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# Gas Malaysia ups natural gas tariff

by NG MIN SHEN

GAS Malaysia Bhd has raised the natural gas tariff for the non-power sector in Peninsular Malaysia to RM31.92 per one million British thermal units (MMBtu) from RM30.90 per MMBtu, from July 1, 2018, to Dec 31, 2018.

However, with the implementation of a surcharge due to higher actual gas costs, the average effective tariff will be RM32.69 for the same period.

In a statement to the local bourse yesterday, Gas Malay-

sia stated that it had received approval from the government via a letter from the Energy Commission dated June 12, 2018, to effect the natural gas tariff revision.

Under the incentive-based regulation framework prescribed by the government, the base tariff is set for a regulatory period of three years from January 2017.

The framework allows changes in gas costs to be passed through via the Gas Cost Pass Through (GCPT) mechanism every six months.

"The average natural gas base tariff is set at RM31.92 per MMBtu for the period of July-December 2018, in line with Gas Malaysia's announcement on Dec 28, 2016.

"In addition, under the GCPT mechanism, a surcharge of 77 sen per MMBtu will apply to all tariff categories due to the higher actual gas costs against the reference gas costs in the base tariff in this period.

"This translates to an average effective tariff of RM32.69 per MMBtu," the statement read.

Gas Malaysia added that while the tariff revision has no material impact on the group's business operations, it is expected to contribute positively towards the financial position of the company for the financial year ending Dec 31, 2018.

Shares of Gas Malaysia closed four sen, or 1.38%, higher at RM2.94 yesterday against the previous day's close of RM2.90, giving it a market capitalisation of RM3.72 billion. The stock saw 107,000 shares changing hands.