

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of

The Complaint of Mrs. Narda Lewis        )  
and Others Against the Kenvir Water        )  
Works, Inc.                                    )        CASE NO. 8148

ORDER

On February 24, 1981, the Utility Regulatory Commission, predecessor to the Public Service Commission, issued an order to the Mr. Winston Madden, Mr. George Madden, and Mr. William Reynolds to appear and to show cause for certain actions resulting in violations of KRS 278.030 and KRS 278.160. Testimony at the hearing held February 24, 1981, indicated that 100% of the stock in Kenvir Water Works, Inc. had been transferred to Mr. Winston Madden on April 15, 1980, pursuant to a Memorandum of Understanding entered into on March 21, 1980. The agreement provided for Mr. Madden to pay the stockholders \$8,000 as a down payment and a remainder of \$4,000 spread over twelve (12) monthly installments.

Neither Mr. Reynolds nor Mr. Madden made application to the Commission for approval of the transfer of Kenvir Water Works, Inc. As a consequence, Mr. Reynolds has discontinued providing water service without the Commission's approval and Mr. Madden has never been determined to be "ready, willing and able" to own and operate the water system, as required by Public Service Commission v. City of Southgate, 268 S.W. 2d 19(1954).

The Commission, based on the evidence of record, being advised and upon its own motion FINDS:

1. That Mr. Reynolds and Mr. Madden have failed to obtain the required approval of this Commission before transferring the ownership of Kenvir Water Works, Inc.

2. That Mr. Reynolds and Mr. Madden should be required to show cause, if any they can, for failure to obtain the required approval of this Commission.

On the basis of the matters hereinbefore set forth and the evidentiary record in this case, it is THEREFORE ORDERED that Mr. William Reynolds and Mr. Winston Madden shall appear before this Commission at its offices located at 730 Schenkel Lane, Frankfort, Kentucky, on March 31, 1981, at 3 p.m. E.S.T., for a prehearing conference and be prepared to explain why the transfer of ownership to Mr. Madden should be upheld. At this conference, the Commission also intends to discuss service difficulties and the adequacy of existing rates.

Done at Frankfort, Kentucky, this 23rd day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz  
Chairman

Vice Chairman

Ann Harizan  
Commissioner

ATTEST:

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Secretary