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## ELECTRICITY TARIFFS

# Commission: RM929.4m rebate to be borned by utility firm

**PUTRAJAYA:** The Energy Commission (EC) says the RM929.37 million rebate to maintain the current electricity tariffs in Peninsular Malaysia and Sabah will be borned by Tenaga Nasional Bhd (TNB).

The RM929.37 million rebate, which works out to 1.80 sen per kilowatt-hour (kWh), is for the period of January 1 to June 30 this year.

The commission said it would be absorbed by TNB through an electricity supply system.

"If you said the (rebate) is coming from the government treasury, the answer is no. It comes from an electricity supply system, where TNB is the major player who operates on behalf of the government," said commission chairman Datuk Abdul Razak Abdul Majid at a media briefing, here, yesterday.

The commission's acting chief executive officer Azhar Omar said the sum, or the Imbalance



*The current electricity rates are 38.53 sen per kWh (sen/kWh) in Peninsular Malaysia and 34.52 sen/kWh in Sabah and Labuan. PIC BY HARRY SALZMAN*

Cost Pass-Through (ICPT) rebate, would be absorbed by TNB via unused capital expenditure and operating expenditure approved by the commission in the

Regulatory Period (RPI) for 2015 to 2017 under the incentive-based regulations (IBR) mechanism.

"We've arranged the cost from

where the sources of fund are coming in and how to expand it. This (the amount) is the balance within the system cost. We are not asking the government to

provide from taxpayers' money," said Azhar.

The IBR features ICPT, a mechanism which allows adjustments that produce varying rates of rebates or surcharges to reflect changes in fuel prices for power generation.

He said it would allow an effective review of electricity rates every six months, without affecting consumer bills.

The IBR had been successfully implemented during the RPI. The commission is implementing the second regulatory period from this year until 2020.

The current electricity tariff rates in Peninsular Malaysia will be maintained for the next three years, while those in Sabah and Labuan will remain unchanged until June 30 next year.

The rates are 38.53 sen per kWh (sen/kWh) in the peninsula and 34.52 sen/kWh in Sabah and Labuan. **Ayisy Yusof**