



ORDER No. NERC/REG/3/2015

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

AMENDED MULTI YEAR TARIFF ORDER (MYTO) – 2.1 FOR THE PERIOD

APRIL 1ST, 2015 TO DECEMBER 2018

BACKGROUND

1. Pursuant to a methodology established under Section 76, EPSR Act 2005, the Commission in 2012 completed a Major Tariff Review and thereafter enacted three separate tariff Orders; one each for generation, transmission and distribution (the MYTO-2 Tariff Orders).
2. In the provision of electricity service, it is well-understood that losses are an inevitable consequence of the transfer of electrical energy across transmission and distribution networks. It is also well-known that a percentage of the energy delivered to an electricity distribution network is either not billed or paid for. Such energy that is lost for technical or commercial reasons has to be fully accounted and paid for.
3. Section 22 of the Business Rules of the Commission Regulations, 2006, provides that *“The Commission may on its own or on the application of any of the persons or parties concerned, within sixty (60) days of the making of any Decision, direction or Order, reconsider, vary or review such Decision, directions or Orders and make such appropriate Orders as the Commission deems fit. The Commission may thereafter modify, amend, rescind or reaffirm the original Order by a new Order”*.

4. Accordingly, in view of petitions by various consumer groups on the current tariffs established by Order No. NERC/135, the Commission has considered and decided to amend the level of ATC&C losses component approved for the Discos in the MYTO2.1. In line with best practices and to entrench the principle of fairness, the Commission hereby reiterates the following positions:
 - i. Fair regulation allows only efficient and prudent costs to be passed through to customers;
 - ii. Collection losses, which is defined as the 'amount billed but not collected' by the Discos, is within the control of the Discos;
 - iii. Therefore, the Commission will not allow the Discos pass through to the customers collection losses;
 - iv. Any Disco that wishes to pass through to its customers certain collection losses shall indicate same when applying to the Commission for Tariff review, providing justification with evidence the proportion of losses to be passed through to customers.
5. It is obvious that during the Distribution Company (Disco) privatization process, one of the major criteria for identifying preferred bidders was a consideration of the most aggressive but feasible Aggregate Technical, Commercial and Collection (ATCC) loss reduction trajectory over a 5-year period, from a net present value (NPV) point of view. It was clear to the Commission, however, that at the time of the conclusion of the privatization and subsequent handover of the utilities to core investors, the precise ATC&C loss number for each of the Discos had not been ascertained.
6. Section 5.3 of the MYTO-2 Distribution Tariff Order mandates the Commission to review and revalidate the actual level of ATC&C losses for each Disco following their privatization. This section provides that:

“Given the urgency of the reform/privatization agenda and also taking account of the uncertainty about the credibility of some of the data from which aggregate losses are calculated, NERC and BPE have agreed that:

 - a) **Commitments on the reduction of aggregate losses will remain one of the primary determinants for determining successful Disco core investors;**

- b) NERC has already commenced a study to create a credible industry performance database, particularly as regards aggregate technical, commercial and collection (ATC&C) loss data, which will take at least 12 months to undertake;
- c) Pending completion of the ATC&C database study, the privatization of the Disco sector may proceed and commitments made on the basis of current data; and
- d) At the conclusion of the ATC&C database study, any difference in losses will be the subject of separate reduction targets to be agreed between NERC and the relevant Discos; and commensurate cost implications will be the subject of a Minor Review consultative process.

The importance of this provision is hereby underscored for emphasis.

7. Section 6 of MYTO-2 similarly authorizes the Commission to provide for:

“Minor reviews of the tariff to be conducted bi-annually to update the total cost of electricity”.

8. Section 7 of each of the three Tariff Orders for Generation, Transmission and Distribution also mandates the Commission to carry out the bi-annual minor review of MYTO. The Orders state very clearly the variables that are to be considered during the minor review. These variables are:
- a. Rate of inflation;
 - b. Foreign exchange rates;
 - c. Cost of fuel (Gas price); and
 - d. Actual available generation capacity

Pursuant to these provisions, the Commission has in conjunction with the Discos carried out a comprehensive review of the ATC&C losses with a view to effecting tariff reviews accordingly.

9. Following the ATC&C loss revalidation exercise, the Commission in September 2014 commenced the process of the minor review of the tariff by publishing the requisite notice to that effect in two (2) national newspapers to invite input from the relevant stakeholders. Data and information were sought and obtained on these variables from relevant organizations, namely, the Central Bank of Nigeria, National Bureau of Statistics and the System Operations Division of the Transmission Company of Nigeria (TCN).
10. Having regard to the exigencies of the industry for the time being, the Commission deemed it fit to carry out the review of the ATC&C losses and the Special Review of the tariff concurrently. Therefore, this review reflects the changes in the minor review variables as well as realistic and actual level of verified ATC&C losses for each of the Distribution Companies.
11. Amendment to the current Tariff Order is driven by the Commission's continued desire to ensure that only prudent and efficient costs are allowed to be transferred to consumers by the Distribution Companies.
12. Tariffs for R2 Customers shall remain frozen until June 2015 as earlier directed by the Commission.

UPDATES TO THE MYTO-2 FINANCIAL MODEL

13. For the purpose of this review, the input data in the tariff that have been adjusted/reviewed are as follows:
 - a. The level of the ATC&C losses for each Disco with zero Collection Loss;
 - b. Exchange rate;
 - c. Rate of inflation;
 - d. Generation Capacity; and
 - e. Gas Price
14. The updated MYTO financial model now has the costs of each Genco treated separately. Power Purchase Agreements (PPAs) prices have been obtained from Nigerian Bulk Electricity Trading Plc (NBET) and the model now recognises the following types of PPAs: successor thermal, successor hydro, NIPP thermal, Olorunsogo, Omotosho, AES, Agip, Shell, Ibom Power, Rivers IPP, Trans Amadi and Omoku.

15. Provision has also been made to calculate actual PPA costs that were not anticipated by MYTO e.g. 'Start-up' costs. All other assumptions in the MYTO-2 such as the CAPEX, OPEX, customer numbers, WACC etc. remain valid.

BASELINE ATC&C LOSSES AND PROJECTED LOSS REDUCTION BENCHMARKS

16. Tables 1 & 2 below summarize the baseline and approved ATC&C losses, with zero collection loss for all the Discos, the initial figures as specified in the privatization Request for Proposals (RFPs) and the yearly loss reduction trajectory that has been committed to by each winning bidder.

