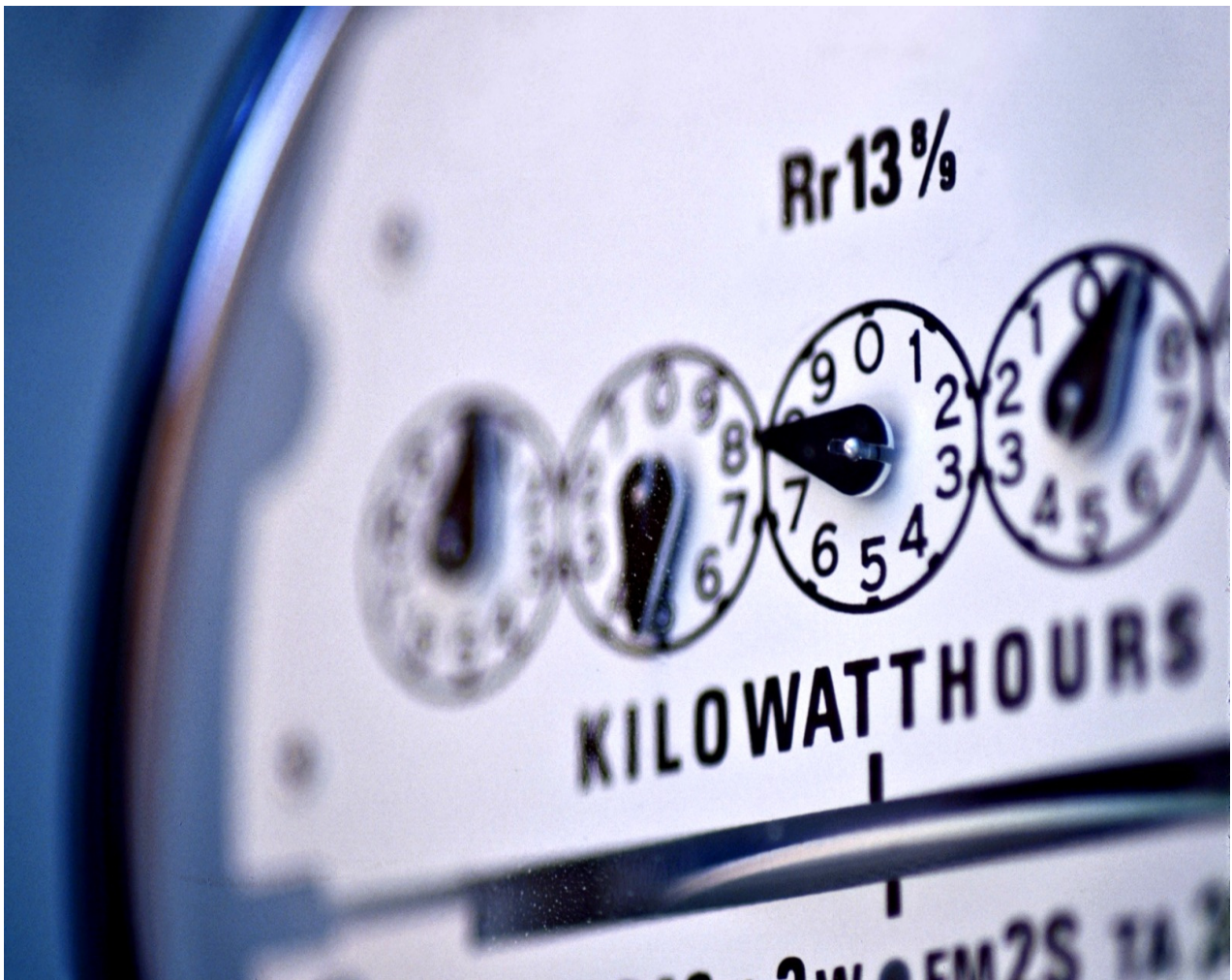


The Virgin Islands Consortium

PSC Approves 6-Month WAPA Electric Rate Increase; Average Bill Of \$156.94 Will Climb To \$169.34

VIC News / **Published On April 16, 2019 09:27 AM /**

Staff **April 16, 2019**



The Public Services Commission on Monday approved a WAPA electric base rate increase of 3.1 cents, which the utility told the PSC is a temporary necessity in order to pay for a number of incurred costs, including new Wärtsilä generating units in the St. Thomas-St. John District, as well as to makeup for revenues lost from major business customers who never came back on the grid following the 2017 storms. The hike will also cover costs of rental generating units used by WAPA.

WAPA, however, must meet a criteria set by the commission before the rate increase can take effect, and even after the criteria is met, WAPA must then give customers 30 days of advance notice, the PSC said. The utility is near the end of testing the Wärtsilä units,

according to WAPA Executive Director Lawrence Kupfer. WAPA must also confirm that rental units on St. Croix are in operation.

The current base rate of 38.26 cents per kilowatt hour, by far the highest in all of the U.S. [according to data provided by electric choice](#), climbs to 41.36 cents per kilowatt hour for the first 250 kilowatt hours in WAPA's latest increase, and thereafter the rate slightly decreases to 40.86 cents for every additional kilowatt hour.

Putting the increases in dollar amounts, residents who consume \$250 kilowatt hours monthly pay WAPA about \$95.65 based on the current 38.26 per kilowatt hour. That amount will increase to \$103.40 per month once the new hike takes effect, according to WAPA. For customers using about 400 kilowatt hours per month, their bill, currently at \$156.94 per month, will jump to \$169.34 monthly.

The Monday approval of WAPA's electricity rate increase is the latest in a string of yearly financial burdens that WAPA has placed on customers as the utility has failed to successfully lower the cost of Virgin Islanders' power bills, even after the promise of a [30 percent reduction](#) through propane was made.

In 2017, [WAPA raised the base rates](#), which it said was needed to stabilize its financial position. In 2018, the utility [increased the base rates again, by 4 cents](#), with the authority citing lower electricity sales and higher fuel costs. Now, in 2019, WAPA was granted yet another utility rate increase, bringing the total kilowatt per hour rate to a staggering 41.36 percent -- far higher than any rate being paid in every U.S. state.

The increase, the PSC stressed, would not last more than six months. However, nothing precluded WAPA from requesting an extension, especially since part of the increase is to mitigate the loss of major business customers who have not returned to the grid, as there's a possibility they may never return.

Along with the kilowatt per hour usage, WAPA customers also pay for fuel costs.