



Jos Electricity Distribution Plc

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RC - 638619

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The Chairman,
Nigerian Electricity Regulatory Commission (NERC),
Central Business Area,
Abuja.

Attention: Commissioner, Market Competition and Rates
Dear Sir,

APPLICATION FOR RATE CASE REVIEW FOR JOS ELECTRICITY DISTRIBUTION PLC

We wish to express our gratitude to the Commission for the opportunity to file for a rate case and to request a review of certain tariff parameters. We believe that resetting these parameters is crucial for the long-term sustainability and improved performance of JEDC.

Reset Parameters

ATC&C Loss Levels:

JEDC has committed to reducing its Aggregate Technical, Commercial, and Collection (ATC&C) loss level to 27.27% within the agreed five-year period, as stated in the Performance Agreement. However, due to various technical and commercial issues, including lack of investment, energy theft, vandalism and weak network infrastructures, the Company currently operates with an ATC&C loss level above 60%. This significant disparity between the committed and actual loss levels adversely affects JEDC's operational efficiency and distorts its performance.

We propose resetting the ATC&C loss level to 40%, which we believe is a more realistic baseline. This adjustment will enable us to work aggressively towards achieving a realistic loss reduction trajectory.

Energy Delivered to JEDC:

The energy delivered to JEDC in the short-term also requires a review in accordance with the company's current realities. However, following the recent exchange rate policy which would significantly increase JEDC's tariff to around N100/KWh, we would have to allow the energy variable to remain the same as projected at 2,118 GWh, that is 242MWh/h for July-Dec 2023.

Capex and Opex Provisions:

We believe that the provisions made in the current tariff model for Capital Expenditure (Capex) and Operational Expenditure (Opex) are sufficient to cover JEDC's critical investment plans, including the deployment of 100,000 meters annually over the next three years. Therefore, we propose no changes to the annual nominal Capex and Opex provisions, which are currently N15.10 billion and N19.52 billion, respectively.

Summary of Proposed Changes:

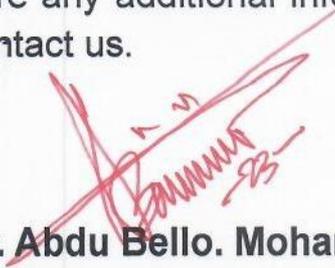
Year	Current Model	Revised Model By JEDC
Allowable ATC&C Loss Level	27.27%	40.00%
Energy Delivered	2,118 GWh	2,118 GWh
Energy Delivered	242MWh/h	242MWh/h
Annual Capex Provision	₦15.10Bn	₦15.10Bn
Annual Opex Provision	₦19.52Bn	₦19.52Bn
Cost Reflective Tariffs	₦95.21/KWh	₦115.23/KWh
Allowable Tariffs	₦90.45/KWh	₦109.47/KWh
Minimum Remittance Level	92%	80%

Prayers

Based on the aforementioned points, we kindly request the Commission to:

- a. Acknowledge the urgent need for a review of JEDC's allowable loss levels in the Multi-Year Tariff Order (MYTO) Model as part of the tariff review process.
- b. Take note of the attached revised MYTO model, which is a requirement in the rate review process.
- c. Acknowledge the planned investment in metering and other Capex-related activities.
- d. Consider and approve our application for a rate filing as detailed above.

We eagerly await the Commission's response on this matter. Should you require any additional information or clarification, please do not hesitate to contact us.



Engr. Abdu Bello. Mohammed
Managing Director/Chief Executive officer