APPLICATION FOR TARIFF RATE ADJUSTMENT & RESET

BY

EKO ELECTRICITY DISTRIBUTION PLC

July 2023

1.0 **BACKGROUND AND APPLICATION**:

1.1 In furtherance of the Commissions effort to establish a robust and incentive-based electricity market, the Commission via a letter dated 21st of June 2023, availed Eko Electricity Distribution Plc (EKEDP or the Company) the opportunity to undertake a rate review to accommodate various concerns on tariff parameter(s) in line with extant rules.

1.2 By this document, we seek to present to the Commission, an update to our customer tariffs to reflect the nation's current economic realities, as well as to communicate the tariffs' justifications for considering an electricity rate reset for the Company.

1.3 The reset is aimed at ensuring fair and equitable pricing for electricity consumption while considering various economic and environmental factors. The following points outline the rationale behind our proposal:

1.3.1 Market Conditions**:**

The Nigerian energy market is constantly evolving, and electricity rates should be periodically reviewed to align with prevailing market conditions to ensure service delivery and business sustainability. Changes in fuel prices, generation costs, infrastructure investments, exchange rates, capital expenditure, etc. can significantly impact the overall cost of electricity production. A rate reset allows us to adjust our prices, accordingly, reflecting the current market dynamics.

1.3.2 Cost Recovery:

As applicable with most service-related industries, over time, the costs associated with generating, transmitting, and distributing electricity may change. A rate reset helps in recovering the actual costs incurred by the utility company in providing reliable power supply to its customers. This ensures a sustainable business model and facilitates infrastructure improvements and maintenance to enhance the overall efficiency and reliability of the electricity grid.

1.3.3 Enhanced Efficiency and Conservation:

The call for adjusting rates applicable for the determination of electricity tariff is not borne out of arbitrary disposition but to reflect the realities of our micro and macro-economic realities. To sustain service delivery, a reset is necessary and implementation of which will encourage consumers to adopt energy-efficient practices and reduce wasteful consumption. By promoting responsible energy usage, a rate reset aligns with sustainability goals and contributes to the overall energy conservation efforts.

1.3.4   Consumer Affordability:

While considering the need for a rate reset, we are not oblivious of the implication of this for the economy and it consequent impact on consumer's affordability. A thorough analysis of customer usage patterns, income levels, and socio-economic factors was evaluated towards our rate adjustments making the output tariff reasonable and one that does not impose an excessive burden on consumers.

1.4   Introduction of Special Band:

1.4.1   The Company upon review of its service performance, required OpEx and CapEx needed for the provision of premium services in certain demographics has decided to introduce a new service band referred to as **Special Band.** This band focuses on optimised service delivery to targeted group of feeders to enjoy certain value-added services beyond the current Band A service commitment.

1.4.2   Beyond this, other rationale behind the creation include the deployment of special operational, human and capital resources required to provide good service due to the environmental and geographical peculiarities of such areas. This would allow the Company to improve supply beyond the current Band A service requirement, provide better customer experience, and most importantly, enable the Company fulfill its financial obligations towards the repayment of the cost of funds deployed for the peculiar operations and maintenance required thereto etc.

1.4.3   We have envisaged that this group of customers will enjoy premium services including:
   a.   Improved power and service delivery
   b.   Dedicated 24/7 rapid response team to address service-related issues
   c.   Multiple supply sources for power reliability enhancement including deployment of DERs, collaboration with IPPs for embedded generation, etc.
   d.   Excellent Customer experience

2.0   **JUSTIFICATIONS**

2.1   This document outlines the significant modifications to the existing tariff assumptions, such as energy offtake, load allocation, tariff weightings, capex, and other macroeconomic indices. We made no direct modifications to the generating and transmission rates; rather, we assumed the generation and transmission costs as designed by the draft July 2023 MYTO.

2.2   The tables below give snapshots of amendments and parameters reflected in the reset while the Appendixes contain detailed justification for the amendments. Other assumptions in the draft July 2023 MYTO were held constant except as expressly stated herein.

