

**VIRGIN ISLANDS WATER AND POWER AUTHORITY  
POST OFFICE BOX 1450  
SAINT THOMAS  
U.S. VIRGIN ISLANDS 00804-1450**



**SHORT TERM LIQUID PROPANE GAS  
PURCHASE CONTRACT  
ST. CROIX AND ST. THOMAS  
GENERATING**

**SC-06-26**

**This Interim Fuel Supply Agreement ("Agreement")** is made and entered into as of this 25 day of August by and between:

**The Virgin Islands Water and Power Authority ("Buyer"), and**

**Empire Gas Company, Inc. ("Seller"),**

collectively referred to as the "Parties."

**RECITALS**

- A. Buyer owns and operates two (2) Power Generating Facilities, the Randolph Harley Power Plant located on St. Thomas and the Richmond Power Plant located on St. Croix, that together supply the Territory with continuous, dependable energy; and
- B. Buyer requires a short-term contract for the supply and delivery of continuous/fulltime HD-5 grade Liquid Propane Gas ("LPG"), as further described in Appendix A (the "Product"), for use at its facilities; and
- C. Seller made an offer to supply the LPG Products delivered to Buyer's Safe Berth Krum Bay Terminal, located on St. Thomas, and to Buyer's Safe Berth Estate Richmond Terminal, located on St. Croix (the "Terminals") as detailed in Appendix B.


## AGREEMENT

In consideration of the foregoing recitals, which are incorporated herein, and the mutual promises set forth below, the Parties agree as follows:

### 1. Term

This Agreement shall commence on September 15, 2025 and continue until March 14, 2026, unless earlier terminated in accordance with Section 16.

### 2. Product and Specifications

 Seller shall sell and deliver, and Buyer shall purchase and receive, HD-5 grade LPG conforming to ASTM D-1835, NFPA 58, and all applicable U.S. Virgin Islands regulations. Seller shall provide a certificate of quality for each shipment.

### 3. Quantity and Measurement

- a. Quantity shall be determined from vessel discharge figures (net barrels at 60°F) in accordance with API and ASTM standards.
- b. An independent third-party inspector nominated by Seller and approved by Buyer shall verify quantity and quality.
- c. Inspection costs shall be shared equally (50/50) by the Parties.
- d. The inspector's findings shall be final and binding absent fraud, error, or omission.

### 4. Quality Determination


- a. Quality shall be ascertained at the loading port based on vessel composition analysis.
- b. Inspection results shall be final and binding for both Parties, absent fraud or manifest error.

### 5. Delivery Terms

- a. Incoterm: DDP - St. Thomas and St. Croix, U.S. Virgin Islands.

- b. Delivery Point: The permanent flange at the discharge port connecting Buyer's receiving line and the delivering vessel at the Terminals.
- c. Seller shall arrange ocean transport, insurance, and transfer to Buyer's facilities.
- d. Title and risk of loss shall pass to Buyer when the Product crosses the permanent flange at the Delivery Point.

#### 6. Shipment Nomination and Scheduling

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- a. Buyer shall issue firm shipment nominations at least thirty (30) days prior to vessel loading, specifying volume and preferred delivery window. Buyer shall purchase at least 180,000 U.S. Barrels (at 60 degrees F) in the aggregate per Contract Month.
  - b. Seller shall confirm vessel schedule and delivery timing within fifteen (15) days.
  - c. In the event of an emergency requiring expedited delivery, Seller shall use commercially reasonable efforts to prioritize shipment, adjust schedules, mobilize additional resources, and minimize response time. Buyer shall promptly notify Seller of any such emergency.

#### 7. Price

- a. The price for each delivery of certified HD-5 LPG, in full compliance with ASTM D-1835, NFPA 58, and all applicable USVI regulations, shall be calculated in U.S. dollars per gallon as follows:
  - i. Determine the average of the low and high quotations for Mont Belvieu (Non-TET) OPIS spot pricing for the prior month before the Notice of Readiness (NOR).
  - ii. Add a fixed premium of \$0.5150 per gallons.
- b. Seller shall issue a Provisional Invoice based on estimated price and quantity before discharge.



- c. After confirmation of actual price and delivered quantity, Seller shall issue a True-Up Invoice adjusting price and volume. Buyer shall pay (or Seller shall refund) any difference within thirty (30) business days of receipt.

## 8. Delivery Logistics and Laytime

- a. Seller shall give Buyer at least five (5) days' advance notice of vessel arrival and coordinate berthing, offloading, and safety procedures.
- b. Buyer shall have 120 hours SHINC plus 6 hours from vessel readiness (NOR) to complete discharge; thereafter, demurrage shall accrue at the actual daily vessel rate unless delay is caused by Seller or the vessel.
- c. Seller shall present demurrage invoices within ninety (90) days after delivery; undisputed amounts shall be promptly paid.

## 9. Payment Terms (Prepayment)

- a. Buyer shall prepay Seller's itemized invoice at least 5 days before vessel discharge.
- b. After discharge, Seller shall issue a final invoice based on actual quantity and price:
  - i. If final amount exceeds prepayment, Buyer shall remit balance within thirty (30) business days of invoice receipt.
  - ii. If final amount is less, Seller shall issue refund or credit within fifteen (15) business days.
- c. Payments shall be made by wire transfer in U.S. dollars to Seller's designated account.
- d. If Buyer fails to prepay, Seller may withhold discharge and Buyer shall bear any resulting demurrage.

