

**STATE OF MAINE**  
**PUBLIC UTILITIES COMMISSION**

**CHARLES SIDMAN, et al.**

**COMMENTS OF THE OFFICE OF  
THE PUBLIC ADVOCATE**

**RE: 10-Person Complaint  
Concerning Increase in Rates  
Pertaining to Bar Harbor Water  
Division**

**April 3, 2026**

**Docket No. 2026-00070**

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**I. Introduction**

Pursuant to the Procedural Order dated March 26, 2026 issued by the Presiding Officer in the above-captioned proceeding, the Office of the Public Advocate (OPA) files these comments regarding the 10-person complaint (Complaint) in this case. While the OPA has concerns whether the 10-person complaint process is the proper procedural mechanism by which to consider the issues raised in the Complaint, the OPA does see merit in the Commission examining whether the rate structure approved by the Commission for the Bar Harbor Water Division (the Division) results in just and reasonable rates for its customers.

**II. Procedural Background**

On March 19, 2026, Charles Sidman and 9 other persons (“the Complainants”), filed a Complaint against the Bar Harbor Water Division (the Division) pursuant to Title 35-A M.R.S. Section 1302 requesting the Public Utilities Commission (the Commission or PUC) to investigate the rates that became effective on April 1, 2026. The Complainants assert that the Division has discriminatory water rates that have substantially favored larger customers, and that the rates both disrespect and cause

substantial economic hardship to average citizens including the Complainants.<sup>1</sup> The Complainants state that they have complained to “the Town” on several occasions but that the problems have not been addressed.<sup>2</sup> The Complainants also to request for the PUC to disapprove rate increase proposal (Docket No. 2026-00013), and send the matter of Bar Harbor’s water rates back to the Town for more equitable treatment.<sup>3</sup>

On March 25, 2026, the Division responded to the March 20, 2026 Notice of Ten-Person Complaint. In short, the Division stated that it conducted the Docket No. 2026-00013 rate case in compliance with Title 35-A Section 6104, and that the issues raised by the Complainants were addressed as part of its evaluation of different alternatives to achieve more revenue and discussed during the February 17, 2026 Public Meeting.<sup>4</sup>

On March 26, 2026, the Commission issued a Procedural Order inviting any party or interested person to file written comments regarding the Complaint or the Division’s response by April 3, 2026. The OPA offers the following comments.

### **III. OPA Comments**

Section 1302(2) provides two alternative grounds upon which the Commission may dismiss a 10-person complaint. The first is that the Commission is satisfied that the utility has taken adequate steps to remove the cause of the complaint. This standard is

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<sup>1</sup> No. 2026-00070, 10 Person Complaint (Me. P.U.C. Mar. 19, 2026) at 1.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, at 3. The OPA reads this to mean a request for the PUC to reverse the March 24, 2026 final order in Docket No. 2026-00013 approving the current tariffed rates, and remand the rate increase request to Bar Harbor Water Department for further evidence collection and process.

<sup>4</sup> The Division notes that it also held a Public Meeting on January 20, 2026. However, notes from that Public Meeting were not provided by the Division and it occurred before the official Section 6104 Public Meeting on February 17, 2026 which was noticed on January 26, 2026. No. 2026-00070, Response to Rate Increase Complaint (Me. P.U.C. Mar. 25, 2026) at 1; No. 2026-00013, Final Filing (Me. P.U.C. Mar. 2, 2026).

obviously not met in this proceeding, as the rates proposed by the Division were stamped as being effective as of April 1, 2026 in Docket No. 2026-00013. The comments filed by the District in this proceeding on March 25, 2026 in no way indicate that the District has any intention of revising its rates to address the issues raised in the 10-person complaint. Instead, the District asserts that the Complainants' issues were all raised and resolved during the 6104 proceedings.

