CITIZEN-CENTRIC REPORT
FISCAL YEAR 2026
October 2025 - September 2026

The **Commonwealth Utilities Corporation (CUC)** is an independent agency that is *self-funded* and *regulated* by the Commonwealth Public Utilities Commission (CPUC) operating on the islands of **Saipan, Tinian, and Rota.**

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Locales of Responsibility

There are 14 islands within the Commonwealth of the Northern Mariana Islands (CNMI). CUC is responsible for providing power, water, and wastewater services to the three (3) main islands of Saipan, Tinian, and Rota. Currently, Saipan is the only island where CUC provides wastewater treatment services.

Our Mission

CUC is dedicated to excellent customer service and providing reliable, environmentally sensitive and effective power, water and wastewater services for the people of the CNMI at the lowest reasonable cost while ensuring the safety of our employees and the community.

Our Vision

Fostering excellence and trust, CUC aspires to be a leading utility by prioritizing customer service, environmental stewardship, and stakeholder value. This will be achieved through strategic planning, cutting-edge technology, and effective communication, while also recognizing and rewarding commitment, development, and fairness.

Organizational Structure

The culture of CUC is shaped by a leadership team of professional experts committed to delivering exceptional service quality, fostering a warm and receptive customer experience, maintaining outstanding communication, and understanding that the value of CUC's services justifies the monthly fees it charges.

CUC employees participated in Crane Certification Training to strengthen equipment-handling skills, promote workplace safety, and support safe and efficient utility operations.

Customer Demographics

Saipan

	Electric	Water	Wastewater
Residential	11,712	9,402	2,776
Commercial	3,107	1,805	1,095
Government	810	394	160
TOTAL	15,629	11,601	4,031

Tinian

	Electric	Water
Residential	750	700
Commercial	233	145
Government	94	56
TOTAL	1,077	901

Rota

	Electric	Water
Residential	693	701
Commercial	192	117
Government	87	72
TOTAL	972	890

Total No. Of Employees

Saipan	414
Tinian	31
Rota	38

Executive Director's Message: Strengthening Resiliency Through Recovery

FY 2026 has been a year of unprecedented challenges for the CNMI and CUC. Super Typhoons Sinlaku and Bavi caused significant damage to critical utility infrastructure and disrupted essential power, water, and wastewater services. These events tested our communities, infrastructure, and workforce while placing additional financial pressure on CUC through rising costs for fuel, materials, equipment, emergency response, and aging infrastructure.

In response, CUC undertook an intensive restoration effort to rebuild essential services. Our employees have worked diligently to assess damage, repair infrastructure, and restore services under difficult conditions, with support from our local and federal partners. While significant progress has been made, restoration remains ongoing. CUC remains focused on strengthening infrastructure, improving preparedness, and building resilience for future challenges.

Looking ahead, CUC is committed to working with our federal and local partners to secure resources to repair storm damage, improve water quality, replace aging infrastructure, and strengthen system resilience. I thank our employees, customers, and partners for their dedication, patience, and continued support as we work toward a more reliable and resilient utility for the Commonwealth

- Kevin O. Watson, MPA, Executive Director

Corporate Core Values

Core values are tied to work performance, commitment to professionalism, practiced daily, promoted without compromise, and communicated through action.

Priority | Objectives

Safety	Assuring every employee is trained, has the tools to perform, and understands their role.
Respect	Treating everyone fairly, honorably, and non-judgmentally.
Teamwork	Sharing a common vision, looking out for each other, operating transparently, and working together as one team toward common goals
Excellence	Striving to provide quality services to our customers by producing a high-value product and consistently meeting our production targets.
Accountability	Being a responsible steward of critical services, long-lived infrastructure, and protector of a well-meaning and well-trained pool of professional employees.
Integrity	Being accountable for our actions, ethical and transparent, and honest in everything we do.
Communication	Open and transparent communication at all levels of the organization that is constructive and distributed to our customers, Board of Directors (BOD), business partners, and the community at large.

Leadership Team

Board of Directors

Allen M. Perez, *Chairman*
Donald Robert Browne, *Vice Chairman*
Rosemond Santos-Sword, *Secretary*
Simon A. Sanchez, *Member*
Rebecca C. White, *Member*
Miranda M. Manglona, *Member*
Francisco M. Rabauliman, *Member*

Management

Kevin O. Watson, MPA, *Executive Director*
Thomas L. Winkler, P.E., PMP, *Deputy Executive Director*
Bettina G. Terlaje, *Chief Financial Officer*
Alvin A. King, *Resident Manager, Rota*
Evelyn B. Manglona, *Resident Manager, Tinian*

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OUR PROGRESS

Administration

The CUC Administration continued advancing infrastructure improvements, operational readiness, and service reliability throughout FY 2026 in coordination with federal and local partners. Following Super Typhoons Sinlaku and Bavi, the Corporation worked with partner agencies to support recovery efforts, address infrastructure damage, and restore essential utility services across Saipan, Tinian, and Rota. CUC also continued advancing the Independent Power Producer (IPP) Solar Project to support energy sustainability and diversify power generation resources.

