

TREATED SEWAGE ADJUSTMENT FOR SEWER UTILITIES (807 KAR 5:075)			
Name of Utility	Mountain Water District		
Date	September 29, 2026		
Address	6332 Zebulon Highway P.O. Box 3157		
City, State, Zip	Pikeville,	Kentucky 41502	
Telephone Number	(606) 631-9162		
Email address	tolson@mtwater.org		
1.a. Name of all providers and the base (current) rate and changed rate of each. In the event the utility is billed by the provider on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
Provider(s)	Base Rate	Changed Rate	
City of Williamson, WV	2.68 per 1,000 Gal.	\$3.73 per 1,000 Gal.	
1.b. A copy of the provider's notice of the changed rate showing the effective date of the increase is attached as Exhibit A			
2. Twelve-month period upon which the treated sewage adjustment is based. (This twelve-month period must end within 90 days of this filing).			
From	September 2025	through	August 2026
	(month and year)		(month and year)

3. Statement of sewage treated. Where sewage treatment is from more than one provider, sewage treatment from each provider must be shown separately. When water purchases are the basis for sewage treatment charges and the water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach additional sheets if necessary.	
Provider(s)	Gallons of Sewage Treated during 12 month period
City of Williamson	21,234,600
TOTAL	21,234,600
4. Total gallons of water sold for the 12 month period	
	104,647,994
5. Increased cost	
	\$22,296.33
The increased cost is the difference between the gallons of treated sewage at the base (current rate) and at the new rate. The calculation and all supporting documents used to determine the change in treated sewage costs sufficient to determine the accuracy of the calculation is attached as Exhibit B	
When water usage is the basis for the utility's sewage treatment charge, the treated sewage adjustment shall be calculated as a per 1,000 gallon factor.	
6. Treated sewage adjustment factor per 1,000 gallons*	0.2130603 rounded up: 0.22
*The treated sewage adjustment factor is obtained by dividing the increased cost of the sewage treatment by the total gallons of water sold. (Number 5 ÷ (Number 4 ÷ 1,000))	

Note: The treated sewage adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the treated sewage adjustment factor would be added to the minimum bill twice.	
When the utility has a flat monthly rate the treated sewage adjustment factor shall be calculated as a flat monthly amount to be added to the current rate.	
7. Number of customers or Residential Equivalents	2,229 sewer customers
8. Treated sewage adjustment (amount to be added to current monthly bill)**	\$0.84
**The treated sewage adjustment factor is obtained by dividing the increased cost by the number of customers or residential equivalents and then by 12 months. (Number 5 ÷ (Number 7 ÷ 12)).	
9. A schedule listing the current and proposed rates is attached as Exhibit C	
10. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
11. Proposed effective date	September 2, 2026
/s/Tammy Olson	
Signature of Utility Officer	
General Manager	
Title	

Exhibit A

Notices from City of Williamson
&
West Virginia Commission Proceeding Records



Mayor
Mike Casey

Williamson Utility Board

PO BOX 659
WILLIAMSON, WV 25661
(304) 235-1510



Utility Manager
Amanda Brooks

02/18/2026

Via Certified Mail
Mountain Water District
6324 Zebulon Hwy
Pikeville, KY 41501

Re: Public Notice – First Reading of Wholesale Water and Sewage Rate Ordinances –
City of Williamson, West Virginia

Dear Sir or Madam:

Please be advised that the City Council of the City of Williamson, West Virginia, has conducted the first reading of ordinances adjusting both wholesale water rates and wholesale resale sewage treatment rates.

The first reading of both ordinances occurred on February 12, 2026. The second reading and final consideration of both ordinances is scheduled to occur on March 12, 2026 at City Hall located at 142 East 4th Avenue, Williamson, West Virginia at 5:00pm in the council chambers. A public hearing will be set for March 3, 2026 at the same location at 12:00pm.

Pursuant to West Virginia Code § 8-20-11, the City Council has proposed an adjustment to wholesale water rates as follows:

- An initial increase of 12.035%, effective with the first billing cycle following adoption of the ordinance.
- A second increase of 11.621%, effective with the first billing cycle on or after January 1 of the following year, consistent with the City's adopted two-step rate structure.

Upon implementation of the first adjustment, the wholesale water rates per 1,000 gallons will be:

- Mountain Water District: \$1.88 per 1,000 gallons

The City Council has also proposed an ordinance adjusting wholesale resale sewage treatment rates in order to ensure the financial stability of the sewer utility, fund necessary maintenance and capital improvements, and maintain compliance with applicable state and federal environmental requirements.

