



ORDER NO.NERC/135

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

MULTI YEAR TARIFF ORDER – 2.1 FOR THE PERIOD

1ST JANUARY 2015 TO 31ST DECEMBER 2018

BACKGROUND

1. Pursuant to a methodology established under Section 76, EPSR Act 2005, the Commission in 2012 completed a Major Tariff Review and thereafter enacted three separate tariff Orders, one for each of the sectors in the Nigerian Electricity Supply Industry (NESI), namely generation, transmission and distribution (the MYTO-2 Tariff Orders).
2. In electricity service provision, it is well-understood that losses are an inevitable consequence of the transfer of electrical energy across transmission and distribution networks. It is also well-known that not all the energy delivered to an electricity distribution network is billed and, if billed, paid for. Such energy that is lost for technical or commercial reasons has to be fully accounted and paid for.
3. It is also well-known that during the Distribution Company (Disco) privatization process, the sole basis for identifying preferred bidders was a determination of the most aggressive but feasible Aggregate Technical, Commercial and Collection (ATCC) loss reduction trajectory over a 5-year period, from a net present value (NPV) point of view. It was clear to the Commission, however, that at the time of the conclusion of the privatization of the Discos and their handover to core investors, there was no certainty as to the precise ATCC loss number for each of them.

4. Section 5.3 of the MYTO-2 Distribution Tariff Order mandates the Commission to review and revalidate the actual level of ATCC losses for each Disco following their privatization. Section 5.3 of the Distribution Tariff Order states that:

“Given the urgency of the reform/privatization agenda and also taking account of the uncertainty about the credibility of some of the data from which aggregate losses are calculated, NERC and BPE have agreed that:

- a) **Commitments on the reduction of aggregate losses will remain one of the primary determinants for determining successful Disco core investors;**
- b) **NERC has already commenced a study to create a credible industry performance database, particularly as regards aggregate technical, commercial and collection (ATCC) loss data, which will take at least 12 months to undertake;**
- c) **Pending completion of the ATCC database study, the privatization of the Disco sector may proceed and commitments made on the basis of current data; and**
- d) **At the conclusion of the ATCC database study, any difference in losses will be the subject of separate reduction targets to be agreed between NERC and the relevant Discos; and commensurate cost implications will be the subject of a Minor Review consultative process.**

5. This provision is hereby restated herein for continued force and effect. In compliance therewith, the Commission in conjunction with the Discos has carried out a comprehensive review of the ATC&C Losses. This was followed by a series of consultations with the Discos and the general public. The MYTO financial model was updated with the result of the findings and the outcome extensively discussed with all the relevant parties.

6. Section 6 of MYTO-2 also authorizes the Commission to provide for:

“Minor reviews of the tariff to be conducted bi-annually to update the total cost of electricity”.

7. Section 7 of each of the three Tariff Orders for Generation, Transmission and Distribution also mandates the Commission to carry out the bi-annual minor review of MYTO. They state very clearly the variables that are to be considered during the minor review. These variables are:

- a. Rate of inflation;
 - b. Foreign exchange rates;
 - c. Cost of fuel (Gas price); and
 - d. Actual available generation capacity
8. In addition to the ATCC revalidation exercise, the Commission in September 2014 commenced the minor review of the tariff and in line with the minor review timetable, the Commission's intention to carry out the review was published in two (2) national newspapers. Data and information were sought and obtained on these variables from relevant organizations, namely, the Central Bank of Nigeria, National Bureau of Statistics and the System Operations Division of the Transmission Company of Nigeria (TCN).
9. The Commission deemed it fit to carry out the review of the ATCC losses and the Minor Review of the tariff concurrently. Therefore, the present review reflects the changes in the minor review variables as well as realistic and actual level of verified ATCC losses for each of the Distribution Companies.

UPDATES TO THE MYTO-2 FINANCIAL MODEL

10. For the purpose of this particular review, the input data in the tariff that have been adjusted/reviewed are as follows:
- a. The level of the ATCC losses for each Disco;
 - b. Exchange rate;
 - c. Rate of inflation;
 - d. Generation Capacity; and
 - e. Gas Price
11. The updated MYTO financial model now has the costs of each Genco treated separately. PPA prices have been obtained from NBET and the model now recognises the following types of PPAs: successor thermal, successor hydro, NIPP thermal, Olorunsogo, Omotosho, AES, Agip, Shell, Ibom Power, Rivers IPP, Trans Amadi and Omoku.
12. Provision has also been made to calculate actual PPA costs that were not anticipated by MYTO e.g. 'Start-up' costs. All other assumptions in the MYTO-2 such as the CAPEX, OPEX, customer numbers, WACC etc. remain the same.

VERIFIED ATC&C LOSSES AND PROJECTED LOSS REDUCTION BENCHMARKS

13. The Table below summarizes the verified ATCC losses for all the Discos, the initial figures as specified in the privatization RFPs and the yearly loss reduction trajectory that has been committed to by each winning bidder.

