

Closing the investigation on the suspected violation of the Antimonopoly Act by Osaka Gas Co., Ltd.

June 2, 2020
Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter “JFTC”) has investigated Osaka Gas Co., Ltd. (hereinafter “Osaka Gas”), in accordance with the provisions of the Antimonopoly Act. Osaka Gas has been suspected ^(Note) of unjustly excluding competitors in the relevant market, where gas retailers supply gas to LCPs (meaning large-consumption points subject to an annual gas contract of not less than a hundred thousand cubic meters, the same applies hereinafter) in the area of distribution network of Osaka gas, by the followings:

- (i) unjustly supplying gas for a low price, or supplying gas for a lower price only after Osaka Gas encounters a competition,
- (ii) concluding a contract to discount gas prices under the condition of supplying gas to two or more LCPs (hereinafter “multipoint contract”) with the stipulation that the total amount of the discounts should be reimbursed to Osaka Gas if any of the individual gas contracts on the LCPs subject to the multipoint contract would be cancelled during the contracted period, and
- (iii) concluding a gas supply contract with the stipulation that the customer should pay a cancellation charge to Osaka Gas if the customer would cancel the contract during the contracted period.

The JFTC has decided to close the investigation in light of the facts including:

- it has not found a violation against the Antimonopoly Act on (i) above, and
- Osaka Gas voluntarily offered the JFTC revision of the stipulations of the multipoint contract and gas supply contract mentioned in (ii) and (iii) above to reduce customers' payment accompanying a change of a gas supplier from Osaka Gas to a competitor.

(Note) Suspected violation of the Article 3 (Private Monopolization) or

the Article 19 (Unfair Trade Practices stipulated in the Article 2, Paragraph (9), Item (ii) [Discriminatory Price] or Item (iii) [Unjust Low Price Sales] of the Anti-monopoly Act, or Paragraph 3 [Discriminatory Price], Paragraph 6 [Unjust Low Price Sales], Paragraph 12 [Trading on Restrictive Terms] or Paragraph 14 [Interference with a Competitor's Transactions] of the Designation of Unfair Trade Practices) of the Antimonopoly Act

* Every announcement is tentative translation.

Please refer to the original text written in Japanese for more details.