The ordinance provides for a total increase of 129%, to be phased in over four (4) years, calculated from the then-current rate, as follows:

- Year 1: 30% increase – effective first billing cycle on or after January 1, 2026
- Year 2: Additional 23% increase – effective first billing cycle on or after January 1, 2027
- Year 3: Additional 21% increase – effective first billing cycle on or after January 1, 2028
- Year 4: Additional 19% increase – effective first billing cycle on or after January 1, 2029

The current base wholesale resale sewage rates are:

- Mountain Water District: \$4.04 per 1,000 gallons

These base rates will serve as the starting point for application of the phased annual increases.

The ordinance further provides for waiver of the forty-five (45) day waiting period upon a finding of financial distress, as permitted by West Virginia law, and will take effect immediately upon adoption if approved on final reading.

Certified copies of the proposed ordinances and updated rate schedules will be provided upon final adoption. Should you have any questions regarding these proposed rate adjustments or their implementation, please contact the City Clerk's Office.

Sincerely,

Amanda Brooks

Utility Manager, Amanda Brooks

Tariff Form No. 14 (modified to comply with W.Va. Code §24-2-3(b)) (Tariff Rule 12.1.d. and 23.2.a.5)

NOTICE TO WHOLESALER CUSTOMER OF RIGHT TO FILE A RATE DISPUTE NOTICE

is hereby given that Williamson Water and Sewer Department a public utility, has adopted by [ordinance/resolution] on March 12, 2026 a tariff containing increased rates, tolls and charges for furnishing water and sewer service. The proposed increased rates and charges will become effective April 12, 2026 unless otherwise ordered by the Public Service Commission and will produce approximately \$1,578,647 annually in additional revenue, an increase of 25% for water in a 2-step increase and 129% for sewer in a 4-step increase. The average monthly bill for the various classes of customers will be changed as follows:

	(\$ INCREASE	INCREASE (%)
Residential	\$ <u>40.82</u>	<u>25% water & 129% Sewer</u>
Commercial	\$ <u>88.90</u>	<u>25% water & 129% Sewer</u>
Industrial	\$ <u>205.70</u>	<u>25% water & 129% Sewer</u>
Resale – Water – Mtn. Water	\$ <u>0.27 per 1,000 gallons</u>	<u>25% water & 129% Sewer</u>
Resale – Sewer – Mtn. Water	\$ <u>4.44 per 1,000 gallons</u>	<u>25% water & 129% Sewer</u>
Other	\$ <u>6.87</u>	<u>25% water</u>

Resale customers of Williamson Water and Sewer Department include Mingo County Public Service District and Mountain Water District.

As a wholesaler customer of the utility, if you believe that the utility acted in an unjust, unreasonable, unlawful or discriminatory manner in adopting the rate increase, you may file a dispute and request an investigation of the increased rates by the Public Service Commission.

You must exercise your right to dispute and request an investigation within 30 days of when ordinance is adopted.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available at:

City Hall located at 142 East 4th Avenue, Williamson, WV 25661

A copy of the proposed rates is also available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

**Public Service Commission of West Virginia
EFS Cover Sheet (G.O. 262.8)**

Filing Date: July 31, 2026

Case Number(s): 26-0414-WS-WI

Case Name(s): Mountain Water District v. City of Williamson

Filing Party/Parties: Mountain Water District

Title of Document: Joint Stipulation and Agreement for Settlement

Attachments: Attachment 1
Attachment 2

Confidential Materials: None

Filer Contact: Christopher L. Callas
304.340.1251
ccallas@jacksonkelly.com

Copied Persons: Service List

Certificate of Service: The signature on the enclosed pleading certifies service on the date above by electronic mail to the parties on the Executive Secretary's service list(s) for the referenced dockets (if any) and any additional persons listed above.

JACKSONKELLY^{PLLC}

500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT DIAL: 304-340-1251
FACSIMILE: 304-340-1080
E-mail: ccallas@jacksonkelly.com
State Bar No. 5991

July 31, 2026

Via EFS

Karen Buckley, Director
Executive Secretary Division
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

Re: Mountain Water District v. City of Williamson
Case No. 26-0414-WS-WI

Dear Ms. Buckley:

Enclosed please find a Joint Stipulation and Agreement for Settlement ("Joint Stipulation") submitted on behalf of Mountain Water District and the City of Williamson (collectively, the "Stipulating Parties"). Staff for the Public Service Commission of West Virginia neither opposes nor joins in the Joint Stipulation. The Stipulating Parties request that the Commission approve this Joint Stipulation without modification and authorize the implementation of the amended water and sewer resale rates set forth in the amended contracts attached to the Joint Stipulation. The Stipulating Parties also request that the ALJ approve the Joint Stipulation as a comprehensive resolution of the issues raised in this docket without the need to hold the evidentiary hearing scheduled for August 13, 2026.