Table 1: Estimated ATC&C and Projected Loss Reduction Benchmarks

DISCO	Bid Basis	Verified Baseline	Year 1	Year 2	Year3	Year 4	Year 5
Abuja	35	52.77	36.41	26.58	24.72	22.03	18.72
Benin	40	54.20	44.44	35.56	27.56	20.67	16.53
Enugu	35	59.10	58.73	44.05	31.71	20.30	11.57
Ibadan	35	42.60	35.78	29.09	23.15	18.56	15.47
Jos	40	58.00	52.03	47.34	2.145	34.63	26.24
Kaduna	40	48.40	32.43	20.43	12.67	7.83	4.85
Kano	40	48.40	41.40	31.87	23.91	18.65	15.85
Eko	35	29.40	21.46	15.88	12.55	11.22	10.79
Ikeja	35	32.93	24.70	18.05	12.83	10.45	9.49
P/H	35	55.04	46.78	38.60	30.88	24.70	23.77
Yola	40	57.60	43.20	36.23	31.22	27.46	25.03

14. The above yearly loss reduction was based on the annual percentage reduction committed by each Disco during the privatisation and stated in Table 2 below.

Table 2: Discos Relative (%) loss reduction commitment per year

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Abuja	31.50%	23.80%	7.10%	10.90%	15.50%
Benin	18.00%	20.00%	22.59%	25.00%	20.00%
Enugu	0.63%	25.30%	28.37%	36.47%	43.33%
Ibadan	16.00%	18.71%	20.43%	19.84%	16.61%
Jos	10.30%	9.04%	11.01%	17.82%	24.21%
Kaduna	33.00%	37.00%	38.00%	38.00%	38.00%
Kano	15.00%	23.00%	25.00%	22.00%	15.00%
Eko	27.00%	26.93%	20.94%	10.16%	3.77%
Ikeja	25.70%	26.90%	28.95%	18.50%	9.20%

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
P/H	15.00%	17.50%	20.00%	20.00%	17.00%
Yola	25.17%	16.14%	13.81%	12.06%	8.85%

Commencement of loss reduction:

15. Discos are expected to reduce their losses each year based on the loss reduction trajectory committed by their new core investors promised in their bid documents. In calculating the ATCC losses for the Discos, and in accordance with the privatization transaction documents and the extant Tariff Order, the Commission adopted 1st November 2012 to 31st October 2013 as the base year and began to implement individual Discos' loss reduction projections from 1st November 2013, the date on which Discos were formally handed over to their respective core investors.
16. It should be noted that the loss reduction has no direct correlation with the declaration of TEM. In other words the Discos are obliged to commence the loss reduction immediately after taking over the ownership and management of these Companies. However, in order to synchronize Discos' annual loss reduction trajectory with the new tariff year now effected by this Order, the immediate past loss reduction year has been extended by 2 months to end on 31st December 2014.

MYTO MINOR REVIEW VARIABLES

17. **Inflation:** The inflation rate received from National Bureau of Statistics as at 30th November 2014 shows a figure of 7.9%. MYTO-2 was benchmarked at 13% inflation rate. The current inflation rate is lower than the MYTO-2 projection.
18. **Nigerian Exchange Rate:** The data received from the Central Bank of Nigeria shows an exchange rate of =N=164.5 to US \$1 as at 30th November 2014. MYTO -2 was benchmarked at =N=178 exchange rate. It is however important to note that MYTO-2 also allows a premium of 1% above CBN rate.

Therefore: 1% of 164.5 = 1.645

CBN exchange rate + 1% premium is therefore 164.5+ 1.645=166.15

MYTO-2 forecast exchange rate - 178

Current Exchange Rate -166.15

The current exchange rate is also lower than the MYTO-2 projection.

19. **US inflation Rate:** The US inflation rate was assumed at 3% but the most recent report of the US Bureau of Labor Statistics put the November inflation rate at 1.8%. Again, this is lower than projected.
20. **Gas Price:** The applicable rule here is that the prudent cost of gas supply will be passed through to the retail tariff. The gas price has been regulated since the inception of MYTO in 2008 and regulated prices applied in the 2012-2016 price regimes. The regulated gas price for 2014 is \$1.80/mmBtu. However, the Federal Ministries of Petroleum Resources, Power, the Central bank of Nigeria and NERC reached an understanding in August 2014 as to a new gas price of \$2.50/mmBtu and transport cost of \$0.80/mmBtu.
21. The Commission has placed a caveat here to the effect that the transport cost shall remain at the current \$.30/mmBtu until such a time when Nigeria Gas Company Limited and/or its parent, the Nigerian National Petroleum Corporation, provides data to establish \$0.80/mmBtu as a prudent gas transport cost.
22. **Generation capacity:** The data received from the System Operator shows the actual peak capacity sent out to be 3,675.41MW based on a six (6)-month average ending 30th September 2013. The gross generation capacity based on this figure and the 65% capacity assumed under MYTO-2 is calculated to be 5,611MW.
23. **Table 3 gives the summary of the Minor Review variables.**

Table 3: Summary of assumptions

S/n	Parameters	MYTO-2 Assumptions	Last Review March 2014	Minor 31 st	Actual 30 th Nov 2014
1	Inflation	13%	7.80%		7.90%
2	Exchange rate	N178	N158		N166.15
3	Gas price/mmBtu	US\$2.30	\$1.80		US\$1.80
4	Generation capacity	5, 556MW	3,424MW		3675MW

24. In addition to the verified ATCC loss figures, the MYTO-2 financial model has been updated with the above Minor Review variables. The rationale for this is to remain

as close as possible to current economic realities. The above variables will continue to be reviewed semi-annually in line with the MYTO methodology.

