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TNB still needs loans to build new infrastructure

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PUTRAJAYA: Despite the impending electricity tariff hike, Tenaga Nasional Berhad (TNB) still needs loans to build new infrastructure, said the Energy Commission (EC).

EC chief executive officer Datuk Ahmad Fauzi Hasan said many aspects of infrastructure in the peninsula were outdated and new power plants were also needed at huge costs over the next 20 years.

"There is also the need to build a new supply and distribution system from the southern region to the Klang Valley which involves billions of ringgit.

"The (income from tariff) increase alone is insufficient to bear these costs," he said after a briefing on the new electricity tariff to some 40 representatives from consumer groups and industry associations here yesterday.

Ahmad said TNB spent between RM6bil and RM7bil annually for capital expenditure and infrastructure maintenance while its profit for this year was RM4.6bil.

He added that the EC, as the regulatory agency, constantly monitored TNB's operational efficiency.

"TNB would send reports to the EC on its services and cost involved on a monthly basis.

"Next year, we will monitor more closely all the costs borne by TNB in supplying electricity to ensure that costs due to inefficiencies are not included in the tariff," he said.

The Government had announced that the average electricity tariff in peninsular Malaysia, Sabah and Labuan would increase by about 15% with effect from Jan 1.

This translates into an increase of 4.99 sen per kilowatt-hour (kWh) from the current average of 33.54 sen/kWh to 38.53 sen/kWh for peninsular Malaysia, and five sen/kWh increase for Sabah and Labuan from the current average of 29.52 sen/kWh to 34.52 sen/kWh.

The new electricity tariff structure includes a base tariff hike of 2.69% or 0.9 sen/kWh for TNB.

Sarawak is not affected by the tariff hike as its power supply and distribution are managed by state-owned Sarawak Energy Bhd.