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No hike in electricity tariffs



> Government to absorb additional surcharges for domestic users: Yeo

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PUTRAJAYA: Electricity tariff for domestic consumers will remain unchanged for the next six months despite higher costs, said Science, Technology, Climate Change and Environment Minister Yeo Bee Yin (pix).

She said the government would utilise an existing RM114 million fund from Kumpulan Wang Industri Elektrik to absorb any additional surcharges on domestic users up to December.

"The ministry will absorb these higher surcharges in electricity generation so domestic consumers will not be affected," she told a press

conference after attending a town hall session yesterday.

Yeo was commenting on the public's concern that they might be required to pay extra for electricity usage after Tenaga Nasional Bhd (TNB) issued a statement on June 29, saying that non-domestic users were required to pay an additional surcharge of 1.35 sen per kilowatt per hour (kWh).

This is on top of the average base tariff of 39.45 sen/kWh which remains unchanged. TNB has, however, stated that domestic consumers would not be affected by the additional charges.

On July 2, PKR vice-president Rafizi Ramli, lamented that the increase in tariffs for the commercial sector would directly affect domestic users, claiming traders would use this as an excuse not to lower prices despite the zero-rating of the goods and services tax.

Responding to this, Yeo said she would provide more information in

Parliament next week.

She also said the government has decided to cancel four independent power producer (IPP) contracts that were awarded under the previous Barisan Nasional administration.

Explaining that these IPPs were new, Yeo said the move had taken into account the strong 30% electric energy reserve in the country.

This would give the government time to cancel some IPPs and develop renewable energy.

"There were eight new IPPs in total that were approved by the previous government via direct negotiations. The ministry has identified four to be cancelled, while the others are being reviewed.

"We chose to cancel these four first because they did not have any technical, legal and financial implications on us," she said.

"The goal is to create a more competitive electricity generation industry," she added.