



ORDER/NERC/2026/032

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION  
IN THE MATTER OF APRIL 2026 SUPPLEMENTARY ORDER TO THE MULTI-YEAR  
TARIFF ORDER 2024 FOR IKEJA ELECTRIC 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 Ikeja Electric Plc (“IE”).

**COMMENCEMENT AND TERMINATION**

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

**CONTEXT**

3. Pursuant to the Tariff Review Application by IE, the Commission approved MYTO-2024 effective from **1<sup>st</sup> January 2024**. The Order, among others:
  - a. Restated IE’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 IE.
  - 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 and applicable tariffs for the period **2024 – 2027**.

**OBJECTIVE**

4. 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 for the revision of the IE’s revenue requirement, Cost-Reflective Tariffs (“CRT”), allowed recovery and remittance obligations.

## BASIS FOR THE REVIEW

### 5. Minor Review Indices

The underlisted indices with potential impact on electricity rates were considered to revise IE'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 during the period of 1<sup>st</sup> - 25<sup>th</sup> 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 IE and pursuant to Section 10(c) of the April 2024 Supplementary Order to MYTO 2024 mandating IE 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 88% to Bands A-C by IE are adopted.
- e. **Available Generation Capacity:** Considering the periodic reports from the System Operator and the need for an adequate energy offtake by IE to cater for the revision of the customers load allocation targets above and ensure quality service, a projection of an average offtake of 514MWh/h by IE 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 IE was considered as the contribution towards the build-up of the TIF.

**6. 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.

**7. 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 IE for 2025 was revised to determine over/under-recovery of revenue that is carried forward for final recovery over a period of 9 months (April – December 2026).

**8. 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 IE**

Parameter	Unit	Feb 2026	Mar 2026	Apr 2026
Loss Target	%	13.54%	13.54%	13.54%
Nigerian Inflation	%	15.2%	15.10%	15.06%
US Inflation	%	2.7%	2.4%	2.4%
Exchange Rate	₦/\$	1,435.5	1,368.3	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	5,546	4,501	4,501
Energy Delivered to DisCo	MWh/h	633	514	514
Generation Cost	₦/kWh	104.5	98.5	100.6
Transmission & Admin Cost and TIF	₦/kWh	13.6	15.4	15.4
Cost-Reflective Tariff	₦/kWh	175.1	177	182.5
Allowed Tariff	₦/kWh	122.3	122.3	122.3
Monthly Tariff Shortfall (Subsidy)	₦' Million	21,086	17,952	19,504

**9. Approved End-User Tariffs Effective from 1<sup>st</sup> April 2026**

Pursuant to Section 116 of the EA and extant regulations, the Commission has considered and approved for IE 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.

In line with the policy direction of the FGN on electricity subsidy, the allowed tariffs for Band (A) and Bands (B–E) customer categories under IE 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 IE**

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
A – MD2 Special	225.00	206.80	209.50
B – Non-MD	62.48	62.48	62.48
B – MD1	63.17	63.17	63.17
B – MD2	69.75	69.75	69.75
C – Non-MD	45.80	45.80	45.80
C – MD1	50.03	50.03	50.03
C – MD2	53.41	53.41	53.41
D – Non-MD	31.24	31.24	31.24
D – MD1	45.29	45.29	45.29
D - MD2	45.29	45.29	45.29
E – Non-MD	31.24	31.24	31.24
E – MD1	45.29	45.29	45.29
E – MD2	45.29	45.29	45.29

#### 10. Service Delivery Commitments

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

#### 11. 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 IE for near real-time monitoring of service.
- b. IE 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. IE 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. IE 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 IE fails to deliver on the committed level of service on a Band A feeder for consecutive two days, IE 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 IE 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. IE 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 IE issued from time to time by the Commission.

