

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF	)	
CRITTENDEN-LIVINGSTON COUNTY WATER	)	CASE NO.
DISTRICT FOR ALLEGED FAILURE TO COMPLY	)	2026-00066
WITH KRS 278.160 AND COMMISSION ORDERS	)	

ORDER

On April 1, 2026, the Commission opened an investigation about the alleged failure of Crittenden-Livingston Water District (Crittenden-Livingston District), its commissioners, T.L. Maddux; Alan Hunt; Glenn Hughes; Tony Travis; Darrell Simpson; and Tim Capps; and its manager Addie Adamson; to comply with KRS 278.160 and any applicable Commission Order, including its November 4, 2025 Order in Case No. 2024-00278.¹

BACKGROUND

Crittenden-Livingston District is a water district organized pursuant to KRS Chapter 74 that provides water service to approximately 3,691 residential, 146 commercial, and 26 industrial customers in Crittenden and Livingston counties.² Crittenden-Livingston District also sells water at wholesale to the cities of Marion, Grand Rivers, Smithland, and Salem, as well as Lyon County Water District and Ledbetter Water District.³ In addition, according to contracts on file with the Commission, Crittenden-

¹ Case No. 2024-00278, *Electronic Application of Crittenden-Livingston County Water District for an Alternative Rate Filing Pursuant to 807 KAR 5:076*.

² Annual Report of Crittenden-Livingston County Water District to the Public Service Commission for the Year Ending December 31, 2024 (2024 Annual Report) at 49.

³ 2024 Annual Report at 55.

Livingston District also has contracts for the sale of water with Caldwell County Water District⁴ and Webster County Water District.⁵

On January 27, 2025,⁶ in Case No. 2024-00278,⁷ Crittenden-Livingston District filed its application with the Commission requesting an adjustment to its water service rates pursuant to 807 KAR 5:076. In that case, on November 4, 2025, the Commission ordered that the water service rates set forth in the Appendix to the Order were approved for service rendered by Crittenden-Livingston District on or after the date of the Order.⁸ The Commission also ordered that within 20 days of the date of service of the Order, Crittenden-Livingston District file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the approved rates and charges, the effective date thereof, and where they were authorized.⁹ Crittenden-Livingston District filed its updated tariff sheets, with an effective date of November 4, 2025.¹⁰

⁴ [2020-02-09_Water Purchase Contract.pdf](https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/CrittendenLivingston%20County%20Water%20District/xContracts/Caldwell%20County%20Water%20District/202002-09_Water%20Purchase%20Contract.pdf).
https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/CrittendenLivingston%20County%20Water%20District/xContracts/Caldwell%20County%20Water%20District/202002-09_Water%20Purchase%20Contract.pdf.

⁵ [2011-03-10_Interconnect Agreement.pdf](https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/CrittendenLivingston%20County%20Water%20District/xContracts/Webster%20County%20Water%20District/201103-10_Interconnect%20Agreement.pdf).
https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/CrittendenLivingston%20County%20Water%20District/xContracts/Webster%20County%20Water%20District/201103-10_Interconnect%20Agreement.pdf.

⁶ Crittenden-Livingston District tendered its application on November 12, 2024. By letter dated November 14, 2024, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on January 27, 2025.

⁷ Case No. 2024-00278, *Electronic Application of Crittenden-Livingston County Water District for an Alternative Rate Filing Pursuant to 807 KAR 5:076*.

⁸ Case No. 2024-00278, Nov. 4, 2025 Order at 39.

⁹ Case No. 2024-00278, Nov. 4, 2025 Order at 39.

¹⁰ P.S.C. Ky Crittenden-Livingston County Water District 3rd Revised Sheet No. 4 (issued Nov. 4, 2025), effective Nov. 4, 2025).

