

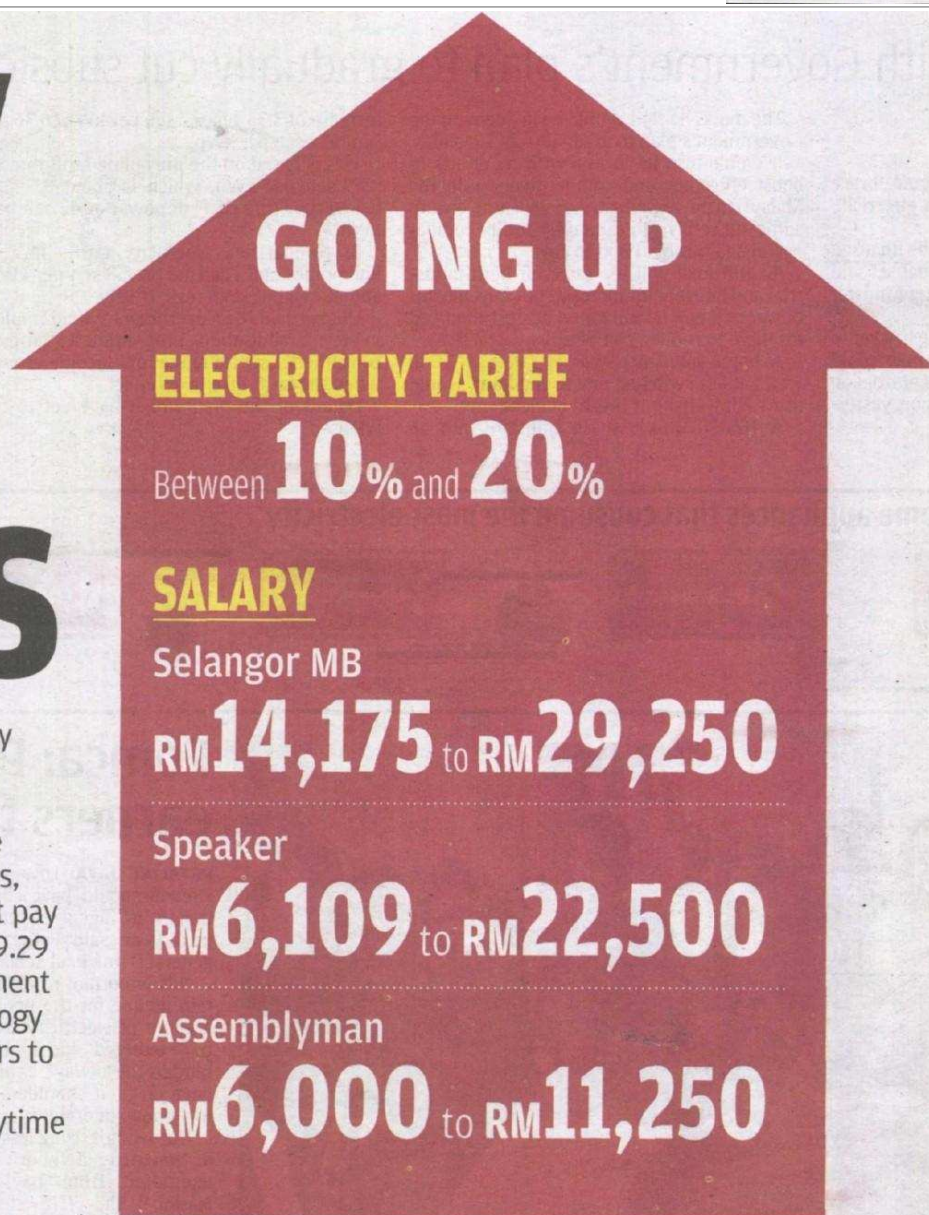
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PR Value	RM 102,711		



A day of hikes

First, the Selangor State Assembly approved salary increases of up to nearly 400% next year for the Mentri Besar and all elected state representatives. In absolute terms, the Speaker will enjoy the highest pay rise - a 268% jump from RM6,109.29 to RM22,250. Then, at the Parliament lobby, the Energy, Green Technology and Water Minister told consumers to brace themselves for a spike of 10%-20% in electricity tariffs 'anytime in 2014.'

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GOING UP

ELECTRICITY TARIFF
Between **10%** and **20%**

SALARY

Selangor MB
RM14,175 to RM29,250

Speaker
RM6,109 to RM22,500

Assemblyman
RM6,000 to RM11,250

Electricity tariffs to go up 10%-20% next year

Move in line with Government's plan to gradually cut subsidies, says Ongkili

By **CECILIA KOK**

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KUALA LUMPUR: Consumers should brace themselves for a 10%-20% hike in electricity tariffs next year.

... but anything below 20% is reasonable," said Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili.

"The quantum (of increase) is not finalised

The final decision on the increase has yet to

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be made by the Cabinet, but the hike could happen anytime in 2014, he told reporters on the sidelines of a Parliament session yesterday.

The move, he said, would be in line with the Government's plan to gradually cut subsidies. It would also be in line with its efforts to boost efficiency and competitiveness in the Malaysian power industry, as well as to ensure sufficient returns to capital for utility company Tenaga Nasional Bhd to cover its costs.

A tariff hike will see rates for both industrial and households increase, but any hike for businesses will be mitigated against the need for them to remain competitive.

A home appliance that is rated at 1,000 watts, if left switched on for one hour, would use 1 kilowatt-hour (kWh) of electricity.

A 10%-20% hike would translate into an increase of 3.35 sen/6.7 sen per kWh to 36.85 sen/40.2 sen per kWh.

This is based on the prevailing tariff rate of 33.5 sen per kWh, which is about 8.5 sen below the "true cost" of power at 42 sen per

kWh.

In comparison, electricity tariffs in the Philippines and Thailand are 58 sen per kWh and 48 sen per kWh respectively.

Ongkili said the Government would implement a "stabilisation" programme to protect consumers, especially the low-income group, when the tariff hike takes effect.

Details of the programme have yet to be finalised.

The electricity tariff was last revised in June 2011 after the Government raised the subsidised gas price for the power sector to RM13.70 per million metric British thermal unit (mmbtu) from RM10.70 per mmbtu.

Gas accounts for about 50% of electricity generation in peninsular Malaysia. Coal accounts for 40%, hydropower about 8% and renewable sources around 2%.

Subsidies for the power sector are RM8bil to RM12bil per year, depending on the prevailing price of gas.

The Government's share is RM150mil and the rest is borne by Malaysian oil and gas company Petroliaam Nasional Bhd.



VALUATOR

Company(Brand)	Mention	Tone	ROI
Hydropower (Hydropower)	1	0	0
Ministry of Energy, Green Technology and Water (Ministry of Parliament of Malaysia (Parliament)	2	0	0
Petroleum Nasional Berhad (PETRONAS) (PETRONAS)	1	1	RM 1,070
Renewable Energy (Renewable Energy)	2	0	0
Tenaga Nasional Berhad (TNB) (Tenaga Nasional)	1	0	0