



ORDER NO: NERC/2025/071

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION
ORDER ON THE DELINEATION OF ASSETS AND LIABILITIES OF BEDC ELECTRICITY
DISTRIBUTION PLC**

Title

1. This regulatory instrument may be cited as the **Nigerian Electricity Regulatory Commission Order on the Delineation of Assets and Liabilities for BEDC Electricity Distribution Plc ("BEDC") 2025.**

Commencement

2. This Order shall take effect from 1 August 2025 and shall remain in force until amended or revoked by a subsequent Order issued by the Nigerian Electricity Regulatory Commission ("NERC" or the "Commission").

Legal Basis

3. The Constitution of the Federal Republic of Nigeria ("CFRN") vests the federal government with substantial regulatory powers over the Nigerian Electricity Supply Industry ("NESI"), enabling the Commission to oversee the centralised electricity market.
4. However, the constitutional amendment of 17 March 2023, introduced a paradigm shift by decentralising the regulatory oversight of the industry and granting states legislative powers to regulate electricity generation, transmission, and distribution activities within their state boundaries.
5. Paragraph 14(b) Part II of the Second Schedule to the 1999 CFRN which provides that "a House of Assembly may make laws for the State with respect to generation, transmission, and distribution of electricity to **areas not covered by a national grid system within that State**" was amended to "a House of Assembly may make laws for the State with respect to generation, transmission, and distribution of electricity to areas within that State".

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6. This amendment granted legislative autonomy to federating states in the Federal Republic of Nigeria by empowering the sub-national governments to legislate on the generation, transmission and distribution of electricity within each respective state.
7. Section 2(2) of the EA, which provides as hereunder, takes due legislative cognisance of the powers conferred on the federating states with the amendment to Paragraph 14(b) **Part II of the Second Schedule to the 1999 CFRN –**

Nothing in this Act shall invalidate –

- a. *any law passed by the House of Assembly of a State with respect to all aspects of generation, transmission, system operation, distribution, supply and retail of electricity within that State;*
 - b. *any law passed by the House of Assembly of a State regarding the establishment, promotion and management of State electricity power stations;*
 - c. *any law passed by the House of Assembly of a State to sanction the establishment of a state electricity market, the establishment of a state electricity regulatory authority or any entity by whatever appellation with powers to regulate such markets;*
 - d. *any collaboration between States and Local Governments and the Federal Government for rural electrification, or between States and Local Governments and distribution licensees to ensure electricity access to rural, unserved and underserved areas, promote investments in electricity or provision of electricity within States or Local Government Areas; or*
 - e. *any law passed by the House of Assembly of a State to sanction the establishment of a state electricity market and State Integrated Electricity Policy and Strategic Implementation Plan.*
8. Under the new legal framework for NESI, the Commission retains the role as central regulator with regulatory oversight on the inter-state and international generation, transmission, supply, trading and system operations as contemplated by section 63(7) of the EA which provides that "notwithstanding the provision of subsection (1), it shall be the responsibility of the State Electricity Board or any State authority by whatever appellation, to grant licence for mini-grids, IEDN/IEDNOs and IETN, IETNOs and provide the framework for the operation of such licensees, including framework for investment in electricity utilities within the State Provided that the

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Commission shall retain regulatory powers over mini-grids, IEDN/IEDNOs and IETN/IETNOs in any State of the Federation where such a State –

- a. *has no legal and institutional framework in place for the regulation of mini-grids, IEDNs, IETNs or related electricity services; or*
- b. *the operation of such IEDN/IEDNOs, IETN/IETNOs or electricity generation, transmission and distribution undertaking within any State of the Federation **relies on any part of the national grid for its operations.***

9. States that intend to establish and regulate intrastate electricity markets are expected to comply with the provisions of section 230 of the EA which provides that –

(1) *A state of the Federation may at any time –*

- a. *Enact a law by whatever appellation to provide for the establishment of a state electricity market;*
- b. *Establish a state electricity regulatory authority for the State (the "State Regulator") and appoint a governing body and staff for the said entity;*
- c. *Deliver a formal notification of the events in paragraphs (a) and (b) above and request the Commission to transfer regulatory authority over electricity operations in the state to the State Regulator; and*
- d. *Deliver a formal notification of the events in paragraphs (a) and (b) to the relevant successor electricity distribution licensee (the "Successor Company"), with a copy to the National Council on Privatisation ("NCP") through the Bureau of Public Enterprises, requesting them both to ensure that the Successor Company takes the steps set out in subsection (3).*

(2) *Within 45 days of receiving formal notification of the enactment of the law under subsection (1), the Commission shall draw and deliver to the State Regulator a draft order setting out a plan and timeline for the transition of regulatory responsibilities from the Commission to the State Regulator, which transition shall be completed not later than 6 months from the date on which the formal notification in subsection (1) was delivered to the Commission.*

(3) *Where a State takes the steps provided in subsection (2), the Successor Company shall upon receiving formal notification from the Commission –*

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- a. Within 2 months of receiving the said notification, incorporate a subsidiary electricity distribution company under the Companies and Allied Matters Act (the "Additional Successor Company"); and
 - b. Transfer the assets, liabilities, employees and the relevant contractual rights and obligations of the Successor Company in that State (the "Transfer").
- (4) The Transfer shall –
 - a. Not constitute a fraud on the creditors of the Successor Company; and
 - b. Be undertaken by agreement as to the treatment of relevant liabilities, between creditors, the Successor Company, the Additional Successor Company and, where necessary, the Commission, the State electricity regulatory authority and any other relevant 3rd party; and
 - c. Shall not impose a condition on the Government of a State to take on any of the liabilities of the Successor Company or guarantee their repayment.
- (5) The provisions of subsection (2) shall be implemented notwithstanding the provisions of any general or specific enactment of the National Assembly or any applicable law, rule or contract that requires notice, consent, approval or registration of such transfer and no stamp duty and capital gains tax shall be chargeable or levied by the relevant tax authorities in respect of the Transfer.
- (6) On completion of the Transfers under subsections (2) and (3), whichever occurs later in time, the Commission shall have no further regulatory responsibility whatsoever for electricity market activities carried on entirely within the State to which regulatory responsibility has been transferred and for which the Additional Successor Company has been incorporated and conferred with assets, liabilities, employees, rights and obligations.
- (7) An Additional Successor Company incorporated and licensed by a State Regulator as provided shall on completion of the transfers under subsections (2) and (3), and the issuance of a license, be under the regulatory oversight of the State regulator and shall have no further obligation to pay any form of license fees to the Commission.
- (8) Notwithstanding the provisions of section 63(1) and subsection (5), the generation, transmission, system operation and distribution of electricity in a

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State that has not exercised its option under subsection (2) shall continue to be regulated by the Commission in accordance with the provisions of this Act until such a time as that State exercises the option.

