

### §113. Management audit

**1. Audit.** The commission may require the performance of a management audit of the operations of any public utility in order to determine:

- A. The degree to which a public utility's construction program evidences planning adequate to identify realistic needs of its customers; [PL 1987, c. 141, Pt. A, §6 (NEW).]
- B. The degree to which a public utility's operations are conducted in an effective, prudent and efficient manner judged by the standards prevailing in the utility industry; [PL 1987, c. 141, Pt. A, §6 (NEW).]
- C. The degree to which a public utility minimizes or avoids inefficiencies which otherwise would increase costs to customers; or [PL 1987, c. 141, Pt. A, §6 (NEW).]
- D. Any other consideration which the commission finds relevant to rate setting under chapter 3, sections 301 and 303. [PL 1987, c. 141, Pt. A, §6 (NEW).]

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**2. Independent auditor.** The commission may have a management audit performed by an independent auditor. If the commission finds it reasonable and necessary to have the audit performed, it may:

- A. Select the independent auditor; [PL 1987, c. 141, Pt. A, §6 (NEW).]
- B. Require a public utility to pay for the costs of a management audit of its operations; and [PL 1987, c. 141, Pt. A, §6 (NEW).]
- C. Require the public utility to execute a contract with the independent auditor. [PL 1987, c. 141, Pt. A, §6 (NEW).]

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**3. Costs.** The full cost of the management audit must be recovered from ratepayers, except that if the audit of an investor-owned public utility contributes to a commission finding of imprudence that results in a cost disallowance, the commission shall determine how to fairly allocate the cost of the management audit to ratepayers or the shareholders of the investor-owned public utility. In ordering an audit, the commission shall consider the impact of the cost of the audit upon the ratepayers and other alternatives that are available.

[PL 2017, c. 448, §1 (AMD).]

**4. Telephone utilities.** This section does not apply to any telephone utility other than a provider of provider of last resort service. The commission may not conduct or require a management audit under subsection 1 or 2 of a provider of provider of last resort service unless the commission finds that there is no less burdensome means of obtaining the information sought to be obtained in the management audit and:

- A. The provider has filed for an increase in provider of last resort service rates; [PL 2011, c. 623, Pt. A, §9 (NEW).]
- B. The provider has filed for an increase in funding from a state universal service fund under section 7104; or [PL 2011, c. 623, Pt. A, §9 (NEW).]
- C. The commission, following an investigation, finds that the provider's provider of last resort service quality has declined in a manner contrary to the public interest. [PL 2011, c. 623, Pt. A, §9 (NEW).]

[PL 2011, c. 623, Pt. A, §9 (NEW).]

**5. Public Advocate; access to information.** Throughout the course of a management audit performed pursuant to this section, the commission, upon request of the Public Advocate, shall:

A. Permit the Public Advocate to access information supplied by a public utility to the auditor and information supplied by the auditor to the commission; and [PL 2019, c. 251, §1 (NEW).]

B. Provide the Public Advocate the opportunity to comment on information received under this subsection. [PL 2019, c. 251, §1 (NEW).]

[PL 2019, c. 251, §1 (NEW).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 2011, c. 623, Pt. A, §9 (AMD). PL 2017, c. 448, §1 (AMD). PL 2019, c. 251, §1 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1, 2023. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.