

**GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS**

**PUBLIC SERVICES COMMISSION**

IN RE:

VIRGIN ISLANDS WATER AND POWER  
AUTHORITY'S LEVELIZED ENERGY  
ADJUSTMENT CLAUSE

PSC Docket No. 289

Order No. 24/2022

**ORDER**

**WHEREAS**, in Order 26/2022, the Virgin Islands Public Services Commission (hereinafter "PSC" or "Commission") voted to set the Virgin Islands Water and Power Authority's (hereinafter "WAPA" or "Authority"), Levelized Energy Adjustment Clause (hereinafter "LEAC") rate for the electric system at 17.2125¢/kWh for the period of July 1, 2021, to December 30, 2021; and

**WHEREAS**, on January 18, 2022, WAPA filed a petition for a LEAC rate of 17.52 ¢/kWh for the January-March 2022 period and a LEAC rate of 23.34 ¢/kWh for the period April 1—June period (an increase of 6.1275¢/kWh); and

**WHEREAS**, the Commission has an established set of filing requirements for the review and approval of the Levelized Energy Adjustment Charge which specifies semi-annual filings (referred to as "Minimum Filing Requirements" or "MFRs"); and

**WHEREAS**, in Act No. 8471, section 5, the Legislature has now mandated quarterly LEAC filings (codified at 30 V.I.C. §128); and

**WHEREAS**, with the change in management at WAPA those filings have not been made for the current period; and

**WHEREAS**, on July 14, 2022, the Commission heard testimony from its staff and the Water and Power Authority; and

**WHEREAS**, the Commission stated that rates must be set on a record before the Commission; and

**WHEREAS**, the Commission acknowledges the dramatic increases in oil and gas prices that have occurred world-wide and which have and will continue to affect WAPA's fuel costs; and

**WHEREAS**, the Commission recognizes that WAPA is continuing to incur actual fuel costs that must be paid as they are incurred; and

**WHEREAS**, WAPA’s Executive Director testified that the Water and Power Authority does not intend to seek a rate increase and that the Government of the Virgin Islands is providing a subsidy to assist in paying fuel costs while actions are undertaken to reduce future fuel and operating costs; and

**WHEREAS**, the Commission requires that WAPA provide information supporting the continuation of the current electric LEAC rate;

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

1. The Electric LEAC rate is reauthorized retroactively from July 1, 2022, and continues through September 30, 2022, at the rate of 22.2246 ¢/kWh for the period of March 1, 2022, to June 30, 2022.
2. The reauthorization is contingent on WAPA submitting documentation of its continuing fuel costs, fuel pricing and operations that support the continuation of the current rates, and that demonstrate that WAPA is undertaking steps to reduce its costs as expeditiously as prudently possible. Such filing shall be made within ten (10) days or the reauthorization shall be void.

*So Ordered.*

For the Commission,



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David W. Hughes, Chair

**Date:** July 20, 2022