Macroeconomic and Investment Assumptions:

	2023	2024	2025	2026	2027	2028
Inflation	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%
Forex (Naira / US)	758.63	758.63	758.63	758.63	758.63	758.63
Risk free rate	6.4	6.4	6.4	6.4	6.4	6.4
Debt Interest	23%	23%	23%	23%	23%	23%
Market premium	11.80%	11.80%	11.80%	11.80%	11.80%	11.80%
US Inflation	5.13%	5.13%	5.13%	5.13%	5.13%	5.13%

Energy Offtake and EKEDP Loss Performance

	2023	2024	2025	2026	2027	2028
Contracted Capacity (MW)	513.35	602.24	705.00	823.53	959.41	1117.72
Energy Offtake GwH	4,497	5,276	6176	7214	8404	9791
ATC&C	21%	18.5%	17%	16%	15%	15%

CAPEX and OPEX

	2023	2024	2025	2026	2027	2028
CapEX (NBn)	28	28	28	28	28	28
OpEx(NBn)	39.08	46.90	56.29	67.55	81.06	97.27

Tariff Weighting

Weighting of Allowable Tariffs						
Category	2023	2024	2025	2026	2027	2028
Life-line						
Special Band	1.20	1.20	1.20	1.38	1.38	1.38
A - Non MD	1.05	1.05	1.05	1.22	1.22	1.22
A - MD1	1.11	1.11	1.11	1.27	1.27	1.27
A - MD2	1.11	1.11	1.11	1.27	1.27	1.27
B - Non MD	1.00	1.00	1.00	1.07	1.07	1.07
B - MD1	1.05	1.05	1.05	1.12	1.12	1.12
B - MD2	1.05	1.05	1.05	1.12	1.12	1.12
C - Non MD	0.70	0.70	0.70	0.71	0.71	0.71
C - MD1	0.90	0.90	0.90	0.91	0.91	0.91
C - MD2	0.90	0.90	0.90	0.91	0.91	0.91
D - Non MD	0.55	0.55	0.55	0.55	0.55	0.55
D - MD1	0.65	0.65	0.65	0.65	0.65	0.65
D - MD2	0.65	0.65	0.65	0.65	0.65	0.65
E - Non MD	0.55	0.55	0.55	0.55	0.55	0.55
E - MD1	0.65	0.65	0.65	0.65	0.65	0.65
E - MD2	0.65	0.65	0.65	0.65	0.65	0.65

1.0 CONCLUSION

2.3 With the recent global and economic downturn, especially in the face of new policy directions of the current administration, EKEDP has been grappling with increasing operational costs, including soaring customer demand for reliable and uninterrupted power. It is therefore important that we are able to compete in the ever-evolving electricity market.

2.4 The present tariff rate has become a significant burden, straining our financial resources, and hindering our ability to invest in critical areas such as innovation, infrastructure upgrades, technology, and talents.

2.5 Consequently, it is our humble plea that the Commission considers our proposed tariff rate as it would alleviate this financial strain and provide us with the necessary incentive to thrive as a customer centric utility company in the Nigerian Electricity Supply Industry.

2.6 We reiterate our appreciation to the Commission for this great opportunity as we look forward to the approval of the attached Rate reset.

APPENDIXES

Appendix 1: Model Assumptions & Adjustments

Altered Sheet	Amendment	Justification
Assumptions Sheet	All generation capacity and load factors were altered	To reflect only EKEDP's expected Bilateral Contracts that are applicable to it.
	Market Premium and Risk-free rates for Generation and transmission were amended	To reflect the Economic reality Ref - Moody's
	Depreciation and inflation were adjusted on the "Existing Asset Life" and New Asset Life"	To reflect more realistic figures
	Exports was zeroized	Assumed part of our Bilateral capacity was not exported – To reflect only exact 513MW.
	Forex and Naira change was adjusted to current figures	To reflect real-time rates Ref- CBN I&E Window
	The auxiliary requirement was adjusted in the overall capacity	To reflect the average delivered powered as required capacity.
	Transmission Capex (TSP) was adjusted.	To reflect 12.44% of the Company's load, share rather than the total Grid load.
	Transmission Variable O&M cost was adjusted by 12.44% to reflect the Company's load share.	To reflect the Company's load share.
	Transmission Fixed O&M cost was adjusted to reflect 12.44%.	To reflect the Company's load share.
	Transmission Fixed cost was adjusted to reflect 12.44%.	To reflect the Company's load share.
	The breakdown of all ATC&C for Eko Disco was adjusted. Distribution Loss Changed from 4.8% to 5.1% in 2023 Non-technical Losses changed from 9.7% to 11.9% in 2023 Non-collected billables changed from 0.1% to 4.0%in 2023 And total ATC&C was adjusted to reflect an even optimistic view of current realities. 14.18% was	To reflect even more optimistic view of current realities.

