

## CHAPTER 5

### ACCOUNTING

#### §501. Uniform system of accounts

Every public utility shall keep and render to the commission in the manner and form prescribed by the commission, uniform accounts of all business transacted. [PL 1987, c. 141, Pt. A, §6 (NEW).]

**1. Other systems prohibited.** Nothing in this Title requires any public utility engaged in interstate commerce to act contrary to the requirements of any federal law relating to public utilities engaged in interstate commerce.

[PL 1987, c. 490, Pt. A, §1 (RPR).]

**2. Formulation of systems.** In formulating a system of accounting for any class of public utilities, the commission shall consider any system of accounting established by any federal law, commission or department and any system authorized by the national association of the particular class of utilities. [PL 1987, c. 141, Pt. A, §6 (NEW).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 490, §A1 (AMD).

#### §502. Forms

**1. Forms of books and records.** The commission shall prescribe the forms of all books, accounts, papers and records required to be kept. Every public utility shall keep and render its books, accounts, papers and records accurately and faithfully in the manner and form prescribed by the commission and shall comply with all directions of the commission relating to its books, accounts, papers and records. [PL 1987, c. 141, Pt. A, §6 (NEW).]

**2. Utilities with no property in the State.** The requirements of this section do not apply to a public utility having no property located within this State.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**3. Blank forms furnished.** The commission shall prepare suitable blank forms for carrying out the purposes of this Title and shall, when necessary, furnish them to each public utility.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW).

#### §503. Account of subsidiary business

Every public utility engaged directly or indirectly in any other subsidiary business shall, if ordered by the commission, keep and render separately to the commission the accounts of the subsidiary business in the manner and form set out in section 501, in which case all the provisions of this Title shall apply to the books, accounts, papers and records of the subsidiary business. [PL 1987, c. 141, Pt. A, §6 (NEW).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW).

#### §504. Time for closing accounts; filing balance sheets

The following provisions apply to the accounts of public utilities. [PL 1987, c. 141, Pt. A, §6 (NEW).]

**1. Time for closing accounts.** The accounts of all public utilities shall be closed annually on the 31st day of December unless the commission fixes a different date.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**2. Filing of information.** A balance sheet as of the date the account is closed must be promptly taken from the account. Within 3 months after the account is closed, the balance sheet together with any other information the commission requires must be verified by an officer or owner of the public utility and filed with the commission. Each large, investor-owned transmission and distribution utility, as defined in section 3201, subsection 12, shall provide with the balance sheet and other information a calculation of the utility's return on common equity for the same period in the manner the commission requires, and shall provide a calculation of the utility's return on common equity for each of the previous 3 years. For purposes of this subsection, "return on common equity" means the return on common equity on investments subject to commission jurisdiction.

[PL 2011, c. 71, §1 (AMD).]

**3. Extension.** The commission may, for good cause, extend the deadline set out in subsection 2 not exceeding one month and may excuse any public utility from filing its returns when the gross revenue of the utility does not exceed \$50,000.

[PL 1987, c. 631, §6 (AMD).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 631, §6 (AMD). PL 2011, c. 71, §1 (AMD).

#### §505. Audit of accounts

The commission shall provide for the examination and audit of all accounts and all items must be allocated to the accounts in the manner prescribed by the commission. [PL 2011, c. 77, §1 (AMD).]

**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 of less than \$500,000.

A. A qualified small water utility with gross annual revenues of \$100,000 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. [PL 2023, c. 325, §1 (AMD).]

B. A qualified small water utility with gross annual revenues greater than \$100,000:

(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 accepted auditing standards, an audit of its accounts by an independent certified public accountant licensed to practice in the State. [PL 2023, c. 325, §1 (AMD).]

Nothing in this subsection limits or affects any other reporting, review, auditing or other requirement imposed by a creditor of the qualified small water utility or by any other applicable law or government authority. The commission, for good cause shown by the qualified small water utility, may waive the requirements of this subsection.

[PL 2023, c. 325, §1 (AMD).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 2011, c. 77, §1 (AMD). PL 2019, c. 586, §1 (AMD). PL 2023, c. 325, §1 (AMD).

**§506. Inspection of books and records**

The agents, accountants or examiners employed by the commission shall have authority inside or outside the State under the direction of the commission to inspect and examine the books, accounts, papers, records and memoranda kept by any public utility. [PL 1987, c. 141, Pt. A, §6 (NEW).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW).

**§507. Exemption for certain telephone utilities**

**(REPEALED)**

SECTION HISTORY

PL 2001, c. 137, §4 (NEW). PL 2011, c. 623, Pt. C, §2 (RP).

**§508. Telephone utilities**

The provisions of this chapter do not apply to a telephone utility other than a provider of provider of last resort service with respect to its provider of last resort service accounts. The commission may not require a provider of provider of last resort service to keep its accounts in a manner that is substantially different from federal accounting standards applicable to telecommunications companies under 47 Code of Federal Regulations, Part 32 or any replacement accounting standards adopted by the Federal Communications Commission. [PL 2011, c. 623, Pt. A, §10 (NEW).]

SECTION HISTORY

PL 2011, c. 623, Pt. A, §10 (NEW).

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