

Communique

Issued at the end of the 15th monthly meeting of the Honourable Minister of Power, Works and Housing with operators of the Power Sector, held on Monday, May 08, 2017 at NIPP Injection Substation, Lamingo, Jos.

1. Introduction

The Honourable Minister of Power, Works and Housing, Babatunde Raji Fashola (SAN) chaired the fifteenth monthly meeting of operators in the electricity industry. The meeting was hosted by Jos Electricity Distribution Plc at NIPP Injection Substation, Lamingo, Jos. The Governor of Plateau State, Honourable Barrister Simon Lalong was also present, as well as the Chairman of Jos Electricity Distribution Plc, Alh. Yayale Ahmed.

The meeting focused on identifying, discussing, and finding practical solutions to critical issues facing the Nigerian Electricity Supply Industry.

The operators were fully represented at the highest executive management levels, including Commissioners of the Nigerian Electricity Regulatory Commission (NERC), Managing Directors and CEOs of Generating Companies (GenCos), Distribution Companies (DisCos), and the Transmission Company of Nigeria (TCN), Gas Companies (GasCos) and other government agencies such as the Niger Delta Power Holding Company (NDPHC), the Nigerian Bulk Electricity Trader (NBET), Nigerian Electricity Liability Management Company (NELMCO) and Nigerian Electricity Management Services Agency (NEMSA) responsible for the regulation and development of the electricity industry. Nigerian National Petroleum Company (NNPC) and the Central Bank of Nigeria (CBN) were also represented.

2. The meeting reiterated its purpose, and in addition deliberated and agreed as follows:

- I. Providing an opportunity to inspect electricity assets, This has been considerably achieved;
- II. Providing a monthly forum for power sector decision makers to take critical decisions in unison to move the sector forward;

- III. Providing correct sector information to the public which has not been achieved, due to inaccurate information disseminated by the Association of Nigerian Electricity Distributors (ANED). ANED was said to have made incorrect statements regarding the plan to escrow accounts, which Distribution Companies themselves had agreed to as a condition before accessing low priced loans from the Federal Government of Nigeria. By failing to mention the fact that the conditions of these loans are not mandatory, but are terms of the credit facility, information advertised by ANED were stated to be misleading.
 - IV. Additionally, the lack of corporate governance displayed by DisCos, evidenced by failing to provide audited accounts, improved services and urgent response to customer complaints, meters and network investment have shown inconsistencies in DisCo statements. The Federal Government had expended income to verify any claims accurately made against them, to the knowledge of the DisCos.
 - V. The meeting noted that the failure of DisCos to remit payment as owed to NBET led to the approval by the Federal Government of Nigeria of ₦701 billion Payment Assurance Guarantee to Generating Companies, to fill the payment gap.
3. The electrical accident which occurred on 20th April 2017 in Calabar, Cross River State was regrettably announced and acknowledged with a moment of silence. The meeting reiterated the need to prioritize safety regulations and emphasized the need for the support of the sector regulators.

For the information of the public, applicable regulations for setback were announced as follows to avoid unnecessary electrical accidents:

- I. 330kV lines require a total of 50 metres set back (25 m on each side)
- II. 132kV lines require a total 30 metres (15 m on each side)
- III. 33kV lines require a total 3.5 metres set back
- IV. 11kV lines require a total 3 metres set back
- V. 41kV lines require 1.5 metres set back
- VI. Underground cables are to be buried at least 3 metres below the ground surface.

4. The meeting agreed that buildings and structures built beneath 'high tension' power lines be disconnected from power supply systems as already issued by NEMSA to DisCos for reasons of safety. The meeting enjoined the public to halt the practice of illegally constructing structures beneath and illegally connecting to power lines, as this practice increases the risk of electrical accidents. Prioritisation of investment in education and communication on electrical safety measures through the creation of a task force within the sector, with a plan to work with state governors to reduce accidents were encouraged as a course of action.
5. The Governor of Plateau state acknowledged the importance of the Federal Government projects in the state, particularly the 132kV line from Makeri to Pankshin and the potential to boost tourism, agriculture and power to rural communities, as well as various rural electrification projects being undertaken by the Rural Electrification Agency. He highlighted the work being done in various areas of Plateau State to supply power using solar, wind and other renewable resources as complimentary to the Federal Government's projects.
6. NBET reported on international customer payments, stating NIGELEC (Republic of Niger) and CEB (Republic of Benin) had made payments for power of \$159,773, 116.61 (with a combined balance still outstanding of \$92,315,986.20). The payments have been duly remitted to the Generating Companies and Service Providers who had provided the generation and transmission services.
7. Niger Delta Power Holding Company (NDPHC) announced the completion of host community connection projects in Magboro, which is currently undergoing testing by Ibadan Electricity Distribution Company. NDPHC also reported progress on community connections in Egbema, Okija, Oronta, Ihiala, and Nnewi which are still work in progress.
8. Nigerian Electrical Regulatory Company (NERC) announced its intention to reduce the number of days required to access electricity connections in new building from an estimated 198 to 30 days through a regulatory order to be released shortly.

9. JED Plc reported on complaints on fast reading meters in Rantya and Mazaram Top Rayfield which were forwarded to the Honourable Minister and agreed to resolve these issues to the satisfaction of consumers
10. The Senior Special Assistant to the President on Power, and Managing Director of the Rural Electrification Agency (REA) reiterated the commitment of the Federal Government of Nigeria to paying verifiable power debts, and announced the completion of physical verification of the top 100 MDA locations in Abuja Electricity Distribution Company (AEDC) with plans to visit Eko and Ikeja DisCo for physical verification as a prelude to payment.
11. The Market Operator reported payment performance for service provision, with Eko DisCo with the best performance at 89% and Kaduna DisCo was the worst at 13%. Amongst DisCos, Abuja Electricity Company, APL Electricity Company, Kaduna Electricity Company and Geometric Power have not completed registration as power market participants. Amongst GenCos, Delta Power, Okpai, Omoku and NIPP plants are reported to also have not completed registration as power market participants.
12. TCN provided the following status updates: The aforementioned Makeri to Pankshin 132kV line, and Okpella line are both expected to be switched on in August 2017. Katampe 60MVA substation was restored on April 11th 2017 and the 40 MVA mobile substation in Damboa, Borno State was commissioned on May 7th 2017. Installation of new circuit breaker in Egbin is scheduled for commissioning on May 19, 2017.
13. Ibadan Electricity Distribution Company noted that collusion by some of its staff, customers and meter manufacturers to bypass meters has been reported to Economic and Financial Crimes Commission (EFCC) and is under investigation.
14. The appeal of the Okitipupa/Irele Federal Communities submitted by Ondo State Governor regarding Benin DisCo's mass disconnection was acknowledged and Benin DisCo committed to disconnecting those communities who default while restoring light to those who pay for services.

