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# Opinion | The Public Services Commission Should Reject WAPA Request for a Base Rate Increases Until the Utility Restores Public Trust

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Bloomberg recently published an article under the headline, “[There's a New Muni-Debt Crisis Brewing in Another U.S. Territory](#)”. The story was posted on the business and finance publication’s website just as WAPA returns to the VI Public Services Commission at 9 a.m. Thursday (today) in its quest to continue fleecing the people of this territory with another base rate increase.

What perfect timing!

The Water and Power Authority continues to petition for a 3-cents per kilowatt hour increase in the base electric rate. WAPA says it also wants the PSC to lower by 3 cents per kilowatt hour the

LEAC rate , which is the portion on the bill that covers the cost of fuel.

The changes effectively mean a net neutral shift, with no direct impact on the ratepayer. So claims Mr. Lawrence Kupfer, the CEO of WAPA . In other words: “No relief for the rate payers of the territory.”

Mr. Kupfer’s justification for the base rate increase is as follows: it will allow the utility to go to the bond market to an attempt to refinance debt. Who on Wall Street will underwrite new debt when [Moody’s has just downgraded](#) our current bonds to junk bond status?

We have seen this sleight of hand with WAPA before. Pocket the base rate increase, then come back to the table in three months and increase the LEAC, claiming fuel costs have increased!

As we learned in a Virgin Islands Senate hearing on Tuesday, [things are very murky at WAPA](#). There is no transparency or accountability in its financial dealings, and therefore we have no confidence in the numbers, fuel costs or other facts WAPA might present to the PSC.

We respectfully ask the PSC board members to follow the law. The LEAC portion of the bill should be reduced by 3 cents based on the law and substantiated by Director Kupfer. This would move us in the direction of the 36 percent savings promised to us by WAPA when the utility entered a propane fuel contract with VITOL.

This change would thus reduce the current rate from 43 cents to 40 cents, leading the Virgin Islands public utility in the right direction.

Commissioners: Virgin Islanders ask for your help.

Deny the base rate increase until such time as WAPA can restore the public trust and demonstrate a commitment to fiscal prudence and transparency.

***Submitted by:*** By Clarence Payne, co-founder of the Alliance for Consumer Justice.