

**From:** Peter Michael [<mailto:baafunuk@yahoo.com>]

**Sent:** Thursday, February 20, 2020 2:44 PM

**To:** Comments Desk <[comments@nerc.gov.ng](mailto:comments@nerc.gov.ng)>

**Cc:** Mahmoud, Sharfuddeen <[sharfuddeen.mahmoud@nerc.gov.ng](mailto:sharfuddeen.mahmoud@nerc.gov.ng)>

**Subject:** Application as an intervenor for the review of tariff applications filed by the DisCos and TCN

Dear Sir,

Following the advertisement for the above subject on the Vanguard Newspaper of Friday, February 14, 2020, I wish to apply as an intervenor.

With a population of more than 180 million, available capacity of 7,000 MW, average energy generation of 5,000 MWh/h, poor market remittances, high ATC&C losses of 44.53%, the Nigerian power sector is in crisis. The PIP was developed to address this crisis. Immediately the DisCos started submitting their draft PIP documents on the Commission's website, with painstaking and diligence, I went through pages of the draft documents, reviewed them and suggested to the DisCos how the documents can be improved to meet the expectations of the commission. During my review I observed what I call "say do gap." The "say do gap" literally means that while the Commission is saying something should be done and must be done in the guidelines, the DisCos are not complying and are at variance with the stipulations of the guidelines. My job as an intervenor will be to close this gap so that the Commission and the DisCos will be in conformity as far as the PIP is concerned.

No longer is electricity a luxury, but a necessity and part of our daily lives, which affects the quality of life and impacts the economy. If the PIP fails to deliver on its objective, growth and improvement in generation capacity, energy supply, financial viability, quality of service, customer satisfaction, etc. will be stunted.

The PIP will succeed if it is written not only with the aim of making profit but also improving quality of service and customer satisfaction. Unfortunately, as important as the PIP is, some of the DisCos did not give it the deserved priority and importance. My observations from the PIP documents submitted by the DisCos are as follow:

- The DisCos hurriedly organized customer engagement forums five months after the guidelines were made public in order to meet up NERC's deadline for submission in September 2019. I was baffled to see photographs of customer engagement forums, taking on one of the days, appearing next day on some of the PIP documents as evidence by the DisCos that they had indeed carried out stakeholder engagements with their customers as directed in the guidelines.
- Calculation errors in data tables leading up to inaccurate ATC&C loss trajectory and inaccurate tariffs up to ₦6 billion differential.
- Inconsistencies in data within the PIP document
- ATC&C loss reduction trajectory was too ambitious and therefore unrealistic.
- Insufficient information and clarity to show that proposed Capex and Opex will result to the projected ATC&C loss reduction trajectory.
- Inasmuch as macroeconomic variables and other factors have changed and tariffs have to be cost reflective for the electricity market to thrive, there were no adequate evidence to show that the proposed tariffs are fair to customers.
- Absence of data and tariff formulation process to show that tariffs of the various customer classes reflect the true cost of providing services to those classes.
- Discrepancies between data in tables and those in passages.
- Inadequate evidence to show that project costs are efficient and within industry benchmark.
- Project costs were not budgeted based on historical costs.
- There was no information on how the DisCos intend to get funding from external sources to supplement financing of projects.
- Training plan was not properly designed and, in some DisCos, training types for technical, HSE, support, administrative staff, etc. were not specified.

- Inadequate information on how metering gap will be closed. I had expected a metering plan that provides a timetable for metering customers based on communities and/or feeders.
- Technical terminologies obscured to ordinary readers were not explained or defined in simple language as advised in the guidelines.
- More revision is needed to reduce typo and grammatical errors.

For the PIP to succeed, it is the expectation of the Commission that DisCos adhere strictly to the guidelines of the PIP. My review of the PIP documents submitted on the Commission's website shows that the DisCos did not adhere and comply to the provisions of the guidelines and, therefore, in my opinion, fall short of the expectations and requirements for the approval of their applications.

Sincerely Yours,

Peter Michael.