	therefore adjusted to 21% for year 2023 while it reduces over the years.	
	Semi-annual Forex 1st (Risk-free) half was adjusted to 6.4%	To portray current economic realities Ref- Debt Management Office Site
	Total Bulk Trader Charge was changed to zero	To reflect the realities under the Bilateral Era the Industry is transitioning into, where EKEDP will not contract through NBET anymore.
Transmission Depreciation Sheet	Regulator DORC Depreciation was amended by 12.44%	Amended to capture the portion of energy cost as it pertains to EKEDP
	DORC closing balance was discounted by 12.44%	Amended to capture the portion of energy cost as it pertains to EKEDP
Disco Tariff	On Disco Tariff sheet, number of Disco was changed from 12 to 8	To align input and adjustment for Responsible Disco, i.e., EKEDP
Assumptions	Transmission percent of DORC asset value at period-end for return on capital was changed from 100% to 12%	Amended to capture the portion of energy cost as it pertains to EKEDP
CAPEX	Adjusted capex from 7b to 28b	To enable EKEDP undertake required projects to improve power supply and fulfill its obligations towards its customers.
OPEX	Adjusted Opex to reflect current economic realities	To reflect current realities
Assumption	Naira Change adjusted based on change in forex	To reflect present Economic Reality
EKO	Created New Tariff band called Special Band (From the existing Band A & B)	To further house the EKEDP forecast of revenue generation. Please see paragraph of this document for justification.

Appendix 2: Technical Capex

Presently, the average offtake of EKEDP is 450MW. This is due to aged and problematic network infrastructure completed with generation and Transmission constraints. Recently NERC has advised that the minimum average offtake should be at least 513MW. Therefore, some level of investment is required to ensure that the network can determine this power to our esteemed customer on a continuous basis.

In a bid to meet and surpass the set target, investment is required to upgrade the existing infrastructure, augment/ expand capacity and bring down losses. The required investment has been duly considered and prioritized for the next 5 years (2023 – 2027).

It is to be noted that deployment of these will only achieve the desired result if the TCN and Generation constraints are adequately addressed.

Methodology used to determine required investment.

The approach was to model existing EKEDP network on SINCAL and run power flow simulation for the following scenarios.

1. Base case (450MW) – Normal operating condition.
2. Targeted Average Load Offtake Scenario (513MW).
3. Targeted Average Load Offtake Scenario + 80MW (592MW).
4. Targeted Average load offtake Scenario + 180MW (692MW).
5. Targeted Average load offtake Scenario + 280MW (792MW).
6. Targeted Average load offtake Scenario + 380MW (892MW).

Base Case Scenario (450MW)

This scenario was to establish the network status under normal operating conditions. Minor network constraints were identified which can easily be fixed by network maintenance.

Targeted Average Load Offtake Scenario (513MW).

This scenario assumes that Transmission and Generation constraints that hindered power evacuation in the base case have been removed. An additional 63MW was added to the base case network to attain a network that delivers 513MW on constant basis. Power flow simulation runs were carried out to establish the constraints in the network in this scenario. The investments required to clear out the identified constraints for this scenario are captured to be executed by the end of year 2023. (Year 1).

Targeted Average Load Offtake Scenario + 80MW.

For this scenario an additional 80 MW was added to the network to achieve an average offtake of 578MW by the end of year 2024.

The investments required to clear out the identified constraints for this scenario are captured to be executed by the end of year 2024. (Year 2).

Targeted Average Load Offtake Scenario +180MW.

For this scenario an additional 180 MW was added to the network to achieve no less than an average offtake of 669MW on a constant basis by the end of year 2025. The investments required to clear out the identified constraints for this scenario are captured to be executed by the end of year 2025. (Year 3). AT this stage, at least 100MW would be taken from Bilateral arrangements from Gencos which will be delivered to customers at premium cost.

Targeted Average Load Offtake Scenario +280MW.

