

## Energy Group Of The Year: Bracewell & Giuliani

By **Derek Hawkins**

*Law360, New York (January 25, 2012, 8:20 PM ET)* -- Bracewell & Giuliani LLP attorneys helped energy transportation giant Kinder Morgan Inc. negotiate a \$38 billion deal to buy El Paso Corp. and create the country's largest pipeline network, one of several successes that earned the firm a spot among Law360's Energy Groups of 2011.

A Bracewell energy team is representing Kinder Morgan in the deal, which Kinder Morgan and El Paso unveiled in mid-October and expect to close in the second quarter of 2012.

Under the deal, which has been approved by the companies' boards, Kinder Morgan is buying all outstanding shares of El Paso for \$38 billion and assuming all its outstanding debt. Kinder Morgan shareholders will own about 68 percent of the combined company, and El Paso shareholders will own the remaining 32 percent.

The transaction will make Kinder Morgan the fourth-largest North American energy company, boasting some 80,000 miles of pipeline and a roughly \$94 billion enterprise value. The combined enterprise and its related master limited partnerships will make up the United States' most expansive natural gas pipeline system, the largest independent petroleum transporter, the largest carbon dioxide transporter and the largest owner-operator of independent terminals.

Bracewell calls its energy practice group a "seamlessly integrated team" whose strength lies largely in its attorneys' market experience in a range of areas, including master limited partnerships, private investment funds, bankruptcy, international transactions and other matters.

"Our legal experience involves cutting-edge matters, and our clients turn to us for 'bet-the-company' legal representation," the firm said. "Bracewell's energy finance team has strength in structuring unique finance arrangements for energy businesses and in providing much needed capital for projects through various project finance vehicles."

The energy practice works out of half Bracewell's offices, with attorneys in Houston, Dallas, Washington, New York and Seattle. Its core focuses include mergers and acquisitions, private equity, capital markets, environmental work and litigation practices.

The group counts among its clients numerous developers, operators and suppliers in the U.S. electricity sector, as well as companies involved in upstream, midstream and downstream oil and gas transactions domestically and internationally.

In addition to energy finance, regulatory matters make up a significant amount of the Bracewell energy group's work, with attorneys covering gas, renewable energy, power transmission, refining and other issues.

In another major energy transaction last year, Bracewell represented Chesapeake Energy Corp. in setting up a joint venture with EIG Global Energy Partners.

In a pair of deals announced in early November, Bracewell helped Chesapeake sell a portion of its 1.5 million acres in the Utica shale through a new entity called CHK Utica LLC. The deal involves a potential \$1.25 billion sale of preferred stocks, allowing the company to recover roughly 110 percent of its investment in the Utica shale while selling about 10 percent of its holdings. At \$15,000 per net acre, the deal could bring Chesapeake \$2.14 billion.

In July, Bracewell assisted Entergy Corp. in the acquisition of two power plants in the southern U.S.

The company announced in April that it would acquire the Hinds Energy Facility in Jackson, Miss., and the Hot Spring Energy Facility in Hot Spring County, Ark., from KGen Power Corp. Both are combined cycle natural gas plants.

Entergy agreed to pay a total of \$409 million for the 450-megawatt Hinds facility and the 620-megawatt Hot Spring facility — a price tags substantially lower than the cost of building new similar facilities from the ground up.

Bracewell attorneys are representing Entergy through the closing of the deal, which is expected by mid-year, pending a green light from federal and state regulators.

"These acquisitions were made to ensure long-term generation resources for Entergy's operating companies," Bracewell said.

In litigation last year, Bracewell went to bat for its client Belyea Power Inc. — a leading buyer and seller of turbines, boilers and other equipment for power plants — negotiating a settlement in a high-stakes civil suit brought by Duke Energy International LLC.

Duke alleged that Belyea colluded with two senior officers at Duke and several other defendants to fraudulently sell Duke a coal-fired power plant at a nearly \$19 million markup. Duke claimed that it could have bought the 80-megawatt power plant, formerly owned by R.J. Reynolds Tobacco Co., for as little as \$2.5 million, but ended up paying more than \$21 million due to alleged misrepresentations by the defendants.

Belyea sold the plant to Duke without disclosing that it had acquired the plant through a company set up by the two Duke employees, Duke alleged.

The suit, filed in 2009, alleged breach of fiduciary duties, unjust enrichment, fraud, theft of corporate opportunities, civil liability and tortious conduct.

After partial wins on motions to dismiss, Duke, Belyea and the other defendants reached a confidential settlement through mediation over the summer. The court approved the settlement in August.

Bracewell attorneys have also represented NRG Energy Inc. in all aspects of its subsidiary eVgo's work to create a privately funded network of charging stations for electric vehicles.

Bracewell attorneys have assisted the company in developing procurement contracts with suppliers, vehicle manufacturer contracts and agreements with retail electric companies partnering with eVgo.

“Because existing laws and regulations do not contemplate this new technology, Bracewell attorney have provided innovative advice with respect to many issues of first impression,” Bracewell said. “This transaction, which is ongoing, marks the first privately funded network of home and public charging stations in the country.”

In April, NRG joined forces with the California-based technology company AeroVironment Inc. to provide the 70 stations NRG plans to install in the Dallas-Fort Worth, Texas, area by the end of 2012. In September, the company opened its first stations in Houston and announced a partnership with the University of Delaware to improve on the technology.

*Methodology: In November, Law360 solicited submissions from over 500 law firms for its practice group of the year series. The more than 550 submissions received were reviewed by a committee of Law360 editors. Winners were selected based on the significance of the litigation wins or deals worked on; the size and complexity of the litigation wins or deals worked on; and the number of significant, large or complex deals the firms worked on or lawsuits the firm had wins in. Only accomplishments from Dec. 1, 2010, to Dec. 1, 2011, were considered.*

--Editing by Lindsay Naylor.

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