

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

The Complaint of Ms. Narda Lewis    )  
and Others Against the Kenvir        )  
Waterworks, Inc.                    )    Case No. 8148

ORDER

On May 4, 1981, William K. Reynolds, Jack Reynolds, John Reynolds and Jerry Reynolds (the "Reynoldses") filed their Application for Rehearing seeking modification, vacation and/or clarification of the Commission's Order of April 22, 1981. In its April 22, 1981, Order, the Commission had refused to recognize the transfer by the Reynoldses of 100% of the stock in Kenvir Waterworks, Inc. ("Kenvir") to Winston Madden, finding that Mr. Madden was not "ready, willing and able" to own and operate the water system.

The Commission granted the Application for Rehearing by Order dated May 15, 1981, but in so doing expressly reserved the right to affirm its Order of April 22, 1981. At the rehearing held June 18, 1981, all the parties to the proceeding appeared, and William K. Reynolds, Winston Madden, Mrs. Narda Lewis, Naydine White and John Murphy gave testimony and were cross-examined.

The Commission, after consideration of the evidentiary record in this case and being advised, is of the opinion and finds that:

1. No evidence has been presented which would warrant the Commission's modifying or vacating its order of April 22, 1981.

2. The request of the Reynoldses to cease the operations of Kenvir should properly be considered in a separate proceeding upon a formal application.

3. Kenvir is still on notice that it may be subject to the penalties contained in KRS 278.990 as stated in the Commission's Order of February 24, 1981, and is further notified that increased penalties may result if Kenvir fails to comply with the terms of this Order immediately.

4. Kenvir is further notified and advised that immediate compliance with this Order is required even should Kenvir appeal this decision.

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS that its Order of April 22, 1981, is affirmed and that Kenvir should immediately comply with its terms.

IT IS FURTHER ORDERED that the Reynoldses request to cease operations is denied without prejudice.

IT IS FURTHER ORDERED that Kenvir appear before the Commission on August 11, 1981, at 1:30 P.M. (EDT) and be prepared to demonstrate its compliance with this Order and provide a detailed description of the corrective action taken on the Kenvir system.

Done at Frankfort, Kentucky this **31st** day of July, 1981.

PUBLIC SERVICE COMMISSION

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Chairman

*Katherine Randall*  
\_\_\_\_\_  
Vice Chairman

*Jim Farag*  
\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

Believing that this utility's future depends upon its acquisition by a governmental unit and believing that this order will prove harmful to the consummation of pending negotiations intended to accomplish this purpose, I respectfully dissent.

*Marlin M. Volz*  
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Marlin M. Volz, Chairman