



ORDER/NERC/2026/033

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF APRIL 2026 SUPPLEMENTARY ORDER TO THE MULTI-YEAR
TARIFF ORDER 2024 FOR EKO ELECTRICITY DISTRIBUTION PLC**

TITLE

1. This regulatory instrument shall be cited as **April 2026 Supplementary Order to the Multi-Year Tariff Order – 2024** (“April 2026 Supplementary Order”) for Eko Electricity Distribution Plc (“EKEDP” or “the HoldCo”).

COMMENCEMENT AND TERMINATION

2. This Order shall take effect from **1st April 2026**, and it shall cease to be effective on the issuance of a new tariff review Order for EKEDP by the Nigerian Electricity Regulatory Commission (“NERC” or the “Commission”).

CONTEXT

3. Historically, the energy traded between HoldCos and NBET is subject to end-users’ tariff subsidy of the FGN, solely determined by NERC as the difference between the HoldCos’ revenue requirements and their allowed recovery from the customers based on subsisting FGN policy directive.
4. Accordingly, and notwithstanding the transfer of regulatory oversight to some states, NERC has the sole responsibility for the determination of the remittance obligations for EKEDP regarding the energy delivered under its vesting arrangement with NBET due to the following facts that –
 - a. The energy being consumed by the state, that has transitioned or yet to be transitioned (“YTTS”) under the EKEDP franchise, are procured through the EKEDP and is still subject to FGN’s subsidy; and
 - b. NERC has the sole responsibility for determining the subsidy obligation to be borne by FGN in line with the FGN’s extant policy directives.

OBJECTIVE

5. The April 2026 Supplementary Order seeks to reflect the recent changes in the pass-through indices outside the control of licensees, including inflation rates, ₦/US\$ exchange rate, available generation capacity and gas price, and to claw back unutilised capital provision for the revision of the EKEDP’s revenue requirements, allowed recovery and remittance obligations.

DETERMINATION OF EEDC'S REVENUE REQUIREMENT, ALLOWED RECOVERY, AND REMITTANCE OBLIGATION

6. Pursuant to the Tariff Review Application by EKEDP on 6 July 2023, NERC approved MYTO-2024 effective from 1st January 2024. The Order, among others:
 - a. Restated EKEDP's Performance Improvement Plan ("PIP") and approved a revised 5-year CAPEX provision to finance planned CAPEX projects. The Order further applied regulatory adjustments to the verified historical investments of EKEDP.
 - b. Approved a reset of the baseline ATC&C loss level to a new target considered to be fair and reasonable given current operating conditions and comparable benchmarks within and outside the Nigerian Electricity Supply Industry ("NESI").
 - c. Revised relevant assumptions for the forecast of revenue requirements, allowed recovery and remittance obligations for the period 2024 - 2027.
7. Pursuant to Section 23 of the MYTO-2024, the Commission has been issuing the monthly Supplementary Orders to MYTO-2024 to reflect changes in the pass-through indices (not within the control of licensees), including inflation rates, ₦/US\$ exchange rate, available generation capacity and gas price for the revision of EKEDP's revenue requirements, allowed recovery and remittance obligations.

BASIS FOR THE REVIEW

8. Minor Review Indices

The underlisted indices with potential impact on electricity rates were considered to revise EKEDP's revenue requirements and associated remittance obligations:

- a. **Exchange Rate:** The Naira/US Dollar exchange rate of ₦1,392.01/US\$1 has been adopted for April 2026; this has been determined by adding a 1% transaction cost to the average foreign exchange rate of ₦1,378.23/US\$1 during the period of 1st - 25th March 2026 as obtained from the website of the Central Bank of Nigeria ("CBN") in line with the MYTO methodology.
- b. **Nigerian Inflation Rate:** The Nigerian inflation rate of 15.06% for February 2026, published by the National Bureau of Statistics ("NBS"), is applied to revise the Nigerian inflation rate projection for 2026.
- c. **US Inflation Rate:** Based on the data published by the United States Bureau of Labour Statistics (<http://www.bls.gov>), the US inflation rate of 2.40% for February 2026 is applied to revise the US Inflation rate projection for 2026.

