

**§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).

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