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Hughes Hubbard Leads Tepco to Success in Uranium Supply Contract Dispute

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July 22, 2019 — Hughes Hubbard led client Tokyo Electric Power (Tepco) to success in a uranium supply contract dispute when a tribunal of international arbitrators dismissed the bulk of a \$700 million claim brought by Canada's largest uranium mining company.

On July 9, an International Chamber of Commerce (ICC) tribunal found the Japanese utility liable for terminating Canadian Mining and Energy Corp.'s (Cameco) agreement to supply uranium for use in its nuclear plants, which were shut down after the 2011 Fukushima earthquake that triggered a massive tsunami and a nuclear disaster. But the tribunal slashed damages against Tepco, awarding only \$40.3 million to Cameco, a fraction of the \$700 million in damages sought.

Cameco signed the uranium-supply contract with Tepco in 2009. Tepco retained HHR in August 2016 after the Fukushima nuclear disaster led to a government moratorium on nuclear power. Tepco terminated the contract in January 2017, because it was unable to operate its nuclear power generation plants for 18 months due to strict government regulations.

Tepco argued the shutdown as a "force majeure," or unavoidable catastrophe that cancels the contract. Cameco, however, disagreed and initiated the arbitration in May 2017.

The Tokyo-seated tribunal rejected Tepco's force majeure argument, but awarded Cameco less than 6 percent of the damages sought. Under the terms of the agreement, the tribunal's ruling cannot be appealed.

Founded in 1951, Tepco is the largest electric utility in Japan and the fourth largest in the world, with more than 40,000 employees. Headquartered in Tokyo, Tepco also has international offices in Washington, D.C., and London.

The decision made headlines in [Global Arbitration Review](#) and other news sources.

Hagit Elul and John Fellas led the team, which also included Meaghan Gragg, Fara Tabatabai, Malik Havalic, visiting attorney Shigeki Obi and Olivia Bensinger.

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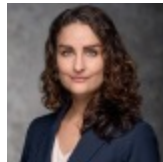
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