

GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS

PUBLIC SERVICES COMMISSION

In Re:

The Virgin Islands Water and Power
Authority's Levelized Fuel Adjustment Clause

PSC Docket No. 289

Order No. 50/2013

ORDER

WHEREAS, on April 19, 2013, the Virgin Islands Public Services Commission (hereinafter "the Commission" or "PSC") suspended the Virgin Islands Water and Power Authority's (hereinafter "WAPA" or "Authority") application for an increase in the Electric Levelized Energy Adjustment Clause (hereinafter "LEAC") until its next meeting; and

WHEREAS, on May 15, 2013, the Commission received Commission Authority's quarterly filing and Petition for adjustment of the Levelized Energy Adjustment Charge ("LEAC"); and

WHEREAS, on June 24, 2013 the Commission received the report and recommendations from its technical consultants; and

WHEREAS, on June 27, 2013, the Commission met in public session in the Commission's offices on both St. Thomas and St. Croix and heard from witnesses for the Authority and the Commission's technical consultants; and

WHEREAS, the Commission has reviewed the Authority's Petition for new LEAC rates for July 1 to September 30, 2013, the supporting information, and the report of the Commission's technical consultants; and

WHEREAS, based on the testimony, correspondence, reports and applications before this Commission;

NOW THEREFORE, the Commission Finds and Orders:

1. The Commission now adopts the technical consultants' report, but only the following recommendations listed on pages 31 through 33: Paragraphs 1, 2, 3, 5, 6, 7, 8, 10, 12, and 16, as set forth below and renumbered.
2. A LEAC rate of \$0.402665 per kWh for the period from July 1 through September 30 is set for the Electric Department. (§1)
3. A WLEAC rate of \$12.30 per KGal for the period from July 1 through September 30 is set for the Water Department. (§2)
4. WAPA shall file for revised LEAC rates by August 15, 2013. (§3)
5. WAPA shall continue to provide, until changed by order of the PSC, all MFR requirements for future quarterly LEAC filings including the expanded requirement to provide information regarding annual revenues and outstanding balances and outstanding balances for the previous two quarters for all accounts, government and non-government by customer class (MFR5). Omission of such information should result in the petition filed as being considered incomplete. (§5)
6. WAPA shall forecast line loss and plant use percentages based upon the running 12-month average for each of these items (MFR1). (§6)
7. WAPA shall provide a detailed and full narrative in the manner described herein to accompany each LEAC filing describing the request in detail and highlighting the reasons and components for the change in the LEAC rates requested for both the electric and water departments and for underperformance or better than expected performance of the generating units and the resultant fuel costs as compared with the data filed in prior petitions. WAPA shall also provide in the narrative data on KPI's in a manner similar to those contained in this report. The complete filing including all MFRs shall be filed no later than the date contained in recommendation 3 above. (§7)
8. WAPA shall file with the petition all of the requirements of the June 29, 2012 RFM amended stipulation. Specifically, (i.) Attachments 1 and 2 shall be filed in

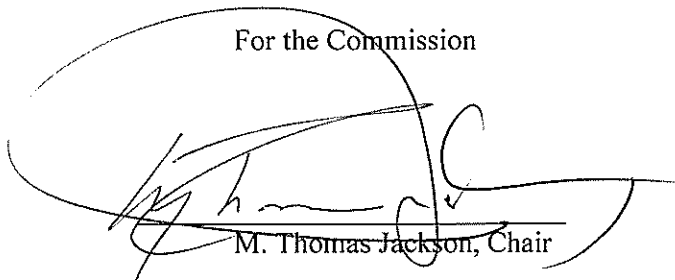
at least the detail provided in discovery in this proceeding and taking into account the recommendations and discussions between WAPA and the Technical Consultant; (ii.) Attachment 3 shall be filed in sufficient detail to provide the PSC a clear and continuing analysis of the benefit cost ratios of the each of the investments that are proposed using RFM funding; and (iii.) The quarterly financial report required by the stipulation detailing monthly derived revenues and Commission authorized expenditures and the monthly ending balances shall be provided with each filing. This RFM data and information shall be filed with the Commission with the quarterly LEAC filing. WAPA shall provide with its next LEAC petition a detailed report why it has not complied with the requirement to fully implement the Maintenance Management Planning System (MAXIMO) on both Islands and the resources required for implementation of the MAXIMO maintenance management planning module no later than December 31, 2013. WAPA shall identify when it plans to use RFM funds to acquire the spare parts it has identified. WAPA shall identify any proposed modifications to the RFM that it deems necessary. (§8)

9. WAPA shall be required to provide a complete reconciliation of the station service (plant use) values allocated to the electric department and used for LEAC and energy accounting purposes with the station service data included in the monthly plant production reports for each power plant. This reconciliation shall be provided with the next LEAC petition. (§10)
10. WAPA shall provide a full reconciliation of all the appropriate credits and debits related to the production of RO water from the inception of the new contracts on each Island with each LEAC filing. (§12)
11. The PSC staff shall be required to include on its website the Technical Consultant's report and PSC order from each LEAC proceeding. (§16)

So Ordered.

Dated: July 24, 2013

For the Commission



M. Thomas Jackson, Chair