

NOTICE OF MINOR AND EXTRAORDINARY REVIEW OF TARIFFS FOR ELECTRICITY TRANSMISSION AND DISTRIBUTION COMPANIES

Pursuant to the provisions of the Electric Power Sector Reform Act ("EPSRA"), the Nigerian Electricity Regulatory Commission ("NERC" or "the Commission") adopted the Multi-Year Tariff Order (MYTO) Methodology in setting out the basis and procedures for reviewing electricity tariffs in Nigeria. The MYTO provides for Minor Reviews (every 6 Months), Major Reviews (every 5 years), and Extraordinary Tariff Reviews in instances where industry parameters have changed from those used in the operating tariffs to such an extent that a review is urgently required to maintain the viability of the industry.

Further to the above, the Commission held series of Public Hearings and stakeholder consultations in the first quarter of 2020 on the Extraordinary Tariff Review Applications of the eleven (11) electricity distribution companies ("DisCos") to consider their respective 5-year Performance Improvement Plans ("PIPs"). However, the evaluation of the DisCos' requests for review of the Capital Expenditure ("CAPEX") proposed in their PIPs could not be concluded for the consideration of the Commission during the Minor Reviews undertaken in 2020. Specifically, Section 21 of the MYTO – 2020 Order provides for consideration of DisCos' CAPEX application upon further scrutiny and evaluation of the investment proposals.

Accordingly, this notice is issued to inform the general public and industry stakeholders of the Commission's intention to:

- Conclude the Extraordinary Tariff Review process for the eleven DisCos;
- Commence the processes for the July 2021 Minor Review of MYTO 2020 to consider changes in inflation, foreign exchange, gas prices, available generation capacity, and CAPEX required to evacuate and distribute the said available generation capacity in accordance with EPSRA and other extant industry rules;

This notice is hereby issued in compliance with the provisions of EPSRA, the Business Rules of the Commission and the Regulations on Procedures for Electricity Tariff Reviews in the Nigerian Electricity Supply Industry to solicit for comments from the general public on the proposed reviews. Stakeholders and the general public are invited to send their comments to the Commission within 21 days from the date of this publication. All comments or representations should be addressed to:

The Chairman Nigerian Electricity Regulatory Commission Plot 1387 Cadastral Zone A00 Central Business District Abuja

For further information, please contact: Sharfuddeen Z. Mahmoud at <u>sharfuddeen.mahmoud@nerc.gov.ng</u>