25. However, the financial model will henceforth be labelled the “MYTO-2.1 Financial Model”, because the changes thereto now being effected, though significant, are not primarily by way of a Major Review, which is a specific event triggered and effected under the MYTO Methodology.

ESTIMATES OF REVENUE SHORTFALL / CBN INTERVENTION FUND

26. Based on the handover/takeover date of November 2013 for ATCC loss adjustment/update, the following revenue shortfall was calculated for all Distribution companies for the period 1st November 2013 to 31st December 2014. The Discos will receive the calculated amount in full to recover their shortfall incurred during the Interim Rules Period (IRP).
27. In the addition to the above, it should be recalled that MYTO-2 was designed such that some Discos would under-recover their revenue requirement in the first two years with a balancing over-recovery in the subsequent three years. By so doing, the Discos would be able to recover their full revenue requirement within the 5 year lifespan of MYTO-2.
28. The Commission desires to incentivize the Discos by ensuring that the tariff is fully cost-reflective and all other identified weaknesses in the tariff design and structure are fully set right. We have therefore included in the shortfall calculation the MYTO-2 design under-recovery. This amount will also be fully covered by the CBN-NERC facility (discussed below). In compliance with the provisions of Section 40 of the Interim Rules, 11% interest rate has been applied to the total shortfall.
29. Under a unique commercial transaction sponsored by the CBN and NERC, the Nigerian Electricity Supply Industry (NESI) has been provided with a commercial loan facility to enable repayment of the Interim Period revenue shortfall and certain identified legacy debts owed by NESI players and accrued up to the 1st November 2013 handover date. This loan will be recovered from the customers over a period of ten (10) years through the electricity retail tariff.

Table 4: MARKET SHORTFALL DUE TO EACH DISCO

Disco	Interim Period Shortfall	Legacy Gas Debt	Capitalized Transaction Costs	Total
Abuja	25,465,807,655.44	1,643,558,362.60	542,187,320.36	27,651,553,338.40
Benin	28,834,103,114.45	1,286,263,066.38	602,407,323.62	30,722,773,504.44
Enugu	33,476,248,979.90	1,286,263,066.38	695,250,240.93	35,457,762,287.21
Ibadan	24,773,064,486.12	1,857,935,540.33	532,620,000.53	27,163,620,026.97
Jos	15,481,033,811.54	786,049,651.68	325,341,669.26	16,592,425,132.48
Kaduna	17,257,654,809.28	1,143,344,947.89	368,019,995.14	18,769,019,752.31
Kano	9,876,510,247.38	1,143,344,947.89	220,397,103.91	11,240,252,299.18
Eko	5,160,496,610.64	1,572,099,303.35	134,651,918.28	6,867,247,832.28
Ikeja	9,328,368,354.01	2,143,771,777.30	229,442,802.63	11,701,582,933.93
Port Harcourt	20,208,442,829.41	928,967,770.16	422,748,211.99	21,560,158,811.57
Yola	6,472,722,013.74	500,213,414.70	139,458,708.57	7,112,394,137.01
Total	196,334,452,911.91	14,291,811,848.66	4,212,525,295.21	214,838,790,055.78

30. The shortfall is the calculated difference between the Discos old average tariff (before ATCC loss review) and new average tariff (after ATCC loss review) multiplied by energy delivered to each Disco, plus the 'tariff design' percentage under recovery allowed in MYTO-2 for the years 2013 and 2014. Interest at 11% p.a. is further added to the calculation, being the MYTO-2 real rate of interest (WACC).

31. It is pertinent to note that Kaduna Disco was taken over only very recently on 4th December 2014. The Disco will be given time to carry out the required ATCC loss verification exercise and all the necessary adjustments would be made by the Commission to its retail tariff structure no later than 31st December 2015.

REPAYMENT OF CBN FACILITY

32. After extensive deliberations between the Commission and CBN, it was agreed that 10% p.a. rate of interest will be applied on the CBN facility on reducing-balance basis to be recovered from the tariff. As an incentive to the Discos, a one-year moratorium

has been approved for the Discos on principal repayments. The implication of this is that the Discos will not begin repayment of principal to CBN until year 2 of the MYTO 2.1 tariff period.

33. The Tables below show the annual repayment profile that has been established by CBN and incorporated into the tariffs. The Commission has established that all amounts that are due after the five-year MYTO 2.1 period (i.e. post-31st December 2018), will be rolled-over into the next tariff period. The repayments will continue to remain a first line charge on the Discos' revenues until repayments are completed.

Table 5: ANNUAL REPAYMENT OF PRINCIPAL (Naira billions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Abuja	0.000	1.994	2.206	2.437	2.692	2.974	3.285	3.629	4.009	4.425
Benin	0.000	2.216	2.451	2.708	2.991	3.304	3.650	4.032	4.455	4.916
Enugu	0.000	2.557	2.829	3.125	3.452	3.813	4.213	4.654	5.141	5.674
Ibadan	0.000	1.959	2.167	2.394	2.645	2.921	3.227	3.565	3.939	4.346
Jos	0.000	1.197	1.324	1.462	1.615	1.784	1.971	2.178	2.406	2.655
Kaduna	0.000	1.354	1.497	1.654	1.827	2.019	2.230	2.464	2.721	3.003
Kano	0.000	0.811	0.897	0.991	1.094	1.209	1.335	1.475	1.630	1.799
Eko	0.000	0.495	0.548	0.605	0.669	0.739	0.816	0.901	0.996	1.099
Ikeja	0.000	0.844	0.933	1.031	1.139	1.258	1.390	1.536	1.697	1.872
P/H	0.000	1.555	1.720	1.900	2.099	2.319	2.562	2.830	3.126	3.450
Yola	0.000	0.513	0.567	0.627	0.692	0.765	0.845	0.934	1.031	1.138

