



Commonwealth Utilities Corporation



PUBLIC NOTICE OF CUC'S PROPOSED ALTERNATIVE TARIFF IMPLEMENTATION AND PUBLIC HEARING ON MAY 22, 2014

This is a notice of a formal request to increase the rates, fees and/or charges of the Commonwealth Utilities Corporation ("CUC"), and to notify ratepayers of the public hearing before the CNMI Public Utilities Commission ("Commission") which regulates CUC pursuant to Public Law 15-35, as amended. On July 5, 2013, CUC filed a petition and supporting evidence with the Commission to raise its rates and its electric fees and charges, under Docket 13-01. CUC filed a first amendment to the petition on November 8, 2013. At the Commission's business meeting, it deferred consideration of the Standby Charge for CUC to submit further information and give commercial customers a further chance to comment. CUC withdrew its request for the Standby Charge on April 15, 2014. CUC, after further investigation, believes that it would be prudent to develop an Incentive Rate Rider to the existing Commercial Rate which would be available to customers with a generating capacity of 400 kW or more and who self-generate 90% or more of their annual usage. If granted, the Tariff Rider IR to the Commercial Rate will become effective **June 23, 2014**, or as otherwise determined by the Commission. The justification is to offer a rate which is low enough to encourage very large users who are currently not full requirements customers of CUC to become full requirements customers. The goal is to be able to reduce rates for all customers if enough very large customers come back onto the CUC grid.

The Commission will conduct a public hearing on **May 22, 2014, at 9:00 a.m.**, at the Commonwealth Development Authority Conference Room, Beach Road, San Jose, Saipan, to receive evidence, argument, discussion and public comment on a number of other issues previously noticed, which will now include the Large Commercial Customer Incentive Rate Tariff ("Tariff Rider IR"). Commercial customers are invited to comment before or at the public hearing. The Commission will later conduct a special business meeting to consider and make decisions regarding matters considered at the public hearing.

Tariff Rider IR to the Commercial Rate will set the Electric Base Rate at 4 cents per kilowatt hour. In other words, the Tariff Rider IR to the Commercial Rate will provide a reduction of 7.3 cents per kWh from CUC's Commercial Electric Base Rate for three years from the date the Tariff Rider IR is adopted by the Commonwealth Public Utilities Commission.

Eligible customers are existing customers who currently generate 90% or more of their annual electric requirements and have installed generation capacity of 400 kW or greater. New commercial customers with generation capacity of 400 kW or greater also qualify. For existing customers who currently purchase all of their electric requirements from CUC, any expansion of their existing operations which results in an increase in load of 400 kW or greater, the new load will qualify.

The Tariff Rider IR to the Commercial Rate supplemental testimony and tariff, along with all previous testimony and filings in this rate case, are available on CUC's website at: <http://www.cucgov.org>. Please let the cursor float over "Announcements" then bring the cursor down and let it float over "Regulatory Matters/Public Utilities Commission." You will see each filing, and can click on a filing individually to view or download the documents. A written copy of all petition materials will also be available for inspection at the following places: CUC Admin Office: Third Floor, Joeten Dandan Building; CUC Tinian Office; CUC Rota Office.

P. O. Box 501220, Third Floor, Joeten Dandan Building, Saipan, MP 96950
Tel: (670) 664-4282 • Fax: (670) 235-5131
CUC is an Equal Opportunity Provider and Employer.