

Energy minister Giorgos Stathakis is seeking alternative privatization plans for DEPA, the Public Gas Corporation, including one which, instead of selling a 65 percent stake, will strive to split the distribution networks to be controlled by the firm following its agreements with current retail partners Eni and Shell, transfer these interests to another company, and privatize a stake of approximately 35 percent.

This plan has neither been endorsed nor rejected by the country's lenders.

DEPA and Shell are working on a plan for the former's acquisition of the latter's 49 percent stake in EPA Attiki and EDA Attiki supply and distribution ventures covering the wider Athens area.

Besides the Shell partnership, DEPA is also working on finalizing a deal with Italy's Eni, which holds a 49 percent in EPA Thessaloniki-Thessaly. DEPA intends to sell all or most of its 51 percent share in this venture to Eni. DEPA's future in EDA Thessaloniki-Thessaly remains unclear.

Another DEPA alternative plan being considered by the ministry entails forming a holding company, part of which would be listed on the stock exchange, with three subsidiaries. One subsidiary would carry the networks, of which a minority stake could be sold. A second subsidiary, representing the commercial section, could also be privatized. A third subsidiary could remain under the control of the holding company and control the major energy projects.

These alternatives were presented to DEPA by consulting firm McKinsey, commissioned by the gas utility for proposals.

Pundits contacted by energy press remained skeptical as to whether such a proposal could be implemented.

"There is a long way to go before DEPA's privatization plan is finalized. All is still possible. This scenario has been tabled but it does not mean it will be endorsed," one source noted. As was the case with Hellenic Petroleum, a team of government officials under the supervision of the energy minister insists that the Greek State must maintain some control of the country's energy firms. The Greek State will retain a 36.25 percent stake of ELPE, it has been agreed.

The DEPA picture should start clearing up over the next few weeks. For the time being, various groups are supporting their respective scenarios.

It has been rumored that the country's lenders view the country's overall privatization plan as "slightly overambitious", which bodes trouble.

The Greek privatization plan, titled "Growth Strategy for the Future of Greece", includes commitments for the completion of older privatization plans already in progress, but the

terms are unclear for newer privatizations that will need to be completed in the post-bailout period. Energy sector privatizations, including DEPA, belong to this category.

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