CUC continued modernizing operations through information technology (IT) infrastructure upgrades, cybersecurity improvements, network enhancements, and enterprise systems development. Key initiatives included expanded fiber-optic connectivity, redundant communications systems, enhanced security controls, and dedicated Supervisory Control and Data Acquisition (SCADA) network connectivity to support power-generation monitoring across the three islands. Projects involving the Computerized Maintenance Management System (CMMS), field operations applications, smart water meters, and the prepaid water kiosk system also remain underway or in development to improve operational efficiency and service reliability.

CUC remains committed to workforce development through training, professional development, and technical capacity-building opportunities. The Corporation supports training and professional certifications to strengthen employees' leadership, management, and technical skills, build organizational capabilities, and support the effective management of modernized systems and infrastructure to sustain reliable electric, water, and wastewater services throughout the Commonwealth.

Administration

Power Generation and Renewable Energy

During FY 2026, CUC's Power Generation and Renewable Energy programs were significantly influenced by the impacts of Super Typhoon Sinlaku and Super Typhoon Bavi, requiring CUC to balance immediate disaster response and system restoration with continued implementation of its long-term generation modernization and renewable-energy initiatives. The two disasters reinforced the need for a more resilient and diversified generation portfolio capable of supporting reliable power, water, and wastewater services throughout the CNMI.

On Saipan, Tinian, and Rota, CUC continued restoring storm-damaged generation while utilizing temporary and emergency generation to support essential services. Saipan continues recovery of storm-affected generating units, Tinian remains supported by emergency generation while a permanent solution is evaluated, and Rota has restored two generating units while advancing procurement of a permanent replacement generator. Preventive maintenance, generator overhauls, and replacement of aging and damaged assets continue as resources allow. CUC also advanced a $21.4 million U.S. Department of Agriculture (USDA) funding request, including approximately $15 million for permanent generation capacity.

CUC continued implementing its Integrated Resource Plan and advancing long-term energy diversification. The CNMI-wide Solar PV + BESS procurement for Saipan, Tinian, and Rota progressed toward award, while stand-alone Saipan and Rota BESS projects advanced through design. CUC also pursued funding for a Saipan geothermal feasibility study and continued evaluating dual-fuel generation and other modernization opportunities. Despite disaster-related delays, CUC continued advancing renewable energy, battery storage, generation replacement, grid modernization, and federal funding initiatives.

Power T&D

Power Transmission and Distribution (T&D)

During FY 2026, CUC continued advancing transmission and distribution system hardening and grid-modernization initiatives while responding to extensive system damage caused by Super Typhoon Sinlaku and Super Typhoon Bavi. Emergency restoration requirements affected project schedules and required CUC to redirect personnel, equipment, and other resources toward restoring electrical service across the affected islands.

CUC's CNMI-wide Supervisory Control and Data Acquisition (SCADA) Modernization, Power Plant No. 1 SCADA Phase 2, and Saipan Distribution Automation projects remain in pre-procurement, with implementation affected by typhoon restoration priorities. Supported by the U.S. Department of Energy (DOE) funding, these projects will improve system visibility, outage detection, monitoring, switching, fault isolation, operational control, and restoration. CUC also continued implementing FEMA-funded concrete pole and distribution-hardening projects on Saipan, Tinian, and Rota to reduce storm-related failures and strengthen system resilience.

CUC also advanced its pending $21.4 million USDA Rural Utilities Service funding request, including approximately $2.4 million for transmission and distribution equipment and $4 million for concrete poles and system hardening. Additional funding opportunities are being pursued for underground distribution to critical facilities, distribution automation on Tinian and Rota, smart meters, SCADA integration, substation improvements, lineman training, streetlight efficiency, and post-storm disaster recovery and grid hardening.

Power Generation

Water and Wastewater

During FY 2026, CUC's Water and Wastewater Divisions faced significant challenges brought by Super Typhoons Sinlaku and Bavi. Despite widespread disruptions, personnel worked tirelessly to maintain critical services through emergency response and recovery efforts, including generator deployment, bypass pumping, infrastructure inspections, and emergency repairs. CUC continued working with the U.S. Environmental Protection Agency (EPA) and the Department of Justice (DOJ) to fulfill the requirements of Stipulated Order No. 1 (SO1).