For this scenario an additional 280 MW was added to the network to achieve an average offtake of no less than 763MW on a constant basis by the end of year 2026. (Year 4). At this time, power from Bilateral contracts with GenCos and IPPs should be at least 200MW which will be delivered to customers at premium cost. The investments required to clear out the identified constraints for this scenario are captured to be executed by the end of year 2026.

Targeted Average Load Offtake Scenario +380MW.

This scenario targets an average load very close to the non-coincidental peak load of approximately 1GW. At this stage the network will be able to accommodate all current suppressed loads. An additional 380 MW was added to the network to achieve an average offtake of 820MW on a constant basis by the end of year 2027. (Year 5). At this time, power from Bilateral contracts with GenCos and IPPs should be at least 300MW which will be delivered to customers at premium cost. The investments required to clear out the identified constraints for this scenario are captured to be executed by the end of year 2027.

Summary Of Results:

SIMULATION RESULT FOR 5 YEARS EXPANSION PLAN					
YEAR	Voltage (kV)		P (MW)	Q (MVAR)	Cumulative % losses
	33	11			
BASE YEAR	31.87	10.59	437.69	303.69	1
YEAR 1 (2023)	31.85	10.61	513.45	370.61	0.2
YEAR 2 (2024)	31.81	10.62	577.75	432.69	0.2
YEAR 3 (2025)	31.58	10.45	669.1	501.57	0.02
YEAR 4 (2026)	31.52	10.42	763.14	577.21	0.08

YEAR 5 (2027)	32.45	10.86	820.69	604.2	-0.34

From the table above, the voltage profile is good and is within acceptable limits for 33kV and 11kV and improves over the years. The power factor also improves over the years and the cumulative losses decreases from year 2023 to year 2027.

<u>Investment Outlay</u>

The investment outlay covers a period of 5 years and have been divided into 3 broad groups of Network Improvement, Network Augmentation / expansion, and Loss Reduction.

1. **Network Improvement:** This category covers investment required to rehabilitate existing network to bring it to a state where it can be optimized to for power evacuation. Most of the investment in this category are captured in year 2023.

2. **Network Expansion /Augmentation:** This focuses on new extensions and upgrade projects aimed at evacuating more power for the various \years under consideration.

CATEGORY/SUBCATEGOR
LOSS REDUCTION
LV REHABILITATION
RELIEF DTS
DT REHAB
NETWORK IMPROVEMENT
11KV REHABILITATION
33KV REHABILITATION
SWITCHGEARS
NETWORK EXPANSION/AUGMENTATION
NEW 11KV LINE
NEW 33KV LINE
PT/ISS
SWITCHGEARS
OTHERS
PT/ISS

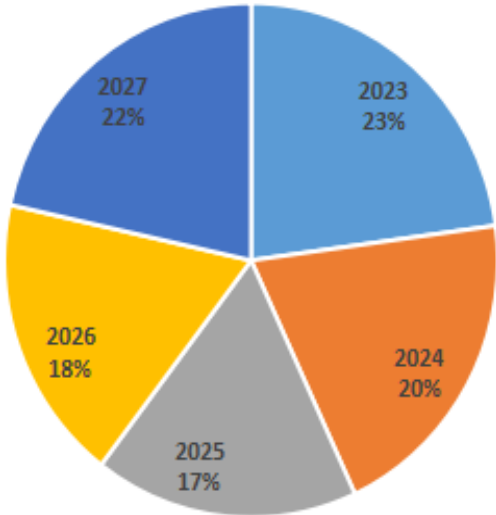**Loss Reduction:** This investment aims at reducing technical losses with the overall goal of driving down ATC&C losses to the set targets for the various years. Low voltage network rehabilitation and reticulation is the major consideration in this category.

The investment layout summary for the 5-Years period based on the categories is presented in the tables and charts below.

