S T A T E O F N E W Y O R K

1554

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. GIANARIS, NOLAN, MARKEY, ROSENTHAL, FIELDS, MILLMAN, PHEFFER, COOK, ROBINSON, DIAZ, BENEDETTO, JAFFEE -- Multi-Sponsored by -- M. of A. BING, BOYLAND, CYMBROWITZ, DESTITO, DINOWITZ, GOTTFRIED, McENENY, PERRY, REILLY, SAYWARD, SWEENEY, TOWNS, WEISENBERG -- read once and referred to the Committee on Corporations, Authorities and Commissions

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:

Section 1. Subdivision 19 of section 66 of the public service law, as added by chapter 556 of the laws of 1976 and the closing paragraph as added by chapter 586 of the laws of 1986, is amended to read as follows:

19. The commission shall have power to provide for management and operations audits of gas corporations and electric corporations. Such audits shall be performed AT SUCH TIMES AS THE COMMISSION SHALL DIRECT, BUT AN AUDIT SHALL BE PERFORMED at least once every [five years] YEAR for combination gas and electric companies, as well as for straight gas corporations having annual gross revenues in excess of two hundred million dollars. WHEN ANY SUCH CORPORATION ALSO OPERATES A STEAM CORPORATION PURSUANT TO ARTICLE FOUR-A OF THIS CHAPTER, THE COMMISSION SHALL PROVIDE FOR A MANAGEMENT AND OPERATIONS AUDIT OF THE STEAM CORPORATION IN THE TIME AND MANNER SPECIFIED IN THIS SECTION. The audit shall include, but not be limited to, an investigation of the company's construction program, planning [in relation], SECURITY AND MAINTENANCE OPERATIONS AS THEY RELATE to the needs of its customers for reliable service and an evaluation of the efficiency of the company's operations. THE AUDIT SHALL INCLUDE INDEPENDENT VERIFICATION OF THE INFORMATION PROVIDED BY THE COMPANY. The commission shall have discretion to have such audits performed by its staff, or by independent auditors. UPON

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

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COMPLETION, COPIES OF THE AUDITS SHALL BE PROVIDED TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, THE TEMPORARY PRESIDENT OF THE SENATE, THE CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, THE CHAIR OF THE ASSEMBLY ENERGY COMMITTEE AND THE CHAIR OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE.

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

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

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

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