

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF PENDLETON	)	
COUNTY WATER DISTRICT TO TRANSFER	)	CASE NO.
OPERATIONAL CONTROL OF THE BUTLER	)	2026-00266
WATER FILL STATION	)	

ORDER

On September 8, 2026, Pendleton County Water District (Pendleton District) filed through the tariff system for approval of an agreement to transfer operational control of the Butler Water Fill Station from the city of Butler (Butler) to Pendleton District (Agreement), as well as a revised tariff page.¹ The tariff page proposes a discounted rate Pendleton District would charge Butler for its municipal water usage during the duration of the Agreement.² A copy of the Agreement and the tariff are included as Appendix B to this Order. Pendleton District proposed an effective date for the tariff of October 8, 2026.

LEGAL STANDARD

The Commission has exclusive jurisdiction over the rates and service of utilities and is charged with enforcing the provisions of KRS Chapter 278.³ A city-owned utility is generally exempt from the Commission's exclusive jurisdiction over utility rates and

¹ TFS2026-00440, *A Tariff Filing by Pendleton County Water District for a Revised tariff with a new bulk loading station.*

² Agreement for the Transfer of Operation and Responsibility, Appendix B.

³ KRS 278.040.

services.⁴ However, pursuant to KRS 278.200, the Commission may, under the provisions of KRS Chapter 278,

[o]riginate, establish, change, promulgate and enforce any rate or service standard on any utility that has been or may be fixed by any contract, franchise, or agreement between the utility and any city, and all rights, privileges, and obligations arising out of any such contract, franchise or agreement, regulating any such rate or service standard, shall be subject to the jurisdiction and supervision of the commission.⁵

The Kentucky Supreme Court held that a city providing utility service loses its exemption and “is rendered subject to the PSC rates and service regulation” when it enters into a contract to provide wholesale utility service to a public utility subject to the Commission’s jurisdiction.⁶

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. “Whenever any utility files with the commission any schedule stating new rates, the commission may, upon its own motion, and upon reasonable notice, hold a hearing concerning the reasonableness of the new rates.”⁷ Pending the final decision on a proposed schedule or rate, “the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification,

⁴ See KRS 278.030(3) (excluding city utilities from the definition of utilities subject to Commission jurisdiction).

⁵ KRS 278.200.

⁶ *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460,463 (Ky. 1994); See *City of Russellville v. Public Service Com’n of Kentucky*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky, App. Feb. 18, 2025) (unpublished) (in which the court found that a city’s failure to provide water districts notice and file a proposed wholesale rate increase for water districts pursuant to the provisions of KRS Chapter 278 and 807 KAR 5:011 prevented the city from charging the rate).

⁷ KRS 278.190(1).

or service, for a period of up to five months beyond the time when it would otherwise go into effect if a historical test period is used, and up to six months if a forward-looking test period is used.”⁸

DISCUSSION

Having reviewed the proposed agreement and tariff, and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed agreement and tariff and that such investigation cannot be completed by October 8, 2026. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed tariff for five months, up to and including March 8, 2027.

807 KAR 5:001, Section 4(11), authorizes the Commission to grant intervention to parties who establish that they either have (1) a special interest in the proceeding that is not otherwise adequately represented in the case; or (2) that their intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. On its own motion, the Commission finds Butler should be granted intervention and joined as a party to this case as the Agreement establishes that Butler has a special interest in the outcome of these proceedings. If the parties choose to act jointly in this proceeding, they should each file notice of the same into the record.

The Commission directs Pendleton District and Butler to the Commission’s July 22, 2021 Order in Case No. 2020-00085⁹ in which the Commission mandated the use of

⁸ KRS 278.190(2).

⁹ 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

electronic filing procedures listed in 807 KAR 5:001, Section 8. Consistent with the filing procedures set forth in Case No. 2020-00085, the Commission finds that electronic filing procedures should be used.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed agreement and tariff. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed Agreement attached in Appendix B to this Order and the tariff.
2. The proposed Agreement and tariff are suspended for five months from October 8, 2026, up to and including March 8, 2027.
3. Pendleton District and Butler are made parties to this proceeding.

March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

4. Pendleton District and Butler shall, by counsel, either jointly or individually enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.

5. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

6. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Pendleton District and Butler shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

7. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

8. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

9. The procedural schedule set forth in Appendix A to this Order shall be followed.

10. Pendleton District and Butler shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

11. As set forth in 807 KAR 5:001, Section 4(11), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

12. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

13. Pendleton District and Butler shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov." At the time publication is requested, Pendleton District and Butler shall forward a duplicate of the notice and request to the Commission.

14. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

15. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

16. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

17. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

18. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

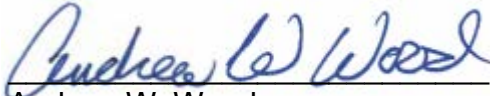
19. The Commission does not look favorably upon motions to substitute witnesses or excuse witnesses from testifying at Commission hearings. Accordingly, motions to substitute witnesses or excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing at least 14 days prior to the hearing and will be granted only upon a showing of good cause.

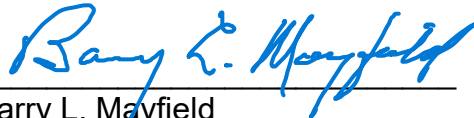
Entered on this 30th day of September, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00266 DATED SEP 30 2026

Requests for intervention shall be filed no later than 10/15/2026

Initial requests for information to Pendleton District
and Butler shall be filed no later than 10/29/2026

Pendleton District and Butler shall file responses to
initial requests for information no later than 11/12/2026

All supplemental requests for information to Pendleton District
and Butler shall be filed no later than 11/30/2026

Pendleton District and Butler shall file responses to
supplemental requests for information no later than 12/14/2026

Intervenor testimony, if any, in verified prepared
form shall be filed no later than 12/21/2026

All requests for information to Intervenors shall
be filed no later than 01/04/2027

Intervenors shall file responses to requests for
information no later than 01/19/2027

Pendleton District and Butler shall file, in verified form,
its rebuttal testimony no later than 01/26/2027

Pendleton District, Butler, or any Intervenor shall request
either a hearing or that the case be submitted for decision
based on the record no later than 02/02/2027

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00266 DATED SEP 30 2026

FOUR PAGES TO FOLLOW

FOR Pendleton County, Kentucky

PSC KY NO. 1

6th Revised SHEET NO. 1

CANCELLING PSC KY NO. 1

5th Revised SHEET NO. 1

Pendleton County Water District
(NAME OF UTILITY)

5/8" x 3/4" through a 2" Meter

First	2,000 Gallons	\$28.48	Minimum Bill
Next	3,000 Gallons	0.01251	Per Gallon
Next	10,000 Gallons	0.01189	Per Gallon
Over	15,000 Gallons	0.01051	Per Gallon

Griffin Industries

First	400,000 Gallons	\$4,231.26	Minimum Bill
Over	400,000 Gallons	0.01051	Per Gallon

City of Butler

First	1,372,500 Gallons	\$8,523.23	Minimum Bill
Over	1,372,500 Gallons	0.00621	Per Gallon

Pendleton Fill Station

All gallons	\$ 0.01051	Per Gallon
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(N)
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DATE OF ISSUE September 8, 2026

MONTH / DATE / YEAR

DATE EFFECTIVE October 8, 2026

MONTH / DATE / YEAR

ISSUED BY *Auntie*

SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED September 8, 2026



Mayor Mason D. Taylor

102 Front Street
P. O. Box 22
Butler, KY 41001
Phone: 859-472-501
Fax: 859-472-517
www.butlerky.or

A Bridge to Home

AGREEMENT FOR TRANSFER OF OPERATION AND RESPONSIBILITY

OF THE BUTLER WATER FILL STATION

This Agreement is entered into on this 2nd day of March, 2026, by and between:

The City of Butler, Kentucky ("City"), a municipal corporation organized under the laws of the Commonwealth of Kentucky, and
Pendleton County Water District ("PCWD"), a public water utility operating within Pendleton County, Kentucky.

The City and PCWD may be referred to collectively as the "Parties."

1. Purpose

The purpose of this Agreement is to formally transfer operational control and responsibility of the **Butler Water Fill Station** ("Fill Station") from the City to PCWD, including all associated utilities, maintenance, and operational costs. This Agreement also establishes a monthly discount to be applied to the City's water usage.