- d. **Customers Load Allocation:** Considering the periodic reports from EKEDP and pursuant to Section 10(c) of the April 2024 Supplementary Order to MYTO 2024 mandating EKEDP to continuously ensure upward migration of customers from lower Bands to Band A service level, a target of 45% load allocation to Band A and 93% to Bands A–C by EKEDP are adopted.
 - e. **Available Generation Capacity:** Considering the periodic reports from the System Operator and the need for an adequate energy offtake by EKEDP to cater for the revision of the customers' load allocation targets above and ensure quality service, a projection of an average offtake of 437MWh/h by EKEDP is adopted.
 - f. **Wholesale Gas to Power Prices:** The review adopts the underlisted benchmarks established by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (“NMDPRA”) in line with the Petroleum Industry Act (“PIA”) 2021:
 - i. The gas-to-power price of US\$2.18/MMBTU based on the revised benchmark price by NMDPRA in April 2026 in compliance with Section 167 of the PIA.
 - ii. An interim Shrinkage Factor (“SF”) of 3% as established by NMDPRA pending the deployment of a model that will automatically set the SF on the gas network.
 - iii. A wholesale levy of 0.5% on the cost of gas earmarked for the Midstream and Downstream Gas Infrastructure Fund (“MDGIF”) as established by NMDPRA in compliance with Section 52(7) of the PIA.
 - iv. The contracted gas supply and transportation prices outside Domestic Gas Delivery Obligation quantities are based on effective Gas Sale Agreements (“GSAs”) approved by the Commission.
 - v. Benchmark Gas Transportation tariff of US\$1.13/MMBTU based on the revised benchmark price by NMDPRA in January 2026.
 - g. **Transmission Infrastructure Fund:** Pursuant to the NERC Order on PIP for the Transmission Company of Nigeria Plc (“TCN”) and the Nigerian Independent System Operator (“NISO”) 2025, a provision of ₦2.17/kWh of the projected on-grid energy delivered to EKEDP was considered as the contribution towards the build-up of the TIF.
9. **CapEx Adjustment:**
- Pursuant to the provision of Section 7(a) of Regulations on Procedure for Electricity Tariff Review in the NESI, adjustments were made to DisCos’ MYTO CapEx provisions to account for material variances between the actual CapEx utilisation and MYTO CapEx provisions.

10. 2025 Retroactive Review

In line with the established process for the execution of a retroactive review following the availability of the final market data and actual macroeconomic indices estimate for 2025, the approved revenue requirement for EKEDP for 2025 was revised to determine over/under-recovery that is carried forward for final recovery over a period of 9 months (April – December 2026).

11. Summary of Underlying Assumptions and Results

Table 1 below presents the summary of the review indices adopted in this Order.

Table – 1: Key Revenue Requirement Review Indices/Assumptions for EKEDP

Parameter	Unit	Feb 2026	Mar 2026	Apr 2026
Loss Target	%	14.19%	14.19%	14.19%
Nigerian Inflation	%	15.2%	15.10%	15.06%
US Inflation	%	2.7%	2.4%	2.4%
Exchange Rate	₦/\$	1435.5	1368.3	1392.0
Gas Supply and Transportation Cost	\$/MMBTU	3.33	3.33	3.39
Transmission Loss Factor	%	7.00%	7.00%	7.00%
Energy Delivered to DisCo	GWh/Year	4,719	3,829	3,829
Energy Delivered to DisCo	MWh/h	539	437	437
Generation Cost	₦/ kWh	104.5	98.5	100.6
Transmission & Admin Cost and TIF	₦/ kWh	13.6	15.4	15.5
Cost-Reflective Tariff	₦/ kWh	178.1	181.1	187.3
Allowed Tariff	₦/ kWh	125.8	125.8	125.8
Monthly Tariff Shortfall (Subsidy)	₦' Million	17,647	15,133	16,826

