

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF WEBSTER COUNTY WATER)	CASE NO.
DISTRICT FOR ALLEGED FAILURE TO COMPLY)	2026-00088
WITH KRS 278.160 AND COMMISSION ORDERS)	

ORDER

The Commission, on its own motion, establishes this proceeding to investigate Webster County Water District (Webster District); its commissioners, Chris Cates, Billy Joe Parker, Tommy Robertson, Larry Villines; and its superintendent Trevor Baldwin, for alleged failure to comply with KRS 278.160 and Commission Orders.

LEGAL STANDARD

Under KRS 278.250, the Commission is authorized to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility service. Under KRS 278.280, if the Commission finds that any practice or act is unjust, unreasonable, unsafe, improper, inadequate, or insufficient, then the Commission has the authority to determine the just, reasonable, safe, proper, adequate, or sufficient practice or method to be observed.

KRS 278.160 states as follows:

- (1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.

- (2) No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Upon a finding that Webster District, its commissioners or manager willfully violated any provision of KRS Chapter 278, Commission regulations, or a Commission Order, KRS 278.990 authorizes the Commission to assess civil penalties. The civil penalties shall not to exceed \$2,500 for each offense and may be levied against a utility and against any officer, agent, or employee of a utility.

DISCUSSION AND FINDINGS

Webster District is a water district organized pursuant to KRS Chapter 74 that provides water service to approximately 2,146 customers in Webster County¹ and sells water at wholesale to the cities of Clay, Dixon, and Slaughters, as well as Nebo Water District, Crittenden-Livingston Water District and North Hopkins Water District.² In addition, according to the contracts on file with the Commission, Webster District also has

¹ *Annual Report Webster County Water District to the Public Service Commission for the Year Ending December 31, 2024* (2024 Annual Report) at 49.

² 2024 Annual Report at 56.

contracts for the sale of water with Henderson County Water District³, Union County Water District⁴, Pyro Mining Company⁵ and The Pittsburg and Midway Coal Mining Co⁶.

On February 23, 2025,⁷ in Case No. 2024-00199,⁸ Webster District filed its application with the Commission requesting an adjustment to its water service rates pursuant to 807 KAR 5:076. In that case, on December 23, 2025, the Commission ordered that the water service rates set forth in the Appendix to the Order were approved for service rendered by Webster District on or after the date of the Order.⁹ The Commission also ordered that, within 20 days of the date of service of the Order, Webster District new tariff sheets setting forth the approved rates and charges, the effective date

³ 2011-03-10_InterconnectAgreement.pdf.

https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Webster%20County%20Water%20District/Contracts%20and%20Info/Henderson%20County%20Water%20District/2011-03-10_Interconnect%20Agreement.pdf.

⁴ 2011-03-10_InterconnectAgreement.pdf.

https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Webster%20County%20Water%20District/Contracts%20and%20Info/Union%20County%20Water%20District/2011-03-10_Interconnect%20Agreement.pdf.

⁵ 1990-05-15_WaterServiceContract.pdf.

https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Webster%20County%20Water%20District/Contracts%20and%20Info/Pyro%20Mining%20Company/1990-05-15_Water%20Service%20Contract.pdf.

⁶ 1991-07-11_WaterServiceContract.pdf.

https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Webster%20County%20Water%20District/Contracts%20and%20Info/The%20Pittsburg%20%26%20Midway%20Coal%20Mining%20Co/1991-07-11_Water%20Service%20Contract.pdf.

⁷ Webster District tendered its application on July 10, 2024. By letter dated July 11, 2024, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on January 24, 2025.

⁸ Case No. 2024-00199, *Electronic Application of Webster County Water District for an Alternative Rate Filing Pursuant to 807 KAR 5:076*.

⁹ Case No. 2024-00199, Dec. 23, 2025 Order at 32.

thereof, and where they were authorized.¹⁰ Webster District filed its updated tariff sheets, with an effective date of December 23, 2025.¹¹

On February 23, 2026, North Hopkins Water District (North Hopkins District) tendered an application for a purchased water adjustment (PWA) in Case No. 2026-00046 as a result of Webster District's approved wholesale water rate increase.¹² The application contained a letter from Webster District which stated that its new rates would be reflected in the enclosed water bill.¹³ The application also contained a water purchase contract dated February 17, 2026 between Webster District and North Hopkins District that was signed by North Hopkins District; however, the contract was not signed by Webster District and contained language that required Commission approval.¹⁴ The signed contract was tendered by Webster District for approval by the Commission on April 2, 2026.¹⁵

The Commission finds that an investigation is necessary to determine whether Webster District has willfully violated KRS 278.160 and its December 23, 2025 Order by not putting wholesale rates into effect on December 23, 2025, and not filing the water purchase contract with the Commission until April 2, 2026. Webster District, each of its

¹⁰ Case No. 2024-00199, Dec. 23, 2025 Order at 32.

¹¹ P.S.C. Ky Webster County Water District 1st Revised Sheet No. 4 (issued Dec. 23, 2025), effective Dec. 23, 2025.

¹² Case No. 2026-00046, *Electronic Purchased Water Adjustment Filing of North Hopkins Water District* (tendered Feb. 23, 2026), Application.

¹³ Case No. 2026-00046 Application, Exhibit A. However, there was no discernable date on the letter.

¹⁴ Case No. 2026-00046, Application, Exhibit A.

¹⁵ North_Hopkins_Water_District_contract_2026.pdf.
https://psc.ky.gov/trf4/uploadedFiles/26600_North_Hopkins_Water_District/04022026034629/North_Hopkins_Water_District_contract_2026.pdf.

commissioners, and the general manager, in their official and individual capacities as officers of Webster District's Board of Commissioners, should submit individual written responses to the allegations contained in this Order within 30 days of the date of service of this Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations. In addition, Webster District should provide information related to the current wholesale rates charged to its other purchasers and the effective date(s) of those rates in the responses.

To ensure a complete review of the issues raised in this investigation, the Commission finds it should incorporate, by reference, the record of Case No. 2026-00046 and make North Hopkins District a party to this case, as North Hopkins District is likely to develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. The Commission finds that this Order should be served upon the Judge Executive of Webster County, Kentucky as well as all municipalities and counties to which Webster District supplies water.

IT IS THEREFORE ORDERED that:

1. This case is opened to investigate the alleged failure of Webster District to comply with KRS 278.160 and any applicable Commission Order, including its December 23, 2025 Order as referenced herein.
2. Webster District each of its commissioners, and the general manager, in their official and individual capacities as officers of Webster District's Board of Commissioners, shall submit individual, written responses to the allegations contained in this Order within 30 days of the date of service of this Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations.

3. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

4. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

5. Counsel for each party shall enter an appearance or appearances within 20 days of the date of service of this Order.

6. The Commission directs Webster District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹⁶ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

7. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

8. Case No. 2026-00046 is incorporated by reference.

¹⁶ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID 19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

9. North Hopkins District is entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

10. A copy of this Order shall be served on the Judge Executive of Webster County, Kentucky.

11. A copy of this Order shall be served via the U.S. Postal Service, Certified Mail, Return Receipt Requested, on the cities of Clay, Dixon, and Slaughters, as well as Nebo Water District, Crittenden-Livingston District, Henderson County Water District and Union County Water District.


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Entered on this 16th day of April, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chairman



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:

Linda C. Bridwell, PE
Executive Director

Service List for 2026-00088

* Stephen R. Henry
Judge Executive
P.O. Box 155
Courthouse
Dixon, KY 42409

* Webster County Water District
478 US HWY 41-A South
P. O. Box 320
Dixon, KY 42409-0320