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August 9, 2007

Public Service Commission
Attn: James R. Goff
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
AUG 13 2007
PUBLIC SERVICE
COMMISSION

In Re: Cliffview Development, LLC;
Case No. 2007-00144

Dear Mr. Goff,

Please find enclosed the original agreement signed by Mayor Campbell relative to the Cliffview proeprty. The Order says the \$250.00 will be paid within 20 days of the Commission accepting the Order. Please make either myself or the City Clerk aware of when the check needs to be sent and we will see that it accomplished. If you have any questions, or if I can be of any additional assistance, please feel free to contact my office.

Sincerely,



B. Scott Graham
City Attorney
City of Campton

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF CLIFFVIEW)
DEVELOPMENT, LLC, J. HUNT PERKINS, AND) CASE NO.
THE CITY OF CAMPTON FOR ALLEGED) 2007-00144
VIOLATIONS OF KRS 278.020(5) AND (6))

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of July, 2007, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and CLIFFVIEW DEVELOPMENT, LLC ("Cliffview"), J. HUNT PERKINS, and the city of CAMPTON, KENTUCKY.

WITNESSETH:

WHEREAS, Cliffview Development, LLC operated a water utility as a part of a resort development in Lee and Wolfe counties, Kentucky, and as such was subject to Commission jurisdiction pursuant to KRS 278.040; and

WHEREAS, Cliffview has filed in the record documents indicating Cliffview was placed in receivership by order of the Lee Circuit Court on August 8, 2003; that the entire Cliffview resort property, including the utility, was consequently transferred by the Special Commissioner of the Lee Circuit Court to Whittaker Bank, N.A.; and

WHEREAS, the utility was transferred to the city of Campton, Kentucky by an agreement dated January 4, 2005; and

WHEREAS, J. Hunt Perkins was listed as the registered agent/manager of Cliffview; and

WHEREAS, Cliffview was administratively dissolved by the Kentucky Secretary of State on November 2, 2006, pursuant to statute; and

WHEREAS, on March 27, 2007, an Order was issued in the above-captioned case to Cliffview Development, LLC and J. Hunt Perkins, individually and as a manager of Cliffview Development, LLC, and the city of Campton, Kentucky, requiring each of them to show cause why each should not be assessed penalties pursuant to KRS 278.990(1) for violation of KRS 278.020(5) and (6); and

WHEREAS, an informal conference was held on May 23, 2007, between the parties and Commission Staff for the purpose of discussing the issues and negotiating an agreement to settle the issues raised in the proceeding herein;

NOW, THEREFORE, in consideration of the premises, promises, covenants, and representations set forth herein, J. Hunt Perkins, individually and as a former manager of Cliffview Development, LLC; the city of Campton, Kentucky; and Commission Staff agree that:

1. All parties each waive a formal hearing of all matters in this case.
2. J. Hunt Perkins, individually and as a former manager of Cliffview Development, LLC, and the city of Campton acknowledge that there has been a violation of KRS 278. 020 (5) & (6) by the parties.
3. J. Hunt Perkins, individually and as a former manager of Cliffview Development, LLC, and the city of Campton agree to be assessed, each, a civil penalty of \$250.00 for the violations as listed in this agreement. Said amount shall be paid by a

cashier's check payable to "Kentucky State Treasurer" and delivered to the Office of the General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602 within 20 days from the date of an Order of the Commission approving this Settlement.

4. This agreement is subject to the acceptance of and approval by the Public Service Commission.

5. If the Public Service Commission fails to accept and approve this agreement in its entirety, this proceeding shall go forward, and neither the terms of this agreement nor any matters raised during settlement negotiations shall be binding on or be construed against J. Hunt Perkins, individually and as a former manager of Cliffview Development, LLC, the city of Campton, or Commission Staff.

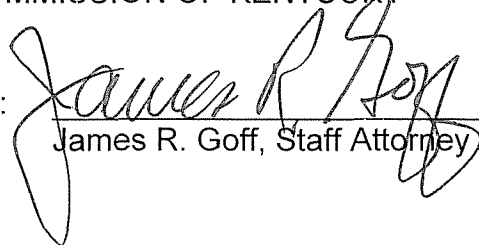
6. Any officer of Cliffview signing this agreement certifies he has knowledge of the matters herein and is duly designated by the utility to enter into this agreement.

7. Commission Staff shall recommend to the Public Service Commission that this agreement be accepted and approved.

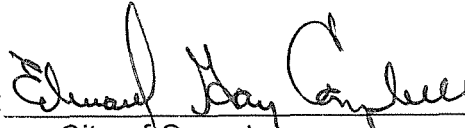
IN WITNESS WHEREOF, J. Hunt Perkins, individually and as a former manager of Cliffview Development, LLC, the city of Campton, and Commission Staff have executed this agreement.

STAFF OF THE PUBLIC SERVICE
COMMISSION OF KENTUCKY

BY:


James R. Goff, Staff Attorney

THE CITY OF CAMPTON

BY: 

Mayor, City of Campton

J. Hunt Perkins