On February 26, 2026, Ledbetter Water District (Ledbetter District), tendered an application for a purchased water adjustment (PWA) in Case No. 2026-00045.¹¹ The application contained a letter from Crittenden-Livingston District stating that its new PWA rates would be effective as of March 27, 2026.¹² The application also contained a water purchase contract between Crittenden-Livingston District and Ledbetter District that appeared to have been “made and entered” into on March 26, 2021 (March 26, 2021 Contract).¹³ The four corners of the March 26, 2021 Contract indicates that “[T]he effectiveness of this contract is subject to the approval of the Public Service Commission of Kentucky”.¹⁴

The Commission found that an investigation was necessary to determine whether Crittenden-Livingston District willfully violated KRS 278.160 and its November 4, 2025 Order in Case No. 2024-00278, by not putting wholesale rates into effect on November 4, 2025, and not filing the water purchase contract with the Commission.¹⁵ The Commission also ordered that Crittenden-Livingston District, each of its commissioners, and the general manager, in their official and individual capacities as officers of Crittenden-Livingston District’s Board of Commissioners, should submit individual written responses to the allegations contained in the Order within 30 days of the date of service

¹¹ Case No. 2026-00045, *Electronic Application of Ledbetter Water District for a Purchased Water Adjustment and Deviation from 807 KAR 5:068, Section 3(3) (tendered Feb. 26, 2026)*, Application.

¹² Case No.2026-00045, Application, Exhibit E.

¹³ Case No.2026-00045, Application, Exhibit G.

¹⁴ Case No.2026-00045, Application, Exhibit G at 2.

¹⁵ April 1, 2026 Order at 4.

of the Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations.¹⁶

On April 20, 2026, counsel entered its appearance.¹⁷ On May 1, 2026, Crittenden-Livingston District, the general manager, and each member of the board of commissioners (Board) timely filed their responses (Response to April 1 Order) and requested approval of the water purchase contract.¹⁸ On May 13, 2026, the Commission established a procedural schedule.¹⁹ Crittenden-Livingston District responded to Commission Staff's First Request for Information (Staff's First Request).²⁰ On July 30, 2026, Crittenden-Livingston District filed a notice that it did not request a hearing; however, it did say that it would participate in one, should the Commission deem that necessary.²¹ This matter now stands submitted for decision.

LEGAL STANDARD

Under KRS 278.250, the Commission is authorized to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility service. Under KRS 278.280, if the Commission finds that any practice or act is unjust, unreasonable, unsafe, improper, inadequate, or insufficient, then the

¹⁶ April 1, 2026 Order at 4.

¹⁷ Crittenden-Livingston Entry of Appearance (filed April 20, 2026).

¹⁸ Affidavit of Abbie Adamson (filed May 1, 2026); Affidavit of Ronnie Slayden (filed May 1, 2026); Crittenden-Livingston District's Response to Show Cause Order and Motion for Acceptance of Water Purchase Contract (Crittenden-Livingston District's Response) (filed May 1, 2026); Signed Statement of Crittenden-Livingston Water District Board (Board Statement) (filed May 1, 2026).

¹⁹ May 13, 2026 Order.

²⁰ Crittenden-Livingston District's Response to Commission Staff's First Request for Information (Staff's First Request) (filed June 22, 2026).

²¹ Crittenden-Livingston District's Statement Regarding Hearing (filed July 30, 2026).

Commission has the authority to determine the just, reasonable, safe, proper, adequate, or sufficient practice or method to be observed. KRS 278.160 states as follows:

(1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.

(2) No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Upon a finding that Crittenden-Livingston District, its commissioners or manager violated any provision of KRS Chapter 278, Commission regulations, or a Commission Order, KRS 278.990 authorizes the Commission to assess civil penalties. The civil penalties shall not exceed \$2,500 for each offense and may be levied against a utility and against any officer, agent, or employee of a utility who willfully violates any provisions of KRS Chapter 278, Commission regulations, or Commission Orders.

KRS 278.160(2) states that “No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.”

DISCUSSION AND FINDINGS

Violation of KRS 278.160- Wholesale Rates

In response to the Commission's April 1, 2026 Order, Crittenden-Livingston District acknowledged that implementing the updated wholesale water service rate on March 27, 2026, did not comply with the Commission's Order.²² However, Crittenden-Livingston District Board stated that

The Board has never willfully or intentionally violated the Public Service Commission's November 4, 2025 Order implementing a new rate schedule for CLWD, and the Board did not willfully or intentionally fail to submit a copy of the March 26, 2021 Water Purchase Contract with Ledbetter Water District to the Commission.²³

Crittenden-Livingston District Board's asserted that it "decided to delay the implementation of the new wholesale water rates until March 27, 2026 to provide its wholesale customers with ample notice of the rate increase."²⁴ Similarly, the Affidavit of Abbie Adamson, Crittenden-Livingston District's Superintendent, acknowledged that the Board voted to delay the wholesale rates until March 27, 2026, to provide its wholesale customers, including Ledbetter District, ample notice of the rate increase; however, asserted that the Board's decision "was not intended to disregard or willfully fail to comply with the Commission's Order."²⁵

²² Response to April 1 Order at 3.