- (9) *The Commission and all State regulatory authorities shall have a continuing obligation to foster and maintain a beneficial inter-institutional relationship amongst themselves and accordingly they shall establish an inter-governmental body to promote harmonious relationships with each other individually and as a group for coordinating the development of principles, standards and rules for the reduction of regulatory risk in the Federal and State electricity markets in the country.*

Context

10. This Order is issued pursuant to the powers of the Commission under the Electricity Act 2023 ("EA" or the "Act"). It provides regulatory guidance for the delineation of assets and liabilities of successor distribution companies ("DisCos" or "Holding Companies" or "HoldCos") for the establishment of their respective subsidiary companies ("SubCos") in compliance with the provisions of section 230(4)(b) of the Act.
11. Consequent upon receiving notification from various states regarding the passage of their electricity laws and in compliance with section 230 of the EA, the Commission has issued requisite Orders transferring regulatory oversight to various state governments.
12. The Transition Orders in this regard directed the relevant DisCos to undertake the following actions –
- a. Incorporate a subsidiary company ("SubCo") under the Companies and Allied Matters Act for the assumption of responsibilities for intrastate supply and distribution of electricity in states that have commenced the transition process.
 - b. Identify the actual geographic boundaries of the relevant state and carve out its network as a standalone network with the installation of boundary meters at all border points where the network crosses from one state to another.
 - c. Create an Asset Register of all its power infrastructure located within the relevant state.
 - d. Evaluate and apportion contractual obligations and liabilities attributable to the DisCos operations of its subsidiary within the relevant state.



- e. Identify all the applicable trading points for energy offtake for the operations of the new SubCo in the relevant state.
 - f. Confirm the number of employees that are required to provide service to the relevant state as a standalone public utility.
 - g. Transfer the identified assets for operations within the relevant state, contractual obligations, liabilities and employees to the new SubCo.
13. In furtherance of the transition process, the Commission held its first engagement with the State Electricity Regulatory Commissions/Bureaus ("SERCs" or "SERBs") on 2 December 2024. During this engagement, critical issues impeding the transition were identified with a key issue being the determination of methodologies for delineating assets and liabilities between DisCos and SubCos.
14. To address these challenges and chart a clear pathway forward, the Commission organised a workshop with market participants and SERCs/SERBs representatives on the Development of a Framework for the Delineation of Assets and Liabilities. The Workshop was held on 21 January 2025, at the Hearing Room of the Nigerian Electricity Regulatory Commission, Abuja.
15. The Workshop yielded significant consensus on core principles to guide the delineation process for all DisCos and highlighted the need for a standardised delineation methodology.
16. Following the Workshop, the Commission issued the Order on the Delineation of Assets and Liabilities of Distribution Licensees dated 28 March 2025, and the procedure to be used for delineation. The objectives of the Order dated 28 March 2025 was to –
- a. Provide further clarity on the process for delineation of assets and liabilities of DisCos as directed in respective transfer of regulatory oversight orders issued to date.
 - b. Facilitate the delineation of the assets and liabilities of all DisCos along state lines irrespective of the transition status of each state thus ensuring a smoother transition process.
 - c. Establish a standard methodology for the delineation of DisCos' assets and liabilities to ensure fairness, equity and transparency.

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- d. Provide clear timelines for the delineation of assets and liabilities of DisCos to enable the state regulators to properly take over regulatory oversight of electricity markets in their respective states.
17. Pursuant to the provisions in the Order, BEDC filed the underlisted documents with the Commission on 11 April 2025, and participated in the delineation review workshop from 12 - 15 May 2025.
- a. A comprehensive fixed assets and liabilities register showing preliminary delineated assets and liabilities along state lines.
 - b. An updated staff allocation register between its constituent SubCos and the HoldCo.
 - c. A Single-line diagram showing points for the installation of boundary meters across all areas of the interstate network connections.
 - d. 3 (Three) most recent audited financial statements and management accounts covering the years 2022, 2023 and 2024.
18. Upon the review of BEDC's application for the delineation of its assets, liabilities, and contractual obligations, this Order sets out the definitive structure of assets, liabilities and contractual obligations allocated between BEDC and its constituent SubCos as detailed in the attached Appendices of this Order.

Objectives

19. This Order seeks to –
- a. Confirm the allocation of core assets, non-core assets, regulatory asset value, legacy commitments and contractual obligations delineated between BEDC and its constituent SubCos in compliance with the provisions of section 230 (4)(b) of the Act.
 - b. Provide economic data for states to undertake rate making for SubCos.
 - c. Provide data to allow DisCos to enable ring-fenced operations for states that are yet to transition as well as to ensure that states that subsequently transition can immediately takeover regulatory oversight of SubCos within the respective states.

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- d. Provide clarity on the treatment of receivables, payables and taxes at the point of delineation of assets and liabilities of DisCos in compliance with section 230(5) of the EA.
- e. Ensure proper documentation, auditability and accessibility of delineated assets and liabilities, with a focus on long term data integrity and regulatory compliance.
- f. Promote accountability and investor confidence by adopting a verified and transparent delineation methodology that meets regulatory expectations.

Definition of Key Terminologies

20. Non-Balance Sheet

These are assets, liabilities, or financing activities not recorded on a DisCos balance sheet but still impact its financial position or risk exposure. They are often used to manage financial reporting or risk without directly affecting key ratios like debt-to-equity.

21. Assets

Assets in this context are resources owned or controlled by a DisCo that are expected to provide future economic benefits and have regulatory asset value and recognised by the Commission in the DisCos' books as its regulatory asset base.

