

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

PUBLIC SERVICES COMMISSION

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| IN RE |) | Docket No. 289 |
| |) | Order No. <u>17/2011</u> |
| LEVELIZED ENERGY ADJUSTMENT CLAUSE OF THE VIRGIN ISLANDS WATER AND POWER AUTHORITY |) | |
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ORDER

WHEREAS, on October 29, 2010, the Virgin Islands Water and Power Authority (hereinafter, "WAPA" or the "Authority") filed a petition with the Virgin Islands Public Services Commission (hereinafter, "PSC" of the "Commission") seeking approval of a refinancing of a General Obligation Note and to decrease the Levelized Energy Adjustment clause ("LEAC") electric factor from \$0.248430 per kWh to \$0.241873 per kWh and increase the water factor from \$10.04 per kGal to \$10.53 per kGal; and

WHEREAS, the Commission, through its staff and consultants, conducted a review and discovery concerning the proposed refinancing and new LEAC factors and submitted a report to the Commission; and

WHEREAS, the Authority requested that the Commission shorten the proposed amortization periods for the current under-recovered fuel expenses to the current fiscal year (shortening the Electric under-recovery amortization from twelve months to seven months and the Water under-recovery from eighteen months); and

WHEREAS, on December 2, 2010, the Commission met in special session at its offices located at Barbel Plaza, St. Thomas, U.S. Virgin Islands; and

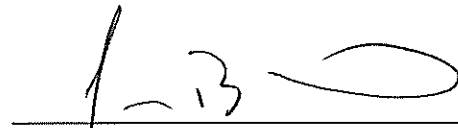
WHEREAS, upon review and deliberation, the Commission voted to decrease the electric system LEAC factor to \$0.239096 per kWh, reflecting a complete amortization of the current under-recovery in seven months (in conjunction with the General Obligation Note refinancing, approved separately), and to increase the water system LEAC factor to \$11.68 per kGal, reflecting a complete amortization of the current under-recovery in twelve months, both LEAC rates to be effective on all bills rendered on or after December 1, 2010 through March 31, 2011; and

NOW THEREFORE, it is hereby **ORDERED**:

1. The Electric system LEAC factor is decreased from \$0.248430 per kWh to **\$0.239096** per kWh effective on all bills rendered on or after December 1, 2010 to March 31, 2011, which will permit the full amortization of the current Electric system under-recovery in seven month.
2. The Water system LEAC factor is increased from \$10.04 per kGal to **\$11.68** per kGal, effective on all bills rendered on or after December 1, 2010 to March 31, 2011 and which will permit the full amortization of the current Water system fuel under recovery in 12 months.

So Ordered.

Dated: December 09, 2010



Joseph B. Boschulte, Chair