

# Star Hydro Power Wins Landmark Tariff Dispute Arbitration

RIAA Barker Gillette client Star Hydro Power Limited (SHPL) secured a crucial victory in its tariff dispute arbitration with the National Transmission and Dispatch Company (NTDC). The arbitral award, issued under LCIA rules, confirmed the contractual tariff under the Power Purchase Agreement between SHPL and NTDC.

In a landmark decision, our client [Star Hydro Power Limited \(SHPL\)](#), a 147 MW hydropower project in Azad Jammu and Kashmir, secured a crucial victory in its tariff dispute with the [National Transmission and Dispatch Company \(NTDC\)](#). As reported in the [press](#), the recent award given in the [London Court of International Arbitration \(LCIA\)](#) arbitration proceedings confirmed the applicability of the contractual tariff under the Power Purchase Agreement (PPA) between SHPL and NTDC and awarded damages to SHPL.

The dispute arose when NTDC refused to adhere to the agreed-upon tariff following a one-time adjustment determination by the National Electric Power Regulatory Authority (NEPRA) at the commercial operation stage. In response, SHPL initiated arbitration proceedings under the LCIA rules.

RIAA Barker Gillette acted as Pakistan law counsel, working closely with the English law firm representing SHPL in the arbitration. Our team, led by Pakistan Partner [Nadir Altaf](#) and assisted by Associate [Fahim Khan](#), provided crucial advice on various aspects of Pakistani law throughout the proceedings. The dispute involved complex legal questions, including the arbitrator's jurisdiction, NEPRA's statutory role in tariff determination, and regulatory risk allocation under the PPA.

Independent expert witnesses, retired Supreme Court Justice Faisal Arab for SHPL and former Chief Justice Jawad S. Khwaja for NTDC, also provided evidence on Pakistan law during the arbitration proceedings.

The award was a significant victory for SHPL, as it confirmed the tariff under the PPA and awarded damages. It also addresses the increasing regulatory interference in the power sector, often conflicting with contractual promises made by the Government of Pakistan (GOP) and related entities.

"This landmark victory for Star Hydro Power Limited sets a precedent for upholding the sanctity of contracts in the face of regulatory challenges," commented Nadir Altaf, Partner at RIAA Barker Gillette. "We are proud to have played a key role in securing this favorable outcome for our client, an international investor in Pakistan's power sector."

The arbitral award demonstrates the importance of international arbitration in resolving disputes arising from conflicts between regulatory actions and contractual obligations. It also highlights the need for clear and consistent regulatory frameworks to minimize such disputes and protect investments in Pakistan's power sector.

**Don't hesitate to contact [Nadir Altaf](#) for more information on our capabilities in assisting with disputes involving Pakistan's power sector.**

*This article is not legal advice; it provides information of general interest about current legal issues.*

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The firm practices in all areas of corporate, commercial and dispute resolution law. Leading international legal directories consistently recognize the firm as a top-tier law firm in Pakistan.

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