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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

At Richmond, DECEMBER 7, 1998

APPLICATION OF

PO RIVER WATER & SEWER COMPANY CASE NO. PUE950091

For a rate increase pursuant
to Virginia Code § 56-265.13:1 et seq.

ORDER ON PETITION

On November 25, 1998, Po River Water and Sewer Company ("Po River" or the "Company") a filed a petition ("November 25 Petition") requesting that the Commission grant the Company a two year extension of time in which to complete the refund ordered by the Commission in its Final Order issued in this proceeding on March 20, 1998 ("Final Order"). Po River states that the relief it requests is essential if it is to have sufficient funds to continue to operate and such refund would be appropriate in the circumstances of this case.

More specifically, the Company requests that it be allowed to make the refunds ordered in the Final Order over a 34 month period, thus giving the Company an additional two years from the of December 31, 1998 deadline. Po River states that the amount it was ordered to refund constitutes 135% of the Company's annual revenue requirement which, for a company such as itself, is a massive refund. The Company states that it has refunded a portion of that amount through credits to the individual lot owners' accounts, but approximately $348,895 remains outstanding and the Company will not have sufficient funds to complete the refunds without jeopardizing its ability to operate.

Po River adds that granting the extension is appropriate in the circumstances of this case where it did not overcollect during the interim period. The Company states that the actual cash collections in 1998, resulted in a revenue shortfall of $262,878, and that even if the payment of Indian Acres Club of Thornburg, Inc. ("IACT") is taken into consideration, the revenue shortfall amounted to $43,546. Po River asserts, however, that the payment made by IACT should not be included since it is "an exchange for the reduction in the quarterly fees paid by the individual lot owners during the interim period." November 25 Petition at 5.

NOW THE COMMISSION, having considered the November 25 Petition, is of the opinion and finds that parties and Staff should be provided an opportunity to comment on Po River's request. Accordingly,

IT IS ORDERED that:

(1) Parties and Staff may file comments on the November 25 Motion on or before December 18, 1998.

(2) This matter is continued generally.