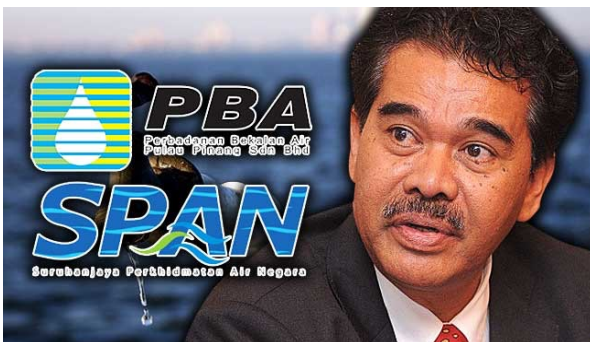




Penang water agency denies Guan Eng involved in deals

Predeep Nambiar | August 10, 2017

Penang Water Supply Corporation (PBAPP) CEO says discussions with national commission only at management level, after spat between Penang CM, Gerakan leader.



GEORGE TOWN: Any negotiation between the Penang Water Supply Corporation (PBAPP) and National Water Services Commission (SPAN) is strictly between the management of the two organisations and no one else.

This was the clear message from PBAPP in a statement today following the recent intense debate between Penang Chief Minister Lim Guan Eng and Gerakan's Liang Teck Meng, who is also chairman of SPAN.

“All dealings between the PBAPP and SPAN were made between me and SPAN chief executive officer Mohd Ridhuan Ismail,” PBAPP CEO Jaseni Maidinsa said in the statement.

“Penang CM Lim Guan Eng is PBA Holdings Berhad non-executive chairman but he has no role whatsoever in any talks between PBAPP and SPAN.

“PBAPP has also not sent any letters to Liang, nor have corresponded with him on this matter.”

SPAN is the federal regulator overseeing all water supply companies in Malaysia.

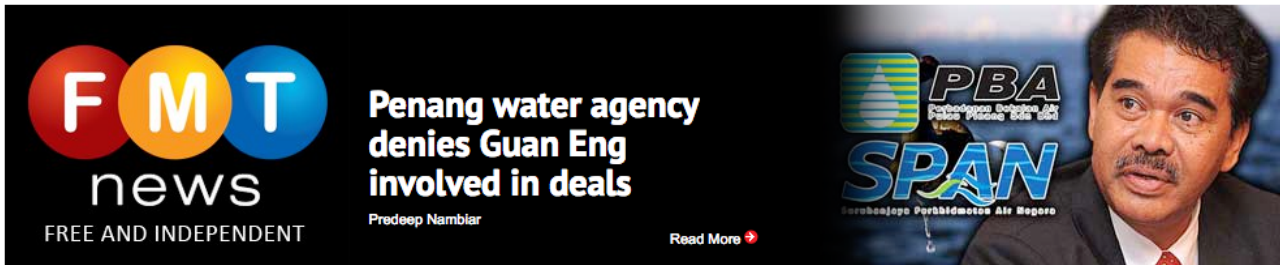
Jaseni also touched on the issue of the Water Conservation Surcharge (WCS) review being discussed between SPAN and PBAPP. The WCS is meant to be a penalty on those who waste water.

“It should be noted that PBA, and not the Penang Government, paid SPAN RM3.34 million in licensing fees in 2016.

“On its part, PBA is not interested in discussing the details of a withdrawn tariff (water rates) review that is no longer relevant to Penang and its people.

“We are only interested in the timely approval of the WCS review, and we hope that SPAN can kindly facilitate the approval process as soon as possible,” Jaseni said in a statement today.

Lim and Liang recently locked horns over a proposed increase in water rates for Penangites of late.



Liang, who is also Simpang Renggam MP from Johor, previously revealed that the Penang government had applied to SPAN to increase water rates. Lim responded to the claim by saying the state had only applied to increase water rates last December following SPAN's insistence on the matter.

A few months later, Penang rescinded the application, saying it would impose higher penalties on water wasters, rather than having a blanket increase in water prices. Penang has the highest rate of water usage in the country.

Liang had then asked Lim if he could reveal Penang's December application to increase water rates to prove his point but Lim said revealing such details could be against a non-disclosure clause in the SPAN Act 2006.

Deliberating on this issue, Jaseni said that since PBAPP is a subsidiary of a Bursa-listed PBA Holdings Berhad, therefore, PBAPP is a private company.

He said all documents submitted to SPAN by PBAPP were private. He also reminded SPAN's obligation to keep all its dealings private.

"PBAPP has submitted private and confidential documents, detailing a three-year business plan, revenue estimates and capital expenditures, and projections to SPAN.

"Please note that these are confidential documents from a private sector company.

"SPAN may consult NGOs regarding water tariff review applications in closed door meetings, but may not disclose private and confidential details regarding the application in the public domain, on the Internet or through press statements.

"Section 41(1) of the SPAN Act 2006 protects the confidentiality of business documents submitted by all state water operators in Malaysia, not only PBAPP," Jaseni said.

He called for SPAN to conduct its business professionally, in accordance with the provisions of the SPAN Act 2006 and the Water Services Industry Act (WSIA) 2006.