

The write-off of Greek state-controlled Public Power Corporation is related to at least five years old customers' debt and many of these are business and industrial debtors which are no longer operational.

PPC wrote off 1.7 billion euros in unpaid receivables accumulated over the past decade by household, business and industrial customers, deeming the debt as noncollectable. The sum represents about 60 % of PPC's total unpaid receivables, estimated at 2.7 billion euros.

PPC estimates that over 580,000 financially able customers are deliberately dodging electricity bill payments totaling 545 million euros and overdue for more than six months. Overall, PPC estimates this category of customers to total 1,477,000, owing over 1.5 billion euros. Also, the company estimates that a further 895,000 customers have switched suppliers, leaving PPC with a total of one billion euros in of unpaid receivables.

Earlier in August, PPC has finalized a deal to sell off unpaid bills to investment bank JP Morgan that will raise about 200 million euros. The company struggling under a pile of about 2.7 billion euros of electricity bills owed by Greeks hard up because of the country's decade-long debt crisis. PPC said it had signed contracts to sell bills in arrears of up to 60 days. Finacity Corporation arranged the transaction. PPC said last month it had also finalized the terms for securitizing a second tranche of bills worth 1.7 billion euros that are in arrears by more than 90 days, seeking to raise between 300 and 350 million euros. Sources say the offer for the package came from international investment giant PIMCO, while the organizer of the transaction is Deutsche Bank.