

After a Year of Controversy, The PSC is Left With Days to Review Hearing Examiner's Report on Proposed WAPA Rate Changes

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The V.I. Public Services Commission is left with fewer than three days to review a crucial hearing examiner's report before voting on proposed changes to sky-high WAPA electric utility rates.

According to [a document obtained by the Consortium](#), PSC Hearing Examiner Kye Walker was forced to delay her report because of the Water and Power Authority's conflicting claims about whether changes to base utility rates will have "zero" or "nominal" impact on customers' monthly bills.

The PSC is due to vote on the rate changes on Thursday on St. Thomas. Ms. Walker's report, which will provide guidance to the commission members, was originally due last week. As of Monday evening, PSC members had not received the final report, said commission spokeswoman

Lorna Nichols.

Ms. Walker, of the Walker Legal Group on St. Croix, filed an amended schedule with the PSC last week pushing her final report back until December 9th. Her filing stated that the delay is the result of a November letter from WAPA Executive Director Lawrence Kupfer in which he said customer utility rates would not change.

“The November 26, 2019, correspondence, on its face, is wholly inconsistent” with Mr. Kupfer’s previous testimony to the PSC and with WAPA’s official base rate filing, Ms. Walker wrote.

WAPA initially 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 have meant an increase of 0.15 cent per-kilowatt-hour, although it is hard to make good on a promise of savings through LEAC savings, as the LEAC fluctuates with the market.

In his November letter to the PSC, Mr. Kupfer moved the goal post. “I feel it necessary to clarify misconceptions related to the pending requests and the impact that they have on our customers,” he wrote. “... The total charges billed to our customers will remain exactly the same as the rates that are in effect today.”

Mr. Kupfer told the Consortium last week that the complicated formula 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," he said.

Mr. Kupfer's November letter followed a barrage of criticism Governor Albert Bryan received following the Consortium's publishing of a letter Mr. Bryan wrote to the PSC [urging the commission to grant WAPA the rate increase](#). Mr. Bryan subsequently [altered his stance](#) and encouraged Mr. 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.

Given the “obvious inconsistency” between WAPA’s actual rate request and Mr. Kupfer’s public statements, hearing examiner Walker sought clarification. On December 5th – the day that Ms. Walker’s report was due – WAPA revised earlier statements to the PSC, suggesting there would be “no impact” on customers’ bills.

The PSC is scheduled to vote on rate changes on Thursday at PSC headquarters on St. Thomas.

At 5:45 p.m. today a townhall meeting will be held at the Paradise Covenant Christian Ministries in Vitrac Park Mall near Mandela Circle on St. Thomas. Citizens are invited to come to discuss their issues with WAPA, according to the Virgin Islands Alliance for Consumer Justice.