The second possible ground for dismissal under Section 1302(2) is that the complaint is "without merit." The Law Court has construed the phrase "without merit" in Section 1302(2) to mean "...that there is no statutory basis for the complaint, i.e., that the PUC has no authority to grant the relief requested or that the rates, tolls, or services are not 'in any respect unreasonable, insufficient, or unjustly discriminatory...or inadequate.'"<sup>5</sup> The Commission has also found a complaint to be without merit if the utility's actions described in the complaint "are lawful under the Commission's statutes, orders, and rules."<sup>6</sup>

While normally there would be no doubt as to the Commission's statutory authority to investigate whether the rates of a public utility are just and reasonable, the procedural history of this case in relation to Docket No, 2026-00013 complicates matters. The relief sought by the Complainants is for "the PUC to disapprove rate increase proposal 2026-00013, and send the matter of Bar Harbor's water rates back to the Town for more equitable treatment." However, as noted above, the Commission has

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<sup>5</sup> *Agro v. Public Utilities Commission*, 611 A.2d, 566, 569 (July 31, 1992.; *Gamage v. Pub. Utils. Comm'n*, 2021 ME 50, ¶ 14).

<sup>6</sup> *Jennifer Gamage et al., 10-Person Complaint Seeking Restoration of Moratorium on Disconnection*, Docket No. 2020-00350, Order at 3 (Jan. 13, 2021), affirmed on appeal, *Gamage v. Public Utilities Commission*, 260 A.3d 704 (Me. 2021).

already accepted the District's new rates as being effective as of April 1, 2026. The OPA's assumption is that these rates were allowed to become effective because Commission Staff found that the District's process for the rate increase was in compliance with 35-A M.R.S. § 6104, which provides its own process by which customers may seek a Commission investigation into the rates proposed by a municipal water utility.

Subsection 7 of Section 6104 states:

**Authority to investigate rate changes.** If, within 30 days of the public hearing, 15% of the customers of the consumer-owned water utility or 1,000 customers, whichever is less, file with the treasurer of the utility and with the commission petitions demanding a review of the rate changes by the commission, the rate change may be suspended, investigated, reviewed and changed in accordance with section 310, except that if a rate increase is more than 50% of the utility's annual operating revenues, the required number of petitions is 15% of the customers of the consumer-owned water utility or 500 customers, whichever is less. No suspension order issued by the commission pursuant to section 310 is effective for a period greater than 9 months from the date the rate changes were filed.

Based upon its 2024 annual report filed with the Commission, the District has approximately 1,953 total customers.<sup>7</sup> To trigger a required review of the proposed rate by the Commission pursuant to Section 6104, approximately 293 customers would have needed to sign a petition seeking such review. Instead of the process envisioned by Section 6104, the Complainants chose to file a 10-person complaint pursuant to Section 1302(2). While the 10-person complaint alleges that the Complainants could have gotten over 100 signatures more than the ten that appeared on the complaint, there is no way for the Commission to verify this assertion and the proffered 110 signatures would still fall short of the number needed to trigger Commission review of the proposed rates under Section 6104.

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<sup>7</sup> ARUF-2025-00283.

Put simply, the Commission will need to determine whether it finds that there is a statutory basis for the 10-person complaint in case in light of the fact that the complaint raises issues that could have been investigated as part of the Section 6104 proceeding, had the required number of signatures been submitted to the Commission. The OPA takes no position on this particular issue. However, the OPA does believe that the Complainants raise a valid concern regarding whether the District's two-tier rate structure results in just and reasonable rates or whether a flat per-unit rate structure is more equitable. The District states that the rate structure it chose is "limiting impacts own lower-use customers" but does not provide the quantitative support for that statement that the Complainants appear to be seeking.<sup>8</sup> If the Commission shares these concerns, the Commission is authorized under Section 1303 to investigate any matter related to a public utility for any reason.

The OPA is also concerned about the District's reliance on material presented and feedback received at the public meeting of the Town Council on January 6, 2026, where "staff and our professional consultant outlined the system's financial condition and potential rate approaches."<sup>9</sup> The District is, of course, allowed to make presentations outside of what is required under the laws and rules concerning a 6104 proceeding. However, customers may have been confused, thinking that participation there was part of the 6104 process.

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<sup>8</sup> No. 2026-00070, Response to Rate Increase Complaint (Me. P.U.C. Mar. 25, 2026) at 2.

<sup>9</sup> *Id.* at 1.

#### **IV. Conclusion**

Based on the foregoing, the OPA recommends that the Commission open an investigation under Title 35-A M.R.S. Section 1303 for the purposes of examining whether the District's two-tier rate structure results in just and reasonable rates or whether a different rate structure, such as the flat per-unit rate structure proposed by the Complainants, would be more likely to result in just and reasonable rates.

Respectfully submitted,

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