- a. **Core Assets** – These are the critical equipment and infrastructure that DisCos used in delivering electricity to consumers such as transformers, distribution lines, substations, meters, and safety devices like switchgear and circuit breakers. The equipment are essential for efficient, reliable, and safe electricity distribution and directly tied to a DisCo's service delivery and revenue generation.
- b. **Non-Core Assets** – These are properties and resources owned by a DisCo but are not directly involved in delivering electricity. Whereas the assets do not contribute to the functionality of the electricity network, the investment usually has financial or strategic value. Examples include office buildings, land, non-operational vehicles, warehouses, and IT systems for non-essential functions.

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22. Liabilities

Liabilities are obligations a DisCos owes to others, typically involving future payments of money, goods, or services. They arise from past transactions or events and are recorded on the balance sheet when measurable and probable.

Principles of Delineation of Assets

23. For the purposes of determining ownership, the delineation of the assets of DisCos shall be conducted in accordance with the following principles as provided in Order NERC/2025/028 -

Table 1: Principles of Asset Delineation

	Asset Type	Description	Delineation Principle
A	Physical Assets primarily to be used for the supply of electricity.	a. Transformers, substations, etc used directly to supply energy.	Assigned to SubCos based on location and economic value
		b. Lines	Assigned based on location. A line traversing two or more states shall be prorated based on physical geographical boundaries, while determination of energy off-take going-forward shall be based on the inter-boundary meters at the geographical boundaries of the states.
B	Inventory	Unallocated, in-transit and stored assets such as spare parts and consumables.	Assets already captured in the RAV were allocated to the different SubCos based on historical energy consumption.
C	Operational Vehicles	These are cars, trucks and service vehicles used for operations & maintenance	<ul style="list-style-type: none"> Operational vehicles were assigned to SubCos based on operational locations Pool vehicles were assigned to HoldCo and managed under a Shared Services Agreement
D	Information and Communication Technology	ICT infrastructure comprises: Hardware and Software	HoldCo shall retain ownership of existing ICT Infrastructure assets and execute shared services agreements with its

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	Asset Type	Description	Delineation Principle
	("ICT") Infrastructure	communications equipment	SubCos in line with applicable transfer pricing regulations
E	Meter Acquisition Fund ("MAF") & Other Cash and bank balances	Metering Fund sequestered from the tariff paid by customers.	Allocate accrued uncommitted MAF, cash, and balances as at 31 July 2025, based on share of energy.
F	Receivables	Amounts owed to DisCos by customers	The gross receivables for a DisCo shall be split among the SubCos based on the location where the receivables originated.
G	Common Assets	Assets that are jointly enjoyed by different departments e.g. head office buildings, pool vehicles, crane, testing equipment.	To be retained by HoldCo, with utilisation and associated charges to be based on a shared services agreement.
H	Employees	Staff under the employment of the DisCo.	DisCo to determine optimal allocation of staff between HoldCo & SubCos.
I	Contingent Assets	Receivables such as Judgment awards	To be decided at the point of crystallisation. The HoldCo shall seek the Commission's approval on the allocation of assets between the SubCos.

Delineation of Liabilities

24. Liabilities of a DisCo refer to its financial obligations, or responsibilities that the DisCo is required to fulfil. These liabilities may arise from various sources in its financial, operational, contractual and regulatory activities. The delineation of DisCos' liabilities shall be conducted in accordance with the following principles.

Table 2: Principles of Delineation of Liabilities

	Liability Type	Description	Delineation Principle
a	Market Shortfall	DisCos' liability to the electricity market for unsettled invoices not covered by tariff shortfall	Assign Market Shortfall among the SubCos based on historical energy delivered to each State between Jan-Dec 2024

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b	Payroll-related liabilities	These include accrued pensions & other employee benefits such as gratuity	Assign based on employee's location (the SubCo benefiting from the employee's services post-delineation shall bear the associated liabilities)
c	Tax Liabilities	Existing tax obligations such as property tax, legacy VAT, company income tax, and capital gains tax	Assign tax liabilities among the SubCos based on historical energy delivered to each State between Jan-Dec 2024
d	Contingent liabilities	These are potential obligations that may arise if certain future conditions are met	To be decided at the point of crystallisation. The HoldCo will seek the approval of NERC on its proposed approach for the allocation of liabilities between the SubCos.

Delineation of Legacy Commitments and Contractual Obligations

Loan and Advances

25. These are short, medium or long-term borrowings from Central Bank of Nigeria ("CBN"), commercial banks, investors etc. Recovery of some of the loans accessed to fund metering and other network infrastructure investments of the DisCos have been factored in the revenue requirements and end user tariffs of the DisCos in line with the terms of the loan agreements.
26. The allocation of the liabilities attributable to such loans and advances shall be based on the historical energy delivered to each state between January -December 2024. The Commission recognises that the repayment and administration of these facilities are governed by contracts executed with the CBN and other financial entities, and thus notes that the mechanism for the transfer of the obligations and sustainment of the 100% repayment of the facilities will be determined by the CBN in due course.

Legacy contracts related to bulk energy purchase

27. Pursuant to the privatisation in 2013, the successor distribution companies (i.e., HoldCo) entered into Vesting Contracts with the Nigerian Bulk Electricity Trading Plc ("NBET"), which in turn executed Power Purchase Agreements ("PPAs") with generation companies/independent power producers ("GenCos/IPPs"). These agreements and contracts are protected by laws of Nigeria and often with clear arbitration procedure that transcends the shores of Nigeria, ensuring that parties

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fulfil their obligations in accordance with the sanctity of contracts. The PPAs are expected to be novated to the DisCos at the exit of NBET and are therefore mandatory for the HoldCos and associated SubCos.

28. This Order upholds the principle that contracts are legally binding and must be honoured, and therefore, all obligations under the existing agreements shall remain in force and shall be assigned to the SubCos in an equitable manner.

Table 3: DisCo offtake Obligation 2025

DisCo	Minimum Offtake Obligation (MWh/h)
Abuja	611
Benin	325
Eko	513
Enugu	310
Ibadan	478
Ikeja	603
Port Harcourt	283
Jos	225
Kaduna	258
Kano	268
Yola	113
Total	3,987

29. The Commission is further guided by the principle that at the completion of the asset transfer, the HoldCo shall not be left with any stranded capacity; for each DisCo, the total off-take of all its constituent SubCos must be greater than or equal to the minimum current off-take obligation of the respective DisCo as contained in Table 3.
30. Consequently, each DisCo shall transfer its entire offtake obligation (Table 3) to its constituent SubCos based on the historical energy delivered to each State between January - December 2024 (equation 1).