The Water Division continued leak detection, meter replacements, and infrastructure improvements to reduce non-revenue water (NRW). Through its Non-Revenue Water Reduction Plan, the division reduced NRW in the Gualo Rai Tank Service Area (TSA) from approximately 70% to 3% in FY 2026, with reduction efforts underway in other areas of the islands. These efforts complemented ongoing water infrastructure projects, including the Kagman and Dandan water tank replacements.

CUC remains committed to providing safe, reliable drinking water and effective wastewater services. In FY 2026, the Wastewater Division cleaned approximately 61,060 feet of sewer lines from October 2025 through August 2026, expanded pipeline inspections, and advanced rehabilitation projects at the A-16 Lift Station, Afetnas sewer lines, and Agingan and Sadog Tasi wastewater treatment plants. The Fats, Oils, and Grease (FOG) program continued to help prevent sewer blockages and improve wastewater system performance, while the addition of four certified wastewater operators strengthened operational capabilities. Through continued infrastructure investments, preventive maintenance, workforce development, and federal funding support, including the Bipartisan Infrastructure Law (BIL), CUC continues to improve service reliability, protect public health, and strengthen system resilience throughout the Commonwealth.

Wastewater

Water

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P.O. Box 501220
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(670) 664-4282

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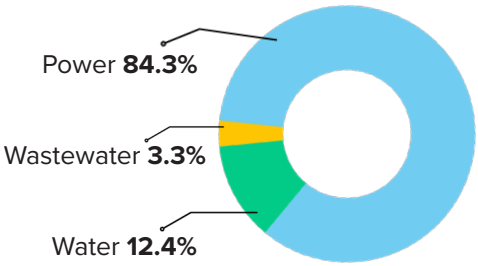
OUR FINANCES

(Unaudited figures for FY 2026)

OPERATING REVENUES

Power	$	71,007,322
Water	$	10,450,426
Wastewater	$	2,737,536
TOTAL	**$**	**84,195,284**



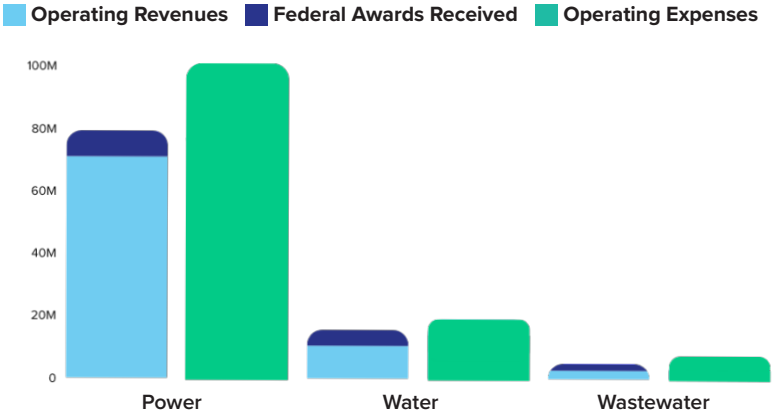
CUC crews worked around the clock to bring Rota's generators back online following Super Typhoon Bavi, supporting efforts to restore power service to the island.

	Power	Water	Wastewater	TOTAL
Federal Awards Received for FY 2026	$ 8,306,857	$ 5,115,674	$ 2,188,883	**$ 15,604,414**

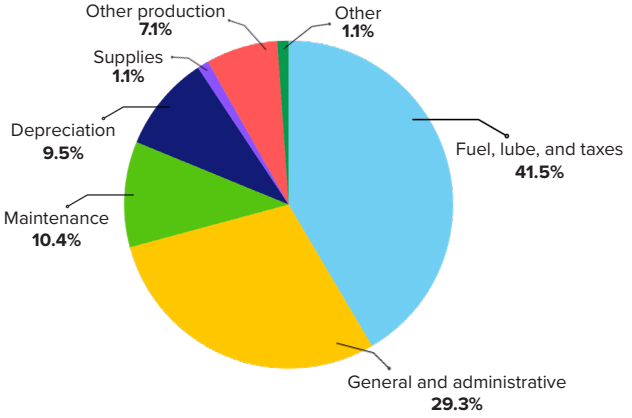
OPERATING EXPENSES

	Power	Water	Wastewater	TOTAL
Fuel Consumption	$ 52,600,411	-	-	$ 52,600,411
General and Administrative	$ 25,169,959	$ 9,093,848	$ 2,807,059	$ 37,070,866
Maintenance	$ 10,219,370	$ 2,604,997	$ 378,493	$ 13,202,860
Depreciation	$ 5,942,950	$ 3,275,168	$ 2,794,792	$ 12,012,910
Supplies	$ 770,203	$ 584,324	$ 83,026	$ 1,437,553
Other Production	$ 4,453,200	$ 3,370,917	$ 1,117,758	$ 8,941,875
Other	$ 1,173,295	$ 172,679	$ 45,234	$ 1,391,208
TOTAL	**$ 100,329,388**	**$ 19,101,933**	**$ 7,226,362**	**$ 126,657,683**