Table 1: Discos Relative (%) loss reduction commitment per year

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Abuja	31.50%	23.80%	7.10%	10.90%	15.50%
Benin	18.00%	20.00%	22.59%	25.00%	20.00%
Enugu	0.63%	25.30%	28.37%	36.47%	43.33%
Ibadan	16.00%	18.71%	20.43%	19.84%	16.61%
Jos	10.30%	9.04%	11.01%	17.82%	24.21%
Kaduna	33.00%	37.00%	38.00%	38.00%	38.00%
Kano	15.00%	23.00%	25.00%	22.00%	15.00%
Eko	27.00%	26.93%	20.94%	10.16%	3.77%
Ikeja	25.70%	26.90%	28.95%	18.50%	9.20%
P/H	15.00%	17.50%	20.00%	20.00%	17.00%
Yola	25.17%	16.14%	13.81%	12.06%	8.85%

The above yearly loss reduction profile was based on the annual percentage reduction committed by each Disco during privatisation.

Table 2: Projected ATC&C Figures based on Discos' commitments and approved ATC&C Baselines

	Approved Baseline	ATC&C losses passed through to Consumers				
		Y1	Y2	Y3	Y4	Y5
Abuja	28.4	19.5	14.8	13.8	12.3	10.4
Benin	25.2	20.7	16.5	12.8	9.6	7.7
Enugu	18.7	18.6	13.9	9.9	6.3	3.6
Ibadan	12.0	10.1	8.2	6.5	5.2	4.4
Jos	24.8	22.2	20.2	18.0	14.8	11.2
Kaduna	18.1	12.1	7.6	4.7	2.9	1.8
Kano	18.1	15.4	11.8	8.9	6.9	5.9
Eko	17.4	12.7	9.3	7.3	6.6	6.3
Ikeja	12.0	8.9	6.5	4.6	3.8	3.4
P/H	12.0	10.2	8.4	6.7	5.4	4.5
Yola	16.3	12.2	10.2	8.8	7.8	7.1

17. The Commission acknowledges the fact that Performance Agreements signed by the Distribution Companies (Discos) considered ATC&C losses. While verified Technical and Commercial Losses are passed through to consumers, the Commission has a responsibility of ensuring that only prudent costs are approved and passed on to consumers.
18. In this regard, the Commission considers, in the public interest and fairness, the level of Collections Losses (amount billed but not collected by the DisCos) as imprudent to be passed on to consumers since it is fully within the control of the DisCos to collect their bills.

19. Therefore, for the purpose of the level of loss allowable to pass through to consumers, the Collection Loss has been set at zero and shall continue to be so until the contrary is proved by the Distribution Company and approved by the Commission. Accordingly, any Disco that wishes to pass through certain collection losses to consumers shall be required to apply to the Commission, in accordance with the provisions of the Regulations on Procedure for Electricity Tariff Reviews, and justify with evidence the portion of the losses to be passed through to consumers.

COMMENCEMENT OF LOSS REDUCTION

20. Discos are expected to reduce their losses each year based on the loss reduction trajectory commitment by their new core investors in the bid documents. In calculating the ATC&C losses for the Discos, and in accordance with the privatization transaction documents and the extant Tariff Order, the Commission adopted 1st November 2012 to 31st October 2013 as the base year and began to implement individual Discos' loss reduction projections from 1st November 2013
21. The owners of the Discos are obliged to commence the loss reduction immediately after taking over the ownership and management of the Companies notwithstanding the declaration of TEM. The immediate past loss reduction year has been extended by 2 months to end on 31st December 2014. This is to synchronize Disco's annual loss reduction trajectory with the new tariff year.

BI-ANNUAL MINOR REVIEW OF MYTO

22. NERC shall continue to review the tariff bi-annually under the minor review process. Any Market Participant wishing NERC to consider varying the tariff must make a submission to NERC supporting its case on the basis stated in the relevant notice of review.
23. **Inflation:** The inflation rate received from National Bureau of Statistics as at 30th November 2014 shows a figure of 7.9%. MYTO-2 was benchmarked at 13% inflation rate. The current inflation rate is lower than the MYTO-2 projection.
24. **Nigerian Exchange Rate:** The data received from the Central Bank of Nigeria shows an exchange rate of ₦164.5 to US \$1 as at 30th November 2014. MYTO-2 was

benchmarked at =N=178 exchange rate. It is however important to note that MYTO-2 also allows a premium of 1% above CBN rate.

Therefore: 1% of 164.5 = 1.645

CBN exchange rate + 1% premium is therefore $164.5 + 1.645 = \underline{166.15}$

MYTO-2 forecast exchange rate - 178

Current Exchange Rate - **166.15**

The current exchange rate is also lower than the MYTO-2 projection.

25. **US inflation Rate:** The US inflation rate was assumed at 3% but the most recent report of the US Bureau of Labor Statistics put the November inflation rate at 1.8%. Again, this is lower than projected.
26. **Gas Price:** The applicable rule here that the prudent cost of gas supply will be passed through to the retail tariff. The gas price has been regulated since the inception of MYTO in 2008 and regulated prices applied in the 2012-2016 price regimes. The regulated gas price for 2014 is \$1.80/mmBtu which was later adjusted to \$2.50/mmBtu and transport cost of \$0.80/mmBtu.
27. The Commission is retaining the gas transportation cost of \$.30/mmBtu until such a time when it finally approves the financial model justifying the \$0.80/mmBtu transportation cost proposed by Nigeria Gas Company (NGC) Limited and/or its parent, the Nigerian National Petroleum Corporation (NNPC). The Commission will reflect this change during the minor review period.
28. **Generation capacity:** The data received from the System Operator shows the actual peak capacity sent out to be 3,675.41MW based on a six (6)-month average ending 30th September 2013. The gross generation capacity based on this figure and the 65% capacity assumed under MYTO-2 is calculated to be 5,611MW.

Table 3: Summary of the Minor Review variables/ assumptions.

S/N	Parameters	MYTO-2 Assumptions	Last Minor Review 31 st March 2014	Actual 30 th Nov 2014
1	Inflation	13%	7.80%	7.90%
2	Exchange rate	N178	N158	N166.15
3	Gas price/mmBtu	US\$2.30	\$1.80	US\$1.80
4	Generation capacity	5, 556MW	3,424MW	3675MW

29. In addition to the verified ATC&C loss figures, the MYTO-2 financial model has been updated with the above Minor Review variables. The rationale for this is to remain as close as possible to current economic realities. The above variables will continue to be reviewed semi-annually in line with the MYTO methodology.
30. The financial model will, however, be labeled the “MYTO-2.1 Financial Model (amended version)”, because the changes thereto now being effected, though significant, are not by way of a Major Review, which is a specific event triggered and effected under the MYTO Methodology.

