

<b>In re Self-Insurance and</b>	)	
<b>Hazard Mitigation Fund and</b>	)	<b>Docket 563</b>
<b>the Virgin Islands Water and</b>	)	
<b>Power Authority's Request for</b>	)	<b>Order No. 34/2007</b>
<b>Certification of Matching Funds for</b>	)	
<b>Charlotte Amalie Undergrounding</b>	)	
<b><u>Project</u></b>	)	

**ORDER**

WHEREAS, the Public Services Commission has established a Self-Insurance and Hazard Mitigation Fund for Virgin Islands Water and Power Authority; and

WHEREAS, the Public Services Commission has encouraged the Water and Power Authority to seek grants and other sources of funds to extend WAPA's ability to improve the system, including but not limited to improvements for reliability and the ability to survive storms; and

WHEREAS, the Authority has identified an undergrounding program in the area of Main Street in Charlotte Amalie and has submitted a request to the Federal Emergency Management Agency for a grant to move this program forward; and

WHEREAS, the FEMA has identified this project, which it identifies as "PDMC-PJ-02-VI-2007-005 *St. Thomas Underground Electric Distribution*," as having an exceedingly high cost-benefit analysis and has preliminarily approved the project, contingent on certification of matching funds; and

WHEREAS, the Authority has requested that the Commission authorize the use of the Self-Insurance Fund to provide a \$408,000 (25%) matching contribution necessary to

ORDER NO. 34/2007  
 CERTIFICATION OF MATCHING FUNDS  
 CHARLOTTE AMALIE  
 UNDERGROUNDING PROJECT

support a \$1.6 million federal grant for the purpose of placing underground the electric distribution lines in downtown Charlotte Amalie; and

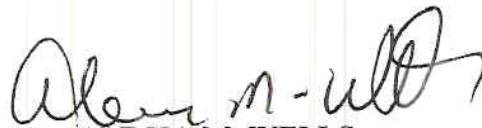
WHEREAS, at the Commission's meeting the Authority clarified that it was seeking to use the \$408,000 from the Self-Insurance Fund as a grant and not a loan; and

WHEREAS, the Commission finds that the proposed project is a reasonable expenditure of the limited assets of the Self-Insurance Fund;

NOW, THEREFORE, THE COMMISSION ORDERS:

1. The Public Services Commission hereby certifies that up to \$408,000 is available as matching funds for the FEMA grant for Project "PDMC-PJ-02-VI-2007-005 *St. Thomas Underground Electric Distribution*"; and
2. WAPA is hereby authorized to use up to \$408,000 from the Self-Insurance and Hazard Mitigation Fund as its share of the funds necessary to implement the Charlotte Amalie Undergrounding Project as identified in the Authority's petition.

So Ordered:

Dated: Sept 6, 2007   
ALECIA M. WELLS  
Chairwoman

cc: Keithley Joseph, Executive Director, PSC  
Tanisha M. Bailey-Roka, General Counsel, PSC  
Boyd L. Sprehn, Counsel, PSC  
Nellon L. Bowry, Acting Executive Director, WAPA  
Lorelei Farrington, General Counsel, WAPA

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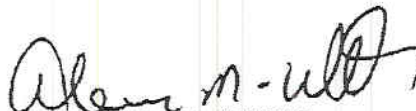
WHEREAS, the Commission finds that the proposed project is a reasonable expenditure of the limited assets of the Self-Insurance Fund;

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