EXPENSES AND REVENUES



OPERATING EXPENSES



Materials and supplies delivered to support operations and post-Super Typhoon Sinlaku restoration efforts.

FUNDING SOURCES (FY 2020 TO 2026)

U.S. Environmental Protection Agency (EPA)	$	129,530,881
Economic Development Administration (EDA) and CNMI Capital Improvement Program (CIP)	$	2,158,020
American Rescue Plan Act (ARPA)	$	14,001,061
U.S. Department of the Interior - Office of Insular Affairs (DOI-OIA)	$	10,710,320
Department of Energy (DOE)	$	3,396,253
Hazard Mitigation Grant Program (HMGP)	$	3,914,563
TOTAL	**$**	**163,711,098**

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PROGRESSING FORWARD

The **Commonwealth Utilities Corporation (CUC)** has taken measures to improve the corporation's reliability to provide essential power, water, and wastewater services by securing funds or in the process of securing funds for major infrastructure projects as listed below:

POWER GENERATION, TRANSMISSION & DISTRIBUTION, AND RENEWABLE ENERGY

- Power Restoration of the power systems in Saipan and Tinian from Super Typhoon Sinlaku and Bavi is 100% and 96% restored, respectively.
- Ongoing power restoration of the Rota Power System from Super Typhoon Bavi has been approximately 60% restored.
- Procurement of a new genset for the Rota Power Plant is underway.
- Award of the USDA Rural Utility Service (RUS) High Energy Cost (HECG) program for energy projects: Replacement gensets for Saipan, Concrete Power Poles for Tinian and Rota, and Heavy Equipment acquisitions for Power Division.
- Design for a new CUC Headquarters and a Customer Care Center with 1.2MW Solar Photovoltaic and Battery Storage on Saipan was completed in Quarter 1 of FY2026.
- Ongoing procurement for the Request for Proposals (RFP) for the Independent Power Producer-Solar PV with Battery Energy Storage Systems for All Islands, CNMI.
- Ongoing procurement of the U.S. Department of Energy-Grid Modernization and Resiliency Subaward Projects (SCADA and power T&D Distribution Automation projects) with an approximate total budget of $3.365 million.
- The underground power supply from the CUC Power Plant No. 1 to the Commonwealth Healthcare Corporation (CHCC) design phase was completed, and the Construction (Phase 2) application was submitted and is pending review and approval through the Hazard Mitigation Grant Program (HMGP).
- Ongoing procurement for the architectural and engineering (A&E) design of the Saipan and Rota battery energy storage system (BESS) projects.
- Procurement for the design and construction of the underground power supply from the CUC Tinian Power Plant to critical facility loads for the island of Tinian is ongoing.
- System Control and Data Acquisition (SCADA) Phase I for two (2) units for Power Plant No. 1 on Saipan is ongoing.
- Continuing implementation of the SO_2 Implementation Strategy, including completion of shoreline soil sampling at PP1, PP2, and the former Tank 104 area, while maintaining compliance with the Facility Response Plan requirements for CUC Power Plants.
- Completed key facility and infrastructure improvements, including the SO_2 workshop and modernized oil-water separator at PP1, rehabilitation of large diesel storage tanks, and construction of a new aboveground fuel transfer line, transformer berm, and overhead covering at the Rota Power Plant. Construction of infrastructure for the new Tinian incinerator also began, and the incinerator was delivered to Tinian.
- Improvements to the cathodic protection (CP) system for the main diesel pipeline from Mobil to CUC PP1 include relocating system testing locations to aboveground points to help prevent test point corrosion.
- Ongoing procurement of the CUC Tinian Concrete Power Poles project via HMGP.
- CUC Rota Concrete Power Poles – Phase 2 (Construction) project grant submittal is pending review and approval through the Hazard Mitigation Grant Program (HMGP).
- CUC Saipan Concrete Power Poles - Phase 1 (Design) was awarded, and procurement for the design services is ongoing through HMGP.
- Replacement of AMI/AMR meters for Saipan, Tinian, and Rota is ongoing.
- Streetlight efficiency projects for Saipan, Tinian, and Rota are ongoing.
- Island-wide vegetation clearing for Saipan, funded under the American Rescue Plan Act (ARPA) has been completed.
- The procurement of heavy equipment, including cranes and bucket trucks, for the Power Transmission & Distribution Division has been completed.
- Ongoing procurement of the Clean Heavy-Duty Vehicles for Electric Vehicles for the CNMI, with up to $8M of funds for electric vehicles such as bucket trucks, dump trucks, boom trucks, and sewer Vactor trucks.
- Adoption of the CUC Non-Net Metering Interconnection Policy for Government Customers only and completion of the Multi-Purpose Center on Saipan and the Tinian Public Library buildings' solar PV interconnection.
- CUC's Power, Water, and Wastewater Master Plan, funded by the U.S. Department of War (DOW) and in collaboration with the Office of the Governor, is in progress.

