

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF	)	
CAMPBELLSVILLE MUNICIPAL WATER AND	)	CASE NO.
SEWER SYSTEM REVISING ITS WHOLESALE	)	2026-00194
WATER SERVICE RATES	)	

ORDER

On June 18, 2026, Campbellsville Municipal Water and Sewer System (Campbellsville Water) filed to revise its wholesale water rates to Columbia/Adair Utilities District (Columbia/Adair District), East Casey County Water District (East Casey District), Green-Taylor Water District (Green-Taylor District), Larue County Water District #1 (Larue District #1), and Marion County Water District (Marion District) (collectively, the Districts), with an effective date of August 1, 2026. Campbellsville Water's current monthly wholesale water rate to the Districts, excluding Green-Taylor District, is \$3.59 per 1,000 gallons. Campbellsville Water's proposal increases the wholesale rate to four of the five districts, Columbia/Adair District, East Casey District, Larue District #1, and Marion District, by \$1.00 per 1,000 gallons, or 27.9 percent, to \$4.59 per 1,000 gallons. Campbellsville Water's current monthly wholesale water rate to Green-Taylor District is \$3.36 per 1,000 gallons. Campbellsville Water's proposal increases the wholesale water rate to Green-Taylor District by \$1.00 per 1,000 gallons, or 29.8 percent, to \$4.36 per 1,000 gallons.

On July 6, 2026, Marion District submitted a letter requesting the Commission to "initiate a formal proceeding to investigate the reasonableness of the proposed rate,

establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.” On July 8, 2026, Columbia/Adair District submitted a letter requesting the Commission to “initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.” On July 9, 2026, Green-Taylor District submitted a letter requesting the Commission to “initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.” On July 14, 2026, Larue District #1 submitted a letter requesting the Commission to “initiate a formal proceeding to investigate the reasonableness of the proposed rate.” A copy of each of these letters is attached to this Order as Appendix B.

LEGAL STANDARD

The Commission has exclusive jurisdiction over the rates and service of utilities and is charged with enforcing the provisions of KRS Chapter 278.¹ A city-owned utility is generally exempt from the Commission’s exclusive jurisdiction over utility rates and services.² 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 of service standard of 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

¹ See KRS 278.040.

² See KRS 278.030(3) (excluding city utilities from the definition of utilities subject to Commission jurisdiction).

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.³

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.⁴

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.”⁵ 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, 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 . . .”.⁶

³ KRS 278.200.

⁴ *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460, 463 (Ky. 1994); see also *City of Russellville v. Public Service Com’n of Kentucky*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky. App. Feb. 18, 2005) (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).

⁵ KRS 278.190(1).

⁶ KRS 278.190(2).

DISCUSSION

Having considered the proposed rate adjustments and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed rate adjustments to the Districts and that such investigation cannot be completed by August 1, 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 December 31, 2026.

The Commission directs Campbellsville Water to the Commission's July 22, 2021 Order in Case No. 2020-00085⁷ in which the Commission mandated the use of 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. The procedural schedule is attached as Appendix A to this Order.

Furthermore, the Commission requests that the Executive Director serve Columbia/Adair District, East Casey District, Green-Taylor District, Larue District #1, and Marion District with a copy of this Order. The Commission notes that the letters filed in response to Campbellsville Water's tariff filings were not signed by an attorney and cannot be viewed as motions or requests for intervention in this case. Should any of the Districts

⁷ 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).

choose to participate as an intervenor in this proceeding, the intervenor must comply with 807 KAR 5:001, Section 4(4), as well as all other administrative regulations as outlined below in the ordering paragraphs related to intervention.⁸

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 wholesale water rate increases.
2. Campbellsville Water's proposed tariffs are suspended for five months from August 1, 2026, up to and including December 31, 2026.
3. Campbellsville Water shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of

⁸ 807 KAR 5:001 Section 4(4) "A person shall not file a paper on behalf of another person, or otherwise represent another person, unless the person is an attorney licensed to practice law in Kentucky or an attorney who has complied with SCR 3.030(2). An attorney who is not licensed to practice law in Kentucky shall present evidence of his or her compliance with SCR 3.030(2) if appearing before the commission."

appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.

