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## REVISION

# GAS MALAYSIA RAISES LNG PRICES

New average base tariff is at RM28.31 per MMBtu for non-power sector users effective July 1

### KUALA LUMPUR

**M**ALAYSIA has decided to raise the average natural gas price for users in the non-power sector for the six months until December this year.

The new average base tariff is RM28.31 for every million British Thermal Unit (MMBtu) effective July 1, up from RM27.05 for each unit, said Gas Malaysia Bhd yesterday.

However, a government subsidy will offset the hike, leading to lower effective tariff rates for all tariff categories for the six months compared with the existing rates.

Gas Malaysia said the government had approved the revision, effective July 1 to December 31 this year.

Natural gas prices are regulated by the government under the so-called Incentive-Based Regulations (IBR).

IBR allows Gas Malaysia and the country's largest power utility, Tenaga Nasional Bhd to pass on the fluctuations in input costs to consumers every six months.

"The government has prescribed the IBR framework, which sets the base tariffs for a regulatory period of three years from January 2017, and allows

changes in the gas costs to be passed through via the Gas Cost Pass Through (GCPT) mechanism every six months," Gas Malaysia said.

Under the GCPT mechanism, a rebate of RM1.59/MMBtu will apply to all tariff categories during the six months, it added.

The rebate was 40 sen per MMBtu in the previous January-June period this year.

It noted that the average effective tariff is now RM26.46 per MMBtu, up 0.57 per cent from average effective tariff of RM26.31 per MMBtu previously.

### REVISED EFFECTIVE TARIFF AFTER GCPT:

- Residential consumers will pay RM18.64 per MMBtu (million British Thermal Units) from existing rate of RM19.26.
- Non-residential customers consuming up to 600 MMBtu annually will pay RM24.52 per MMBtu, from RM24.86.
- Those with 601-5,000 MMBtu consumption will pay RM24.66 per MMBtu, from RM24.99.
- For 5,001-50,000 MMBtu, the new tariff after rebate is RM24.92 per MMBtu, from RM25.24.
- Those consuming 50,001-200,000 MMBtu as well as 200,001-750,000 MMBtu annually, the rate is RM26.07 per MMBtu, from RM26.33.
- Those with annual consumption above 750,000 MMBtu, the revised effective tariff is RM26.99 per MMBtu, from RM27.21.

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