²³ Response to April 1 Order at 3.

²⁴ Response to April 1 Order, Statement of Crittenden-Livingston District Bd. Of Comm.

²⁵ Response to April 1 Order, Attachment 3, Affidavit of Abbie Adamson. See also Crittenden-Livingston District's Response to Staff's First Request, Item 1.

Crittenden-Livingston District stated that, as part of its commitment to compliance with the Commission's Order, Crittenden-Livingston District has now implemented all rates as prescribed by the Commission on November 4, 2025, including wholesale water service to its wholesale customers.²⁶

Having considered the record and being otherwise sufficiently advised, the Commission finds that Crittenden-Livingston District and its commissioners, T.L. Maddux; Alan Hunt; Glenn Hughes; Tony Travis; Darrell Simpson; and Tim Capps willfully violated KRS 278.160. The Commission has previously ruled that while a willful violation has been defined as an act that is committed intentionally, not accidentally or involuntarily, it has also been stated that a willful violation does not necessarily and solely entail an intention to do wrong and inflict injury but may include conduct which reflects an indifference to its natural consequences.²⁷ For civil and administrative proceedings, a willful violation has been explained as one which is intentional, knowing, voluntary, deliberate or obstinate, although it may be neither malevolent nor with the purpose to violate the law.²⁸

In this case, Crittenden-Livingston District's decision to delay the wholesale rates meant that it violated the filed rate doctrine, which is codified in KRS 278.160, as the wholesale rates located in its tariff, which was effective November 4, 2025, were not being charged by Crittenden-Livingston District after that date. The Commission has previously stated that the filed rate doctrine requires a utility to adhere strictly to its published rate

²⁶ Response to April 1 Order at 5.

²⁷ See *i.e.* Case No. 2023-00235, *Electronic Investigation into the Financial and Operating Capacity of Black Mountain Utility District as well as Possible Vacancies on the Board of Commissioners of Black Mountain Utility District* (Ky. PSC Aug. 20, 2024), Order at 10-11.

²⁸ Case No. 1999-00001, *Bluegrass Gas Sales, Inc., Alleged Violation of KRS 278.300* (Ky. PSC July 8, 1999) at 5, citing *Woods v. Carsey*, 200 P.2d 208 (Cal. App. 1948).

schedules and terms of service.²⁹ As noted above, the Board took full responsibility for the delay in implementing the new wholesale rate.

Violation of KRS 278.160- Water Purchase Contract

Crittenden-Livingston District acknowledged that it should have submitted the March 26, 2021 water purchase contract with Ledbetter District for Commission review.³⁰ Crittenden-Livingston District asserted that its ongoing disruptions in management explains why it failed to submit the Contract to the Commission for review.³¹ Crittenden-Livingston District stated that to prevent future such occurrences, Crittenden-Livingston District commits to providing a copy of the Contract along with all other water purchase agreements to the Commission for its review.³² Crittenden-Livingston District stated that as part of Abbie Adamson's responsibilities as superintendent, she will ensure that all water purchase contracts are submitted to the Commission in a timely manner pursuant to KRS 278.160.³³

The superintendent, Ms. Adamson, stated that the contract was executed on March 26, 2021, has a term of 13 years, and requires Ledbetter District to purchase from the Crittenden-Livingston District a minimum of 2.5 million gallons of water each month.³⁴ She said that, "in Spring 2024, [Crittenden-Livingston] District requested that Ledbetter

²⁹ Case No. 2018-00050, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for Approval of Master Power Purchase and Sale Agreement and Transactions Thereunder* (Ky. PSC Sept. 27, 2018), Order at 4.

³⁰ Response to April 1 Order at 4.

³¹ Response to April 1 Order at 4.

³² Response to April 1 Order at 5.

³³ Response to April 1 Order at 5.

³⁴ Response to April 1 Order, Attachment 3, Affidavit of Abbie Adamson at 1.

