

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC INVESTIGATION INTO CITY OF)	
FALMOUTH'S THREAT OF TERMINATION OF)	CASE NO.
WHOLESALE WATER SERVICE TO EAST)	2024-00403
PENDLETON WATER DISTRICT AND)	
PENDLETON COUNTY WATER DISTRICT)	

ORDER

The Commission, on its own motion, closes this case and removes it from the Commission's docket. The Commission established this investigation in response to the city of Falmouth's (Falmouth) alleged threat of termination of water service to East Pendleton Water District (East Pendleton District) and Pendleton County Water District (Pendleton District) (collectively, the Districts). Furthermore, the Commission established the proceeding to investigate the adequacy and reliability of Falmouth's water service supplied to the Districts. Notably, the Commission became aware of the possible termination of water service to the Districts following communications with Commission Staff from counsel for the Districts and counsel for Falmouth.

BACKGROUND

On July 17, 2024, Falmouth filed a tariff to increase its wholesale water rates to the Districts.¹ Thereafter, on August 12, 2024, the Commission, by Order, suspended Falmouth's proposed tariff for five months and opened an investigation into the

¹ TFS2024-00328 (Ky. PSC July 17, 2024); the tariff was suspended by Order on Aug. 12, 2024.

reasonableness of Falmouth's proposed tariff.² As a result of Falmouth's lack of participation in its own tariff filing and its failure to provide sufficient evidence to support its proposed increase, the Commission denied and dismissed Falmouth's proposed tariff filing on November 15, 2024.³

On December 18, 2024, the Commission received an email notice from attorney Joseph P. Cottingham, counsel for the Districts, that during November and December 2024, Falmouth and the Districts had discussed Falmouth's proposal to increase its wholesale water rates, but the parties had been unable to reach an agreement.⁴ Moreover, attorney Cottingham was contacted by attorney Brandon Voelker, counsel for Falmouth, and notified that, if the Districts did not agree to Falmouth's proposed rates, Falmouth would shut off its water supply to the Districts.⁵

In response to the possible termination of wholesale water to the Districts, the Commission opened the current matter on December 23, 2024.⁶ Thereafter, an informal conference was held between Commission Staff, Falmouth, and the Districts on February 24, 2025.⁷

² Case No. 2024-00244, *Electronic Tariff Filing of the City of Falmouth to Increase the Wholesale Water Rates Charged to East Pendleton Water District and Pendleton County Water District* (Ky. PSC Aug. 12, 2024), Order.

³ Case No. 2024-00244, (Ky. PSC Nov. 15, 2024), Order.

⁴ Order (Ky. PSC Dec. 23, 2024), Appendix at 2 of 3.

⁵ Order (Ky. PSC Dec. 23, 2024), Appendix at 2 of 3.

⁶ Order (Ky. PSC Dec. 23, 2024) at 3-4.

⁷ Notice of Informal Conference (issued Feb. 20, 2025).

A new mayor for the city, Sabrina Hazen, has been appointed;⁸ Falmouth and the Districts have been working together in good faith and wholesale water service from Falmouth to the Districts has not been interrupted. Furthermore, Falmouth and the Districts filed a tariff with the Commission that reflected an agreed upon wholesale water rate increase from \$1.98 per thousand gallons to \$2.65 per thousand gallons that became effective on May 23, 2025.⁹ That tariff filing is being processed by the Commission in the normal course of business.

DISCUSSION

Having considered the facts and circumstances of record, the Commission finds this matter should be closed. Falmouth and the Districts have indicated that they are working together in good faith. Because water service from Falmouth to the Districts has continued in accordance with the tariffs and contracts on file with the Commission, the investigation into Falmouth's possible termination of wholesale water service to the Districts is no longer necessary.

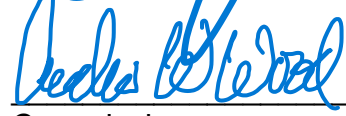
IT IS THEREFORE ORDERED THAT this case is closed and removed from the Commission's docket.

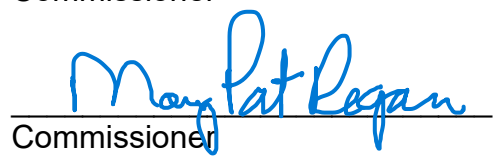
⁸ Falmouth City Council Meeting, Minutes from Special Meeting held on Apr.14, 2025, <https://cityoffalmouth.com/agendasandminutes/> (last accessed Aug. 18, 2025).

⁹ TFS2025-00222 (Ky. PSC Apr. 29, 2025); the tariff was accepted for filing by the Commission by letter dated May 22, 2025.

PUBLIC SERVICE COMMISSION


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Commissioner


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