

Gazprom, Vekselberg to Merge Utilities

By [The Moscow Times](#)

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Gazprom and billionaire Viktor Vekselberg agreed to merge electricity assets, forming a utility that may control 25 percent of the country's generating capacity.

The combined utility will compete on the scale of international companies such as E.On and Electricite de France, Gazprom chief executive Alexei Miller said Thursday at a signing ceremony in Moscow.

Vekselberg's Renova Group, one of the biggest investors in Russia's power market through its IES Holding unit, will have a blocking stake of at least 25 percent plus one share in the combined utility, the billionaire said at the ceremony.

Gazprom Energoholding, the gas producer's power unit, plans to acquire IES Holding and be the base for the merger, according to Thursday's agreement. The deal may be completed by the end of this year, after meeting antitrust demands, Vekselberg said. The utility plans to seek a listing, he said.

Russia's competition watchdog sees the tie-up as "undesirable" because Gazprom already holds many power assets, RIA-Novosti reported, citing Igor Artemyev, head of the Federal Anti-Monopoly Service.

The tie-up "puts competition on the Russian electricity market under a very serious threat" because IES Holding was one of the few privately owned generating companies in Russia, Alfa Bank said in a research note late Wednesday.

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