

Press release

November 30, 1999

Barsebäck: agreement reached

The Government, Sydkraft and Vattenfall negotiating teams have now agreed on a solution for the Barsebäck nuclear power plant. The main points of the agreement are that Sydkraft will shut down Barsebäck 1 today, November 30, and will simultaneously receive equivalent power supplied by Vattenfall.

Barsebäck Kraft AB and Ringhals AB will be merged into a single corporate Group in which Vattenfall will own 74.2% and Sydkraft 25.8%.

Vattenfall will receive compensation on market terms for the 25.8% proportion of Ringhals which is to be transferred to Sydkraft. Vattenfall's total compensation following shutdown will amount to approximately SEK 5.7 billion. The Government will compensate Vattenfall by making a cash payment of SEK 2.65 billion spread over four years. Vattenfall will also receive 74.2% of the electricity production at Barsebäck 2. In addition, Sydkraft will pay SEK 113 M annually to Vattenfall, since production costs at Barsebäck are higher than at Ringhals (1.4 öre/kWh). This payment is index-linked.

The Government will compensate the joint company for the additional costs incurred for "single operation" of the Barsebäck 2 plant, and decommissioning and service costs for Barsebäck 1. This compensation is to be paid annually to the new Group in the form of an initial sum of SEK 400 M, which will be gradually reduced to approximately SEK 240 M in the final year. The cumulative payments will amount to approximately SEK 3.3 billion.

The Government's costs for shutting down Barsebäck will amount to a total of SEK 5.9 billion. The agreement also covers the terms to be applied if Barsebäck 2 is shut down as the result of a political decision. In this case, Sydkraft's participation in Ringhals will increase to 30% and Vattenfall will receive additional financial compensation from the Government, under the agreements that have now been reached.

“We are receiving compensation in the form of the corresponding production of electricity, at the same cost and with the same environmental impact. This gives us full compensation,” Sydkraft’s CEO, Lars Frithiof, comments.

“In commercial terms, this agreement meets the conditions that Vattenfall has stipulated, both in terms of the level of compensation and the form the agreement takes,” says Vattenfall’s chief negotiator, Staffan Nordin.

The Government’s negotiator, Kaj Janérus, is pleased that agreement has been reached prior to a shutdown of Barsebäck 1. According to Mr. Janérus, it should be apparent that this has been a highly complex settlement.

The overall settlement consists of a number of separate agreements and, before it enters into force, it must be approved by Parliament in the spring. Sydkraft has convened a Special General Meeting on December 22 to vote on the agreement. Vattenfall’s Board has already approved the agreement.

The merger of Ringhals AB and Barsebäck Kraft AB will not take place until final approval has been received from the Government.

Ringhals AB’s President is Anders Hjorth. The President of Barsebäck Kraft AB, which is to become a subsidiary of Ringhals AB, is Per Lindell.

Sydkraft will continue to be the formal owner of the Barsebäck reactors. This means that Sydkraft will be responsible for decommissioning the reactors at the Barsebäck plant. Entitlement to the electricity production will be transferred to Barsebäck Kraft AB. Vattenfall will be responsible for decommissioning the Ringhals reactors, when required.

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