

logo not found or type unknown

Under Increasing Public Pressure, Gov. Bryan and WAPA Now Say Base Rate Increase Will Not Impact Customers' Monthly Power Bills

Politics / **Published On December 03, 2019 04:48 AM /**

Robert Moore **December 03, 2019**

Image not found or type unknown



Governor Albert Bryan By. Government House

The WAPA base utility rate controversy has taken another twist.

A week before the V.I. Public Services Commission (PSC) is set to vote on whether the power authority gets the rate changes it had aggressively pushed for, the power authority wants to rewrite the request so that customers see no increase whatsoever in monthly bills as a result of the rate changes.

Gov. Albert Bryan said Monday that he urged Water and Power Authority Executive Director Lawrence Kupfer to pen a letter to the PSC that requests the rate change be reduced from a "minimal impact" on rate-payers to "zero" increase on the overall rates paid by homeowners and businesses.

It is unclear if this latest development will affect the timing or outcome of the PSC decision, which is scheduled for December 12th, or whether the Kupfer request negates in any way the work by the rate case hearing examiner, Kye Walker.

According to Mr. Kupfer, the byzantine formula that is used to calculate a monthly electric bill will be simplified by combining certain surcharges and eliminating others paid by rate-payers. "The net effect is no change," Mr. Kupfer said. "We want to clean up these separate charges that there may have been a reason for five or ten years ago."

Mr. Bryan acknowledged during Monday's regular Government House press briefing that he has taken a lot of heat from constituents over his public backing of WAPA's "rate adjustment" plan.

"We have been listening to people," Mr. Bryan said. "We understand that there is a lot of confusion in the public about what is going on. We understand why people would be frustrated about further pressures in the economy, considering our housing situation now (and) inflation rising the way it is."

The frustration and anxiety Mr. Bryan said he has encountered from Virgin Islanders in recent days stems largely from [his own October letter](#) to the PSC emphasizing the administration's support for the rate change plan. The Consortium obtained a copy of Mr. Bryan's letter, in which he said the administration's support of the rate increase is conditioned on the hope that ratepayers will endure "minimal impact" on their actually monthly WAPA bill.

As of last week, WAPA had sought an increase of 5.8 cents per kilowatt-hour in the permanent base utility rate, coupled with an "immediate offset" of 3.08 cents when the so-called Leased Generator surcharge paid by WAPA's customers each month expires. The additional promise of a future 2.57 cents reduction in the fuel charge, known as the LEAC fee, would mean "... the actual increase to overall customer electric rates will be a nominal 0.15 cents per-kilowatt-hour," Mr. Bryan wrote.

The public has spoken loudly in opposition to any utility rate changes. Thousands of Virgin islanders have signed-on to petitions demanding more accountability at WAPA, and that already sky-high utility rates not be raised any further.

"What we really want to tell the public, and make sure that people understand, is that this a rate adjustment. There is zero increase to your bill," Mr. Bryan said.

The rate changes, if approved, would give WAPA some hope of paying day-to-day operational costs and settling a \$100 million-plus debt owed to vendors, including VITOL, the Dutch energy company that supplies the propane fueling power generation in much of the territory. The "rate adjustments" would cast WAPA in a more favorable light for Wall Street, allowing it to borrow money in order to satisfy its crushing, high-interest debt, Mr. Bryan said.