

## GCs Say Firms In 'Open Race' To Win Energy Clients' Hearts

By **Keith Goldberg**

*Law360, New York (March 26, 2014, 6:45 PM ET)* -- From the shale boom to the rise of renewable power, seismic changes in the U.S. energy landscape have created opportunities for more law firms to establish themselves as go-to legal counsel for energy clients, a new general counsel survey said.

According to the 2014 Client Relationship Scorecard report put out by The BTI Consulting Group (Wellesley, Mass.), no law firms earned the highest level of relationship strength — which among other things measures whether a firm is a client's primary legal counsel and how often the client recommends the firm to others — with energy clients. More than 500 corporate counsel at Fortune 1000 companies and several other large organizations were interviewed for the report.

In the utilities space, Foley & Lardner LLP and Skadden Arps Slate Meagher & Flom LLP earned top marks for their client relationships, but no firms landed in the next-highest tier of client relationship strength.

That's as much a comment on the energy industry as the law firms that serve it, said BTI President Michael Rynowecer.

"The needs of the energy industry are so diverse now that it's hard to stand out as a dominant provider, the singular firm that stands out," Rynowecer said. "It's a little bit of an open race."

Few firms have the resources to invest in all areas of the energy sector, according to Rynowecer. But that means there's more opportunity for more firms to become dominant players in certain corners of the energy space, and firms that have the deepest knowledge of those corners will maintain the strongest client relationships and pick off clients from competitors, he said.

"It's making the investment and understanding the industry dynamics," Rynowecer said.

Baker Botts LLP, Morgan Lewis & Bockius LLP, Norton Rose Fulbright, Bryan Cave LLP and Buchanan Ingersoll & Rooney PC were the firms that landed in the scorecard's next-highest tier of energy client relationship strength.

For Baker Botts, whose energy roots extend to the discovery of oil in Texas at the turn of the 20th century, there isn't a practice area that doesn't at least touch an energy issue, and the firm's attorneys bring that energy expertise to every legal discipline, be it transactions, litigation, tax or environmental compliance.

“The bottom line is we really study the industry,” said Hugh Tucker, who heads Baker Botts’ oil and gas practice. “We’re able to provide more than just the Xs and Os of the legal documents. We can bring practical perspective to it.”

And while Baker Botts has expanded its expertise beyond its historical hydrocarbons practice to include power and renewables, Tucker said the firm is careful not to spread its wings so far that its overall energy practice suffers.

“We’re honest with ourselves about the areas where we don’t have that expertise, and we have a network of lawyers and law firms we can refer our clients to,” Tucker said.

For Buchanan Ingersoll, it’s capitalizing on the firm’s proximity to the Marcellus and Utica shales in Pennsylvania and Ohio, the poster children for the U.S. oil and gas boom. Matt Burger, who leads the firm’s energy practice, says Buchanan Ingersoll is doing a lot more work in Ohio, home to the Utica Shale, for larger, nonlocal energy companies.

“Clients really care about having someone who has the lay of the land on the local level,” Burger said.

In a fluid, fast-growing marketplace like the Marcellus, Burger said it’s crucial for the firm to be hyper-responsive to its energy clients and anticipate future legal needs. The Pennsylvania Supreme Court’s recent invalidation of broad portions of the state’s controversial regulatory scheme for the gas industry, known as Act 13, is a prime example, he said.

“On the oil and gas side, I spend more time on those industry decisions and changes — because of rapid development in the Marcellus, we see court decisions every week that are important to our clients,” Burger said. “We spend a lot of time getting ahead and monitoring and anticipating what’s happening in the marketplace — Act 13 is probably the best example of this.”

A deep understanding of a client’s business is vital to a strong client relationship, Rynowecer said. In the constantly evolving energy sector, that means a firm must be willing to stretch beyond its historical comfort zone, according to Tucker, which can be challenging as new energy markets take shape — markets that no law firm has expertise in.

“We try to keep an eye on the trends and make sure we learn the various practice disciplines and apply what we’ve learned in other areas to these developing areas,” Tucker said. “That’s seemed to work well for us.”

--Editing by Edrienne Su.