Summary of Project Catigories

- OTHERS 0.4%
- LOSS REDUCTION 5.5%
- NETWORK IMPROVEMENT 21.4%
- NETWORK EXPANSION/AUGMENTATION 72.7%
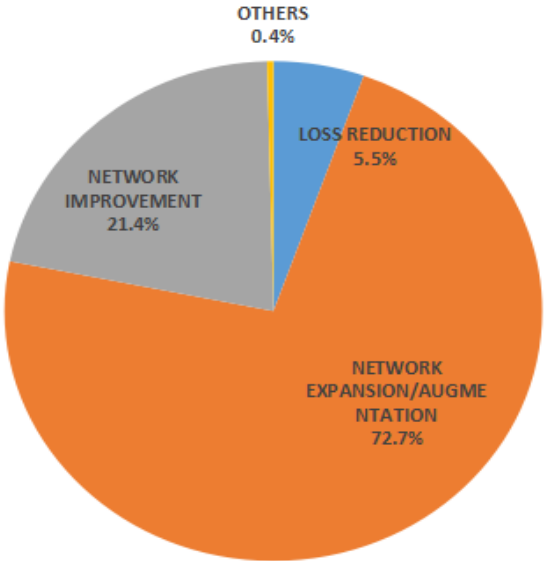
Summary of Projects Proportion by Year

- 2023 23%
- 2024 20%
- 2025 17%
- 2026 18%
- 2027 22%

Appendix 3 COMMERCIAL CAPEX

Item Description	Business Justification	Impact on Business	%Impact On ATC&C (Where Applicable)	Impact On Revenue
SIM	1. It will allow for remote communication of all meters in order to pool different parameter information.	1. It will facilitate energy audit for easy tracking of losses. 2. It improves operational efficiency. Saves time.		
Modem NKCG				
Modem KCG				
Accu Check Single Phase	To determine the integrity of meters in order to block losses.	ATC&C is being reduced and revenue increases.	0.10%	1%
Accu Check Three Phase				
Clamp on meters				
Zera Machine				
LT Ladders	1. To enforce payment of electricity bills from delinquent customers. 2. Safety purpose. 3. Smooth commercial operations.	Commercial losses are being reduced and casualty in the course of operation is prevented.	0.05%	Increases revenue
PPE's				
Other Tools				
Laptops	Data input, analysis and report generation.	Reports are generated for management decision and information are submitted to regulators within TAT.		
Desktop				
UPS				
Tablet				
Printer				
Single Phase	1. To measure consumption for the purpose of accurate		0.03%	Revenue will improve by 0.2%
Three Phase				

KCG Meter	billing. 2. It enables remote monitoring and control.	Billing accuracy will increase, and collection will improve.		
DT meter				
Single Phase				
Three Phase				
Whole Current KCG				
CT/VT 11kv				
CT/VT 33kv				
LT KCG Meter				
2 core 16 Sq.Mm	1. To prevent metering technical losses resulting from bad cables. 2. It improves efficiency in billing. 3. Smooth running of metering maintenance, disconnection and reconnection, cash drive activities etc.	Improved billing accuracy and revenue collection.		
2 core 25 Sq.Mm				
Block CT				
Upgrading Billing Software				
Meter data Management software				
Truck/Vehicles			0.03%	0.50%

Appendix 4: IT (Non Tangible) CapEx and OpEx

CAPEX

Expenditure Category	Business Justification	Impact On Business	%Impact On ATC&C (Where Applicable)	Impact On Revenue
EKEDP - NERVE CENTER CONTINUED UPGRADE AND MAINTENANCE	Continuous IT Infrastructure and security routine maintenance for business sustainability, availability, financial loss prevention and continuity	Sustainability and continuity	NA	Improve revenue generation through consolidated and aided technology from the DC
INTEGRATED COMMUNICATION SOLUTION/MAINTENANCE AND (CALL CENTRE PROPOSED WITHIN EKEDP)	The proposed contact center is bid to provide a robust operational framework for customer communication management with a quick TAT in the resolution of customers complaints using a state-of-the-art technology thereby reducing cost of business while providing endearing		NA	Increase revenue and reduce loss

	service to the customer.			
IT EQUIPMENT PROVISION/ NETWORK ROUTER(JAN)/WIRELESS ACCESS POINT(FEB)	Improve quality of interconnectivity of system and business solutions	Assures business improvement	NA	Reduce business TAT and loss of revenue
PRINTING MANAGEMENT SOLUTION	Print management enables organizations to effectively manage print devices and streamline workflows, which results in decreased overhead, diminished costs and simplified processes across the network. With print management solutions, end users benefit from fast and reliable printing from any device or location.	Improve business insight and streamline workflows across the business network	NA	Decreased overhead, diminished costs

