

584--A

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 -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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. Paragraphs (a) and (c) of subdivision 19 of section 66 of
2 the public service law, as amended by section 4 of part X of chapter 57
3 of the laws of 2013, are amended to read as follows:
4 (a) 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 corporations, as well as for straight
9 gas 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, an evaluation of the efficiency of the company's operations,
18 recommendations with respect to same, and the timing with respect to the
19 implementation of such recommendations. THE AUDIT SHALL INCLUDE INDE-
20 PENDENT VERIFICATION OF THE INFORMATION PROVIDED BY THE CORPORATION. The

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

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1 commission shall have discretion to have such audits performed by its
2 staff, or by independent auditors. UPON COMPLETION, COPIES OF THE
3 AUDITS SHALL BE PROVIDED TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, THE
4 TEMPORARY PRESIDENT OF THE SENATE, THE CHAIR OF THE SENATE FINANCE
5 COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, THE CHAIR
6 OF THE ASSEMBLY ENERGY COMMITTEE AND THE CHAIR OF THE SENATE ENERGY AND
7 TELECOMMUNICATIONS COMMITTEE.

8 In every case in which the commission chooses to have the audit
9 provided for in this subdivision or pursuant to subdivision fourteen of
10 section sixty-five of this article performed by independent auditors, it
11 shall have authority to select the auditors, and to require the company
12 being audited to enter into a contract with the auditors providing for
13 their payment by the company. Such contract shall provide further that
14 the auditors shall work for and under the direction of the commission
15 according to such terms as the commission may determine are necessary
16 and reasonable.

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

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