

Kansai Electric seeks to skip summer bonus payments

The Associated Press

OSAKA, Dec. 6 (Kyodo) — Kansai Electric Power Co. has proposed skipping next summer's bonus payments and conducting a 5 percent pay-scale cut to the labor union for its management rationalization plan as the utility seeks to raise electricity charges, company officials said Thursday.

Kansai Electric wants to secure the union's consent to the proposal so it can start implementing the personnel expense cuts next April, the officials said.

The utility is seeking to reduce its overall annual costs by an average 155.3 billion yen for the three-year period starting next April 1, from the level in fiscal 2012, they said.

Personnel expense cuts constitute a pillar of the envisioned cost cuts. The utility had drawn up a plan to reduce its employees' annual incomes by an average 16 percent from the present levels.

The utility also plans to shut down recreational facilities for its employees and cut back on donations to other entities, they said.

Its earnings performance has deteriorated due to a surge in procurement costs for fossil fuels to power its thermal power plants to make up for the power supply shortage stemming from halts to operations of its nuclear reactors in the wake of the 2011 nuclear crisis at the Fukushima Daiichi plant.

In November, the utility sought government approval for a plan to raise household electricity charges by an average 11.88 percent.

As for charges for corporate users, the utility is seeking an average 19.23 percent hike. Under Japanese regulations, raising fees for corporate users does not require government authorization.

The utility wants to implement the rate increase next April.

Source URL (retrieved on 11/01/2014 - 6:29am):

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