## 12. Service Band Performance, Migration/Downgrade and Compensation

Pursuant to the provisions of the Order on Migration of Customers and Compensation for Service Failure under the Service-Based Tariff Framework and the Revised Directive to Electricity Distribution Companies on Band A Feeder Performance Monitoring, Upgrade and Downgrade, the Commission, based on the feeder performance report for 1<sup>st</sup> - 21<sup>st</sup> of March 2026, hereby orders as follows:

- a. IE shall make appropriate compensation to the affected customers in Band A feeders listed in Appendix 2 for failure to deliver up to 20 hours of average supply but more than 18 hours of average supply in line with the provisions of the Order on Migration, while the feeders shall remain as Band A.

## 13. Procurement of Embedded Generation

IE is obligated by this Order to procure a minimum of 60MW 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 30MW (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 IE's Franchise area.

#### 14. IE'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, IE shall settle its market invoices under the DisCo Remittance Obligation thresholds as provided in Table 3.

**Table 2: Monthly IE's Remittance Obligation**

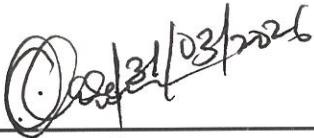
Head	Sub Head	Feb 2026	Mar 2026	Apr 2026
		Revision	Revision	Revision
		₹'Million	₹'Million	₹'Million
Revenue Required	NEMSF	93	93	93
	Meter Acquisition Fund	474	384	384
	Unadjusted GenCo Invoice	44,780	35,224	36,017
	ZHEPP Invoice	3,514	1,733	1,733
	Bilateral Invoice			
	TCN & Admin Services and TIF	6,298	5,772	5,795
	DisCo	14,815	14,421	15,157
	Total	69,975	57,627	59,180
	Allowed Recovery	48,888	39,675	39,675
	2024 Under/Over Recovery B/F	0	0	-579
	Tariff Shortfall (Subsidy)	21,086	17,952	18,925
	NBET Adjusted Invoice to IE	23,694	17,273	17,092
DisCo Remittance Obligation	NEMSF	93	93	93
	Meter Acquisition Fund	474	384	384
	NBET Remittance Obligation	23,694	17,273	17,092
	ZHEPP Remittance Obligation	3,514	1,733	1,733
	Bilateral Remittance	0	0	0
	MO Remittance Obligation	6,298	5,772	5,795
	DisCo	14,815	14,421	14,578
	Total Distribution	48,888	39,675	39,675
	DisCo Remittance to NBET	100%	100%	100%
	DisCo Remittance to ZHEPP	100%	100%	100%
	DisCo Remittance to MO	100%	100%	100%

- a. IE shall make appropriate compensation to the affected customers in Band A feeders listed in Appendix 2 for failure to deliver up to 20 hours of average supply but more than 18 hours of average supply in line with the provisions of the Order on Migration, while the feeders shall remain as Band A.

**22. Effective Date**

This Supplementary Order shall be effective from 1<sup>st</sup> April 2026.

Dated this 31<sup>st</sup> day of March 2026



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Musiliu O. Oseni  
Chairman



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Dafe C. Akpeneye  
Commissioner,  
Legal, Licensing & Compliance

### Appendix – 1: IE’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 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: Feeders for Compensation of Customers Only Due to Failure of Service

S/N	FEEDER NAME	DESCRIPTION OF FEEDER LOCATION	NAME OF MAJOR STREETS SERVED BY THE FEEDER	MAR 1ST-21ST AVAILABILITY	COMMENT
1	33-Oke-AroTCN-YIDI	ABULE EGBA	ADIYAN WATER WORKS	19.81	COMPENSATE CUSTOMER
2	33-OworonshokiTCN-ALAPERE	SHOMOLU	ALAPERE, OWORONSHOKI EXPRESS WAY	AFFECTED BY LOW GENERATION	COMPENSATE CUSTOMER

