
PUBLIC UTILITIES - MAINE

Houlton Water Co. v. Public Utilities Com'n

Supreme Judicial Court of Maine - March 4, 2014 - A.3d - 2014 ME 38

Intervenors sought judicial review of Public Utilities Commission's approval of the reorganization of two regulated electrical utilities.

The reorganization involves changes in the corporate ownership of specific entities that transmit and distribute electricity in Maine such that they will be held in common ownership with generators of electricity in Maine, primarily generators of electricity from wind power. The intervenor argued that the Electric Industry Restructuring Act, 35–A M.R.S. §§ 3201–3217 (2013), prohibits, as a matter of law, the proposed union under a single ownership of transmission-and-distribution utilities and electricity generators. Alternatively, the intervenors argue that the specific affiliations and financial relationships proposed here contravene the goals of the Act, the Commission erred in its legal analysis and its factual findings, and the Commission abused its discretion in approving and setting conditions on the reorganization.

The Supreme Judicial Court of Maine held that:

- Electric Industry Restructuring Act's prohibition on financial relationships did not impose a blanket prohibition against Maine transmission and distribution (T&D) utilities sharing an affiliate with Maine generation and generation-related assets, and
- T&D utility was not required to have control of generation assets in order for it to have impermissible financial interest.

Electric Industry Restructuring Act's prohibition on financial relationships did not impose a blanket prohibition against Maine T&D utilities sharing an affiliate with Maine generation and generation-related assets. Act did not explicitly prohibit all affiliation, as defined by the Act, between a T&D utility's corporate owner and entities that owned generation or generation-related assets, rather, whether any specific proposed affiliation ran afoul of the prohibition against a T&D utility having ownership of, a financial interest in, or otherwise exercising control over a generator was required to be addressed individually.

T&D utility was not required to have control of generation assets or generation-related assets for it to have a "financial interest" in generation utility within meaning of Electric Industry Restructuring Act's prohibition on financial relationships. Rather, a T&D utility had a prohibited "financial interest" in generation assets or generation-related assets if there existed a sufficient financial interest in the assets of a generator that the interest was likely to produce incentives for favoritism that would have undermined the purpose of the Act.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com