Thank you for your assistance. Please contact me with any questions or comments you may have.

Sincerely,



Christopher L. Callas

c: Service List

Enclosure

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 26-0414-WS-WI

MOUNTAIN WATER DISTRICT

v.

CITY OF WILLIAMSON

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W.Va. Code § 24-1-9(f) and Procedural Rule 13.4, the City of Williamson (the "City") and Mountain Water District ("MWD") (collectively, the "Stipulating Parties") join in this Joint Stipulation and Agreement for Settlement ("Joint Stipulation").¹ The Stipulating Parties recommend that the Commission approve this Joint Stipulation without modification and authorize the amended water and sewer rates set forth herein.

I. Introduction and Procedural History

1. On March 12, 2026, the City enacted an Ordinance ("Ordinance") in which it increased water and sewer rates. On March 20, 2026, the City filed the Ordinance pursuant to W. Va. Code § 24-2-4b.

2. Prior to the enactment of the Ordinance, MWD paid a water rate of \$1.83 per \$1,000 gallons as established in the April 25, 2019 Wholesale Water Purchase Agreement Amended Contract between the City and MWD (as

¹ Staff for the Public Service Commission of West Virginia ("Staff") has indicated that it neither opposes nor joins the Joint Stipulation.

amended, the "Water Contract"), and a sewer rate of \$2.68 per 1,000 gallons as stipulated in the April 13, 2016 Joint Stipulation and Agreement for Settlement in Case No. 15-1481-S-MA, which effectively amended the existing Wastewater Purchase Contract Agreement between the Stipulating Parties (as amended, "Wastewater Contract").

3. The Ordinance adjusted the wholesale water rates as follows: an initial adjustment to \$1.88 per 1,000 gallons and a second increase of 11.621%, effective with the first billing cycle on or after January 1 of the following year. In addition, the Ordinance provided for a total increase of 129% for wholesale sewer rates to be phased in over four years.

4. On April 9, 2026, MWD filed a formal protest to the increased water and sewer rates adopted by the City under W. Va. Code § 24-2-4b. MWD asserted the City improperly failed to conduct a class cost of service study ("CCOSS") to accurately allocate costs between classes of customers including MWD. The Commission interpreted the filing as a complaint pursuant to W. Va. Code § 24-2-1(b)(6).

5. On April 10, 2026, the Commission opened this docket to investigate the rates the City adopted and tolled the statutory deadline pending receipt of data showing the basis for the revised rates. The same day, MWD filed an amended complaint ("Amended Complaint").

6. On April 20, 2026, the City filed an answer to the complaint denying wrongdoing.

7. On May 14, 2026, Staff represented it would investigate this matter and file a subsequent recommendation. Staff requested that the Commission direct the City to provide a CCROSS supporting the increased rates applicable to MWD.

8. On May 28, 2026, the Commission referred this matter to its Division of Administrative Law Judges ("ALJ") for a Recommended Decision by August 7, 2026, and established a deadline for a final Staff recommendation on July 2, 2026.

9. On May 29, 2026, the presiding ALJ scheduled this matter for hearing on July 8, 2026 and directed the City to prepare and file a CCROSS within twenty days.

10. On June 8, 2026, the City requested reconsideration of the directive to prepare and file a CCROSS within twenty days. The City argued a CCROSS is not required and requiring it to prepare and file a CCROSS would be highly burdensome considering the narrow timeframe.

11. On June 9, 2026, the presiding ALJ extended the deadline for preparing a CCROSS to June 26, 2026.

12. On June 25, 2026, the City requested an extension until July 16, 2026 to file a CCOSS. The ALJ denied the motion without prejudice in a procedural order entered on June 25, 2026.

13. On June 26, 2026, Staff moved the Commission to extend the current procedural deadlines citing the need to obtain additional information to complete its investigation.

14. On July 1, 2026, the Commission extended the deadline for a final Staff recommendation to August 6, 2026, and the deadline for a Recommended Decision to September 10, 2026, as requested.

15. Also, on July 1, 2026, the presiding ALJ cancelled the scheduled hearing in light of the revised deadlines adopted by the Commission.

16. The Stipulating Parties conducted discovery throughout this proceeding, all as more specifically detailed in the Commission's docket in this proceeding.

17. To avoid the additional expense that will result from litigating this proceeding, and to achieve certainty in the outcome, the Stipulating Parties have endeavored to address or eliminate all issues and reach a recommended comprehensive resolution.