WHOLESALE CONTRACT PRICE FOR GENCOS

31. The updated MYTO 2 model has the costs of each Genco treated separately. The model recognises the following types of PPAs:
- Successor thermal, successor hydro, NIPP thermal, Olorunsogo, Omotosho, AES, Agip, Shell, Ibom Power, Rivers IPP, Trans Amadi, Omoku
32. Legacy IPPs, Successor Gencos and all other Generators with effective PPAs are to be treated differently by recognising the individual PPA cost provisions and escalations as separate items in the overall generation cost calculations. Those Generators without effective PPAs are to take NERC benchmarked tariffs.
33. Wholesale Prices are as approved by the Commission in the respective IPP’s Power Purchase Agreements (PPAs).

TRANSMISSION TARIFF

34. Following this special review, the tariff due to TCN for the year 2015 is N2,743.16/MWh. This tariff is to be distributed amongst TSP, MO, Ancillary Services, NERC Regulatory Charge and SO in accordance with already-established MYTO-2 sharing ratios.
35. The TCN tariff is recoverable from Discos and export customers in the ratio of 20% per MWh wheeled per hour during the preceding month as fixed charge and 80% per MWh delivered to distribution/export injection point. The breakdown is as follows:

Table 4: TCN Tariff Allocation

TCN tariff allocation (N/MWh)	2015
MO	92.44
SO	351.40
Ancillary Services	68.58
NERC	37.58
TSP	2,193.16
Total	2,743.16

ESTIMATES OF REVENUE SHORTFALL / CBN INTERVENTION FUND

36. Based on the handover/takeover date of 1st November 2013 for ATC&C loss adjustment/update, the following revenue shortfall was calculated for all Discos for the period 1st November 2013 to 31st December 2014. The Discos will be paid these amounts in full in order to recover their shortfall incurred during the Interim Rules Period (IRP).
37. MYTO-2 was designed such that some Discos would under-recover their revenue requirement in the first two years with a balancing over-recovery in the subsequent three years. By so doing, the Discos would be able to recover their full revenue requirement within the 5 year lifespan of MYTO-2.

38. The Commission desires to incentivize the Discos by ensuring that tariff is fully cost-reflective and all other identified weaknesses in the tariff design and structure are fully set right. We have therefore included in the shortfall calculation the MYTO-2 design under-recovery. This amount will also be fully covered by the CBN-NEMSF facility. In compliance with the provisions of Section 40 of the Interim Rules, 11% interest rate has been applied to the total shortfall.
39. Under a unique commercial transaction sponsored by the CBN and NERC, the Nigerian Electricity Supply Industry (NESI) has been provided with a commercial loan facility to enable repayment of the Interim Period revenue shortfall and certain identified legacy debts owed by NESI players and accrued up to the 1st November 2013 handover date. This loan will be recovered from the customers over a period of ten (10) years through the electricity retail tariff.

Table 5: MARKET SHORTFALL DUE TO EACH DISCO

Disco	Interim Period Shortfall	Legacy Gas Debt	Capitalized Transaction Costs	Total
Abuja	25,465,807,655.44	1,643,558,362.60	542,187,320.36	27,651,553,338.40
Benin	28,834,103,114.45	1,286,263,066.38	602,407,323.62	30,722,773,504.44
Enugu	33,476,248,979.90	1,286,263,066.38	695,250,240.93	35,457,762,287.21
Ibadan	24,773,064,486.12	1,857,935,540.33	532,620,000.53	27,163,620,026.97
Jos	15,481,033,811.54	786,049,651.68	325,341,669.26	16,592,425,132.48
Kaduna	17,257,654,809.28	1,143,344,947.89	368,019,995.14	18,769,019,752.31
Kano	9,876,510,247.38	1,143,344,947.89	220,397,103.91	11,240,252,299.18
Eko	5,160,496,610.64	1,572,099,303.35	134,651,918.28	6,867,247,832.28
Ikeja	9,328,368,354.01	2,143,771,777.30	229,442,802.63	11,701,582,933.93
Port Harcourt	20,208,442,829.41	928,967,770.16	422,748,211.99	21,560,158,811.57
Yola	6,472,722,013.74	500,213,414.70	139,458,708.57	7,112,394,137.01
Total	196,334,452,911.91	14,291,811,848.66	4,212,525,295.21	214,838,790,055.78

40. The shortfall is the calculated difference between the Discos' old average tariff (before ATC&C loss review) and new average tariff (after ATC&C loss review) multiplied by energy delivered to each Disco, plus the 'tariff design' percentage under recovery allowed in MYTO-2 for the years 2013 and 2014. Interest at 11% p.a. is further added to the calculation, being the MYTO-2 real rate of interest (WACC).
41. It is pertinent to point out that Kaduna Disco was privatised only very recently on 4th December 2014. The Disco has been given time to carry out the required ATC&C loss verification exercise and all the necessary adjustments would be made by the Commission to its retail tariff structure no later than 31st December 2015.

REPAYMENT OF CBN FACILITY

42. The Commission and CBN have agreed that 10% p.a. rate of interest should be applied to the CBN facility on reducing-balance basis to be recovered from the tariff. A one-year moratorium has been approved as incentive to the Discos on principal repayments with the implication that the Discos will not commence repayment of the principal to CBN until year 2 of the MYTO 2.1 tariff period.
43. Tables 6 and 7 below show the annual repayment profile that has been established by CBN and incorporated into the tariffs. The Commission has established that all amounts that are due after the five-year MYTO 2.1 period (i.e. post-31st December 2018, will be rolled-over into the next tariff period. The repayments will continue to remain a first line charge on the Discos' revenues until repayments are completed.

Table 6: ANNUAL REPAYMENT OF PRINCIPAL (Naira billions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Abuja	0.000	1.994	2.206	2.437	2.692	2.974	3.285	3.629	4.009	4.425
Benin	0.000	2.216	2.451	2.708	2.991	3.304	3.650	4.032	4.455	4.916
Enugu	0.000	2.557	2.829	3.125	3.452	3.813	4.213	4.654	5.141	5.674
Ibadan	0.000	1.959	2.167	2.394	2.645	2.921	3.227	3.565	3.939	4.346
Jos	0.000	1.197	1.324	1.462	1.615	1.784	1.971	2.178	2.406	2.655
Kaduna	0.000	1.354	1.497	1.654	1.827	2.019	2.230	2.464	2.721	3.003
Kano	0.000	0.811	0.897	0.991	1.094	1.209	1.335	1.475	1.630	1.799
Eko	0.000	0.495	0.548	0.605	0.669	0.739	0.816	0.901	0.996	1.099
Ikeja	0.000	0.844	0.933	1.031	1.139	1.258	1.390	1.536	1.697	1.872
P/H	0.000	1.555	1.720	1.900	2.099	2.319	2.562	2.830	3.126	3.450
Yola	0.000	0.513	0.567	0.627	0.692	0.765	0.845	0.934	1.031	1.138

