

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814

June 28, 1977

77-287

John R. Bury
Assistant General Counsel
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

Dear Mr. Bury:

Thank you for your letter of May 23, 1977, requesting advice with respect to how the Southern California Edison Company should report expenses incurred in the following situation:

Officials of the California Public Utilities Commission, in connection with their official duties, travel at state expense to the general area of a site and facility owned by Edison, a public utility subject to the jurisdiction of that agency. The officials are furnished transportation by a helicopter and automobiles owned by Edison in order to view the site and tour the facility.

These expenses should be reported as payments to influence legislative or administrative action as described in Section 82045(d) of the Act. That subsection provides that such payments include:

Compensation, payment or reimbursement for the services, time or expenses of an employee, for or in connection with direct communication with any elective state official, legislative official or agency official.

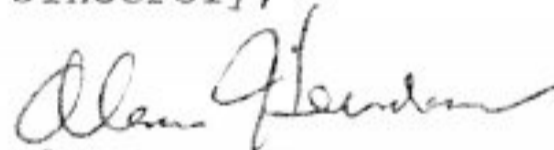
These payments should be reported in part 2, schedule i of the Form 650; and, since the costs are incurred within your organization, the payments should be reported under part "c" of schedule i as "other overhead incurred by the filer."

You have advised us that in the past you have reported such expenditures as Section 82045(c) payments on the theory that

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they "directly or indirectly benefit...[an] agency official," and therefore you have identified the official who received the site tour in part "a" of schedule ii of your statement. We cannot say categorically that this manner of reporting is incorrect since the expenditures in question have some of the characteristics of a 82045(c) payment. They are directed at a particular official, and if the official enjoys helicopter tours, may provide the official with some personal pleasure. Thus, it is not necessary for you to amend statements which you have already filed. With respect to future statements, however, we think it more appropriate to disclose expenditures of this type as 82045(d) payments on schedule i.

Sincerely,



Alan Herndon
Compliance Representative

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May 23, 1977

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Michael J. Baker, Esq.
Fair Political Practices Commission
1100 Kay Street
Sacramento, California 95814

Our File No.
6608

Dear Mr. Baker:

Your advice is requested regarding the reporting obligations of Southern California Edison Company, as an employer of lobbyists, under the following circumstances:

Officials of the California Public Utilities Commission, in connection with an administrative action, traveled at state expense to the general area of a site and facility owned by Edison, who is a public utility subject to the jurisdiction of that agency. The agency officials were furnished transportation by a helicopter and automobiles owned by Edison in order to view the site and tour the facility. The officials were accompanied by employees of Edison, but no lobbyist was in attendance or participated in making any arrangements for the transportation or tours. No meals or entertainment were provided to the officials. Edison has established hourly and mileage rates for the purpose of accounting for the costs incurred in the use of the helicopter and automobiles. Edison expects that it may furnish transportation to officials of state agencies under similar circumstances in the future.

In the periodic reports filed pursuant to Government Code Section 86109, how should the costs incurred by Edison in the use of the helicopter and automobiles be reported on Form 650?

- (a) As payments in connection with communicating directly with state officials in Schedule i.a.? Note that the instructions for Schedule i.a. call for reporting services provided by other than the filer. Under the facts stated, the costs incurred were for services provided by the filer.

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- (b) As other overhead incurred by the filer in Schedule i.e.? Because the services were provided by the filer using equipment already owned and used for other business purposes, this method of reporting appears to be the most appropriate. As noted above, Edison is able to make a reasonable determination of the increased costs related to the activity.
- (c) As payments which directly or indirectly benefit agency officials in Schedule ii.a.? This method of reporting has been used but was criticized on the basis that only payments which confer a personal benefit on an official or which are not job-related should be reported in this schedule. The advice given by FPPC counsel in the City of San Jose matter raises some question about the propriety of such analysis.
- (d) Elsewhere?
- (e) At all?

Your prompt advice regarding the appropriate method of reporting in such cases will be appreciated.

Yours very truly,



JOHN R. BURY
Assistant General Counsel

JRB:klm