

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF GREEN	)	
RIVER VALLEY WATER DISTRICT AND	)	
EDMONSON COUNTY WATER DISTRICT FOR	)	
AN ORDER APPROVING THE TRANSFER OF	)	
OWNERSHIP OF EDMONSON COUNTY WATER	)	
DISTRICT'S HART COUNTY SYSTEM AND THE	)	CASE NO.
WAX WATER TREATMENT PLANT AND	)	2025-00329
APPROVING GREEN RIVER VALLEY WATER	)	
DISTRICT'S ASSUMPTION OF CERTAIN DEBT	)	
OBLIGATIONS OF EDMONSON COUNTY WATER	)	
DISTRICT PURSUANT TO THE PROVISIONS OF	)	
KRS 278.020, KRS 278.300, AND 807 KAR 5:001	)	

ORDER

On July 20, 2026, Edmonson County Water District (Edmonson District) and Green River Valley Water District (Green River Valley District) (collectively, Joint Applicants) filed a motion,¹ pursuant to KRS 278.400, requesting rehearing on the Order entered July 2, 2026, regarding the Commission's denial of the proposed transfer for lack of sufficient evidence. Joint Applicants argued that rehearing was necessary to correct material errors and omissions as well as present additional evidence that was not available at the time of the Commission's decision.²

¹ Joint Applicants' Motion for Rehearing (Motion) (filed July 20, 2026).

² Motion at 1.

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits rehearing to new evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable minds.”³ An order can only be unlawful if it violates a state or federal statute or constitutional provision.⁴

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

MOTION

In support of its motion, Joint Applicants asserted that the Commission should grant rehearing for two reasons: (1) material error and omission; and (2) new evidence. The Joint Applicants argued that the Commission’s July 2, 2026 Order contained a material error when the Commission found that:

The proposed transaction involves the division and assumption of Rural Development (RD) indebtedness, under which Green River Valley District would assume 52 percent of Edmonson District’s outstanding RD water debt while

³ *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

⁴ *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

Edmonson District would retain the remaining RD obligations.⁵

Joint Applicants stated that this finding was in error because Green River Valley District proposed to assume approximately 97 percent of Edmonson District's RD water debt and Edmonson District would retain only approximately 3 percent of its RD debt.⁶ Joint Applicants argued that the finding was a material error because the Commission's decision appeared to be based upon a mistaken understanding of the Joint Applicants' proposal.⁷ Additionally, the Joint Applicants disagreed with the Commission's justification for its finding in its July 2, 2026 Order regarding the Commission's inability to evaluate whether the statutory requirements of KRS 278.300 have been satisfied without evidence of the required RD approvals.⁸ In its motion, the Joint Applicants argued that the Commission had approved similar requests to transfer assets and assume debt before RD formally approved such debt assumptions.⁹

Lastly, in further support of its motion, Joint Applicants stated that it received new evidence in support of its proposal that was not previously available — a letter from Sarah Marshall, Director of the Kentucky Division of Water (DOW) in support of the ownership changes proposed by Joint Applicants.¹⁰ Joint Applicants contended that with DOW's stated willingness to answer questions regarding Joint Applicants' proposal, the

⁵ Order (Ky. PSC July 2, 2026) at 2.

⁶ Motion at 2.

⁷ Motion at 2-3.

⁸ Motion at 3.

⁹ Motion at 3-4.

¹⁰ Motion at 4-6; Exhibit 2.

Commission has the opportunity to expand upon the record in this proceeding to include direct input from DOW.¹¹

DISCUSSION AND FINDINGS

The Commission has reviewed Joint Applicants' motion, the July 2, 2026 Order, and the record. Without determining whether the July 2, 2026 Order contained a material error, the Commission finds that the Joint Applicants' motion for rehearing should be granted for the limited purpose of supplementing the evidentiary record.

On July 9, 2026, Joint Applicants filed a motion¹² requesting that the Commission schedule an informal conference for the purpose of discussing information the Commission could find helpful in order to fully evaluate the proposed transfer. On July 13, 2026, the Commission entered an Order¹³ granting the request, and an informal conference was held between Commission Staff and Joint Applicants on July 15, 2026.¹⁴ During and subsequent to the informal conference, Joint Applicants presented additional information that may be pertinent to the Commission's evaluation of the proposed transfer of assets and assumption of debt.¹⁵

Accordingly, the Commission finds that further development of the evidentiary record may assist in determining whether Joint Applicants' proposal to transfer ownership

¹¹ Motion at 6.

¹² Joint Applicants' Motion for Clarification and Informal Conference (filed July 9, 2026).

¹³ Order (Ky. PSC July 13, 2026).

¹⁴ PSC Letter Filing Informal Conference Memorandum and Attendance List into the Record (Informal Conference Memorandum) (filed July 21, 2026).

¹⁵ Informal Conference Memorandum at 1-2; Edmonson County Water District's Response and Clarification to Memorandum (filed July 23, 2026); Motion, Exhibit 1, Written Direct Testimony of Daniel Brown, General Manager, Edmonson County Water District, and; Motion, Exhibit 2, Letter from Sarah Marshall, Director, Kentucky Division of Water.

of certain assets from Edmonson District to Green River Valley District should be approved. The Commission emphasizes that granting rehearing neither modifies the July 2, 2026 Order nor authorizes the transfer of assets.

IT IS THEREFORE ORDERED that:

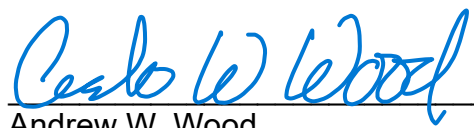
1. Joint Applicants' motion for rehearing is granted for the limited purpose of developing the evidentiary record concerning the proposed transfer of assets and assumption of debt.
2. Commission Staff shall issue requests for information to Joint Applicants, and Joint Applicants shall respond to all such requests within the timeframe established in those requests.
3. Joint Applicants' proposal to transfer assets and assumption of debt remains unapproved pending a final Order on rehearing.
4. The remainder of the July 2, 2026 Order not in conflict with this Order remains in effect.

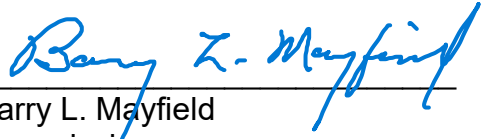
Entered on this 6th day of August, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Case No. 2025-00329

Service List for Case 2025-00329

* Andrew Tucker
General Manager
Green River Valley Water District
1180 E Main Street
P. O. Box 460
Horse Cave, KY 42749

* Honorable Damon R Talley
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801

* Kenly Ames
English, Lucas, Priest & Owsley
1101 College Street
P. O. BOX 770
Bowling Green, KY 42101

* Kevin Shaw
General Manager
Edmonson County Water District
1128 Highway 259N
P. O. Box 208
Brownsville, KY 42210

* Edmonson County Water District
1128 Highway 259N
P. O. Box 208
Brownsville, KY 42210

* Green River Valley Water District
1180 E Main Street
P. O. Box 460
Horse Cave, KY 42749

* Tina C. Frederick
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801