

The Virgin Islands Consortium

St. Croix Chamber Of Commerce Pushes Back On Proposed WAPA Rate Increases, Says Private Sector Can No Longer Bailout WAPA's, GVI's Mismanagement

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The St. Croix Chamber of Commerce came out swinging on Thursday against proposed increases of utility rates by the Virgin Islands Water and Power Authority. The chamber castigated the authority and the Government of the Virgin Islands for mismanagement, and said that the private sector could no longer be relied upon to bailout the beleaguered utility.

The strongly worded release comes on the heels of a landslide of woes to WAPA. The authority was chided by lawmakers during a Wednesday Senate session for a number of

reasons, among them some [\\$2.3 million of missing WAPA funds that wound up in an offshore bank account](#). The matter is being investigated by the FBI. WAPA was [sued by two current employees](#) who levied damning accusations on the semiautonomous entity, contending that WAPA has lied to the Public Services Commission (PSC); it has taken retaliatory action against whistleblowers; and has made bad decisions that caused costs to increase 20-40 percent annually. On top of the aforementioned, WAPA is facing ultimatums from vendors, including propane supplier Vitol, a firm the authority owes tens of millions of dollars.

"Many critical vendors have indicated that they will no longer continue to provide their services to the authority if the amounts owed are not addressed. Should this occur, the authority will not be able to continue to provide certain necessary services," said WAPA Executive Director and CEO Lawrence Kupfer during the Wednesday Senate session.

The chamber pointed to an April 2019 WAPA proposal to the PSC for an emergency \$0.03 per kilowatt hour rate increase for the leased generation surcharge necessary for the payment of generation equipment leases and training for the operation of the new Wartsila units on St. Croix and St Thomas. Additionally, WAPA has proposed an increase in the LEAC for July 1, 2019 of approximately \$0.04 per kilowatt hour and an increase in the base rate of approximately \$0.06 per kilowatt hour, at which time the \$0.03 emergency increase would be terminated resulting in an overall \$.10 per kilowatt hour increase.

According to dissenting opinion by PSC Commissioner and Chairman Johann Clendenin, "At these rates WAPA again approaches a rate of 50 cents per kilowatt hour that is beyond punitive for the residents and businesses of the Virgin Islands and crushing for our economy."

"It seems the private sector must be the savior of WAPA once again, even if that calls for our own demise," said St. Croix Chamber Chairman Ryan Nelthropp.

Given that WAPA is a semi-autonomous government entity, the Government of the Virgin Islands has the first responsibility to fill the \$43 million gap to alleviate the hardship on the population whether by reallocating funds or through securing bonds, the chamber said.

The chamber recommended that WAPA devise a long-term strategy for profitability and sustainability, much like the territory's neighboring Caribbean islands.

"The people of the U.S. Virgin Islands have a right to expect a just and reasonable utility rate," said the chamber. "The government has a duty to the people to figure out a way to pay for their own mismanagement of the semi-autonomous government agency, WAPA, without causing undue hardship to its citizens and the private sector."

The chamber's executive committee met with Governor Albert Bryan today and delivered their position on the rate increase in writing. A copy of the full Chamber Position can be viewed [here](#).