4. 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.

5. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Campbellsville Water 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.

6. 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.

7. 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).

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

9. Campbellsville Water shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

10. As set forth in 807 KAR 5:001, Section 4(11)(a), 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 the person requesting permissive 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.

11. 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.

12. Campbellsville Water shall give notice of the 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, Campbellsville Water shall forward a duplicate of the notice and request to the Commission.

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

14. 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.

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

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

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

18. 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.

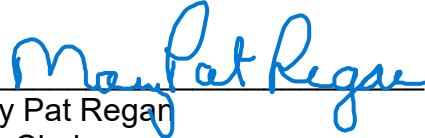
19. The Executive Director shall serve a copy of this Order upon Columbia/Adair District, East Casey District, Green-Taylor District, Larue District #1, and Marion District.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Entered on this 31th day of July, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00194 DATED JUL 31 2026

Requests for intervention shall be filed no later than 08/07/2026

Initial requests for information to Campbellsville Water
shall be filed no later than 08/14/2026

Campbellsville Water shall file responses to
initial requests for information no later than 08/28/2026

All supplemental requests for information to Campbellsville Water
shall be filed no later than 09/14/2026

Campbellsville Water shall file responses to supplemental requests
for information no later than 09/28/2026

Intervenor testimony, if any, in verified prepared
form shall be filed no later than 10/05/2026

All requests for information to Intervenors shall
be filed no later than 10/19/2026

Intervenors shall file responses to requests for
information no later than 11/02/2026

Campbellsville Water shall file, in verified form, its rebuttal
testimony no later than 11/09/2026

Campbellsville Water or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than 11/13/2026

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00194 DATED JUL 31 2026

FOUR PAGES TO FOLLOW

Columbia/Adair Utilities District

221 Dohoney Trace - P.O. Box 567

Columbia, KY 42728

Phone (270) 384-2181 - Fax (270) 385-0056

E-Mail utility@caud.net

Website www.caud.net

July 6, 2026

Mr. Daniel Hinton
Public Service Commission
P.O. Box 615
Frankfort, Ky 40602-0615

**RE: Campbellsville Water and Sewer Proposed Wholesale Rate Increase
Protest**

Dear Mr. Hinton:

On June 12th, 2026, Campbellsville Water and Sewer notified the Columbia Adair Utilities District (CAUD) of its intentions to raise its wholesale rates as follows:

Volume charge, per 1,000 gallons	Increase from \$3.59 to \$4.59
----------------------------------	--------------------------------

According to this notice, Campbellsville proposed adjustment is to become effective on August 1st, 2026.

Based upon the limited information contained in Campbellsville's notice, CAUD is unable to ascertain whether the proposed adjustment reflects Campbellsville's actual cost of providing service to CAUD. In short, Campbellsville has failed to provide sufficient evidence to demonstrate the reasonableness of the proposed water service rate increase. It appears that the \$1.00 per thousand-gallon increase is arbitrary just from the standpoint of the increase being exactly \$1.00 per thousand gallons.

CAUD respectfully requests that the Commission initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.

With kindest regards,



Bradley Miller
Manager

**GREEN-TAYLOR COUNTY WATER DISTRICT
250 INDUSTRIAL PARK ROAD
P O BOX 218
GREENSBURG, KY 42743**

•
Telephone: 270-932-4947
Fax: 270-932-7036

July 9, 2026

Mr. Daniel Hinton
Public Service Commission
P.O. Box 615
Frankfort, Ky 40602-0615

**RE: Campbellsville Water and Sewer Proposed Wholesale Rate Increase
Protest**

Dear Mr. Hinton:

On June 12th, 2026, Campbellsville Water and Sewer notified the Green-Taylor County Water District (GTWD) of its intentions to raise its wholesale rates as follows:

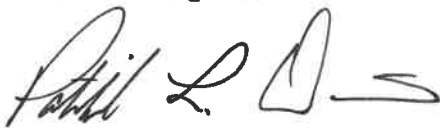
Volume charge, per 1,000 gallons	Increase from \$3.59 to \$4.59
----------------------------------	--------------------------------

According to this notice, Campbellsville proposed adjustment is to become effective on August 1st, 2026.