II. Settlement Terms

18. The Stipulating Parties agree and recommend that the Commission adopt the Joint Stipulation in its entirety as a resolution of all contested issues in this case. The terms and conditions of the Joint Stipulation, each of which is an essential and integral element of a fair and reasonable resolution in the public interest, are set forth below:

- a. *Approval of Wastewater Amendment.* The Stipulating Parties agree and recommend that the Commission approve the Wastewater Purchase Agreement Amended Contract in the form attached as **Attachment 1** ("Wastewater Amendment"), without approving the specific terms and provisions thereof. In the Wastewater Amendment, the Stipulating Parties amend the term of the Wastewater Contract to include a one-year notice provision to the City by MWD prior to exercising the termination option. MWD will pay the City the sum of \$3.73 per 1,000 gallons of wastewater treated from the date the Wastewater Amendment is approved by the Commission, which the Stipulating Parties agree is a rate that is not discriminatory as to the City's resale wastewater customers or its other customers. In the Wastewater Amendment, MWD reserves the right to require a CCOS for future wastewater rate increase requests requested by the City.

b. *Approval of Water Amendment.* The Stipulating Parties agree and recommend that the Commission approve the Wholesale Water Purchase Agreement Amended Contract in the form attached as **Attachment 2** ("Water Amendment"), without approving the specific terms and provisions thereof. In the Water Amendment, the Stipulating Parties agree to retain the forty-year term stated in the Water Contract but include a new option in favor of MWD to cancel the contract in eight years from the date of approval and execution of the Water Amendment. MWD will pay the City the sum of \$2.05 per 1,000 gallons of water purchased from the date that the Water Amendment is approved by the Commission, which the Stipulating Parties agree is a rate that is not discriminatory as to the City's resale water customers or its other customers. In the Water Amendment, MWD reserves the right to require a CCOSS study for future wholesale water rate increase requests by the City.

c. *Withdrawal of Amended Complaint.* In consideration for the City's willingness to agree to the Amendments, MWD will withdraw the Amended Complaint.

III. General Provisions

19. The Stipulating Parties support this Joint Stipulation and represent that each of its provisions acceptably resolves all issues raised in this case. Based

on the record, the Stipulating Parties recommend that the Commission accept this Joint Stipulation in resolution of this case.

20. The Stipulating Parties represent that the filings in this docket are adequate to support the Joint Stipulation.

21. This Joint Stipulation results from a review of all evidence and filings in this case, the Stipulating Parties' analyses of the Complaint, exhibits, and good faith negotiation. The Joint Stipulation is proposed to expedite and simplify the resolution of this case in the context of an overall settlement.

22. The Stipulating Parties recommend that the Commission adopt this Joint Stipulation as being in the public interest, without adopting or recommending the adoption of any of the compromise positions set forth herein as ratemaking principles applicable to future regulatory proceedings, except as may otherwise be provided herein. The terms of this Joint Stipulation reflect a negotiated compromise among the Stipulating Parties and do not establish a precedent on any matter other than as provided herein. Each component of the Joint Stipulation (including this paragraph) is integral to and inseparable from the others, and no Stipulating Party advocates the Commission's resolution of any issue proposed in this Joint Stipulation other than in the context of its support for the Joint Stipulation as a whole. The Stipulating Parties to the Joint Stipulation are free to take whatever positions they deem appropriate in any future investment surcharge

proceedings, and do not waive any questions of fact or law that were presented in this case.

23. This Joint Stipulation is subject to the Commission's acceptance and approval. It will be ineffective until and unless approved by the Commission in all of its material terms and without modification. If the Commission does not grant that approval, then the Stipulating Parties reserve their rights to fully advocate their positions, unlimited by the terms of the Joint Stipulation.

[Signature page follows]

WHEREFORE, the Stipulating Parties respectfully recommend and request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation in its entirety.

Dated and effective on July 31, 2026.

MOUNTAIN WATER DISTRICT

By Counsel

/s/ Christopher L. Callas

Christopher L. Callas, Esq.
Nicklaus Presley, Esq.
Jackson Kelly PLLC
500 Lee Street, East
Suite 1600
Charleston, West Virginia 25322

CITY OF WILLIAMSON

By Counsel

/s/ Marc C. Bryson

Marc C. Bryson (WV Bar 10589)
Michael W. Taylor (WV Bar 11715)
Pence Law Firm PLLC
10 Hale Street, 4th Floor
Charleston, WV 25329
Phone: 304-345-7250
Email: mtaylor@pencefirm.com
mbryson@pencefirm.com

**WASTEWATER PURCHASE AGREEMENT
AMENDED CONTRACT**

This contract for the sale and purchase of wastewater made and entered into on the 29th day of July, 2026, by and between the **WILLIAMSON UTILITY BOARD** of Post Office Box 659, Williamson, West Virginia 25661-1517 (hereinafter "SELLER"), and **MOUNTAIN WATER DISTRICT** of Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter "PURCHASER").

