

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE
UNITED STATES

Public Services Commission

IN THE MATTER OF THE VIRGIN ISLANDS)	
WATER AND POWER AUTHORITY)	PSC Docket No. 533-W
WATER RATE INVESTIGATION PURSUANT)	Water System
TO ACT 6402)	
)	ORDER NO.: 15/2004
_____)	

ORDER

WHEREAS, this Docket was commenced in August 2001, in compliance with the Legislature's mandate, at Section 20, Title 30 of the Virgin Islands Code, that the Virgin Islands Public Services Commission ("PSC" or "Commission") conduct biennial rate investigations of the regulated utilities; and

WHEREAS, following the completion of the Electric System rate investigation and approval of a significant rate increase therein, the Commission directed staff and the Hearing Examiner to proceed with the Water System Rate Investigation; and

WHEREAS, Commission's staff and the Authority met in June 2003 to develop a schedule which would accommodate the then stated need of the Authority to seek a rate increase and the issuance of new bonds by June 2004; and

WHEREAS, on September 11, 2003, the Authority filed its Petition for Emergency Water System Rate Increase, necessitating an expedited response by the Commission and its

staff, and resulting in the Commission ordering that the rate investigation be completed by April 2004; and

WHEREAS, following an expedited investigation and hearings before both the appointed hearing examiner and the Commission, the Commission denied the Authority's request for an emergency increase, as a result of which the Authority filed a Petition for Reconsideration on or about December 1, 2003; and

WHEREAS, following the Commission's granting of the Petition for Reconsideration, the Authority has now filed a Petition for Postponement, in which the Authority rescinds its prior request for an increase in rates, and now asserts that the Authority has no immediate plans to seek a rate increase; and

WHEREAS, the Commission must still fulfill its statutory mandate to complete a thorough investigation into the revenues and expenses, debt service coverage ratios, and reasonable expenses and needs of the Authority; and

WHEREAS, without the necessity of immediately addressing an emergency rate application, the Commission nevertheless finds that the completion of this investigation should be performed within this fiscal year;

NOW THEREFORE, the Commission hereby orders:

1. **The Hearing Examiner shall set a schedule for the completion of this matter so that it may be considered by the Commission in its June 2004 meeting; and**

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2. The Hearing Examiner shall report to the Commission, when and if appropriate, as to any new information or changed circumstances which may justify the approval and creation of a regulatory asset prior to the completion of the rate investigation.

Dated: February 11, 2004



VALENCIO JACKSON
Chairman