

Bond Case Briefs

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EMINENT DOMAIN - PENNSYLVANIA

Hughes v. UGI Storage Company

Supreme Court of Pennsylvania - November 29, 2021 - A.3d - 2021 WL 5562689

Landowners, whose property was excluded from certificate of public convenience issued by Federal Energy Regulation Commission (FERC) for buffer zone for underground natural gas storage facilities, brought inverse condemnation action against FERC-regulated interstate natural gas pipeline company alleging deprivation of right to obtain financial benefits from natural gas lying beneath their lands due to prohibition on hydraulic fracturing in buffer zone.

The Court of Common Pleas sustained company's preliminary objections and dismissed. Landowners appealed. The Commonwealth Court affirmed. Landowners appealed.

The Supreme Court held that a public or quasi-public entity need not possess a property-specific power of eminent domain in order to implicate inverse condemnation principles.

To effect actionable conduct impacting a citizen's property necessary to support an inverse condemnation claim, it is enough that the condemnor has proceeded by authority of law for a public purpose.

Where governmental power is delegated to an otherwise private corporation, that company may assume a quasi-public status in furtherance of the public interest, for purposes of a de facto condemnation.

A public or quasi-public entity need not possess a property-specific power of eminent domain in order to implicate inverse condemnation principles.