

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 910

S.P. 335

Received by the Secretary, February 28, 1991

Reference to the Committee on Utilities suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot
Cosponsored by Representative AIKMAN of Poland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Encourage Internal Audit of Utility Operations.



Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 35-A MRSA §112, sub-§3, ¶A, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

A. The commission or any commissioner or any person employed by it for that purpose, may upon demand inspect and copy the books, accounts, papers, records and memoranda of any public utility in relation to its business and affairs; except that any papers, records or memoranda prepared in the course of an internal audit for the purpose of examining and evaluating the adequacy and effectiveness of internal operations and performance are not subject to inspection or disclosure unless that inspection or disclosure is required by an order of the Superior Court.

Sec. 2. 35-A MRSA §112, sub-§4, ¶A, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

A. The commission may require, by order or subpoena to be served on any public utility in the same manner that a summons is served in a civil action in the Superior Court, the production of any books, accounts, papers, records or verified copies of them kept by a public utility or within the control of a public utility in any office or place within or outside the State, so that an examination may be made by the commission or under its direction, except as provided in subsection 3.

STATEMENT OF FACT

This bill is designed to protect utility internal audit work products. The internal audit process involves evaluation of internal operations and procedures. Records and reports resulting from this process are developed for the sole purpose of evaluating and identifying areas for improvement of internal operations or performance. The privilege against divulging information developed through this process will encourage public utility management to continue to engage in a candid and vigorous self evaluation.