Equation 1–

$$\text{Vested energy (SubCo X)} = \frac{\text{Energy delivered to State X (Jan-Dec 2024)}}{\text{Energy delivered to DisCo (Jan-Dec 2024)}} \times \text{DisCo Offtake Obligation}$$

Delineated Assets and Liabilities

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31. For the purposes of determining ownership, the delineation of the assets and liabilities of DisCos was conducted in accordance with the principles specified in paragraphs 19 to 28 of the Order on Delineation of Assets and Liabilities of Distribution Licensees (Order No. NERC/2025/028) dated 28 March 2025.
32. Following the review of BEDC's submission, Tables 4 – 6 below provide a summary of the ratified delineation of the contractual commitments, assets and liabilities respectively between BEDC and its constituent SubCos to facilitate effective engagement/oversight by SERCs/SERBs. Details are provided in the Annexures to this Order.

Table 4: Delineation of Non-Balance Sheet Items

	Total	Delta	Edo	Ekiti	Ondo	HoldCo
Historical Energy - FY 2024 (GWh)	2,569	1,015	1,141	138	275	-
Proportion (%)	100%	39.52%	44.41%	5.35%	10.72%	-
Regulatory Asset Value (RAV)	227	90	101	12	24	-
Proportion (%)	100%	39.52%	44.41%	5.35%	10.72%	-
Vested Energy (MW)	325	128.44	144.34	17.38	34.84	-
Proportion (%)	100%	39.52%	44.41%	5.35%	10.72%	-
Employee Staff Allocation	2,750	872	1,040	219	440	179

Table 5: Asset Delineation

	Total	Delta	Edo	Ekiti	Ondo	Shared
	NBn	NBn	NBn	NBn	NBn	NBn
Physical assets (NGN)	159.09	58.65	63.15	12.11	24.86	0.32
Non-Core Assets	11.91	4.56	2.12	0.05	0.94	4.24
Inventory	1.9	0.75	0.85	0.10	0.20	-
Operational Vehicles	2.54	0.25	0.31	0.04	0.09	1.85
Information and Communication Technology Infrastructure	0.033	0.002	0.009	-	0.002	0.02
Uncommitted Mater Acquisition Fund (MAF)	1.39	0.55	0.62	0.07	0.15	-
Receivables	311	125	120	24	42	-
Common Assets	-	-	-	-	-	-
Total	487.86	189.76	187.06	36.37	68.24	6.43

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Table 6: Liabilities Delineation

	Total	Delta	Edo	Ekiti	Ondo	Shared
	NBn	NBn	NBn	NBn	NBn	NBn
Trade Payables (incl. Market Shortfall)	94.27	37.25	41.87	5.05	10.10	-
Interest Payable (Market Shortfall)	21.40	8.46	9.50	1.15	2.29	-
Payroll Liabilities	0.15	0.04	0.05	0.01	0.02	0.03
Tax Liabilities	80.08	31.64	35.57	4.29	8.58	-
Common Liabilities	0.41	-	-	-	-	0.41
Lease Liabilities	-	-	-	-	-	-
Deferred Income	4.19	1.66	1.86	0.22	0.45	-
Other Payables	5.54	2.19	2.47	0.29	0.59	-
Legacy commitments and contractual obligations- Loans and Advances	37.07	14.65	16.47	1.98	3.97	-
Contingent Liabilities	0.06	-	-	-	-	0.06
Total	243.17	95.89	107.79	12.99	26.00	0.50

THE COMMISSION HEREBY ORDERS as follows –

33. BEDC shall rely on the delineated assets, liabilities and contractual obligations provided in this Final Order to:
- Create an asset and liability register and staff nominal rolls in respect of each SubCo or potential SubCo within its franchise and file with the Commission within one month from the effective date of this Order.
 - File with the respective SERC/SERB the approved asset and liability register and staff nominal rolls within 45 days from the effective date of this Order.
 - File with the Commission relevant Shared Services Agreements for common assets and other operational activities for review and approval within one month from the effective date of this Order.
 - Within three months from the effective date of this Order, liaise with the Market Operator and install trading meters at all the identified inter-state network crosses to facilitate appropriate billing and settlement for energy.

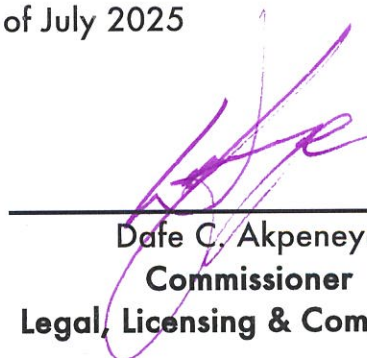
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- E. Provide the Commission and respective SERCs/SERBs the single line diagram for each SubCo or potential SubCo clearly depicting the delineated network assets within 3 months from the effective date of this Order.
- F. Execute within 3 months from the effective date of this Order, a transitional energy sales agreement with constituent SubCos based on the allotted energy offtake capacities pending the fulfilment of the condition precedents for the novation of contracts to SubCos.
- G. Register the Transitional Energy Sales Agreements with the Market Operator for the administration of the contracts.
- H. Implement a ring-fenced operational structure along state boundaries in respect of states that are yet to transition and reflect the results of the delineation exercise through a branch accounting approach to report each state as a separate profit centre. Evidence of implementation of the ring-fenced operations should be filed with NERC within 3 months from the effective date of this Order.
- I. Share the results of the delineation in respect of each SubCo, including the reports/updates on items 33(A) – (G) above, with the respective SERCs/SERBs overseeing each SubCo in already transitioned States.

Dated this 25th day of July 2025



Musiliu O. Oseni
Vice-Chairman



Dafe C. Akpeneye
Commissioner
Legal, Licensing & Compliance



DELINEATION OF ASSETS AND LIABILITIES

LICENSEE:

BEDC ELECTRICITY PLC

DATE:

Thursday, May 15, 2025

Name of Licensee
BEDC ELECTRICITY PLC

Date
2025

CERTIFICATION

The undersigned officers certify that:

In accordance with Order number NERC/2025/028 of the Nigerian Electricity Regulatory Commission, titled ' ORDER ON THE DELINEATION OF ASSETS AND LIABILITIES OF DISTRIBUTION LICENSEES' ("the Order"), we present this report which, to the best of our knowledge, information, and belief: i) contains factual statements that are correct, accurate, and true representations of the company's business affairs; and ii) includes financial information that conforms in all respects to the Order.

