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PUBLIC UTILITIES - OHIO

Steelhead Farms, LLC v. Northeast Ohio Natural Gas Corp.

Court of Appeals of Ohio, Eleventh District, Lake County - July 31, 2023 - N.E.3d - 2023 WL 4863153 - 2023-Ohio-2649

Limited liability company (LLC) filed amended complaint against natural gas company for trespass, ejectment, and quiet title, and company counterclaimed for declaratory judgment that it may continue lawful operation of pipeline on LLC's property.

The Court of Common Pleas denied LLC's motion for partial summary judgment, and granted company's motion for summary judgment. LLC appealed.

The Court of Appeals held that:

- Statement by natural gas company's employee was not admissible under hearsay exception for statements made within scope of employment;
- Pipeline company maintained irrevocable license to operate pipeline that was transferable to natural gas company;
- LLC could not collaterally attack receiver's authority to sell pipeline; and
- Receivership court's ruling did not create quit claim sale or prevent protections for natural gas company.

Pipeline company maintained an irrevocable license over property owned by Limited Liability Company (LLC) that was transferable to natural gas company, which purchased the pipeline that pipeline company constructed on the property, in LLC's action against gas company for trespass, ejectment, and quiet title; even though pipeline company did not own the property, it was given permission to permanently utilize a portion of the property for operation of the pipeline from LLC's owner, who owned the property at the time the pipeline was constructed, and pipeline company operated the pipeline continuously for over a decade and a half while the property was under the ownership of several different companies, owned by owner, which allowed the pipeline to operate.