

logo not found or type unknown

## **PSC Reduces WAPA Electric Rate by 1.5 Cents, Bringing Cost Down for Residential Customers to 39 and 41 Cents Per Kilowatt Hour, and 45 Cents for Businesses**

WAPA / **Published On June 08, 2020 05:55 PM /**

Staff Consortium **June 08, 2020**

Image not found or type unknown



**Aerial shot of the WAPA Christiansted plant on St. Croix By. ERNICE GILBERT FOR VI CONSORTIUM**

The V.I. Public Services Commission has approved a reduction in electrical rates effective the July billing cycle. According to WAPA, the approval represents an approximate 1.5 cent reduction in the per kilowatt hour rate for residential customers, and a similar reduction for commercial ratepayers. The rate reduction was proposed by the commission's consultants and accepted by WAPA prior to a June 3 meeting of the PSC.

Effective July, "a residential customer utilizing 400 kilowatt hours per month will see a bill totaling \$159 while a commercial customer's bill for usage of 2,000 kilowatt hours will average \$900," said WAPA Executive Director Lawrence Kupfer.

Based on the approval, the per kilowatt rate for residential customers using less than 250 kilowatt hours per month is 39 cents, and the rate is at 41 cents for consumption equal to and greater than 251 kilowatt hours. Commercial customers will pay a rate of 45 cents per kilowatt hour. The lower per kilowatt hour rate will be reflected on customer's July bills, and remain in place through December 2020, WAPA said.

The rates USVI rates are still the highest [in all of the US](#), according to Electric Choice, which tracks the average price a residential customer in the United States pays for electricity.

"We are mindful of the economic challenges facing residents of the territory and support this decrease in rates. Additionally, our generation dispatch is utilizing more LPG as the primary fuel for power generation. During the six-month period that the rate will be in effect, we anticipate the Harley power plant on St. Thomas will become 100 percent operational on propane similar to the Richmond power plant on St. Croix. Our operational costs have improved as we have utilized more propane although the price spread between oil and propane on world markets is not as large as it has been historically," Mr. Kupfer added.

The lower per kilowatt hour rate takes effect during the July billing cycle, and remains in effect through December 31. Customers will see the new rates reflected in bills issued in August which cover July's electrical usage, WAPA said.

Mr. Kupfer noted that the new rate does not include deferred fuel costs and cautioned the PSC that future filings for LEAC adjustments will include a deferred fuel amount. This means WAPA has purchased fuel that it has yet to pay for, and the funds to pay for it is covered by ratepayers through the LEAC. Rate changes are generally applied on July 1 and January 1. For a change in LEAC to occur before the reduction's expiration at the end of December 2020, WAPA would have to seek an emergency request from the PSC, which in turn would have to approve the request. Otherwise, the reduction will remain intact until Dec. 2020. Even so, Mr. Kupfer said WAPA will eventually file a deferred fuel reconciliation with the commission once Fiscal Year 2018 audited statements are completed.

Also, Kupfer said, WAPA has concluded its May billing cycle and issued a total of 51,828 Yes Cares Act credits to customers. "In all, the authority issued 7,671 credits to commercial account holders, and 44,157 credits to residential customers. The credits total \$14.8 million," he said.