12. EKEDP's Remittance Obligation

Pursuant to the Federal Government's commitment to fund the revenue gap arising from the difference between cost-reflective tariffs approved by the Commission and the allowed recovery during the transition to cost-reflective tariffs, EKEDP shall settle its market invoices under the DisCo Remittance Obligation thresholds as provided in Table 2

Table 2: Monthly EKEDP's Remittance Obligation

Head	Sub Head	Feb 2026	Mar 2026	Apr 2026
		Revision	Revision	Revision
		₦' Million	₦' Million	₦' Million
Revenue Required	NEMSF	69	69	69
	Meter Acquisition Fund	400	324	324
	Unadjusted GenCo Invoice	38,496	27,286	27,913
	ZHEPP Invoice	2,590	1,277	1,277
	Bilateral Invoice	0	2,878	2,926
	TCN & Admin Services and TIF	5,367	4,919	4,944
	DisCo	13,179	12,834	13,827
	Total	60,101	49,587	51,279
	Allowed Recovery	42,453	34,453	34,453
	2024 Under/Over Recovery B/F	0	0	-1,110
	Tariff Shortfall (Subsidy)	17,647	15,133	15,716
	NBET Adjusted Invoice to EKEDP	20,849	12,153	12,197
DisCo Remittance Obligation	NEMSF	69	69	69
	Meter Acquisition Fund	400	324	324
	NBET Remittance Obligation	20,849	12,153	12,197
	ZHEPP Remittance Obligation	2,590	1,277	1,277
	Bilateral Remittance	0	2,878	2,926
	MO Remittance Obligation	5,367	4,919	4,944
	DisCo	13,179	12,834	12,717
	Total Distribution	42,453	34,453	34,453
	DisCo Remittance to NBET	100%	100%	100%
	DisCo Remittance to ZHEPP	100%	100%	100%
	DisCo Remittance to MO	100%	100%	100%

13. The waterfall of market revenues during the transitional period shall be in line with the following:

- a. NBET shall issue energy invoices to EKEDP net of the applicable tariff shortfall approved by the Commission, while MO shall issue the full transmission and Admin invoices, and contribution to TIF to EKEDP at the applicable tariff.
- b. EKEDP shall make full settlement (100%) of the market invoices issued by MO (including Zungeru Power Plant) and NBET as provided in Table 2.
- c. FGN intervention from budgetary appropriation and other sources for funding tariff shortfall shall be applied by NBET to ensure 100% settlement of market invoices as issued by generating companies ("GenCos").

- d. EKEDP shall be liable to relevant penalties/sanctions for failure to meet the payment obligation in any payment cycle under the terms of its respective contracts with bilateral counterparties, including NBET and MO.
- e. EKEDP shall maintain adequate payment securitisation for energy offtake in line with the earlier directive of the Commission and relevant bilateral contracts.
- f. EKEDP shall settle its market invoices under the DisCo Remittance Obligation thresholds as provided in Table 2. All settlements are subject to regulatory net-offs as may be issued from time to time by the Commission.

14. Procurement of Embedded Generation

EKEDP is obligated by this Order to procure a minimum of 51MW capacity of embedded generation, being 10% of its 2024 load allocation, to improve the reliability of supply, sustain delivery of a minimum service level under the SBT and prevent volumetric risks of on-grid supply. A minimum of 26MW (i.e., 50%) of the embedded generation capacity must be sourced from renewable energy sources. The required capacity may be procured in bulk or distributed capacities across EKEDP's Franchise area.

Approved End-User Tariffs for the Yet to be Transitioned States ("YTTS") under EKEDP, Effective from 1st April 2026

- 15. The EA requires the Commission to continue to provide regulatory oversight over YTTS and/or states without a regulatory institution as provided in section 63(7) of the EA which states 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 Commission shall retain regulatory powers over mini-grids, IEDN/IEDNOs and IETN/IETNOs in any State of the Federation where such a State –*
 - i. *Has no legal and institutional framework in place for the regulation of mini-grids, IEDNs, IETNs or related electricity services; or*
 - ii. *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.*
- 16. Accordingly, the Commission is mandated to issue the end-user tariff for customers in the YTSS under the EKEDP franchise areas – Ogun state.
- 17. Pursuant to Section 116 of the EA and extant regulations, the Commission has considered and approved for the YTTS under EKEDP the tariffs in Table 2

below, effective 1st April 2026. The approved tariffs shall remain in force subject to monthly adjustments of pass-through indices, including inflation rates, NGN/US\$ exchange rates and gas-to-power prices.