WHEREAS, the parties hereto originally entered into a Wastewater Purchase Contract Agreement dated December 29, 1999; and

WHEREAS, that Agreement was amended by agreement of the parties on August 1, 2002; and

WHEREAS, a rate change was ordered by the West Virginia Public Service Commission dated September 13, 2016 outlining the current rate for wastewater purchases between the parties; and

WHEREAS, the parties now wish to amend their current Contract, as amended below.

W I T N E S S E T H

That for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. The parties agree to clarify that the term of the Wastewater Purchase Contract Agreement between the parties is a forty (40) year term from December 29, 1999, which includes an optional annual renewal from the date of the original Contract of December 29, 1999 each year (Page 3, Section C1). Parties agree to amend the Contract to include a one (1) year notice provision to the SELLER by the PURCHASER prior to exercising the option to end the Contract. Proper notice shall be in writing either by certified mail or by electronic email with transmittal receipt of delivery to the Utility Manager of the SELLER.
2. The PURCHASER agrees to pay the SELLER the sum of \$3.73 per thousand gallons of wastewater treated from the date that this Contract Amendment is fully approved and executed by all authorized parties and the West Virginia Public Service Commission.

3. The parties agree to submit the executed agreement to the West Virginia Public Service Commission as demonstration of settlement of the Wastewater Purchase disputed rate and remove the wastewater protest from the Commission's docket. PURCHASER reserves the right to require a Class Cost of Service Study (CCOSS) for future wastewater rate increase requests by the SELLER.
4. All other terms and conditions of the parties' 1999 agreement as amended in 2002, shall remain the same.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies, have caused this Amendment to be duly executed in two (2) counterparts, each of which shall constitute an original the day and year first above written.

Attested:

Silena Ferguson
Silena Ferguson, City Clerk *SK*
Silena Ferguson
RSHSVB MC

Attested:

James Stone
Board Secretary

SELLER:

CITY OF WILLIAMSON, WV

By: *Mike Casey*
Mike Casey

Its: Mayor

PURCHASER:

MOUNTAIN WATER DISTRICT

By: *Randy L. Tackett*
Randy Tackett

Its: Chairperson

WEST VIRGINIA PUBLIC

SERVICE COMMISSION APPROVAL:

By: _____

Its: _____

Date: _____

**WHOLESALE WATER PURCHASE AGREEMENT
AMENDED CONTRACT**

This contract for the sale and purchase of water made and entered into on the 29th day of July, 2026, by and between the **WILLIAMSON UTILITY BOARD** of Post Office Box 659, Williamson, West Virginia 25661-1517 (hereinafter "SELLER"), and **MOUNTAIN WATER DISTRICT** of Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter "PURCHASER").

WHEREAS, the parties hereto originally entered into a Water Purchase Contract Agreement dated August 27, 1982; and

WHEREAS, that Agreement was amended by agreement of the parties on March 30, 2016 and April 25, 2019; and

WHEREAS, the parties now wish to amend their current Contract, as amended below.

W I T N E S S E T H

That for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. The parties agree that the term of the Water Purchase Contract Agreement between the parties continue to state the forty (40) year term from April 25, 2019 amendment, with an option to cancel the contract in eight (8) years by the PURCHASER from the date of approval and execution of this Contract Amendment, with a one (1) year notice by the PURCHASER of their intent to do so. After the initial eight (8) year term, the contract shall renew on an automatic annual basis on the date of this Amended Contract stated above, UNLESS proper notice is given to the SELLER by the PURCHASER one (1) year prior to exercising the option to end the Contract. Proper notice shall be in writing either by certified mail or by electronic email with transmittal receipt of delivery to the Utility Manager of the SELLER.
2. The PURCHASER agrees to pay the SELLER the sum of \$2.05 per thousand gallons of water purchased from the date that this Contract Amendment is fully approved and executed by all authorized parties.

3. The parties agree to submit the executed agreement to the West Virginia Public Service Commission as demonstration of settlement of the Wholesale Water Purchase disputed rate and request the removal of the water rate increase protest from the Commission's docket. PURCHASER reserves the right to require a Class Cost of Service Study (CCOSS) for future wholesale water rate increase requests by the SELLER.
4. All other terms and conditions of the parties' 1982 agreement as amended in 2016 and 2019, shall remain the same.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies, have caused this Amendment to be duly executed in two (2) counterparts, each of which shall constitute an original the day and year first above written.

