

**PUBLICATIONS**

## **Fifth Circuit Resolves ‘Clash’ Between FERC and Bankruptcy Courts**

### **The Bankruptcy Strategist**

**April 2022**

A Chapter 11 debtor’s “rejection [(under Bankruptcy Code (Code) §365(a)] of a filed-rate [natural gas] contract...relieve[d] it of the obligation to continue performance absent the approval of FERC [(the Federal Energy Regulatory Commission),” held the U.S. Court of Appeals for the Fifth Circuit on March 14, 2022. In re Ultra Petroleum Corp., 2022 WL 763836, \*1 (5th Cir. Mar 14, 2022). Moreover, held the court in affirming the bankruptcy court on a direct appeal, Code §1129(a)(6) did not “require the bankruptcy court to seek FERC’s approval before it confirmed [the debtor’s] reorganization plan.” Ultra followed, as expected, the reasoning of its precedent, In re Mirant Corp., 378 F.3d 511 (5th Cir. 2004), and, more important, carefully balanced the power of FERC and the nation’s bankruptcy courts.

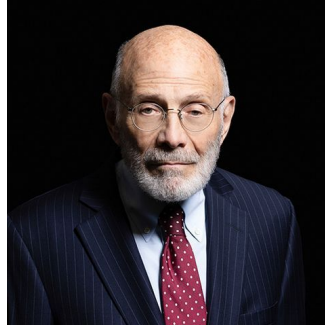
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