

ORDER No. NERC/209/2020

# BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION IN THE MATTER OF THE 14 - DAY SUSPENSION OF THE EXTRA ORDINARY REVIEW OF MULTI YEAR TARIFF ORDER 2020 FOR SUCCESSOR ELECTRICITY DISTRIBUTION LICENSEES

#### TITLE

1. This regulatory instrument may be cited as NERC Order on Suspension of the MULTI YEAR TARIFF ORDER (MYTO) 2020 for the Electricity Distribution Licensees.

#### COMMENCEMENT AND TERMINATION

2. This Order shall take effect from 28<sup>th</sup> September 2020 and shall cease to have effect on the 11<sup>th</sup> October 2020.

### CONTEXT

- 3. The Commission, pursuant to sections 32 and 76 of the Electric Power Sector Reform Act ("EPSRA"), issued the Multi-Year Tariff Order 2020 for the 11 successor electricity distribution companies ("DisCos") with effect from 1<sup>st</sup> September 2020. One of the primary objectives of the MYTO 2020 Order is ensuring that rates charged by DisCos are fair to customers and are sufficient to allow DisCos that operate efficiently to recover the full cost of their activities, including a reasonable return on the capital invested in the business.
- 4. Following a joint communique issued by the Federal Government of Nigeria ("FGN") and the labour unions, the FGN agreed that the recent review in electricity tariffs would be suspended by the Commission for a period of 14days to further consultations and finalisation of negotiations between the parties.
- 5. Section 33 of EPSRA provides that "the Minister may issue general policy directions to the Commission on matters concerning electricity, including directions on overall system planning and coordination, which the Commission

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shall take into consideration in discharging its functions under section 32(2), provided that such directions are not on conflict with this Act or the Constitution of the Federal Republic of Nigeria".

- 6. The Secretary to the Government of the Federation, Minister of Power and other Ministers were part of the FGN team that issued the communique which the Commission duly accepts as a general policy direction in accordance with section 33 of EPSRA.
- 7. The Commission hereby suspends for a period of 14-days, with effect from 28 September 2020 to 11 October 2020, the MULTI YEAR TARIFF ORDER 2020 that was issued to the following DisCos –
  - a. Abuja Electricity Distribution Company Plc
  - b. Benin Electricity Distribution Company Plc
  - c. Enugu Electricity Distribution Company Plc
  - d. Ibadan Electricity Distribution Company Plc
  - e. Jos Electricity Distribution Company Plc
  - f. Kaduna Electricity Distribution Company Plc
  - g. Kano Electricity Distribution Company Plc
  - h. Eko Electricity Distribution Company Plc
  - i. Ikeja Electric Plc
  - i. Port Harcourt Electricity Distribution Company Plc
  - k. Yola Electricity Distribution Company Plc
- All tariffs for end-use customers and market obligations of the DisCos during the 14-day suspension shall be computed on the basis of rates applicable as at 31<sup>st</sup> August 2020.
- 9. Effective Dates

## This Order shall be effective from 28<sup>th</sup> September 2020

Dated this 28<sup>th</sup> day of September 2020

James A. Momoh Chairman

Dafe C. Akpeneye Commissioner Legal, Licensing & Compliance

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