

NEW YORK COURT OF APPEALS

Luyster Creek, LLC v. New York State Public Service Commission

18 N.Y.3d 977 (2012) · Decided April 26, 2012

SUMMARY

The New York Court of Appeals reversed the Appellate Division and annulled the New York State Public Service Commission's 2007 rescission of its approval of a proposed transfer of property from Consolidated Edison to Luyster Creek, LLC. The court held that construction of an envelope factory was not made an express condition of the approval or a condition precedent to the transfer, so the Commission's rescission lacked a rational basis.

CASE DETAILS

COURT	New York Court of Appeals
WRITING FOR THE COURT	Chief Judge Lippman; Judge Read; Judge Ciparick; Judge Graffeo; Judge Smith; Judge Pigott; Judge Jones
JURISDICTION	New York
DECIDED	April 26, 2012
DISPOSITION	reversed
PROCEDURAL POSTURE	Luyster Creek commenced a proceeding challenging the New York State Public Service Commission's April 2007 determination rescinding its prior approval of a proposed property transfer. The Appellate Division denied relief, and the New York Court of Appeals reviewed that order.
STANDARD OF REVIEW	Whether the Commission's rescission of its prior approval had a rational basis.
PRECEDENTIAL VALUE	Published opinion of the New York Court of Appeals; precedential.
PARTIES	Luyster Creek, LLC v. New York State Public Service Commission, Consolidated Edison Company of New York, Inc.

TOPICS

judicial review of agency action

agency adjudication

administrative law

real estate

commercial litigation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Commission had a rational basis for rescinding its 2002 approval of the proposed property transfer after Luyster Creek abandoned its plan to construct an envelope factory.
2. Whether construction of the envelope factory was an express condition of the Commission's approval or a condition precedent to the transfer.

HOLDINGS

1. Construction of an envelope factory was not an express condition of the Commission's 2002 approval and was not a condition precedent to the proposed transfer.
2. The Commission's April 2007 order rescinding its prior approval lacked a rational basis and was annulled.

KEY QUOTATIONS

“The development of an envelope factory was not made an express condition of the Commission’s approval or a condition precedent to the transfer of the property to Luyster Creek, therefore, the Commission’s Order of April 2007, nullifying its prior approval of the proposed sale lacks a rational basis” (979)

FACTUAL BACKGROUND

Luyster Creek and Consolidated Edison entered into a purchase agreement for a parcel in Astoria, Queens, with Luyster Creek initially intending to construct an envelope factory there. The Commission approved the transfer under Public Service Law § 70, but its order did not expressly make construction of the factory a condition of approval or a condition precedent to the transfer. After Luyster Creek abandoned the factory plan, the Commission rescinded its approval, asserting that the factory had been an essential factor in finding the transfer to be in the public interest.

PROCEDURAL HISTORY

In November 2002, the Commission approved the proposed transfer of Con Edison's property to Luyster Creek under Public Service Law § 70, subject to specified conditions. After learning that Luyster Creek no longer intended to construct an envelope factory, the Commission rescinded its approval in April 2007. The Appellate Division declined to annul the rescission, but the Court of Appeals reversed, granted the petition, and annulled the 2007 determination.

DISPOSITION

reversed

CASES CITED

- Matter of National Fuel Gas Distrib. Corp. v. Public Serv. Commn. of the State of N.Y., 16 N.Y.3d 360, 368 (2011)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/new-york-new-york-court-of-appeals/2012/luyster-creek-llc-v-new-york-state-public-service-commission-s5mns4g0>