

High Court Allows State Law Antitrust Claims to Proceed Against Interstate Pipelines

The U.S. Supreme Court on April 21 ruled that state law antitrust claims brought against interstate pipeline companies by a group of manufacturers and other retail buyers of natural gas are not pre-empted by the Natural Gas Act, according to a report from Mintz, Levin, Cohn, Ferris, Glovsky and Popeo.

The court considered whether the Natural Gas Act pre-empts state law antitrust claims when the challenged conduct affects both federally regulated wholesale natural gas prices and non-federally regulated retail natural gas prices, explained author Dionne Lomax.

“According to the majority, the state law price-manipulation claims were not pre-empted because they were directed at practices affecting retail rates, which falls squarely on the states’ side of the dividing line,” she wrote. “Justice Scalia and Chief Justice Roberts strongly dissented.”

Read the report.