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Subject Heading :

Source : The Nation

Date : 5 OCT 2018 Page : 1B

No : 61322579

Energy regulators look into Glow deal concerns

THE NATION

THE Energy Regulatory Commission (ERC) plans to clarify matters concerning the planned purchase by Global Power Synergy Plc (GPSC) of the shares of Glow Energy Plc (Glow) in a deal that some fear could lead to a power monopoly and fall foul of the Constitution.

After an urgently convened meeting yesterday, ERC chairman Samerjai Suksumek said: "The ERC has recently received a letter from the Office of the Ombudsman and has a duty to make a clarification. Earlier, we invited GPSC executives and Glow customers to provide us information. Now, we've considered the information from all sides in the interests of fairness to all."

The discussion involved gathering information extending from the legal compliance of PTT unit GPSC's process to buy Glow and the likely trade monopoly as a result of an expected rise in power production capacity after the deal to the possible impact on Glow customers.

Based on the laws, a licence to operate power business is required to proceed within 90 days, or September 26 for this case, which has been extended by 15 days to October 17.

The schedule can be further extended if the matter has not been finalised.

An unidentified source from the ERC said that the commission has to consider information from all sides of the debate, particularly on the trade monopoly concerns.

The source said it would take time to consider issues surrounding the expected rise in power production from the deal in comparison with power production in the whole country or particular areas.

Section 60 of the ERC Industry Act B.E. 2550 has been used to consider the deal, authorising the ERC to establish regulations to prohibit any acts that constitute a monopoly, or that reduce competition or limit competition in the energy service.

If the deal is deemed monopolistic, the ERC has the authority to not grant a license, the source said, adding that if the deal fails, Glow customers will not be affected.

Chawalit Tippawanich, chief executive officer of GPSC, said that the company is awaiting the ERC's decision and expressed confidence that both GPSC and Glow have considered the interests of all parties.

"The company is still confident that it has followed the right procedures. When customers have been concerned, we have made clarifications in the interests of transparency and fair service. This matter depends on the ERC's consideration," he said.

Earlier, GPSC chairman Surong Bulakul said that if the company does not gain approval for change of its licence to operate the power business, the company will continue to find business opportunities in three directions.

First, it would grow in the country together with PTT's business expansion while seeking investment opportunities overseas. The third thrust would be to develop future energy businesses, such as with batteries.

If the deal is approved, GPSC will go ahead with a borrowing deal from financial institutions for the purchase of Glow, Surong said.

In June, GPSC said it would pay Bt97.56 billion for French giant Engie Global Developments BV's 69.11 per cent stake in Glow, before launching a tender offer for the remaining shares. The deal gained approval from GPSC's extraordinary general meeting of the shareholders on August 24 on expectation to complete the purchase of Glow shares in October.

GPSC shares yesterday dropped by Bt1.75, or 2.58 per cent, to Bt66. while Glow's shares gained Bt0.50, or 0.57 per cent, to end at Bt88.25.