Table 6: ANNUAL PAYMENT OF INTEREST (Naira billions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Abuja	2.765	2.682	2.466	2.235	1.980	1.703	1.386	1.042	0.662	0.243
Benin	3.072	2.980	2.740	2.483	2.200	1.892	1.540	1.158	0.736	0.270
Enugu	3.546	3.440	3.162	2.866	2.539	2.183	1.778	1.337	0.849	0.312
Ibadan	2.716	2.635	2.422	2.195	1.945	1.673	1.362	1.024	0.651	0.239
Jos	1.659	1.610	1.480	1.341	1.188	1.022	0.832	0.625	0.397	0.146
Kaduna	1.877	1.821	1.674	1.517	1.344	1.156	0.941	0.708	0.450	0.165

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Kano	1.124	1.090	1.002	0.908	0.805	0.692	0.564	0.424	0.269	0.099
Eko	0.687	0.666	0.612	0.555	0.492	0.423	0.344	0.259	0.164	0.060
Ikeja	1.170	1.135	1.043	0.946	0.838	0.721	0.587	0.441	0.280	0.103
P/H	2.156	2.091	1.923	1.743	1.544	1.328	1.081	0.813	0.516	0.190
Yola	0.711	0.690	0.634	0.575	0.509	0.438	0.357	0.268	0.170	0.063

INCREASE IN CAPEX

34. The Discos requested for an increase in CAPEX on the consideration that CAPEX in MYTO-2 was approved based on certain percentage of losses and given that the losses have now increased, it would ordinarily lead to an increase in CAPEX to complement the new level of losses. However, the Commission notes that in the MYTO-2, CAPEX was provided to enable the distribution of 7,500MW for the 2013 – 2014 tariff year and 9061MW for the 2014 – 2015 tariff years. At the moment, the industry’s available capacity is below 5,000MW. As such, the Commission sees no justification for an increase in CAPEX.

35. The above notwithstanding, more importantly, a review of CAPEX is an issue for a full-scale major review. Therefore, a Disco desiring a review of CAPEX shall do so in the context of justifying the need for a major review in accordance with the MYTO Methodology and in line with the approved Guidelines on Tariff Review.

CUSTOMER NUMBER GROWTH

36. The Commission notes that it is of significant importance to properly establish the electricity market’s customer population bearing in mind that it directly impacts on the Distribution companies’ ability to earn their revenue requirement. An effort was made by the Discos to establish customer numbers during the ATCC Loss study. However, the sampling sizes used were grossly inadequate, with the consequence that the results were less than comprehensive and therefore not acceptable.

37. It should be noted that no commitment was made by either BPE or NERC in the privatization documents to revise customer numbers concurrently with the recent ATCC loss review.

38. Given the need for the Transitional Electricity Market (TEM) to commence as soon as possible, the Commission has maintained the MYTO-2 customer number projections. These projections will remain pending the conduct of an exercise to comprehensively enumerate and classify the entire customer population as well as to re-examine/redesign the customer classifications inherited from PHCN. This study may also lead to a revision of the Commission’s Estimated Billing Methodology, in order to reflect established realities in the market.

39. Due to the security challenges in Yola Disco, the Commission has assumed a zero growth in customer size in 2014. This was considered due to the insecurity in the North-East part of the country which gave rise to high migration rate out of the Yola Disco franchise area.

Table 7: – Customer number projections from 2014 to 2018

	2014	2015	2016	2017	2018
Abuja	755,275	823,143	897,119	977,749	1,065,635
Benin	1,186,964	1,186,964	1,284,988	1,391,111	1,506,002
Enugu	818,594	818,594	892,594	973,282	1,061,268
Ibadan	1,750,156	1,750,156	1,917,696	2,101,278	2,302,436
Jos	466,414	466,414	515,318	569,379	629,139
Kaduna	458,769	458,769	491,806	527,221	565,190
Kano	598,352	598,352	655,618	718,365	787,116
Eko	581,032	581,032	635,654	695,406	760,781
Ikeja	1,128,010	1,128,010	1,238,659	1,360,174	1,493,631
P/H	557,093	557,093	610,368	668,739	732,691
Yola	344,868	344,868	376,263	410,512	447,882

THE ENERGY IMBALANCE MECHANISM

40. It is expected that the Distribution Companies will be supplied electric power based on the percentage allocation to each company set out in the MYTO-2 Order. The percentage allocation, the corresponding energy level and equivalent MW capacity used in setting the Disco tariffs are shown in Table 8.

