

TEPCO To Cut Power To Companies Refusing Rate Hike

The Associated Press

TOKYO, Feb. 27 (Kyodo) — Tokyo Electric Power Co. may suspend power supply to companies and factories that are refusing to accept the utility's higher electricity rates, which it has increased since April last year by an average of 14.9 percent, a company official said Wednesday.

The number of contracts that the utility has been unable to renew totals around 1,100, said the official of the utility, which is struggling in the aftermath of the 2011 Fukushima Daiichi nuclear power plant disaster.

TEPCO would be the first major Japanese utility to cut off power because of the expiration of contracts caused by a rate hike.

The utility has continued to supply electricity to the companies and factories even after the expiration of their contracts, with the bills left unpaid totaling 7 billion yen.

"Customers that have accepted the rate hike said that it is unfair," the TEPCO official said.

Since last April, TEPCO has raised electricity rates for corporate customers in Tokyo and surrounding areas to help finance fossil fuel costs stemming from boosting thermal power generation in the wake of the nuclear disaster at its Fukushima Daiichi power plant.

The electricity rates of corporate customers are decided through negotiations between the customers and the utility.

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