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'OUR TARIFF IS LOW, BUT WE MAY HAVE TO PAY MORE SOON'

KUALA LUMPUR: Malaysia's electricity tariffs for residential, industrial and commercial segments remain among the lowest in the Asean region.

Energy Commission acting chief executive officer and senior director (electricity industry development and market regulation) Ir Azhar Omar said the residential segment enjoyed the lowest tariff as it received cross-subsidy from the industrial and commercial sectors.

However, in developed countries, the tariff for the industrial sector was low while the tariff for domestic consumers was high.

"This is because unlike other countries, which are more nuanced towards commercial use, our tariff structure is designed not to burden but help the people," he told Bernama Radio in an interview.

Since 2008, consumers whose monthly electricity bills are less than RM20 will receive rebates. In other words, the Government absorbs the charges.

"To-date the Government has spent RM1.049bil in giving out rebates," Azhar said.

To help the low-income group, the Government also subsidised consumers in various other ways, Azhar said.

"These costs keep increasing and we have to think of ways to get the money to pay them.

"Currently, the fund comes from the independent power producers who have signed power purchase agreements with the commission," he said.

"So, in the future, we may impose a surcharge (if fuel prices continue rising or in a situation of unfavourable exchange rate) instead of giving a rebate," said Azhar.

He added that the commission's function was to regulate the country's electricity supply industry by focusing on three areas – reliable electricity supply, reasonable costs and safety. — Bernama