

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On July 31, 2002, Cliffview Development, LLC ("Cliffview") filed an application for the establishment of initial water rates. On November 18, 2002, the Commission issued an Order approving the rates proposed by Cliffview. Cliffview filed its rate schedule as required, with an effective date of November 18, 2002. Cliffview is a water utility subject to the jurisdiction of the Commission pursuant to KRS 278.040.

Documents filed with the Secretary of State of Kentucky, attached hereto as Appendices A and B, indicate that Cliffview is to be managed by a manager and that manager is listed as J. Hunt Perkins with the registered agent being J. Hunt Perkins. It is also noted that Cliffview has been administratively dissolved as of November 2, 2006.<sup>1</sup>

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<sup>1</sup>See Online Business Database, Kentucky Secretary of State, [http://apps.sos.ky.gov/business/obdb/\(lcalhz55etgt0uq0iempeqmy\)/showentity.aspxid=0524885&ct=06&cs=99999](http://apps.sos.ky.gov/business/obdb/(lcalhz55etgt0uq0iempeqmy)/showentity.aspxid=0524885&ct=06&cs=99999).

In response to Commission correspondence, the Commission was informed that Cliffview Development, LLC no longer owns the utility and that the utility was transferred to the city of Campton Waterworks.<sup>2</sup>

KRS 278.020(5)<sup>3</sup> states, inter alia, that:

No person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission. . .without prior approval by the commission. [Emphasis added.]

KRS 278.020(6)<sup>4</sup> states, inter alia, that:

No individual. . .or other entity. . .shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state; without having first obtained the approval of the commission. Any acquisition of control without prior authorization shall be void and of no effect. [Emphasis added.]

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. A prima facie showing has been made that Cliffview has violated KRS 278.020(5) and (6) by its failure to obtain prior Commission approval before transferring the utility.

2. A prima facie showing has been made that J. Hunt Perkins has violated KRS 278.020(5) and (6) by his failure to obtain prior Commission approval before transferring the utility.

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<sup>2</sup> See Appendix C.

<sup>3</sup> At the time of the alleged transfer, KRS 278.020(5) was codified as KRS 278.020(4).

<sup>4</sup> At the time of the alleged transfer, KRS 278.020(6) was codified as KRS 278.020(5).

3. A prima facie showing has been made that J. Hunt Perkins has aided and abetted Cliffview in its violation of KRS 278.020(5) and (6) by his failure to obtain prior Commission approval before transferring the utility.

4. A prima facie showing has been made that the city of Campton, Kentucky has violated KRS 278.020(5) and (6) by its failure to obtain prior Commission approval before acquiring control of the utility.

The Commission, on its own motion, HEREBY ORDERS that:

1. Cliffview, J. Hunt Perkins, and the city of Campton shall appear before the Commission on May 30, 2007, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purposes of presenting evidence concerning the alleged transfer of the utility known as Cliffview and of showing cause why Cliffview and J. Hunt Perkins, jointly and severally, and the city of Campton should not be subject to the penalties prescribed in KRS 278.990(1).

2. Within 20 days of the date of this Order, Cliffview, J. Hunt Perkins, and the city of Campton shall submit to the Commission a written response to the allegations contained in this Order.

3. Corporate entities are advised that under Kentucky law a corporation, its employees, and any representatives who are not licensed to practice law in Kentucky are not permitted to make objections, examine, or cross-examine witnesses in administrative hearings.<sup>5</sup>

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<sup>5</sup> Turner v. Kentucky Bar Ass'n., 980 S.W.2d 560 (Ky. 1998) and Practice Before the Commission by Attorneys Non-Licensed in the Commonwealth of Kentucky, Admin. Case No. 249, Order dated June 15, 1981.

4. Any motion for continuance of a hearing set by the Commission shall be made only for good cause and sufficiently in advance of the hearing date to allow time for the Commission to rule upon the motion.

5. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

6. Pursuant to KRS 278.360, the record of the formal hearing shall be kept by videotape. A stenographic transcript shall not be made unless either party requests a stenographic transcript by motion filed on or before May 14, 2007.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of April, 2007.

By the Commission

ATTEST.



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00144 DATED April 27, 2007.

