

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE
UNITED STATES

Public Services Commission



IN THE MATTER OF THE VIRGIN ISLANDS)
WATER AND POWER AUTHORITY)
REQUEST FOR ELECTRIC SYSTEM)
RATE REDUCTION)
_____)

Docket No. 555
Order No. 40/2004

ORDER

WHEREAS, in Docket 533, following an investigation, the Commission approved an increase in the base, non-fuel energy charges (“base rates”) for the Virgin Islands Water and Power Authority’s Electric System in its Order No. 13/2003; and

WHEREAS, the Commission, in Order No. 13/2003 reaffirmed its commitment to a providing the Water and Power Authority with a debt service coverage ratio of 1.75; and

WHEREAS, the Water and Power Authority is currently earning in excess of both its debt service coverage covenants in its bonds and the Commission’s goal of a DSCR 1.75; and

WHEREAS, the Water and Power Authority has represented to the Commission that the Authority has complied with all of its obligations in requesting a rate reduction, including assurances of adequate revenues; and

WHEREAS, the current prices of fuel have substantially burdened the ratepayers with increased costs for electrical service and this affords the opportunity for the Authority and the Commission to provide limited relief to those ratepayers;

NOW THEREFORE, THE COMMISSION ORDERS:

1. The Water and Power Authority's Petition for Electric System Rate Reduction is granted.
2. The rates reduced by this order shall be effective for all bills rendered on or after July 1, 2004.
3. The Water and Power Authority shall submit to the Commission new tariff sheets reflecting this rate reduction no later than July 15, 2004.
4. The Water and Power Authority shall meet and confer with the Commission's staff and consultants to explore additional rate reductions and alternate means to reduce the current under recovery in fuel costs ("LEAC").

Dated: July 07, 2004



VALENCIO JACKSON
Chairman

cc: Keithley R. Joseph, Executive Director
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Samuel H. Hall, Esq.
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