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UTILITIES - MAINE

Office of Public Advocate v. Public Utilities Com'n

Supreme Judicial Court of Maine - August 13, 2015 - A.3d - 2015 WL 4758241 - 2015 ME 113

Office of the Public Advocate and natural gas customer appealed from an order of the Public Utilities Commission approving an alternative rate plan for natural gas utility, claiming that the Commission should have utilized the acquisition cost of utility instead of utility's original cost valuation to determine the value of the property that utility used in providing its customers with gas.

The Supreme Judicial Court of Maine held that Commission did not abuse its discretion by accepting the original cost valuation.

Public Utilities Commission did not abuse its discretion or exceed its statutory authority in authorizing alternative rate plan for natural gas utility, which had been sold by its previous owner, by accepting the original cost valuation as more accurately reflecting the reasonable value of the property that utility used in providing its customers with gas, rather than accepting the cost of acquiring utility, in fixing the just and reasonable rate base for utility. Commission gave due consideration to evidence of acquisition cost and to evidence of cost of utility's property when previous owner first devoted the property to public use, and Commission did not discuss utility's facilities in order to determine their current or fair market value.

Public Utilities Commission's inclusion of 50% of natural gas utility's regulatory proceeding expenses in its revenue requirement calculation had no impact on its decision to approve utility's alternative rate plan, and therefore Supreme Judicial Court did not need to address whether Commission abused its discretion. Even though Commission conceded that utility did not strictly comply with the filing requirements for regulatory proceeding expenses, Commission's decision to normalize a portion of utility's regulatory proceeding expenses had no impact on alternative rate plan's ultimate starting point rates.