



11 DEC, 2019

## Electricity tariff for domestic consumers to be maintained

The Malaysian Reserve, Malaysia

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THE electricity tariff for domestic consumers will be maintained, while the surcharge for non-domestic consumers will be reduced effective Jan 1 until June 30 next year, according to the Energy Commission (ST).

Through the government-approved decision, 74 million domestic consumers would be exempted from paying the surcharge, while non-domestic consumers would enjoy a surcharge reduction which is the reduction of effective electricity tariff rates in their electricity bills.

ST said RM376.45 million is to be released to consumers in Peninsular Malaysia through the imbalance cost pass through (ICPT) surcharge from Jan 1 to June 30, 2020.

"RM62.95 million is to be released to the domestic consumer category, while RM313.5 million is to be

released for commercial and industrial users," it said in a statement yesterday.

For domestic consumers, RM62.95 million from Kumpulan Wang Industri Elektrik would be used to cover the ICPT surcharge.

"This means domestic consumers will not experience any increase in electricity tariff for 18 months in a row," it said.

For the commercial and industrial users' category, a surcharge of 2.55 sen/kWh was imposed from July to December this year.

"Given the reduction in fuel costs over the last six months, the commercial and industrial consumer surcharge rates will be reduced by 0.55 sen/kWh from 2.55 sen/kWh to two sen/kWh," the statement said.

According to ST, there had been a decline in actual coal costs for July to December 2019 period, but the



ST says the base electricity tariffs for 2018 to 2020 are determined by setting the benchmark coal and gas fuel prices during that period

actual average coal prices, however, are still above the benchmark fuel prices set in the base tariff for Regulatory Period 2 of the incen-

tive-based regulations mechanism from 2018 to 2020.

"This price increase is beyond the control of the government because

it is based on global market prices. In addition, higher electricity demand also contributed to the rising cost of fuel and related costs for the July to December 2019 period," it said.

Through this mechanism, the base electricity tariffs for 2018 to 2020, are determined by setting the benchmark coal and gas fuel prices during that period.

It said any difference in actual cost with the benchmark price in the base tariff would be adjusted every six months under the ICPT mechanism either in the form of surcharge or rebate, depending on fuel costs and other costs generated during the period.

"In other words, the surcharge rate or ICPT rebate, for January to June 2020, is determined by the July to December 2019 fuel prices," it said. — *Bernama*



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### SUMMARIES

THE electricity tariff for domestic consumers will be maintained, while the surcharge for non-domestic consumers will be reduced effective Jan 1 until June 30 next year, according to the Energy Commission (ST). Through the government approved decision, 7.4 million domestic consumers would be exempted from paying the surcharge, while non-domestic consumers would enjoy a surcharge reduction which is the reduction of effective electricity tariff rates in their electricity bills. ST said RM376.