



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

Honorable Joseph P. DeLeon Guerrero
Speaker, House of Representatives
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

20 JUN 2014

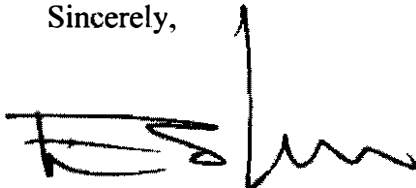
Honorable Ralph DLG. Torres
Senate President, The Senate
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 18-151, HS1, entitled, "To provide the Public Utilities Commission with the authority to require management audits of regulated entities," which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 18-52**. Copies bearing my signature are forwarded for your reference.

Sincerely,



ELOY S. INOS

cc: Lt. Governor; Lt. Governor's Legal Counsel; Attorney General's Office; Public Utilities Commission; Commonwealth Utilities Corporation; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



House of Representatives

18th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586
SAIPAN, MP 96950

May 14, 2014

The Honorable Eloy S. Inos
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith for your action **H. B. No. 18-151, HS1**, entitled: "To provide the Public Utilities Commission with the authority to require management audits of regulated entities.", which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Linda B. Muña".

Linda B. Muña
House Clerk

Attachment



*Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

Second Regular Session

November 25, 2013

Representative Christopher D. Leon Guerrero, of Saipan, Precinct 4 (*for himself*, Representatives Antonio R. Agulto, Roman C. Benavente, Lorenzo I. Deleon Guerrero, Rafael S. Demapan, Christopher D. Leon Guerrero, Janet U. Maratita, Felicidad T. Ogumoro, Antonio P. Sablan, Edmund S. Villagomez, and Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 18-151, HS1

AN ACT

**TO PROVIDE THE PUBLIC UTILITIES COMMISSION WITH
THE AUTHORITY TO REQUIRE MANAGEMENT AUDITS OF
REGULATED ENTITIES.**

The Bill was referred to the House Committee on Public Utilities, Transportation, and Communications, which submitted Standing Committee Report 18-102, adopted on February 11, 2014.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, FEBRUARY 19, 2014;**
with amendments in the form of H. B. 18-151, HS1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Public Utilities, Transportation, and Communications, which submitted Standing Committee Report 18-59, adopted on May 2, 2014.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, MAY 2, 2014;
without amendments and returned to
THE HOUSE OF REPRESENTATIVES.

THE BILL WAS FINALLY PASSED ON FEBRUARY 19, 2014.

A handwritten signature in black ink, appearing to read "Linda B. Muña", written over a horizontal line.

Linda B. Muña, House Clerk



*Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*
IN THE HOUSE OF REPRESENTATIVES

Sixth Day, Third Regular Session

February 19, 2014

H. B. 18-151, HS1

AN ACT

**TO PROVIDE THE PUBLIC UTILITIES COMMISSION WITH THE
AUTHORITY TO REQUIRE MANAGEMENT AUDITS OF REGULATED
ENTITIES.**

**Be it enacted by the Eighteenth Northern Marianas Commonwealth
Legislature:**

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

5 **Section 2. Amendment.** 4 CMC § 8412 is amended by adding the following new
6 subsection (f):

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

HOUSE BILL 18-151, HS1

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

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

7 (3) The Commission is empowered to issue such orders as it deems
8 necessary to cause the regulated entity's findings and recommendations within
9 a time frame established by the Commission. Audit reports and implementing
10 regulatory orders shall be available for public review."

11 **Section 3. Severability.** If any provisions of this Act or the application of any such
12 provision to any person or circumstance should be held invalid by a court of competent
13 jurisdiction, the remainder of this Act or the application of its provisions to persons or
14 circumstances other than those to which it is held invalid shall not be affected thereby.

15 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not be
16 construed as affecting any existing right acquired under contract or acquired under statutes
17 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
18 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
19 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
20 any liability, civil or criminal, which shall already be in existence on the date this Act
21 becomes effective.

HOUSE BILL 18-151, HS1

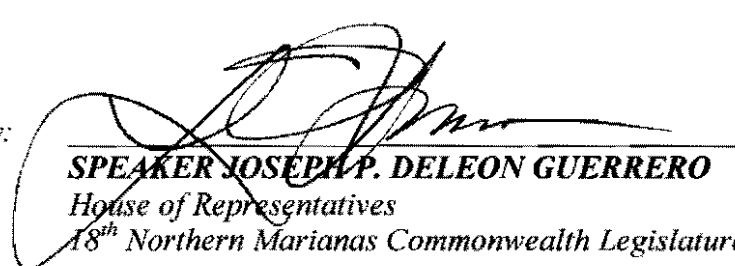
1 **Section 5. Effective Date.** This Act shall take effect upon its approval by the
2 Governor, or its becoming law without such approval.

Attested to by:



Linda B. Muña, House Clerk

Certified by:



SPEAKER JOSEPH P. DELEON GUERRERO

House of Representatives

18th Northern Marianas Commonwealth Legislature

APPROVED this 20TH day of JUNE, 2014



ELOY S. INOS

Governor

Commonwealth of the Northern Mariana Islands