



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Benigno R. Fitial
Governor

Timothy P. Villagomez
Lieutenant Governor

The Honorable Joseph M. Mendiola
Senate President, The Senate
Fifteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

23 JAN 2007

The Honorable Oscar M. Babauta
Speaker, House of Representatives
Fifteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 15-62, HD2, CCS1, entitled, "To amend Section 2 of Public law 15-12 to further the rehabilitation and reorganization of the Commonwealth Utilities Corporation." The bill was passed by the Senate and the House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 15-44**. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read "Benigno R. Fitial".

BENIGNO R. FITIAL

Cc: Attorney General, Office of the Attorney General
Secretary, Department of Finance
Executive Director, Commonwealth Utilities Corporation
Executive Director, Commonwealth Development Authority
Chairman, Public Utilities Commission
Special Assistant for Management and Budget
Executive Director, Commonwealth's Law Revision Commission
Special Assistant for Programs and Legislative Review



The Senate

NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500129
SAIPAN, MP 96950

PUBLIC LAW NO. 15-44

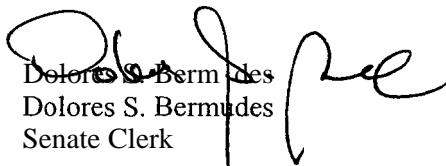
January 18, 2007

Honorable Benigno R. Fitial
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Fitial:

I have the honor of transmitting herewith Senate Bill No. 15-62, HD2, CCS1, entitled, "To amend Section 2 of Public Law 15-12 to further the rehabilitation and reorganization of the Commonwealth Utilities Corporation," which was passed by the Senate and the House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,


Dolores S. Bermudes
Dolores S. Bermudes
Senate Clerk

Attachment



THE SENATE
FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW NO. 15-44
SENATE BILL NO. 15-62, HD2, CCS1

AN ACT

To amend Section 2 of Public Law 15-12 to further the rehabilitation and reorganization of the Commonwealth Utilities Corporation.

SENATE ACTION

Offered by Senator(s): Joseph M. Mendiola

Date: September 01, 2006

Referred to: Public Utilities, Transportation & Communications

Conference Committee Report No.: 15-2

Final Reading: November 30, 2006

HOUSE ACTION

Referred to: None

Conference Committee Report No.: 15-2

First and Final Reading: November 24, 2006


SENATOR MARIA FRICA T. PANGELINAN
SENATE LEGISLATIVE SECRETARY

FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2006

**PUBLIC LAW NO. 15-44
SENATE BILL NO. 15-62, HD2, CCS1**

AN ACT

To amend Section 2 of Public Law 15-12 to further the rehabilitation and reorganization of the Commonwealth Utilities Corporation.

BE IT ENACTED BY THE FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** To further the purpose of Public Law 15-12 to
2 remove impediments to rehabilitating and reorganizing the Commonwealth Utilities
3 Corporation, the legislature finds that Section 2 of said law must be amended due to
4 potential, inadvertent consequences that may result. Section 2 of Public Law 15-12
5 provides, in part, that

6 . . . in the event that the power generation system for the CNMI is
7 privatized and controlled by an independent power producer, fifty
8 percent of the principal amount of \$45,500,000.00 shall be paid by the
9 independent power producer to the Commonwealth Development
10 Authority. Such payment shall be reserved and used for loan programs
11 administered by the Commonwealth Development Authority or its
12 successor agency.

13 The legislature finds that the above language not only impedes the likelihood of
14 privatization of the Commonwealth Utilities Corporation but also heightens the risk that the
15 cost to the independent power producer who takes control of the CNMI's power generation
16 system might be borne ultimately by Commonwealth consumers should the above-cited
17 language remain in the statute. Either result is not in the best interest of the CUC and the
18 already suffering people of the CNMI. Therefore, the purpose of this act is to ensure that

1 privatization in unimpeded and no financial burden because of privatization is placed on
2 Commonwealth consumers.

