

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEGED FAILURE OF MILBURN)	CASE NO.
WATER DISTRICT TO COMPLY WITH)	2026-00007
COMMISSION ORDERS)	

ORDER

The Commission, on its own motion, initiates this proceeding, pursuant to KRS 278.260, to conduct a formal investigation into Milburn County Water District (Milburn District), its individual commissioners, Ben Bevins and Ernie Scarrett, and its manager, Eric Young for failure to file either an application for a general rate adjustment, alternative rate adjustment pursuant to 807 KAR 5:076, or file a detailed explanation of why neither rate adjustment is necessary on or before September 1, 2025, as required in Case No. 2021-00341.¹

LEGAL STANDARD

Milburn District is a utility organized pursuant to KRS Chapter 74. Under KRS 278.250 and KRS 278.260, 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 Commission has the authority to determine the just, reasonable, safe, proper,

¹ Case No. 2021-00341, *An Electronic Investigation Into Milburn Water District to Determine the Feasibility of Merger With A Proximate Utility Pursuant to KRS 74.361 or Abandonment Pursuant to KRS 278.020(6), KRS 278.021* (Ky. PSC Mar. 6, 2025), Order at 5, ordering paragraph 3.

adequate, or sufficient practice or method to be observed. Upon a finding Milburn 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 not to exceed \$2,500 for each offense 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 Orders.

DISCUSSION

In Case No. 2021-00341, Milburn District was ordered to file either an application for a general rate adjustment, alternative rate adjustment pursuant to 807 KAR 5:076, or file a detailed explanation of why neither rate adjustment is necessary on or before September 1, 2025.² To date, Milburn District has not filed an application in compliance with the Commission's March 6, 2025 Order nor has the district filed a pleading to be relieved from this Order. The Commission finds that an investigation is necessary to determine whether Milburn District has willfully violated this Order. To ensure a complete review of the issues raised in this investigation, the Commission finds it should incorporate, by reference, the record of Case No. 2021-00341.

The Commission finds that this Order should be served upon Graves County Water District, a party to Case No. 2021-00341, and the Judge Executive of Carlisle County, Kentucky.

² Case No. 2021-00314, Mar. 6, 2025 Order at 5, ordering paragraph 3.

IT IS THEREFORE ORDERED that:

1. This case is opened to investigate the alleged failure of Milburn District to comply with the Commission order referenced herein and for any other violations discovered in this investigation.
2. Any party filling documents with the Commission shall serve a copy of those documents pursuant to KAR 5:001, Section 8, related to the service and electronic filing of papers shall be followed in this proceeding.
3. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2022-00085³ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.
4. Milburn District, each of its commissioners, and the general manager, in their official and individual capacities as officers of Milburn District's Board of Commissioners, shall submit individual written responses to the allegations contained in this Order within 30 days of the date of service of this Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations.
5. Counsel for the parties shall enter an appearance or appearances within 20 days of the date of entry of this Order.
6. 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,

³ 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).

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.

7. Case No. 2021-00314 shall be incorporated into this proceeding by reference.

8. The County Judge Executive in Carlisle County, Kentucky and Graves County Water District shall be served with a copy of this Order.

9. The following parties: Eric Young, Ben Bevins, and Ernie Scarrett shall be served via certified USPS mail: 7731 State Route 80 East Arlington, Kentucky 42021.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

ATTEST:

Linda Bridwell *LP*

Executive Director

ENTERED
JAN 20 2026
AB
KENTUCKY PUBLIC SERVICE COMMISSION

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