

Headline	New power tariff necessary for fiscal consolidation		
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'New power tariff necessary for fiscal consolidation'

THE new electricity tariff to be implemented next month is part of the government's subsidy rationalisation programme for fiscal consolidation and is necessary for the long-term good of the economy.

Tenaga Nasional Bhd (TNB) president and chief executive officer Datuk Seri Azman Mohd (pic) said the capital-intensive utility company spent at least RM6 billion annually on capital expenditure and infrastructure maintenance.

"TNB is just a conduit. We are a collecting agent. The tariff hike has nothing to do with us but we are getting blamed for it," he told reporters after launching the memoirs of Tan Sri Ani Arope yesterday.

From Jan 1, the average electricity tariff in Peninsula Malaysia will be increased by 4.99 sen/kWh to 38.53 sen/kWh from 33.54 sen/kWh at present.

Azman said the increase would contribute about 18 per cent to

capital expenditure, equipment maintenance and new electrical infrastructure while 82 per cent would be used to cover the increase in fuel costs.

He said the tariff review was essential for TNB to build more infrastructure to ensure reliable and quality power supply.

The revision will not affect about 4.56 million or 70 per cent of domestic consumers who use 300kWh and incur a monthly bill of RM77 and below per month.

