



**NIGERIAN ELECTRICITY REGULATORY COMMISSION**

**ORDER NO: NERC/GL/168**

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION  
IN THE MATTER OF NON-COMPLIANCE WITH THE ELECTRIC POWER  
SECTOR REFORM ACT, TERMS AND CONDITIONS OF ELECTRICITY  
DISTRIBUTION LICENCE NO: NERC/LC/145, AND OTHER  
REGULATORY INSTRUMENTS OF THE NIGERIAN ELECTRICITY  
REGULATORY COMMISSION**

**WHEREAS:**

1. The Commission issued an electricity distribution licence (NERC/LC/145) to PIPP LVI DisCo Limited ("PIPP") in accordance with section 32(2) (d) of the Electric Power Sector Reform Act ("EPSRA").
2. Section 63 & 67 of EPSRA imposes obligations on the holder of an electricity distribution licence to comply with the terms of issuance of the licence, regulations, codes and other directives of the Commission from time to time.
3. Section 71(1) of EPSRA provides that a licence shall be issued subject to such terms and conditions as may be prescribed, or as the Commission may reasonably determine.
4. The Commission received a complaint from Eko Distribution Company Plc. ("EKEDC") to the effect that PIPP had encroached on its distribution network and tampered with its distribution infrastructure.
5. The Commission pursuant to powers under section 74 of EPSRA conducted a site investigation to verify EKEDC's claim.

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6. The investigation revealed that PIPP had violated condition 7(1)(b) of the terms and conditions of its licence by supplying electricity to the following customers without approval of the Commission -
- a. Landmark Tower and Village; Water Corporation Road, Victoria Island, Lagos.
  - b. Trinity Church; Water Corporation Road, Victoria Island, Lagos
  - c. Upbeat Recreational Centre; Admiralty Road, Lekki Phase 1, Lagos.
  - d. The George Hotel; 30 Lugard Avenue, Ikoyi, Lagos.
  - e. Second Toll Gate Plaza; Lekki - Epe Expressway, Lagos.
  - f. Ministry of Works and Infrastructure (Tolling Company); Lekki - Ikoyi Link Bridge, Lagos.
  - g. Street Light, Glover Road, Ikoyi, Lagos.
  - h. Batequip (Sun Heaven Hotel), Christ Avenue junction off Admiralty Road, Lekki Phase 1, Lagos.
  - i. Motor Boat Club, Awolowo Road, Ikoyi, Lagos.
  - j. Lekki Peninsula (Lennox) Mall, 2/3 Blk, 10 Admiralty Way, Lekki Phase 1, Lagos.
  - k. Riverside Properties Ltd, Thompson Avenue, Ikoyi, Lagos.
  - l. Globe Motors Holding Nigeria Limited, 37 Cameron Road, Ikoyi, Lagos.
  - m. Mr & Mrs. Bolaji; 33B Cooper Road, Ikoyi, Lagos
7. A Notice of Intention to Commence Enforcement ("NICE") dated 30 November 2018 was issued to PIPP by the Commission, outlining

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PIPP's breach of condition 7(1)(b) of the terms and conditions of its distribution licence which states that ***"the licensee shall not engage in the distribution or trading of electricity outside the approved distribution area specified in schedule 1 of its licence"***

8. The NICE also notified PIPP of its failure to apply for an amendment of its licence or obtain the Commission's approval before entering into a supply arrangement and supplying power to the aforementioned customers contrary to condition 7 (1) (b) of the terms and conditions of its electricity distribution licence.
9. PIPP's failure to comply with the condition 7(1) and failure to seek for amendment of its licence contravenes the Commission's Regulations, Codes and it is also contrary to section 63(1) of EPSRA and condition 2 of the terms and condition of its licence.
10. The Chairman of PIPP wrote a letter dated 14 December 2018 requesting for an extension till January 2019 to enable them respond to the issues raised in the NICE.
11. The Chairman of PIPP informed the Commission that PIPP was ***"currently engaging with EKEDC with a view to finding an amicable resolution"***.
12. The Commission granted PIPP request and granted an extension till 1 February 2019 for their response to the NICE.
13. PIPP failed to respond to the NICE by the extended deadline of 1 February 2019.
14. The Commission is mandated under section 32(2) (d) of EPSRA to licence and regulate persons engaged in the generation, transmission, system operation, distribution, and trading of electricity.
15. **UPON** being satisfied that PIPP has breached condition 7(1)(b) of the terms and conditions of its licence by encroaching on EKEDC distribution network and tampered with its distribution infrastructure.

16. **UPON** being satisfied that PIPP did not comply with section 73 of EPSRA and seek an amendment of its licence before supplying the aforementioned customers.
17. **UPON** being satisfied that PIPP has failed to respond to the NICE.
18. **UPON** being satisfied that PIPP is still in breach of the terms and conditions of its licence.

**THE COMMISSION HEREBY ORDERS as follows -**

1. The immediate suspension of electricity supply to the customers listed in 6 above as this supply is in contravention of the law.
2. PIPP shall compensate EKEDC for loss of revenue for each day electricity was supplied to the customers in 6 above in contravention of the law.
3. PIPP is hereby fined in accordance with section 75 of EPSRA the sum of NGN10,000 for each day that electricity was supplied to the customers listed in 6 above in contravention of the law.
4. The fine shall continue until the date of full compliance with this order.

**BY THE ORDER OF THE COMMISSION**

**DATED THIS 9<sup>TH</sup> DAY OF MAY 2019**



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**James A. Momoh**  
Chairman



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**Dafe C. Akpeneye**  
Commissioner  
Legal, Licensing & Compliance