

07 AUG 1996

LEAD Mahathir-TNB

TENAGA NASIONAL MONOPOLY TO BE STUDIED, SAYS PM

KUALA LUMPUR, Aug 7 (Bernama) -- The distribution monopoly currently enjoyed by Tenaga Nasional Berhad (TNB) will be examined under a review of the overall systems of generation and distribution of electricity in the country, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the review by a consultant firm to be appointed by the government would cover both TNB and the independent power producers (IPPs).

It would also include a study on the viability of establishing a second national grid or a back-up system which could be more effective in preventing a widespread power failure similar to last Saturday's incident which blacked out the peninsula, he said.

"We have not decided whether to break (TNB's monopoly) or not. Perhaps we can have a second national grid or something like that," he told reporters after making a farewell call on Fiji Prime Minister Sitiveni L. Rabuka who ended a three-day official visit today.

The Cabinet was today briefed by Energy, Telecommunications and Post Minister Datuk Leo Moggie on the massive power failure which disrupted supply in the entire Peninsular Malaysia for more than 12 hours from 5.17pm.

TNB said the blackout was caused by an equipment malfunction at the Paka power station in Terengganu which triggered a chain reaction that shut off supply from other power stations into the national grid.

Moggie told a news conference that the Electricity and Gas Supply Department, the government regulatory body, would immediately initiate the process of identifying a potential foreign consultant for the study.

He said the review would look into possible weaknesses in the TNB systems and management.

"Obviously, if the consultant's findings point out that there are serious weaknesses in the management and there is a need to revamp the management, we will have to take that action," he said.

Dr Mahathir said the Cabinet was not satisfied with the explanation on the power breakdown provided by TNB as conveyed through Moggie.

"He only explained why it happened and the explanation is not much different from the last explanation.

"We are concerned not with the reason why but we are concerned with ensuring that it doesn't happen again.

"The Minister (Moggie) merely echoed what TNB said. TNB is still saying that while it will ensure (no recurrence of a massive disruption) but it dare not give a guarantee and this is difficult for us to accept because other countries don't have a national blackout like this," he said when asked about the explanation conveyed by Moggie.

The Prime Minister said since TNB was unable to give such a guarantee, the Cabinet believed it was better to appoint a foreign consultant to examine the problem and ensure there would be no recurrence in future.

Dr Mahathir said TNB should realise the problem of relying on the current distribution system under which a major disruption at a single power station could affect the entire country.

"If we know that can happen, why do we have this network? Why not islanded supply for each region?" he said.

He said under an islanded distribution system, a disruption in Kuala Lumpur would only affect the city and not elsewhere.

The present system could not prevent a massive power failure because a disruption in one area would overload the capacity of another in a chain reaction until the whole system broke down and plunged the country into darkness, he said.

"We need a new approach. We can no longer depend on the old way of a national grid with linkages which can fall one after another like dominoes," he said, adding it was useless for Malaysia to have excess capacity if the reserve power could not be used when needed under the present system.

Asked what TNB had done with the findings of a consultant firm appointed after the 1992 power failure, Dr Mahathir said not all the recommendations were implemented but the appointment of a foreign consultant this time was still necessary because the causes of the two blackouts were different.

He said the power failure in 1992 was caused by a lightning strike at the Paka power station while Saturday's incident was caused by equipment breakdown at the same station.

Asked whether the TNB management would be revamped if the coming review discovered serious weaknesses, he said the matter needed to be studied in depth.

He said to remove someone merely because something happened was not the way to overcome the problem.

"Tan Sri Ani Arope (TNB executive chairman) was supposed to retire last month but because of certain reasons his term was extended by another month and this (blackout) occurred during his time.

"Even if he had retired (last month) it would still have happened. Similarly, it could happen if there was someone else because it is not only the head who is responsible, but many others are involved," he said. --

BERNAMA

AH CTL