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HISTORY

As TNB moves ahead, it is always crucial to remember where we came from and how we started. In this section you can find the story of electricity, and our humble beginnings as the Central Electricity Board. There is also information on TNB's Spirit of Merdeka as Malaysia underwent Malayanisation. From there, read up on our transformation to the National Electricity Board, our Equations and Equities, and our Full Circuit. Finally, we have our journey into being a private company.

The Story Of Electricity

Electricity first made its appearance in this country at the turn of the 20th century, and the earliest record of power generation can be traced back to a small mining town in Rawang, Selangor. Here, two enterprising individuals Loke Yew and Thamboosamy Pillai installed an electric generator in 1894 to operate their mines; they were the first to use electric pumps for mining in Malaya, and marked the great beginning of the story of electricity in Malaysia. In the same year, private supply for street lighting purposes was extended to Rawang town, and in 1895 the railway stations in Kuala Lumpur received its first electricity supply. In 1900, the Sempam Hydroelectric Power Station in Raub, built by the Raub Australian Gold Mining Company became the first power station in Malaysia.

Central Electricity Board (CEB)

Until the mid nineteen twenties, most generating plants were small and used a variety of fuel including low grade coal, local wood, charcoal and important oil as well as water power. As the rapid increase in electricity demands continued to manifest; large scale planning, huge sums of capital from overseas and hiring of foreign technical experts became essential.

Hence, the Central Electricity Board (CEB) was established and came into operation on 1 September 1949. The Board was to become heir to three major projects considered by the Electricity Department following its re-establishment in April 1946:

- The Connaught Bridge Power Station,
- The Cameron Highlands Hydroelectric Project &
- The development of a National Grid

CEB became owner to 34 power stations with a generation capacity of 39.88 MW, including a steam power station in Bangsar with a capacity of 26.5 MW, a hydroelectric power station at Ulu Langat with a capacity of 2.28 MW as well as various diesel affairs with a total capacity of 11.1 MW.

CEB also became owner to both transmission and distribution systems above and below ground valued at close to thirty million dollars, as well as the impressive list of 45,495 consumers and staff of 2,466.

The age of private generators has come to an end, and all walks of life continue to enjoy fair share of electricity. For this, we sincerely thank the government for recognizing the central role of the power industry in developing the nation's economy and social growth.

Spirit of Merdeka & Malayanisation

On the glorious day of 31 August 1957, Allahyarham Tunku Abdul Rahman declared the Independence of Malaya (now known as Malaysia); the word "Merdeka" was proudly pronounced seven times at the Stadium Merdeka, and the nation rejoiced. This significant day was also the beginning of Malayanisation.

In order to materialize the success of Malayanisation, more local engineers and technocrats were needed in this demanding field to replace expatriates in the Board. Hence, in 1951, three local Shift Engineers – Abu Zarim bin Haji Omar, Tengku Daud bin Tengku Besar Burhanuddin and Tengku Yaacob Shah left for training in the British Electrical Authority, United Kingdom. From 1954 to 1957, more Malaysians were sent overseas to acquire professional qualifications relevant to the Board's needs.

In 1964, the second expatriate General Manager of CEB, J. Sharples retired, and Raja Zainal bin Raja Sulaiman became the first Malaysian appointed to the post.

Soon, The Connaught Bridge Power Station became fully operational and the first phase of the Cameron Highland Hydroelectric Project was close to completion. In Selangor, the precursor of the National Grid was slowly taking shape, and the Bangsar Power Station was connected to the Connaught Bridge Power Station, with the line subsequently extended to Malacca.

The National Electricity Board

On 22 June 1965, Central Electricity Board (CEB) of the Federation of Malaya was renamed as the National Electricity Board of the States of Malaya (NEB). Committed to long term programme of growth and expansion backed by plans carefully crafted and laid down in the period of CEB, NEB is now firmly led by a Malaysian as the CEO.

The National Grid was one of the plans in full motion. The National Grid or Grid Nasional in Malay is the primary electricity transmission network linking the electricity generation, transmission, distribution and

consumption in Malaysia. Electricity generating plants are strategically located at Paka in Terengganu, Temengor, Kenering, Bersia and Batang Padang in Perak, Connaught Bridge, Kapar and Serdang in Selangor, Cameron Highlands in Pahang, Prai in Penang, Port Dickson in Negeri Sembilan, Pergau in Kelantan, Pasir Gudang in Johor and in Malacca.

