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Oil price has not affected power tariff

KUALA LUMPUR: Declining global oil prices have not impacted electricity tariffs, as the fuel mix for electricity generation is subsidised.

The Green Technology and Water Ministry said natural gas was one of the fuels in electricity generation.

"Piped natural gas and LNG (liquefied natural gas) are the biggest contributors, at about 50 to 55 per cent of the mix. The others are coal, hydropower and other renewable sources," the ministry said.

It said of 55 per cent, 70 per cent was piped natural gas, at the subsidised price of RM15.20/mmBtu, compared with the market price of RM38/mmBtu. The remaining 30 per cent is LNG, which is procured at market price.

"The price of LNG on Jan 1, last year, when the tariff was last revised, was RM41.68/mmBtu compared with RM45.837/mmBtu in the last quarter of 2014," it said.