2. Transfer of Fill Station

- The City hereby **relinquishes all operational control, management duties, and day-to-day responsibilities** of the Butler Water Fill Station to PCWD.
- PCWD agrees to **assume full responsibility** for the operation, maintenance, repair, and oversight of the Fill Station.
- Ownership of the physical property and land on which the Fill Station is located shall remain with the City



Mayor Mason D. Taylor

A Bridge to Home

3. Utilities and Operating Costs

- Effective on the date of this Agreement, PCWD shall assume responsibility for all **utilities**, including but not limited to:
 - Electric service
 - Maintenance and repair costs
 - Any other operational expenses associated with the Fill Station
- The City shall no longer be billed for any utilities or operational costs related to the Fill Station.

4. Monthly Water Usage Discount for the City

- In consideration of the transfer of the Fill Station, PCWD agrees to provide the City with a **monthly discount** on its municipal water usage.
- This discount shall remain in effect for the duration of this Agreement unless modified by mutual written consent.

5. Liability and Indemnification

- PCWD shall assume all liability arising from the operation and maintenance of the Fill Station after the effective date of this Agreement.
- The City shall not be held responsible for any claims, damages, or liabilities arising from PCWD's operation of the Fill Station.
- PCWD agrees to indemnify and hold harmless the City from any such claims.

CITY OF BUTLER



Mayor Mason D. Taylor

102 Front Street
P. O. Box 221
Butler, KY 41001
Phone: 859-472-5011
Fax: 859-472-5171
www.butlerky.org

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6. Signatures

City of Butler, Kentucky

By: Mason D. Taylor

Name: Mason Taylor

Title: Mayor

Date: 3/2/24

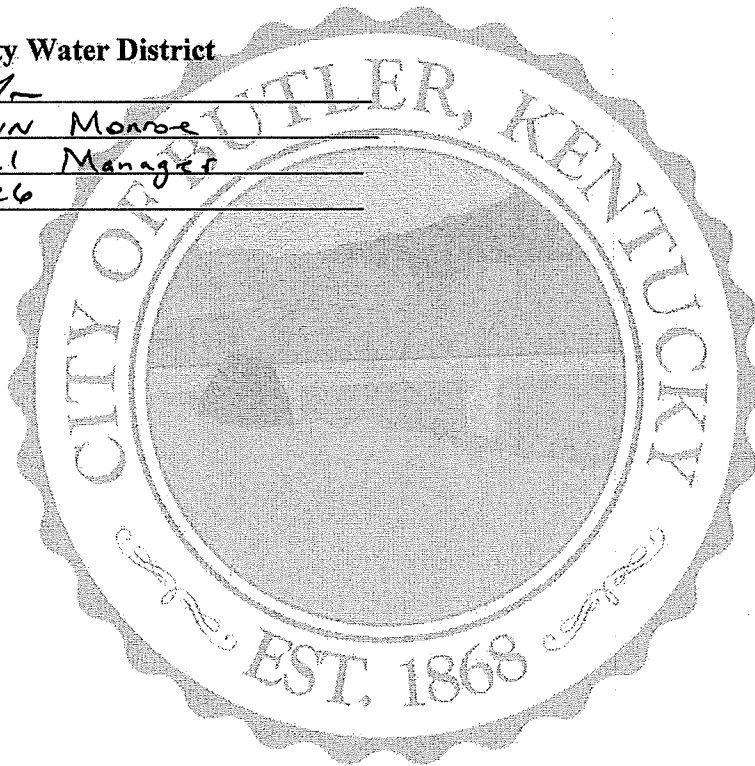
Pendleton County Water District

By: Austin Monroe

Name: Austin Monroe

Title: General Manager

Date: 8-14-26



Service List for Case 2026-00266

* Pendleton County Water District
331 Highway 330 W
P. O. Box 232
Falmouth, KY 41040

* Austin Monroe
Manager
Pendleton County Water District
331 Highway 330 W
P. O. Box 232
Falmouth, KY 41040

* Mason Taylor
Mayor
City of Butler
102 Front Street
P.O. Box 229
Butler, KY 41006