The central area network with Connaught Bridge Power Station in Klang was the precursor of the energy grid; it also tapped into the Cameron Highlands Hydro scheme from the Sultan Yussuf Power Station, and was extended into a western network.

Later in the 1980s, the loop was finally complete; it prevailed over some of the most formidable terrain in the northern Peninsula, and Kota Bahru was successfully placed within the grid.

The National Grid is also interconnected to the transmission network of the Electricity Generating Authority of Thailand (EGAT) through a 117 MVA, 132 kV Single Circuit Line, which has since been upgraded to a HVCD line. The Grid is connected to Singapore Power Limited (SP) through a capacity of 250 MVA – 230 kV transmission lines and submarine cables. These significant connections provided us the first evidence of rudimentary ASEAN grid on the map.

Plants within the Grid form a power bloc governed by technological alliances and careful arrangements to further the common good for all. The National Load Despatch Centre made active communications possible in order to identify the needs of the community we serve.

Equations And Equities

By the 80s, the Board was supplying the whole Peninsular with electricity, strategically replacing the Perak River Hydro Electric Power company (PRHEP) and its subsidiary Kinta Electrical Distribution Co. Ltd (KED) in 1982, Penang Municipality in 1976, and areas supplied by Huttenbach Ltd in 1964, which included Alor Setar, Sungai Petani, Kulim, Lunas, Padang Serai, Telok Anson, Langkap, Tampin and Kuala Pilah. Its transmission lines now stretched over 6,300 kilometres, a great achievement from its previous 1,560 kilometres just a decade ago.

By 1984, installed capacity had more than doubled to 1,379.2 MW exceeding peak demand by a healthy margin. Its consumer base now numbered 1,965,162 with revenue of approximately RM2.2 billion and fixed assets close to RM5.5 billion, as well as 24,882 staff.

The Board was producing handsome profits through leadership of the highest calibre, and for the first time in history, a significant reduction in tariffs was offered. The Board even received accolade from the World Bank, recognizing it as a well-run and financially sound entity with an appropriate pricing policy, investment planning and with adequate autonomy.

However, the Board's loans became heavier as more funds were needed to fuel its expansion plans. Loans from foreign sources and the government soon stood at approximately RM1 billion each with internal borrowings added to another 1 billion. Concurrently, staff wage had also risen significantly. Plus, the new power of International Capital and the emerging trend of Globalization made the challenge even more demanding.

Subsequently, Prime Minister Dato Seri Dr. Mahathir Mohamad announced the government's decision on a policy of privatisation. He stressed the danger of the government becoming a burden to the people it serve. Thus, privatisation is set in motion.

The Full Circuit

The new policy of privatisation had four main objectives – to relieve the administrative and financial burden of the government, improve the effectiveness and quality of the public services, encourage the spread of private entrepreneurship in the public sector and last but not least, contribute to the attainment of the goals set for the New Economic Policy (NEP). The NEP is the new social-economic restructuring affirmative action program aimed to strengthen political unity and stability through equal distribution of the nation's wealth.

On 4 May 1988, the government announced its final decision to privatise. This triggered anxiety and fear among all staff. Their concerns include the fear that public good would be sacrificed due to greed, the passing of foreign ownership through share purchases in the open market, and that NEB was profitable and therefore not suitable for privatisation as only sick and ailing were the common perception suitable for privatisation.

A Private Company

Keeping the nation's interest in mind, the government relentlessly pursued its ultimate objective and two pieces of legislation were passed to replace the existing Electricity Act, and to provide for the establishment of a new corporation – TENAGA NASIONAL BERHAD (TNB), purposefully replacing the NEB (Successor Company Act). Datuk Hj. Ibak bin Abu Hussein became the last Deputy Chairman and General Manager of the NEB and the first Managing Director of TNB.

On 1 September 1990, Prime Minister Dato Seri Dr. Mahathir bin Mohamad officially proclaimed TNB as the heir and successor to NEB. TNB became a private company wholly-owned by the government; on the same day, Tan Sri Dato Haji (Dr) Ani bin Arope was appointed Chairman.

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