

Dr. Alimi Abdul Rasaq
Commissioner [Legal Licensing and Enforcement]
Nigerian Electricity Regulatory Commission
Plot 1099, Trust Avenue,
Off Shehu Shagari Way,
CBD, Garki, Abuja.

Dear Sir,

RE: PETITION AGAINST THE NEW POWER SUPPLY TARIFF BEING CHARGED AT VICTORIA GARDEN CITY, LAGOS. APPEAL FOR INTERVENTION IN OTHER OUSTANDING MATTERS.

Your letter dated 11th February, 2008 on the above subject matter refers.

- ✓ VGC Management contacted the then NEPA in April, 2004 on their interest in Bulk power purchase.
- ✓ VGC provided the 1 x 15MVA, 33/11KV Injection Substation.
- ✓ This project was commissioned 4th May, 2007.
- ✓ VGC is among over 40 Estates presently on Bulk metering in Lekki Business District and are all being billed on R₅ tariff [i.e. 8.50k].

POWER SUPPLY AND METERING STATUS BEFORE BULK METERING

The previous metering arrangement was as follows;

- ✓ VGC were being supplied on two (2No) 11KV feeders namely HFP and VGC with an average power availability of 45%
- ✓ The customer mix was
 - MD - 25 (R4, C3)
 - Credit Meters - 678 (R3)
 - PPMP - 580 (R3)
- ✓ Average Monthly Billing was 16Million
 - MD - 10Million
 - NMD - 6Million

POWER SUPPLY/ METERING AFTER BULK METERING

- ✓ VGC now fed on Chevron 33KV feeder with current power availability of 95%.
- ✓ The Estate was tied to the 15MVA 33/11 Injection Substation on the 4th May, 2007.
- ✓ Bulk metering is via Skipper Panel which was appropriately programmed.
- ✓ The tariff class in use is R5 as applicable to similar estates.
- ✓ The MD Billing took effect from 1st June, 2007
- ✓ The present power arrangement can only allow for one point metering (bulk metering). This was achieved with the existing skipper panel.

SHORT PAYMENT FOR ELECTRICITY TOKEN SOLD BY PHCN TO VGC CONSUMERS FROM JUNE TO DECEMBER 2007

- ✓ The sequence of events to make for smooth transition from old to new metering arrangement was conveyed via a memo ref:PHCN/BM/LEKKI.01/1152/2007 of 22nd May 2007 (copy attached).
- ✓ In the road map, VGC was requested to install a vending machine and convert the 580 prepayment meters to their supply group code by 31st May. This would have enabled PHCN to disengage from prepayment and credit metering operation in the estate effective 1st June 2007.
- ✓ Failure of VGC to meet her obligation on this subject compelled PHCN to retain PPMP vending presence beyond 31st May 2007.
- ✓ While PHCN prepayment presence extended beyond 31st May 2007, VGC was credited with full naira value of revenue vended by customer on PHCN managed prepayment meters.

NON CREDIT OF 6.7MILLION PAID BY HFP FOR PREPAYMENT METER NOT INSTALLED

This claim is being investigated. The VGC management may be credited with the full value for metering services not rendered.

10% REBATE / ADMINISTRATIVE CHARGES

There was no agreement to a rebate of 10% monthly billing.

DISCREPANCY IN PHCN SKIPPER PANEL INSTALLED AT VGC

- ✓ PHCN has metering standards which are strictly adhered to at VGC.
- ✓ The Blue Star “check” meter which calibration, connection and accuracy cannot be ascertained, cannot for the purpose of this dispute be used for evaluating the reliability of PHCN standard metering infrastructure.

TARIFF FOR ELECTRICITY AT VGC

VGC does not qualify for a tariff of ₦6.00/KWH [R₃], due to the following:

- ✓ The supply voltage is 33KV.
- ✓ The transformer is 1 x 15MVA.
- ✓ The customer mix is mostly commercial, it's not purely residential.
- ✓ Concession is already embedded in the R5 tariff they are not charged for KVA (demand charge).

In the discharge of our obligations, we shall continue to strive for customer understanding of our actions. To this end, our effort at maintaining good business relationship with all customers is boundless. VGC remains a highly valued customer who we treat with great respect.

**ENGR. O. C. AKAMNONU
CHIEF EXECUTIVE OFFICER
EKO DISTRIBUTION ZONE**