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Mark David Goss
Chairman

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May 24, 2007

PARTIES OF RECORD

Re: Case No. 2007-00144

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact James R. Goff at 502/564-3940, Extension 261.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".


Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File

FROM: J. R. Goff 
Staff Attorney

DATE: May 24, 2007

RE: Case No. 2007-00144
An Investigation of Cliffview Development LLC,
J. Hunt Perkins, and the city of Campton, Kentucky
Informal Conference

On May 23, 2007, an informal conference was held with Commission Staff and the parties in this matter. Those in attendance are shown on the attached sign-in sheet.

After discussing the procedure of the informal conference, the parties and Commission Staff entered into a discussion of the series of events concerning the putative transfer of the Cliffview Water Utility system ("Cliffview") to the city of Campton. Campton had been selling water to Cliffview through a master meter. Campton apparently took over the Cliffview system, which consisted of water distribution mains, on or about January 4, 2005. A copy of that agreement was produced at the conference and will be placed in the case file.

Prior to January 2005, Cliffview experienced financial difficulties and was subject to a foreclosure proceeding by Whitaker Bank, NA, in Lee Circuit Court. Whitaker Bank purported to purchase Cliffview at the Commissioner's sale and then to transfer the water system to Campton. A copy of the Commissioner's deed is also placed in the case file.

The parties agree that there was no intent to circumvent the statute. Since the documents all refer to approval by the Commission, it appears that each relied upon the other to file the required document.

Commission Staff, J. Hunt Perkins, and Campton entered into a discussion of a settlement of the matter and agreed that J. Hunt Perkins and Campton would be assessed a civil penalty of \$250.00 each in full settlement of the case.

J. Hunt Perkins and Campton tentatively agreed to the above. Commission Staff is to prepare a settlement agreement for approval and signature and will cancel the hearing set for May 30, 2007.

