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UK Govt Reiterates Support For EdF Bid For British Energy

LONDON (Dow Jones)--The U.K. government reiterated its support Tuesday for Electricite de France SA's (1024251.FR) takeover approach to nuclear power generator British Energy PLC (BGY.LN).

The government still believes that EdF, an experienced nuclear operator, is a good fit for British Energy that will facilitate the development of new nuclear power stations in the U.K., a spokeswoman for the Department of Business, Enterprise and Regulatory Reform said. She declined to comment on the status of talks between the two companies.

A person familiar with the matter had told Dow Jones Newswires Monday that EdF is preparing to sweeten an earlier bid for British Energy in order to win over shareholders holding out for a higher price. If British Energy's board recommends the new offer to its shareholders, EdF's board will validate it Wednesday in Paris, the person added.

The spokeswoman said there is also strong interest from other utilities in building new nuclear plants close to the sites of other reactors, such as those owned by the Nuclear Decommissioning Authority.

Germany's E.ON AG (EOA.XE) confirmed last week it has applied for an electrical connection for a new reactor near the NDA site at Oldbury in Gloucestershire.

Company Web site: www.berr.gov.uk

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