



COMMUNIQUE

COMMUNIQUE ISSUED AT THE END OF THE 2ND MEETING OF THE NIGERIAN ELECTRICITY REGULATORY COMMISSION WITH NIGERIAN ELECTRICITY SUPPLY INDUSTRY STAKEHOLDERS ON DECEMBER 3RD, 2018 AT THE EKO HOTELS, VICTORIA ISLAND, LAGOS

The 2nd Meeting of the Nigerian Electricity Regulatory Commission (NERC) with the Nigerian Electricity Supply Industry (NESI) Stakeholders held on December 3, 2018 at the Eko Hotels, Victoria Island, Lagos. The licensees and other stakeholders were fully represented at the highest executive management levels. The Permanent Secretary (Power), Federal Ministry of Power, Works & Housing was in attendance.

The Chairman of NERC, Prof. James Momoh, in his opening remarks, stated that the 2nd meeting would focus on consolidating the progress made in the industry since the 1st Stakeholder Meeting hosted by NERC in Abuja on October 15, 2018. He reiterated the expectations of the various stakeholders and the importance of translating the deliberations into implementable action items with a view to improving service delivery. He further re-emphasised that this would require the active and determined involvement and commitment of all stakeholders.

The Commission presented a heads up on its regulatory initiatives planned for implementation in the year 2019 with a primary focus on improving market liquidity, funding of the revenue gap and accumulated tariff deficits in the books of the electricity Distribution Companies. The Commission reiterated the urgency to close metering gap and highlighted the strategies put in place for accelerated metering of end-use customers under the Meter Asset Provider Regulations. Other key initiatives planned for 2019 include the completion of the ongoing enumeration of customers, promotion of embedded generation and creation of new investment opportunities through distribution franchising. It also reiterated its strict approach to safety, compliance monitoring and customer service issues.

Following the extensive deliberation on the state of the electricity industry, the following actions were agreed:

- (i) The meeting considered the status of Ajaokuta Steel Company Limited in the electricity market and noted that the company currently has a Power Purchase Agreement with the Nigerian Bulk Electricity Trading Plc and a net billing arrangement for energy export from its Captive Power Plant.
- (ii) An update on the Eligible Customer transactions involving the Transmission Company of Nigeria Plc, Mainstream Energy Ltd and five (5) prospective Eligible Customer Status shall be submitted by the Ministry to the Commission while the applicants focus on complying with the provisions of the regulations as a requirement for regularisation.
- (iii) NERC will convene a one-day Stakeholder Meeting in the first quarter of 2019 for rule-making consultations for Competition Transition Charge and stakeholder engagement on the provisions of the Eligible Customer Regulation.
- (iv) The March 31, 2019 deadline for the completion of the enumeration of customers by Distribution Companies was reaffirmed by the Commission.
- (v) The Commission would convene a meeting with the management of the Benin Electricity Distribution Company Plc with a view to finding a lasting solution to customer restiveness in the company's franchise area.
- (vi) The meeting noted with concern the unfavourable safety statistics in the NESI and restated the obligation of Distribution Companies to ensure full compliance with the provisions of the Nigerian Electricity Supply and Installation Standards Regulation and other safety requirements in the industry
- (vii) The meeting called on all Distribution Companies to strive for continuous improvement in power supply and enhancement of customer services and in particular during the upcoming yuletide season.
- (viii) The frequency of the NESI Stakeholder meeting was reviewed and it was agreed that the meeting shall be held on the second Monday of the bi-monthly calendar.

Lagos, December 3, 2018