

21 AUG 1996

Mahathir-TNB

PM SAYS AGAIN THAT TNB SHOULD COMPENSATE CONSUMERS FOR LOSSES

SHAH ALAM, Aug 21 (Bernama) -- The government is maintaining its stand that Tenaga Nasional Berhad (TNB) should compensate consumers who suffered losses due to the Aug 3 peninsula-wide blackout, Datuk Seri Dr Mahathir Mohamad said today.

However, the Prime Minister said, Tenaga need only pay "fair and not full" compensation.

Speaking to reporters after attending the Second Asia-Pacific Conference on Plant Physiology here, he said consumers should submit only fair and reasonable claims to Tenaga.

Dr Mahathir said consumers should not make claims for trivial matters such as being unable to attend dinners and the like during the blackout night.

He said Tenaga could pay compensation since it had recorded profits up to RM2 billion in the past three years.

"We can't make profit out of other people's losses," he added.

He said this when asked to comment on a statement by outgoing Tenaga executive chairman Tan Sri Ani Arope yesterday that the utility company might go bankrupt if its finances were not given attention and action not taken to prevent Tenaga-bashing from getting out of hand following the Aug 3 power failure.

Ani warned of a bigger national crisis than the blackout incident if there was no holistic approach to keep the electricity supply industry healthy.

Dr Mahathir first spoke of the need for Tenaga to compensate consumers in Kuching on Aug 9.

Several days before that, Ani had said consumers could submit claims for compensation from Tenaga but any payment would be up to the courts to decide.

Energy, Telecommunications and Post Minister Datuk Leo Moggie said the government was considering the possibility of giving rebates in electricity bills as a form of compensation.

Dr Mahathir said today the government wanted to find out how power utility companies in the United States compensated consumers after a power breakdown that hit several areas on the American west coast recently.

"We want to know how they compensate or whether they don't compensate at all," he said.

Dr Mahathir said he understood there was a ceiling for compensation in such incidents in the United States.

Asked on Ani's statement that there was substantial wastage of electricity because of the current excess capacity, Dr Mahathir said he did not agree with the view.

"As I stated yesterday, when you have a product, you go out and sell. You just don't say that there is too much product. Because of that, we grumble," he said.

Dr Mahathir said the consumption of electricity in the country was still low.

"If we look from the point of per capita consumption, it is still way below that of other countries," he added.

Asked to comment on Ani's opinion that the giving out of licences to the Independent Power Producers (IPPs) could have been better planned, Dr Mahathir said this was not correct.

"A degree of competition is necessary," he said.

However, he agreed with Ani that Tenaga-bashing should not get out of hand to the extent of damaging the company's image because the foreign media will capitalise on the issue to tarnish the country.

To another question, Dr Mahathir said the Cabinet today decided to make public Tenaga's report on the Aug 3 incident.

The report, released by Moggie, said a faulty component in the 275 kV circuit breaker at the Paka Power Station switchyard in Terengganu caused the power failure.

Asked whether the report, the second by Tenaga, was "more acceptable" than the first, the Prime Minister said: "It is Tenaga Nasional's report."

Asked on a call by DAP secretary-general Lim Kit Siang today that the government issues a White Paper on the national power situation, Dr Mahathir said: "The colour of the paper is not important. The report is important."

On the stop-work order issued to all nine work sites of the RM4.5 billion Light Rail Transit System II in Petaling Jaya and Jalan Ampang after it was found that there has been violations of safety procedures, Dr Mahathir said he has not received any report about it.

However, he said, if the report was true, the government has the right to issue the stop-work order. -- BERNAMA

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