WATER AND WASTEWATER

- Water services in Saipan, Tinian, and Rota have been fully restored following the impacts of Super Typhoons Sinlaku and Bavi.
- Wastewater service in Saipan is 100% restored following Super Typhoon Sinlaku.
- Ongoing training of local CNMI Water & Wastewater operators.
- Ongoing trainings for Pump Sizing Calculation (Hydraulic Analysis), Project Management Professional Boot Camp, and Leadership.
- Ongoing efforts to reduce Non-Revenue Water (NRW):
    - Water Meter Testing and Changeouts: Continue testing water meters at CUC's Water Meter Test Bench to ensure accurate readings and conducting meter changeouts (MCOs) to replace aging or defective meters.
    - Leak Detection and Repair: Conduct ongoing field inspections to identify and repair water leaks, detect illegal connections, and minimize water losses throughout the distribution system
    - Administration and Billing: Continue monitoring and verifying water meter readings and customer billing records to ensure accurate billing, address discrepancies, and reduce unbilled water consumption.
- Completion of the Kailing Drive, Sihek Drive, Tangan-Tangan Drive Waterline Replacement, Commonwealth Drive Waterline Replacement/ Upgrade, Agag Booster Pump Rehabilitation, Re-drilling and Rehabilitation of Existing Monitoring Wells, Kagman 1.0 MG Water Tank Construction (Pre-stressed Concrete) - in coordination with the Northern Marianas Housing Corporation - Community Disaster Block Grant (NMHC-CDBG), Dandan 1.0MG Water Tank Replacement (Pre-stressed Concrete), in coordination with the NMHC-CDBG, Carolina Waterline Replacement (Tinian), Tinian and Rota Sewer Treatment Plant and Collection System Feasibility Study, Aftenas Sewer Main and MH Replacement, SCADA Master Plan and Sadog Tasi Office and Sewer Lift Stations Generator Assessment.
- In progress: Construction of the As Matuis Temporary Water Tank, Kagman 0.05 MG Water Tank Replacement and Booster Pump Upgrade, Chalan Galaide Waterline Replacement Ph. 1, Afetnas Waterline Replacement, Agingan Wastewater Treatment Plant Upgrade, A-16 Sewer Lift Station Upgrade, Capitol Hill Sewer Line Re-diversion, As Terlaje Emergency Sewer Line Replacement, Lead and Copper Survey (EPA Requirement).
- Completion of design and soon to be advertised for construction: Dandan Homestead Waterline and Service Lateral Replacement, Lower Base - San Roque Cut & Cap of Parallel Lines, Isley - As Perdido Waterline Replacement, As Teo Waterline Replacement, S-11 & S-12 Sewer Lift Station Renovation, A-3, A-4, & A-15 Sewer Lift Station Rehabilitation, S-3 Sewer Lift Station Upgrade, Various Sewer Line Replacement (Chalan Kanoa), and Replacement of Collapsed Sewer Main (Tupak Street, Carmen Avenue, and Monica Street), and Inlet/ Outlet Flow Meter and Tank Level Gauge Installation, and Marpo Heights Waterline Replacement (Tinian).
- Ongoing Invitation for Bids (IFB) of the Sadog Tasi Wastewater Treatment Plant Upgrade.
- Ongoing special programs and projects:
    - Comprehensive Water System Documentation PH II - ArcGIS Enterprise underway.
    - CUC's Water and Wastewater Master Plan Update and Hydraulic Modeling in coordination with the Governor's Office
    - Implementation of Mentor APM Software - Computerized Maintenance Management System (CMMS) and Asset Management
    - Saipan Groundwater Study with the U.S. Geological Services
    - Fats, Oils & Grease (FOG) Program
    - Cross Connection/Backflow Prevention Program Development

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