Govt to decide on power tariff next week

by P PREM KUMAR

The government will decide on whether to revise tariffs for electricity following the gas subsidy reduction report that will be presented to the Cabinet next week.

Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Johnity Ongkili said the Cabinet will deliberate on the third imbalance cost pass-through (ICPT) mechanism before deciding whether a tariff hike is warranted.

The two previous ICPTs were supposed to result in a tariff hike but the government had decided to absorb the cost, Ongkili told The Malaysian Reserve.

“The gas price via ICPT is pegged to market price every six months and the cost goes up every time we adjust the subsidy. For the first two ICPTs, we absorbed the cost and mitigated with savings. But for the third occasion, somebody has to pay...either the government or consumers. But let the Cabinet decide,” he said at the Parliament lobby yesterday.

Ongkili also refuted that an electricity tariff hike is in the making following the recent sale of 1Malaysia Development Bhd’s Edra Global Energy Bhd to a Chinese firm as the electricity tariff is discussed by the Cabinet twice a year.

The Energy Commission (EC) had in October said that the electricity tariff rate in the country will not be raised until next year, and would be thereafter reviewed based on generation costs. EC chairman Datuk Abdul Razak Abdul Majid had said the current electricity tariff in Malaysia was among the cheapest compared to other Asean countries.