

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

PUBLIC SERVICES COMMISSION



IN THE MATTER OF THE LEVELIZED)
ENERGY ADJUSTMENT CLAUSE OF)
THE VIRGIN ISLANDS WATER AND)
POWER AUTHORITY)
_____)

PSC DOCKET 289
ORDER NO.: 38/2004

ORDER

WHEREAS, the Virgin Islands Public Services Commission (“Commission”) has established a mechanism by which the necessary and prudent costs of fuel necessary to generate electricity and water can be recovered by the utility and can be levelized so as to avoid rate shock to consumers, which mechanism is entitled the Levelized Energy Adjustment Clause; and

WHEREAS, the Virgin Islands Water and Power Authority has filed, on June 8, 2004, a Petition for a Monthly, Automatic Water and Electric System Fuel Adjustment Clause; and

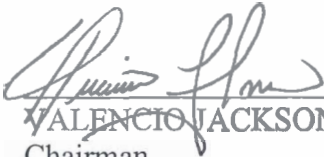
WHEREAS, it has been the established practice of the Commission to adjust the Levelized Energy Adjustment Clause (“LEAC”) twice per year, based on actual experiences and the forecast of future expenses; and

WHEREAS, the Commission wishes, and the Water and Power Authority has suggested, the opportunity for the Commission’s staff and consultants to reasonably investigate, exchange information and meet with Water and Power Authority personnel, and to then advise the Commission prior to the consideration of the Authority’s Petition for a Monthly, Automatic Water and Electric System Fuel Adjustment Clause;

Now therefore it is ORDERED that:

The Authority's Petition for a Monthly, Automatic Water and Electric System Fuel Adjustment Clause shall be suspended for the maximum period permitted by law, unless acted upon by the Commission prior to that time.

Dated: July 07, 2004



VALENCIO JACKSON
Chairman

cc: Keithley Joseph, Executive Director
Frederick G. Watts, Esq.
Alberto Bruno-Vega, Executive Director, WAPA
Samuel H. Hall, Esq.
Lorelei Farrington, Esq.