Table 7: ANNUAL PAYMENT OF INTEREST (Naira billions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Abuja	2.765	2.682	2.466	2.235	1.980	1.703	1.386	1.042	0.662	0.243
Benin	3.072	2.980	2.740	2.483	2.200	1.892	1.540	1.158	0.736	0.270
Enugu	3.546	3.440	3.162	2.866	2.539	2.183	1.778	1.337	0.849	0.312
Ibadan	2.716	2.635	2.422	2.195	1.945	1.673	1.362	1.024	0.651	0.239
Jos	1.659	1.610	1.480	1.341	1.188	1.022	0.832	0.625	0.397	0.146
Kaduna	1.877	1.821	1.674	1.517	1.344	1.156	0.941	0.708	0.450	0.165
Kano	1.124	1.090	1.002	0.908	0.805	0.692	0.564	0.424	0.269	0.099
Eko	0.687	0.666	0.612	0.555	0.492	0.423	0.344	0.259	0.164	0.060
Ikeja	1.170	1.135	1.043	0.946	0.838	0.721	0.587	0.441	0.280	0.103
P/H	2.156	2.091	1.923	1.743	1.544	1.328	1.081	0.813	0.516	0.190
Yola	0.711	0.690	0.634	0.575	0.509	0.438	0.357	0.268	0.170	0.063

INCREASE IN CAPEX

44. The Discos requested for an increase in CAPEX on the consideration that CAPEX in MYTO-2 was approved based on certain percentage of losses and given that the losses have now increased, it would ordinarily lead to an increase in CAPEX to complement the new level of losses. However, the Commission notes that in the MYTO-2, CAPEX was provided to enable the distribution of 7,500MW for the 2013 – 2014 tariff year and 9061MW for the 2014 – 2015 tariff years. At the moment, the industry’s available capacity is below 5,000MW. The Commission therefore finds no justification for an increase in CAPEX on this basis.
45. Most importantly, notwithstanding the above, a review of CAPEX is an issue for a full-scale major review. Therefore, a Disco desiring a review of CAPEX shall do so in the context of justifying the need for a major review in accordance with the MYTO Methodology and in line with the approved Regulations on Procedure for Electricity Tariff Reviews in the Nigerian Electricity Supply Industry.

CUSTOMER NUMBER GROWTH

46. The Commission notes that it is of significant importance to properly establish the customer population of the electricity market bearing in mind that it directly impacts on the Discos’ ability to earn their revenue requirement. So far, the Discos have not been able to establish customer numbers that are comprehensive and acceptable to that effect during the ATC&C Loss review.

47. The Commission has maintained the MYTO-2 customer number projections. These projections will remain pending the conduct of an exercise to comprehensively enumerate and classify the entire customer population as well as to re-examine/redesign the customer classifications inherited from PHCN. This study may also lead to a revision of the Commission’s Estimated Billing Methodology, in order to reflect established realities in the market.

Table 8: – Customer number projections from 2014 to 2018

	2014	2015	2016	2017	2018
Abuja	755,275	823,143	897,119	977,749	1,065,635
Benin	1,186,964	1,186,964	1,284,988	1,391,111	1,506,002
Enugu	818,594	818,594	892,594	973,282	1,061,268
Ibadan	1,750,156	1,750,156	1,917,696	2,101,278	2,302,436
Jos	466,414	466,414	515,318	569,379	629,139
Kaduna	458,769	458,769	491,806	527,221	565,190
Kano	598,352	598,352	655,618	718,365	787,116
Eko	581,032	581,032	635,654	695,406	760,781
Ikeja	1,128,010	1,128,010	1,238,659	1,360,174	1,493,631
P/H	557,093	557,093	610,368	668,739	732,691
Yola	344,868	344,868	376,263	410,512	447,882

THE ENERGY IMBALANCE MECHANISM

48. It is expected that the Distribution Companies will be supplied electric power based on the percentage allocation to each company set out in the MYTO-2 Order. The percentage allocation, the corresponding energy level and equivalent MW capacity used in setting the Disco tariffs are shown in Table 9.

Table 9: Energy allocations on which the Discos tariffs are derived

Estimated Energy delivered to Discos (GWh)	Allocation	2015		2016		2017		2018	
		GWh	MW	GWh	MW	GWh	MW	GWh	MW
Abuja	11.50%	2,691.32	307.0	2,691.32	307.0	2,691.32	307.0	2,691.32	307.0
Benin	9.00%	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3
Enugu	9.00%	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3
Ibadan	13.00%	3,042.36	347.1	3,042.36	347.1	3,042.36	347.1	3,042.36	347.1
Jos	5.50%	1,287.15	146.8	1,287.15	146.8	1,287.15	146.8	1,287.15	146.8
Kaduna	8.00%	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6
Kano	8.00%	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6
Eko	11.00%	2,574.31	293.7	2,574.31	293.7	2,574.31	293.7	2,574.31	293.7
Ikeja	15.00%	3,510.42	400.5	3,510.42	400.5	3,510.42	400.5	3,510.42	400.5
Port Harcourt	6.50%	1,521.18	173.5	1,521.18	173.5	1,521.18	173.5	1,521.18	173.5
Yola	3.50%	819.10	93.4	819.10	93.4	819.10	93.4	819.10	93.4
Total delivered	100.00%	23,402.77	2,670	23,402.77	2,670	23,402.77	2,670	23,402.77	2,670

49. In implementing the energy imbalance mechanism, the following rules shall henceforth apply:

- a. Each Disco's tariff is tied to its estimated energy delivered. Any diminution in the expected energy delivered to a particular Disco beyond the estimated values will cause disequilibrium in that Disco's retail tariff. For a Disco to be made whole in a period it must get its equivalent or more MW capacity for that period.
- b. In the event that due to System Operator directives to ensure reliable operation of the transmission grid or other circumstances, the distribution companies receive percentage allocations that are not in line with the percentages in Table 8 above, then an imbalance in load allocation may occur at the end of the month.
- c. A Disco that receives energy in excess of its percentage allocation in such a month may be obliged to compensate the Disco or Discos that have received less than their percentage allocation, depending on the circumstances in which the imbalance occurs.
- d. The Commission has developed a balancing mechanism to compensate for these imbalances. For example, if Disco A receives more than its due share of allocated energy, the excess of which would ordinarily go to Disco B, then the balancing mechanism will operate and funds will be settled as follows:
 - i. Full wholesale contract cost of additional energy received will be paid by Disco A to the relevant generator in line with existing contracts;

- ii. Full transmission cost and other associated costs (regulatory charge, ancillary service charge) will be paid by Disco A.
- iii. Depending on the circumstances that lead to the imbalance condition, Disco A might need to pay the imbalance charge to Disco B.
- iv. If Disco A needs to pay, it will pay the lesser of either its own compensation rate or Disco B compensation rate because:
 - 1. A Disco making imbalance payments cannot be made to pay what it cannot earn from its customers; and
 - 2. A Disco receiving an imbalance payment cannot earn more than what it would ordinarily earn if it sells the energy itself.