Name:

Dr Agama Ewienure

Date Signed
(DD/MM/YEAR)

15/05/2025

Title:

Chief Financial Officer

Name:

Afolabi Opeoluwa A.

Signature:

Date Signed
(DD/MM/YEAR)

5/15/2025

Title:

For: Chief Technical Officer

Name of Licensee
BEDC ELECTRICITY PLC

Date
2025

ASSUMPTIONS (Kindly state any assumptions you made during this exercise)

- 1) The Historical energy consumption period is from January-December 2024
- 2) The information herein is based on management account 2024
- 3) The Cut off date being used for delineation is December 2024

CAVEAT

The information and calculations contained in this document are based on the FY 2024 Management Accounts and Unaudited Financial Statements, as the audited financial statements were not available at the time of this exercise. Upon completion of the audit process and the subsequent release of the audited financial statements, the audited figures will supersede those presented herein.

SUMMARY OF DELINEATION TO SUBCOS

Period	Total	HoldCo	Delta	Edo	Ekiti	Ondo
2024						
NON BALANCE SHEET ITEMS DELINEATION						
Historical Energy Consumption (kwh) (FY 2024)	2,569,464,433.89	-	1,015,347,657.89	1,141,211,720.98	137,554,288.00	275,350,767.02
Proportion (%)	100%	-	39.52%	44.41%	5.35%	10.72%
Regulatory Asset Value (RAV)	227,533,709.92	-	89,912,051.87	101,057,688.62	12,180,840.90	24,383,128.53
Proportion (%)	100%	0.00%	39.52%	44.41%	5.35%	10.72%
Vested Energy (MW)	325.00	0.00	128.43	144.35	17.40	34.83
Proportion (%)	100%	0.00%	39.52%	44.41%	5.35%	10.72%
Employees Staff Allocation	2,750	179	872	1,040	219	440

ASSET DELINEATION

DELINEATION OF ASSETS						
Physical Core assets (NGN)	159,095,789,786.61	324,167,931.48	58,646,838,830.00	63,145,418,727.89	12,119,706,204.59	24,859,658,092.65
Non-Core Assets	11,909,411,608.67	4,235,898,270.57	4,563,382,968.40	2,118,096,597.76	52,789,078.19	939,244,693.75
Inventory	1,912,284,403.30	-	755,656,884.95	849,329,278.94	102,372,664.16	204,925,575.25
Operational Vehicles	2,558,711,052.60	1,852,691,775.14	244,415,367.00	319,362,610.46	42,650,400.00	99,590,900.00
Information and Communication Technology Infrastructure	223,143,791.94	210,615,427.81	1,881,495.00	8,765,374.13	-	1,881,495.00
Uncommitted Meter Acquisition Fund (MAF)	1,396,615,767.93	-	551,885,649.90	620,298,247.00	74,766,743.23	149,665,127.80
Receivables	310,817,066,082.43	-	124,667,947,658.28	119,911,336,367.84	24,446,420,574.92	41,791,361,481.39
Common Assets						

LIABILITIES DELINEATION

DELINEATION OF OUTSTANDING OBLIGATIONS						
Trade Payables (incl. Market Shortfall)	94,266,559,488.74	-	37,250,303,655.35	41,867,908,800.86	5,046,487,237.45	10,101,859,795.08
Interest Payable(Market Shortfall)	21,411,915,648.85	-	8,461,116,689.61	9,509,969,776.13	1,146,270,317.25	2,294,558,865.86
Payroll liabilities	171,182,813.54	32,681,448.62	46,241,300.89	55,524,295.90	12,429,954.22	24,305,813.91
Tax liabilities	80,085,894,769.42	-	31,646,682,713.90	35,569,654,357.04	4,287,336,336.93	8,582,221,361.55
Common liabilities	413,179,087.55	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-
Deferred Income	4,196,375,332.77	-	1,658,236,560.72	1,863,794,124.66	224,649,702.66	449,694,944.73
Other Payables	5,563,442,192.99	-	2,198,445,686.17	2,470,968,407.23	297,834,568.01	596,193,531.58
Legacy commitments and Contractual Obligations						
Loans and Advances	37,077,733,652.27	-	14,651,609,700.09	16,467,845,856.63	1,984,927,748.34	3,973,350,347.21

CONTINGENCIES (Kindly note all contingent assets and liabilities)

Contingent Assets

NIL: THERE ARE NO CONTINGENT ASSETS

Contingent Liabilities

BEDC presented six (6) contingent liabilities with the total sum of NGN63,830,000.00 to be held by the HoldCo pending crystallization

10. Contingent Liabilities 'A1

Inventory summary As at 31st Dec 2024

Particulars	Delta	Edo	Ekiti	Ondo	TOTAL
OPERATING MATERIALS AND SUPPLIES	66,693,569.13	74,961,006.92	9,035,315.49	18,086,539.40	168,776,430.94
STATIONERIES	23,302,998.38	26,191,674.03	3,156,975.18	6,319,508.82	58,971,156.41
ASSETS HELD FOR FUTURE USE - ALL CONCEIVABLE INV.	425,685,054.90	478,453,631.50	57,669,709.67	115,440,958.00	1,077,249,354.07
ASSETS HELD FOR FUTURE USE - CABLES	58,061,622.66	65,259,031.04	7,865,901.99	15,745,653.43	146,932,209.12
ASSETS HELD FOR FUTURE USE - CONDUCTORS	57,587,306.51	64,725,917.92	7,801,643.98	15,617,024.27	145,731,892.68
ASSETS HELD FOR FUTURE USE - INSULATORS	95,691,298.04	107,553,339.10	12,963,784.64	25,950,394.54	242,158,816.32
ASSETS HELD FOR FUTURE USE - WOODEN & CONC. POLES	28,635,035.32	32,184,678.50	3,879,333.22	7,765,496.75	72,464,543.79
Grand Total	755,656,884.94	849,329,279.01	102,372,664.16	204,925,575.21	1,912,284,403.32