Based upon the limited information contained in Campbellsville's notice, GTWD is unable to ascertain whether the proposed adjustment reflects Campbellsville's actual cost of providing service to GTWD. In short, Campbellsville has failed to provide sufficient evidence to demonstrate the reasonableness of the proposed water service rate increase. It appears that the \$1.00 per thousand-gallon increase is arbitrary just from the standpoint of the increase being exactly \$1.00 per thousand gallons.

GTWD respectfully requests that the Commission initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.

With kindest regards,



Patrick L. Davis
Manager



July 14, 2026

Mr. Daniel Hinton
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Campbellsville Water Proposed Wholesale Rate Increase

Dear Mr. Hinton,

On June 12th, 2026, Campbellsville Water notified LaRue County Water District #1 of its intentions to raise its wholesale rates as follows:

Volume charge, per 1,000 gallons	Increase from \$3.59 to \$4.59
----------------------------------	--------------------------------

According to this notice, Campbellsville proposed adjustment is to become effective on August 1st, 2026.

Campbellsville did not provide documentation to its wholesale customers regarding its proposed rate increase. Since Campbellsville did not provide information LaRue County Water District is unable to determine if the proposed rates reflect the cost to serve LaRue County Water District. At this time, there is no way to determine if the \$1.00/1,000 gallon increase is arbitrary or reflects Campbellsville's costs.

LaRue County Water District respectfully requests the Commission initiate a formal proceeding to investigate the reasonableness of the proposed rate.

With kindest regards,

Tim Bartley
General Manager

Board of Directors
Chairman: John M Detre
Secretary/Treasurer: Pat Eastridge
Commissioner: Bobby Garrison

Manager
Tim Bartley

"Equal Opportunity Provider"

**MARION COUNTY WATER DISTRICT
1835 CAMPBELLSVILLE ROAD
P O BOX 528
LEBANON, KY 40033**

•
Telephone: 270-692-2004
Fax: 270-692-1010
TTY 1-800-648-6956 or 711

July 6, 2026

Mr. Daniel Hinton
Public Service Commission
P.O. Box 615
Frankfort, Ky 40602-0615

**RE: Campbellsville Water and Sewer Proposed Wholesale Rate Increase
Protest**

Dear Mr. Hinton:

On June 12th, 2026, Campbellsville Water and Sewer notified the Marion County Water District (MCWD) of its intentions to raise its wholesale rates as follows:

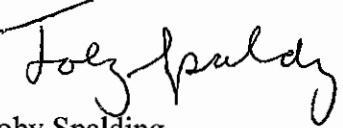
Volume charge, per 1,000 gallons	Increase from \$3.59 to \$4.59
----------------------------------	--------------------------------

According to this notice, Campbellsville proposed adjustment is to become effective on August 1st, 2026.

Based upon the limited information contained in Campbellsville's notice, MCWD is unable to ascertain whether the proposed adjustment reflects Campbellsville's actual cost of providing service to MCWD. In short, Campbellsville has failed to provide sufficient evidence to demonstrate the reasonableness of the proposed water service rate increase. It appears that the \$1.00 per thousand-gallon increase is arbitrary just from the standpoint of the increase being exactly \$1.00 per thousand gallons.

MCWD respectfully requests that the Commission initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery and issue all orders necessary to ensure that the proposed rate is not placed into effect before the required hearing.

With kindest regards,



Toby Spalding
Manager

Service List for Case 2026-00194

* Millie Ramsey
Campbellsville Municipal Water and Sewer System
110 S. Columbia Avenue
Suite A
Campbellsville, KY 42719

* Campbellsville Municipal Water and Sewer System
110 S. Columbia Avenue
Suite A
Campbellsville, KY 42719