

Frequently Asked Questions New Water Tariff Adjustment Effective 1 September 2025

1. What is meant by the new water supply tariff adjustment?

- Water tariff is set based on the tariff setting mechanism (TSM) developed by SPAN to ensure fairness and transparency across the national water services industry.
- The current water tariff needs to be adjusted due to the non-uniform tariff setting methods, structures and review frequency across the industry, which have resulted in rates that are no longer sufficient to cover rising operating costs.

2. When will the new water supply tariff come into effect?

- This new water tariff will take effect on 1 September 2025.

3. Why is the water tariff adjustment necessary?

- This tariff adjustment allows Air Selangor to make continuous investments to build water resilience and sustainability, thus ensuring the continuity of water supply services for the well-being of consumers in the future.
- This will benefit consumers through the following initiatives:
 - I. Water Treatment Plant (WTP)
 - Continuous water supply through the construction of a new water treatment plant (WTP) to increase the water reserve margin to 20% by 2030.
 - Bestari Jaya WTP (900 MLD) : Completion 2028
 - II. Pipe Replacement Programme
 - Pipe replacement programme from 150km per year to 300km per year starting 2024, and then 400km per year starting 2034.
 - III. Non-Revenue Water (NRW)
 - The Pipe Replacement Programme will also consistently reduce the rate of Non-Produced Water (NRW) to 25% by 2030. These NRW initiatives include:
 - Replacement of damaged and old consumer meters
 - Installation of leak detection devices
 - Development of District Metering Zone (DMZ)
 - Increasing the number of Pressure Management Zone (PMZ)
 - IV. Asset Upgrading Works
 - Carrying out works maintain and improve critical assets of Air Selangor such as:
 - Sungai Selangor Phase 2 (SSP2) WTP,
 - Panjang Region WTP,
 - Sungai Labu WTP,
 - Sg Semenyih (outtake) WTP, and
 - Matang Pagar Balancing Reservoir

4. Who will involve in the implementation of the new tariff adjustment that will take effect from 1 September 2025?

The new tariff adjustment will be effective from 1 September 2025 will involve all uses in Selangor, Kuala Lumpur, and Putrajaya under the following categories:

- Domestic (individual meter)
- Domestic (bulk meter)
 - i. High-rise residential buildings
 - ii. Estates and government quarters
 - iii. High-rise and low-cost residential buildings
 - iv. Gated communities
- Non-Domestic
 - i. Commercial and industrial premises
 - ii. Government buildings
 - iii. Schools and public higher education institutions
 - iv. Government hospitals
 - v. Private hospitals
 - vi. Plantations and estates
- Places of worship and welfare institutions
- Shipping
- Data centre (new category)

5. How much the water tariff rate before & after the adjustment for my house/premises?

- The average tariff adjustment rate for domestic and bulk domestic categories such as residences, condominiums, estate, and government quarters, as well as low-cost houses, is RM 0.37 per cubic meter.
- However, about 50% of domestic category customers who use water not exceeding 20 cubic meters per month are not affected by this new tariff adjustment.
- Non-domestic category users such as commercial enterprises and non-domestic buildings will experience an average tariff adjustment of RM0.85 per cubic meter.
- The average rate for special categories such as places of worship and welfare institutions is RM0.10 per cubic meter.
- Users can use the bill calculator provided on the Air Selangor website to get an estimated water bill under the latest tariff.
- Please refer to the new water tariff rate schedule for all categories below or on the Air Selangor website.

6. What is the average new water tariff and the average cost of providing water supply services by the water operators to users?

- The average new water tariff in Peninsular Malaysia and WP Labuan after the tariff adjustment is RM2.21 per cubic meter. Meanwhile, the average overall cost of providing water supply services is RM2.43 per cubic meter.

- The implementation of the water tariff adjustment under the National Tariff Structure (TSM) for the Second Implementation Period (TP2) is still insufficient to cover the overall cost of providing water supply services.
- The tariff adjustment will be implemented gradually so as not to burden users until the water operators achieve full cost recovery.

7. How is the application and approval process for water supply tariff adjustments carried out?

The application and approval process for water supply tariff adjustments is as follows:

- i. The water operator submits the tariff adjustment application with the agreement of the State Government to SPAN for review and examination;
- ii. SPAN recommends the proposed water tariff adjustment to the Minister of Energy Transition and Water (PETRA) for consideration and approval; and
- iii. The proposed water tariff adjustment is presented at the Ministerial Cabinet Meeting for approval, as it involves an increase in the cost of living.

8. Why is the implementation of the second phase of water tariff adjustment (TP2) necessary when the first phase (TP1) was only recently implemented on 1 February 2024?

