

From: Allen, Meredith
Sent: 6/10/2014 11:29:19 AM
To: 'Stevens, Brian' (brian.stevens@cpuc.ca.gov)
Cc:
Bcc:
Subject: Re: transportation cost

Brian,

Our attorney wants to check in with your attorney. I told them to contact Jonady. Hope that is ok.

Thanks,

Meredith

From: Stevens, Brian [mailto:brian.stevens@cpuc.ca.gov]
Sent: Tuesday, June 10, 2014 11:16 AM
To: Allen, Meredith
Subject: FW: transportation cost

From: Mattias, Cathy G.
Sent: Tuesday, June 10, 2014 10:01 AM
To: Peevey, Michael R.; Stevens, Brian
Subject: RE: transportation cost

Sound good. Nuria will notify PG&E of the plan.

From: Peevey, Michael R.

Sent: Tuesday, June 10, 2014 9:51 AM
To: Mattias, Cathy G.; Stevens, Brian
Subject: RE: transportation cost

Agree. We will drive to Oakland in my state car.

From: Mattias, Cathy G.
Sent: Tuesday, June 10, 2014 9:39 AM
To: Peevey, Michael R.; Stevens, Brian
Subject: FW: transportation cost

In a nutshell – van ride from PG&E to Oakland Hills and return to PG&E is a gift; van ride during the tour is not. Easiest thing to do is drive to the Oakland Hills and meet PG&E there.

From: Sun, Jonady Hom
Sent: Tuesday, June 10, 2014 9:35 AM
To: Mattias, Cathy G.
Cc: Gasser, Laura E.
Subject: RE: transportation cost

Cathy,

Yes. A gift is neither accepted nor received if, **within 30 days**, the official reimburses the donor, donor's agent, or the donor's intermediary from whom the payment was received. (FPPC Regulation 18941)

The value of the gift is Pres. Peevey and Brian Steven's pro rata share of renting the van (the cost of chartering a similar vehicle in that region divided by the number of passengers.)

From: Mattias, Cathy G.
Sent: Tuesday, June 10, 2014 8:57 AM
To: Sun, Jonady Hom
Cc: Gasser, Laura E.
Subject: RE: transportation cost

Thanks so much Jonady. If PG&E bills Pres. Peevey and Brian Stevens for the van ride from PG&E to Oakland hills and return and we reimburse that wouldn't be considered a gift correct?

From: Sun, Jonady Hom
Sent: Monday, June 09, 2014 5:33 PM
To: Mattias, Cathy G.
Cc: Gasser, Laura E.
Subject: RE: transportation cost

Cathy,

Please see our advice to you below. Thank you.

Question:

President Peevey and his advisor, Brian Stevens, will be taking a van tour of PG&E proposed substation facilities in the Oakland Hills. Pres. Peevey and Brian would be leaving in a van provided by PG&E from 77 Beale Street in San Francisco to the site in Oakland Hills and return back. At the Oakland Hills facilities, PG&E staff would be guiding the tour in the van (providing information on the site, etc.) Can Pres. Peevey and Brian accept a ride in PG&E's van for this tour or is it considered a gift?

Recommendation:

1. The portion of the van ride from 77 Beale Street in San Francisco to PG&E's site in Oakland Hills and back would be considered a gift.

2. The van tour at PG&E's site with PG&E staff guiding the tour would NOT be considered a gift nor income.

Analysis:

Political Reform Act (PRA)

As state officials, President Peevey and Brian Stevens generally cannot receive gifts exceeding \$440 in a calendar year from a single source. (Gov. Code, § 89503, Cal. Code Regs. tit. 2, § 18940.2.) In addition, they generally must report any gift received with a value of \$50 or more on their Statement of Economic Interests. For purposes of disqualification, a public official is required to disqualify himself from participating in a governmental decision where he has accepted a total of \$440 or more in gifts from an entity in the twelve-month period preceding the decision *if* the entity is directly involved in the decision or the decision would otherwise have a reasonably foreseeable material financial impact on the entity.

The fair market value is the standard valuation method used for a gift, unless an exception applies. (Regulation 18946.)

The CPUC's Proposed Statement of Incompatible Activities also imposes additional restrictions on agency staff with regard to gifts and travel. Under these rules, agency staff may not accept any gift from a regulated entity, unless there is some exception. Although the Proposed Statement does not apply to Commissioners, we recommend that President Peevey not accept gifts from regulated entities such as PG&E either. As Public Utilities Code section 303 provides, a Commissioner may not have "a financial interest in a . . . corporation subject to regulation by the commission". In addition, there is an appearance issue.

Regulation 18942.1. Definition of "Informational Material" provides:

"Informational material" means any goods or service that serves primarily to convey information and that is provided to the official for the purpose of assisting him or her in the performance of his or her official duties or the duties of the elective office he or she

seeks. Informational material may include:

...

(c) On-site demonstrations, tours, or inspections. Transportation provided to or in connection with an on-site demonstration, tour, or inspection is also considered “informational material” when any of the following apply:

(1) The transportation serves as the means by which the information is conveyed and is integral to the conveyance of the information, such as an aerial tour over an area.

(2) The transportation is provided solely at the site of a demonstration, tour, or inspection, including to and from an area of that site that is legally inaccessible to the public.

(3) The transportation is to or from a site when there is no reasonable, publicly-available commercial transportation available to that site and the transportation provided is limited to the segment for which public transportation is not available.

1. The portion of the van ride from 77 Beale Street in San Francisco to PG&E’s site in Oakland Hills and back would be considered a gift.

In general, transportation *to* a tour is considered a gift. None of the exceptions appear to apply here since the van ride from 77 Beale Street to Oakland Hills and back is 1) not integral to the conveyance of the information; 2) not transportation provided solely at the site of the tour; and 3) there is reasonable, publicly-available commercial transportation available to that site.

Consequently, the value of the gift is Pres. Peevey and Brian Steven’s pro rata share of renting the van (the cost of chartering a similar vehicle in that region divided by the number of passengers.)

2. The PG&E-guided van tour at PG&E’s site would NOT be considered a gift nor income.

We believe the PG&E-guided van tour of PG&E proposed substation facilities

in Oakland Hills would be considered "informational material" and therefore would neither be a gift nor income to Pres. Peevey and Brian. Pursuant to Regulation 18942, "informational material" is neither a gift nor income. (Regulation 18942(a)(1)) As stated above, informational material "means any goods or service that serves primarily to convey information and that is provided to the official for the purpose of assisting him or her in the performance of his or her official duties or the duties of the elective office he or she seeks." (Regulation 18942.1) Informational material may include "an on-site demonstration, tour, or inspection." (Regulation 18942.1(c))

We believe this portion of the van tour meets these requirements. In attending the tour, President Peevey and Brian would be working in an official capacity. This will be a job-related tour. Information will also be relayed on the van during the tour.

From: Mattias, Cathy G.
Sent: Monday, June 09, 2014 11:02 AM
To: Gasser, Laura E.; Sun, Jonady Hom
Subject: transportation cost

Hello,

President Peevey and his advisor, Brian Stevens, will be taking a tour of PG&E proposed substation facilities in the Oakland Hills. Can they accept a ride in PG&E's van for this tour or is it considered a gift. Can you please let me know ASAP as the tour is this Wednesday.
Thanks