

Construction Group Of The Year: King & Spalding

By Adam Rhodes

Law360 (February 25, 2019, 3:59 PM EST) -- King & Spalding LLP spent the past year steering clients through multibillion-dollar energy projects across North America and helping a Georgia energy company win more than \$28 million from pipeline defect-related arbitration and lawsuits, earning the firm a spot among Law360's Construction Groups of the Year.

King & Spalding's construction practice currently boasts between 60 and 75 attorneys spread throughout offices in Austin and Houston, Texas, New York City, Atlanta, San Francisco, Washington, D.C., London, Paris, Singapore, and Abu Dhabi and Dubai, United Arab Emirates, according to partner Mike Stenglein.

Stenglein, managing partner of the firm's Austin office, also leads the firm's global construction disputes practice. Scott A. Greer leads the other half of the firm's construction practice centering on transactions, which Stenglein said has grown to be particularly large for the firm. According to Greer, the firm is currently handling more than \$200 billion in construction deals.

"A lot of times people try to do both in this profession, but we have found that it's better to have people dedicated to one or the other," Greer said, adding that more than two-thirds of the firm's transactional construction practice are former engineers and half are additionally former construction dispute attorneys who have moved over to the transactional side.

As part of the transactional practice, King & Spalding steered LNG Canada with respect to an engineering, procurement and construction, or EPC, contract for a \$31 billion Kitimat, British Columbia, liquified natural gas project. While an in-house team was originally tasked with securing a contract, King & Spalding was eventually brought in to help come up with a different approach aimed at getting a competitive cost for the project, Greer said.

Touted as the first LNG export project in Canada, as well as the largest private investment and largest infrastructure project in the nation's history, the project's size and novelty posed a particular challenge. But Greer said the firm's expertise in the industry made it the best firm for the job.

"We have probably done more LNG projects than any other law firm in the world," Greer said. "LNG Canada selected us based on our LNG experience, because not only have we done it a lot, particularly in



North America, but additionally we know the LNG EPC contractors very well and have success in reaching agreement with multiple other projects."

LNG Canada in October said its joint venture participants Korea Gas Corp., Mitsubishi Corp., Royal Dutch Shell, Petroliam Nasional Berhad and PetroChina Co. made a final investment decision to build the export project.

The firm said it also helped steer a Cheniere Energy affiliate in drawing up and negotiating another EPC contract regarding a third liquefaction plant at a liquified natural gas terminal in Corpus Christi, Texas. Cheniere in May said its board made a positive final investment decision of their own regarding the third plant. In its announcement at the time, Cheniere said the project was the "first FID on new liquefaction capacity in the United States since 2015."

According to Cheniere's statement, total commitments under previously announced related credit facilities had increased to \$6.1 billion.

As for the dispute side of King & Spalding's construction practice, the firm represented Southern Co. Gas — formerly AGL Resources — in arbitration and a pair of federal lawsuits over defects on a 27-mile Atlanta natural gas pipeline.

The firm filed a pair of suits in Georgia federal court in 2016 along with arbitration proceedings against Latex Construction Co. over the defects.

In one suit filed against URS Corp., Corpro Cos. Inc. and Magnolia River Services Inc. in April 2016, Southern Co. Gas alleged that the defendants failed to properly protect portions of the Atlanta pipeline from corrosion damage, costing the natural gas company millions in replacement costs.

The suit alleged the corrosion was the product of damage to a coating on the pipeline during installation as well as shoddy design.

In another suit filed in November 2016, a unit of Southern Co. Gas accused Mistras Group of failing to properly perform "non-destructive examinations" of welds on the pipeline before it was buried, which meant that a number of digital X-ray images of the welds had to be redone by excavating the newly buried pipeline sections.

The suit filed in April settled in August 2017 and that deal, combined with an arbitration settlement and a nearly \$7.4 million jury verdict AGL Services Co. won against Mistras in October 2017, netted the natural gas company more than \$28 million of the \$32 million it was seeking, Stenglein said.

That recovery, Stenglein said, "shows the depth and breadth of the firm's ability to get tremendous results."

While the Southern Co. Gas disputes are small potatoes compared to what the firm is used to handling — including what Stenglein called the largest construction dispute in Latin America — he said the larger disputes help the firm prepare for their smaller counterparts.

"Those massive cases that we're trying to and have aligned our strategy with and our expertise on set you up to come in and handle these types of cases, because those mega project failures and giga project failures that have everything that could ever go on in a construction dispute certainly give you the

experience to come in and run roughshod over counsel and clients in a case like this that don't have that experience," Stenglein said.

--Editing by Nicole Bleier.

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