

Bond Case Briefs

Municipal Finance Law Since 1971

PUBLIC UTILITIES - CALIFORNIA

Amedee Geothermal Venture I v. Lassen Municipal Utility Dist.

United States District Court, E.D. California - November 27, 2013 - Slip Copy - 2013 WL 6198967

Plaintiff Amedee Geothermal is a private entity that runs a geothermal power plant in Lassen County. Defendant Lassen Municipal Utility District (LMUD) is a local government agency that procures and distributes electrical power within its service area.

The controversy in this case centers on the terms of two agreement between LMUD and Amedee Geothermal executed in 1987 and 1988. Under the terms of these agreements LMUD agreed to supply Amedee Geothermal the electricity it needed, and to transmit the electricity the geothermal power plant produced to PG&E, in exchange for a fee.

The parties dispute, however, whether the agreements required LMUD to continuously supply Amedee Geothermal 34.5 kv electricity, and a controversy arose in 2009 when LMUD converted the electricity supply line from 34.5 kv to 12.47 kv. Naturally, Plaintiff asserts that by changing the voltage, the Utility District breached its contractual obligations under the agreement; whereas, Defendant counters the agreement did not obligate the Utility District to continuously provide electricity at the particular 34.5 kv level.

Amedee Geothermal sued in federal court, alleging that the reduction of the electricity voltage amounted to an unconstitutional deprivation and taking of property without due process in violation of the Fourteenth Amendment of the U.S. Constitution and an unconstitutional seizure of property in violation of the Fourth Amendment of the U.S. Constitution. Plaintiff also asserted several state law claims for, in essence, breach of contract, tortious interference, and negligence.

Defendant moved for summary judgment on Plaintiff's federal claims and asked that the Court decline to continue to exercise supplemental jurisdiction over this case—which, Defendant argued, is essentially a state law contract case.

The court granted Defendant's Motion for Summary Judgment as to Plaintiff's federal claims and declined to exercise supplemental jurisdiction over the remaining state law claims.