

Property:

Arizona High Court Says Utility Company's Valuation for Plant in Service Can be Negative

Case No. CV-23-0283-PR, Ariz. (1/31/25). In a case involving whether a utility company's valuation for plant in service calculated pursuant to Ariz. Rev. Stat. § 42-14154(B)(2) can be negative, and whether such a result can offset the valuation of the construction work in progress (CWIP) component, the Arizona Supreme Court (Court) held:

URL: <https://www.azcourts.gov/Portals/0/OpinionFiles/Supreme/2025/CV230283PR.pdf>

1. The calculation prescribed to determine the valuation of plant in service does not preclude a negative valuation, and
2. Although a negative valuation of plant in service necessarily affects the total full cash value determination of all electric transmission property components in this case, as the components would be valued separately and then summed together, it does not "offset" – as that term is understood in Arizona's tax system – the valuation of CWIP as determined by Ariz. Rev. Stat. § 42-14154(C).

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