18. In line with the policy direction of the FGN on electricity subsidy, the allowed tariffs for Band (A) and Bands (B-E) customer categories in the YTTS under EKEDP shall remain frozen at the rates payable since July 2024 and December 2022, respectively, subject to further policy direction by the Government.

Table - 3: Approved Allowed Tariffs (₦/kWh) for EKEDP

Tariff Class	Apr 2024	May - Jun 2024	Jul 2024 - Apr 2026
Lifeline	4.00	4.00	4.00
A - Non-MD	225.00	206.80	209.50
A - MD1	225.00	206.80	209.50
A - MD2	225.00	206.80	209.50
B - Non-MD	61.00	61.00	61.00
B - MD1	64.07	64.07	64.07
B - MD2	64.07	64.07	64.07
C - Non-MD	48.53	48.53	48.53
C - MD1	52.05	52.05	52.05
C - MD2	52.05	52.05	52.05
D - Non-MD	32.48	32.48	32.48
D - MD1	43.27	43.27	43.27
D - MD2	43.27	43.27	43.27
E - Non-MD	32.44	32.44	32.44
E - MD1	43.27	43.27	43.27
E - MD2	43.27	43.27	43.27

19. Service Delivery Commitments

EKEDP shall be held accountable for service delivery in accordance with the commitments made under its Service-Based Tariff proposals. These SBT proposals aim to align end-user tariffs with the service level enjoyed by customer clusters, as measured by the average number of hours of supply per day over one month. Details of the service level commitments made by EKEDP to customers in various tariff Bands for April 2026 are shown in Appendices.

20. Monitoring and Evaluation of Compliance with Service Level Commitment

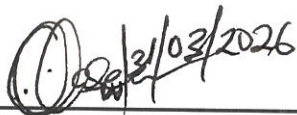
- a. The Commission shall continue to leverage technology to directly obtain data on the hours of supply on each Band A feeder from the head-end system of EKEDP for near real-time monitoring of service.

- b. EKEDP shall maintain a rapid response team to ensure effective service delivery on the committed minimum hours of supply to each service Band, commencing with Band A feeders. The team shall continue to ensure timely response to customers' complaints, fault clearing and alignment with TCN regional teams for effective load management and optimised dispatch to respective feeders. EKEDP shall maintain the dedicated email and contact numbers of the service rapid response team for each customer cluster/business unit on its website and continue to circulate the same to the customers vide bulk SMS and social media handles.
- c. EKEDP is obligated to publish daily on its website a rolling 7-day average daily hours of supply on each Band A feeder no later than 10:00 am of the next day.
- d. Where EKEDP fails to deliver on the committed level of service on a Band A feeder for consecutive two days, EKEDP shall, on the next day by 10.00 am, publish on its website an explanation of the reasons for the failure and update the affected customers on the timeline for restoration of service to the committed service level.
- e. Where EKEDP fails to meet the committed service level to a Band A feeder for seven (7) consecutive days, the feeder shall be automatically downgraded to the recorded level of supply pursuant to the provisions of Section 6 of Order No. NERC/334/2022 - "Order on Migration of Customers and Compensation for Service Failure under Service-Based Tariff Framework".
- f. EKEDP is mandated to continuously ensure upward migration of customers from the lower service Bands to Band A service level in line with the target on improvement in quality of service as provided in the Order on Key Performance Indicators for EKEDP issued from time to time by the Commission.

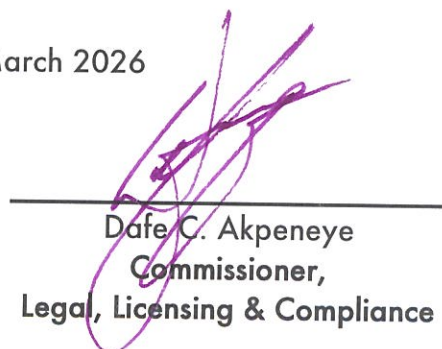
21. Effective Date

This Supplementary Order shall be effective from 1st April 2026.