- The water tariff adjustment for TP1, originally scheduled for 2020, was postponed to 1 August 2022 for the non-domestic category and to 1 February 2024 for the domestic category. This delay in implementing the water tariff adjustment has resulted in insufficient revenue for water operators to cover the full cost of water supply services.
- The implementation of the TP2 water tariff adjustment is necessary in 2025 to enable water operators to cover the cost of providing water supply services for the next three years (2026 to 2028), in line with the Tariff Setting Mechanism (TSM) concept.
- The gradual implementation of water tariff adjustments is important to reduce the impact of significant tariff increases on consumers.

9. Are water tariff rates the same in every state?

- No. Water tariff rates differ from state to state because the cost for water operators to provide their services and the infrastructure development needs vary across the states.
- In addition, the existing debts and liabilities borne by each state's water operator also differ.

10. What is the concept used to set the water tariff?

- Water supply tariffs in Peninsular Malaysia and the Federal Territory of Labuan are determined based on the TSM developed by the National Water Services Commission (SPAN). Water tariff adjustments are implemented in phases, with the latest adjustment being for TP2. Below is an explanation of the TSM concept:
- What is TSM?
 - An instrument used to determine fair and transparent tariffs for the water services industry, with a standardised tariff structure and review frequency.
- How does it work?

- Standardisation of existing water tariff structures into main categories including Domestic (Individual Meter), Non-Domestic, Special categories such as Places of Worship, Welfare Institutions, Domestic (Bulk Meter), Shipping, and Data Centres;
- Standardisation of tariff cost components that need to be borne by each category and usage band;
- Standardisation of minimum charge methodology based on a consumption threshold of 10 cubic metres (m3);
- Water tariff adjustments are made every three years;
- Electricity surcharge adjustment is determined based on the Automatic Fuel Adjustment (AFA)* mechanism imposed by energy providers on water operators for the previous year.
- Outcome:
 - A sustainable water supply industry and efficient services delivered to consumers.

**Note: AFA replaced the Imbalance Cost Pass-Through (ICPT) surcharge effective 1 July 2025.*

11. Why was a separate category for data centres introduced instead of including them under the non-domestic category?

- The introduction of a special tariff for data centres as a dedicated category under the TSM is intended to ensure that the unique needs of data centres are appropriately addressed. The data centre tariff:
 - Allows water operators to recover costs related to CAPEX for developing water supply infrastructure to meet the high water demand of data centres, as well as OPEX, without burdening other water users; and
 - Encourages data centre developers to use alternative water sources, such as recycled water and seawater, as their primary water supply instead of relying on treated water provided by the water operator.

12. How can consumers save and manage water usage?

- Domestic consumers can save and manage water usage by:
 - Repairing leaking pipes in the premises/home;
 - Using water-efficient products;
 - Using alternative water sources, such as rainwater, for activities like washing cars, watering plants, and cleaning outdoor areas
- Non-domestic consumers can save and manage water usage by:
 - Using alternative water sources, such as recycled water and rainwater harvesting;
 - Reusing water; and
 - Using water-efficient products

NEW WATER TARIFF SCHEDULE

I. Domestic Category

Category		Previous Tariff		Category		New Tariff Effective 1 September 2025	
Category	Usage Volume	Rate (RM/m ³)	Minimum Charge (RM)	Category	Usage Volume	Rate (RM/m ³)	Minimum Charge (RM)
Domestic	0 m ³ to 20 m ³	0.65	6.50	Domestic	0 m ³ to 20 m ³	0.65	6.50
	More than 20 m ³ to 35 m ³	1.32			More than 20 m ³ to 35 m ³	1.62	
	Over 35 m ³	2.63			Over 35 m ³	3.51	
Bulk Domestic (Condominium)	Flat Rate	1.68	173.00	Bulk Domestic (Condominium)	Flat Rate	2.09	173.00
Bulk Domestic (Estate/ Government Quarters)	Flat Rate	1.68	16.80	Bulk Domestic (Estate/ Government Quarters)	Flat Rate	2.09	20.90
Bulk Domestic (Low Cost)	Flat Rate	0.98	35.00	Bulk Domestic (Low Cost)	Flat Rate	1.18	35.00

II. Non-Domestic and Special Categories

Category		Previous Tariff		Category		New Tariff Effective 1 September 2025	
Category	Total Usage	Rate (RM/m ³)	Minimum Charge (RM)	Category	Total Usage	Rate (RM/m ³)	Minimum Charge (RM)
Non-Domestic	0 m ³ to 35 m ³	2.70	36.00	Non-Domestic	0 m ³ to 35 m ³	3.51	36.00
	More than 35 m ³	2.94			More than 35 m ³	3.83	
Places of Worship and Welfare Institutions	Flat Rate	0.66	6.60	Places of Worship and Welfare Institutions	Flat Rate	0.76	7.60
Shipping	Flat Rate	7.08	70.80	Shipping	Flat Rate	8.01	80.10
Data Centre	Flat Rate			Data Centre	Flat Rate	5.31	53.10