Table 8: Energy allocations on which the Discos tariffs are derived

Estimated Energy delivered to Discos (GWh)	Allocation	2015		2016		2017		2018	
		GWh	MW	GWh	MW	GWh	MW	GWh	MW
Abuja	11.50%	2,691.32	307.0	2,691.32	307.0	2,691.32	307.0	2,691.32	307.0
Benin	9.00%	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3
Enugu	9.00%	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3	2,106.25	240.3
Ibadan	13.00%	3,042.36	347.1	3,042.36	347.1	3,042.36	347.1	3,042.36	347.1
Jos	5.50%	1,287.15	146.8	1,287.15	146.8	1,287.15	146.8	1,287.15	146.8
Kaduna	8.00%	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6
Kano	8.00%	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6	1,872.22	213.6
Eko	11.00%	2,574.31	293.7	2,574.31	293.7	2,574.31	293.7	2,574.31	293.7
Ikeja	15.00%	3,510.42	400.5	3,510.42	400.5	3,510.42	400.5	3,510.42	400.5
Port Harcourt	6.50%	1,521.18	173.5	1,521.18	173.5	1,521.18	173.5	1,521.18	173.5
Yola	3.50%	819.10	93.4	819.10	93.4	819.10	93.4	819.10	93.4
Total delivered	100.00%	23,402.77	2,670	23,402.77	2,670	23,402.77	2,670	23,402.77	2,670

41. In implementing the energy imbalance mechanism, the following rules shall henceforth apply:

- a. Each Disco's tariff is tied to its estimated energy delivered. Any diminution in the expected energy delivered to a particular Disco beyond the estimated values will cause disequilibrium in that Disco's retail tariff. For a Disco to be made whole in a period it must get its equivalent or more MW capacity for that period.
- b. In the event that due to System Operator (SO) directives to ensure reliable operation of the transmission grid or other circumstances, the distribution companies receive percentage allocations that are not in line with the percentages in Table 8 above, then an imbalance in load allocation may occur at the end of the month.
- c. A Disco that receives energy in excess of its percentage allocation in such a month may be obliged to compensate the Disco or Discos that have received less than their percentage allocation, depending on the circumstances in which the imbalance occurs.
- d. NERC has developed a balancing mechanism to compensate for these imbalances. For example, if Disco A receives more than its due share of allocated energy, the excess of which would ordinarily go to Disco B, then the balancing mechanism will operate and funds will be settled as follows:
 - i. Full wholesale contract cost of additional energy received will be paid by Disco A to the relevant generator in line with existing contracts;
 - ii. Full transmission cost and other associated costs (regulatory charge, ancillary service charge) will be paid by Disco A.

- iii. Depending on the circumstances that lead to the imbalance condition, Disco A might need to pay the imbalance charge to Disco B.
- iv. If Disco A needs to pay, it will pay the lesser of either its own compensation rate or Disco B compensation rate because:
 - 1. A Disco making imbalance payments cannot be made to pay what it cannot earn from its customers; and
 - 2. A Disco receiving an imbalance payment cannot earn more than what it would ordinarily earn if it sells the energy itself.
- e. The Imbalance Compensation Rates are given in Table 9.

Table 9: Imbalance Compensation Rates for Discos

			2015	2016	2017	2018
ABUJA	Nominal tariff	(Naira/MWh)	7,846	8,161	8,710	9,281
	Compensation	(Naira/MWh)	6,038	6,210	6,604	7,010
	Variable Cost	(Naira/MWh)	1,808	1,951	2,105	2,271
BENIN	Nominal tariff	(Naira/MWh)	8,236	8,381	8,910	9,469
	Compensation	(Naira/MWh)	6,891	6,929	7,343	7,779
	Variable Cost	(Naira/MWh)	1,053	1,136	1,226	1,323
ENUGU	Nominal tariff	(Naira/MWh)	8,167	8,383	8,943	9,532
	Compensation	(Naira/MWh)	6,668	6,766	7,199	7,650
	Variable Cost	(Naira/MWh)	1,499	1,617	1,745	1,883
IBADAN	Nominal tariff	(Naira/MWh)	9,764	10,083	10,807	11,569
	Compensation	(Naira/MWh)	7,390	7,522	8,043	8,587
	Variable Cost	(Naira/MWh)	2,374	2,561	2,763	2,982
JOS	Nominal tariff	(Naira/MWh)	9,243	9,625	10,346	11,097
	Compensation	(Naira/MWh)	7,039	7,246	7,780	8,328
	Variable Cost	(Naira/MWh)	2,204	2,378	2,566	2,769
KADUNA	Nominal tariff	(Naira/MWh)	9,229	9,511	10,094	10,702
	Compensation	(Naira/MWh)	7,562	7,713	8,153	8,608
	Variable Cost	(Naira/MWh)	1,667	1,799	1,941	2,094
KANO	Nominal tariff	(Naira/MWh)	7,362	7,711	8,234	8,773
	Compensation	(Naira/MWh)	5,933	6,170	6,571	6,978
	Variable Cost	(Naira/MWh)	1,429	1,541	1,663	1,795
EKO	Nominal tariff	(Naira/MWh)	8,140	8,513	9,197	9,905
	Compensation	(Naira/MWh)	6,230	6,453	6,973	7,506
	Variable Cost	(Naira/MWh)	1,910	2,061	2,224	2,399
IKEJA	Nominal tariff	(Naira/MWh)	6,598	6,949	7,570	8,211
	Compensation	(Naira/MWh)	5,010	5,235	5,721	6,215
	Variable Cost	(Naira/MWh)	1,588	1,714	1,849	1,995