Attested:

Silena Ferguson
Silena Ferguson, City Clerk
Silena Ferguson
RSH/SVB MC

Attested:

James Stone
Board Secretary

SELLER:

CITY OF WILLIAMSON, WV

By: Mike Casey

Mike Casey

Its: Mayor

PURCHASER:

MOUNTAIN WATER DISTRICT

By: Randy L. Tackett

Randy Tackett

Its: Chairperson

WEST VIRGINIA PUBLIC

SERVICE COMMISSION APPROVAL:

By: _____

Its: _____

Date: _____

Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
Fax: (304) 340-0325

August 4, 2026

Michael W. Taylor, Esq.
Marc C. Bryson, Esq.
Counsel, City of Williamson
Pence Law Firm PLLC
PO Box 2548
Charleston, WV 25329

RE: Case No. 26-0414-WS-WI
Mountain Water District
v.
City of Williamson

Gentlemen:

Enclosed is a copy of a Recommended Decision in the above styled case, pursuant to the requirements of West Virginia Code §24-1-9. Your attention is directed to important information contained in the ordering paragraphs. Please note carefully that if no exceptions are filed within fifteen days of this date, the order will become the order of the Commission five days following said time period, unless the order is stayed or postponed by the Commission. Exceptions to this order should be filed with this office. **Please note all other parties have agreed to receive this order via electronic notification.**

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy_Policy/WhatisPII.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field. **You are encouraged to file an Electronic Mail Agreement which allows the commission to serve all orders issued in this matter via electronic notification.**

Sincerely,


Karen Buckley
Executive Secretary

KB/al
Enc. Order

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
8/24/2026

Entered: August 4, 2026

CASE NO. 26-0414-WS-WI

MOUNTAIN WATER DISTRICT,
Pikeville, Kentucky,

Complainant,

v.

CITY OF WILLIAMSON,
A municipal utility,

Defendant.

RECOMMENDED DECISION

This Recommended Decision adopts the Joint Stipulation and Agreement for Settlement (Stipulation).

BACKGROUND

On April 9, 2026, Mountain Water District (MWD) filed a formal protest to increased water and sewer rates adopted by the City of Williamson (Williamson) under W.Va. Code §24-2-4b. MWD asserted Williamson improperly failed to conduct a class cost of service study (CCOSS) to accurately allocate costs between classes of customers including MWD. The Commission interpreted the filing as a complaint pursuant to W.Va. Code §24-2-1(b)(6).

On April 10, 2026, the Commission opened an investigation into the rates Williamson adopted and tolled the statutory deadline pending receipt of data showing the basis for the revised rates.

Also, on April 10, 2026, MWD filed an amended complaint.

Also, on April 10, 2026, Commission Staff filed a letter pertaining to the rate ordinances at issue and their impact on residential customers.

On April 20, 2026, Williamson responded to the April 10, 2026 Commission Order. Separately, Williamson filed an answer to the complaint denying wrongdoing.

On April 30, 2026, Staff tendered a data request to Williamson. Williamson responded on May 20, 2026.

On May 4, 2026, MWD tendered a discovery request to Williamson. Williamson responded on May 27, 2026.

On May 14, 2026, Staff represented it would investigate this matter. It requested the Commission direct Williamson provide a CCROSS supporting the increased rates applicable to MWD.

On May 27, 2026, Williamson supplemented its response to the Staff data request.

On May 28, 2026, the Commission referred this matter to its Division of Administrative Law Judges (ALJ) for a Recommended Decision and established a deadline for a final Staff recommendation. The Commission also directed Williamson to supplement its prior responses to the Commission. Williamson filed a supplement on June 8, 2026.

On May 29, 2026, the presiding ALJ scheduled this matter for hearing and directed Williamson to prepare and file a CCROSS.

On June 8, 2026, Williamson requested reconsideration of the directive to prepare and file a CCROSS.

On June 9, 2026, the presiding ALJ extended the deadline for preparing a CCROSS.

On June 12, 2026, Staff moved to compel Williamson to fully respond to its data request tendered on April 30, 2026. The request was granted. (June 15, 2026 Procedural Order.)

On June 18, 2026, Williamson supplemented its responses to the Staff request.

On June 25, 2026, Williamson requested additional time to file a completed CCROSS. The motion was denied without prejudice. (June 25, 2026 Procedural Order.)

On June 26, 2026, Staff moved the Commission to extend the current procedural deadlines citing the need to obtain additional information to complete its investigation.

On July 1, 2026, the Commission extended the deadline for a final Staff recommendation to August 6, 2026, and the deadline for a Recommended Decision to September 10, 2026, as requested.

Also, on July 1, 2026, the presiding ALJ cancelled the scheduled hearing in light of the revised deadlines adopted by the Commission.

On July 8, 2026, the presiding ALJ rescheduled the evidentiary hearing for August 13, 2026.