S/N	SUBCOs	CONDITION OF VEHICLES			TOTAL	VALUE (NGN)
		FUNCTIONAL	SERVICEABLE	UNSERVICEABLE		
1	DELTA	72	18	0	90	244,415,367.00
2	EDO	83	6	0	89	319,362,610.46
3	EKITI	11	2	0	13	42,650,400.00
4	ONDO	37	26	0	63	99,590,900.00

S/N	HOLDCO	CONDITION OF VEHICLES			TOTAL	VALUE (NGN)
		FUNCTIONAL	SERVICEABLE	UNSERVICEABLE		
1		36	21	47	104	1,852,691,775.14

Grand Total 2,558,711,052.60

Summary Of ICT

S/N	Asset Class	Delta	Edo	Ekiti	Ondo	HoldCo	Total
1	Hardware/Communication Equip	1,881,495.00	8,765,374.13	-	1,881,495.00	37,165,578.81	49,693,942.94
2	ICT Software					173,449,849.00	173,449,849.00
	TOTAL						223,143,791.94



Meter Acquisition Fund (MAF)

Delta	551,885,649.90
Edo	620,298,247.02
Ekiti	74,766,743.23
Ondo	149,665,127.83
Balance as at APRIL 2025	1,396,615,767.98

Receivables

	SUBCOS	Receivable based on Management Acc	Receivable based on Billing Record	Difference (Pre-Take over Balances)	Delineated Receivables
1	DELTA	115,675,444,429.35	124,667,947,658.28	8,992,503,228.93	124,667,947,658.28
2	EDO	106,254,979,186.69	119,911,336,367.84	13,656,357,181.15	119,911,336,367.84
3	EKITI	23,038,414,587.47	24,446,420,574.92	1,408,005,987.45	24,446,420,574.92
4	ONDO	38,845,032,650.93	41,791,361,481.39	2,946,328,830.46	41,791,361,481.39
		283,813,870,854.44	310,817,066,082.43	27,003,195,227.99	310,817,066,082.43

SUMMARY OF TOTAL STAFF ALLOCATION

HoldCo	179
Delta	872
Edo	1040
Ekiti	219
Ondo	440
	2750

Summary Of Assets

S/N	Asset Class	Delta	Edo	Ekiti	Ondo	HoldCo	Total
1	Land	3,783,966,000.00	1,728,429,000.00	26,000,000.00	673,050,000.00	1,652,300,000.00	7,863,745,000.00
2	Building	739,402,307.50	354,110,741.25	22,970,000.00	253,246,904.00	1,507,539,524.50	2,877,269,477.25
3	Distribution SubStation(DSS)	21,358,453,154.31	18,174,194,543.14	3,188,362,389.21	8,134,286,431.99	-	50,855,296,518.65
4	High Tension(HT) Poles	5,212,522,771.69	6,007,511,970.91	319,251,515.25	3,456,669,244.23	-	14,995,955,502.08
5	Low Tension(LT) Poles	4,978,225,418.00	6,194,585,626.55	1,769,174,616.35	2,074,664,652.64	-	15,016,650,313.54
6	High Tension Cables and Conductors	4,916,376,040.85	6,709,243,964.73	252,853,347.13	1,613,918,647.94	-	13,492,392,000.65
7	Low Tension Cables and Conductors	11,750,024,632.55	15,213,955,016.15	4,260,603,529.32	4,969,725,360.11	-	36,194,308,538.13
8	Injection Substation(ISS)	3,690,094,155.38	3,353,991,961.83	1,448,324,748.37	2,805,801,458.53	-	11,298,212,324.11
9	Energy Meters	6,194,589,201.69	6,962,480,041.90	839,212,362.85	1,679,902,321.94	-	15,676,183,928.38
10	Motor Vehicles	244,415,367.00	319,362,610.46	42,650,400.00	99,590,900.00	1,852,691,775.14	2,558,711,052.60
11	Transformers	135,693,837.91	186,232,068.51	15,038,288.23	69,128,845.56	-	406,093,040.21
12	Meters Stores	4,681,374.79	6,424,920.43	518,814.00	2,384,913.27	-	14,010,022.50
13	Furnitures and Fittings	16,782,716.00	16,347,496.00	2,541,520.00	6,062,600.00	681,723,440.02	723,457,772.02
14	Office Equipments	23,231,944.90	19,209,360.51	1,277,558.19	6,885,189.75	394,335,306.05	444,939,359.40
15	Communication equipment	1,881,495.00	8,765,374.13	-	1,881,495.00	37,165,578.81	49,693,942.94
16	Equipment	165,304,388.89	266,313,178.55	20,776,593.88	39,680,844.95	324,167,931.48	816,242,937.75
17	Construction Work in Progress	240,873,853.94	70,485,435.18	5,590,000.00	13,495,371.48	-	330,444,660.60
TOTAL							173,613,606,390.81
Accumulated depreciation							(52,072,079,302.00)
Net Book Value							121,541,527,088.71

Summary Of Physical Core Assets

S/N	Asset Class	Delta	Edo	Ekiti	Ondo	HoldCo	Total
1	DSS	21,358,453,154.31	18,174,194,543.14	3,188,362,389.21	8,134,286,431.99	-	50,855,296,518.65
2	HT Poles	5,212,522,771.69	6,007,511,970.91	319,251,515.25	3,456,669,244.23	-	14,995,955,502.08
3	LT Poles	4,978,225,418.00	6,194,585,626.55	1,769,174,616.35	2,074,664,652.64	-	15,016,650,313.54
4	HT Cables and Conductors	4,916,376,040.85	6,709,243,964.73	252,853,347.13	1,613,918,647.94	-	13,492,392,000.65
5	LT Cables and Conductors	11,750,024,632.55	15,213,955,016.15	4,260,603,529.32	4,969,725,360.11	-	36,194,308,538.13
6	ISS	3,690,094,155.38	3,353,991,961.83	1,448,324,748.37	2,805,801,458.53	-	11,298,212,324.11
7	Energy Meters	6,194,589,201.69	6,962,480,041.90	839,212,362.85	1,679,902,321.94	-	15,676,183,928.38
8	Transformers	135,693,837.91	186,232,068.51	15,038,288.23	69,128,845.56	-	406,093,040.21
9	Meters Stores	4,681,374.79	6,424,920.43	518,814.00	2,384,913.27	-	14,010,022.50
10	Equipment	165,304,388.89	266,313,178.55	20,776,593.88	39,680,844.95	324,167,931.48	816,242,937.75
11	CWIP	240,873,853.94	70,485,435.18	5,590,000.00	13,495,371.48	-	330,444,660.60
TOTAL							159,095,789,786.00

