

Dear President Potter:

Please find testimony below from the Virgin Islands Water and Power Authority on Addressing Economic Pressures - Understanding the Cost of Living in the Virgin Islands:

Good morning, I am Lorraine Kelly, Chief Financial Officer of the Virgin Islands Water and Power Authority, WAPA or the Authority. I would like to thank the Honorable Senate President, Milton Potter, as well as other members of the Senate present for the opportunity to appear before you today. As a government instrumentality, the Virgin Islands Water and Power Authority has done its part to shield the people of this territory from an even higher cost of living. We have not passed on the true cost of operations for over eight years, absorbing financial challenges rather than burdening our customers.

We have bitten the bullet. We have taken on the struggle. With limited resources and cash flow, every department within WAPA has made sacrifices to ensure that the cost of power and water remains as affordable as possible. We have been the last bastion on the front lines, holding the line to prevent further increases in the cost of living for our community.

While fuel prices, supply chain disruptions, and economic pressures have driven up costs across all sectors, WAPA has remained steadfast with no impact to the Electric LEAC since 2022 and the Water LEAC since 2023, subsequently no impact to our customers. The Authority has not contributed to the rising cost of living—we have actively worked to prevent it. We continue to navigate financial constraints while delivering the essential services that residents and businesses rely on every day.

The sacrifices we have made are real. The weight we have carried is heavy. And yet, WAPA remains committed to doing what is right for the people of the Virgin Islands. Today, we ask for your continued support in recognizing this effort and in working together to ensure a sustainable future for our territory's utilities.

This concludes my testimony. Once again, I thank the Senate and the public for the opportunity to highlight WAPA's dedication to keeping rates stable. I also want to express my appreciation to the dedicated men and, especially, the women of the Authority as we celebrate International Women's Month. Additionally, in recognition of Virgin Islands History Month, I extend my sincerest gratitude to all Virgin Islanders within the WAPA family who continue to serve our community and contribute to the electric and water progress of our territory.