

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO)	
CANNONSBURG WATER DISTRICT AND ITS)	
INDIVIDUAL COMMISSIONERS (TIM WEBB,)	CASE NO.
SAM HAMPTON, ROBERT MCQUIRE, PAM)	2024-00396
VANHOOSE, MARTIN BAYS, AND MARK)	
KAZEE) FOR ALLEGED FAILURE TO COMPLY)	
WITH KRS 278.300.)	

ORDER

On April 25, 2025, Cannonsburg Water District (Cannonsburg District), and the respective individuals named in the Order, filed Joint Responses stating that they do not believe any violation of KRS 278.300 occurred.¹ Collectively, they argued that vehicle leases are not evidence of indebtedness and should instead be viewed as a contract for goods or services.²

As part of the statements, Cannonsburg District asserted that Mark Kazee's term as a board commissioner had ended since the case was open, and, as such, requested that he be dismissed from the case.³ Cannonsburg District provided that Tim Smith was appointed to the board as his replacement.⁴ Furthermore, Cannonsburg alerted the

¹ Responses of Cannonsburg District, Individually Named Commissioners Sam Hampton, Robert McGuire, Pam Vanhooose, and Martin Bays; and General Manager, Tim Webb (Joint Responses) (filed Apr. 25, 2025).

² Joint Responses at 4.

³ Joint Responses at 2.

⁴ Joint Responses at 2.

Commission that Robert McGuire's name was misspelled in the case heading.⁵ Lastly, Cannonsburg Water District and Tim Webb clarified that Tim Webb, a named individual in the case, is not on the board of commissions.

DISCUSSION AND FINDINGS

Cannonsburg Water District asserted that Mark Kazee was not involved in the decision making nor present at the time the vehicle lease agreement was entered into, and he is no longer an active board commissioner. As such, the Commission finds that Mark Kazee should be dismissed from this case, and that Tim Smith, his replacement on the board, shall be a named party in the case going forward. Furthermore, the Commission finds that the case heading shall be amended to reflect the fact that Tim Webb is the general manager, the addition of Tim Smith, and to correct the misspelling of Robert McGuire's name.


Based on a review of the written statements, the Commission is unable to determine if an alleged violation of KRS 278.300 occurred at this time. The Commission finds that additional information and documentation is needed to determine if any of the named parties or the district willfully violated KRS 278.300. Therefore, Cannonsburg District and the above-named individuals shall file responses to Commission Staff's request for information, attached to this Order as an Appendix, on or before the date set forth by Commission Staff in the request. Cannonsburg District and the above-named individuals shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

⁵ Joint Responses at 8.


IT IS THEREBY ORDERED that:

1. Mark Kazee is dismissed from this case proceeding.
2. Tim Smith shall be added to the case proceeding and served a copy of the opening Order with an opportunity to file a written statement within 10 days. A copy of the opening Order shall be served on Tim Smith, through counsel, at tina.frederick@skofirm.com.
3. The case heading shall be amended to clarify that Tim Webb is the general manager and not a commissioner, correct the spelling of Robert McGuire, remove Mark Kazee, and add Tim Smith.
4. Cannonsburg District and the named individuals shall respond to Commission Staff's request for information as provided in the Appendix.
5. Cannonsburg District and the named individuals shall respond to any additional requests for information propounded by Commission Staff, as provided in those requests.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00396 DATED JUN 02 2025

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO CANNONSBURG WATER DISTRICT

Cannonsburg Water District (Cannonsburg District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on June 20, 2025. The Commission directs Cannonsburg District to the Commission's July 22, 2021 Order in Case No. 2020-00085⁶ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. 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.

Cannonsburg District shall make timely amendment to any prior response if Cannonsburg District obtains information that indicates the response was incorrect or

⁶ 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).

incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Cannonsburg District fails or refuses to furnish all or part of the requested information, Cannonsburg District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Cannonsburg District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Confirm that the commissioner information for Cannonsburg District that is reported on the Public Service Commission's website and included in the 2023 and 2024 annual reports is accurate. If inaccurate, provide any corrections.

2. Provide the number of vehicle leases Cannonsburg District currently holds, and both the original term and remaining term in months, monthly and total cost, and description of each vehicle, including make, model, and year, for each lease.

3. Refer to Case No. 2024-00155, Cannonsburg District's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 5a Enterprise_Invoice.⁷ T

a. Explain the Lease Settlement of \$12,900.38 listed on page 2, lines 1 and 2.

b. State the purpose of the \$5.00 Maintenance Management Fee and explain why there are more maintenance fees than monthly leasing payments.

c. Explain why there was a partial monthly payment in addition to the monthly lease charge on page 4, line 20.

4. Provide a copy of the Enterprise Invoices for the past 12 months.

5. Refer to the Joint Responses,⁸ Attachment 2 Enterprise Fleet Management Agreement.

a. On page 1, paragraph 1, the master equity lease agreement refers to a schedule. Provide the schedule for each separate vehicle Cannonsburg District has entered into a leasing agreement.

b. State whether the leases provide a mileage cap. If so, provide how many miles can be placed on the vehicle, for each vehicle leased, for the duration of the lease.

⁷ Case No. 2024-00155, *Electronic Application of Cannonsburg Water District For A Rate Adjustment Pursuant to 807 KAR 5:076* (filed Aug. 15, 2024), Cannonsburg District's Response to Staff's Second Request, Item 5a.

⁸Responses of Cannonsburg District, Individually Named Commissioners Sam Hampton, Robert McGuire, Pam Vanhooose, and Martin Bays; and General Manager, Tim Webb (Joint Responses) (filed Apr. 25, 2025).

6. Refer to the Joint Responses, Tim Webb's response, page 7, paragraph 2. Explain the following: "because the program is set up so that every time a vehicle under the Agreement was sold, the price was applied to the rental cost of a new vehicle."

7. Refer to the Joint Responses, Pam Vanhooose's response, pages 9-10, paragraph 2.

a. Explain how the leasing agreement is "so different from a typical automotive financing arrangement."

b. Ms. Vanhooose stated that "[a]fter a certain amount of time Enterprise sold the vehicle and applied the sales price to the rental cost of the next vehicle Cannonsburg would use." Explain what would occur if Cannonsburg District chose not to continue the leasing agreement in that scenario.

8. Refer to the Joint Responses, Martin Bays's response, page 11, paragraph 3. Explain how the Fleet Management Program did not appear "to be the equivalent of a typical automotive financing arrangement."

*Bobby Hall
301 Main Street
Suite 1
Greenup, KY 41144

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

*Eric Chaney
2800 Louisa Street
Catlettsburg, KY 41129

*Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41102

*Tim Webb
Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41105

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