

PSC Maintains Water LEAC Rate as Electricity Rate Decision Looms

The PSC has opted to keep the Levelized Energy Adjustment Clause rate for water unchanged until a final determination is made on the electric LEAC rate next month. The decision follows concerns over increased water line losses and system inefficiencies.

WAPA / **Published On February 13, 2025 05:59 AM /**

Janeka Simon **February 13, 2025**

Image not found or type unknown



The V.I. Public Services Commission has decided to keep the Levelized Energy Adjustment Clause rate for water steady until a decision is made on the LEAC rate for electricity.

That was the suggestion coming from PSC Attorney Boyd Sprehn on Tuesday, as he presented recommendations from the consultant. Noting that the electric LEAC is “up for reconsideration next month,” Mr. Sprehn said that the water LEAC rate “should be considered after the electric

LEAC rate is set for the next quarter.”

He also noted that water sales had dropped, while water production remained high, with a slight increase. This, Mr. Sprehn says, “indicates that there's an increase in the line losses, or losses generally, through the water systems over the past year.” Information on the sales and production of water should therefore be sought by the PSC so commissioners can understand what is happening in that regard.

WAPA CEO Karl Knight informed commissioners that the observed water losses are likely attributed to the ongoing flushing program, which was implemented to address chronic water discoloration and prevent stagnant water from leaching heavy chemicals from pipes and fittings. “That would be ordered as non-revenue water,” Knight stated. He also acknowledged the aging and leaky pipe network, adding that storage tanks are currently being evaluated for potential leaks.

Chief Financial Officer Lorraine Kelly disclosed that line loss on St. Croix has increased from 69% to over 72%, while on St. Thomas and St. John, losses decreased, going from over 32% to almost 28%. Production on the Big Island showed a slight decrease from last year, while remaining the same on St. Thomas and St. John.

Mr. Knight was careful to note that the seemingly eye-popping number for line loss on St. Croix did not differentiate between water actually seeping through cracked lines, and non-revenue water on flushing, for example. “While the percentage of water that's not billed for is large, there are some component parts here that the report doesn't speak to,” he said. Upcoming projects to replace pipelines will “put a real dent” in the loss numbers,” Mr. Knight assured.

Before moving on to other topics of discussion, the board voted to accept Mr. Sprehn's suggestion and keep the LEAC for water in place until the PSC's next meeting, scheduled for March.