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KUALA LUMPUR: The profit rate for Tenaga Nasional Bhd (TNB) is regulated by the government, with TNB's permitted profit margin maintained at 7.3 per cent during the fourth regulatory period (RP4) from 2025 to 2027.

Deputy Energy Transition and Water Transformation Minister Akmal Nasrullah Mohd Nasir said TNB's profit rate remains at 7.3 per cent in RP4, similar to the rate set during the second regulatory period in 2018.

"If TNB profits exceed the regulated rate, the excess will be returned to consumers through the Electricity Industry Fund," he said.

He was responding to a question from Lim Guan Eng (PH-Bagan) on TNB's annual profits and the additional gains earned following the 14.2 per cent tariff rise for the commercial sector on July 1.

Lim also asked whether the tariff hike could be postponed or staggered, given that TNB's profits rose by over 70 per cent in

2024.

Akmal Nasrullah further said the 7.3 per cent profit rate is reasonable in light of TNB's investments to upgrade and strengthen the national grid, particularly to support the Asean Power Grid initiative, the construction and maintenance of power plants, the installation of smart meters, and the digitalisation of the energy system.

According to him, setting this profit rate is a balanced approach to ensure TNB remains stable as a utility company capable of providing better consumer services.

"At the same time, it ensures a reasonable return to TNB's major shareholders, which include government investment entities such as Khazanah Nasional Bhd, the Retirement Fund (KWAP), and the Employees Provident Fund. TNB paid RM15.75 billion in dividends between 2018 and 2023," said Akmal Nasrullah. — Bernama