

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES

Public Services Commission

IN RE:

Virgin Islands Water and Power
Authority Petition for Fuel Hedge
Fund with One or More Counter-
Parties

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) Docket No. 289
) Order No. 12/2009
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Order

WHEREAS, on October 23, 2008, the Water and Power Authority ("WAPA or "the Authority") filed a petition with the Virgin Islands Public Services Commission ("PSC" or "Commission") for authorization to use one or more eligible counterparties to execute a fuel hedge transaction; and

WHEREAS, the Commission has authorized the Authority in Order No. 17/2007 dated March 20, 2007 to enter into a hedge contract so long as at least two counterparties are available and bidding on the transaction; and

WHEREAS, due to current economic conditions, the Authority has been unable to enter into any hedge transactions with two or more eligible counterparties; and

WHEREAS, with the recent decline in fuel oil prices, the Authority may be losing attractive hedging opportunities because it is unable to secure two or more eligible counterparties; and

WHEREAS, the Commission met in regular session on November 12, 2008 in its offices located in Barbel Plaza on St. Thomas; and


WHEREAS, after deliberation and careful review, the Commission voted unanimously to authorize the Authority to use one or more eligible counterparties in its fuel hedging program; and

NOW THEREFORE the Authority's petition to use one or more eligible counterparties in its fuel hedging program is **GRANTED**.

So Ordered

For the Commission

Dated: 12/10, 2008



Joseph B. Boschulte, Chair