SERVER PURCHASE	To contain/host the astronautical growth in the organization business such as the HES systems, Security system, Metering systems etc.	Guarantees business stability		Improve revenue generation through consolidated and aided technology from the DC
SYSTEMS / DEVICES (WORK TOOL FOR EMPLOYEES)	Employee work tool	Assures business improvement	NA	Reduce business TAT and loss of revenue
DATABASE ACCESS MANAGER (DAM) TRUSTWAVE	Centralized management of access and permissions to company's database	DAM helps you identify performance issues proactively and find optimization opportunities.	NA	Reduce business TAT and loss of revenue
REMOTE DESKTOP SOLUTION (ADMIN TOOL)	This tool will help to provide remote supports	Aid smart remote and hybrid assistance on business applications	NA	Save cost, reduce TAT, and reduce loss of revenue
HYPERCONVERGED INFRASTRUCTURE SOLUTIONS	Hyperconverged infrastructure provides a unified environment that makes upgrading hardware and software much faster and easier. It can streamline and simplify upgrades, eliminating the need to balance independent systems. It provides a flexible and adaptable environment for	Aid advanced and smart method in doing business	NA	Save cost, reduce business TAT, and reduce loss of revenue

	restructuring systems or hardware.			
HARDWARE DIAGNOSTIC SOLUTIONS	This will assist to diagnose systems for better issue resolution	Aid advanced and smart method in doing business	NA	Save cost, reduce business TAT, and reduce loss of revenue
HOST IPS (INTRUSION PREVENTION SYSTEM)	HIPS detects external hackers and network-based attacks. Offers centralized management for correlation of distributed attacks against the organization highly vested business and technology infrastructure	Guarantees systems and business protection and ensures continuity in business	NA	Helps to aid security on business system and absorb the company from financial ransom
PRIVILEGE ACCESS MANAGER (PAM)	Manage access control to applications such as Billing applications and DC infrastructures	Guarantees business stability	NA	Helps to aid security on business system and absorb the company from financial ransom
SERVER MONITORING SOLUTION (SMS)	This tool will help to monitor the data center infrastructure	Ensure security of and control of unauthorized access to business applications and suites	NA	High ROI

ALL IN ONE CMS	An enterprise end-to-end billing solution (company-wide)	Reduce TAT on billing cycle and guarantees zero tolerance on error (end-to-end)	NA	Significantly reduces ATC&C losses and promises huge ROI
OPEX PROJECTS (NON RECURRING)				
ANNUAL MAINTENANCE FEES FOR ALL IN ONE SYSTEM	Annual maintenance with extended warranty	This system is planned to manage the entire billing life cycle in the company and assures continuity	NA	Save cost, reduce business TAT, and reduce loss of revenue
VERITAS NET APPLIANCE (BACKUP, REPLICATION AND DISASTER RECOVERY SOLUTION)	NetBackup yearly maintenance to sustain the back up and disaster recovery solution	Guarantees business assurance, reassurance and continuity in the event of disaster	NA	Guarantees returns on investment in the event of disaster
SAP CRYSTAL REPORT	Key business reporting module (Companywide)	Business reporting module for prepaid/postpaid application	NA	Reduce business TAT and loss of revenue
IT CERTIFICATION FOR (IT EMPLOYEES)	Staying relevance through Professional Certification	Business thrives with the right skilled employee	NA	Increase revenue and reduce loss
AUTOCAD SOFTWARE & ADOBE SUITE (LICENSE RENEWAL)	Organizational network architecture and design	Growth and improvement assurance	NA	Save cost, reduce business TAT, and reduce loss of revenue
BULK SMS AND BULK EMAIL BLAST	Need to send bulk sms and email blast to customers	Ease of business communication and sustainability of business relations	NA	Save cost, reduce business TAT, and reduce loss of revenue

