

On Thursday, February 20, 2020, 1:06 PM, ibrahim musa <argungu1950@yahoo.com> wrote:

The Chairman,
Nigerian Electricity Regulatory Commission,
Plot 1387 Cadastral Zone AOO,
Central Business District,
Abuja.

Dear Sir,

**APPLICATION/REQUEST TO PARTICIPATE AS AN INTERVENOR IN PROCEEDINGS
PREPARATORY TO ELECTRIC POWER TARIFF INCREASE:**

I refer to your recent advert regarding the above subject matter, and hereby forward my request to Participate as an Intervenor at the Kaduna Hearing on Tariff Review for Electricity Distribution Companies (DisCos), coming up on Tuesday, February 25th, 2020.

Let me explain at the beginning that though I am not an engineer but a medium scale entrepreneur in the field of fish farming and hatcheries in Kaduna and Kebbi States, any outcome on electricity tariff increase would directly affect me and my business outfits.

Sir, I am NOT opposed to any tariff increase , and indeed, I support the application by the DisCos for same, subject to a corresponding steady power supply by the DisCos.

MY CONCERNS, OBSERVATIONS AND COMMENTS

To say that the electric power market in Nigeria today is distressed is a gross understatement. The general perception of the ordinary Nigerian is that non availability of reliable and steady power supply in the country begins and ends with the Distribution Companies. This line of thought is sometimes even mischievously held by people who should know better. But nothing can be further from the truth than this perception.

From my interaction with the DisCos, I believe that the frequent power outages, fluctuations and failures, though multi dimensional in nature, can best be tied to lack of modern power supply infrastructure and equipment, as well as inadequate free funds available to the DisCos to purchase enough electricity power from the Generating Companies for distribution to consumers, because of government's stringent requirements of meeting the provisions of the Act establishing them.

Among the problems confronting the DisCos, according to my findings, is the issue of inherited antiquated equipment and infrastructure from the defunct Power Holding Company of Nigeria (PHCN) which I. Some states have been in operation sine the days of the Electricity Company of Nigeria, (ECN) in the early 1960s which the DisCos recently inherited and have been battling to modernize since the privatization. These include transformers, distribution lines, meters, computers and accessories etc. This is further compounded by our population boom,

and uncontrolled rural-urban migration which often results in increase in our mostly unplanned houses even in otherwise modern urban centers and state capital

Closely following this is the large scale energy theft and vandalization of power supply infrastructure which is very common not only in the urban centers, but even in our rural communities. This adds to the loss of revenue by the DisCos who are forced to replace the vandalized and or stolen equipment and infrastructure. I would recommend that NERC takes this up with the Federal Government with a view to enacting appropriate laws with zero tolerance provision for these crimes which on many occasions have resulted in losses of lives and property. It is not out of place to equate such crimes to oil pipeline vandalization and oil theft which the Federal Government ferociously enforces through the military and other armed security outfits.

The government should also invest in more cheaper energy sources (hydro and solar) to reduce dependence on fossil fuels to generate power which translates into higher costs visited on the DisCos and subsequently passed on to the consumer.

It is pertinent to note here that three of the northern based DisCos have, on a monthly basis individually been recording huge revenue shortfalls in billions of Naira for power supplied to military and paramilitary establishments, barracks, academies, schools and institutions (Army, Air Force, Police, Navy, and Civil Defense). These DisCos, Kaduna, Kano and Yola have recorded these shortfalls because it is viewed as insensitive for the DisCos to ask these security agencies to pay electricity bills at a time their men are busily engaged in fighting wars against insurgency, banditry, kidnappings, and at times religious and tribal skirmishes. Here, I recommend that the NERC should find a way of making the Federal Government to cover these charges because it is absolutely unfair to expect investors to shoulder these huge costs on a monthly basis, and at the same time expect these DisCos to meet up with the other requirements of the Act.

NERC should also look into the issue of metering residences and commercial premises. It is unfair to shoulder the DisCos with this responsibility because of the opposition they face from consumers across the country consequent upon the fact that the defunct PHCN was distributing and installing these meters free of charge to all customers. The government should therefore be made to somehow relieve the DisCos of this responsibility.

Because the power sector reform is by all standards still in its infancy and gestation period, the Federal Government must continue to support the DisCos because in more developed climes, gestation periods of between 25 to 30 years is normally granted to investors who inherit government run companies that are unbundled from Govt control.

It is my opinion that once these measures are adopted, electricity power supply and distribution would stabilize, and the DisCos would then be capable of recouping enough funds from their customers to purchase adequate power from the generating companies and meet the demands of their customers and at the same time, pay their Market Operator Bill in full, meet their NBET invoices, pay taxes, insurance, as well as salaries and wages. **IT IS THE, AND ONLY THEN THAT WE CAN HOLD THE DISCOS RESPONSIBLE FOR STEADY POWER**

SUPPLY TO CUSTOMERS, AND AT THE SAME TIME LOOK INTO THE POSSIBILITY OF A HIKE IN ELECTRIC POWER SUPPLY TARIFFS.

On a final note, Sir, May I suggest that much as the introduction of a reviewed higher electric power tariff regime may be necessary now or in the next few months, the Nigerian Electricity Regulatory Commission should advise the Federal Government to establish Electricity Tariff Equalization Fund (ETEF) to make electric power available and affordable at the same cost to all in all parts of the country as against any proposed discriminatory tariff regime across the different states of the Federation. Doing otherwise may face stiff resistance from customers expected to pay higher than Nigerian consumers in some other states.

Counting on your acceptance of my application, Sir,

Yours faithfully.

IBRAHIM MUSA ARGUNGU
P29, Sultan Bello Road,
Ungwar Sarki,
Kaduna.

[Sent from Yahoo Mail for iPad](#)