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# Some consumers to pay more for electricity use

**ADRIAN DAVID**

**KUALA LUMPUR:** The government yesterday announced an electricity tariff hike of 15 per cent in the peninsula and 17 per cent in Sabah and Labuan from next year that will provide RM4 billion in savings from the total energy subsidy next year.

However, the subsidy gradualisation will not affect 70.67 per cent or 4.56 million of the 6.45 million domestic consumers in the peninsula,

and 62 per cent or 260,000 of the 418,000 domestic consumers in Sabah and Labuan, who utilise 300 kilowatt hour (kWh) or less a month.

They will continue to enjoy the rebates given out by the government to consumers with electricity bills of RM20 or below per month next year.

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## ‘RM4b subsidy savings’

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Announcing this at Parliament House yesterday, Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili said the total subsidy for the energy sector this year was RM14 billion.

“The RM4 billion savings could be channelled towards improving infrastructure, schools and public facilities for the people.

“The increase in the electricity tariff is a reflection of the government’s policy to gradually reduce subsidies, not only for the energy sector but others as well.

“This is also to reflect market prices to ensure greater efficiency in selected sectors and investors can also respond to actual pricing.”

He said in tandem with the tariff review in Sabah and Labuan, the Federal Government has agreed to allocate RM1.812 billion in grants to implement projects to strengthen new infrastructure, notably the Southern Link Transmission Line as

well as other critical transmission projects from 2014 to 2016.

The government has also allocated RM230.6 million from 2013-2014 to finance projects aimed at improving the system average interruption duration index (Saidi) throughout Sabah.

Ongkili said the rationalisation could not be avoided as the price of fossil fuel, which includes natural gas, has gone up and it accounted for 51.5 per cent of the main source of electricity generation in the country.

The rest is derived from coal (43.3 per cent), hydro (4.2 per cent) and new energy (1 per cent).

Ongkili said the government took into consideration four components for the review:

**THE** price of domestic gas has risen from RM13.70 per million metric British thermal units (MMBtu) to RM15.20 per MMBtu;

**THE** price of imported liquefied natural gas is at RM41.68 per MMB-

tu, an increase of 10.17 per cent or 3.41 sen per kWh;

**THE** price of coal went up from US\$85 (RM274) per metric tonne to US\$87.5 per metric tonne, or 0.51 per cent or 17 sen per kWh; and

**TENAGA** Nasional Berhad’s (TNB) basic tariff has gone up by 2.69 per cent or 90 sen per kWh from the current average tariff rate.

He said the tariff in the peninsula would increase by 4.99 sen per kWh (from 33.54 sen to 38.53 sen), while in Sabah and Labuan, it will be raised by 5 sen (from 29.52 sen to 34.52 sen), from Jan 1.

On the RM20 rebate for those using less than 300kWh, he said the government would continue to provide a 16.2 sen per kWh (or 74 per cent) subsidy for the first 200 kWh use, and a 14.1 sen per kWh (or 59 per cent) for the first 300 kWh used for peninsula consumers.

“For those in Sabah and Labuan, the government will continue to

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provide a 33.09 sen per kWh (or 186 per cent) subsidy for the first 200 kWh use, and a 14.1 sen per kWh hour (or 59 per cent) for the first 300 kWh hour used.”

He said the gradual subsidy reduction was not only for electricity but other forms of energy as well.

“The move will strengthen our finances to ensure greater efficiency in selected sectors and reflect actual market prices for investors to react.

“We have to ensure utility companies (like TNB and Sabah Electricity Sdn Bhd (SESB) can absorb rising power generation costs so that they can increase investments to provide better infrastructure and power supply.”

For Sabah and Labuan, he said the RM29.52 sen per kWh tariff was sufficient to cover only 80 per cent of SESB’s actual operating cost of 43.46 sen per kilowatt hour.

“The higher tariff has allowed SESB to improve electricity supply quality.

“For last year, the system average interruption duration index (SAIDI) recorded 557 minutes per consumer as compared with 2,867 minutes per consumer for 2009.

“We expect the figure to be reduced to 450 minutes per consumer next year,” Ongkili said the government had to re-adjust power tariffs involving domestic, commercial

and industrial users.

“For domestic users, the average tariff will be raised to 31.66 sen per kWh from 28.63 sen per kWh, an adjustment of 1.21 sen per kWh (3.03 per cent).

“The average commercial rate will be raised to 47.92 sen per kWh from 41.01 sen per kWh, a 6.91 sen/kWh adjustment (16.85 per cent), while the average industrial rate will be raised from 30.94 sen/kWh to 36.15 sen per kWh (16.85 per cent).”

Asked why Sarawak was not involved in the issue, Ongkili said the east Malaysian state had its own separate enactment on electricity energy production.

## Electricity tariff rate rationalisation for domestic consumers in Peninsular Malaysia

INFOGRAPHIC: NST

Consumption (kWh)	Consumers		Current bill (RM)	New bill (RM)	Difference (RM)
	Million	%			
0 - 200	3.25	50.37	3.00 - 43.60	3.00 - 43.60	No increase
201 - 300	1.31	20.30	43.93 - 77.00	43.93 - 77.00	No increase
301 - 400	0.72	11.1	77.40 - 117.00	77.52 - 128.60	0.12 - 11.60
401 - 600	0.67	10.44	117.40 - 198.80	129.12 - 231.80	11.71 - 33.00
601 - 800	0.26	4.03	199.23 - 285.10	232.35 - 341.00	33.12 - 55.90
801 - 1,000	0.11	1.75	285.55 - 375.80	341.55 - 452.70	55.99 - 76.90
1,001 - 5,000	0.13	1.98	376.25 - 2,191.80	453.27 - 2,736.70	77.02 - 544.90
> 5,000	0.002	0.03	2,192.25 and above	2,737.27 and above	545.02 and above
<b>TOTAL</b>	<b>6.45</b>	<b>100</b>			