

48:2-16.4

LEGISLATIVE HISTORY CHECKLIST

NJSA 48:2-16.4

(Public utilities management audit-
establish procedures for)

LAWS 11982

CHAPTER 222

Bill No. S998

Sponsor(s) Rand

Date Introduced February 8, 1982

Committee: Assembly Transportation and Communications

Senate Transportation and Communications

Amended during passage Yes No

Date of Passage: Assembly November 15, 1982

Senate May 24, 1982

Date of approval December 30, 1982

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

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LEGISLATIVE COUNCIL

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SENATE, No. 998

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 8, 1982

By Senator RAND

Referred to Committee on Transportation and Communications

AN ACT concerning management audits of certain public utilities
and supplementing Title 48 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Board of Public Utilities shall establish procedures to
2 provide for management audits to be performed on a regular or
3 irregular schedule on all or any portion of the operating procedures
4 and any other internal workings of every gas or electric utility
5 subject to its jurisdiction. In any case where the board determines
6 that an audit is necessary or desirable, it may order the audit to
7 be performed by members of its staff, or it may require that the
8 audit be performed under the supervision of designated members
9 of the board's staff by an independent management consulting
10 firm selected by the utility from a list provided by the board for
11 the audit, which list shall include the names of at least five qualified
12 firms, at least two of which shall be of nationally recognized stature.
13 An audit shall be conducted at least once every 3 years, except
14 where the board finds that an audit is unnecessary. In no event,
15 however, shall an audit be conducted less than once every 6 years.
16 All expenses of the audits shall be borne by the affected utilities.
17 The results of each audit shall be filed with the board and shall be
18 open to public inspection. Upon completion and review of an audit,
19 if the person or firm performing or supervising the audit deter-
20 mines that any of the operating procedures or any other internal
21 workings of the affected utility are inefficient, improvident, un-

22 reasonable, negligent or in abuse of discretion, the board may, after
23 notice and opportunity for a hearing, order the affected public
24 utility to adopt such new or altered practices and procedures as
25 the board shall find to be necessary to promote efficient and
26 adequate service to meet the public convenience and necessity. All
27 reasonable and proper costs and expenses as determined by the
28 board of complying with any order of the board pursuant to this
29 act shall be recognized by the board for all purposes as proper
30 business expenses of the affected utility. Nothing in this act shall
31 be deemed to interfere or conflict with any powers of the board
32 or its staff to conduct an audit, investigation or review of the books,
33 records and accounts of any gas or electric utility under its juris-
34 diction.

1 2. This act shall take effect immediately.

STATEMENT

This bill provides that the Board of Public Utilities shall establish such procedures as it deems necessary or desirable to provide for management audits to be performed on all or any portion of the operating procedures and any other internal workings of every gas or electric company subject to its jurisdiction. Such an audit of each gas or electric utility shall be conducted at least once every 3 years and no less than once every 6 years. The expenses of these audits shall be borne by the affected utilities and the results of the audits shall be open to public inspection.

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 23 notice and opportunity for a hearing, order the affected public
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This bill provides that the Board of Public Utilities shall establish such procedures as it deems necessary or desirable to provide for management audits to be performed on all or any portion of the operating procedures and any other internal workings of every gas or electric company subject to its jurisdiction. Such an audit of each gas or electric utility shall be conducted at least once every 3 years and no less than once every 6 years. The expenses of these audits shall be borne by the affected utilities and the results of the audits shall be open to public inspection.

5998 (1982)

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 998

STATE OF NEW JERSEY

DATED: OCTOBER 25, 1982

This bill requires that management audits be performed on the gas and electric companies operating in this State.

The legislation provides that the Board of Public Utilities shall establish such procedures as it deems necessary or desirable to perform these audits. The audits will evaluate all or any portion of the operating procedures and any other internal workings of every gas or electric company subject to the board's jurisdiction. An audit of each gas or electric utility shall be conducted periodically. An audit shall be conducted at least once every three years, except where the board finds that an audit is unnecessary at that time. In no instance shall an audit be conducted less than once every six years for each such utility. The expenses of these audits shall be borne by the affected utilities and the results of the audits shall be open to public inspection. If the audit uncovers that the affected utility's operating procedures are inefficient, improvident, unreasonable or negligent, the board may order the utility to adopt new or revised practices and procedures.

**SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE**

**STATEMENT TO
SENATE, No. 998**

STATE OF NEW JERSEY

DATED: MAY 10, 1982

This bill directs the Board of Public Utilities to perform management audits on all, or a portion of, the operating procedures and any other internal workings of every gas or electric utility subject to its jurisdiction. The audit may be performed by members of the board's staff or by an independent management consulting firm selected by the utility from a list supplied by the Board of at least five qualified firms, at least two of which shall be nationally recognized.

Audits shall be conducted at least once every 6 years. The expenses of these audits shall be paid for by the affected utility. Audit results shall be filed with the Board and shall be open to public inspection. If the audit uncovers that the affected utility's operating procedures are inefficient, improvident, unreasonable or negligent, the board may order the utility to adopt new or revised practices and procedures.

FROM THE OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: KATHERINE BROKAW

WEDNESDAY, JANUARY 5, 1983

Governor Thomas H. Kean has signed the following bills:

S-998, sponsored by Senator Walter Rand (D-Camden), requires the Board of Public Utilities to institute a system of audits for gas and electric companies.

The audits would investigate the management and internal procedures of those companies under the Board's jurisdiction. They would occur every three years except when the Board deemed such an audit unnecessary; in that case, an audit would be done no less often than once every six years.

Audits would be carried out by the Board's staff or by a private firm, chosen by the utility from a list supplied by the Board. The expense of the audit would be charged to the utility.

A-520, sponsored by Assemblyman Martin A. Herman (D-Salem), directs the Chancellor of Higher Education to keep records of hazing incidents and other cases of violence in the State's institutions of higher education. The Chancellor shall report the incidents to the Governor and the Legislature.

Under current law, colleges in New Jersey which have their own campus police are already required to file annual reports with the State Police detailing any instances of violence on their campuses.

S-942, sponsored by Senator John Caufield (D-Essex), allows State Investigators in the Division of Criminal Justice to administer oaths. Previously, they were required to obtain commissions as notaries public in order to have that power.

A-996, sponsored by Assemblyman John Doyle (D-Ocean), gives investigators in the Department of Corrections the power to make police arrests.

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