

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

PUBLIC SERVICES COMMISSION

IN THE MATTER OF THE VIRGIN ISLANDS)
WATER AND POWER AUTHORITY'S PETITION)
FOR RATE RELIEF FOR THE WATER SYSTEM)

) Docket No. 576

) Order No. 46/2009
)

ORDER

WHEREAS, on or about May 6, 2008, the Authority sought emergency rate relief for the Water System, in the annual amount of \$2.82 million; and

WHEREAS, the Commission staff commenced an investigation and prepared a response which was filed with the Commission on or about August 29, 2008. In that filing the Commission's staff and technical consultants recommended that the emergency rate request be denied and the permanent rate case proceed. On or about September 5, 2008, the Authority filed rebuttal testimony on the emergency rate application; and

WHEREAS, on or about October 2, 2008, the Commission appointed Attorney Kathleen Mackay to act as hearing examiner in both Docket 575 (Electric Rate Investigation) and 576 (Water Rate Investigation); and

WHEREAS, on or about October 6, 2008, the Authority filed a petition and supporting testimony seeking permanent rate relief for the Water System. The new filing sought a total of \$5.5 million in annual revenues (including the amount sought in the Emergency Petition); and

WHEREAS, in February 2009 DiamondRock Frenchman's Owner, Inc. d/b/a Frenchman's Reef & Morning Star Marriott Beach Resort (hereinafter "the Reef") sought and was subsequently granted intervenor status in this matter; and

WHEREAS, the Authority, the Commission's Staff and the Reef (collectively the "Parties") engaged in discovery, further exchanges of testimony, and met to resolve and narrow issues; and

WHEREAS, the Parties were able to resolve all issues and prepare a Global Settlement and joint recommendation to the Hearing Examiner; and

WHEREAS, the Hearing Examiner and the Parties held noticed public hearings on each of St. John, St. Thomas and St. Croix; and

WHEREAS, on June 8, 2009, the Hearing Examiner submitted her report and recommendation with supporting documentation to the Commission; and


WHEREAS, on June 12, 2009, at a regularly noticed meeting, the Commission considered the Hearing Examiner's Report, the Global Settlement, the supporting documents and the record in this proceeding;

NOW THEREFORE, the Commission hereby orders:

1. The Hearing Examiner's Report and Recommendations are adopted in full, including the Global Settlement and all its terms and conditions, as well as the other attachments.

2. The Parties shall file final corrected rate tariff sheets with the Commission prior to the effective date of the new rates, which shall be July 1, 2009.

Dated: June 25 2009



JOSEPH B. BOSCHULTE
Chair