District reduce its purchases of water because [Crittenden-Livingston] District's water treatment facilities had reached their maximum capacity and the District was in danger of being unable to meet its customer demands."³⁵ Crittenden-Livingston District further suspended enforcement of the minimum purchase provision of the water purchase contract and billed Ledbetter District only for the volume of water purchased.³⁶ Ms. Adamson further stated that "beginning in January 2026, Crittenden-Livingston District began enforcing the minimum purchase provisions again".³⁷ A copy of the contract was submitted with the responses.³⁸

Having considered the record and being otherwise sufficiently advised, the Commission finds that Crittenden-Livingston District, its manager, and the Board willfully violated KRS 278.160 for failing to file the water purchase contract. The manager acknowledged that she was responsible for providing updated documentation to the Commission and advising the Board in a manner aimed at achieving full compliance with regulatory requirements. Crittenden-Livingston District was following the contract despite the rates not being filed with the Commission. The Commission further notes that Crittenden-Livingston District requested approval of the water purchase contracts in this case. The Commission finds that Crittenden-Livingston District should file any outstanding contracts, including its contract with Ledbetter District, through the tariff filing system. The Commission also notes that if the parties identify circumstances where

³⁵ Response to April 1 Order, Attachment 3, Affidavit of Abbie Adamson.

³⁶ Response to April 1 Order, Attachment 3, Affidavit of Abbie Adamson.

³⁷ Response to April 1 Order, Attachment 3, Affidavit of Abbie Adamson.

³⁸ Response to April 1 Order, Attachment 1.

deviation from the current contractual terms are appropriate, the parties should consider amending the terms of said contract to account for those situations, then submit said amendments to the Commission for approval.

Penalties

The Board committed to participating in water commissioner training as offered by the Public Service Commission for additional training in managing a water district.³⁹ The Board also committed to engaging legal counsel as necessary to ensure regulatory and statutory compliance for its operations.⁴⁰ The Commission appreciates Crittenden-Livingston District's willingness to take corrective action.

Having considered the record and being otherwise sufficiently advised, the Commission finds that each individual commissioner and the general manager be fined in the amount of \$100 for their willful violations of KRS 278.160 pursuant to KRS 278.990. The Commission further finds that the fine should be waived after a period of two years from the date of issuance of this Order and upon satisfaction of the following conditions: (1) Crittenden-Livingston District's Board follow through on their commitment to attend training within 365 days of this Order, regardless if training has been attended in this calendar year; (2) Crittenden-Livingston District's manager also attend water training within 365 days of the Order, regardless if training has been attended in this calendar year; (3) Crittenden-Livingston District file policies and procedures on review of Commission Orders and submission of water purchase agreements in post-case correspondence within 90 days of the Order; and (4) within 20 days of the Order,

³⁹ Crittenden-Livingston District's Response at 6.

⁴⁰ Crittenden-Livingston District's Response at 5-6.

Crittenden-Livingston District file the March 26, 2021 updated purchased water contract through the tariff filing for Commission review.

IT IS THEREFORE ORDERED that:

1. T.L. Maddux; Alan Hunt; Glenn Hughes; Tony Travis; Darrell Simpson; and Tim Capps; and its manager Addie Adamson are each assessed a civil penalty of \$100 to be paid within two years of the service of this Order for their willful violations of KRS 278.160.

2. Payment pursuant to ordering paragraph 1 shall be made by cashier's check or money order payable to the Kentucky State Treasurer and mailed or delivered to the Office of the General Counsel, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601.

3. The Commission shall waive the civil penalty of \$100 for each individual, T.L. Maddux; Alan Hunt; Glenn Hughes; Tony Travis; Darrell Simpson; and Tim Capps; and its manager Addie Adamson who attends a total of 12 hours of Commission-approved training within 365 days of this Order. The commissioners and manager shall provide written notice of their presence at the training within 30 days of attendance; and follow all other requirements contained in this Order.

4. Crittenden-Livingston District shall file policies and procedures on review of Commission Orders and submission of water purchase agreements in post-case correspondence within 90 days of the Order.

5. Within 20 days of this Order, Crittenden-Livingston District shall file the March 26, 2021 updated purchased water contract and any other outstanding contracts through the tariff filing for Commission review.

6. This case is closed and removed from the docket.

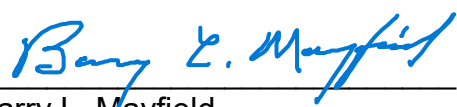
Entered on this 18th day of August, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Service List for Case 2026-00066

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