

Japan Nuke Operator Seeks More Public Funds

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TOKYO (AP) — The power company behind Japan's nuclear crisis is seeking another \$22 billion from a state-backed fund to avoid insolvency as the cost of compensation and stabilizing damaged reactors swells.

Tokyo Electric Power Co. President Toshio Nishizawa told a news conference Thursday that the company is asking for 1 trillion yen (\$12 billion) to stay afloat and another 846 billion yen (\$10.2 billion) to cover compensation for thousands affected by the nuclear crisis.

Some of the compensation money from the fund, which was set up last year by the government and all Japanese nuclear power plant operators, would be contributed by the utilities.

"Our financial condition is extremely severe. It's getting worse by the day," Nishizawa said.

The 1 trillion yen needed to stay in business would bring the total amount of public money injected into TEPCO to 2.5 trillion yen (\$30.7 billion), virtually nationalizing the company.

The utility's Fukushima Dai-ichi nuclear power plant suffered meltdowns following last year's massive quake and tsunami, sending radiation into the air and forcing some 100,000 people to move out of the area.

The nuclear accident, the world's worst since Chernobyl, also affected farming, fishing and other industries, while triggering health concerns. The plant is barely under control and decommissioning is expected to take decades.

The company was supposed to submit a restructuring plan along with its bailout request but that has been delayed by its failure to so far pick a replacement for outgoing chairman Tsunehisa Katsumata. It now expects to submit the plan in mid April.

Nishizawa would not say what stake the government would take in the company in exchange for the cash injection or whether it would gain control over management.

The 1 trillion yen would be injected through stock purchase by the government.

The restructuring plan needs to be approved by the Economy, Trade and Industry Minister Yukio Edano. He has said the government deserves voting rights in proportion to the public funds injected.

The Fukushima accident has raised public concerns about nuclear safety, making it

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difficult for the government to start up reactors even after regular safety checks. All but one of Japan's 54 reactors are now offline, with the last one scheduled to stop in early May.

TEPCO said rising fuel costs for thermal power generation to make up for offline nuclear power generation has also burdened it.

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