



NIGERIAN ELECTRICITY REGULATORY COMMISSION

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

NERC/DIRECTIVE/151

COMMISSION'S DIRECTIVE ON THE ISSUE OF NON-COMPLIANCE OF IKEJA ELECTRICITY DISTRIBUTION PLC WITH THE ELECTRIC POWER SECTOR REFORM (EPSR) ACT, 2005, DISTRIBUTION LICENCE TERMS AND CONDITIONS, AND OTHER REGULATORY INSTRUMENTS ISSUED BY THE NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC)

To:

The Managing Director,
Ikeja Electricity Distribution Plc (IKEDC),
Obafemi Awolowo Way, Alausa, Ikeja
Lagos State.

BACKGROUND:

Pursuant to Section 62 (7) of the EPSR Act 2005 and Regulation 5(1) (a) and 11 of the NERC Electricity Industry (Enforcement) Regulations 2014, the Commission commenced Enforcement Actions against Ikeja Electricity Distribution Plc (IKEDC) vide a Notice dated June 27, 2016, for non compliance with the provisions of the Electric Power Sector Reform Act, 2005, the Terms and Conditions Electricity Distribution Licence, NERC Customer Complaints Handling: Standards and Procedures (CCHSP) Regulation, 2006, and other Regulatory Instruments of the Commission.

SUMMARY OF FACTS/FINDINGS

1. To achieve its mandate to ensure the safety, security, reliability, and quality of services in the production and delivery of electricity to consumers, amongst others, the Commission developed the NERC Customer Compliances Handling: Standards & Procedure Regulation, 2006.

2. All Distribution Companies are obliged to comply with the NERC Customer Compliances Handling: Standards & Procedure (CCHSP) Regulation, 2006.
3. In accordance with Section 3 (1) of the CCHSP Regulation, 2006, every Distribution Company, including IKEDC shall establish a Customer Complaints Unit within its premises – The Unit shall be responsible for receiving and resolving Customer Complaints, as stipulated in the Regulation.
4. Also, Section 3 (8) of the CCHSP Regulation, 2006, stipulates that, all complaints shall be resolved and the Customer notified expeditiously, within fifteen (15) working days from the date the complaints was received by the Customer Complaints Unit (CCU). Where additional time is required, the Customer must be notified, within stipulated time, of action taken.
5. The Commission received several complaints directly from Electricity Customers in IKEDC's operational jurisdiction, based on which same was forwarded via letters dated April 15, 18, 19 and 26, 2016, April and May 11, 2016, to IKEDC's CCU for resolution, in line with the CCHSP Regulation, 2006.
6. The Commission wrote severally to IKEDC on the need to resolve these complaints and revert back to the Commission.
7. However, IKEDC failed or refused to comply with the Commission's request/directive to resolve the complaints in accordance with the provisions of the NERC Customer Complaints Handling: Standards and Procedure 2006.
8. Following the failure of IKEDC to comply with the request/directive, the Commission issued a Notice of Intention to Commence Enforcement (NICE) to TCN, dated June 27, 2016 to "SHOW CAUSE" within Ten (10) days, why Enforcement Action should not be taken against IKEDC for violating:
 - **Section 63 (1) of the EPSR Act, 2005** which provides that; *"A licensee shall comply with the provisions of his license, regulations, codes, and other requirements issued by the Commission from time to time"*.
 - **Condition 4 of the Distribution Licence Terms and Conditions** granted IKEDC by the Commission, which provides that; *"The Licensee shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and shall provide and furnish to it such*

reports as the Commission may consider necessary in the light of the conditions or as it may require for the purpose of performing the functions assigned or transferred to it by or under the Act”.

- **Condition 50 of the Distribution Licence Terms and Conditions** granted IKEDC by the Commission, which provides that; *“The Licensee shall comply with the Commission’s Regulation on Customer Complaints Handling: Standards and Procedures and other appropriate Regulations in resolving disputes arising between the Licensee and its Customers”*.


PENALTY

In view of the above findings, the Commission is convinced that you are in violations of the provisions enumerated above, and hereby directs as follows:

1. For failing to comply with the Licence Terms and conditions, and other Regulatory Instruments, which is a breach under Section 63 (1) of the EPSR Act, 2005, IKEDC is hereby fined Ten Thousand Naira (~~₦~~10, 000) per day, from April 22, 2016 (being the date the first response was due to the Commission) till the date of this Directive.
2. For failing to provide the Commission with the requested information, which is a breach under Condition 4 of the Distribution Licence Terms and Conditions, IKEDC is hereby fined Ten Thousand Naira (~~₦~~10, 000) per day, from April 22, 2016 (being the date the first response was due to the Commission) till the date of this Directive.
3. For failing to comply with the Commission’s Regulation on Customer Complaints Handling: Standards and Procedures and other appropriate Regulations in resolving Customer disputes, which is a breach under Condition 50 of the Distribution Licence Terms and Conditions, IKEDC is hereby fined Ten Thousand Naira (~~₦~~10, 000) per day, from April 22, 2016 (being the date the first response was due to the Commission) till the date of this Directive.
4. **This gives a total Fine of Two Million, Eight Hundred and Fifty Thousand Naira (₦2, 850,000.00), which shall be paid by IBEDC within two (2) weeks from the date of this directive.**
5. **Failure to pay the fines within the stipulated time shall attract additional interest of 5% per day, until the total fine is paid.**

BY DIRECTIVE OF THE COMMISSION

Dated this 25th day of July, 2016



Dr. Anthony Akah, mni
Ag. Chairman/CEO



Mrs. Olufunke Dinneh
General Manager
Legal, Licensing & Enforcement

