

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

§ 8143. Metering and Billing.

(a) CUC shall accurately meter electricity and water and shall bill all consumers, including government consumers and all government buildings, for electrical power, water consumption, and sewer services by no later than October 1, 2007, at not less than the full cost of production, operation, and maintenance of those services; provided, however, that nothing in this section or any other provision of law shall preclude the immediate equitable increase in existing rate schedules prior to the accurate metering of all classes of consumers. The classes of consumers are commercial, residential, and governmental, or such other classes as the Corporation may determine appropriate.

(b) Residential security deposit. The Corporation shall collect from every residential customer account a one month security deposit upon submission of an application for utility services, provided that residential customers who had utilities connected when the security deposit requirement was not in place and are in good standing shall not be disconnected due to the absence of a security deposit. Deposits shall be placed in an interest-earning trust fund to be established by the Executive Director. Funds collected shall not be used for any other purpose. All residential security deposit refunds shall be paid within thirty days after disconnection of utilities with earned interest.

(c) Residential Disconnection.

(1) Residential customers who are receiving utility assistance from the Department of Community and Cultural Affairs (DCCA) shall not be disconnected due to the failure of DCCA to remit the payments to CUC on a timely manner.

(2) Residential customers shall be granted a thirty day grace period after the billing due date to pay their utility services. The corporation shall not disconnect the utility services of residential customers during the thirty day grace period.

(d) CUC shall separate the electrical power, water consumption, and sewer services in its billing system. Consumers shall be permitted to pay for each utility service separately. CUC shall not disconnect a customer's water service for failure to pay for the electrical power portion of their bill. CUC shall allow customers to reconnect water or electrical power services upon payment of their water or electrical power consumption charges and reconnection fees.

(e) Fifty percent of the fees collected pursuant to subsection (b) shall be deposited into a special account within the General Fund and appropriated to the Commonwealth Utilities Corporation to pay for its fuel expenses.*

(f) CUC shall not disconnect utility services on a Friday, and/or on the last workday of the week.

(g) CUC shall not disconnect the utility services of any Low Income Home Energy Assistance Program (LIHEAP) client(s) upon full payment of their respective portion that and are not obligated to pay the full amount of the amount due.

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

(h) Upon approval of the Public Utilities Commission (PUC), the Disconnection Notice–Electric Fee of \$15 shall hereby be removed from the Commonwealth Utilities Corporation (CUC) Non-Rate Fees.

Source: PL 4-47, § 1 (§ 8143); amended by PL 6-5, § 319; amended by EO No. 2006-04, § 4(8143); (b) and (c) added by PL 15-80, § 3; (a) and (b) amended by PL 15-123; (e) added and (b) amended by PL 16-2 §§ 8(d) and 6, respectively; repealed and reenacted by PL 16-17 § 10(8143), modified; (c) amended and (f) added by PL 17-68 § 2 (Jan. 23, 2012), modified; (c)(2) amended and (g)–(h) added by PL 19-27 § 2 (Dec. 18, 2015).

* Although PL 16-17, repealed and reenacted this section, the Commission retained subsection (e), as enacted by PL 16-2. The last sentence of the findings and purpose section of PL 16-17 provides that “[t]he Legislature intends that this Act be read, to the fullest extent possible, consistently with Public Law 16-2.”

Commission Comment: See the comment to [4 CMC § 8111](#).

PL 15-80 was enacted into law by override on August 17, 2007, and contained the following short title and findings and purpose in addition to severability and savings provisions. The Commission inserted the word “this” after the words “... utility connected when ...” and changed “placed” to “place” in the first sentence of subsection (b) above to correct manifest clerical and typographical errors pursuant to its authority by [1 CMC § 3806\(g\)](#).

Section 1. Short Title. This Act may be cited as the “CUC Security Deposit Fairness Act of 2007.”

Section 2. Findings and Purpose. The Legislature finds that the Commonwealth Utilities Corporation’s (CUC) current policy regarding security deposits to be exorbitant and unfair. The CUC currently charges a two-month security deposit for every customer which is simply unaffordable for many residents. In addition, the CUC refunds residential security deposits without regard to interest which is unfair considering that the CUC can hold security deposits for many years.

