

TITLE 4: ECONOMIC RESOURCES
DIVISION 8: UTILITIES

§ 8412. Powers.

The Commission shall have the following powers which it may exercise in carrying out its mandate to regulate rates:

(a) To examine the financial records of each regulated, including but not limited to, all bank records; the terms and conditions of any contract with the United States Government or any other governmental agency, department, or division; terms and conditions of any refinancing provisions by the Federal Finance Bank and the Department of the Interior; its costs, of operations and costs charged to it by the United States Government or any other governmental agency, department, or division; schedules of rates and classifications; the value and condition of the entity's physical property, including that of the United States Government or any other governmental agency, department, or division where appropriate; the issuance on behalf of the utility of bonds and the disposition of the proceeds thereof; the volume of unit sales; the amount and disposition of its income; all its financial transactions; its compliance with contracts, covenants, promissory notes, and other terms of indebtedness; its compliance with all applicable Commonwealth and federal laws.

(b) The power to require every entity subject to its jurisdiction to maintain such books, accounts, documents, and files and to present to the Commission such information or documents that the Commission determines are reasonably necessary for the exercise of the Commission's authority and for achieving the purposes of the Commission.

(c) The power at any time to examine the financial condition of entities.

(d) The power at any time to examine all procurement documents where public procurement was utilized in accordance with this part or under the enabling statutes of the respective governmental agency, department, or entity.

(e) The power to issue interim orders, including orders for partial and immediate rate increases or decreases.

(f) The Commonwealth Public Utilities Commission, shall consult with the Office of the Public Auditor, who shall conduct, and/or procure and oversee the services of performance auditing firms to conduct performance audits or other agreed upon procedures of each regulated entity and any of its operating divisions. Such audits would be performed from time to time as agreed upon by the Commission and the Public Auditor.

(1) The purpose of these audits will be to produce findings and recommendations for action by the regulated entity to reduce unreasonable expenses and to improve the quality and efficiency of its management, operations, maintenance and service.

(2) The regulated entity shall provide its full cooperation in the audit process, which shall be conducted at the expense of the regulated entity.

(3) The Commission is empowered to issue such orders as it deems necessary to cause the regulated entity's findings and recommendations within a

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time frame established by the Commission. Audit reports and implementing regulatory orders shall be available for public review.

Source: PL 15-35, § 2 (8410), modified; (e) added by PL 15-40, § 3(d); subsection (f) added by PL 18-52 (June 20, 2014).

Commission Comment: PL 15-40 was enacted on December 22, 2006, and included a short title and findings and purpose sections in addition to other enactments and severability and savings provisions. See the comment to 4 CMC § 8403 for details of PL 15-40. PL 18-52 (June 20, 2014) contained, in addition to savings and severability clauses, the following Findings section:

Section 1. Findings. Performance audits have been used with meaningful success in Guam and other jurisdictions to identify and eliminate unreasonable cost centers and to require regulated public utilities to implement “best practices” with substantial savings to the ratepayers. Performance audits are used as a regulatory tool throughout the United States.