub.Rel.	15
General Counsel, PUC	1
Legislative Liaison, PUC	2, 3, 15
Special Representative of the PUC	1
Affirmative Action Officer, PUC	2, 3, 15
<b>Other</b>	
Commission Consultants	16

**(b) Disclosure Categories**

For purposes of the following categories, "business entity" means any organization or enterprise, including but not limited to a proprietorship, firm, business trust, joint venture, syndicate, corporation or association. "Business position" refers to status as a director, officer, partner, trustee, employee or holder of a position of management in any business entity. Gifts are treated as income for reporting purposes.

**Category 1**

Designated officials and employees assigned to this category must report all sources of income, interests in real property, and investments and business positions in business entities.

**Category 2**

Designated employees assigned to this category must report all income from, and investments and business positions in, business entities that provide services, supplies, materials, machinery or equipment of the type purchased, leased, or obtained by contract by the California Public Utilities Commission other than those interests report under Category 3.

**Category 3**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that manufacture, sell, distribute or otherwise provide computers, computer hardware, computer software, computer services, computer models, or computer-related supplies, materials, machinery, equipment of the type utilized by the California Public Utilities Commission.

**Category 4**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that design, develop, construct, operate, maintain, sell or acquire facilities that transmit or distribute electricity or natural gas, or that generate electricity.

**Category 5**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that are energy consultants, research firms, or engineering firms, or entities that design, build, manufacture, sell, distribute or maintain equipment of the type that is utilized by energy service providers.

**Category 6**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that provide energy conservation services or energy management services, and entities that design, build, manufacture, sell, distribute or maintain energy conservation or energy management devices.

**Category 7**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that design, develop, construct, operate, maintain, sell or acquire facilities for telecommunications services.

**Category 8**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that are telecommunications consultants, research firms, or engineering firms, or entities that design, build, manufacture, sell, distribute or maintain equipment or related products of the type that are utilized by telecommunications providers and end-users.

**Category 9**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that design, develop, construct, operate, maintain, sell or acquire facilities for water utility service, as well as business entities that design, develop, manufacture, operate, maintain or sell water conservation devices or services.

**Category 10**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that are hydrological or geological consultants, research firms, or engineering firms, or entities that design, build, manufacture, sell, distribute or maintain equipment or related products of the type that are utilized by water utilities and end-users.

**Category 11**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that design, develop, construct, operate, maintain, sell or acquire railroads, light rail transit and other transit systems that are within the jurisdiction of the California Public Utilities Commission.

**Category 12**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities that are consultants, research firms, or engineering firms, or entities that design, build, manufacture, sell, distribute or maintain equipment or related products of the type that are utilized by motor carriers, railroads, light rail transit and other transit systems that are within the jurisdiction of the California Public Utilities Commission.

**Category 13**

Designated employees assigned to this category must report all income from, and investment and business positions in, business entities, including non-profit organizations that have applied for, can reasonably be expected to apply for, or have received approval from the California Public Utilities Commission of funding for intervenor participation or other purpose.

**Category 14**

Designated employees assigned to this category must report all interests in real property located within the state of California other than the reporting employee's primary residence.

**Category 15**

Designated employees assigned to this category must comply with all the reporting requirements in Categories 4 through 14.

**Category 16**

Consultants to the California Public Utilities Commission or to a regulated entity on behalf of the Commission (as defined in Title 2, California Code of Regulation § 18700) must disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The executive director may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the executive director is a public document and shall be retained for public inspection in the same manner and location as the disclosure statements.

**(END OF ATTACHMENT 1)**

CURRENT VERSION  
CONFLICT OF INTEREST CODE FOR THE  
PUBLIC UTILITIES COMMISSION

The Political Reform Act, Government Code Sections 21000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix I, which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Public Utilities Commission, with the addition provided below.

Pursuant to Section 4(A) of the standard Code, designated employees shall file statements of economic interests with the agency.

~~Addition: Section 12. Any person who has prior knowledge, or should have prior knowledge of a conflict of interest situation which may disqualify an individual from participating~~

CONFLICT OF INTEREST CODE FOR THE  
PUBLIC UTILITIES COMMISSION

APPENDIX

Designated Employees

"Designated employee" means:

(a) The following civil service exempt employees of the Commission:

- (1) Executive Director, PUC
- (2) General Counsel, PUC
- (3) Legal Adviser
- (4) Technical Adviser

(b) All employees in the following civil service employment classes:

- (1) Accounting Officer (Specialist/Supervisor)
- (2) Administrative Assistant I, II
- (3) Administrative Law Judge I, II PUC (ALJ)
- (4) Assistant Chief ALJ, PUC
- (5) Assistant Chief, Public Utility Counsel
- (6) Assistant Chief, Transportation Division, PUC
- (7) Assistant Director, PUC
- (8) Assistant Executive Director, PUC, CEA IV
- (9) CEA I, II, III, IV
- (10) Chief, Transportation Division, PUC, CEA
- (11) Chief, Division of Ratepayer Advocates, PUC, CEA
- (12) Commission Representative, Southern California Area, PUC, CEA, III
- (13) Consumer Liaison Officer (Utility/Transportation Programs)
- (14) Consumer Affairs Manager, PUC
- (15) Data Processing Manager II, III
- (16) Energy Program Specialist III (Economic/Statistical)
- (17) Environmental Program Manager I
- (18) Environmental Specialist III, IV
- (19) Fiscal Officer I, II
- (20) Information Officer I, II
- (21) Legal Counsel
- (22) Manager, Rapid Transit System Section
- (23) Principal, Public Utility Financial Examiner
- (24) Principal, Transportation Division, PUC
- (25) Program & Project Supervisor, PUC
- (26) Program Manager, PUC
- (27) PU Counsel I, II, III, IV
- (28) PU Financial Examiner IV
- (29) PU Reg Prog Specialist I, II, III (Economics/Policy/Finance)

