

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

smg
R. 4/12/11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

Date: 4/12/11

L.D. 772
(Filing No. H-93)

ENERGY, UTILITIES AND TECHNOLOGY

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 579, L.D. 772, Bill, "An Act To Amend the Auditing Requirements for Accounts of All Water Utilities"

Amend the bill by striking out the title and substituting the following:

'An Act To Modify the Auditing Requirements for Certain Small Water Utilities'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 35-A MRSA §505, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

§505. Audit of accounts

The commission shall provide for the examination and audit of all accounts and all items ~~shall~~ must be allocated to the accounts in the manner prescribed by the commission.

1. Consumer-owned water utilities. Except as provided in this subsection, the commission may not require under this section that a qualified small water utility cause to be conducted an annual audit of its accounts. For purposes of this subsection, "qualified small water utility" means a consumer-owned water utility with gross annual revenues that do not exceed \$250,000.

A. A qualified small water utility with gross annual revenues of \$50,000 or less shall for any year used as a test year for rate-making purposes cause to be conducted, in accordance with generally accepted auditing standards, an audit of its accounts by an independent certified public accountant licensed to practice in the State.

B. A qualified small water utility with gross annual revenues greater than \$50,000:

(1) Shall cause to be conducted, in accordance with generally accepted auditing standards, an annual review of its accounts by an independent certified public accountant licensed to practice in the State; and

(2) Not less than once every 5 years and for any year used as a test year for rate-making purposes, shall cause to be conducted, in accordance with generally

COMMITTEE AMENDMENT

1 accepted auditing standards, an audit of its accounts by an independent certified
2 public accountant licensed to practice in the State.

3 Nothing in this subsection limits or affects any other reporting, review, auditing or other
4 requirement imposed by a creditor of the qualified small water utility or by any other
5 applicable law or government authority.'

6 **SUMMARY**

7 This amendment replaces the bill. Under current rules and decisions of the Public
8 Utilities Commission, water utilities with revenues under \$50,000 are exempt from
9 annual auditing requirements otherwise required by the commission pursuant to the
10 Maine Revised Statutes, Title 35-A, section 505. This amendment codifies this existing
11 exemption. The amendment also provides that consumer-owned water utilities with
12 revenues greater than \$50,000 but not exceeding \$250,000 are exempt from commission's
13 annual auditing requirements, but that such water utilities must cause to be conducted, in
14 accordance with generally accepted auditing standards, an annual review of their
15 accounts. Also, not less than once every 5 years and for any year used as a test year for
16 rate-making purposes, such water utilities must cause to be conducted an audit of their
17 accounts. The amendment does not limit or affect any other reporting, review, auditing
18 or other requirement imposed by a creditor of the water utility or by any other applicable
19 law or government authority.