

PBA in 'serious trouble' if Penang dams don't fill up soon, says CEO

By [Supriya Surendran](#) / theedgemarkets.com | May 24, 2016 : 3:27 PM MYT



GEORGE TOWN (May 24): PBA Holdings Bhd, the holding company for Perbadanan Bekalan Air Pulau Pinang Sdn Bhd, said it will be in "serious trouble" next year if Beris Dam and Muda Dam in Kedah, which are designed to release water into Sungai Muda, are not filled up.

Sungai Muda is Penang's primary source of raw water. PBA chief executive officer Datuk Jaseni Maidinsa said PBA's business model is sustainable on the principle that its dams are kept full.

"Our business model is sustainable in the sense that we ensure our dams are full by the end of the year. As of today, our Air Itam dam and Teluk Bahang dam are around 50% [full].

"What is a cause of concern to us is our main source of water, Sungai Muda and the two dams (mentioned). Beris is currently 29% full and the Muda dam is at 32%. We are very concerned about this, and we could be in serious trouble next year if these two dams are not filled up," he told reporters after PBA's annual general meeting today.

Jaseni reiterated the importance of cloud seeding, a point which he has been stressing in the media of late. "The prolonged dry season caused by the Super El Nino lasted five months. We cannot continue business as usual without cloud seeding as the Super El Nino has reduced rainfall by 70%. We need cloud seeding to [make up] for this 70%; if not, the Northern Region will not be ready for the dry season in 2017," he said.

However, Jasani said these are preventive measures for the future, and are in line with Penang state's policy of not practising water rationing. At present PBA's operations are ongoing as normal.

For its financial year ending Dec 31, 2015 (FY15), PBA recorded a net profit of RM38 million, a 53.5% increase compared to a net profit of RM24.76 million a year ago. Revenue had risen 15% to RM300.32 million from RM261.02 million in FY14.

On whether PBA plans to build another dam in Penang, Jasani said no. Instead, he said PBA is focused on its RM1.2 billion Mengkuang Dam Expansion project. In February 2014, the Penang government, which controls 55% of PBA, had secured a standing agreement with the Ministry of Energy, Green Technology and Water (KeTTHA) to ask the Kedah government to release water into Sungai Muda as required by Penang. The agreement was to facilitate the decommissioning of the Mengkuang Dam, Penang's largest dam, to allow for the expansion of the dam.

"The Mengkuang Dam expansion is being carried out by KeTTHA, it was supposed to complete in May this year but we have been told there is a one-year delay. We hope they can finish as soon as possible," he said.

On the Kedah government's move to seek compensation from the Federal government for protecting raw water resources for about 3.8 million people in Perlis, Kedah and Penang, PBA said it is supportive of this on grounds that the Kedah government gazettes the Ulu Muda water catchments.

"Compensation is only relevant after the Ulu Muda catchments are properly surveyed, mapped out, gazetted and protected by law.

"[However,] Penang still stands by its riparian rights, or water rights, to abstract raw water from Sungai Muda without payment to Kedah," said Jasani.