

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

Public Services Commission

In re

The Virgin Islands Water and Power Authority)	Docket No 678
Petition for Base Rate Case for the Electric Department)	Order No. 23/2020
)	
)	

ORDER

WHEREAS, on May 21, 2019, the Virgin Islands Water and Power Authority (hereinafter “the Authority” or “WAPA”) filed a Petition with the Virgin Islands Public Services Commission (hereinafter “the Commission” or “PSC”) for Electric System Rate Relief; and

WHEREAS, on June 12, 2019, the Commission met in regular session and voted that WAPA’s Petition Electric System Rate Relief be suspended until such time as WAPA has complied with the previous PSC Orders; and

WHEREAS, on August 5, 2019 the Authority submitted a new filing with a substantially lower and different rate request; and

WHEREAS, the Commission appointed Kye Walker, Esq., to act as hearing examiner in this matter; and

WHEREAS, Hearing Examiner Walker, with the PSC Staff and WAPA, conducted public hearings on each of the three major islands, and conducted three days of evidentiary hearings in October 2019; and

WHEREAS, Hearing Examiner Walker submitted her report and recommendations on December 11, 2019; and

WHEREAS, the Commission had scheduled a meeting on December 12, 2019, at which time the Commission heard from the Hearing Examiner, WAPA, the PSC Staff and took comments from the public; and

WHEREAS, the Commission continued this matter at that time; and

WHEREAS, the Commission held a meeting on January 9, 2020 to again address this matter; and

WHEREAS, the Commission again heard from the Water and Power Authority and PSC staff; and

WHEREAS, after discussion, a motion was made to adopt from the Hearing Examiner’s report:

For the reasons stated above, the Hearing Examiner recommends the Commission approve the Authority's most recently revised request for a base rate increase of \$29,733,687.00, which increase would be tied to a corresponding reduction in the LEAC and having a zero impact on the current overall rates charged to consumers. The recommended increase to the base rate allows for the reinstatement of the OPEB surcharge at \$0.002166 per kWh and the elimination of the line loss, maintenance, and leased generation surcharges.

WHEREAS, an amendment to the motion was made and approved to require Rate Flow design be included within 180 days and that approval of base rates does not grant approval to any amounts for the Vitol contracts not previously approved;

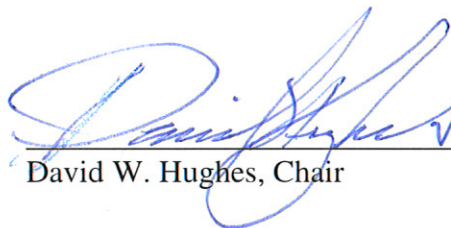
NOW THEREFORE, the Commission finds and **ORDERS** that:

1. The Authority's most recently revised request for a base rate increase of \$29,733,687.00 is approved, which increase is tied to a corresponding reduction in the LEAC (previously approved in Order No. 15/2020) and having a zero impact on the current overall rates charged to consumers. The Authority shall file the proposed tariffs with the Commission no less than 30 days before billing customers the new tariffs.
2. The OPEB surcharge at \$0.002166 per kWh is hereby reauthorized.
3. The line loss, maintenance, and leased generation surcharges (in the amounts of \$0.002196, \$0.024863, and \$0.030842 per kilowatt/hour, respectively) are hereby eliminated.
4. That PSC Staff shall return to the Commission a proposed Rate Flow design within 180 days.
5. The base rate proceedings completed no further investigation of, and may not be used in any manner, to imply new approvals regarding the previously approved amount of Vitol infrastructure charges which may be recovered by the utility. The amount of Vitol infrastructure charges authorized for recovery in base rates remains \$87 million, pending further investigation.

So Ordered.

For the Commission,

Date: **January 30, 2020**



David W. Hughes, Chair