

07/09/1997

No risk to environment from Bakun dam delay

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KUALA LUMPUR, Sat. - The delay in the RM13.6 billion Bakun hydroelectric dam project will not result in environmental damage at the site as work on the diversion tunnel will continue, Energy, Telecommunications and Posts Minister Datuk Leo Moggie said today.

He said Ekran Bhd's move to terminate its contract with Asea Brown Boveri-Companhia Brasileira de Projectos Obras Consortium would not affect work on the tunnel.

"The construction of the tunnel is a separate contract and work is ongoing," Moggie said after launching the Electricity and Gas Supply Department's Quality Day.

He added that only the engineering, procurement and construction contract between Bakun Hydro-Electric Corporation Bhd and ABB-CBPO would be affected by the decision.

"Physical work on the EPC has not started on the ground, anyway. It can only begin after the diversion tunnel is completed and handed over to the main EPC contractor," he said.

On Thursday, Ekran's executive chairman Tan Sri Ting Pek Khiing said in a statement to the Kuala Lumpur Stock Exchange that the company had terminated the contract after both parties failed to resolve differences.

Ting said that despite protracted negotiations on the terms for the "precise securities" to be provided under the EPC contract, no agreement had been reached.

He had said in July that the dispute was over the cost overrun which could be claimed by the consortium.

Also on Thursday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the Bakun dam was among several infrastructure projects that would have to be delayed or rescheduled to reduce pressure on the depreciating ringgit and the country's current deficit account.

The other projects affected included the northern regional international airport in Kedah and KL Linear City.

Dr Mahathir said the extent of the delay depended on how fast the ringgit could recover.

On the effect of the delay on power generation, Moggie said the Ministry would monitor the situation so that it could review and plan the country's requirement.

"Our immediate task is to ensure we have sufficient generating capacity. We are not sure how long the delay is going to be," he said.

Moggie also said that he would not call for a meeting with Ekran to discuss the latest developments.

Instead, he would leave it to Ekran to decide on its next course of action.

"They are the private sector and in a position to decide what they need to do," he added.

Earlier, Moggie said quality maintenance of electrical installations was crucial to ensure public safety.

There were 46 electrical-related accidents from January to June and 91 cases last year.

Moggie said most of the accidents could have been avoided if precautions were taken.

"From investigations, the Electricity and Gas Supply Department found that accidents due to carelessness and failure to follow safety measures

still occur," he said.

Accidents also involved work carried out by professionals including wiremen and chargemen.

Department director-general Datuk Mohd Annas Mohd Nor said a fairly high percentage of accidents were caused by failure to follow procedure, negligence and "short-cut methods".

Some were also caused by inexperienced people attempting to wire, install or repair electrical appliances.

Mohd Annas said the department was encouraging chargemen to upgrade their skills and get exposed to new technology.

On last month's blackout at Kuala Lumpur Hospital, Mohd Annas said a preliminary report showed that it was due to an internal problem and not Tenaga Nasional Bhd's fault.

"It could be related to maintenance or installation. Anything could be possible. Normally in this situation, it is due to maintenance," he said.

However, he said the department was not expecting any report on the matter as it was between KLH and Radicare (M) Sdn Bhd, the consortium which took over the hospital's support services.

Ten employees from the department received excellent service awards today.

Moggie also presented prizes to the three best branches under the department.

The first prize went to the Kota Baru branch while the second and third prizes went to the Kuantan and Johor Baru branches, respectively.

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