

The Virgin Islands Consortium

Businesses Would Shut Down, Residents Would Leave Territory, If WAPA Gets Additional Rate Increases, Chamber Of Commerce Warns

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The St. Croix Chamber of Commerce on Tuesday said that additional base rate increases on the electric bills of Virgin Islanders residents and businesses would adversely affect the territory's economy.

The chamber's statement comes as WAPA gets ready to petition the Public Services Commission at a meeting today in St. Thomas seeking a base rate increase of 3 cents, which, if approved, would send USVI electric rate payers' kilowatt per hour usage to 46 cents -- the highest in all of the United States by far.

The St. Croix Chamber of Commerce conducted a survey whose aim was to illustrate the financial impact an additional rate increase would have on the territory's economy. The survey was sent via email to the St. Croix Chamber membership and general mailing lists.

A total of 192 responses were received over the course of five days. The majority of respondents were from St. Croix (74.6%), with 18.5% from St. Thomas and 6.5% from St. John. Seventy-Seven percent of respondents have purchased WAPA services for 5 years or more; 71% owned their home while 28.9% rented; 49.5% were business owners or partners, with 13.6% in management; 28.4% listed as employees, 4.3% unemployed and 9.2% listed in the "other" section, many of whom are retirees, according to the chamber. Approximately 50% of those taking the survey were in the age range of 45-64, and 56.7% were listed as employed full-time. Respondents' income reflected a wide range, with 1% listing as having an annual income of \$15,000 and under.

"The results speak for themselves and are by no means a surprise to the chamber. Without immediate action by the government to control WAPA's costs, our economy will almost certainly regress with local business owners closing their doors and more citizens fleeing to the mainland," said St. Croix Chamber of Commerce Chairman Ryan Nelthrop. "The business community is resilient, but there comes a time when enough is enough and we can no longer sit back and accept the status quo from years' past. The people of the U.S. Virgin Islands have spoken and will not continue to tolerate continued financial abuse."

According to the chamber, many throughout the survey pointed to the mismanagement of WAPA over decades and the government's failure to pay its bills as the major reasons behind rate increases. With much of the U.S. Virgin Islands still recovering financially from the 2017 hurricanes and few seeing increases in wages, the burden of additional rate increases threaten an undue hardship to already cash-strapped households, the chamber said.

The U.S. Virgin Islands pays the highest rate for electricity in the United States and its territories, and has one of the highest rates in the world. However, an overall rating of WAPA's services resulted in a 2.2 below average score on a scale of 5, based on customer service and quality of service among other factors, the chamber said.

A hundred percent of respondents who answered believe that WAPA should undergo a forensic audit and that the results thereof should be shared with the public.