			2015	2016	2017	2018
PH	Nominal tariff	(Naira/MWh)	8,585	8,927	9,504	10,102
	Compensation	(Naira/MWh)	6,977	7,192	7,632	8,082
	Variable Cost	(Naira/MWh)	1,608	1,735	1,872	2,020
YOLA	Nominal tariff	(Naira/MWh)	9,649	10,061	10,754	11,480
	Compensation	(Naira/MWh)	7,571	7,819	8,335	8,869
	Variable Cost	(Naira/MWh)	2,078	2,242	2,419	2,610

- f. During the Interim Rules Period, the Commission observed that:
- i. The System Operator, at certain times, requires some Discos to take load that is at variance with their MYTO allocations. This is in order to maintain grid stability.
 - ii. Some Discos willfully take load beyond their MYTO- and SO-scheduled allocations.
 - iii. Some Discos deliberately avoid/reject taking load and effectively take load below their MYTO- and SO-scheduled allocations in order to unduly earn imbalance charges.
 - iv. Some Discos cannot take energy due their own local constraints.
- g. Based on the above, the Commission will continuously monitor the NESI and develop rules or refine extant rules to properly incentivize Discos to act in the best interests of both consumers and the national grid while discouraging gaming of the imbalance compensation mechanism.
- h. However, the following rules will henceforth apply:
- i. Where a Disco does not take its allocation for any reason other than SO's instructions, for instance where it rejects its daily allocation, for any reason whatsoever, the Disco WILL NOT be entitled to any imbalance payments.
 - ii. Where a Disco cannot continuously take its load allocation due to SO instructions or legitimate reasons, such as force majeure, then the Disco load allocation shall be appropriately reduced to reflect what it can actually take; and the Disco shall be entitled to receive imbalance payments from the Disco(-s) to which the energy thus made available is delivered.
 - iii. Where a Disco is made to take a load from a circuit, because it is the only Disco that can take the load from that circuit (That is, if the Disco does not take the load, generation level will be necessarily reduced), then the Disco shall not be liable to pay imbalance compensation to the other Discos, because the other Discos suffer no loss of opportunity to earn revenue.

- i. Where a Disco takes energy from the grid beyond its daily allocated capacity and energy allocation, other than according to instructions from the System Operator and the Disco's actions impact the ability of the System Operator to balance the grid and properly implement the load allocation formula, the Disco will be liable to make TWICE the Imbalance Payment it would ordinarily have paid; and such payments shall be made to the Discos whose allocations have been so taken.

HYPADDEC CHARGE

42. As provided by law, all Hydro Generators are expected to pay 10% of their revenue to HYPADDEC. This was calculated in MYTO-2 as a percentage of the Wholesale Contract Price due to the Hydro Generators. Given that HYPADDEC is still not operational, NBET is hereby directed to open an interest-bearing escrow account with its payment agent bank. Balances and income earned and carried forward on this account are to be reported to the Commission no later than 2 (two) working days after payment to Hydro Generators. This escrow account shall continue to be kept pending the full operationalization of HYPADDEC.

RE-INTRODUCTION OF KVA CHARGE

43. Due to the detrimental effect of reactive power from large customers on the distribution network, Kilovolt Ampere (KVA) charges may henceforth be recovered from such customers. MYTO-2 did not allow this charge but upon due reconsideration, the Commission has approved the re-introduction of the KVA charge. This shall be subject to each Disco that wishes to enforce this charge carrying out a comprehensive study and formally forwarding to the Commission the list of the customers to pay the KVA charge, the tariff class of these customers and the proposed KVA charge for each class of customers.

44. No Disco may impose the KVA charge until an appropriate proposal has been made to and accepted by the Commission.

TARIFF REVIEW AT THE INSTANCE OF MARKET PARTICIPANTS

45. Following public consultations as required by its Business Rules, the Commission is finalizing and will shortly publish its "Regulation on Procedure for Electricity Tariff Reviews in the Nigerian Electricity Supply Industry" as developed by the Commission. This Regulation will provide detailed procedures to be followed in conducting

electricity tariff reviews in line with the Act and the MYTO methodology. It states the responsibilities of tariff review applicants, timelines, costs and the basic submission requirements.

46. Any Market Participant wishing the Commission to review any component of its tariff will be required to apply to the Commission in accordance with this proposed Regulation. Approved changes to such a Market Participant's tariffs will be incorporated during the Minor Review process next following the grant of such approval by the Commission.

TARIFF APPLICATION BY TRANSMISSION COMPANY OF NIGERIA PLC (TCN)

47. Even as the regulation on tariff reviews was undergoing due process of enactment, TCN submitted an application for the review of its tariffs. This has been a long outstanding task, given the fact that TCN's tariff under the MYTO-2 Transmission Tariff Order has been estimated in the absence of data sets on critical elements of TCN's cost base.
48. The Commission expects to complete consideration of TCN's tariff application no later than 28th February 2015, with any required changes to its tariff taking effect, via an amendment to the Transmission Tariff Order, at the next Minor Review following approval.

BI-ANNUAL MINOR REVIEW OF MYTO

49. NERC will continue to review the tariff bi-annually under the minor review process. Any Market Participant wishing NERC to consider varying the tariff must make a submission to NERC supporting its case on the basis stated in the relevant notice of review.
50. The Commission hereby restates the Minor Review variables as follows:
 - a. **Rate of Inflation**
 - b. **Exchange Rate**
 - c. **Gas Price**
 - d. **Generation Capacity:** This includes tested capacity of existing plants, new capacities added, availability factors and load factors.

