

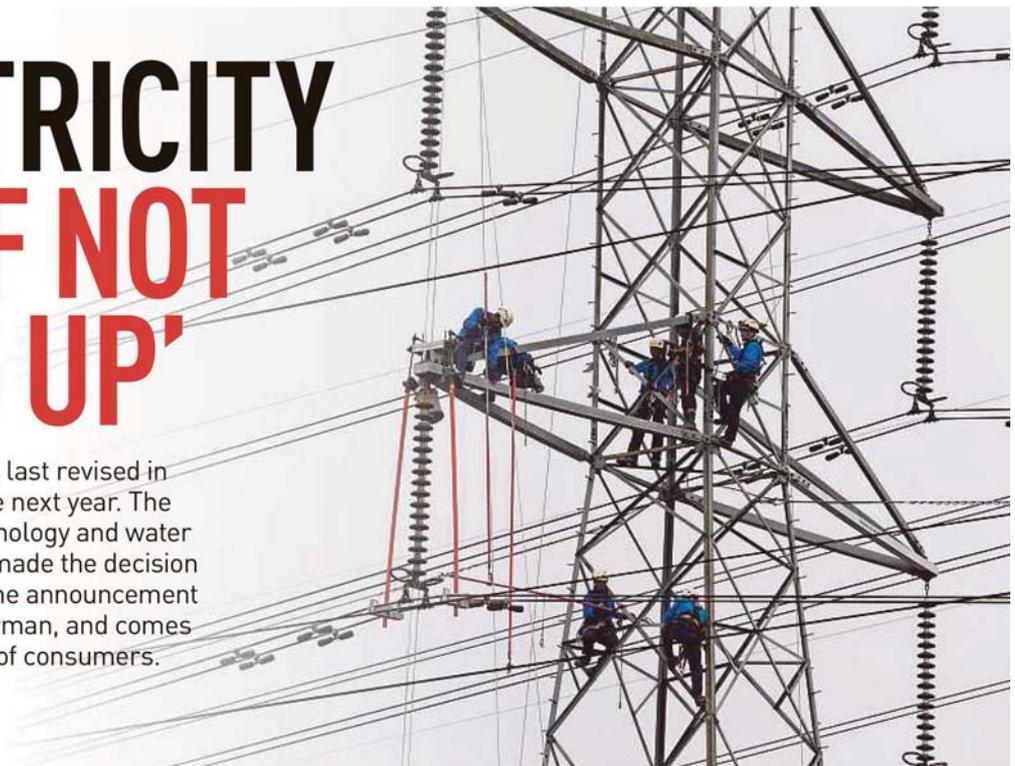
Headline	ELECTRICITY TARIFF TO REMAIN UNCHANGED		
MediaTitle	New Straits Times		
Date	19 Dec 2017	Color	Full Color
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Journalist	ZARINA ZAKARIAH	AdValue	RM 38,021
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'ELECTRICITY TARIFF NOT GOING UP'

POWER rates, which were last revised in 2014, will remain the same next year. The deputy energy, green technology and water minister says the cabinet made the decision last month. This mirrors the announcement by Tenaga Nasional's chairman, and comes as good news for millions of consumers.

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RATE REVISION

ELECTRICITY TARIFF TO REMAIN UNCHANGED

TNB chairman says company not expecting changes to base tariff

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NATIONAL electricity company Tenaga Nasional Bhd (TNB) will not impose a tariff hike next year, says its chairman, Tan Sri Leo Moggie.

Speaking after the utility company's annual general meeting, Moggie said the government had not decided on any hikes thus far, and the company was not expecting any changes to the base tariff.

"With respect to tariff change, we do not anticipate any, come January, when the announcement is expected to be made. I don't think so. After that, who knows?"

"But it's certainly not early next year. We have a regulatory review every three years and, usually, the government will inform us if

there are any hikes or changes to the tariff in December, and an announcement will be made in January.

"It is up to the government if there should be any tariff hike, but it is most likely we are not expecting any for next year," said Moggie, when asked on the possibility of TNB raising the tariff.

The last base tariff revision was in 2014. The average selling price is 39.5 sen/kilowatt hour.

The next electricity tariff revision for Peninsular Malaysia is expected to be next month after the government agreed to maintain the power tariff rebate of 1.52 sen/kWh from July 1 to Dec 30 this year.

TNB, over the last few months, had been engaging the government in meetings on the tariff restructuring. On June 30, the government agreed to spend RMI.303 billion to cover the rising cost of fuel and electricity supply generation in the peninsula from July to December this year.

The expenditure of RMI.303 billion translated into a rate of 2.54 sen/kWh, where 1.52 sen/kWh was used to maintain the power tariff rebate and 1.02 sen/kWh to cover the surcharge

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Tenaga Nasional chairman Tan Sri Leo Moggie (centre), TNB president and chief executive officer Datuk Seri Azman Mohd (left) and TNB chief financial officer Datuk Fazlur Rahman Zainuddin at the company's annual general meeting in Kuala Lumpur yesterday. PIC BY SAIFULLIZAN TAMADI

for the rising cost of fuel.

They were paid directly to TNB and independent power producers, such as Malakoff Corporation Bhd and YTL Power Generation Sdn Bhd.

The base tariff also takes into account the base price for key fuels, such as piped gas, coal and liquefied natural gas, and operational maintenance costs and development for the utility companies, which included the Return on Regulated Asset Base (RORB).

It had been decided by the government for four years from Jan 1, 2014, to Dec 31 this year.

The electricity tariff for the peninsula is determined according to the Incentive Based Regulations framework comprising the Imbalance Cost Pass Through and base tariff.

The base tariff is to cover all costs related to the supply of electricity to consumers.

Electricity sales growth in the country is expected to continue to slow in line with sales growth over the last three years.

Sales growth has been revised for this year, taking into account the trend of slowing demand in the industrial sector, along with the change in consumer consumption as they adopt more energy-efficient measures.

This has led to lower sales growth of 1.92 per cent for TNB leading towards 2020.

The domestic power sector is on track to continue modernising through regulatory reforms, with the introduction of the Electricity Supply (Amendment) Act 2015 and the Gas Supply (Amendment) Act 2016.

The authorities are also expected to continue reviewing and introducing regulations, codes and guidelines to keep abreast of industry trends.

OPERATIONAL STATISTICS