The CUC is a government-owned utility and should be sensitive to the needs of the community. Residents are struggling with increasing rates, surcharge fees, and an overall cost of living increase while their incomes are declining. Therefore, it is the duty of the CUC to hold these security deposits in a responsible and conscientious manner and to return such funds to residential customers with interest. Therefore, the purpose of this Act is to reduce CUC’s residential customer security deposit to one month and to establish a trust account for these deposits.

PL 15-80 was enacted into law by override on August 17, 2007, and contained the following short title and findings and purpose in addition to severability and savings provisions.

Section 1. Short Title. This Act may be cited as the “CUC Security Deposit Fairness Act of 2007.”

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

Section 2. Findings and Purpose. The Legislature finds that the Commonwealth Utilities Corporation's (CUC) current policy regarding security deposits to be exorbitant and unfair. The CUC currently charges a two-month security deposit for every customer which is simply unaffordable for many residents. In addition, the CUC refunds residential security deposits without regard to interest which is unfair considering that the CUC can hold security deposits for many years.

The CUC is a government-owned utility and should be sensitive to the needs of the community. Residents are struggling with increasing rates, surcharge fees, and an overall cost of living increase while their incomes are declining. Therefore, it is the duty of the CUC to hold these security deposits in a responsible and conscientious manner and to return such funds to residential customers with interest. Therefore, the purpose of this Act is to reduce CUC's residential customer security deposit to one month and to establish a trust account for these deposits.

The Commission modified this section pursuant to 1 CMC § 3806(d), (e). For more information about PL 16-17, see the comment to 4 CMC § 8111 and § 8191. PL 16-2, enacted on May 3, 2008, contained severability and savings clause provisions and the following:

Section 1. Findings and Purpose. The Legislature finds that the Commonwealth is undergoing a power crisis due to dilapidated power plant engines at the Commonwealth Utilities Corporation (CUC) and the surging cost of fuel. The power rates have more than doubled in order to keep up with the continued rising cost of fuel and rolling blackouts occur to facilitate engine repairs or fuel conservation. The people of the Commonwealth are suffering with exorbitant power rates in addition to the surging cost of gas at the pumps and the increased cost of goods and commodities due to the implementation of shipping surcharges and other factors.

In order to assist CUC customers, the Legislature enacted Public Law 15-94 to reduce the power rates to a level that is affordable. However, the legislature finds that with the continuing rise in fuel costs and the implementation of electric charges and rates pursuant to Public Law 15-94 the CUC faces a shortfall approaching \$1 million each month for fuel alone. The CUC must be subsidized to pay for the shortfall of its fuel payments. Without these subsidies, compounded by the cost to rehabilitate, maintain and operate CUC's deteriorating generator engines, the CUC is placed in an untenable financial situation that will result in CUC being unable to purchase fuel and provide power, water, and sewer services to the people of the Commonwealth. The Commonwealth as a whole will likely suffer catastrophic, economic loss. Accordingly, this act intends to provide CUC with a fuel subsidy by suspending earmarked non-General Fund revenue and appropriating such funds to the Commonwealth Utilities Corporation to pay for its fuel expenses and amend Public Law 15-80 to allow CUC to use a portion of its customers security deposits to pay for its fuel expenses.

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

Additionally, to avert CUC's total failure to produce power, the Legislature finds it is in the public's best interest to suspend Public Law 15-94 up to December 31, 2008, pending the adoption of a permanent rate structure by the Public Utilities Commission (PUC), and temporarily restore the previous rate structure established by the Amendments to Part 24 of the Electric Service Regulations of the Commonwealth Utilities Corporation as set forth in 28 Com. Reg. [26156] *et seq.* (Sept. 27, 2006), which became effective on October 27, 2006, to give CUC the needed flexibility, pending rate making action by the Commonwealth Public Utilities Commission.

