

26/12/2017

PRESS STATEMENT

by Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP).

PBAPP STILL AWAITING FEDERAL GOVERNMENT APPROVAL FOR THE PROPOSED WCS REVIEW

- **8 months since PBAPP's initial submission dated 28/4/2017.**
- **5 re-submissions upon request from SPAN, the latest was dated 20/11/2017.**
- **WCS review is subject to Federal Government approval.**

PENANG, Tuesday (26/12/2017): Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) is still awaiting Federal Government approval for the proposed water conservation surcharge (WCS) review in Penang... after 8 months and 5 re-submissions.

On 28/4/2017, PBAPP applied to National Water Services Commission (SPAN) to review the WCS, from RM0.48 per 1,000 litres to RM1.00 per 1,000 litres. Please note that the WCS is only applicable to domestic consumption above 35,000 litres per month.

Since then, SPAN has requested PBAPP to re-submit its application 5 times. The re-submissions were dated 20/6/2017, 23/6/2017, 8/9/2017, 25/10/2017 and 20/11/2017.

By law, PBAPP's application is subject to Federal Government approval. The Federal Government is responsible for approving water tariffs and water service charges, in accordance to the SPAN Act 2006 (Act 654) and the WSIA (Water Services Industry Act) 2006 (Act 655).

The WCS is an important component of PBAPP's water demand management strategy; and it is consistent with a directive from Ministry of Energy, Green Technology and Water (KeTTHA) for Penang to reduce its per capita domestic consumption.

The primary objective of the WCS is to encourage more domestic consumers in Penang to use less than 35,000 litres of water per month.

- In the period 2000 – 2010, per capita domestic consumption in Penang increased from 255 litres/capita/day (l/c/d) to 291 l/c/d. Projections indicated that it would have reached 315 l/c/d in 2016 without the WCS.
- In 2016, the Penang's per capita domestic consumption was “capped” at 286 l/c/d, with the existing RM0.48 WCS. However, 286 l/c/d is still 36.8% (77 l/c/d) higher than the national average of 209 l/c/d.
- In 2017, PBAPP planned to reduce Penang's per capita domestic consumption by 10%, to about 257 l/c/d, with the proposed RM1.00 WCS.

However, without Federal Government approval, PBAPP cannot legally implement the RM1.00 WCS.

PENANG STATE GOVERNMENT SUPPORT

In the initial submission and 5 re-submissions to SPAN, PBAPP has clarified the following facts and figures:

1. PBAPP operates in compliance with the “No Water Rationing” policy set by the Penang State Government. As such, Penang's high per capita domestic consumption must be reduced, to minimise the risks of water rationing during dry seasons.
2. By proposing a higher WCS, PBAPP is seeking to reduce domestic water consumption, which accounted for 59.4% of the total water consumption in Penang in 2016.
3. PBAPP has revised its capital expenditure (capex) budget to avoid a tariff review that would have affected 589,797 registered water consumers.



PBA

Perbadanan Bekalan Air
Pulau Pinang Sdn Bhd
(475961-X)

Memenuhi segala keperluan bekalan air anda

Meeting all your water supply needs

4. The proposed WCS review will only affect 23% of domestic consumers who use more than 35,000 litres of water per month. Moreover, these domestic consumers have the option of avoiding the WCS by simply using less than 35,000 litres of water per month.
5. The Penang State Government has provided soft loans to PBAPP to finance its revised capex budget. The State Government has also reduced the water intake fees, payable by PBAPP, by 50%.

It should be clear that PBAPP is prioritising domestic water conservation as a sustainable and environment-friendly initiative in Penang, with support from the Penang State Government.

PBAPP hopes that SPAN and KeTTHA will support Penang's water conservation and water demand management efforts, by prioritising the approval of the RM1.00 WCS proposal.

Thank You.

Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP).

Issued by : Puan Syarifah Nasywa bt Syed Feisal Barakbah
Corporate Communications Unit
Tel : 04-200 6607
Email : syarifah@pba.com.my