51. **Collection Losses for the Distribution Companies:** Pursuant to Section 5.3(d) of the MYTO-2 Distribution Tariff Order, the Commission hereby includes “Collection Losses” as a minor review variable. This is necessary in order to incentivize the Discos to become more efficient by increasing their respective revenue collections and to pass the benefits of such increased efficiencies to consumers.

ALIGNING GENERATION TARIFFS WITH PPAs

52. In anticipation of the imminent declaration of TEM, the generation section of the MYTO Model has been redesigned to reflect the way in which Gencos are to be paid when contracts become effective. In collaboration with NBET, the format and content of their respective PPAs have been used to calculate the capacity and energy charges due to each plant.

53. Upon effectiveness of this Order, both NBET and MO will issue invoices in line with the respective PPA prices as shown in the MYTO 2.1 Model.

RETAIL TARIFF TABLES

Disco 1 – Abuja Disco

Table 10: Fixed Charges - Abuja Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		702	843	1,011	1,213
R3		52,696	63,235	75,882	91,059
R4		136,030	163,236	195,883	235,059
C1		702	843	1,011	1,213
C2		47,772	57,326	68,791	82,549
C3		123,321	147,985	177,582	213,098
D1		1,000	1,200	1,440	1,728

D2		101,113	121,335	145,603	174,723
D3		123,321	147,985	177,582	213,098
A1		702	843	1,011	1,213
A2		43,125	51,750	62,100	74,520
A3		54,375	65,250	78,300	93,960
S1		600	720	864	1,037

Table 11: Energy Charges - Abuja Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		23.32	23.14	21.78	19.78
R3		37.68	37.39	35.19	31.96
R4		37.68	37.39	35.19	31.96
C1		27.59	27.37	25.76	23.40
C2		35.03	34.75	32.71	29.71
C3		35.03	34.75	32.71	29.71
D1		28.26	28.04	26.39	23.97
D2		36.72	36.43	34.28	31.14
D3		36.72	36.43	34.28	31.14
A1		27.05	26.84	25.26	22.95
A2		27.05	26.84	25.26	22.95
A3		27.05	26.84	25.26	22.95
S1		22.33	22.16	20.85	18.94

Disco 2 – Benin Disco

Table 12: Fixed Charges - Benin Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		750	900	1,080	1,296
R3		37,527	45,032	54,039	64,847
R4		133,091	159,709	191,651	229,981
C1		1,000	1,200	1,440	1,728
C2		34,020	40,824	48,989	58,787
C3		141,748	170,098	204,117	244,941
D1		1,000	1,200	1,440	1,728
D2		153,413	184,095	220,914	265,097
D3		155,923	187,107	224,529	269,435
A1		1,000	1,200	1,440	1,728
A2		37,813	45,375	54,450	65,340
A3		44,688	53,625	64,350	77,220
S1		1,000	1,200	1,440	1,728

Table 13: Energy Charges - Benin Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		23.80	20.38	20.67	16.77

R3		34.20	29.28	29.71	24.10
R4		34.20	29.28	29.71	24.10
C1		26.72	22.87	23.20	18.83
C2		31.79	27.22	27.61	22.40
C3		31.79	27.22	27.61	22.40
D1		25.65	21.96	22.28	18.08
D2		33.33	28.53	28.94	23.49
D3		33.33	28.53	28.94	23.49
A1		24.56	21.02	21.33	17.31
A2		24.56	21.02	21.33	17.31
A3		24.56	21.02	21.33	17.31
S1		25.30	21.66	21.97	17.83

Disco 3 – Enugu Disco

Table 14: Fixed Charges - Enugu Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		650	780	936	1,123
R3		24,424	29,308	35,170	42,204
R4		117,416	140,900	169,080	202,896
C1		650	780	936	1,123
C2		22,141	26,569	31,883	38,260
C3		106,446	127,736	153,283	183,940

D1		1,300	1,560	1,872	2,246
D2		104,733	125,679	150,815	180,978
D3		106,446	127,736	153,283	183,940
A1		650	780	936	1,123
A2		37,500	45,000	54,000	64,800
A3		46,935	56,322	67,586	81,103
S1		650	780	936	1,123

Table 15: Energy Charges - Enugu Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4	4	4	4
R2		32.00	26.73	26.14	22.39
R3		47.89	39.99	39.11	33.50
R4		47.89	39.99	39.11	33.50
C1		35.32	29.49	28.85	24.71
C2		44.51	37.17	36.35	31.14
C3		44.51	37.17	36.35	31.14
D1		35.91	29.99	29.33	25.13
D2		46.66	38.96	38.11	32.65
D3		46.66	38.96	38.11	32.65
A1		39.54	33.02	32.29	27.66
A2		39.54	33.02	32.29	27.66
A3		39.54	33.02	32.29	27.66
S1		30.32	25.32	24.76	21.21

Disco 4 – Ibadan Disco

Table 16: Fixed Charges - Ibadan Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		625	750	900	1,080
R3		18,764	22,516	27,019	32,423
R4		117,267	140,720	168,864	202,637
C1		500	600	720	864
C2		17,010	20,412	24,494	29,393
C3		106,311	127,573	153,088	183,705
D1		500	600	720	864
D2		104,600	125,519	150,623	180,748
D3		106,311	127,573	153,088	183,705
A1		500	600	720	864
A2		33,594	40,313	48,375	58,050
A3		46,875	56,250	67,500	81,000
S1		500	600	720	864

