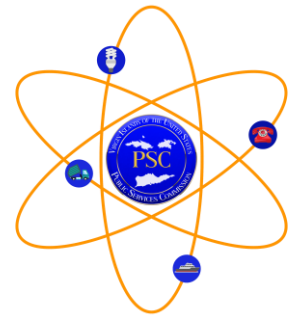




**Government of the United States Virgin Islands
Public Services Commission**

www.psc.vi.gov
psc.info@psc.vi.gov



FOR IMMEDIATE RELEASE

02-25

Wednesday, March 26, 2025

Media Contact:

Symra Hendrickson – Public Communication Coordinator

(340) 776-1291

symra.hendrickson@psc.vi.gov

**PSC Provides Updates on Regulatory Matters Before the Committee on
Government Operations, Veterans Affairs, and Consumer Protection**

US VIRGIN ISLANDS – On Monday, March 24, 2025, the Virgin Islands Public Services Commission (PSC or the Commission) appeared before the 36th Legislative Committee on Government Operations, Veterans Affairs, and Consumer Protection, chaired by the Honorable Senator Avery L. Lewis.

Director Sandra L. Setorie, alongside Assistant Executive Director Tisean Hendricks, General Counsel Boyd L. Sprehn, and Accounts Maintenance Officer Brenda P. Connor, provided updates on regulatory matters concerning telecommunications, waste management, energy, and pending rate investigations.

Regarding telecommunications, in 2013, the PSC concluded a rate case for landline telephone services, maintaining a rate cap for Viya to encourage competition with cellular and VoIP services. It was determined by the Commission that Viya faces significant competition, prompting regulatory adjustments.

Relative to ferry matters, A rate review for the St. John ferry services has been initiated, and hearing examiner Jed John Hope was appointed to oversee the proceedings. The franchise is also about to welcome a new ferry, Spirit of 1733.

The PSC intends to investigate the Virgin Islands Water & Power Authority's (WAPA or the Authority) electric and water systems. A rate review for the electric system will commence in April 2025, influenced by a forthcoming report from Ernst & Young assessing WAPA's financial and operational performance. Federal funding of over \$800 million for electrical generation and infrastructure improvements will also be considered. Additionally, the Commission is monitoring the expansion of renewable energy sources, including solar and wind power. A separate investigation into the water system, particularly concerning St. Croix's infrastructure and quality issues, is scheduled to begin in the summer of 2025.

The PSC also intends to launch rate reviews for the Waste Management Authority (WMA). The PSC will conduct two separate rate investigations for solid waste disposal and wastewater systems. WMA has faced significant operational challenges, including non-compliance with

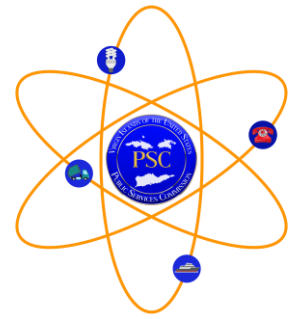
**P.O. Box 40 St. Thomas, VI 00804
1003 Estate Ross Suite 4, St.
Thomas, VI, 00802
(340) 776-1291**

**P.O. Box 7360 Christiansted, VI 00823
Estate Carlton Suite 1 & 2 Frederiksted,
St. Croix, VI, 00840
(340) 778-6010**



Government of the United States Virgin Islands Public Services Commission

www.psc.vi.gov
psc.info@psc.vi.gov



landfill regulations, delays in recycling initiatives, and ongoing financial difficulties, including failure to pay its assessments.

The Commission has been challenged with obtaining full financial transparency from WMA but recently had a productive meeting with its interim director, Daryl Griffith. The PSC is ensuring that any proposed residential waste collection fees comply with public notification requirements under the Ratepayers' Bill of Rights.

A major dispute over PSC assessments has impacted funding for regulatory operations. WMA ceased payments in 2021, arguing that legislative appropriations should not be considered revenue for assessment purposes. However, the PSC maintains that the law explicitly defines appropriations as revenue, making WMA responsible for unpaid assessments from 2021 to 2025.

Similarly, WAPA has failed to make its required assessment payments for fiscal year 2024 and, citing financial hardship. The PSC expects payments to resume as WAPA recovers through rate adjustments.

WAPA presented alongside the PSC at the senate hearing. WAPA presented a comprehensive strategy to address its ongoing financial challenges and improve utility services across the territory.

Key Highlights:

- Monthly operating deficit reduced from \$8 million to \$2-3 million
- Estimated need for \$375.5 million cash infusion over five years
- Planned infrastructure improvements including:
 - * Replacement of electrical meters
 - * Installation of battery energy storage systems
 - * Upgrading power generation facilities
 - * Composite pole installations

WAPA CEO Karl Knight emphasized the authority's commitment to financial stability and service quality, noting strategic efforts to reduce operational costs without compromising utility services.

In conclusion, the PSC remains committed to addressing critical regulatory challenges affecting utilities in the US Virgin Islands. The Commission aims to improve waste management, modernize energy and water infrastructure, and ensure high-quality telecommunications services to support the territory's economy, tourism, and overall quality of life.

For recent news releases, more information on the PSC, and easy access to information on utility issues visit our website at psc.vi.gov. Like our Facebook page at www.facebook.com/VIPSC1965.

**P.O. Box 40 St. Thomas, VI 00804
1003 Estate Ross Suite 4, St.
Thomas, VI, 00802
(340) 776-1291**

**P.O. Box 7360 Christiansted, VI 00823
Estate Carlton Suite 1 & 2 Frederiksted,
St. Croix, VI, 00840
(340) 778-6010**