Another Japanese utility applies for electricity rate hike

The Associated Press

TOKYO, Feb. 20 (Kyodo) — Shikoku Electric Power Co. applied to the government Wednesday to raise household electricity rates by an average 10.94 percent from July 1, becoming the fifth regional utility in Japan to make such a move amid a prolonged shutdown of most of the country's nuclear power plants.

"With all of our reactors offline, we have made various efforts to cut costs, but the increasing fuel outlays (for non-nuclear thermal power generation) have not been at a level that can be absorbed by such efforts," Akira Chiba, president of the utility servicing the Shikoku region told reporters in Tokyo.

In calculating the costs it seeks to pass on to consumers, Shikoku Electric said it factored in a plan to resume the operation of its No. 3 reactor at the Ikata plant in Ehime Prefecture on July 19, as the country's new nuclear safety requirements are scheduled to take effect by July 18.

The Nuclear Regulation Authority is currently in the process of compiling the new safety criteria for reactors in the wake of the 2011 Fukushima Daiichi nuclear power plant disaster.

"I have ordered my staff to do as much as possible in anticipation of (requests by regulators)...to swiftly seek our reactor's resumption by the time the standards will come into force," Chiba said.

While prospects are unclear on how long it will take for regulators to finish the safety assessments of a reactor that has applied for a restart, Chiba added that a substantial delay in the envisioned reactor's resumption could result in a further rate hike.

Under the current plan, a standard household using around 300 kilowatt-hours per month would see its monthly bill rise 580 yen, or 8.5 percent, to 7,433 yen.

The utility said it is also planning an average 17.50 percent rate hike for corporate users from July 1, a move which does not require government permission.

Four other Japanese utilities have applied for government approval to raise household electricity charges after the Fukushima disaster led utilities to boost thermal power generation to make up for the loss of nuclear power.

Of the four, Tokyo Electric Power Co., the operator of the crippled Fukushima plant, had won approval for an average 8.46 percent rate hike from September last year.

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