

I find that CUC Power Plant #1's engines will be unable to provide power necessary to meet basic needs of the island of Saipan and that one or more of its engines is so damaged by wear and lack of adequate maintenance for many years that it may experience a catastrophic failure. Such a failure could produce an explosion that could maim or kill CUC power plant workers. The condition of the engines is so bad that the technical experts at the Plant cannot predict precisely the time of failure. But they do predict such a catastrophic failure.

I, BENIGNO R. FITIAL, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands by Article III, Section 10 of the Commonwealth Constitution and 3 CM C § 5121 of the Commonwealth Disaster Relief Act of 1979, do hereby declare a State of Disaster Emergency for the Commonwealth of the Northern Mariana Islands due to the inability of the Commonwealth Utilities Corporation ("CUC") to provide critical power generation service to the CNMI and the extreme, immediate and imminent threat such condition poses to the Commonwealth of the Northern Mariana Islands.

**DECLARATION OF A STATE OF DISASTER EMERGENCY:
COMMONWEALTH UTILITIES CORPORATION'S
IMMINENT GENERATION FAILURE AND THE NEED TO PROVIDE
IMMEDIATE RELIABLE POWER DURING REPAIRS**

EXECUTIVE ORDER 2008-10



Benigno R. Fitial
Governor

RECEIVED
8/10/08
3:55 PM
ACTING PRESIDENT

RECEIVED
8/11/08
3:09 PM
OFFICE OF THE SPEAKER
CNMI LEGISLATURE

RECEIVED
8/11/08
3:55 PM
PRESIDENT
SENATE

Timothy R. Villagomez
Lieutenant Governor

Decl of disaster emergency: CUC engines

If one or more of Power Plant #1's engines fails as described, CUC's Saipan service territory will experience massive blackouts, even more extensive that the present load-shedding which Saipan's residents have been experiencing for the past months. CUC's ability to generate electricity could be so compromised that Saipan could experience a complete shut-down of its power generation system.

The effect of the failure described above would likely include the following: CUC will be without power to pump and purify water; CUC will be unable to pump or treat sewage; street lights and traffic lights would go offline; the Hospital and medical clinics would be without CUC power, dependent on their limited diesel oil supplies and on-site generators; communications media would go offline, including MCV cable television and radio stations which do not have their own fuel supplies and generation. Also, our schools, homes, and work places will be subject to blackouts. In particular, the very young, the ill and the elderly who are dependent on refrigeration for food and medicine will be without power.

This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses and all other CNMI residents and visitors. Therefore, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and 3 CMC § 5121(f) to take all necessary measures to address the imminent threat facing the Commonwealth of the Northern Mariana Islands.

Exercise of the Constitutional and statutory authority invoked herein will be effectuated by the issuance of Executive Directives setting forth the measures to be taken to address the State of Disaster Emergency pursuant to 3 CMC § 5121(f), which states:

(f) In addition to any other powers conferred upon the Governor by law, the Governor may, during a state of disaster emergency:

(1) Suspend the provisions of any regulatory statute prescribing the procedures for conduct of the Commonwealth's business, or the orders, rules, or regulations of any Commonwealth activity or agency, if strict compliance with the provision of any such statute, order, rule or regulation would in any way prevent, hinder, or delay necessary action in coping

Decl of disaster emergency: CUC engines

with the emergency;

(2) Utilize all available resources of the Commonwealth as reasonably necessary to cope with the disaster emergency of the Commonwealth;

(3) Transfer the direction, personnel, or functions of the Commonwealth departments and agencies or units thereof for the purpose of performing or facilitating emergency services;

3 CMC § 5121(f)(1)-(3).

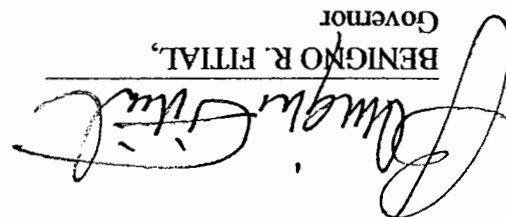
Directive 1: CUC's Procurement Regulations and the CNMI Procurement Regulations applicable to CUC, if any, are hereby suspended as to CUC procurements, except that CUC must fully document all procurement activity for Executive, Public Auditor and Legislative review.

Directive 2: The Commonwealth Public Utility Commission ("PUC") Act of 2006, PL 15-35, as amended, is hereby suspended insofar as it would require the presentation of CUC procurement information, including contracts and other measures relating to the supply of power or the operation and maintenance of CUC's generation, for PUC review. Directive 3: CUC is specifically empowered to execute the wholesale generation power contract it has negotiated with an independent power producer for a period of two years or less.

