



COMMUNIQUÉ

AUGUST DEBOUZY SECURES LANDMARK APPLICATION OF THE HARDSHIP DOCTRINE FOR GAZ DE PARIS

Public Law and Public Procurement Law | 28/01/25 | Vincent Brenot Guillaume Potin



INFRASTRUCTURE ENERGY

August Debouzy recently achieved two favorable rulings for Gaz de Paris before the Paris Administrative Court. Delivered on January 20, 2025, these decisions concern gas supply contracts between Gaz de Paris (a subsidiary of the Butagaz Group) and Paris Habitat, a Public Housing Office (OPH).

In both cases, the court upheld the application of the hardship doctrine ("théorie de l'imprévision"), finding that the exceptional and unforeseeable surge in gas prices during 2021 and 2022 fundamentally disrupted the economic balance of the contracts in question. The court identified several factors contributing to this extraordinary and unforeseen price increase, including:

- The post-pandemic recovery of the gas market, which spurred strong demand and strained supply chains.
- The onset of the war in Ukraine, which exacerbated natural gas market instability and triggered a dramatic spike in prices.

As a result, Paris Habitat was ordered to pay significant compensation to Gaz de Paris, underscoring the critical role of the hardship doctrine in public contract law.

These decisions, representing a rare application of the hardship doctrine, provide a valuable precedent for the future. Businesses facing exceptional and unforeseen economic disruptions affecting their contractual obligations now have a clearer legal framework to invoke the hardship doctrine.

The August Debouzy team representing Gaz de Paris in these cases included Vincent Brenot (Partner) and Guillaume Potin (Senior Associate).
