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WAPA Sought to Raise Utility Rates to Over 50 Cents Per Kilowatt Hour. PSC Refused, But WAPA is Expected to Try Again.

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If the V.I. Water and Power Authority had its way on Friday, Virgin Islanders would have experienced a significant increase in the cost of their power bills, as WAPA sought an increase to the LEAC by 7 cents per kilowatt hour, and an additional 3 cents per kilowatt hour for deferred fuel.

"The combined increase would raise rates to more than 50 cents per kilowatt hour," said the Public Services Commission, whose meeting on Friday produced a lot of pertinent information, including news that new, more efficient generators had arrived in the territory but [won't be ready for use until February 2023](#), and the utility's [nonfunctioning AMI system](#) that has resulted in a high number of electricity bills being estimated.

Currently, residential WAPA customers pay about 43 cents per kilowatt hour, among the highest rates in the world and [the highest in all of the U.S. and its territories](#). Neighboring Puerto Rico's kilowatt per hour usage stood at 20.18 cents as of Tuesday.

The latest LEAC hike [came in July](#), when the kilowatt hour cost arrived at 43 centers after an increase of .172125 cents. At the time, PSC board members said they did not want to approve yet another increase to rates, but said they were left with little choice as the cost of fuel is dictated by the market, and WAPA does not benefit financially from the increase. The LEAC is a direct pass-through of fuel costs to produce and deliver electricity.

On Friday, WAPA also cited the rising cost of fuel, with gasoline and heating-oil prices at their highest levels since 2014, [according to the Wall Street Journal](#).

Even so, PSC Chairman David Hughes said he could not support the increase because WAPA had failed to meet the requirements of a law that sets the criteria WAPA must meet before it can seek and receive rate increases.

Among the prerequisites, WAPA, or any other utility "may not submit a proposal for a rate increase without first providing a copy of the proposal to the ratepayers by including a copy of the proposal in the public utility's billing statements at least 60 days before the public utility submits the proposal and by causing a copy of the petition to be published in a newspaper of general circulation within the Territory at least four weeks successively, once a week, next preceding the time for the filing of the proposal for the rate increase."

Another criteria says ratepayers "have the right to be fully informed about and to fully evaluate any proposed rate increase."

The [V.I. Ratepayers' Bill of Rights Act](#) became law in 2020. It was sponsored by former Senator Alicia Barnes.

Mr. Hughes, who believes the law is burdensome to the authority, said that until WAPA is able to meet the standard of the law, he could not support the rate increase. "The commission is rejecting the two applications as they do not comply with the law," he said. "I don't have jurisdiction to not comply with the law. While the law is in place, we will follow it."

The July rate increase is supposed to last through Dec. 31, and WAPA will seek another change before the deadline — as it did Friday. But residents should not expect a downward adjustment. "I have been with the commission for a lot years, probably too many... but I have very rarely ever seen the rates go down," said PSC Commissioner Andrew Rutnik during the July meeting.