

Texas Powerhouse: Bracewell LLP

By **Tom Lotshaw**

Law360 (September 18, 2024, 4:18 PM EDT) -- Bracewell LLP has been helping clients navigate billion-dollar deals and other big projects, while securing major courtroom wins, since its founding in the Lone Star State just shy of eight decades ago, earning it a spot among Law360's Regional Powerhouses of 2024.

Nearly two-thirds of the firm's 300 attorneys are based in Texas, where Bracewell has offices in Austin, Dallas and San Antonio, along with its headquarters in Houston, a city dubbed the "Energy Capital of the World."

That proximity to Texas' energy industry has long colored Bracewell, which touts itself as a firm of choice for the full array of energy-related transactions and legal and regulatory matters.

"In the energy field, I think that there's no one that's as deep as we are," Bracewell partner Warren W. Harris, the chair of the firm's appellate practice, told Law360.

"We are chock-full of Texas lawyers who have practiced here their entire careers and dealt with Texas clients. That's why we know energy so well, having our base here," Harris said. "But we've also grown and expanded our footprint."

On that energy front, Bracewell advised Houston-headquartered company Phillips 66 on a \$3.8 billion take-private acquisition of DCP Midstream that boosted Phillips' access to an extensive pipeline network serving key production basins.

The transaction, completed in June 2023, increased Phillips 66's economic interest in DCP Midstream to almost 87%, according to Bracewell, which had previously helped the company set up DCP Midstream as a joint venture with Enbridge Inc.

Partner Stephanie Song said the deal highlights the bread-and-butter work of Bracewell's energy practice and the appropriateness of its slogan, "We Know Energy."

"We trademarked that phrase," Song said, "and it's evident in what we do."



Energy is a vibrant, diverse industry, especially in Texas, and Bracewell attorneys are working at its forefront, Song said, helping clients navigate everything from traditional oil and gas deals, to carbon capture and sequestration and renewable energy projects, as well as the tax credits created by 2022's Inflation Reduction Act.

In April, the firm advised another Houston neighbor, Kinder Morgan, on a pore space lease for 10,800 acres underneath a massive industrial park near the Houston Ship Channel, a site capable of storing 300 million tons of carbon dioxide. In the month before, Bracewell guided PLT Energia on a joint venture that aims to develop over a gigawatt of renewable energy in the state.

Bracewell's energy expertise also took center stage in the courtroom over the past year. The firm said it secured a favorable outcome for Tenaska Power Services Co. in litigation stemming from Winter Storm Uri that claimed the company had wrongfully passed along charges and replacement power costs. The storm's snow, ice and frigid temperatures overwhelmed Texas' power grid in February 2021, and Bracewell has served on a defense steering committee for multidistrict litigation related to the incident.

Additionally, the firm said it helped Houston-based Apache Corp. fend off a suit over a disputed expiration date in a drilling commitment Apache entered into with three other companies. The plaintiffs initially sought more than \$1 billion in damages, and the case ultimately landed before the Texas Supreme Court, which found in favor of the oil exploration company in a ruling that set a precedent for how lease expiration dates are understood.

"We were only arguing about one day's difference in what the expiration date was, but under the language of these contracts, damages were either zero or \$180 million depending on who was right on which day it was," Harris said of the case.

While the firm specializes in energy, building strong relationships is also key to Bracewell's success, Song said.

"Regardless of whether it's getting to know your colleagues or getting to know our clients, it's all about relationships, and I think this firm does an excellent job of developing that," Song said.

Bracewell is "a great destination firm" for lawyers, both Song and Harris noted, and it's growing.

The firm said that, in July, it launched an energy and infrastructure team in Paris to complement its London and Dubai offices, making at least a dozen lateral partner hires and promoting seven lawyers to partner over the past year.

Beyond the energy realm, Bracewell represented Texas-based Prosperity Bancshares Inc. on a March acquisition of Lone Star Bank that made it a top-three bank in several markets. And the firm's public finance team is making a mark in the housing sector, with many parts of the state working to confront skyrocketing costs.

Bracewell advised San Antonio's Housing Trust on a half-dozen transactions valued at more than \$178 million last year, and also served as bond counsel for the Texas Department of Housing and Community Affairs — which manages the state's single-family mortgage loan program — on multiple bond transactions totaling more than \$1 billion.

The firm additionally landed a major Seventh Circuit win representing two Texas residents in a suit

against Salesforce alleging the company benefited from a relationship with the now-shuttered website Backpage that was facilitating the sex-trafficking of minors.

While Salesforce and other technology companies have consistently argued they are immune from such litigation under Section 230 of the Communications Decency Act, the Seventh Circuit held that such immunity is not absolute, and that an Illinois federal court wrongly dismissed the suit brought by the trafficking victim and her mother.

Harris said that issue is getting teed up in courts around the country, with the firm slated to argue a similar case — A. B. v. Salesforce — in the Fifth Circuit this October. "It will be a big case to watch on how Section 230 is going to be interpreted by another circuit," he noted.

--Edited by Melissa Treolo

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