

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

Public Services Commission

IN RE:

**The Water and Power Authority's Petition
for an Annual Revenue Increase in
Base Rates for the Electric Department**

)
)
) Docket No. 612
) Order No. 23/2014
)
)

ORDER

WHEREAS, on November 16, 2012, the Virgin Islands Public Services Commission (hereinafter "the Commission" or "PSC") received the Virgin Islands Water and Power Authority's (hereinafter "the Authority" or "WAPA") Petition for an annual revenue increase in the base rates for the Electric Department; and

WHEREAS, on January 11, 2013, the Commission adopted Order 24/2013 and created Docket 612 to review the Authority's petition for an annual revenue increase in the Water Department base rates; and

WHEREAS, on March 26, 2013, the Commission met in public session and appointed Attorney Kye Walker as the Hearing Examiner in Dockets 612 and 613; and

WHEREAS, on October 30, 2013, the Commission received the Hearing Examiner's Report and Recommendations for Docket 612; and

WHEREAS, on November 7, 2013, the Commission received a revised Hearing Examiner's report and recommendations for Docket 613; and

WHEREAS, on November 7, 2013, the Commission met in a Special Meeting at both its offices on St. Thomas and St. Croix, United States Virgin Islands; and

WHEREAS, the Commission identified several outstanding issues that the parties and the Hearing Examiner have not clarified in the proceeding, and found it was unable to make a decision on this matter without the clarification of the following outstanding issues by the Hearing Examiner and the Parties; and

WHEREAS, on November 7, 2013, the Commission **FOUND** and **ORDERED** that:

1. That the Docket remain open and the aforementioned issues be remanded to the Hearing Examiner for the parties to clarify these outstanding issues within an expedited thirty (30) day period;

2. That after sufficient time to properly review the Revised Hearing Examiner's Report and Recommendations in Docket 613, and any other reports that may be generated during this thirty (30) day period, the Commission will set a date certain to hear these matters;
3. That the current water base rate be kept in place in the interim; and **FINALLY**
4. That the electric base rates be raised by Four Million Dollars to reflect the undisputed amounts. The current electric base rates will be as set forth in the "Virgin Islands Water and Power Authority Rate Schedule/Electric Department" attached to this Order and incorporated by reference herein.

WHEREAS, the Hearing Examiner has conducted further briefings and evidentiary proceedings with the Parties; and

WHEREAS, on December 13, 2013, the Commission received the Hearing Examiner's Consolidated Report and Recommendations for Dockets 612 and 613; and

WHEREAS, the Public Services Commission again met in public session at both its offices on St. Thomas and St. Croix on December 19, 2013, and having reviewed the record, the reports and recommendations, and having heard from the Hearing Examiner, the Authority and the Staff;

WHEREAS, upon review and deliberation the Commission voted to accept the Hearing Examiner's Consolidated Report and Recommendations, except as noted; and

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

1. The Hearing Examiner's Reports and Recommendations as modified by her Consolidated Report is **ADOPTED**, except that we find that the Water System has sufficient resources to permit repayment of its loan from the Electric System, in an amount of at least \$1M per year.
2. The electric system rate increase should be reduced by that amount, and that the rates be set to achieve an increase in rates of \$7,127,354 above the interim rate increase approved in July 2012, or \$3,127,354 above the November Interim rate.
3. The Authority shall file its proposed tariffs implementing the approved rates with the Commission.

So Ordered.

Date: January 29, 2014

For the Commission

M. Thomas Jackson, Chairman