

PBA Holdings seek Putrajaya's nod to review Penang's water tariff



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KUALA LUMPUR (Jan 14): Penang's water supply company, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP), is seeking a water tariff revision to raise funding for RM501 million in investments between 2019 and 2021.

In a statement today, Penang chief minister Chow Kon Yeow said water demand in the state is projected to rise 128% to 1,884 million litres per day (MLD) from 826 MLD in 2017, according to an independent 'Masterplan Study for Potable Water in Penang towards 2050' that was commissioned in 2009.

Chow is also chairman of listed company PBA Holdings Bhd, which wholly owns PBAPP.

"If the tariff review is approved by the Federal Government, all the additional revenue from the water tariff review will be reinvested into projects right here in Penang... for the benefit of the people," Chow said.

Chow said PBAPP is planning to invest RM501 million in five water supply projects for Penang between 2019 and 2021, namely the Butterworth-Penang Island Twin Submarine Pipeline; Sungai Perak Raw Water Transfer Scheme; Upgrading all existing water treatment facilities; new pipelines and pipeline replacement projects; and non-revenue water management.

While noting Penang had not seen water rationing since the corporatisation of PBAPP in 1999, the chief minister said it is important to plan ahead to stay ahead of the state's water demand and avoid water rationing in future.

"Without these projects, Penang faces a higher risk of a water crisis during a prolonged dry season with each passing year," he said.

In his statement, Chow also pointed out that for the three-year period between 2015 and 2017, the reported profits after tax (PAT) of PBA Holdings had totalled "only" RM137 million.

PBA Holdings' share price gained one sen or 0.86% to RM1.17 today, giving it a market capitalisation of RM387.27 million.

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