On July 31, 2026, MWD presented a Stipulation with Williamson. MWD and Williamson agreed to revised rates and terms for providing utility services to MWD. MWD also moved to withdraw its complaint.

On August 3, 2026, the presiding ALJ cancelled the scheduled hearing.

On August 4, 2026, Staff filed a letter emphasizing it neither supports or contests the settlement presented by MWD and Williamson.

DISCUSSION

MWD and Williamson tendered a Stipulation adopting revised rates for Williamson to provide resale water and sewer treatment services to MWD. Specifically, the potable water resale rate of \$1.83 per thousand gallons will increase to \$2.05 per thousand gallons. The wastewater treatment rate of \$2.68 per thousand gallons treated will increase to \$3.73 per thousand gallons. The agreed rates represent a compromise of the increased rates initially adopted by Williamson. The parties also agreed to modify the terms of their resale agreements to include a one-year notice provision before termination of the sewer agreement and an option for MWD to cancel the water agreement eight years from approval of the amendment. MWD also moved to withdraw the complaint. Staff has not joined the Stipulation, but does not contest to the revised terms.

Considering the circumstances presented, the Commission will accept the Stipulation presented by MWD and Williamson and dismiss the complaint as resolved. The amendments to the resale agreements implementing the Stipulation appear to be reasonable, give neither party an undue advantage and do not adversely affect the public in this State. As set forth in the Stipulation, Williamson will receive increased rates for providing utility services to MWD while both parties avoid complex litigation regarding the proper resale rate. Thus, adopting the Stipulation and the underlying amendments is in the public interest. (See, W.Va. Code §§24-2-1(b), 24-2-12.)

FINDINGS OF FACT

1. MWD filed a complaint to contest increased water and sewer treatment resale rates adopted by Williamson. (Complaint.)
2. MWD and Williamson filed a Stipulation agreeing to increased water and sewer treatment rates at a level below the amount Williamson initially adopted. The

parties also incorporated new terms into their resale agreements regarding the future termination of those agreements. (Stipulation.)

3. MWD withdrew its amended complaint. (Id.)

CONCLUSION OF LAW

It is reasonable to adopt the Stipulation between MWD and Williamson and the underlying amendments to their resale agreements as the terms appear reasonable, give no party an undue advantage and do not adversely affect the public in this State. (W.Va. Code §§24-2-1(b), 24-2-12.)

ORDER

IT IS THEREFORE ORDERED that the Stipulation between MWD and Williamson filed on July 31, 2026, is adopted in full resolution of the complaint. The amendments to the resale agreements attached to the Stipulation are approved without approving the specific terms and conditions thereof.

IT IS FURTHER ORDERED that this matter is removed from the Commission docket of active cases on the effective date of this Recommended Decision.

The Executive Secretary is ordered to serve this Order upon the Commission and its Staff by hand delivery, upon all parties of record who have filed an e-service agreement with the Commission by electronic service and upon all other parties by United States First Class Mail.

Leave is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen days of the date of this Order. If exceptions are filed, the parties filing exceptions shall certify that all parties of record have been served the exceptions.

If no exceptions are filed, this Order shall become the Order of the Commission, without further action or order, five days following the expiration of the fifteen-day time period, unless it is ordered stayed by the Commission.

Any party may request waiver of the right to file exceptions by filing an appropriate petition in writing with the Executive Secretary. No such waiver, however, will be effective until approved by order of the Commission.



Matthew J. Minney
Deputy Chief Administrative Law Judge

MJM:s:wsf
260414ag

Exhibit B

Calculations

**Mountain Water District
Water Sales
Sep. 2025 – Aug. 2026**

Month	Gallons Sold
Sep 2025	9,111,489
Oct 2025	8,890,411
Nov 2025	8,285,303
Dec 2025	8,831,080
Jan 2026	9,542,359
Feb 2026	10,750,880
Mar 2026	7,750,790
Apr 2026	8,376,690
May 2026	8,346,330
Jun 2026	8,592,370
Jul 2026	8,077,280
Aug 2026	8,113,012
Total	104,647,994

**Mountain Water District
Sewer Treatment Purchases
Sep. 2025 – Aug. 2026
Williamson \$2.68/1,000 Gallons**

Month	Gal. Treated
Sep 2025	1,610,000
Oct 2025	1,606,300
Nov 2025	1,574,800
Dec 2025	1,513,600
Jan 2026	1,516,000
Feb 2026	2,428,000
Mar 2026	2,183,300
Apr 2026	1,964,000
May 2026	1,968,100
Jun 2026	1,670,800
Jul 2026	1,814,200
Aug 2026	1,655,500
Total	21,234,600

