

The Virgin Islands Consortium

Anger Rising: Residents Set To Protest Outside PSC Building As It Considers WAPA Base Rate Increase

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Ernice Gilbert **July 31, 2019**



ST. THOMAS -- Today, Virgin Islanders will learn whether their overwhelming stance that the Virgin Islands Water and Power Authority should not be given a base rate increase will be respected by the Public Services Commission, which will hold a meeting today in its office at the Barbel Plaza here to decide on whether to give WAPA the authority to charge consumers yet another 3 cents, bringing Virgin Islanders' cost per kilowatt hour to an unimaginable 46 cents per kilowatt hour.

While PSC will be discussing the increase, residents from all walks of life will gather outside the Barbel Plaza at 10:00 a.m. to protest it. A newly formed group, called the Virgin Islands Alliance for Consumer Justice, organized the event that has since

mushroomed to include Virgin Islanders who are simply fed up with the constant increases while WAPA's service has not improved.

"Our presence at the PSC is extremely important for commissioners to understand how serious we are taking this matter," said Clarence Payne, a member of the new group. "The residence of this territory time and time again has done everything WAPA has asked us to do and everything WAPA has asked us to pay for. And at the end of each decision and each promise made by them the people never get the results that was promised to us. The impact of an increase at this point will have a very harmful effect not only to on our economy the elderly, the working poor and single families out there in the community. The people of the territory is saying we've had enough and we are sick and tired of having to micromanage our public utility service."

WAPA in the run-up to the PSC meeting has been waging a public relations campaign attempting to convince residents that while it's seeking a base rate increase, it is also requesting from the PSC a decrease in the fuel surcharge (LEAC) by approximately 3 cents. "This decrease will offset the base rate increase and hold steady rates at the current 43 cents per kilowatt hour for residential customers through the end of this year," WAPA said.

What WAPA isn't saying is what would happen to customers' bills come next year, and the authority wasn't clear as to why it singled out residential units as customers whose bills would hold at 43 cents per kilowatt hour until at least the end of the year, and not businesses as well. And what happens once 2020 arrives? WAPA did not address this either.

The authority [has received](#) from the government the \$22 million it said it would need in order to [prevent blackouts](#) in the territory; the funds were owed by the territory's medical facilities. However according to WAPA, the funds, while good enough to pacify contractors like Vitol, which WAPA owes tens of millions of dollars, the authority still faces other issues, and said it needs the increase for the following reasons:

- Close the budget gap due to the impact of the 2017 hurricanes which has reduced sales. (WAPA said electrical usage has dropped by 16 percent resulting in a projected operating deficit of between 30-35 million dollars for fiscal year 2020.
- The increase will also help WAPA cover all operational expenses, including equipment maintenance, health insurance for employees, retirement contributions, salaries, which WAPA said accounts for 35 percent of operations expenses, and day-to-day operations.

But Virgin Islanders have been fed with the beleaguered authority because year after year it has promised better service and has been unable to deliver. Over the weekend, WAPA had two island-wide outages in both districts, and yesterday, power on St. Croix was interrupted multiple times.

One of WAPA's most egregious sins was its promise to bring relief to residents through its propane conversion project: The authority entered into a contract with Vitol in July 2013 for propane conversion with a taxpayer-funded budget that jumped from the original \$87 million to \$150 million in 2016. WAPA had promised lower rates of 30 percent once the conversion was completed, but that promise never materialized, and

residents have realized increases over the years in their bills instead of the promised relief.

At 43 cents per kilowatt hour, U.S. Virgin Islands WAPA customers pay the most for electricity in all of the United States, with the lowest being 9.79 cents per kilowatt hour in Washington, and the highest 32.76 cents per kilowatt hour in Hawaii, according to [Electric Choice](#), which helps home owners/renters, small businesses, and large commercial customers find the right electricity rate, plan, and provider for them through its electricity marketplace in the U.S.