



Commonwealth Utilities Corporation

An Equal Opportunity Provider and Employer

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Falling Fuel Prices Result in Decrease of Fuel Adjustment Charge

Thursday, January 3, 2019 - Saipan, CNMI – The Commonwealth Utilities Corporation (CUC) has been notified by Mobil Oil Mariana Islands, Inc. that there has been a decrease in the average international fuel prices which will affect the Fuel Adjustment Charge (FAC).

As a result, the current FAC rate of \$0.21246 per kWh has decreased to \$0.17624 per kWh effective January 1, 2019. Residential customers who use 500 kWh of power per month will pay approximately \$18.11 less in their monthly billing.

The FAC is one of two components that make up the CUC Electric kWh Rate, which is used to purchase fuel. The second component is the CUC Base Rate, which is used to fund operations, projects, and debt service. This Base Rate has not been increased since April 17, 2014.

CUC is required, pursuant to an order previously issued by the Commonwealth Public Utilities Commission (CPUC), to adjust (up or down) the FAC pass-through rate when the Mean of Platts Singapore (MOPS) monthly pricing equals or exceeds a 4.5 percent differential of the average per gallon cost of fuel used in the calculation of the current FAC rate.

CUC first instituted the Levelized Energy Adjustment Clause (LEAC) in 2009 to recover fuel and fuel related costs, a system also used by power providers in Guam and the Virgin Islands. In May 2015, the CPUC authorized CUC to change the name of LEAC to FAC to provide customers a more accurate description of the electric rate.

About CUC

The Commonwealth Utilities Corporation is a non-profit autonomous agency of the CNMI government which provides electric power, water, and wastewater services to the islands of Saipan, Tinian, and Rota.