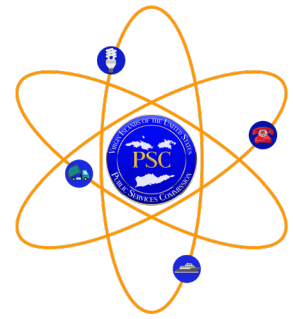




**Government of the United States Virgin Islands
Public Services Commission**

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



FOR IMMEDIATE RELEASE

005-25

Tuesday, June 10, 2025

Media Contact:

Symra Hendrickson – Public Communication Coordinator

(340) 776-1291

symra.hendrickson@psc.vi.gov

PSC Regular Meeting – Tuesday, June 10, 2025

Energy Matters

US VIRGIN ISLANDS – The Virgin Islands Public Services Commission (PSC or the Commission) held its regular meeting on Tuesday, June 10, 2025, to receive updates and hear testimony on a range of energy-related issues.

The PSC's technical consultant, Georgetown Consulting Group (Jim Madan) conducted a comprehensive review of the Virgin Islands Water and Power Authority's (WAPA) Electric Levelized Energy Adjustment Clause (ELEAC), revealing significant financial and operational challenges. Madan recommended reducing the ELEAC rate from 22.22 to 15.39 cents per kilowatt hour, citing potential fuel cost savings of approximately \$42 million annually. "WAPA continues to make quarterly filings without meeting the minimum filing requirements," Madan stated. "The consequences could be severe, including taking no action on fuel rates due to expire in June." The investigation uncovered inefficiencies in power generation, including discrepancies in heat rates for Wartsila units and ongoing challenges with fuel contract procurement. WAPA Chief Financial Officer Lorraine Kelly acknowledged the financial strain, noting, "We are absolutely strapped for cash, with expenditures greater than our revenue."

After extensive discussions with WAPA leadership, the Commission made key decisions affecting utility rates and future operations. The Commission reduced the current ELEAC rate, which has been steady since March 2022, from 22.22 to 17 cents per kilowatt-hour, with a clear mandate for WAPA to address several critical issues. Commissioners expressed significant concerns about the utility's financial transparency, particularly regarding fuel acquisition costs and non-revenue power generation. The Commissioners particularly expressed concern with hurricane preparation given the current situation.

The Water LEAC will remain at its current rate of \$9.53/kGal. WAPA representatives provided insights into recent infrastructure improvements, including the installation of approximately 4,000 new water meters across St. Thomas, St. John, and St. Croix. These installations aim to improve billing accuracy and reduce water line losses, which currently range from 15% within the St. Thomas/St. John district to 50% on St. Croix.

**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**

The utility was challenged to provide a comprehensive hurricane preparedness plan within seven days and to submit its fuel acquisition RFP and proposed contract for Commission review. Commissioners emphasized the need for WAPA to demonstrate more proactive management of fuel costs, generation efficiency, and operational readiness. A new docket will be opened to investigate WAPA's fuel acquisition process, signaling the Commission's commitment to ensuring transparent and cost-effective utility operations for Virgin Islands residents. The Commission will reconvene in three months to reassess WAPA's progress and potential rate adjustments.

During the administrative portion of the meeting, the PSC staff focused on fiscal year 2026 budget preparation, presenting a budget totaling \$2,079,200.51, which represents a minimal decrease from the previous fiscal year. The budget presentation, led by staff, emphasized that changes were primarily limited to personnel adjustments and fringe benefit modifications. The commission is scheduled to report to the legislature on Thursday, June 26 at 10am. PSC staff also announced the selection of former Senator Genevieve Whitaker as a hearing examiner to handle the upcoming rate investigation into WAPA's base rates and operations.

The Commission went into an executive session to discuss pending litigation, personnel matters and receive legal advice. All Commissioners were present at the meeting. Newly appointed ex-officio member, Senator Hubert L. Frederick was present while Senator Carla J. Joseph was excused.

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.