NOTES

1 Associated gas in either dissolved in crude oil or is present as a "gas cap" above the crude oil in the reservoir. Associated gas is evolved as a byproduct of crude oil production. Thus, its rate of production is typically determined by the production plan for the oil field. It is the most difficult source to manage since it must be produced whether it is needed or not.

2 See Prospectus Petronas Gas Bhd (1995)


7 Feegas - the raw gas steam from gas field offshore Terengganu, from which the GPPs segregate methane, ethane, propane, butane and condensate.


9 See The proposal by MMC/Shapadu consortium. In typical case privatization programs is managed on a tender or public sale basis. However the method adopted by the Malaysian government is an "invitation" approach. For detail see Jomo K.S (1995).

10 The "golden share" concept, has been a feature of a number of United Kingdom privatization's operators in principal as an entrenched provision allowing the holder power of veto over fundamental decisions of the country (usually involving any major change to the basic orientation and scope of the enterprise) irrespective of the special shareholder's ordinary shareholding. In Malaysia three assets sales involved Golden Share-MISC, MAS, Sports Toto; For further detail see Jomo K.S (1995).

11 This figure is GMSB forecast and might differ from the official figure.

12 The Privatization Masterplan include proposal for a single unifying regulatory structure for all privatized enterprises. See also Mohammed Annas (1993).

13 The proposal by MMSC requested for a single national gas utility company during the gestation years.
The government in its Privatization Master Plan explain that there is not much scope for increasing competition with natural monopolies, it promises an appropriate regulatory framework to protect consumer interests, particularly in term of price, quality and availability of services as well as “commercial freedom” for private monopolies. For detail see Jomo K.S (1995).

See MMSC proposal of the NGDS in Peninsular Malaysia.

Million British Thermal Unit (mmBtu) is an energy unit used for comparison with other fuels. See New Straits Times, July 18 (1996).

The information is extracted from the Gasex NGV (1996).

These figures are Gas Malaysia estimates and may differ from official forecasts.

High premium fuel oil refers to LPG and Diesel.

Price is set according to volume. Therefore the low the volume the higher the price and vice-versa.

This is because LPG equipment’s has the similar technology with natural gas, information from GMSB.

This information is obtain from GMSB.

This figure was provided by the marketing department of GMSB and might defer depending on several factors.

There are other reasons for the privatization of Malaysia industries, for detail see Jomo K.S (1995).

There is a distinction between a “permit” and a “license”. A “permit” is provided for by the legislature when it is intended to prohibit a business except under a permit or authority issued by a prescribed administrative authority. The objective of “license”, on the other hand is regulate the conditions under which a business may be carried out. See V.K. Moorthy, (1983) pp32.

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The Petroleum (Safety Measures) Act 1985 and the Amendments


The Sun, 2nd September 1995


## GMSB Tariff Classification

<table>
<thead>
<tr>
<th>Tariff</th>
<th>Category</th>
<th>Applicability Range <em>mmBtu/year</em></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Residential</td>
<td>Fixed Charge 10/mth &lt; 10 Sm³</td>
<td>Commodity Charge 0.80/Sm³ &gt; 10 Sm³</td>
</tr>
<tr>
<td>B</td>
<td>Commercial</td>
<td>Fixed Charge 80/mth &gt; 100 Sm³</td>
<td>Commodity Charge 0.75/Sm³ &lt; 100 Sm³</td>
</tr>
<tr>
<td>C</td>
<td>General Commercial &amp; Industrial</td>
<td>600 - 5,000</td>
<td>Fixed Charge 150/mth</td>
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<tr>
<td></td>
<td></td>
<td>Commodity Charge 0.650/Sm³</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Small Commercial &amp; Industrial</td>
<td>5,000 - 50,000</td>
<td>Fixed Charge 2,000/mth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commodity Charge 0.500/Sm³</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Medium Commercial &amp; Industrial</td>
<td>50,000 - 200,000</td>
<td>Fixed Charge 15,000/mth</td>
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<tr>
<td></td>
<td></td>
<td>Commodity Charge 0.400/Sm³</td>
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<tr>
<td>F</td>
<td>Large Commercial &amp; Industrial</td>
<td>above 200,000</td>
<td>Fixed Charge 32,000/mth</td>
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<tr>
<td></td>
<td></td>
<td>Commodity Charge 0.320/Sm³</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
The information is obtained from GMSB but has not been approved by the regulator. Therefore, the tariff might be subject to change in future.
Petroleum Product Index

Month

Indexation

LPG

DIESEL

Gas Cost Indexation (MFO Spot & Posted)