Additionally, the Legislature finds that the PUC still has not realized its full compliment of Commissioners, and it is necessary to affirmatively state that, once three Commissioners have been nominated and confirmed, the PUC is to immediately begin operations. Further, it is necessary to set the quorum regulations in the event that a Commissioner resigns or retires when the PUC is not fully constituted with five Commissioners, and to clarify and/or establish the PUC's authority in case of an emergency to temporarily alter, amend or suspend any existing rate upon a showing of emergency need. The Legislature further finds that the Commonwealth Government continues to face financial challenges as a result of the economic downturn and revenue collection decline; therefore, several fiscal measures must be taken to ensure continued delivery of essential public services to the people of the Commonwealth. One such measure is to provide the Governor and other expenditure authorities with greater flexibility in reprogramming funds for the remainder of fiscal year 2008.

The Legislature further finds that the Commonwealth government is unable to pay its retirement employer contribution of eighteen percent (18%) due to the continued decline in revenue collection. Consistent with the foregoing measures, this Act also sets the government retirement contribution rate for the Defined Benefit plan at 11% for Fiscal Year 2008. This measure is necessary to ensure the government's personnel costs remain within the continuing appropriation authority levels set under Public Laws 15-28 and 15-71 and to provide a fuel cost subsidy for CUC with fifty percent of the savings from the employer retirement contribution.

Furthermore, the Legislature finds that many government services fees have remained stagnant for over a decade while the costs of providing such services have increased during the same period. Such increased costs of providing government services have burdened the general fund and prevented government agencies from expanding and enhancing services to the public. Therefore, it is necessary to increase the fees of various government services in order to cover the cost of providing such services.

PL 15-123 was enacted into law by override on December 3, 2007. PL 15-123 contained severability and savings provisions and the following:

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

Section 1. Findings. The Legislature finds that the Commonwealth Utilities Corporation's ("CUC") present billing system combines the charges for electrical power, water consumption, and sewer services into one bill each month. CUC does not separate a customer's utility payment according to the different applicable utilities under its present billing system. The billing system of CUC has resulted in the disconnection of water for many CUC consumers in addition to the disconnection of power.

The Legislature further finds that it is the practice of CUC to disconnect the water service, in addition to the power, of consumers who are delinquent in paying their power bill.

This practice has created an unhealthy and unsanitary living environment for many Commonwealth residents. Many Commonwealth residents are now living without power and water at home. They rely on water collection, which is not always clean and usually insufficient to sustain their daily water needs. Water is a basic necessity of life. Many people can live without power but cannot live without water. Moreover, Commonwealth residents cannot properly prepare and cook food, clean their homes, and wash their clothes without water. The lack of water in such households may lead to the spread of germs and diseases that could easily be avoided with the use of water.

The Legislature finds that CUC does not have any compelling interest in disconnecting a consumer's water service just because they cannot pay the power portion of their CUC bill. Consumers should be allowed to reconnect their water service upon payment of their consumption charges and reconnection fees. The purpose of this legislation is to require CUC to separate the electrical power, water consumption, and sewer services in its billing system, to allow consumers to pay their utility bills separately, and to permit consumers to reconnect water or power services upon payment of their outstanding consumption charges and reconnection fees.

PL 19-27 (Dec. 18, 2015) contained the following findings and purpose section in addition to severability and savings provisions.

Section 1. Findings and Purpose. The Legislature finds that there are residents of our great Commonwealth that struggle to pay for their utility services. Many of whom are dependent on government assistance, such as the Low Income Home Energy Assistance Program (LIHEAP), social security, and disability benefits in order to pay for such services. However, the financial assistance received by these residents only occur on a monthly basis while the given grace period before disconnection after the billing due date is only twenty-one days. The current legislation must be amended to give the government-dependant residents ample time to receive and pay for the utility services before disconnection.

The Legislature further finds that LIHEAP clients, who are obligated to only pay a certain portion of their electricity bill, are being burdened by the Commonwealth Utilities Corporation (CUC) to pay the full amount due to the programs inability to pay CUC in a timely manner.

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

Changes must be implemented in order to protect the LIHEAP clients from any electrical disconnection that was not of their wrongdoing.