

NIGERIAN ELECTRICITY REGULATORY COMMISSION

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

Order for the Operation of the Grid Code by Electric Power Sector Operators

Preamble:

The Nigerian Electricity Regulatory Commission (NERC) in carrying out the objectives contained in section 32 (1) of the Electric Power Sector Reform Act has the function under section 32 (2) (b) of the Act, to establish or, as the case may be, approve appropriate operating codes and safety, security, reliability, and quality standards.

Following the issuance of Electricity Licences to various Companies by the Commission, the Commission hereby enacts a Grid Code to regulate the activities of Operators.

Facts:

A Draft Grid Code was developed over 2005 and 2006 by the Engineering Division of NERC working together with Consultants - Mercados EMI and IPA Energy + Water Consulting.

A three day workshop was held from the 12th to the 14th of September, 2006. This brought together stakeholders in the electricity industry to receive and discuss the Draft Grid Code. Invitees to the Workshop included Officers of the Successor Companies to, and Liason Office of, the Power Holding Company of Nigeria and the Federal Ministry of Power and Steel, as well as Independent Power Producers, Engineers, Lawyers, Consumer Rights Advocacy Groups, Electricity Meter Manufacturers and Journalists.

Participants at the Workshop discussed the Draft Grid Code extensively and made useful contributions which were all noted by the Regulatory Commission and the Consultants.

The Workshop participants agreed that a Review Panel be inaugurated to review and collate inputs to the Draft Grid Code and come up with a revised Draft for the Commission's consideration. The Panel was made up of representatives of:

- 1. Successor Generation Companies
 - a. Sapele Power Plc
 - b. Egbin Power Plc
 - c. Shiroro Hydro Electric Plc
- 2. Successor Distribution Companies
 - a. Kaduna Distribution Company Plc
 - b. Port-Harcourt Distribution Company
- 3. Transmission Company of Nigeria
- 4. Independent Power Producer ICS Power
- 5. Industrial Consumers Dunlop Nig. Plc
- 6. NERC

The revised Draft Grid Code was submitted to the Commission on May 24, 2007.

Upon due consideration of the revised Draft Grid Code incorporating the comments of all Stakeholders,

IT IS HEREBY ORDERED that the Grid Code (as amended) be adopted.

IT IS FURTHER ORDERED that the Grid Code become effective and binding on all operators from the 1st Day of August 2007.

IT IS FURTHER ORDERED that the Grid Code be publicly presented to all Stakeholders on June 21, 2007.

By Order of the Commission.

Signed this 18th day of June, 2007.

Chairman/CEO