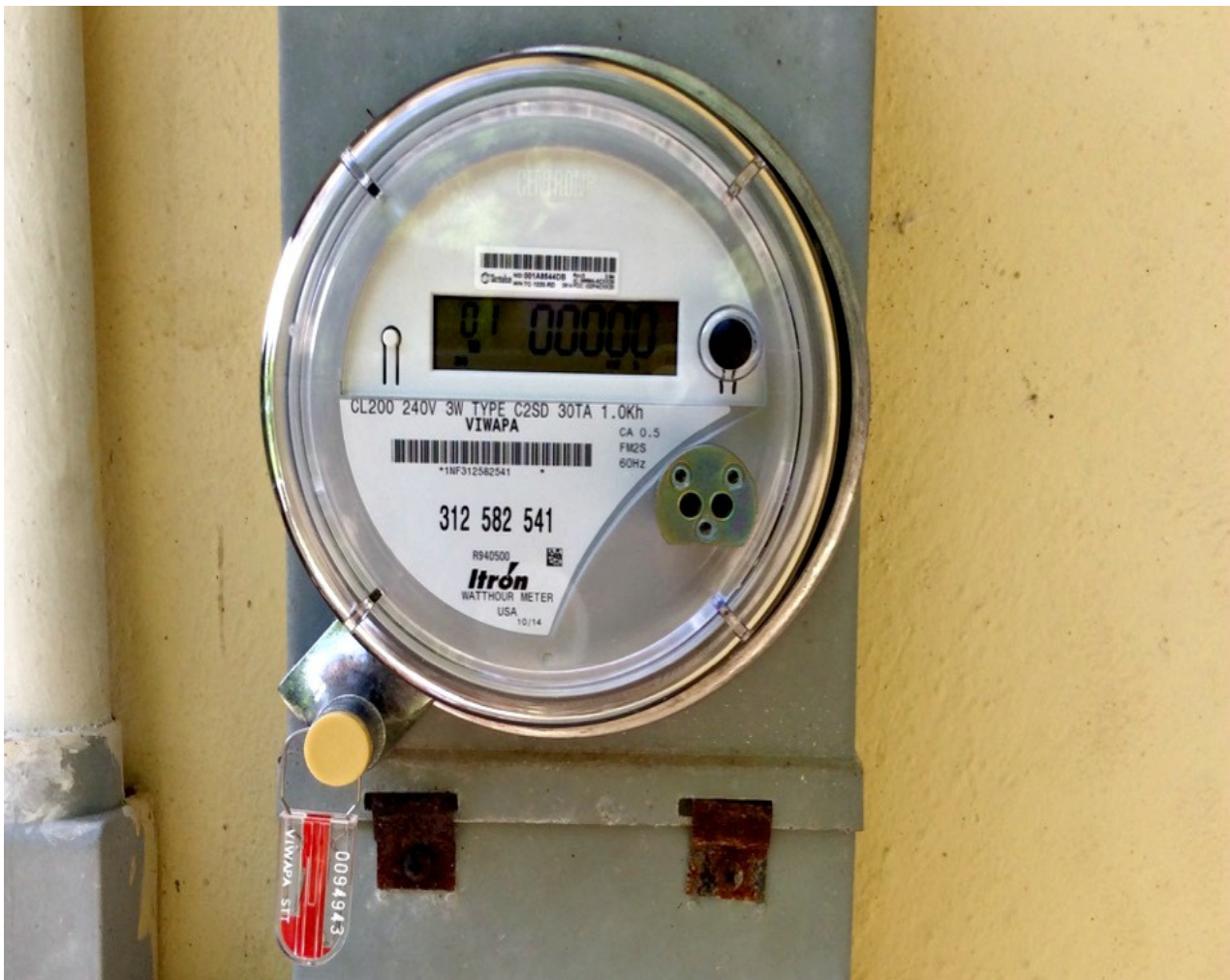


The Virgin Islands Consortium

Quick Note: Public Service Commission Decreases LEAC From Now Through December

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The Virgin Islands Public Service Commission moved to ease pockets territory-wide by lowering the Levelized Energy Adjustment Clause (LEAC) from \$0.0279991 to \$0.0191321 per kilowatt hour.

The decision was made at a Tuesday meeting and the new rate begins today, which means residents should see a slight decrease in their power bills at the end of the month.

WAPA's Fiscal Year 2016 Budget

[Last week](#), the governing board of the Virgin Islands Water and Power Authority (WAPA) approved the public utility's operating and capital budgets for Fiscal Year 2016 which also begins today.

The electric system operating budget approved by the board totals \$286.6 million and the electric system capital budget is approximately \$100.1 million. The water system operating budget is set at \$30.7 million and the water capital budget is pegged at \$17.7 million dollars. WAPA's fiscal year runs from July 1 – June 30.

Seeking clarification on the aforementioned numbers, *The Consortium* contacted Jean P. Greaux, Jr., WAPA's communications director, who said the capital budget is funds set aside for future expansion in relation to power generation capacity and other initiatives like WAPA's [Advance Metering Infrastructure](#) (AMI) efforts, while the operational budget includes the full operational costs of the semi-autonomous entity.

Asked why WAPA had set aside the large sum of \$117.8 million for capital projects, some of which WAPA has yet to identify, Greaux said he did not have the opportunity to speak to his superiors in length concerning the formula used to arrive at the capital budget.

In other action at the meeting, the board approved changes to a contract regarding the sourcing and transporting of parts associated with the redesign of a heat recovery steam generator. The changes will not affect the overall cost of the contract.

The board also approved a contract totaling \$1.1 million for project management of the reengineering of the same generator. "Completing the rehabilitation of this generator will return the Randolph Harley Plant on St. Thomas to combined cycle operation which will improve both heat rate and plant efficiency," said WAPA Executive Director, Hugo V. Hodge, Jr.

Other approvals included:

- Additional funding to remove and dispose of lead based paint that was discovered during the demolition of the now decommissioned water desalination plants.
- Time extension to September 30, 2015 to complete the fire protection system upgrade as LPG is being introduced to the WAPA power plants. The extension will not incur additional cost.
- Reprogramming of funds totaling \$490,000 to facilitate the implementation of interconnection point to allow for the safe and efficient delivery of power from the Donoe solar farm to the electrical distribution system.
- Renewal of insurance policies with CIGNA HealthCare for four months beginning on September 1, 2015 at a cost of \$1.9 million.
- Extension of a contract with Risked Revenue Energy Associates to provide fuel hedging consultation and related services. The extension is in the amount of \$200,000.
- A request of the Public Services Commission to remove the rate finance mechanism surcharge from the LEAC and into the base rate. The PSC requested that all non-fuel related items be removed from the LEAC. The rate finance mechanism was designated to conduct maintenance of generators and for payments on leased generating Unit 25.

- One year contract agreement with a company to provide independent external audit services. At a cost of \$350,000, the company will perform an audit for the period ending June 30, 2015 as required by bondholders, the PSC and lending institutions.