**Organization Number** 0524885  
**Name** CLIFFVIEW DEVELOPMENT, LLC  
**Company Type** KLC - Kentucky Limited Liability Company  
**Status** I - Inactive  
**Standing** B - Bad  
**State** KY  
**File Date** 11/1/2001  
**Organization Date** 11/1/2001  
**Last Annual Report** 5/4/2005  
**Principal Office** 3319 TATES CREEK RD  
 LEXINGTON, KY 40502  
**Managed By** Managers  
**Registered Agent** J HUNT PERKINS  
 3319 TATES CREEK RD  
 LEXINGTON, KY 40502

**Current Officers**

**Manager** J Hunt Perkins

**Incorporators and Initial Directors**

**Organizer** DAN M ROSE

**This organization has no assumed names**

**Images Available Online**

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

11/2/2006	1 page	<a href="#">PDF</a>		<a href="#">Administrative Dissolution</a>
5/4/2005	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>	<a href="#">Annual Report</a>
6/30/2004	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>	<a href="#">Annual Report</a>
10/28/2003	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>	<a href="#">Annual Report</a>
9/24/2002	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>	<a href="#">Annual Report</a>
11/1/2001	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>	<a href="#">Articles of Organization</a>

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00144 DATED April 27, 2007.

524885

**ARTICLES OF ORGANIZATION  
OF  
CLIFFVIEW DEVELOPMENT, LLC**

The undersigned, acting to form a limited liability company under the Kentucky Limited Liability Company Act, adopts the following Articles of Organization for such limited liability company:

**ARTICLE I - NAME.** The name of the limited liability company shall be **Cliffview Development, LLC** (the "Company").

**ARTICLE II - INITIAL REGISTERED OFFICE AND AGENT.** The address of the initial registered office of the Company shall be 3319 Bates Creek Road, Lexington, Kentucky 40502, and the name of its initial registered agent at such address shall be J. Hunt Perkins, whose written statement consenting to serve in that capacity accompanies these Articles.

**ARTICLE III - INITIAL PRINCIPAL OFFICE.** The mailing address of the initial principal office of the Company is 3319 Bates Creek Road, Lexington, Kentucky 40502.

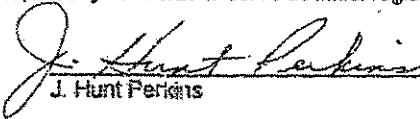
**ARTICLE IV - MANAGEMENT STRUCTURE.** The Company is to be managed by a manager or managers.

Dated: October 18, 2001.

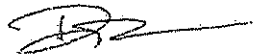
  
\_\_\_\_\_  
Dan M. Rose

**CLIFFVIEW DEVELOPMENT, LLC  
WRITTEN CONSENT OF INITIAL REGISTERED AGENT**

The undersigned, J. Hunt Perkins, hereby consents to serve as initial registered agent of this company.

  
\_\_\_\_\_  
J. Hunt Perkins

THIS INSTRUMENT PREPARED BY:

  
\_\_\_\_\_  
Dan M. Rose  
**STOLL, KEENON & PARK, LLP**  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507  
(859) 231-3080

052488506  
John W. Brown III  
Secretary of State  
received and filed  
11/01/2001 03:29 PM  
Fee Receipt: \$40.00  
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APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00144 DATED April 27, 2007.

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*J. Hunt Perkins and Associates*

*Petroleum Geologist*

*3319 Tates Creek Road, Suite 205*

*Lexington, KY 40502*

*Phone: 859-269-3386 Fax: 859-269-3388*

*E-Mail: huntperkins@petrohuntky.com*

March 9, 2007

Mr. Michael Burford  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

RE: Cliffview Development, LLC  
Water System

Dear Mr. Burford:

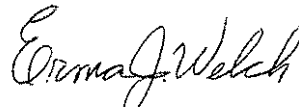
We received the Annual Report for Utility Reporting regarding the water system at Cliffview Resort, 900 Cliffview Dr. Rogers, Kentucky 40351.

As of December 31, 2003 Cliffview Development, LLC no longer owned the water system at the above address.

That water system is now owned by City of Campton Waterworks. The address is P.O. Box 35 Campton, Kentucky 41301.

If you have any questions please call our office at the above phone number.

Respectfully,



Erma J. Welch  
Office Manager

/ejw