## Appendix 3: IE's Service Level Commitment for April 2026

S/N	FEEDER NAME	BAND	DESCRIPTION OF FEEDER LOCATION	NAME OF MAJOR STREETS SERVED BY THE FEEDER	MIN. SUPPLY DURATION (HRS)
1	11-AYETOROINJ-T1-LAFENWA	A	AKOWONJO	UNITY STREET	20
2	11-IJUINJ-T1-AJUWON	A	ABULE EGBA	AJUWON ROAD, BAALE AKINOSI	20
3	11-IJUINJ-T1-GALILEE	A	ABULE EGBA	OLOWOLAJUOGBON , POPOOLA, BEHIND ELLIOT AND PART OF OBAWOLE	20
4	11-IJUINJ-T2-WATER WORKS	A	ABULE EGBA	WATER WORKS COMPOUND IJU	20
5	33-OGBATCN-IJU WATER WORKS	A	ABULE EGBA	IFAKO GENERAL HOSPITAL	20
6	33-OKE-AROTCN-LAMBE	A	ABULE EGBA	LAMBE	20
7	33-OKE-AROTCN-NEW IJU W/WORKS	A	ABULE EGBA	SEGUN OSHOBA ROAD	20
8	33-OKE-AROTCN-YIDI	A	ABULE EGBA	ADIYAN WATER WORKS	20
9	33-OTATCN-AMJE	A	ABULE EGBA	OSANYINTOLA, AMJE ADURA FIELD	20
10	11-AGEGEINJ-T1-OKO OBA	B	ABULE EGBA	WILLAIMS ELLIOT, PUPOSOLA	16
11	11-AYETOROINJ-T1-ITELE	B	AKOWONJO	AYETORO ITELE ROAD, FENCE BUS STOP, AJIBOYE	16
12	11-IJUINJ-T2-AGBADO 1	B	ABULE EGBA	KOSHEMANI, ISALE ORO, ODUNMBAKU, CAPTAIN GODO	16
13	11-IJUINJ-T1-GRAILAND	B	ABULE EGBA	GRAILAND EST, ABULEEKUN, ABULE OSHO	16
14	33-ODOGUNYANTCN-AGBEDE	B	IKORODU	IGBO OLOMU, ITA OLUWO, AGBEDE, BREAKTHROUGH, OPELOYERU, OLOROGBO, ODUGBOSE, OMOLAIYE	16
15	33-ODOGUNYANTCN-FAKALE MAYA	B	IKORODU	ADAMO, ALEKE, FAKALE, OKE ONIBURUKUTU, ODOKEKERE, FADEGBUWA, AKAUN, ITAPARA, IGODE, EYINOGBE, LAIDI, OKEGBODO, IPINYEWA, IDAFA, ILUOLOYE, MOPELIFA, EMUREN, LAIYODE	16
16	33-OKE-AROTCN-AKUTE	B	SHOMOLU	RIVER VIEW ESTATE, SPARK LIGHT ESTATE, AREPO, WAWA, FORTHRIGHT ESTATE	16
17	11-ABULE IROKONJ-T1-ABULE IROKO	C	ABULE EGBA	ABULEIROKO, HOME SCIENCE, ARIJE, CAMPBEL	12
18	11-ABULE IROKONJ-T1-ALAKUKO	C	ABULE EGBA	BAALE ANIMASHAUN, ALAKUKO, AKINDE	12
19	11-ABULE IROKONJ-T1-BOOKS	C	ABULE EGBA	ORIIA, MANACOLA ESTATE	12
20	11-AKUTEINJ-T1-ISHASHI	C	ABULE EGBA	ISHASHI ROAD, OLUFEMI OBASA, FASHAKIN	12
21	11-AKUTEINJ-T1-MAJENTE	C	ABULE EGBA	HERITAGE EST, ALHAJA ZAINAB, MAJENTE	12
22	11-AKUTEINJ-T1-OYEYEMI	C	ABULE EGBA	UNITY, ORUBA, AJUWON-AKUTE ROAD	12
23	11-AMIKANLEINJ-T1-IGE	C	AKOWONJO	EJIGUN ROAD, IKOLA ROAD	12
24	11-IJAIYE OJOKORONJ-T1-AGBADO 2	C	ABULE EGBA	TEN-KOBO, MILLENIUM ESTE, GBEMINIYI	12
25	11-IJUINJ-T1-ASORE	C	ABULE EGBA	OSHIN, OKUWOSA, ADUBA ESTATE	12

