

OTHERS ELECTRICITY TARIFF ADJUSTMENT BEGINNING FROM 1 JANUARY 2018

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	ELECTRICITY TARIFF ADJUSTMENT BEGINNING FROM 1 JANUARY 2018

Tenaga Nasional Berhad ("TNB") wishes to inform that the Government of Malaysia ("Government") has approved for the electricity tariff in the current tariff schedule for Peninsular Malaysia to be maintained for the period of 1 January 2018 until 31 December 2020. The same electricity tariff schedule has been used since 1 January 2014.

The Government has further agreed to fund RM929.37 million for the subsidy and rebate of 1.80 sen/kWh for the period of 1 January 2018 until 30 June 2018. This includes 0.28 sen/kWh of surcharge from additional cost of generation and 1.52 sen/kWh to continue the current Imbalance Cost Past Through ("ICPT") rebate for the electricity customers. In total, the Government has approved RM6.332 billion of total rebate to the electricity customers in Peninsular Malaysia over the period of March 2015 until June 2018.

With this decision, the customers in Peninsular Malaysia will not experience any change in their electricity bill for the period of 1 January until 30 June 2018 if the electricity consumption is maintained at the same level.

Although the electricity tariff for the period of January 2018 to December 2020 is maintained at the current level, customers will continue to benefit from reliable electricity supply. TNB will also continue to ensure security and reliability of electricity supply in Peninsular Malaysia with further development of advanced technological infrastructures and various other support programs including:

- (a) development of Advanced Metering Infrastructure ("AMI") involving installation of 1.5 million smart meters initiated in major cities in the central area;
- (b) development of additional fibre optic network to enhance security and reliability of electricity supply;
- (c) installation of energy efficient LED street lighting in all capital cities;
- (d) development of solar project in 10 public universities with a total capacity of 200MW or 20MW each; and
- (e) educational programme with a value of up to RM1 billion over the period of 2018 – 2022 (5 years), as part of TNB's overall corporate social responsibility initiatives.

The 1.52 sen/kWh ICPT rebate will be applicable to all consumers except Domestic consumers with monthly consumption of 300 kWh and below.

The ICPT is a mechanism approved by the Government and implemented since 1 January 2014 as part of the Incentive Based Regulation ("IBR") mechanism. 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 26 December 2017.

Company Name	TENAGA NASIONAL BHD
Stock Name	TENAGA
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