Dated this 31st day of March 2026



Musiliu O. Oseni
Chairman



Dafe C. Akpeneye
Commissioner,
Legal, Licensing & Compliance

Appendix – 1: EKEDP’s Customer Classifications

Service Bands	New Tariff Class	Description
Lifeline	R1	Life-Line customers with energy consumption of not more than 50kWh/month
A (Minimum of 20hrs/day)	A - Non-MD	Customers with single or three-phase connections located within Band-A Service Level Feeders
	A - MD 1	Customers with LV Maximum Demand connection located within Band-A Service Level Feeders
	A - MD 2	Customers with MV/HV Maximum Demand (11/33kV) connection located within Band - A Service Level Feeders
	A - Special	Customers under a special supply agreement
B (Minimum of 16hrs/day)	B - Non-MD	Customers with single or three-phase connections located within Band-B Service Level Feeders
	B - MD 1	Customers with LV Maximum Demand connection located within Band-B Service Level Feeders
	B - MD 2	Customers with MV/HV Maximum Demand (11/33kV) connection located within Band - B Service Level Feeders
C (Minimum of 12hrs/day)	C - Non-MD	Customers with single or three-phase connections located within Band-C Service Level Feeders
	C - MD 1	Customers with LV Maximum Demand connection located within Band-C Service Level Feeders
	C - MD 2	Customers with MV/HV Maximum Demand (11/33kV) connection located within Band - C Service Level Feeders
D (Minimum of 8hrs/day)	D - Non-MD	Customers with single or three-phase connections located within Band-D Service Level Feeders
	D - MD 1	Customers with LV Maximum Demand connection located within Band-D Service Level Feeders
	D - MD 2	Customers with MV/HV Maximum Demand (11/33kV) connection located within Band - D Service Level Feeders
E (Minimum of 4hrs/day)	E - Non-MD	Customers with single or three-phase connections located within Band-E Service Level Feeders
	E - MD 1	Customers with LV Maximum Demand connection located within Band-E Service Level Feeders
	E - MD 2	Customers with MV/HV Maximum Demand (11/33kV) connection located within Band-E Service Level Feeders

Appendix 2: EKEDP's Service Level Commitment for April 2026

S/N	FEEDERS	BAND	LOCATION	POPULAR AREAS	MINIMUM HOURS OF SERVICE
1	AGBARA TS_AGBARA LOCAL T6	A	AGBARA	AGBARA - ATAN ROAD AGBARA - ATAN ROAD AGBARA - ATAN ROAD	20
2	AGBARA TS_AGBARA LOCAL T4_AGBARA LOCAL_EVANS	B	AGBARA	AGBARA ROAD AGBARA ROAD AGBARA ROAD	16
3	AGBARA TS_AGBARA LOCAL T5_AGBARA LOCAL_OPIC	B	AGBARA	AGBARA / ESTATE ROAD OPIC ESTATE PETEDO	16
4	AGBARA TS_AGBARA LOCAL T6_AGBARA LOCAL_AJEAST	B	AGBARA	AGBARA ATAN ROAD, AGBARA ATAN ROAD, AGBARA ATAN ROAD	16
5	AGBARA TS_AGBARA LOCAL T5_AGBARA LOCAL_IJURI	D	AGBARA	AGBARA ROAD/ OPIC ESTATE ROAD IDANYIN ROAD MEDINA ROAD	8
6	AGBARA TS_AGBARA LOCAL T6_AGBARA LOCAL_LEVER BROTHERS	D	AGBARA	AGBARA ROAD AGBARA ROAD AGBARA ROAD	8
7	AGBARA TS_AGBARA LOCAL T5	E	AGBARA	AGBARA - ATAN ROAD AGBARA - ATAN ROAD AGBARA - ATAN ROAD	4