

OTHERS IMBALANCE COST PASS-THROUGH TARIFF REBATE

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	IMBALANCE COST PASS-THROUGH TARIFF REBATE

Tenaga Nasional Berhad (“TNB”) wishes to inform that the Government of Malaysia (“Government”) has announced an Imbalance Cost Pass-Through (“ICPT”) rebate of 1.52 sen/kWh effective from 1 January 2016 until 30 June 2016. This rebate will be applicable to all consumers except Domestic consumers with monthly consumption of 300 kWh and below.


This ICPT rebate is given following the RM762.03 million of net savings as detailed below:

- (i) Savings in fuel and generation costs for the period of July 2015 to December 2015. These savings are mainly contributed by a reduction in the use of Liquefied Natural Gas (“LNG”) for electricity generation supported by the high performance of coal power plants; and
- (ii) Additional gas cost as a result of the Government’s decision to further increase the piped gas price from the original RM15.20/mmBTU in the Base Tariff to RM18.20/mmBTU. The new price will be effective from January 2016 as part of the Government’s subsidy rationalisation plan.

The ICPT is a mechanism approved by the Government and implemented by Suruhanjaya Tenaga (“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, subject to Government’s decision and approval.

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 8 December 2015.

 Announcement Info	
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