Japan Utility Seeks More Funds for Nuclear Crisis

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TOKYO (AP) — The Japanese operator of the nuclear power plant devastated in last year's disasters is seeking more government financial support, saying the cost of the cleanup could be double the 5 trillion yen ($62.5 billion) allocated so far.

Tokyo Electric Power Co. made the appeal in a management "action plan" it presented Wednesday.

TEPCO, its finances wrecked by the accident at the Fukushima Dai-Ichi plant in northeastern Japan and the closures of other nuclear plants, has received a 1 trillion yen bailout and was put under government ownership.

Pressed repeatedly for an estimate of exactly how much it will cost to decommission the crippled plant and pay costs for decontamination and damages, TEPCO president Naomi Hirose said it was impossible to know.

But in a statement, the company outlined two potential scenarios, one involving costs of some 10 trillion yen ($125 billion) that it said would make it difficult for TEPCO to raise funding from private lenders and oblige it to seek further government financial support.

The massive earthquake and tsunami in March last year severely damaged four reactors at the Fukushima Dai-ichi plant north of Tokyo, knocking out cooling systems and triggering radiation leaks. Tens of thousands of people fled their homes in the worst atomic disaster since Chernobyl.

Officials say the plant has since stabilized, but it runs on makeshift equipment, causing concerns about its ability to withstand any major earthquakes. TEPCO officials say it will take about 40 years to fully decommission the wrecked reactors, a huge financial burden in addition to the astronomical compensation payments.

Including the bailout, the government has injected 2.5 trillion yen ($31.3 billion) into TEPCO and allocated at least 5 trillion yen for compensation for the disaster and decontamination.

On Wednesday, company executives outlined plans to revitalize TEPCO by cutting costs and making it competitive, arguing that in the long run, keeping the company as a public utility would run counter to the government's strategy of increasing competitiveness in the power sector.

The company, which serves the Tokyo region and is the world's fourth largest electrical utility, has raised electricity rates and sold assets to help staunch its flood of red ink.

TEPCO last week reported a 299.5 billion yen ($3.7 billion) loss in April-September, compared with losses of 627.3 billion a year earlier. It forecast a 45 billion yen ($563 million) loss for the fiscal year ending March 31, down from its earlier estimate of a 160 billion yen ($2 billion) loss.

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