

Headline	TNB No incremental rise in profit		
MediaTitle	The Sun		
Date	20 Dec 2013	Language	English
Circulation	300,512	Readership	650,000
Section	Business Feature	Page No	22
ArticleSize	192 cm ²	Journalist	PREMALATHA
PR Value	RM 6,351		



TNB: No incremental rise in profit

> CEO stresses that 82% of tariff hike is subsidy adjustment for fuel component

BY **PREMALATHA JAYARAMAN**
sunbiz@thesundaily.com

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) does not expect an incremental rise in profits due to the increase in electricity tariff, qualifying that 82% of it is a subsidy adjustment for fuel component.

Analysts have opined that the increase in tariff, in particular a base tariff hike of 2.69%, or 0.9 sen/kWh for TNB, would help bolster the power company's profit. TA Research even went so far as to saying that the base tariff hike would add RM 1 billion to revenue.

"82% of it is a subsidy adjustment for fuel component. We are not expecting any quantum (jump in) profit," TNB president and CEO Datuk Seri Azman Mohd told reporters after its AGM yesterday. He did not elaborate further.

Azman said he is aware of the public's unhappiness with the hike in electricity tariff but stressed that the increase is not purely for TNB's benefit but one done for fiscal consolidation.

"The Prime Minister (Datuk Seri Najib Abdul Razak) has reiterated this several times. I know many people are not happy with TNB," he said.

The average electricity tariff in Peninsular Malaysia will increase by 4.99 sen/kWh to 38.53 sen kWh from the current 33.54 sen/kWh for domestic users.

Its chief financial officer Fazlur Rahman Zainuddin declined to

share financial forecasts for next year.

For the financial year ended Aug 31, 2013, TNB's net profit rose 4.6% to RM4.6 billion from RM4.4 billion a year earlier while revenue advanced 3.6% to RM37.13 billion from RM35.85 billion previously.

Meanwhile, Azman said TNB will continue to invest in new technologies for its core operations of generation, transmission and distribution to drive greater efficiencies.

He said its new coal generators are fitted with the latest super-critical boiler technology whilst its transmission and distribution divisions are implementing the latest components for smart grid operations.

"For example, the distribution automation that we are installing will enable us to reduce losses, locate faults and restore supply more efficiently. This pilot infrastructure is planned for implementation in Bukit Bintang, Kuala Lumpur and Bayan Lepas, Penang," he said.

Leveraging on technologies to create greater customer convenience, Azman said TNB has introduced myTNB, its first mobile applications that allows checks on bill information, status of applications and the location of TNB customer centre.

He said TNB has increased the number of payment kiosks at its customer service centres to 30, and 37 more kiosks will be added in FY14.