50. The Imbalance Compensation Rates are given in Table 10.

Table 10: Imbalance Compensation Rates for Discos

			2015	2016	2017	2018
ABUJA	Nominal tariff	(Naira/MWh)	7,846	8,161	8,710	9,281
	Compensation	(Naira/MWh)	6,038	6,210	6,604	7,010
	Variable Cost	(Naira/MWh)	1,808	1,951	2,105	2,271
BENIN	Nominal tariff	(Naira/MWh)	8,236	8,381	8,910	9,469
	Compensation	(Naira/MWh)	6,891	6,929	7,343	7,779
	Variable Cost	(Naira/MWh)	1,053	1,136	1,226	1,323
ENUGU	Nominal tariff	(Naira/MWh)	8,167	8,383	8,943	9,532
	Compensation	(Naira/MWh)	6,668	6,766	7,199	7,650
	Variable Cost	(Naira/MWh)	1,499	1,617	1,745	1,883
IBADAN	Nominal tariff	(Naira/MWh)	9,764	10,083	10,807	11,569
	Compensation	(Naira/MWh)	7,390	7,522	8,043	8,587
	Variable Cost	(Naira/MWh)	2,374	2,561	2,763	2,982
JOS	Nominal tariff	(Naira/MWh)	9,243	9,625	10,346	11,097
	Compensation	(Naira/MWh)	7,039	7,246	7,780	8,328
	Variable Cost	(Naira/MWh)	2,204	2,378	2,566	2,769
KADUNA	Nominal tariff	(Naira/MWh)	9,229	9,511	10,094	10,702
	Compensation	(Naira/MWh)	7,562	7,713	8,153	8,608
	Variable Cost	(Naira/MWh)	1,667	1,799	1,941	2,094
KANO	Nominal tariff	(Naira/MWh)	7,362	7,711	8,234	8,773
	Compensation	(Naira/MWh)	5,933	6,170	6,571	6,978
	Variable Cost	(Naira/MWh)	1,429	1,541	1,663	1,795
EKO	Nominal tariff	(Naira/MWh)	8,140	8,513	9,197	9,905
	Compensation	(Naira/MWh)	6,230	6,453	6,973	7,506
	Variable Cost	(Naira/MWh)	1,910	2,061	2,224	2,399

			2015	2016	2017	2018
IKEJA	Nominal tariff	(Naira/MWh)	6,598	6,949	7,570	8,211
	Compensation	(Naira/MWh)	5,010	5,235	5,721	6,215
	Variable Cost	(Naira/MWh)	1,588	1,714	1,849	1,995
PH	Nominal tariff	(Naira/MWh)	8,585	8,927	9,504	10,102
	Compensation	(Naira/MWh)	6,977	7,192	7,632	8,082
	Variable Cost	(Naira/MWh)	1,608	1,735	1,872	2,020
YOLA	Nominal tariff	(Naira/MWh)	9,649	10,061	10,754	11,480
	Compensation	(Naira/MWh)	7,571	7,819	8,335	8,869
	Variable Cost	(Naira/MWh)	2,078	2,242	2,419	2,610

51. LOAD ALLOCATION, SYSTEM OPERATOR'S INSTRUCTIONS AND GRID DISCIPLINE

- a. During the Interim Rules Period, the Commission observed that:
 - i. The System Operator, at certain times, required some Discos to take load that was at variance with their MYTO allocations in order to maintain grid stability.
 - ii. Some Discos willfully take load beyond their MYTO- and SO-scheduled allocations.
 - iii. Some Discos deliberately avoid/reject taking load and effectively take load below their MYTO- and SO-scheduled allocations in order to unduly earn imbalance charges.
 - iv. Some Discos could not take energy due to their own local constraints.
- b. Based on the above, the Commission will continuously monitor the NESI and develop rules or refine extant rules to properly incentivize Discos to act in the best interests of both consumers and the national grid while discouraging gaming of the imbalance compensation mechanism.
- c. Therefore in order to continually maintain grid discipline, the following rules will henceforth apply:
 - i. Where a Disco does not take its allocation for any reason other than SO's instructions, for instance where it rejects its daily allocation, for any reason whatsoever, the Disco WILL NOT be entitled to any imbalance payments.
 - ii. Where a Disco cannot continuously take its load allocation due to SO instructions or legitimate reasons, such as force majeure, then the Disco load allocation shall be appropriately reduced to reflect what it can actually take; and the Disco shall be entitled to receive imbalance payments from the Disco(s) to which the energy thus made available is delivered.
 - iii. Where a Disco is made to take a load from a circuit, because it is the only Disco that can take such load from that circuit (that is, if the Disco does not take the load, generation level will be necessarily reduced), then the Disco shall not be liable to pay imbalance compensation to

the other Discos, because the other Discos suffer no loss of opportunity to earn revenue.

- d. Where a Disco takes energy from the grid beyond its daily allocated capacity and energy allocation, other than according to instructions from the System Operator and the Disco's actions impact the ability of the System Operator to balance the grid and properly implement the load allocation formula, the Disco will be liable to make TWICE the Imbalance Payment it would ordinarily have paid; and such payments shall be made to the Discos whose allocations have been so taken.

HYPADDEC CHARGE

52. As provided by law, all Hydro Generators are expected to pay 10% of their revenue to HYPADDEC. This was calculated in MYTO-2 as a percentage of the Wholesale Contract Price due to the Hydro Generators. Given that HYPADDEC is still not operational, NBET is hereby directed to open an interest-bearing escrow account with its payment agent bank. Balances and income earned and carried forward on this account are to be reported to the Commission no later than 2 (two) working days after payment to Hydro Generators. This escrow account shall continue to be kept pending when HYPADDEC becomes functional.

