

Communique

Issued at the end of the 16th monthly meeting of the Honourable Minister of Power, Works and Housing with operators of the Power Sector, held on Monday, June 12, 2017 at Ugwuaji 330/132 kV Transmission Substation, Enugu State.

1. Introduction

The Honourable Minister of Power, Works and Housing, Babatunde Raji Fashola (SAN) chaired the sixteenth monthly meeting of operators in the electricity industry. The meeting was hosted by Niger Delta Power Holding Company (NDPHC) at Ugwuaji Substation, Enugu State.

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:

- a) The MD of NDPHC in his introduction reiterated the benefits of the meeting to NDPHC in terms of finding practical solutions to problems and assistance in prioritizing projects important to stakeholders
- b) That the Power Sector Recovery Programme (PSRP) is receiving public attention focusing on the importance of unity, and the common view of the Nigeria people on the importance and urgency of solving power problems. There is a growing consensus

among the government and the public that power must be paid for and that power must be conserved.

- c) That Honourable Minister has exercised his powers under the Act to declare criteria for eligible customers. NERC is conducting consultations with stakeholders to operationalize it. Certain steel companies and generating companies have shown clear interest in ensuring that previously undelivered power is purchased by industries who need it. DisCos are encouraged to improve service, as customers benefitting from efficient DisCo service would be unwilling to leave their coverage.
- d) That the State Governments are also empowered to become 'eligible' customers to procure premium power directly from Generating Companies. State Governments are encouraged to appoint Energy advisers to ensure understanding of the power sector before formulating power policies.
- e) DisCos should bring up their observations about eligible customer declaration, for all concerns to be addressed.
- f) That payments for the Power Sector Payment Assurance Programme has been approved for January and February. January has been disbursed and February is in progress as invoices are usually submitted in arrears of the invoicing period, hence the delay.
- g) That cooperation of DisCos was vital to the reduction of connection time for new businesses, leading to 100% compliance by the Power Sector in the Presidential Initiative for Enabling Businesses. DisCos are encouraged to implement the reduction from 190 days to 60 days.
- h) Appealed to Enugu State House of Assembly to make allowances for privatisation, which has only been in place for four years compared to decades of public management, and encouraged positive engagement with Enugu DisCo to improve service delivery. Additionally, Enugu State was encouraged to verify and pay the N2billion debt said to be owed by Enugu State Government as making payment for energy consumed is important in funding improvements in the power sector.
- i) That communication is a key aspect of quality service, and therefore the need for a clear understanding by the public of the reasons behind delivery gaps.

- j) That **energy theft** is also a limiting factor in quality service, because a small population bears the large cost of energy consumption. The public was encouraged to extend the whistle blowing policy of government to the power sector to ensure energy theft is brought under control. Stakeholders are also encouraged to name and shame energy thieves as a deterrent.
- k) That NERC should take decisive action with regards to disconnection of households with prepaid meters, as this action leads to low level of public trust in the sector.
- l) That progress on incremental power is being made, and damaged transformers at Afam IV have been repaired and gas supply will restart shortly for additional 100MW of power. The Fast Power project at Afam III is also on course for completion with 240 MW supply expected before the end of the year. Azura 450 MW is on course and is expected to be completed by Q1 2018. About 160,000 households are expected to benefit from a more stable, effective and efficient power sector delivered by the commissioning of these plants.
- m) That progress on the IBEDC line to Magboro has been made, and the line is currently being tested and that power should reach customers from Oke Aro to the MFM area in that area within one week.
- n) That NDPHC has made considerable progress on the Okija distribution substation as transformer equipment is on site and is being installed in Okija town, close to the Police Station. Progress was announced on Alaoji to Onitsha line which will bring power to the vital industrial clusters of Ihiala, Nnewi, Orlu community in Imo and Anambra State, while also supplying the Onitsha metropolis, with expected completion **Q1 2018**. NDPHC announced that work to supply power to the Omotosho host community is expected be completed by **Q3 2017**.
- o) That Maximum Demand (i.e. large consumption) customers who are not metered should notify NERC to resolve payment disputes and must pay for energy consumed. NERC reminded the industry that these customers should be metered and not given estimated bill, unless by specific and exceptional derogation by the commission.

- p) That Jos DisCo has responded to complaints of inaccurate metering from its customer base satisfactorily and is in process of refunding costs charged to customers for meter installation.
- q) That transparency in the sector must be fostered by allowing information sharing between TCN and DisCos regarding energy delivered and make sure that the sector has clarity on any weak points.
- r) That the Market Operator is still reporting poor payment performance to service providers and Abuja and Kaduna are still working on participant registration. Market participants were asked to ensure full payment is made.
- s) Announced that TCN had made progress in grid improvement, as compensation payments for Makeri - Pankshin line has been completed, and the project should be completed in Q4 2017. Gombe injection substation has been completed on May 18, 2017, while Ikeja West Injection Substation is in progress.
- t) That Benin DisCo has begun the process of reconnecting the Okitipupa community and that Ikaram/Egedegede, Ibaramu, Ikakumo, Ise, Ipese and Auga have already be reconnected and the rest are in process. Petitions from Agulu town in Anaocha LGA of Anambra State and Ajijedidun/Abiola Alao Landlord Association were forwarded to Enugu and Eko DisCo respectively for review and swift response.