Summary Of Physical non-core Assets

S/N	Asset Class	Delta	Edo	Ekiti	Ondo	HoldCo	Total
1	Land	3,783,966,000.00	1,728,429,000.00	26,000,000.00	673,050,000.00	1,652,300,000.00	7,863,745,000.00
2	Building	739,402,307.50	354,110,741.25	22,970,000.00	253,246,904.00	1,507,539,524.50	2,877,269,477.25
3	Furnitures and Fittings	16,782,716.00	16,347,496.00	2,541,520.00	6,062,600.00	681,723,440.02	723,457,772.02
4	Office Equipments	23,231,944.90	19,209,360.51	1,277,558.19	6,885,189.75	394,335,306.05	444,939,359.40
TOTAL							11,909,411,608.67

Summary of Liabilities along State Lines

	Delta	Edo	Ekiti	Ondo	Hold Co
Descriptions	N	N	N	N	
BAL. PAYABLE TO OTHER RELATED PARTIES	126,212,262.88	141,857,729.82	17,098,614.27	34,227,333.98	
TRADE CREDITOR -ELECTRICITY INDUSTRY OPERATORS	37,250,303,655.35	41,867,908,800.86	5,046,487,237.45	10,101,859,795.08	192,763,973.
OTHER CREDITORS	866,600,456.29	974,025,586.65	117,402,751.48	235,012,213.29	
CUSTOMER DEPOSITS	666,757,380.39	749,409,654.55	90,328,998.17	180,817,038.07	
PAYROLL DEDUCTION/LIABILITIES	46,241,300.89	55,524,295.90	12,429,954.22	24,305,813.91	253,096,563.1
VAT PAYABLE	16,288,755,855.01	18,307,935,176.23	2,206,720,226.95	4,417,325,813.13	
WITHOLDING TAX PAYABLE	32,448,872.26	36,471,284.55	4,396,013.02	8,799,766.07	
ACCURED EXPENSES	80,086,996.05	90,014,703.71	10,849,790.84	21,718,684.85	
ACCURED INTEREST PAYABLE	8,461,116,689.61	9,509,969,776.13	1,146,270,317.25	2,294,558,865.86	
TAXATION PAYABLE	874,908,590.57	983,363,610.08	118,528,296.50	237,265,285.06	
AGGREGATORS	256,856,610.39	288,696,952.33	34,797,665.49	69,656,599.03	
DEFINED BENEFIT OBLIGATION	115,379,390.33	129,681,997.66	15,631,030.18	31,289,581.83	
MISCELLANEOUS CURRENT LIABILITIES	86,552,589.85	97,281,782.51	11,725,717.57	23,472,080.54	
DEFERRED REVENUE	1,658,236,560.72	1,863,794,124.66	224,649,702.66	449,694,944.73	
DEFERRED TAXATION	14,450,569,396.06	16,241,884,286.17	1,957,691,800.47	3,918,830,497.30	
OTHER LONG TERM LIABILITIES	14,651,609,700.09	16,467,845,856.63	1,984,927,748.34	3,973,350,347.21	
Total	95,912,636,306.73	107,805,665,618.44	12,999,935,864.86	26,022,184,659.92	445,860,536.1

Total Market Shortfall				
Delta		28,690,792,456.33	17,020,627,888.63	
Edo		32,247,347,380.04	19,130,531,196.95	
Ekiti		3,886,886,917.83	2,305,870,636.87	
Ondo		7,780,617,454.43	4,615,801,206.51	

Payroll Liabilities

Details	Delta	Edo	Ekiti	Ondo	HoDco	TOTAL
ITF DEDUCTION	16,154,610.94	19,082,074.84	4,394,029.45	8,668,851.77	9,201,225.29	57,500,792.28
NATIONAL HOUSING FUND	921,607.50	1,092,292.56	257,346.36	510,677.51	513,869.34	3,295,793.27
NEPA DISTRICT STAFF MPSC (NEDISCOP)	3,525,739.37	4,905,277.51	577,645.13	615,538.27	4,901,537.28	14,525,737.56
NSITF DEDUCTION	1,324,600.94	1,565,909.88	362,052.14	723,796.43	749,238.65	4,725,598.04
PAYE	11,487,720.99	13,543,069.05	3,228,307.77	6,610,787.39	10,135,526.32	45,005,411.52
PENSION CONTRIBUTION - EMPLOYER	6,894,823.94	8,147,244.29	1,914,385.81	3,803,391.42	3,901,070.63	24,660,916.09
PENSION CONTRIBUTION - STAFF	5,515,859.16	6,517,795.43	1,531,508.65	3,042,713.14	3,120,856.51	19,728,732.87
UNION DUES	416,338.04	665,632.35	144,678.92	310,057.99	158,124.60	1,694,831.91
VOLUNTARY PENSION CONTRIBUTION	-	5,000.00	20,000.00	20,000.00	-	45,000.00
	46,241,300.89	55,524,295.90	12,429,954.22	24,305,813.91	32,681,448.62	171,182,813.54

Tax Liabilities

Details	Outstanding as at 31st Dec 2024	Delta	Edo	Ekiti	Ondo
VAT BILLED	21,840,531,033.02	8,630,488,026.58	9,700,336,645.49	1,169,215,909.81	2,340,490,451.14
VAT OUTPUT	19,380,206,038.30	7,658,267,828.44	8,607,598,530.74	1,037,504,317.14	2,076,835,361.98
WITHOLDING TAX PAYABLE	82,115,935.89	32,448,872.26	36,471,284.55	4,396,013.02	8,799,766.07
EDUCATION TAX	516,477,000.00	204,090,667.84	229,390,062.09	27,649,196.10	55,347,073.97
MINIMUM TAX	1,693,672,317.13	669,270,295.30	752,234,074.28	90,669,435.47	181,498,512.08
PROVISION FOR TAX LIABILITY	3,916,465.08	1,547,627.43	1,739,473.72	209,664.92	419,699.00
DEFERRED TAX LIABILITIES	36,568,975,980.00	14,450,569,396.06	16,241,884,286.17	1,957,691,800.47	3,918,830,497.30
	80,085,894,769.42	31,646,682,713.90	35,569,654,357.04	4,287,336,336.93	8,582,221,361.55