- (30) Research Manager I, II, III (General)  
(31) Research Manager I, II (Economic)  
(32) Research Program Specialist I, II (Economics)  
(33) Research Program Specialist III (Various)  
(34) Research Program Specialist I, II, III, IV  
(35) Senior Electrical Engineer  
(36) Senior Rapid Transit Computer Control Systems Specialist  
(37) Senior Rapid Transit Control Systems Engineer  
(38) Senior Reliability and Quality Engineer  
(39) Senior Transportation Engineer  
(40) Senior Transportation Operations Supervisor, PUC  
(41) Senior Transportation Rate Expert  
(42) Senior Transportation Representative  
(43) Senior Utilities Engineer  
(44) Staff Services Manager III  
(45) Supervising Transportation Engineer, PUC  
(46) Supervising Transportation Rate Expert  
(47) Supervising Transportation Representative  
(48) Supervisor, Operations and Safety Section, PUC  
(49) Transportation Legislative Adviser to a Commissioner, PUC

(c) Special Consultants

(d) Employees in employment classes inadvertently omitted from these lists or which may be created after the adoption of this Code, until such employment classes are included in the list of designated employees by amendment of this Code.

(e) Employees included in employment classes set forth as designated employees above, who are on terminal vacation or sick leave immediately prior to their retirement or termination of their employment in the service of this Commission and at the time this Code becomes effective.

Disclosure Categories

Members of the Commission have no disclosure obligations under this Code but instead have disclosure obligations imposed upon them by Article 2 of Chapter 7 of the Political Reform Act, Government Code Sections 87200 et seq.

The Executive Director, the General Counsel, an Advisor to a Commissioner, a consultant and any other designated employee who reports directly to a Commissioner or to the Commission and is not employed in a particular division of the Commission staff, shall disclose any investment, business position, interest in

real property and income. Disclosure categories for other designated employees are as follows:

1. Designated employees in the Telecommunications Branch of the Commission Advisory and Compliance Division, the Telecommunications-Operational Cost Branch, Telecommunications-Rate Design Branch, and Rate of Return, Tax and LA Auditing of the Division of Ratepayer Advocates shall disclose:

(a) Any investment and business position in or income from:

(1) A telephone corporation or a telegraph corporation subject to the jurisdiction of the Commission; or

(2) A parent or subsidiary of a business entity described in subsection (a)(1).

(b) Any interest in real property if:

(1) The property is located in whole or in part within the service area or proposed service area of a business entity described in subsection (a)(1); and

(2) The designated employee knows, or has reason to know that:

(1) The initiation of service by a business entity described in subsection (a)(1) to the property has been an issue in any Commission proceeding within the reporting period covered by the statement; or

(2) The initiation of such service will become an issue in a Commission proceeding.

2. Designated employees in the Transportation Division of the Commission shall disclose any investment and business position in or income from:

(a) A railroad corporation, airline common carrier, pipeline corporation, passenger stage corporation, highway carrier of property, vessel operator, warehouseman, freight forwarder, express corporation, or charter-party carrier of passengers subject to the jurisdiction of the Commission; or

(b) Any parent corporation or subsidiary of a business entity described in subsection (a); or

(c) A business entity which the designated employee knows or has reason to know:

(1) Has been named as a shipper-respondent in any Commission proceeding, the principal subject of which is a business entity described in subsection (a), within the reporting period covered by the statement; or

(2) Is under investigation or consideration for investigation to be named as a shipper-respondent in such a proceeding.

(d) A business entity which the designated employee knows, or has reason to know:

(1) Has instituted a reparations action against a business entity described in subsection (a) with the Commission within the reporting period covered by the statement; or

(2) Intends to institute such an action.

3. Designated employees in the Service and Safety Branch, Water Utilities Branch and Energy Branch of the Commission Advisory and Compliance Division, the Fuels Branch, Energy Rate Design and Economics Branch, Energy Resources Branch, Energy-Operational Cost Branch, Energy Branch-Auditing, and Water Operational Costs Branch of the Division of Ratepayer Advocates shall disclose:

(a) Any investment and business position in or income from:

(1) A gas corporation, electric corporation, water corporation, heat corporation, or sewer corporation subject to the jurisdiction of the Commission; or

(2) A parent or subsidiary of a business entity described in subsection (a)(1); or

(3) A business entity which regularly supplies petroleum, natural gas, fuel oil, or other forms of energy to a business entity described in subsection (a)(1).

(b) Any interest in real property if:

(1) The property is located in whole or in part within the service area or proposed service area of a business entity described in subsection (a)(1), and

(2) The designated employee knows, or has reason to know that:



(i) The initiation of service by a business entity described in subsection (a)(1) to the property has been an issue in any Commission proceeding within the reporting period covered by the statement; or

(ii) The initiation of such service will become an issue in a Commission proceeding .

4. The Commission Representative, Southern California, Information Officers I and II, Directors and Assistant Directors of the Commission Advisory and Compliance Division and Division of Ratepayer Advocates and designated employees in the Legal Division, other than the General Counsel, in the Advisory Branch, Accounting & Financial Branch and Auditing & Compliance Branch of the Commission Advisory and Compliance Division, in the Division of Strategic Planning and in the Administrative Law Judge Division, shall disclose all interests made disclosable in categories 1, 2 and 3 above.

5. The Director of the Management Services Division, CEA IV, Data Processing Manager II, and the Fiscal Officer I shall disclose any investment and business position in or income from a business entity which contracts with the Commission to provide goods, services, or materials to the Commission.

AUTHORITY: Gov. Code Sections 87300, 87304. REFERENCE: Gov. Code Sections 87300 et seq.