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## RPT-UPDATE 2-EU accepts E.ON giving up power grid, power plants

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(Repeats to detach from text of earlier story)

- \* EU executive accepts E.ON remedies for antitrust case
- \* E.ON commits to sell German long-distance power grid
- \* E.ON commits to sell 5 gigawatts of German power capacity
- \* E.ON confirms to start sale of power grid early next year

(Adds E.ON comment, details, background)

By [Ingrid Melander](#) and [Peter Dinkloh](#)

BRUSSELS, Nov 26 (Reuters) - The European Union on Wednesday closed an antitrust investigation into Germany's E.ON (EONGn.DE: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), accepting the offer of Germany's second-largest utility to sell strategic assets as a remedy.

E.ON in February surprisingly buckled to year-long pressure from the EU Commission, the bloc's executive arm, angering the German government and breaking ranks with its German peers.

The utility offered to the Commission to sell its German long-distance power grid as well as a fifth of its power-generation capacity if the EU stopped two cartel cases against the company.

The Commission on Wednesday said it was accepting E.ON's proposals after competitors it heard said the remedies were appropriate to address concerns that E.ON was hindering competition on Europe's largest power market.

"The divestiture of the network will remove the ability of E.ON to use control of the network to favour its own production affiliate over its competitors," EU Competition Commissioner Neelie Kroes said in a statement.

"For the first time in European antitrust history, a company is divesting very significant assets to address competition concerns," Kroes added.

The move came slightly earlier than expected, as E.ON had said it expected an agreement by mid-December.

The company said it can now begin to divest the assets in the agreed timeframe.

After the EU decision was announced, E.ON confirmed its plan to start sales process for high-voltage power grid early next year, reiterating that there were numerous parties interested in its German high-voltage power grid.

The Commission said interested parties had described the commitments as necessary and proportionate.

"E.ON will carry out the sale of its assets under the supervision of a trustee, who will verify in particular that none of the acquisitions would raise competition concerns," the statement said.

"A number of further requirements have to be met by the potential buyers of the assets to be divested. All buyers have to be approved by the Commission," it added.

The Commission has been trying for years to have European utilities divest their power grids and increase competition by giving rivals easier access to their networks.

Germany and France have fought hard against EU executive energy liberalisation plans, spearheading opposition to any forced break-up of energy champions.

The hand of Paris and Berlin appeared to be weakened in negotiations when German utilities RWE (RWE.G.DE: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and E.ON were forced to sell parts of their transmission networks to settle antitrust cases brought by the Commission.

However, Germany has stuck to its guns, and France has since taken over the rotating EU presidency and has stated its reluctance to advance the issue. EU talks have stalled. (Additional reporting by Peter Dinkloh in Frankfurt; Editing by Dale Hudson and Andrew Macdonald)

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