Common Liabilities to be Retained by the HoldCo

Details	N
Other Market Shortfall	192,763,973.15
Payroll Liabilites Retained by HoldCo	
ITF DEDUCTION	9,304,264.01
NATIONAL HOUSING FUND	2,972,856.89
NET SALARY	(62,229,523.19)
NSITF DEDUCTION	50,887,687.78
OTHER PAYROLL DEDUCTIONS	71,195.00
PAYE	47,456,958.33
PAYROLL DED/LIAB - THRIFT AND LOAN SOCIETY	2,974,634.41
PENSION CONTRIBUTION - EMPLOYER	7,643,177.97
PENSION CONTRIBUTION - STAFF	
13TH MONTH ALLOWANCE	71,373,394.91
HOUSING ALLOWANCE	198,844.80
LEAVE ALLOWANCE	84,736,971.49
VACATION ALLOWANCE	1,825,501.13
VOLUNTARY PENSION CONTRIBUTION	3,199,150.88
	220,415,114.40
GRAND TOTAL	413,179,087.55

TOTAL RAV VALUE(MYTO) as at December 2024 227,533,709.93

DELTA	89,912,051.87
EDO	101,057,688.62
EKITI	12,180,840.90
ONDO	24,383,128.53
	227,533,709.93

DETAILED LIST OF CONTINGENT LIABILITIES TO BE RETAINED BY THE HOLDCO PENDING CRYSTALLIZATION.

S/	CASES	LAW FIRM	CASE SUMMARY	JUDGEMENT SUM (N)	STATUS.
1	MOODY MUDIAGA UWUJEYA v. BEDC. CA/AS/57M/2024 Court of Appeal, Asaba.	KINGSLEY OKES IDISI & ASSOCIATES.	The Claimant is by this suit seeking a mandatory order that the defendant pay to the claimant the sum of N1,386,000 at N1000 per day for 1386 days from June 2, 2018 to March 18, 2022 that the claimant was unlawfully disconnected by the defendant amongst other declarative reliefs. Judgment was awarded in favour of the claimant ordering BEDC to reconnect the claimant to an operational/active phase of the distribution network and ensure the said phase is maintained to supply electricity equal to alternative phase in the claimant's vicinity and judgment sum of N1m. We have appealed the said judgment.	1,000,000.00	The case is currently on appeal.
	TROPICAL SPLASH LIMITED vs. BEDC B/732/2022 High Court, Asaba.	SAGITARIAN LAW FIRM	The claimant is claiming for damages of N4, 035, 914, 000. 00 (Four Billion, Thirty Five Million, Nine Hundred and Fourteen Thousand Naira) as special, general and interest of 20% from 13th July, 2022 till date of judgment and further 20% interest till liquidation of the judgment sum. Judgment was awarded against BEDC in the sum of N60,780,000.00 as damages.	60,780,000.00	The decision of the high court is yet to be appealed against.
2	TOPLINE PETROLEUM LIMITED HOD/139/2020 Ondo State High Court.	SAGITARIAN LAW FIRM	The claimant is by this suit seeking the sum of N5m as general damages, N500,000.00 as special damages and the refund of N100,000.00 unlawfully collected from the claimant for on the grounds of assigning and transferring the indebtedness of a former tenant amongst other reliefs. Judgment was awarded against BEDC. We are yet to obtain the Enrollment of Order from the court.		The decision of the high court is yet to be appealed against.
4	AKEGBEJO FEYI vs. BEDC HIK/10/2020 High Court, Ikare.	SAGITARIAN LAW FIRM	The claimant is seeking the sum N5m as damages for the issuance of estimated bills by the defendant despite irregular power supply amongst other reliefs. Judgment was awarded against BEDC in the sum of N1m.	1,000,000.00	The judgment creditor levied execution against BEDC by seizing the company's tricycle.
5	ISAAC FANOKUN vs. BEDC Hod/53/2022 High Court, Ondo State.	P.A AKHATSOKHE.	The Claimant is seeking an Order nullifying the Certificate of Occupancy allegedly procured in the name of the defendant in contravention of the terms of lease and the right of ownership of the claimant family over the land.		The court delivered judgment in favour of the claimant as it held that the claimant's family is entitled to the grant of statutory right of occupancy over the land situate at Agbogboke in Ondo Town. The land is the subject of a 1962 lease Agreement between the claimant's family and the Company. The Company has electricity Sub-stations on portions of the land. The court has also set aside the C of O issued to the BPE on behalf of the Company. The Counsel to the claimant has indicated that the claimant and his family would desire a new lease Agreement if an outright purchase of the land by the Company is not possible.
6	BEDC vs. BOWODE AUGUSTINE CA/AK/294/2019.	P.A AKHATSOKHE & ASSOCIATES.	The claimant sought the sum of N749 ,000.00 being special damages for the claimant's properties destroyed by a power surge caused by the defendant's negligence. The sum of N1m as general damages against the Defendant for the trauma and stress experienced by the Claimant due to this incident. Judgment in the suit was delivered on the 24/6/19 whereof the court ordered that the Claimant is entitled to the judgment sum of N1, 050, 000 against BEDC. The said judgment was appealed to the Court of Appeal. The decision of the trial Court was upheld by the Court of Appeal.	1,050,000.00	Counsel has filed an appeal on behalf of the company at the Supreme Court.
				63,830,000.00	

Legacy Commitmentsts

LOANS	Balance as at Dec 31st 2024	Delta	Edo	Ekiti	Ondo
CBN NESI- NEMSF 1	78,346,905.64	30,959,505.06	34,797,293.10	4,194,240.90	8,395,866.58
CBN NESI- NATIONAL MASS METERING PROGRAM(NMMP)	2,793,889,915.16	1,104,031,464.43	1,240,888,909.09	149,568,732.29	299,400,809.35
CBN NESI-NEMSF 3	13,293,467,240.82	5,253,036,644.58	5,904,211,176.31	711,655,470.78	1,424,563,949.14
CBN NESI-NEMSF 2	20,912,029,590.64	8,263,582,086.01	9,287,948,478.13	1,119,509,304.37	2,240,989,722.13
	37,077,733,652.26	14,651,609,700.09	16,467,845,856.63	1,984,927,748.34	3,973,350,347.21