RE-INTRODUCTION OF KVA CHARGE

53. Due to the detrimental effect of reactive power from large customers on the distribution network, Kilovolt Ampere (KVA) charges may henceforth be recovered from such customers. MYTO-2 did not allow this charge but upon due reconsideration, the Commission has approved the re-introduction of the KVA charge. This shall be subject to each Disco that wishes to enforce this charge carrying out a comprehensive study and formally submitting to the Commission the list of the customers that are liable to pay the KVA charge, the tariff class of these customers and the proposed KVA charge for each class of customers.
54. No Disco may impose the KVA charge until an appropriate proposal has been made and approved by the Commission.

REDUCTION OF FIXED CHARGE FOR D2 CUSTOMERS

55. Henceforth, the fixed charge for D2 Customers shall be reduced from the current percentage to 25% for the reason that D2 customers who constitute a significant part of the informal sector of the economy are vulnerable and should not take the burden of high fixed charge.

TARIFF REVIEW AT THE INSTANCE OF MARKET PARTICIPANTS

56. The Commission has approved and published the “Regulation on Procedure for Electricity Tariff Reviews in the Nigerian Electricity Supply Industry”. This Regulation provides detailed procedures for conducting electricity tariff reviews in line with the EPSR Act and the MYTO methodology. It stipulates the responsibilities of tariff review applicants, timelines, costs and the basic submission requirements.
57. Any Market Participant wishing to review any component of its tariff is required to apply to the Commission in accordance with this Regulation. Approved changes to such a Market Participant’s tariffs will be considered during the subsequent Minor Review process following the grant of such approval by the Commission.
58. **Collection Losses for the Distribution Companies.** In recognition of the fact that the failure of a Distribution Company to collect revenue due to it from its customers should not be accepted as a loss for the purpose of tariff until it has been proven, the Commission has therefore decided that Collection losses shall not be passed through to the Customer. However, in the event that a Distribution Company claims that certain collection losses ought to be passed through to the customer, the onus shall be on the Disco to make a case and provide evidence to the Commission during its tariff application review process why such losses should be passed through to consumers.

ALIGNING GENERATION TARIFFS WITH PPAs

59. Upon the coming into effect of this Order, both NBET and MO will issue invoices in line with the respective PPA prices as shown in the MYTO 2.1 Model.

RETAIL TARIFF TABLES

Disco 1 – Abuja Disco

Table 11: Fixed Charges - Abuja Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	702	843	1,011	1,213
R3	52,696	63,235	75,882	91,059
R4	136,030	163,236	195,883	235,059
COMMERCIAL				
C1	702	843	1,011	1,213
C2	47,772	57,326	68,791	82,549
C3	123,321	147,985	177,582	213,098
INDUSTRIAL				
D1	1,000	1,200	1,440	1,728
D2	25,278	30,334	36,401	43,681
D3	123,321	147,985	177,582	213,098
SPECIAL				
A1	702	843	1,011	1,213
A2	43,125	51,750	62,100	74,520
A3	54,375	65,250	78,300	93,960
STREET LIGHTING				
S1	600	720	864	1,037

Table12: Energy Charges - Abuja Disco

ENERGY CHARGES, N / KWH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	19.96	20.09	19.28	17.92
R3	32.25	32.47	31.15	28.95
R4	32.25	32.47	31.15	28.95
COMMERCIAL				
C1	23.61	23.77	22.80	21.20
C2	29.98	30.18	28.95	26.91
C3	29.98	30.18	28.95	26.91
INDUSTRIAL				
D1	24.19	24.35	23.36	21.71
D2	31.43	31.63	30.35	28.21
D3	31.43	31.63	30.35	28.21
SPECIAL				
A1	23.16	23.31	22.36	20.79
A2	23.16	23.31	22.36	20.79
A3	23.16	23.31	22.36	20.79
STREET LIGHTING				
S1	19.11	19.24	18.46	17.16

Disco 2 – BENIN Disco

Table 13: Fixed Charges – Benin Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	750	900	1,080	1,296
R3	37,527	45,032	54,039	64,847
R4	133,091	159,709	191,651	229,981
COMMERCIAL				
C1	1,000	1,200	1,440	1,728
C2	34,020	40,824	48,989	58,787
C3	141,748	170,098	204,117	244,941
INDUSTRIAL				
D1	1,000	1,200	1,440	1,728
D2	38,353	46,024	55,229	66,274
D3	155,923	187,107	224,529	269,435
SPECIAL				
A1	1,000	1,200	1,440	1,728
A2	37,813	45,375	54,450	65,340
A3	44,688	53,625	64,350	77,220
STREET LIGHTING				
S1	1,000	1,200	1,440	1,728

Table14: Energy Charges - Benin Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	18.46	17.02	18.23	15.23
R3	26.52	24.45	26.19	21.88
R4	26.52	24.45	26.19	21.88
COMMERCIAL				
C1	20.72	19.10	20.46	17.09
C2	24.65	22.73	24.35	20.34
C3	24.65	22.73	24.35	20.34
INDUSTRIAL				
D1	19.89	18.34	19.64	16.41
D2	25.84	23.83	25.52	21.32
D3	25.84	23.83	25.52	21.32
SPECIAL				
A1	19.04	17.56	18.80	15.71
A2	19.04	17.56	18.80	15.71
A3	19.04	17.56	18.80	15.71
STREET LIGHTING				
S1	19.62	18.09	19.37	16.19

Disco 3- ENUGU Disco

Table15: Fixed Charges - Enugu Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	650	780	936	1,123
R3	24,424	29,308	35,170	42,204
R4	117,416	140,900	169,080	202,896
COMMERCIAL				
C1	650	780	936	1,123
C2	22,141	26,569	31,883	38,260
C3	106,446	127,736	153,283	183,940
INDUSTRIAL				
D1	1,300	1,560	1,872	2,246
D2	26,183	31,420	37,704	45,245
D3	106,446	127,736	153,283	183,940
SPECIAL				
A1	650	780	936	1,123
A2	37,500	45,000	54,000	64,800
A3	46,935	56,322	67,586	81,103
STREET LIGHTING				
S1	650	780	936	1,123

Table16: Energy Charges - Enugu Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
REDISIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	20.89	20.39	22.37	20.62
R3	31.26	30.51	33.48	30.86
R4	31.26	30.51	33.48	30.86
COMMERCIAL				
C1	23.05	22.50	24.69	22.76
C2	29.05	28.36	31.12	28.68
C3	29.05	28.36	31.12	28.68
INDUSTRIAL				
D1	23.44	22.88	25.11	23.14
D2	30.45	29.73	32.62	30.06
D3	30.45	29.73	32.62	30.06
SPECIAL				
A1	25.81	25.19	27.64	25.48
A2	25.81	25.19	27.64	25.48
A3	25.81	25.19	27.64	25.48
STREET LIGHTING				
S1	19.79	19.32	21.20	19.54