MANAGE ENGINE MAINTENANCE (YEARLY)	Used for our self-service(Password Management), Service desk(IT Helpdesk), Active Directory (AD Management) and AD Audit , Patch manger (For managing windows update)	Enterprise ITSM		Reduce business TAT and loss of revenue
SOPHOS FIREWALL	For network security and monitoring/filtering incoming and outgoing network traffic.	Protection of company's business infrastructure from malicious character		Secures information and data leakage and guarantees revenue protection
PRTG (LICENSE RENEWAL) AND CODETWO	Network monitoring tool and email signatures	Business data bandwidth management		Improve revenue generation through consolidated and aided technology
OFFICE 365 (INCLUDING POWER PLATFORM LICENSES)	Microsoft 365 for Enterprise (SUB), connect employees to the people, information, and content that are used for daily work and building of custom business applications for the organization	Improve business insight and streamline workflows across the business network		Save cost, reduce business TAT, and reduce loss of revenue

MAST, TOWER AND RF NETWORK	Towers and mast allow us to send communication between the HQ, District offices, Injection substations, Zonal offices and cash offices	Use to aid internet services data traffic in the organization		Aid financial capacity
MICROSOFT AZURE CLOUD PLATFORM (ASR)	MS cloud hosting of business resources	Microsoft Cloud ASR Business Operations Platform		Save cost, reduce business TAT and improve financial safety
ZOHO CREATOR AND PORTAL ADDON	Business application development and external portal development platform			Save cost, reduce business TAT
COGNITO FORM	Building Business Forms (External)	Building Business Forms (External)		Save cost, reduce business TAT
NETWORK SWITCHES / ROUTERS (HQ / DISTRICT)	Repair and Maintenance	Maintenance of company's network switches, router e.t.c		Reduce business TAT and loss of revenue
MERAKI SWITCH AND WIRELESS ACCESS POINT LICENSE	Provide wireless internet connectivity for business operations	Business and connectivity sustainability		
WEBSITE HOSTING	Hosting of company website on dedicated storage. This is essential to guarantee uptime and support a large customer base	Support our business online operations and services		Support our online business growth

NETWORK ACCESS CONTROL RENEWAL	This allows us to see every device that connects to our network and stop hacking or illegal access to our network	Protection of company's business infrastructure from malicious character or unplanned attacks		Aid business financial protection against attacks
ORACLE LICENSE RENEWAL	Enterprise license for billing and other resource databases	Used for enterprise billing and Scada databases such as ITRON e.t.c		Aid financial capacity
MOJEC SANPLAT BARAKUDA LOAD BALANCER	Intelligent data traffic splitter for the organization metering solutions			
MAINONE INTERNET SERVICES	Quarterly Broadband Internet Subscriptions	Internet service provision to aid the business of the company		Save cost, reduce business TAT and improve financial outcome
QUARTERLTY SUBSCRIPTION INJECTION SUB STATION INTERNET/ PRIVATE VPN	internet to the injection substations	Internet service provision to aid the business of the company		Save cost, reduce business TAT and improve financial outcome
SOPHOS EDR	The solution continuously monitors end-user devices to detect and respond to cyber threats like ransomware and malware.	Protection of company's business endpoint from malicious character and attacks		
BLACKBOX TESTING	The testing procedure helps decide the proper functioning of			

	the IT systems and ensures they are free from any errors			
BITLOCKER IMPLEMENTATION	BitLocker enables users to encrypt everything on the drive Windows is installed on, protecting that data from theft or unauthorized access.			
AIRTEL	Bucket Data, Private APN, and Dongle sims used for Meters in the field for remote access.	Internet service provision to aid the business of the company		Save cost, reduce business TAT and improve financial outcome
9MOBILE	Bucket Data, Private APN, and Dongle sims used for Meters in the field for remote access.	Internet service provision to aid the business of the company		Save cost, reduce business TAT and improve financial outcome
INQ	Monthly Charges	Internet service provision to aid the business of the company		Save cost, reduce business TAT and improve financial outcome
DATA ARCHIVAL	used to archive all paper documents into digital documents			
ASSET TAGGING AND ENUMERATION	Used for tagging of assets in the district	Company's Assets Tagging		
SECURONIX	Cybersecurity and investigative software			

NESSUS PROFESSIONAL	Used in Penetration Testing			
SHODAN.IO	Used Passive reconnaissance			

Appendix 5: Technical OpEx

Expenditure Category	Business Justification	Impact On Business	%Impact On ATC&C (Where Applicable)	Impact On Revenue
Maintenance of Distribution Substation and LV network	Substation equipment is stressed and weak due to overload. Sagged lines weak conductors and flashed pot Insulators within L.T network	Improved power reliability, reduced downtime, and enhanced customer satisfaction through efficient maintenance of distribution substations and LV networks.	0.21%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.