A measure passed yesterday by the Legislature, and which I have signed, removes substantial impediments to CUC's securing by contract immediate, reliable, and cost-effective temporary power from an independent, non-utility power producer. PL 16-9. That law amends the Commonwealth PUC Act of 2006, specifically requiring a gubernatorial declaration of disaster emergency pursuant to 3 CMC § 5121, so that CUC may sign an emergency wholesale power generation contract for two years or less without pre-review of the PUC or the PUC's issuance of a certificate of convenience and necessity. Each of these PUC decisions would have taken so long to investigate and make that the conditions discussed above may have developed in the meantime. If CUC can immediately execute such a contract, it can quickly have temporary replacement generators placed into service and then shut down the dangerous Power Plant #1 engines. By this disaster declaration I intend to enable CUC, within the definitions of PL 16-9, to sign a power contract with the appropriate "person".

This Declaration of a State of Disaster Emergency shall take effect immediately and all memoranda, directives and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless, prior to the end of the thirty (30) day period, notify the Presiding Officers of the Legislature that the state of emergency has been lifted or has been extended for an additional period of thirty (30) days. A comprehensive report on the exercise of my constitutional authority shall be transmitted to the presiding officers of the Legislature as soon as practicable in accordance with 1 CMC § 7403(a).

Done this 1st day of August 2008.


BENIGNO R. FITAL,
Governor

Commonwealth of the Northern Mariana Islands
OFFICE OF THE GOVERNOR



ACKNOWLEDGMENT OF RECEIPT OF HAND-DELIVERED DOCUMENT(S)

DOCUMENT (S) DESCRIPTION:

1. Transmitting Governor's letter dated 08/01/08 re: EXECUTIVE ORDER 2008-10: DECLARATION OF A STATE OF DISASTER EMERGENCY: COMMONWEALTH UTILITIES CORPORATION'S IMMINENT GENERATION FAILURE AND THE NEED TO PROVIDE IMMEDIATE RELIABLE POWER DURING REPAIRS.

Received by: ENRYN CH. ADAMI (Signature/Print Name)
 Senate President
 Date/Time: 8/1/08 3:55 PM

Received by: Donna Flores (Signature/Print Name)
 Speaker's Office
 Date/Time: 8/1/08 3:10 PM

Received by: Maureen Newsome (Signature/Print Name)
 Office of Programs & Legislative Review
 Date/Time: 8/1/08 3:57 P.M.

I find that CUC Power Plant #1's engines will be unable to provide power necessary to meet basic needs of the island of Saipan and that one or more of its engines is so damaged by wear and lack of adequate maintenance for many years that it may experience a catastrophic failure. Such a failure could produce an explosion that could maim or kill CUC power plant workers. The condition of the engines is so bad that the technical experts at the Plant cannot predict precisely the time of failure. But they do predict such a catastrophic failure.

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Governor

ACTING PRESIDENT
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[Signature]



Timothy P. Villagomez
Lieutenant Governor

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with the emergency;

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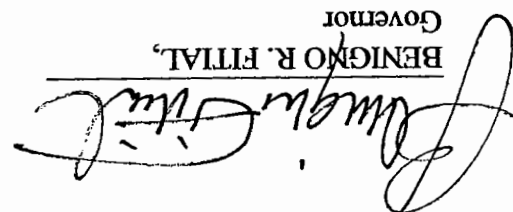
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Done this 1st day of August 2008.


BENIGNO R. FITIAL,
Governor

Commonwealth of the Northern Mariana Islands
OFFICE OF THE GOVERNOR

ACKNOWLEDGMENT OF RECEIPT OF HAND-DELIVERED DOCUMENT(S)

DOCUMENT (S) DESCRIPTION:

1. Transmitting Governor's letter dated 08/13/08 re: EXECUTIVE ORDER NO. 08-11: Renewal of Declaration of a State of Disaster Emergency: Commonwealth Ports Authority's Approach of Technical Default on \$20 Million Indenture

Received by: *[Signature]*
 (Signature/Print Name) Senate President
 Date/Time 8/13/08 4:21

Received by: *[Signature]*
 (Signature/Print Name) Speaker of the House
 Date/Time 08/13/08 4:20pm

Received by: *[Signature]*
 (Signature/Print Name) Office of Programs & Legislative Review
 Date/Time 8/13/08 4:20 p.m.

