

GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS

PUBLIC SERVICES COMMISSION

The Virgin Islands Water and Power Authority Petition For Adjustment of LEAC to Include Debt Service on Term Loan And Approval of Term Loan To Fund Payment of Fuel Costs to HOVENSA and For Related Purposes

Order No. 16 /2011

PSC Docket No. 289

ORDER

WHEREAS, this matter is before the Virgin Islands Public Services Commission ("Commission" or "PSC") on the petition of the Water and Power Authority ("Authority" or "WAPA"), dated as of October 29, 2010, seeking an approval of the Commission seeking approval of a refinancing of a \$40,000,000 General Obligation Note ("Note") financed through the Levelized Energy Adjustment Charge; and

WHEREAS, the Commission has reviewed the petition and the report submitted by its consultants on the refinancing; and

WHEREAS, the Commission finds that the Authority is under-recovered in its fuel costs; and

WHEREAS, the Commission finds that it would be unreasonable to impose these costs within the short term on ratepayers; and

WHEREAS, the Commission finds it reasonable and prudent to improve the Authority's cash position;

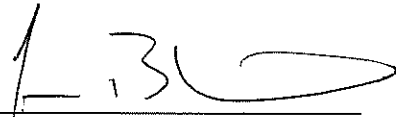
NOW, THEREFORE, IT IS HEREBY ORDERED, in the interest of lowering the LEAC rate and, thereby, the customer's monthly bills:

1) The refinancing of the \$40,000,000 General Obligation Note is approved with the following uses of additional funds:

Net Proceeds of Refinancing:	\$15,371,000
Replenish Self-Insurance Fund	\$4,700,000
Pay Fuel Invoices	\$10,671,000

2) For the purposes of setting the LEAC rate over the next three years, the debt service (principal and interest) required for the \$40M General Obligation Note will be included in the LEAC.

Date: December 06, 2010



Joseph B. Boschulte
Chairman