

BEFORE THE COMMONWEALTH PUBLIC UTILITIES COMMISSION

**COMMONWEALTH UTILITIES CORPORATION
[CUC] REGULATORY MATTERS**

**ORDER LIFTING FAC TARIFF
FREEZE**

ORDER

Background

By this order, the Commonwealth Public Utilities Commission [*Commission*] considers, determines, and makes rulings on a consideration for regulatory action related to the electric division of the Commonwealth Utilities Corporation [*CUC*].

The following matter came before the Commission on March 13, 2026: Lifting the FAC tariff freeze which resulted from the Commission's March 6, 2025, Order stabilizing the Fuel Adjustment Charge (FAC) tariff until the completion and filing of a final FAC Reconciliation Report with Commission by CUC.

During a Commission business meeting held on February 19, 2025, at which time the Executive Director for CUC was present, the Commission expressed its concern to CUC that the FAC collections had not been reconciled despite CUC having been requested to do so by the Commission on several occasions. As a result, the Commission stated that it was considering freezing the FAC tariff at the January 2025 rate until CUC performed a FAC tariff reconciliation and reported the results of that reconciliation to the Commission.

Thereafter, the CUC, by a vote of its Board of Directors, agreed to the freezing of the FAC tariff at the January 2025 rate until a FAC tariff reconciliation was performed and submitted to the Commission for review.

On February 28, 2025, CUC filed a petition with the Commission requesting the Commission to stabilize the FAC tariff rate at \$0.21119 per kWh, which is the lowest that the FAC rate had fallen to in the 14 months prior thereto. CUC further requested that this change become effective March 1, 2025, and last until such time that CUC's FAC tariff reconciliation was completed. The request was made pursuant to the Commission's inherent statutory authority under 4 CMC § 8411(a) to regulate all rates of the utility company. CUC did not have the authority to unilaterally stabilize the FAC tariff rate and therefore requested an Order from the Commission for such relief under the Commission's inherent statutory authority pursuant to 4 CMC § 8411(a).

On March 6, 2025, pursuant to due and lawful notice, the Commission held a Special Business Meeting at the CEDA conference room on Saipan to consider action on the Petition. The meeting was convened by the Acting Chairman of the Commission whereupon CUC presented its comments in support of the Petition to stabilize the FAC tariff rate. After further discussion between the Commissioners and CUC, and after carefully considering the comments and statements made by the representatives of CUC and the Commissioners, for good cause shown

and in the exercise of their discretionary powers, on March 6, 2025. the Commissioners, through the Commission’s Chairman and pursuant to their authority under 4 CMC § 8411(a), issued an Order freezing the FAC tariff rate which included the following ordering provision:

Ordering Provision

*After careful review and consideration of the above findings and determinations, and based on the Petition filed by CUC requesting the stabilization of the FAC until it performs a reconciliation of its FAC collections and reports the results of that reconciliation to the Commission, and based on the motion duly made seconded, discussed and approved by each of the individual Commissioners present on Saipan at the March 6, 2025 Special Business Meeting, the undersigned Chairman of the Commission, in accordance with the authority given to him during the March 6, 2025 Special Business Meeting by the respective Commissioners present and voting at that meeting, **HEREBY ORDERS THAT:***

- 1. That the FAC tariff rate shall be frozen at the rate of \$0.21119 per kWh, effective March 1, 2025, **until a reconciliation is conducted by CUC and presented to the Commission for its review and consideration** This period is identified as the stabilization period.*
- 2. That should the calculations of the fuel costs result in the FAC tariff rate falling below the initial rate of \$0.21119 per kWh, or to any rate adjusted below the initial rate, during the stabilization period, then the FAC tariff rate must be adjusted by CUC to the lower rate. Thereafter, the FAC tariff rate cannot be increased to a higher rate during the stabilization period.*
- 3. That the Commission reserves its continuing jurisdiction over this matter.*
- 4. That the Commission’s Hearing Examiner, if so required to do so in the future, is authorized to interpret the meaning of this Decision in furtherance of its reasonable and effective implementation.*

On March 10, 2026, CUC filed Administrative Filing No. 01-2026 with the Commission identified as “Fuel Adjustment Charge (“FAC”) Reconciliation Report for October 1, 2011 – September 30, 2025”. Accordingly, having complied with provision number one of the prior Order freezing the FAC tariff rate, and the Commission having considered and voted on the issue during its March 13, 2026, business meeting, now issues the following Order through its Chairman in accordance with the authority given to him during the March 13, 2026 Business Meeting by the respective Commissioners present and voting at that meeting:

IT IS HEREBY ORDERED THAT:

- 1. That the freeze of the FAC tariff rate, which was frozen, effective March 1, 2025, until a FAC tariff rate reconciliation is conducted by CUC and presented to the Commission for its review and consideration, **shall be lifted** effective March 15,*

2026. This ordering provision is the direct result of CUC's Administrative Filing No. 01-2026 with the Commission which is identified by CUC as *Fuel Adjustment Charge ("FAC") Reconciliation Report for October 1, 2011 – September 30, 2025*.

2. That should the future calculations of the fuel costs result in the FAC tariff rate going above the FAC tariff rate of \$0.24500 per kWh, at any time during a monthly period, then CUC MUST first file a request for approval of such FAC tariff rate with the Commission prior to putting such FAC tariff rate into effect and collecting revenue from its rate payers pursuant to such FAC tariff rate.
3. That the Commission reserves its continuing jurisdiction over this matter.
4. That the Commission's Hearing Administrator, if so required to do so in the future, is authorized to interpret the meaning of this Order in furtherance of its reasonable and effective implementation.

This Order is dated March 13, 2026, *Nunc Pro Tunc*.

/s/ James S. Sirok
James S. Sirok, Chairman
Commonwealth Public Utilities Commission