

- (1) provides gas or electric services;
- (2) is subject to a cost allocation manual approved by the Commission;
- (3) (i) engages in an unregulated business activity; or
 - (ii) has a subsidiary that engages in an unregulated business activity; and
- (4) does not meet the standards for rate proceedings provided for under § 4-207 of this subtitle.

(b) (1) [When a] A public service company subject to this section SHALL FILE AN INDEPENDENT AUDIT OPINION PREPARED BY AN ENTITY APPROVED BY THE COMMISSION ON THE EARLIEST OF:

(I) ONCE EVERY 2 YEARS; OR

(II) WHEN THE PUBLIC SERVICE COMPANY:

- 1. files a request for a change in its base rate under this subtitle[,]; or
- 2. has a major change in its corporate organization or structure as determined by the Commission[, the public service company shall file with the request an independent audit opinion prepared by an entity approved by the Commission that:

(1) certifies to the continuing accuracy of the public service company's cost allocation manual; or

(2) identifies adjustments that should be made to the manual consistent with prior Commission rulings].

(2) THE INDEPENDENT AUDIT OPINION AUDITOR SHALL:

(I) ~~STATE THAT THE INDEPENDENT AUDITORS HAVE DETERMINED WHETHER:~~

1. ~~THE PUBLIC SERVICE COMPANY HAS COMPLIED WITH THE POLICIES AND PROCEDURES OF THE PUBLIC SERVICE COMPANY'S COST ALLOCATION MANUAL; AND~~

2. ~~THERE WERE COSTS THAT WERE NOT ALLOCATED TO AN AFFILIATE OF THE PUBLIC SERVICE COMPANY THAT SHOULD HAVE BEEN ALLOCATED TO AN AFFILIATE IN ACCORDANCE WITH THE MANUAL;~~

(II) ~~STATE WHETHER THE ACTUAL COSTS AND TRANSACTIONS RELATIVE TO THE MANUAL HAVE BEEN APPROPRIATELY CHARGED TO THE PUBLIC SERVICE COMPANY AND ITS AFFILIATES; AND~~

(III) ~~IDENTIFY ADJUSTMENTS THAT SHOULD BE MADE TO THE MANUAL CONSISTENT WITH EARLIER COMMISSION RULINGS.~~