Disco 4 – Ibadan Disco

Table 17: Fixed Charges - Ibadan Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	625	750	900	1,080
R3	18,764	22,516	27,019	32,423
R4	117,267	140,720	168,864	202,637
COMMERCIAL				
C1	500	600	720	864
C2	17,010	20,412	24,494	29,393
C3	106,311	127,573	153,088	183,705
INDUSTRIAL				
D1	500	600	720	864
D2	26,150	31,380	37,656	45,187
D3	106,311	127,573	153,088	183,705
SPECIAL				
A1	500	600	720	864
A2	33,594	40,313	48,375	58,050
A3	46,875	56,250	67,500	81,000
STREET LIGHTING				
S1	500	600	720	864

Table18: Energy Charges - Ibadan Disco

	ENERGY CHARGES, N / kWh			
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	18.00	17.36	19.60	17.93
R3	28.82	27.79	31.38	28.70
R4	28.82	27.79	31.38	28.70
COMMERCIAL				
C1	19.06	18.38	20.76	18.99
C2	26.79	25.83	29.17	26.68
C3	26.79	25.83	29.17	26.68
INDUSTRIAL				
D1	21.61	20.84	23.53	21.53
D2	28.08	27.08	30.57	27.97
D3	28.08	27.08	30.57	27.97
SPECIAL				
A1	20.69	19.95	22.53	20.61
A2	20.69	19.95	22.53	20.61
A3	20.69	19.95	22.53	20.61
STREET LIGHTING				
S1	15.89	15.32	17.30	15.82

Disco 5 – Jos Disco

Table 19: Fixed Charges - Jos Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	775	930	1,116	1,339
R3	29,083	34,900	41,880	50,256
R4	181,764	218,117	261,740	314,088
COMMERCIAL				
C1	775	930	1,116	1,339
C2	26,366	31,639	37,966	45,560
C3	164,782	197,738	237,286	284,743
INDUSTRIAL				
D1	1,395	1,674	2,009	2,411
D2	40,532	48,639	58,367	70,040
D3	164,782	197,738	237,286	284,743
SPECIAL				
A1	1,395	1,674	2,009	2,411
A2	62,969	75,563	90,675	108,810
A3	72,656	87,188	104,625	125,550
STREET LIGHTING				
S1	1,395	1,674	2,009	2,411

Table 20: Energy Charges - Jos Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	20.18	20.40	23.58	23.58
R3	35.70	36.04	40.93	36.11
R4	35.70	36.04	40.93	36.11
COMMERCIAL				
C1	25.94	26.18	29.74	26.24
C2	33.18	33.50	38.05	33.57
C3	33.18	33.50	38.05	33.57
INDUSTRIAL				
D1	25.94	26.18	29.74	26.24
D2	34.78	35.12	39.89	35.19
D3	34.78	35.12	39.89	35.19
SPECIAL				
A1	25.63	25.88	29.39	25.93
A2	25.63	25.88	29.39	25.93
A3	25.63	25.88	29.39	25.93
STREET LIGHTING				
S1	24.70	24.94	28.32	24.99

Disco 6 – Kaduna Disco

Table 21: Fixed Charges - Kaduna Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	800	960	1,152	1,382
R3	40,029	48,035	57,641	69,170
R4	250,170	300,204	360,244	432,293
COMMERCIAL				
C1	800	960	1,152	1,382
C2	36,288	43,546	52,255	62,706
C3	226,797	272,156	326,587	391,905
INDUSTRIAL				
D1	1,600	1,920	2,304	2,765
D2	55,787	66,944	80,333	96,399
D3	226,797	272,156	326,587	391,905
SPECIAL				
A1	800	960	1,152	1,382
A2	74,766	89,719	107,662	129,195
A3	100,000	120,000	144,000	172,800
STREET LIGHTING				
S1	800	960	1,152	1,382

Table22: Energy Charges - Kaduna Disco

ENERGY CHARGES, N / kWh				
		2015	2016	2017
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	20.66	20.33	23.13	22.24
R3	34.30	33.75	38.39	36.92
R4	34.30	33.75	38.39	36.92
COMMERCIAL				
C1	23.52	23.15	26.33	25.32
C2	31.88	31.37	35.68	34.32
C3	31.88	31.37	35.68	34.32
INDUSTRIAL				
D1	25.72	25.31	28.79	27.69
D2	33.42	32.88	37.41	35.97
D3	33.42	32.88	37.41	35.97
SPECIAL				
A1	24.62	24.23	27.56	26.51
A2	24.62	24.23	27.56	26.51
A3	24.62	24.23	27.56	26.51
STREET LIGHTING				
S1	20.86	20.53	23.35	22.46

Disco 7 – Kano Disco

Table 23: Fixed Charges - Kano Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	667	800	960	1,152
R3	30,031	36,038	43,245	51,894
R4	156,407	187,689	225,227	270,272
COMMERCIAL				
C1	667	800	960	1,152
C2	27,225	32,670	39,204	47,045
C3	141,795	170,154	204,184	245,021
INDUSTRIAL				
D1	867	1,040	1,248	1,498
D2	34,878	41,854	50,224	60,269
D3	141,795	170,154	204,184	245,021
SPECIAL				
A1	667	800	960	1,152
A2	62,521	75,025	90,030	108,036
A3	83,361	100,033	120,039	144,047
STREET LIGHTING				
S1	867	1,040	1,248	1,498

Table 24: Energy Charges - Kano Disco

	ENERGY CHARGES, N / kWh			
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	18.34	17.93	20.26	19.42
R3	29.56	28.90	32.65	31.31
R4	29.56	28.90	32.65	31.31
COMMERCIAL				
C1	20.01	19.57	22.10	21.19
C2	27.47	26.87	30.35	29.10
C3	27.47	26.87	30.35	29.10
INDUSTRIAL				
D1	22.17	21.68	24.49	23.48
D2	28.80	28.16	31.82	30.50
D3	28.80	28.16	31.82	30.50
SPECIAL				
A1	21.22	20.75	23.44	22.48
A2	21.22	20.75	23.44	22.48
A3	21.22	20.75	23.44	22.48
STREET LIGHTING				
S1	16.29	15.93	18.00	17.26

Disco 8– Eko Disco

Table 25: Fixed Charges - Eko Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	750	900	1,080	1,296
R3	31,898	38,278	45,933	55,120
R4	136,655	163,986	196,783	236,140
COMMERCIAL				
C1	750	900	1,080	1,296
C2	22,170	26,604	31,924	38,309
C3	118,501	142,202	170,642	204,770
INDUSTRIAL				
D1	905	1,085	1,302	1,563
D2	29,149	34,978	41,974	50,369
D3	118,501	142,202	170,642	204,770
SPECIAL				
A1	750	900	1,080	1,296
A2	52,250	62,700	75,240	90,288
A3	58,438	70,125	84,150	100,980
STREET LIGHTING				
S1	750	900	1,080	1,296

