

OTHERS IMBALANCE COST PASS-THROUGH FOR JULY - DECEMBER 2020

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	IMBALANCE COST PASS-THROUGH FOR JULY - DECEMBER 2020

Tenaga Nasional Berhad ("TNB") wishes to inform that the Government of Malaysia ("Government") has approved via a letter from Suruhanjaya Tenaga ("ST") dated 30 June 2020 to adjust the Imbalance Cost Pass-Through ("ICPT") for the period of 1 July until 31 December 2020.

For this period of ICPT implementation, the Government has approved a reduction in ICPT from the current 2.00 sen/kWh surcharge to 0.00 sen/kWh for non-domestic customers. This reduction in ICPT surcharge is due to a reduction in actual fuel costs for the period of January to June 2020 compared to the previous six (6) months period of July to December 2019.

Details of the actual fuel prices for period January to June 2020 are as follows:

(i) Average Applicable Coal Price is at USD69.5/MT;

(ii) Starting from January 2020, the gas price is set based on Reference Market Price ("RMP"), replacing the former two-tier gas pricing mechanism which comprises of Regulated Gas Price and LNG Price. For period January to June 2020, the average RMP price is RM26.60/mmBTU.

The benchmark fuel prices set for determination of Base Tariff for the same period are USD75/MT for coal and RM27.20/mmbtu for gas.

The above ICPT will be implemented on the average base tariff of 39.45 sen/kWh as follows:

(i) Domestic Customers*

No ICPT will be applied to domestic customers (0.00 sen/kWh)

(ii) Non-Domestic Customers

No ICPT will be applied for non-domestic customers (0.00 sen/kWh)

Electricity customers will now have the ability to estimate future ICPT impact using the ICPT Calculator available at www.myelectricitybill.my. Please refer to ST's website (<http://www.st.gov.my/>) for further details on the ICPT implementation.

The ICPT is a mechanism approved by the Government and implemented by ST since 1 January 2014 as part of a wider regulatory reform called the Incentive Based Regulation ("IBR"). ICPT mechanism allows TNB to reflect changes in fuel and generation costs in consumer's electricity tariff every six (6) months. This mechanism is implemented according to Section 26 of Electricity Supply (Amendment) Act 2015. TNB also wishes to inform that the impact of ICPT implementation is neutral on TNB and will not have any effect to its business operations and financial position.

This announcement is dated 1 July 2020.

*domestic customers refer to residential customers.

Announcement Info

Company Name	TENAGA NASIONAL BHD
Stock Name	TENAGA
Date Announced	01 Jul 2020
Category	General Announcement for PLC
Reference Number	GA1-30062020-00080