S/N	FEEDER NAME	BAND	DESCRIPTION OF FEEDER LOCATION	NAME OF MAJOR STREETS SERVED BY THE FEEDER	MIN. SUPPLY DURATION (HRS)
26	11-IJUNJ-T2-ISHAGA	C	ABULE EGBA	ALIYU, ISHAGA MARKET, AKANDE, AGBADO ROAD	12
27	11-LAMBEINJ-T1-JOLASCO	C	ABULE EGBA	ADENIYI AYENI, KOLEOSHO, JOLASCO ROAD	12
28	11-LAMBEINJ-T1-MATOGUN	C	ABULE EGBA	PETESI, CUSTOM ROAD, CANNA ROAD	12
29	11-LAMBEINJ-T1-OLAMBE	C	ABULE EGBA	OSHERE, MATOGUN ROAD, LAMBE ROAD	12
30	11-OPE ILUINJ-T1-ABORO	C	ABULE EGBA	PASTOR AINA, OLAOLUWA, BOLAJI SHONDE	12
31	11-OPE ILUINJ-T1-ADIYAN	C	ABULE EGBA	PETER RD, OLUASO, OLAOGUN, OLUWO	12
32	11-OWUTUINJ-T2-ASOLO	C	IKORODU	JUBRIL SHITTU, OTUKOYA, OTITOLOJU, OKIKI	12
33	11-YIDIINJ-T1-OSOBA	C	ABULE EGBA	ENILOLOBO, ALAYAKI, OLUASO, MURIABIOLA	12
34	11-YUSUFINJ-T2-AKERA	C	ABULE EGBA	TEBUNFAGBEMI, JOLAOSHO, ODUOLA SHITU	12
35	33-IKORODUTCN-AGBOWA	D	IKORODU	ITOKIN ROAD, AGBOWA, IMOTA, OKE OSH O, ADO OTA, POKA EPE, EREDO, MOSAFEJO, AYANDELU, KETU EPE, ODOGBAWOJO, AJEBO, ITUNMOJA, IGBODU, IGBOYE, IBOWON, ODO EGIRI, IRANGUNSHI, ODOGBONLE, LEJINA, ISIU, IMOKUN, OKE POPO, IKOSI EJINRIN, TEMU VILLAGE, EREDO,	8
36	11-ODOGUNYANINJ-T2-ITA OLUWO	D	IKORODU	ITA-OLUWO, LIBERTY, LADUGBA, OWUSI, AKEBIORO, LOGUNLOGUN, GLORIOUS LAND, OPELOYERU	8
37	11-OPE ILUINJ-T1-IJOKO	D	ABULE EGBA	IJOKO ROAD, ROBIYAN, IBARAGUN	8
38	11-OWUTUINJ-T2-ISAWO	D	IKORODU	COMMUNITY, YEWA, OLORUNSOGO, DAYO OLUYEMI	8
39	11-YIDIINJ-T1-OPEILU	D	ABULE EGBA	MUTA, GASLINE, ORUDU, DIAMOND ESTATE	8
40	11-ODOGUNYANINJ-T2-ODOKEKERE	E	IKORODU	OLD IKORODU SHAGAMU ROAD, NAZARETH ROAD, AGODO ALARA COMMUNITY, EZE STREET, UNITY ROAD, POWERLINE ROAD, 2ND SAWMILL WOOD MARKET ODOKEKERE, IREKARI IGBOSORO COMMUNITY, FOKANBALE COMMUNITY, COMFORT CDA.	4