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WAPA To Start Issuing 60-Day Bills in March, Saying it Needs More Money to Pay Debt

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On the heels of a lawsuit this week filed by a WAPA whistleblower that [alleged](#) numerous and repeated instances of corruption, waste, and malfeasance at the embattled public utility, the executive director of the Virgin Islands Water and Power Authority, Lawrence J. Kupfer, has devised a plan to immediately issue 60-day electric bills to ratepayers across the territory.

The utility announced the plan on Friday stating it needed to take in revenue to meet its operating costs, namely to fuel vendors Glencore Ltd and VITOL whose fuel supplies provide constant electric service in the territory. The 60-day billing, which WAPA hopes will generate more than \$20 million in revenue, takes effect with bills issued beginning next Monday, March 9, 2020. WAPA residential customers are presently paying among the highest per kilowatt hour charge in the Caribbean region at 40 cents.

“The 60-day bill, beginning with those issued on March 10, 2020, will allow the Authority to recover more than \$20 million in payments that are due for electrical and potable water service that has been provided but which has not been billed,” said Chief Financial Officer Debra Gottlieb.

“WAPA must move to address the amounts that remain unbilled and uncollected to allow the public utility to meet its own obligations and maintain electrical and water services to residents and businesses in the territory,” said Mr. Kupfer.

What the company, however, has not explained is why its monthly billing to customers, for thirty days of service, is once again lagging behind or why an automated metering system, destroyed in the 2017 hurricanes, has not yet been restored. Mr. Kupfer and WAPA's senior officials have repeatedly blamed the billing woes on the non-working automated metering system but have failed to explain to lawmakers, the public or even regulators at the Public Services Commission why the issuance of bills has lagged behind for two and up to three months at a time, and why the accuracy of bills has been compromised.

In lieu of the automated metering system, known more commonly as AMI, WAPA employs meter readers to manually read customers meters, and this process has been the source of repeated criticism as ratepayers have for months complained of inaccurate, grossly inflated, and estimated electric and water bills.

After WAPA's staff spent two years attempting unsuccessfully to restore the automated metering system, a source close to the governing board told the Consortium this week that on February 27, the board received a consulting firm's proposal to rebuild the metering system and restore its functionality. The blueprint for the repairs carries a price tag in the "millions of dollars".

The source said WAPA's internal staff faced repeated setbacks with the metering system even after almost \$2 million was spent to restore equipment towers in seven locations territory-wide after Hurricanes Irma and Maria. The source, who spoke on the condition of anonymity to speak freely on the matter, said problems exist with smart meters that either do not work or don't communicate with the network which relays customer consumption information to data centers at WAPA's power plants in both districts. The staff has also faced challenges with non-working or erratically working network components, this source said.

In a release issued moments following WAPA's announcement, the PSC said it has scheduled a hearing on March 18 to hear, among other things, WAPA's "post-hurricane billing practices and procedures". At the hearing, WAPA will present a report to the PSC on its AMI System, and customer billing and service improvements, according to the PSC.

WAPA resumed billing post-storm in early 2018 and the failure of restoring AMI is coupled by repeated and chronic complaints about a dysfunctional customer service operation with many customers unable to have billing issues settled or properly explained in person or even inquires answered by telephone calls to the Authority. Customer complaints [came to the fore on Dec. 11](#), when a number of customers, during a consequential PSC hearing in St. Thomas, shared their grievances about WAPA customer service and its billing practices, among other issues.

About nine months after the resumption of post-storm billing, WAPA went to great lengths through radio and newspaper ads, social media posts, press releases, radio show appearances, and other public pronouncements to assure the public that its billing system had cleared the hurdle and multi-month billing was a thing of the past. A year and a half later, the multi-month billing is back as WAPA finds itself in yet another financial crunch to pay its fuel suppliers and other vendors

despite millions of dollars having been doled out to the Authority by the central government in various appropriations over the last four to six months.

Governor Albert Bryan on Friday told the Consortium that the move by WAPA was not a situation where the authority would be doubling the bills. "They are not double-billing and residents have four months to pay," the territory's leader said. "I too was alarmed and I called Mr. Kupfer and he clarified."

Mr. Bryan added, "They are correcting the billing system as we have asked them to and as a result the bills have to be issued to the current billing cycle. It would be unconscionable to ask residents to come up with all of it in one month."

In an interview with the Consortium Friday afternoon, Senator Donna Frett-Gregory, who along with Senator Janelle Sarauw has been crafting legislation to rein in and improve the authority, spoke with exasperation about the announcement.

"It is clear that WAPA don't have any regards for the customers here in these Virgin Islands," Ms. Frett-Gregory said. "The Legislature has met with them several times and we have yet to get a straight answer from WAPA."

She added, "They can't bill people sixty days all at once for their incompetence. I want to make that clear. This AMI system that they purchased, they need to come back to the vendor and address that issue. WAPA is out of control. I'm so upset this afternoon. All they're going to be doing is creating anxiety for the consumers here in the Virgin Islands. Elderly people who are going to be impacted by this. We have people who are on fixed incomes. They cannot make an arbitrary decision like this absent of consulting the community. They just can't do it. Because of their incompetence? I'm so upset."

In its release, WAPA said that since the full amount of the 60-day bill will be due 20 days from the bill date, customers who are enrolled in Auto Pay are advised to visit the WAPA Customer Service offices to make the necessary adjustment to their automated payment if they wish to take advantage of what the authority is calling a three-month payment plan.

There is a federal district court judgment against WAPA by another fuel supplier, Trafigura, which is owed almost \$25 million dollars. WAPA has yet to begin to address the debt. Another supplier, Glencore, is owed \$11 million dollars, and propane supplier VITOL regularly threatens WAPA with suspension of fuel supply over increasing debt for fuel and operating costs associated with LPG terminals owned by VITOL on St. Thomas and St. Croix.

In a lawsuit filed in VI Superior Court where a jury trial has been demanded, St. Croix Attorney Lee Rohn, retained to represent a WAPA senior official and whistleblower, Chief Administrative Officer Rupert Pelle, detailed years of alleged corruption, waste, and misappropriation of supplies and funding. There are even allegations that FEMA-provided restoration supplies for WAPA were siphoned off to the BVI for use in the British territory's hurricane restoration in the months following the 2017 storms.

Mr. Pelle is the latest in a string of whistleblowers to be allegedly retaliated against by WAPA's management. Mr. Pelle was suspended without pay on February 21st for two weeks in his latest battle with Mr. Kupfer, Special Advisor to Kupfer Gregory Rhymer, Human Resources Director Sabrina King Leonce and General Counsel Lorelei Farrington, and has been threatened with termination. The governing board reinstated Mr. Pelle's pay during the suspension period while in executive session at a board meeting on February 27.

According to the suit, the retaliation against Mr. Pelle stems from his reporting a conflict of interest incident involving King Leonce.

In a cover letter accompanying the lawsuit, Ms. Rohn identifies at least four other cases where WAPA whistleblowers were allegedly retaliated against by Mr. Kupfer and others.

WAPA said customers wishing to establish the 60-day bill payment plan must visit the its Customer Service offices during regular business hours and prior to the due date on the bill. The offices are located at Sunny Isle on St. Croix, The Marketplace on St. John, and at Port of Sale Mall on St. Thomas. To contact by telephone, on St. Croix, call 340-773-2250, select option 5, and on St. Thomas, St. John, Water Island, and Hassel Island, call 340-774-3552, select option 5.

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