## 10. Default and Remedies

- a. Buyer Default: Failure to prepay an invoice at least 5 days prior to delivery date shall allow Seller to withhold shipment without liability. Failure of Buyer to make such payment within TWENTY FOUR (24) hours of the scheduled delivery date shall constitute an event of default by Buyer, allowing Seller to cancel this agreement.
- b. Seller Default: Failure to deliver confirmed and prepaid quantities (other than Force Majeure) allows Buyer to procure replacement fuel and recover reasonable additional costs.
- c. Either Party may pursue all remedies available at law or equity, subject to Section 15 (Limitation of Liability).

### **11. Force Majeure**

Neither Party shall be liable for non-performance due to events beyond reasonable control, including natural disasters, war, acts of government, labor disputes, or transportation disruptions. Obligations shall resume once the event ceases. If any such event continues for more than thirty (30) consecutive days, either Party may terminate this Agreement upon written notice without liability for damages arising from termination.

### **12. Insurance**

Seller shall maintain marine cargo, liability, and other customary insurance for LPG transport and delivery in a minimum general liability amount of \$20 million and environmental minimum amount of \$10 million. Buyer shall maintain appropriate property, liability and environmental coverage for its receiving facilities with a minimum amount of \$20 million. Both parties shall designate the other as additional insured in their respective policies, as its interest may appear.

### **13. Regulatory Compliance**

Both Parties shall comply with all applicable federal, territorial, and local laws, including safety, environmental, and transportation regulations.

### **14. Records and Audit**

Seller shall retain shipment and pricing records for at least twelve (12) months and make them available to Buyer upon reasonable notice.

### **15. Limitation of Liability**

Except for gross negligence, wilful misconduct, unpaid invoices, or Buyer's demurrage obligations, neither Party shall be liable to the other for indirect, consequential, or punitive damages.

### **16. Termination**

Either Party may terminate this Agreement on thirty (30) days' written notice. Buyer shall pay for all fuel delivered and accepted prior to termination. Termination shall not affect accrued rights or remedies.

## 17. Notices

Any notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or sent certified mail or by e-mail, receipt requested, to the following addresses:

To: **Virgin Islands Water and Power Authority**  
PO Box 1450  
St Thomas, Virgin Islands 00804  
Karl Knight  
E-mail: [karl.knight@viwapa.vi](mailto:karl.knight@viwapa.vi)  
Executive Director/CEO

Copy to: Office of the General Counsel  
E-mail: [legaldepartment@viwapavi.vi](mailto:legaldepartment@viwapavi.vi)

Seller: **Empire Gas Company, Inc.**  
P.O. BOX 363651  
San Juan, P.R, 00936  
Tel: 787-767-2330  
Mr. Ramon Gonzalez Simounet  
E mail: [rgonzalez@empigaspr.com](mailto:rgonzalez@empigaspr.com)  
President Empire Group

## 18. Dispute Resolution and Arbitration

- a. Parties shall first attempt to resolve any dispute by negotiation between senior officers.
- b. If unresolved within sixty (60) days, disputes shall be submitted to binding arbitration under the American Arbitration Association (AAA) Rules in St. Thomas, U.S. Virgin Islands, before a panel of three (3) arbitrators.
- c. The arbitration award shall be final and binding, but will comply with applicable law and judgment may be entered in any court of competent jurisdiction.

## 19. Additional Provisions

- a. **No Partnership:** This Agreement does not create a partnership, joint venture, or agency relationship. Seller shall be considered an independent contractor for all material purposes under this Agreement.



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- b. **Conflict of Interest:** Seller shall disclose any actual or potential conflict of interest. Buyer may terminate immediately if such conflict is material.
  - c. **Anti-Lobbying:** Seller certifies that it has not and will not pay any person to influence Buyer's officers, directors, or employees.
  - d. **ISPS/MTSA Compliance:** Vessel and terminal shall comply with ISPS Code and MTSA; liability for non-compliance shall be as set forth in the original terms incorporated into this Section.
  - e. **Notices:** Notices shall be delivered in writing to the representatives and addresses specified for each Party.
  - f. **Successors and Assigns:** This Agreement binds and benefits each Party and its successors and assigns.
  - g. **Amendment and Waiver:** Any modification must be in writing signed by both Parties.
  - h. **Governing Law:** This Agreement shall be governed by the laws of the U.S. Virgin Islands.
  - i. **Severability:** If any provision is held invalid, the remainder shall remain in effect.
  - j. **Entire Agreement:** This document constitutes the full agreement of the Parties and supersedes all prior discussions regarding the subject matter.
  - k. **Counterparts:** This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original.

*Signature Page to Follow*

IN WITNESS WHEREOF, the Parties have executed this Interim Fuel Supply Agreement as of the date last written below.

EMPIRE GAS COMPANY, INC.



Ramon Gonzalez Simounet Date  
President

VI WATER & POWER AUTHORITY

Karl Knight 8/25/2025  
Karl Knight Date  
Executive Director

Approved As to Legal Sufficiency

 08/25/2025  
Patricia Quinland  
Assistant General Counsel