

Japan may put nuclear power firm under state control

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Black smoke rise from the third reactor building of TEPCO's No.1 Fukushima nuclear power plant in March. TEPCO Tuesday asked for an extra \$8.5 bln in aid from a government-backed fund to help it compensate families affected by the Fukushima nuclear crisis.

Japan's government on Tuesday floated the idea of putting the operator of the crippled Fukushima nuclear power plant under temporary state control, as it asked for \$8.9 billion more in compensation aid.

Yukio Edano, the minister of economy, trade and industry, told [Tokyo Electric Power Co. \(TEPCO\)](#) to consider "every possibility including temporary state control" to strengthen its financial base, the Jiji and Kyodo news agencies reported.

Edano made the remark when he met TEPCO president Toshio Nishizawa after the company asked for the additional aid from a government-backed fund to help it compensate families affected by the [nuclear crisis](#)

A [massive earthquake](#) and tsunami on March 11 left 20,000 dead or missing and crippled nuclear reactors into meltdown at the plant in Japan's northeast.

The company's request, if granted, would bring the amount of aid the utility has sought from the Nuclear Damage Compensation Facilitation Corporation to 1.7 trillion yen (\$21.8 billion) from a previous 1.01 trillion yen.

TEPCO said the increase results from government moves to widen eligibility criteria for claimants and to alter the evacuation zone restrictions around the stricken plant, which was hit by the tsunami's [huge waves](#).

The decisions have increased both the amount of compensation that the firm is liable for and the number of people entitled to claim it, TEPCO said.

"We submitted a change to the amount of financial assistance" required, it said in a statement.

A government panel has estimated claims from victims affected by the world's worst atomic disaster since Chernobyl could reach 4.5 trillion yen by 2013.

The accident has not directly claimed any lives, but left tens of thousands of people displaced and rendered whole towns uninhabitable, possibly for decades.

The utility's shares tumbled earlier this month on a press report that it would be effectively nationalised following a massive government share purchase.

The share purchase -- which would be made through a state-backed body set up to help pay nuclear compensation costs -- was aimed at putting TEPCO under temporary government control as it undergoes a massive restructuring, the Mainichi newspaper reported.

The report did not say what percentage of TEPCO shares the [government](#) would own after the sale, but added that Tokyo would move to replace company chairman Tsunehisa Katsumata and most of its senior executives.

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