

Penang water tariff review public consultation begins

By Audrey Dermawan - May 24, 2021



The National Water Services Commission (SPAN) is conducting public consultation in relation to the Penang Water Supply Corporation (PBAPP)'s water tariff review proposal submitted back in 2019. - NSTP file pic

GEORGE TOWN: The National Water Services Commission (SPAN) is conducting public consultation in relation to the Penang Water Supply Corporation (PBAPP)'s water tariff review proposal submitted back in 2019.

PBAPP is seeking a tariff review primarily to raise sufficient funds for CAPEX projects to address raw water risks and ensure water supply sustainability towards 2050.

A link to SPAN's public consultation has been posted on PBAPP's website, www.pba.com.my, and will be available until June 6.

The public will also be able to view the related documents on SPAN's webpage, https://apps.span.gov.my/rundingan_awam/pen804, beginning today until June 6.

PBAPP is not the only water supply operator in Malaysia involved in such a public consultation exercise by SPAN. SPAN is also doing this with other water supply operators applying for water tariff reviews in other states such as Kedah, Perak, Melaka, Negri Sembilan and Johor.

In 2019 and last year, SPAN had conducted similar public consultation exercises involving tariff reviews for another group of water supply operators serving the states of Kelantan, Terengganu, Pahang, Selangor and the Federal Territory of Labuan.

PBAPP chief executive officer Datuk Jaseni Maidinsa said the key rationale for PBAPP's application for a water tariff review was the projected increase in water demand.

He said Penang's average water consumption was 845 million litres per day (MLD) in 2020 and projected to reach 1,696 MLD by 2040 and 1,884 MLD in 2050.

"While Penang has sufficient water supply today, it must not run out of water in the near future. In the water industry, supply must always exceed demand.

"As such, PBAPP must constantly invest in water supply infrastructure development, upgrading and maintenance to maintain this status quo in the years to come," he said today.

Penang, according to Jaseni, has become "over-dependent" on Sungai Muda as a raw water resource, with more than 80 per cent of the raw water that PBAPP abstracts for its daily water supply operations coming from Sungai Muda.

"As such, any mishaps or negative developments upstream (in Sungai Muda and Ulu Muda) will directly and immediately affect water supply in Penang," he added.

Jaseni said PBAPP must tap a second major raw water resource for Penang towards 2050, such as Sungai Perak.

"For that, PBAPP must have sufficient funds to construct the proposed Sungai Kerian Water Treatment Plant (WTP) to treat raw water from Sungai Perak before the proposed Sungai Perak Raw Water Transfer Scheme (SPRWTS) comes online.

"Sufficient funding is also required to realise water supply contingency plans, as outlined in the Penang Water Supply Initiative 2050 (PWSI 2050): Package 12A of the Sungai Dua WTP, the Sungai Prai Water Supply Scheme (SPWSS) and Phase 1 of the Penang Desalination Water Supply Scheme (PDWSS).

"In recent years, climate change and abnormally low rainfall in the water catchment areas for Penang's dams and Sungai Muda have exacerbated Penang's raw water risks. Timely implementation of the PWSI 2050 contingency projects will go a long way in mitigating raw water risks related to climate change," he pointed out.

Jaseni also noted that Penang's existing domestic water tariff for the first 35,000 litres per month was the lowest in Malaysia at RM0.32 per 1,000 litres. Its trade water tariffs for the first 500,000 litres was also the third lowest in Malaysia, at RM1.36 per 1,000 litres.

He said these low existing tariffs made it impossible for PBAPP to raise sufficient funds for its proposed CAPEX.

"Since Penang is a water-stressed state, it is important for all Penangites to adopt and practise a water saving culture. The time has come to lower domestic water consumption significantly to moderate high investments in water supply infrastructure development.

"In 2020, Penang's per capita domestic consumption was 299 litres/capita/day (LCD) as compared to the national average of 240 LCD. It is likely that Penang's high per capita domestic consumption is directly related to low existing domestic water tariffs.

"As such, reviewing domestic water tariffs is likely to motivate more Penangites to 'save water', in the same manner that they strive to save electricity, fuel, mobile phone, Internet connectivity and satellite TV costs. Saving water is also environment-friendly because less water consumption means less wastewater discharge.

"In short, PBAPP is applying for a water tariff review in Penang to effectively address Penang's present raw water risks and ensure water supply security, now and in the future," he added.