Table 26: Energy Charges - Eko Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	18.75	18.01	17.39	16.42
R3	28.45	27.32	26.39	24.92
R4	28.45	27.32	26.39	24.92
COMMERCIAL				
C1	19.00	18.25	17.63	16.65
C2	26.44	25.40	24.53	23.16
C3	26.44	25.40	24.53	23.16
INDUSTRIAL				
D1	21.33	20.49	19.79	18.69
D2	27.72	26.62	25.71	24.28
D3	27.72	26.62	25.71	24.28
SPECIAL				
A1	20.42	19.62	18.95	17.89
A2	20.42	19.62	18.95	17.89
A3	20.42	19.62	18.95	17.89
STREET LIGHTING				
S1	15.68	15.06	14.55	13.74

Disco 9 – Ikeja Disco

Table 27: Fixed Charges - Ikeja Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	750	900	1,080	1,296
R3	26,269	31,523	37,827	45,393
R4	164,174	197,009	236,410	283,692
COMMERCIAL				
C1	750	900	1,080	1,296
C2	23,814	28,577	34,292	41,151
C3	148,835	178,602	214,323	257,188
INDUSTRIAL				
D1	1,000	1,200	1,440	1,728
D2	48,813	58,576	70,291	84,349
D3	198,447	238,137	285,764	342,917
SPECIAL				
A1	750	900	1,080	1,296
A2	43,125	51,750	62,100	74,520
A3	65,625	78,750	94,500	113,400
STREET LIGHTING				
S1	650	780	936	1,123

Table 28: Energy Charges - Ikeja Disco

	ENERGY CHARGES, N / kWh			
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	14.96	14.50	13.88	12.85
R3	26.25	25.43	24.34	22.54
R4	26.25	25.43	24.34	22.54
COMMERCIAL				
C1	19.90	19.28	18.45	17.09
C2	24.40	23.63	22.62	20.95
C3	24.40	23.63	22.62	20.95
INDUSTRIAL				
D1	19.68	19.07	18.25	16.90
D2	25.57	24.77	23.71	21.96
D3	25.57	24.77	23.71	21.96
SPECIAL				
A1	18.84	18.26	17.47	16.18
A2	18.84	18.26	17.47	16.18
A3	18.84	18.26	17.47	16.18
STREET LIGHTING				
S1	14.47	14.02	13.42	12.43

Disco 10 – PH Disco

Table 29: Fixed Charges - PH Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	700	840	1,008	1,210
R3	35,025	42,030	50,436	60,524
R4	164,174	197,009	236,410	283,692
COMMERCIAL				
C1	700	840	1,008	1,210
C2	31,752	38,102	45,723	54,867
C3	148,835	178,602	214,323	257,188
INDUSTRIAL				
D1	980	1,176	1,411	1,693
D2	36,610	43,932	52,718	63,262
D3	148,835	178,602	214,323	257,188
SPECIAL				
A1	980	1,176	1,411	1,693
A2	65,625	78,750	94,500	113,400
A3	87,500	105,000	126,000	151,200
STREET LIGHTING				
S1	980	1,176	1,411	1,693

Table 30: Energy Charges - PH Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	17.98	18.32	21.18	19.01
R3	29.58	30.14	34.84	31.27
R4	29.58	30.14	34.84	31.27
COMMERCIAL				
C1	21.75	22.15	25.61	22.99
C2	27.50	28.01	32.38	29.07
C3	27.50	28.01	32.38	29.07
INDUSTRIAL				
D1	29.58	30.14	34.84	31.27
D2	28.83	29.36	33.95	30.47
D3	28.83	29.36	33.95	30.47
SPECIAL				
A1	21.24	21.64	25.01	22.45
A2	21.24	21.64	25.01	22.45
A3	28.32	28.85	33.35	29.93
STREET LIGHTING				
S1	21.75	22.15	25.61	22.99

Disco 11 – Yola Disco

Table 31: Fixed Charges - Yola Disco

FIXED CHARGES, N / MONTH				
	2015	2016	2017	2018
RESIDENTIAL				
R1	-	-	-	-
R2	750	900	1,080	1,296
R3	24,205	29,046	34,855	41,826
R4	151,274	181,529	217,835	261,402
COMMERCIAL				
C1	750	900	1,080	1,296
C2	21,943	26,331	31,598	37,917
C3	137,141	164,569	197,483	236,980
INDUSTRIAL				
D1	750	900	1,080	1,296
D2	33,733	40,480	48,576	58,291
D3	137,141	164,569	197,483	236,980
SPECIAL				
A1	750	900	1,080	1,296
A2	44,688	53,625	64,350	77,220
A3	60,469	72,563	87,075	104,490
STREET LIGHTING				
S1	750	900	1,080	1,296

Table 32: Energy Charges - Yola Disco

ENERGY CHARGES, N / kWh				
	2015	2016	2017	2018
RESIDENTIAL				
R1	4.00	4.00	4.00	4.00
R2	19.44	18.67	21.24	19.85
R3	29.44	28.27	32.16	30.06
R4	29.44	28.27	32.16	30.06
COMMERCIAL				
C1	23.17	22.25	25.31	23.66
C2	27.37	26.28	29.89	27.94
C3	27.37	26.28	29.89	27.94
INDUSTRIAL				
D1	23.17	22.25	25.31	23.66
D2	28.69	27.54	31.34	29.29
D3	28.69	27.54	31.34	29.29
SPECIAL				
A1	22.68	21.78	24.78	23.16
A2	22.68	21.78	24.78	23.16
A3	22.68	21.78	24.78	23.16
STREET LIGHTING				
S1	20.74	19.91	22.65	21.17

60. Following consultation with relevant stakeholders, the Commission hereby orders a deferment in the increase in R2 Fixed and Energy charges as stipulated in MYTO 2.1 from 1st January 2015 to 30th June 2015. Accordingly, Discos may only collect the R2 tariff applicable before the effective date of this Order and shall only be entitled to collect the revised R2 tariff as from 1st July 2015.
61. The effect of the deferment will be quantified by the Commission and added to the revenue requirement from 2016 onwards. The Commission shall determine the exact spread during the tariff period in consultation with the Discos.

EFFECTIVE DATE

62. This amended Order shall be effective from April 1st, 2015.

Dated at Abuja this 24th day of March 2015.

Dr. Sam Amadi
Chairman/CEO

Dr. Steven Andzenge
Commissioner;
(Legal Licensing and Enforcement)