

2390

2015-2016 Regular Sessions

I N   S E N A T E

January 22, 2015

---

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. 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  
21    commission shall have discretion to have such audits performed by its  
22    staff, or by independent auditors. UPON COMPLETION, COPIES OF THE  
23    AUDITS SHALL BE PROVIDED TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, THE  
24    TEMPORARY PRESIDENT OF THE SENATE, THE CHAIR OF THE SENATE FINANCE

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

LBD07621-01-5

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

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

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

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.