

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

*Public Services Commission*

In Re:	)	
Water and Power Authority LEAC Charge	)	<b>PSC DOCKET No. 289</b>
<hr style="border: 0.5px solid black;"/>		<b>Order No. 51/2008</b>

**ORDER**

**WHEREAS**, the Virgin Islands Public Services Commission (hereinafter, "PSC" or "the Commission") received a petition ("Petition") from the Virgin Islands Water and Power Authority (hereinafter "the Authority") on May 16, 2008, wherein the Authority petitioned the Commission to raise the Levelized Energy Adjustment Clause, ("LEAC"); and

**WHEREAS**, the Commission met in regular session in the PSC offices in Barbel Plaza on St. Thomas, Virgin Islands on June 10, 2008; and

**WHEREAS**, the Commission takes notice that the price of oil has risen from \$93.00 per barrel to more than \$130.00 per barrel as of June 10, 2008; and

**WHEREAS**, the Commission finds that some interim relief is appropriate; and

**WHEREAS**, the Commission has grave concerns regarding the propriety of all fuel expenses and amounts sought to be included in rates; and

**WHEREAS**, the size of this requested rate increase is so large, totalling more than \$100 million dollars per year; and

**WHEREAS**, the Commission finds that a rate increase of this size requires further investigations as to its prudence and reasonableness and as to whether WAPA has taken all reasonable actions to mitigate the higher fuel costs; and

**WHEREAS**, the Commission finds it is just and reasonable that the electric system LEAC be increased from the current rate of \$0.254733 per kWh to \$0.333303 per kWh until further investigation and hearing; and

**WHEREAS**, the Commission finds it is just and reasonable that the water system LEAC rate be increased from the current level of \$7.58/ kgal to \$10.25/ kgal until further investigation and hearing; and

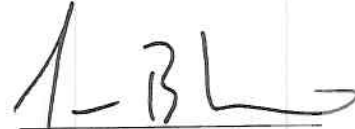
**NOW THEREFORE**, it is hereby **ORDERED** that the electric rate LEAC be increased from \$0.254733 per kWh to \$0.333303 per kWh for the period of July 1, 2008 to September 30, 2008 or further Order of the PSC; and

It is further **ORDERED** that the water system LEAC is raised from \$7.58 per kgal to \$10.25 per kgal for the period of July 1, 2008 to September 30, 2008 or further Order of the PSC; and

It is further **ORDERED**, that this matter is continued for further investigation and is to be returned to the Commission for further consideration within three (3) months or by September 10, 2008; and

Dated 06/18, 2008

For the Commission

A handwritten signature in black ink, appearing to read 'J. B. Boschulte', written over a horizontal line.

Joseph B. Boschulte  
Chair