



## **NIGERIAN ELECTRICITY REGULATORY COMMISSION**

ORDER NO. NERC/ LF063

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION**

### **ORDER FOR THE PAYMENT OF LICENCE FEES IN US DOLLARS OR ITS NAIRA EQUIVALENT**

#### **PREAMBLE:**

The Nigerian Electricity Regulatory Commission (NERC) in carrying out its objectives as provided in Section 32(1) of the Electric Power Sector Reform (EPSR) Act, 2005, has the function under Section 32(2) (d) of the Act to “licence and regulate persons engaged in the generation, transmission, system operation, distribution, and trading of electricity.”

Section 96(1) of the Electric Power sector Reform Act, 2005, empowers the Commission (NERC) to make Regulations prescribing all matters that by the Act are required or permitted to be prescribed for carrying out or giving effect to the Act.

Section 96(2)(h) of the Electric Power sector Reform Act, 2005, empowers the Commission to make Regulations on fees, levies, and other charges that may be payable by licensees, eligible customers or consumers.

Clause 7(1) of the Regulation for Licence and Operating Fees 2006 empowers the Commission to “...from time to time amend or repeal the provisions of these Regulations.” Furthermore, Clause 7(2) states, “The Commission may from time to time, by Order, add, amend, alter or vary the amounts of Fees payable as provided in the Schedule.”

#### **FACTS:**

Pursuant to these provisions of the Act and all other powers enabling it in that behalf, the Commission prepared a Draft Regulation for Licence and Operating Fees. The Draft Regulation was published for comments and observations of the public. Comments and observations received were reflected in the said Draft Regulation. Following the approval of the Commission, the Regulation for Licence and Operating Fees 2006 came into force by Order of the Commission dated February 14, 2006.

Schedule A of the said Regulation lists the licence fees payable for grid-connected operations. The amounts are payable only in US Dollars. Since the Regulation came into effect, all licensees have been paying their licence fees in US Dollars.

The Commission, having taken note of the difficulties in obtaining foreign exchange by some domestic operators, the need to lower transaction cost, and the need to encourage market entry, has decided to revise the aforementioned Schedule of Licences and Fees to include optional payment in local currency.

**UPON** due consideration of the facts, and the powers conferred on the Commission under **Section 32(2) (d), 62(1), and 96(2)(h)** of the Electric Power Sector Reform Act, 2005; and **Clause 4(1), 4(2), 7(1), 7(2) and Schedule A** of the Regulation for Licence and Operating Fees 2006,

**IT IS HEREBY ORDERED** that Schedule A of the Regulation for Licence and Operating Fees 2006 be amended to include an option that the prescribed licence fees payable to the Commission shall be made in US Dollars or its Naira equivalent.

**IT IS FURTHER ORDERED** that this Order becomes effective immediately.

**BY ORDER OF THE COMMISSION**

Signed this 1<sup>st</sup> day of AUGUST, 2008.



**Dr. Ransome Owan**  
**Chairman/CEO**