

2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to the management and operations audits of certain utilities

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 19 of section 66 of the public service law, as
2 added by chapter 556 of the laws of 1976 and the closing paragraph as
3 added by chapter 586 of the laws of 1986, is amended to read as follows:
4 19. The commission shall have power to provide for management and
5 operations audits of gas corporations and electric corporations. Such
6 audits shall be performed AT SUCH TIMES AS THE COMMISSION SHALL DIRECT,
7 BUT AN AUDIT SHALL BE PERFORMED at least once every [five years] YEAR
8 for combination gas and electric companies, as well as for straight gas
9 corporations having annual gross revenues in excess of two hundred
10 million dollars. WHEN ANY SUCH CORPORATION ALSO OPERATES A STEAM CORPO-
11 RATION PURSUANT TO ARTICLE FOUR-A OF THIS CHAPTER, THE COMMISSION SHALL
12 PROVIDE FOR A MANAGEMENT AND OPERATIONS AUDIT OF THE STEAM CORPORATION
13 IN THE TIME AND MANNER SPECIFIED IN THIS SECTION. The audit shall
14 include, but not be limited to, an investigation of the company's
15 construction program, planning [in relation], SECURITY AND MAINTENANCE
16 OPERATIONS AS THEY RELATE to the needs of its customers for reliable
17 service and an evaluation of the efficiency of the company's operations.
18 THE AUDIT SHALL INCLUDE INDEPENDENT VERIFICATION OF THE INFORMATION
19 PROVIDED BY THE COMPANY. The commission shall have discretion to have
20 such audits performed by its staff, or by independent auditors. UPON
21 COMPLETION, COPIES OF THE AUDITS SHALL BE PROVIDED TO THE GOVERNOR,
22 SPEAKER OF THE ASSEMBLY, THE TEMPORARY PRESIDENT OF THE SENATE, THE
23 CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

LBD01530-01-3

1 AND MEANS COMMITTEE, THE CHAIR OF THE ASSEMBLY ENERGY COMMITTEE AND THE
2 CHAIR OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE.

3 In every case in which the commission chooses to have the audit
4 provided for in this subdivision performed by independent auditors, it
5 shall have authority to select the auditors, and to require the company
6 being audited to enter into a contract with the auditors providing for
7 their payment by the company. Such contract shall provide further that
8 the auditors shall work for and under the direction of the commission
9 according to such terms as the commission may determine are necessary
10 and reasonable.

11 The commission shall have authority to direct the company to implement
12 any recommendations resulting from such audits that it finds to be
13 necessary and reasonable.

14 Upon the application of a gas or electric corporation for a major
15 change in rates as defined in subdivision twelve of this section OR OF A
16 STEAM CORPORATION FOR A MAJOR CHANGE IN RATES AS DEFINED IN SUBDIVISION
17 TEN OF SECTION EIGHTY OF THIS CHAPTER, the commission shall review that
18 corporation's compliance with the directions and recommendations made
19 previously by the commission, as a result of the most recently completed
20 management and operations audit. The commission shall incorporate the
21 findings of such review in its opinion or order.

22 S 2. This act shall take effect on the one hundred twentieth day after
23 it shall have become a law. Provided, that the public service commission
24 is immediately authorized and directed to take any and all actions,
25 including but not limited to the promulgation of any necessary rules,
26 necessary to fully implement the provisions of this act on its effective
27 date.