

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF WEBSTER	)	
COUNTY WATER DISTRICT FOR ALLEGED	)	CASE NO.
FAILURE TO COMPLY WITH KRS 278.160 AND	)	2026-00088
COMMISSION ORDERS	)	

ORDER

The Commission established this investigation of Webster County Water District (Webster District); its commissioners, Chris Cates, Billy Joe Parker, Tommy Robertson, Larry Villines; and its superintendent Trevor Baldwin, for alleged failure to comply with KRS 278.160 and the Commission’s December 23, 2025 Order in Case No. 2024-00199.¹ On May 14, 2026, Webster District filed a response to the Commission’s April 16, 2026 Order.² On June 11, 2026, Webster District filed a resolution of the Board of Commissioners of North Hopkins Water District (North Hopkins District).³ This matter is now before the Commission for a decision on the merits.

BACKGROUND

Among other things, the December 23, 2025 Order in Case No 2024-00199 ordered that the water service rates set forth in Appendix B of the Order were approved for service rendered by Webster District and required Webster District to file revised tariff

¹ Case No. 2024-00199, *Electronic Application of Webster County Water District for An Alternative Rate Filing Pursuant to 807 KAR 5:076* (Ky. PSC Dec. 23, 2025).

² Webster District’s Response (Response) (filed May 14, 2026).

³ Webster District’s Notice of Filing a Resolution of the Board of Commissioners of North Hopkins District (Notice of Filing) (filed June 11, 2026).

sheets reflecting the rates set forth in the Appendix to the Order within 20 days of service of the Order.⁴ On January 15, 2026, the Commission entered a *nunc pro tunc* order amending the December 23, 2025 Order to state that the rates set forth in Appendix B to the Order were approved for service rendered by Webster District on or after the date of the December 23, 2025 Order.⁵ Webster District filed its updated tariff sheets, with an effective date of December 23, 2025.⁶

As a result of Webster District's wholesale water rate increase approved in Case No. 2024-00199,⁷ North Hopkins District tendered its application for a purchased water adjustment (PWA) on February 23, 2026.⁸ The application filed by North Hopkins District contained a letter from Webster District that stated the new rates would be reflected in the enclosed water bill.⁹ The application also contained a water purchase contract dated February 17, 2026, between Webster District and North Hopkins District that was signed by North Hopkins District.¹⁰ However, the contract was not signed by Webster District

⁴ Case No. 2024-00199, Dec. 23, 2025 Order at 32.

⁵ Order (Ky. PSC Jan. 15, 2026).

⁶ TFS2026-00017 (Ky. PSC Jan. 12, 2026); the tariff was accepted for filing by the Commission by letter dated Feb. 12, 2026.

⁷ Case No. 2024-00199, Dec. 23, 2025 Order.

⁸ Case No. 2026-00046, *Electronic Purchased Water Adjustment Filing of North Hopkins Water District* (filed Mar. 9, 2026), Application tendered on Feb. 23, 2026. By letter dated Mar. 3, 2026, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application was deemed filed on Mar. 9, 2026.

⁹ Case No. 2024-00046, Mar. 9, 2026 Application at 4.

¹⁰ Case No. 2024-00046, Mar. 9, 2026 Application at 5-7.

and contained language that required Commission approval.¹¹ The signed contract was tendered by Webster District for approval by the Commission on April 2, 2026.¹²

The Commission initiated this investigation to determine whether Webster District has willfully violated KRS 278.160 and its December 23, 2025 Order by not putting wholesale rates into effect on December 23, 2025 and not filing the water purchase contract with the Commission until April 2, 2026.¹³ In a letter dated May 4, 2026, Webster District provided notice of its intent to withdraw the contract that it submitted for review on April 2, 2026.¹⁴ Webster District stated that the recent change in the wholesale rate paid by North Hopkins District does not necessitate the execution of a new contract because the Water Purchase Contract that Webster District and North Hopkins District entered into on March 8, 2018, has a 45-year term.¹⁵

On May 14, 2026, Webster District filed an answer to the allegations in the April 16, 2026 Order and provided written testimony and copies of the bills mailed to North Hopkins District charging the approved rate starting in January 2026.¹⁶ Webster District explained that it tendered the 2026 Water Services Contract to North Hopkins District in anticipation of North Hopkins District's February 17, 2026, Board of Commissioners meeting and the

¹¹ Order (Ky. PSC Apr. 16, 2026) at 4.

¹² Order (Ky. PSC Apr. 16, 2026) at 4.

¹³ Apr. 16, 2026 Order at 4.

¹⁴ [WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf](https://psc.ky.gov/trf4/uploadedFiles/31800_Webster_County_Water_District/05042026034906/WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf).
https://psc.ky.gov/trf4/uploadedFiles/31800_Webster_County_Water_District/05042026034906/WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf.

¹⁵ [WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf](https://psc.ky.gov/trf4/uploadedFiles/31800_Webster_County_Water_District/05042026034906/WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf).
https://psc.ky.gov/trf4/uploadedFiles/31800_Webster_County_Water_District/05042026034906/WebsterCWD_NorthHopkinsWD_2026-Contract_Letter-of-Withdrawal.pdf.

¹⁶ Webster District's Response (filed May 14, 2026).

contract was executed and filed with the Commission.¹⁷ However, Webster District explained that after discussing the matter with its attorney, the contract filed with the Commission was withdrawn because the 2018 Water Purchase Contract is for a 45-year term and allows the rates to the purchaser to be modified and that the contract is subject to rules, regulations, and laws enforced by regulatory agencies, such as the Commission, without the execution of a new contract.¹⁸ Webster District provided its Board of Commissioner's meeting minutes from May 14, 2026, formally rescinding the 2026 Water Services Contract.¹⁹ Additionally, on June 11, 2026, Webster District filed a Notice of Filing a Resolution of the Board of Commissioners of North Hopkins Water District and the Board of Commissioners of North Hopkins District rescinded the 2026 Contract and reaffirmed the 2018 Contract with Webster County Water District and acknowledged that its actions as Purchaser shall be governed by the 2018 Contract.²⁰

DISCUSSION

Having considered the facts and circumstances of record, the Commission finds this matter should be closed. Webster District provided confirmation that it has implemented the rates approved on December 23, 2025. Also, the contract at issue has been withdrawn and the 2018 Water Purchase Contract remains in effect. Since the water service from Webster District to North Hopkins District has continued in accordance with the tariffs and contracts on file with the Commission and the 2018 Purchase Water

¹⁷ Webster District's Response at 3.

¹⁸ Webster District's Response at 3-4.

¹⁹ Webster District's Response at 3 and Attachment 3.

²⁰ Notice of Filing at 5.

Contract remains in effect, the investigation into Webster District's delay in placing the rates approved by the Commission on December 23, 2025 is no longer necessary. The Commission, on its own motion, closes this case and removes it from the Commission's docket.

IT IS THEREFORE ORDERED that this case is closed and removed from the Commission's docket.

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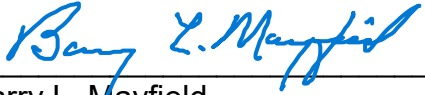
Entered on this 24th day of August, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
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ATTEST:



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Case No. 2026-00088

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