

The Virgin Islands Consortium

Tensions Escalate As PSC Delays Vote On WAPA Rate Increase

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As promised by St. Thomas community organizers, dozens of angry WAPA customers showed up Wednesday morning outside of Suite 4, Barbel Plaza, to chant down the utility's attempt to increase electricity rates on thousands of homeowners and businesses.

Inside of the first-floor boardroom, five frustrated utility regulators took testimony and then put the brakes to the Virgin Islands Water and Power Authority's scheme to hike electric bills, which are already the highest in the country.

The Virgin Islands Public Service Commission (PSC) voted 5-0 to delay action on WAPA's rate-hike petition until October 3rd at the commission's next scheduled meeting. Commissioners Kent Bernier, Johann Clendenin, David Hughes, Andrew Rutnick and Chairman Raymond Williams voted in favor of delaying action. All agreeing that additional information is warranted and PSC consultants need more time to study the request.

WAPA sought commission approval for an immediate 3 cents per-kilowatt-hour increase in the base utility rate combined with an immediate "offsetting" decrease of 3 cents per-kilowatt-hour in the fuel surcharge, a portion of electricity bills commonly known as LEAC (the always rising Levelized Energy Adjustment Clause charge).

Lawrence Kupfer, executive director at the troubled power authority, asserted that the proposed rate changes would result in "no net increase" in customers' bills. And with the utility staring down a fiscal calamity from which it might not recover, shuffling rates is the way to relieve some WAPA debt without further burdening ratepayers, Mr. Kupfer said.

The rate changes, if ultimately approved, would give WAPA some hope of paying day-to-day operational costs and settling a \$100 million-plus debt owed to VITOL, the Dutch energy company that supplies the propane fueling power generation in much of the territory.

A permanent base rate increase would cast WAPA in a more favorable light for lenders, Mr. Kupfer said, allowing it to borrow money in order to satisfy the crush debt to VITOL and three vendors. "Those four vendors we owe over \$100 million to." He said VITOL could pull the plug on the propane supplies unless WAPA pays its invoices on time. "If we can't pay them ..." the territory can expect rolling blackouts, Mr. Kupfer added.

Testimony inside commissioners' boardroom was overwhelmed at times by honking car horns and ratepayers chanting anti-WAPA slogans in the sun. Protesters passed by raising hand-made signs blasting WAPA as a "Bottomless Money Pit," and "WAPA: Promises Made Promises Broken."

The ex-Virgin Islands senator who organized the protest with the newly formed V.I. Alliance for Consumer Justice, Clarence Payne, said the group must show up – signs and bullhorns in hand – when the PSC takes up the rate change in October. "We are going to stand for the people. We are going be back again, as often as we need to be."

Alemu Francis said his decision to come down to Barbel Plaza was his way of "bringing more awareness to the people. WAPA has mismanaged the money and made terrible decisions. The people need to know – and WAPA need to justify to the people these increases."

Solutions. That is what Clarence Lumumba was looking for. "I'd like to see people in leadership positions come up with alternatives to WAPA. This is 2019. There are alternatives. Let us have a plan," he said. "I'm not optimistic anything will happen. But the more people that are aware of what goes on, the more pressure we put on the people in power. The people can start a movement."

The movement is bigger than it appeared at Barbel Plaza. PSC Director Donald Cole said more than 1,300 people signed petitions opposing the WAPA rate change. Moments

before the start of the commission meeting, Mr. Cole quickly diffused a tense interaction with Albelto Roberts, one of the first protesters on the scene, who confronted PSC members inside the boardroom. “We need some justice in this place. We need people to fight for us out here. You guys allowing too much injustice to go on... I can’t take it no more. My people can’t take it no more.”

“Sir, I hear you. I got you,” Mr. Cole told him. “And if you want to come in and sit down ...” Mr. Roberts declined. He would return once he calmed himself.

Feature Image: PSC Commissioner Donald Cole holds up more than 13,00 petitions submitted by Virgin Islanders opposing WAPA base rate increase (Ernice Gilbert, VIC)

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