September 2025 – August 2026 Cost of Treated Sewage (per thousand gallons)

		Rate (per gallon)	Gallons Treated	Total
Williamson, WV	Prior Rate	\$ 0.00268	21,234,600	\$ 56,908.73
	New Rate	\$ 0.00373	21,234,600	\$ 79,205.06

Increased Cost:

\$ 79,205.06
 - 56,908.73
 \$ 22,296.33

TSA per 1,000 gallons Factor

Increased Cost \$ 22,296.33
 Total Sales 104,647,994 gal. = 0.0002130603 per gallon
 or
Rounded up 0.22 per 1,000 gallons
 or
 0.00022 per gallon

TSA Flat Rate Factor

Total Number of Sewer Customers: 2,229

$$\frac{\text{Increased Cost} \quad \$ \quad 22,296.33}{\text{Number of Customers} \quad 2,229} = 10.0028398385$$

$$\frac{10.0028398385}{12 \text{ Months}} = 0.8335699865$$

Rounded up 0.84

Exhibit C

Schedule of Current and Proposed Rates

Rate Schedule
Mountain Water District
Schedule of Current and Proposed Sewer Rates
Effective September 2, 2026

A. Monthly Sewer Rates

Sewer Customers with Metered Water Service

	<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
First 2,000 Gallons	\$ 57.70 Minimum Bill	\$0.22/1,000 Gal.	\$ 58.14	0.76%
Over 2,000 Gallons	0.2494	0.00022	0.2496	0.08%

Sewer Customers without Metered Water Service

	<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
Flat Rate	\$107.58	\$0.84	Flat Rate \$108.42	0.78%

Exhibit D

Resolution

RESOLUTION NO. 2026-09-02

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE MOUNTAIN WATER DISTRICT ADJUSTING SEWER
RATES AND CHARGES TO OFFSET THE CITY OF
WILLIAMSON, WEST VIRGINIA'S SEWAGE TREATMENT
RATE INCREASE**

WHEREAS, the City of Williamson, West Virginia ("Williamson") provides sewage treatment service for Mountain Water District ("District");

WHEREAS, On August 4, 2026, the West Virginia Public Service Commission ("West Virginia Commission") approved an increase in the sewage treatment rate that Williamson charges the District;

WHEREAS, no exceptions to the West Virginia Commission's Order were filed; the Order became final on August 24, 2026, and the new rate is \$3.73 per 1,000 gallons;

WHEREAS, based upon the sewage treated by Williamson during the previous 12 months, the estimated annual increased cost to the District will be **\$22,296.33**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with Williamson's sewage treatment rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:075 provide the legal mechanism for the District to increase its sewer rates commensurate with Williamson's sewage treatment rate increase via a Treated Sewage Adjustment ("TSA").

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MOUNTAIN WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The TSA factor is \$ 0.22 per 1,000 gallons;

Section 3. All tiers of sewer usage set forth in the District's existing tariff shall be increased by \$ 0.22 per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The TSA factor for flat rate treated sewage is \$ 0.84. The District's existing flat rates for sewer service shall be increased by this amount, subject to any minor adjustment that may be made by the PSC.

Section 5. The monthly sewer rates to be charged to and collected from the customers and users of the sewer collection system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject

to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after September 2, 2026.

Section 6. The General Manager is hereby authorized and directed to execute and file the TSA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 7. The General Manager, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the TSA.

Section 8. This Resolution shall take effect upon its adoption.

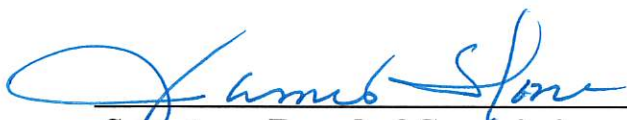
ADOPTED BY THE COMMISSION OF MOUNTAIN WATER DISTRICT at a meeting held on September 24, 2026, signed by the Acting Chairman, and attested by the Secretary.

Mountain Water District



Acting Chairman

ATTEST:



Secretary, Board of Commissioners

CERTIFICATION

I, Secretary of the Mountain Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on September 24, 2026, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 24h day of September, 2026.


Secretary, Board of Commissioners

Rate Schedule
Mountain Water District
Schedule of Current and Proposed Sewer Rates
Effective September 2, 2026

A. Monthly Sewer Rates

Sewer Customers with Metered Water Service

	<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
First 2,000 Gallons	\$ 57.70 Minimum Bill	\$0.22/1,000 Gal.	\$ 58.14	0.76%
Over 2,000 Gallons	0.2494	0.00022	0.2496	0.08%

Sewer Customers without Metered Water Service

	<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
Flat Rate	\$107.58	\$0.84	Flat Rate \$108.42	0.78%