3 **Section 2. Amendment.** Section 2 of Public Law 15-12 is amended as follows:

4 "Section 2. Amendment. Title 4, Division 10, Chapter 6 of the
5 Commonwealth Code is hereby amended by adding a new § 10603 to read as
6 follows:

7 "§ 10603. *CDA-CUC Loan Principal and Interest Write Off.* The
8 Commonwealth Development Authority (CDA) is hereby authorized to
9 waive the sum of \$45,500,000.00 of the principal amount owed by the
10 Commonwealth Utilities Corporation (CUC), such amount being the
11 aggregate sum of all outstanding sewer and water project loans given to CUC
12 and referenced in the Amended Memorandum of Agreement between CDA
13 and CUC executed on January 13, 2004 and January 17, 2004, by each
14 respective public corporation. Pursuant to the same Amended Memorandum
15 of Agreement, CDA is hereby authorized to waive any and all accrued
16 interest owed by CUC on all outstanding loans in accordance with the terms
17 and conditions of the Amended Memorandum of Agreement, such terms and
18 conditions being incorporated herein by reference. ~~However, in the event that~~
19 ~~the power generation system for the CNMI is privatized and controlled by an~~
20 ~~independent power producer, fifty percent of the principal amount of~~
21 ~~\$45,500,000.00 shall be paid by the independent power producer to the~~
22 ~~Commonwealth Development Authority. Such payment shall be reserved and~~
23 ~~used for loan programs administered by the Commonwealth Development~~
24 ~~Authority or its successor agency. However, in the event that CUC's power~~
25 ~~division or any section thereof is privatized. fifty percent or \$22,750,000.00~~
26 ~~of the principal amount of \$45,500,000.00 shall be rebated to the residential~~
27 ~~power consumers and the remaining fifty percent shall be waived. The said~~
28 ~~rebate shall be subject to review and approval by the Public Utilities~~
29 ~~Commission upon privatization.~~"

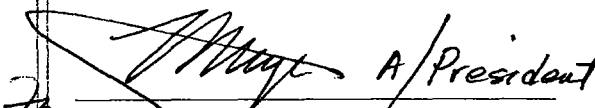
1 **Section 3. Severability.** If any provision of this Act or the application of any such
2 provision to any person or circumstance should be held invalid by a court of competent
3 jurisdiction, the remainder of this Act or the application of its provisions to persons or
4 circumstances other than those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

5 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not be
6 construed as affecting any existing right acquired under contract or acquired under statutes
7 repealed or under any rule, regulation or order adopted under the statutes. Repealers
8 contained in this Act shall not affect any proceeding instituted under or pursuant to prior
9 law. The enactment of this Act shall not have the effect of terminating, or in any way
10 modifying, any liability, civil or criminal, which shall already be in existence at the date this
11 Act becomes effective.

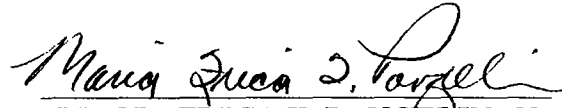
12 **Section 5. Effective Date.** This Act shall take effect upon its approval by the
13 Governor or upon its becoming law without such approval.

CERTIFIED BY:

ATTESTED BY:

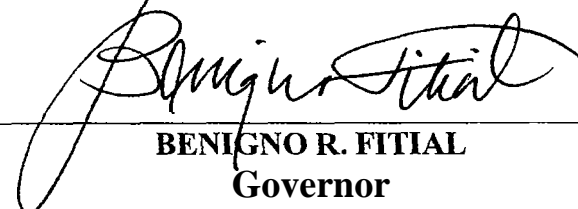
for 

JOSEPH M. MENDIOLA
President of the Senate



MARIA FRISCA T. PANGELINAN
Senate Legislative Secretary

APPROVED this 23rd day of January, 2007



BENIGNO R. FITIAL
Governor
Commonwealth of the Northern Mariana Islands