

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

§ 8141. Management.

(a) The Executive Director and Board shall manage the corporation in a business-like manner so as to provide the most efficient delivery of its services at the most reasonable cost to consumers.

(b) If the Board contracts with a private business to provide a utility service, the Board shall permit the business to adopt a utility rate and billing structure that provides a reasonable return on investment. The Board shall determine reasonableness by reference, in part, to the rate of return on investment earned by providers of similar utility services in other jurisdictions.

(c) Pursuant to 4 CMC § 1602, the Board shall adjust the utility services collection and rate structure so that within three complete fiscal years collections from a particular utility service are sufficient to recover the costs associated with the operation and delivery of the particular utility service. These costs shall include adequate financial reserves for debt service, if any, and the replacement costs of obsolete or damaged equipment.

(d) The Board's rate schedules may provide for separate utility service rates for different islands, residential, commercial, industrial or other categories of consumption. The rate schedule for each category of utility consumption shall be uniform within each island, except that the schedule may provide for increasing marginal rates as the consumption of a person increases. The Board may provide life-line utility services at lower rates for the benefit of low income consumers.

(e) The Board shall annually review and in its discretion may revise the rate schedules. The Board shall adopt procedures to permit consumers to contest their billings.

(f) The Board may finance the extension or improvement of utility services through tax exempt bonds or other tax exempt obligations issued by it in conjunction with the Commonwealth Development Authority.

(g) In the event the Board has not privatized a utility service, its consumer accounts receivable for the utility service shall not be more than 90 days past due, unless the consumer is actively contesting the billing. The Board shall cut off utility services to consumers who are not actively contesting their billing and who have accounts more than 90 days past due.

(h) Residential consumers may be given up to one year to pay in full any outstanding balance in their accounts.

Source: PL 4-47, § 1 (§ 8141); amended by PL 10-36, § 3; amended by EO No. 2006-04, § 4(8141); (h) added by PL 15-97 § 2; repealed and reenacted by PL 16-17 § 10(8141), modified.

Commission Comment: See the comment to 4 CMC § 8111.

The Commission changed capitalization for conformity pursuant to 1 CMC § 3806(f). See comments to 4 CMC §§ 8111 and 8112 for more information regarding PL 16-17. Public Law 15-97, effective on October 4, 2007, includes severability and savings clause provisions and the following:

Section 1. Findings and Purpose. The Legislature finds that the Commonwealth Utilities Corporation gives residential consumers up to

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three months to pay in full any outstanding balance in their accounts. This practice creates an undue burden on consumers and is unreasonable given the fact that residential consumers must pay for any outstanding balance on their account plus new charges at the same time. The Legislature finds that residential consumers need more than three months to pay off any outstanding balance plus new charges. Accordingly, the purpose of this legislation is to require the Commonwealth Utilities Corporation to give residential consumers up to one year to pay in full any outstanding balance in their accounts.