Maintenance of 33/11kV Injection Substations and P&T Equipment	Aged and our stressed breakers some of the switch buttons are loose. Contacts are weak after several amendment /fabrication	Improved reliability, reduced downtime, and efficient power distribution resulting in enhanced business operations and customer satisfaction.	0.15%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.
Maintenance of 11kV Overhead line	Overhead equipment is aged weak and substandard. It required urgent replacement	Improved reliability, reduced downtime, and efficient power distribution resulting in enhanced business operations, customer satisfaction and safety of life and properties.	0.05%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.
Maintenance of 33kV Overhead lines	Overhead equipment are aged weak and substandard. It required urgent replacement	Improved reliability, reduced downtime, and efficient power distribution resulting in enhanced business operations, customer satisfaction and safety of life and properties.	0.05%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.

Maintenance of 11kV Underground lines	Aged, weak with several straight-Through joints terminating kits are weak & sub-station	Improved reliability, reduced downtime, and enhanced safety, leading to uninterrupted operations and increased customer satisfaction for businesses.	0.05%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.
Maintenance of 33kV Underground lines	Aged weak with several straight-Through joints terminating kits are weak & sub-station	Improved reliability, reduced downtime, and enhanced safety, leading to uninterrupted operations and increased customer satisfaction for businesses.	0.1%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.
Maintenance of 11kV and 33kV Line Tracing	Most lines constructed in thick forest & busy highway roads are affected with thick vegetation and moving trucks. Constant maintenance is required	Improved reliability, reduced downtime and for safety of life and properties.	0.10%	It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.
Procurement of emergency materials/Equipment	Contingency fund for operational efficiency and stability	Provide security unexpected events, manage emergencies, ensuring stability and minimizing disruptions to operations		It will ensure reliable power availability, leading to increased revenue through uninterrupted service and customer satisfaction.

Appendix 6: Admin OpEx

Expenditure Category	Business Justification	Impact On Business	Impact On Revenue
Staff Salary	Due to steady increment in inflation rate, Salary increment proposed for the period of 5 years is approximately N37.5B to motivate and retain best talents (valuable expertise and knowledge) with a focus to achieve the business targets.	Drive employee retention and Improve employee efficiency and productivities. Also improves employee morale and satisfaction which will contribute to increased productivity and potentially enhance customer service levels.	Increases the cost of labor for the company which could directly impact the revenue as higher expenses may reduce profitability.
Other Staff Related Cost (Includes: Outsourced Staff Salary, NYSC, SIWESS and Productivity Bonus etc.)	Average cost of other staff related cost for the period of is required in line with the above stated business justification	Same as stated above	Same as stated above
Health Insurance Expense (HMO)	Healthcare costs have been steadily increasing over the years due to medical advancements, new treatments, and the use of innovative technologies deployed on board by	Businesses may face challenges attracting and retaining top talent if their health benefits become less competitive due to rising HMO costs. If HMO costs without increments will result in reduced benefits or increased out-of-pocket expenses for employees	Employees' wellbeing and wellness drives improved productivities which impacts on business performance

	healthcare centers. The costs increment will improve the HMO services to all employees which will enhance employees' wellness and wellbeing. Also, increase in workforce will impact on the HMO annual expense	to care for their health, it will negatively impact morale and job satisfaction. This implies that the company is providing inadequate healthcare coverage, which could affect employee loyalty and retention.	
Training Cost (Local Management Courses, Seminars and Overseas Training & Attach Fees	Projected cost for capacity building, Professional conferences and seminars for 65% of the workforce as part of the Company's employee engagement & retention strategy. Leadership development and exposure to international best practices for our Top, Snr and Middle Management Officers.	Employee engagement & retention strategy. Increased training opportunities to employees will enhance more skilled workforce and a competitive advantage and necessary skills and knowledge needed for innovation, adaptation in achieving better result.	Increased productivity and efficiency, effectively perform tasks and meet timelines. Improve the quality of services offered. Higher quality can improve customers' response rate, enhance customer satisfaction, and potentially lead to increased revenue