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**Subject:** Tariff Review February 2020 Ikeja Electric Plc

THE CHAIRMAN, NERC

1. I note that a public hearing on an application for tariff review submitted by Ikeja Electric PLC, IE, is scheduled for Wednesday 26 February 2020. Please indicate the time of this public hearing.

## 2.0 PARTICIPATION AS AN INTERVENOR

2.1 I wish to participate at this hearing as an intervenor. I am a customer of IE in the Shomolu Business Unit with meter account no 0101475413.

2.2 I note that the consultation paper raises two questions, namely on creation of new customer classes and reallocation of load amongst the customer classes as well as on the removal of ambiguity from the current customer categorisation.

2.3. I note that my interests would be affected by the fact that IE is already operating a reclassification of its customers while IE has failed to present this reclassification to the Commission for approval in the current tariff review. IE expects to provide supply to some of its customers for a period of over 20hours each day while there is nothing specified as to what other customers should expect from IE.

## 3.0 DESCRIPTION OF MY CONCERNS, OBSERVATIONS, COMMENTS.

3.1. From the consultation paper, it is only Abuja Electricity Distribution Company Plc that has proposed a redesign of its tariff classification. IE has not applied to the Commission for a redesign of its tariff classification.

3.2 IE on its website and in newspaper reports says it has a "willing seller" "willing buyer" policy and it has signed bilateral power purchase agreements with some estates which include Omole Phase 1, Magodo Residents Association, Shonibare Estate, Ogudu GRA, Ikeja GRA which agreements offer "supply of quality power at an average of over 20 hours daily". The customers on these Estates are described as "bilateral customers" or "IE Prestige customers". IE is charging a tariff for these customers which tariff IE does not want to present to the Commission.

3.3 The power available on the national grid for the whole of Nigeria has been given in the consultation paper as follows, 2919 MWh/h in 2017, 3073 MWh/h in 2018 and 3115MWh/h in 2019( Jan - Nov). The power available is miniscule compared to actual demand and IE must be skewing distribution of what it gets from the national grid to the disadvantage of other customers like me who are not on the so called "willing seller" "willing buyer" policy.

3.4 What would correspond to a " bilateral source" is embedded generation. Does IE use any embedded generation for its "bilateral customers" ?

#### 4.0 INDICATION OF SUPPORT/OBJECTION TO APPLICATION.

4.1 It is of course not possible to support or object to something which IE should present to the Commission but which thing IE has failed to present.

4.2 However, there is always the question of what is the right tariff. Section 76 subsection 2a of the Electric Power Sector Reform Act, EPSR, Act 2005 allows a licensee that operates efficiently to recover the full cost of its businesses activities including a reasonable return on capital invested in the business. The weighted average cost of capital employed is an important component of electricity tariffs approved by the Commission. It is obvious that we, the customers, need to know the capital employed by IE and the costs of the business activities of IE now and in succeeding years such that we can confirm the extent to which IE has fulfilled the promises it made on capital investment and business costs when IE submitted its application for tariff review.

4.3 IE should therefore be made to publish its audited accounts immediately. For example, Benin Electricity Distribution Company has its audited accounts published on its website..

4.4 In its submission to the Commission for tariff review in September 2015, IE provided a plan for embedded power plants. Has IE achieved anything in this direction?

Best regards

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