Table 17: Energy Charges - Ibadan Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		23.30	21.11	22.80	20.28

R3		37.30	33.79	36.50	32.47
R4		37.30	33.79	36.50	32.47
C1		24.68	22.35	24.15	21.48
C2		34.67	31.41	33.93	30.18
C3		34.67	31.41	33.93	30.18
D1		27.98	25.34	27.38	24.35
D2		36.34	32.93	35.57	31.64
D3		36.34	32.93	35.57	31.64
A1		26.78	24.26	26.21	23.31
A2		26.78	24.26	26.21	23.31
A3		26.78	24.26	26.21	23.31
S1		20.56	18.63	20.12	17.90

Disco 5 – Jos disco

Table 18: Fixed Charges - Jos Disco

FIXED CHARGES ₺/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		775	930	1,116	1,339
R3		29,083	34,900	41,880	50,256
R4		181,764	218,117	261,740	314,088
C1		775	930	1,116	1,339
C2		26,366	31,639	37,966	45,560
C3		164,782	197,738	237,286	284,743

D1		1,395	1,674	2,009	2,411
D2		162,129	194,555	233,466	280,159
D3		164,782	197,738	237,286	284,743
A1		1,395	1,674	2,009	2,411
A2		62,969	75,563	90,675	108,810
A3		72,656	87,188	104,625	125,550
S1		1,395	1,674	2,009	2,411

Table 19: Energy Charges - Jos Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		34.09	32.26	33.83	27.70
R3		52.50	49.68	52.10	42.66
R4		52.50	49.68	52.10	42.66
C1		38.14	36.10	37.85	30.99
C2		48.80	46.18	48.42	39.65
C3		48.80	46.18	48.42	39.65
D1		38.14	36.10	37.85	30.99
D2		51.15	48.41	50.76	41.57
D3		51.15	48.41	50.76	41.57
A1		37.69	35.67	37.40	30.63
A2		37.69	35.67	37.40	30.63
A3		37.69	35.67	37.40	30.63
S1		36.32	34.38	36.05	29.52

Disco 6 – Kaduna Disco

Table 20: Fixed Charges - Kaduna Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		800	960	1,152	1,382
R3		40,029	48,035	57,641	69,170
R4		250,170	300,204	360,244	432,293
C1		800	960	1,152	1,382
C2		36,288	43,546	52,255	62,706
C3		226,797	272,156	326,587	391,905
D1		1,600	1,920	2,304	2,765
D2		223,146	267,775	321,330	385,596
D3		226,797	272,156	326,587	391,905
A1		800	960	1,152	1,382
A2		74,766	89,719	107,662	129,195
A3		100,000	120,000	144,000	172,800
S1		800	960	1,152	1,382

Table 21: Energy Charges - Kaduna Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		23.94	22.14	24.34	22.94

R3		39.73	36.76	40.40	38.08
R4		39.73	36.76	40.40	38.08
C1		27.25	25.21	27.71	26.12
C2		36.93	34.17	37.55	35.39
C3		36.93	34.17	37.55	35.39
D1		29.80	27.57	30.30	28.56
D2		38.72	35.82	39.36	37.10
D3		38.72	35.82	39.36	37.10
A1		28.53	26.39	29.00	27.34
A2		28.53	26.39	29.00	27.34
A3		28.53	26.39	29.00	27.34
S1		24.17	22.36	24.57	23.16

Disco 7 – Kano Disco

Table 22: Fixed Charges - Kano Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		667	800	960	1,152
R3		30,031	36,038	43,245	51,894
R4		156,407	187,689	225,227	270,272
C1		667	800	960	1,152
C2		27,225	32,670	39,204	47,045
C3		141,795	170,154	204,184	245,021
D1		867	1,040	1,248	1,498
D2		139,512	167,414	200,897	241,077

D3		141,795	170,154	204,184	245,021
A1		667	800	960	1,152
A2		62,521	75,025	90,030	108,036
A3		83,361	100,033	120,039	144,047
S1		867	1,040	1,248	1,498

Table 23: Energy Charges - Kano Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		23.65	21.41	23.12	21.67
R3		38.12	34.51	37.26	34.93
R4		38.12	34.51	37.26	34.93
C1		25.80	23.36	25.22	23.65
C2		35.43	32.08	34.63	32.47
C3		35.43	32.08	34.63	32.47
D1		28.59	25.88	27.95	26.20
D2		37.14	33.62	36.31	34.04
D3		37.14	33.62	36.31	34.04
A1		27.37	24.78	26.75	25.08
A2		27.37	24.78	26.75	25.08
A3		27.37	24.78	26.75	25.08
S1		21.01	19.02	20.54	19.26

Disco 8 – Eko Disco

Table 24: Fixed Charges - Eko Disco

FIXED CHARGES ₺/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		750	900	1,080	1,296
R3		31,898	38,278	45,933	55,120
R4		136,655	163,986	196,783	236,140
C1		750	900	1,080	1,296
C2		22,170	26,604	31,924	38,309
C3		118,501	142,202	170,642	204,770
D1		905	1,085	1,302	1,563
D2		116,594	139,912	167,895	201,474
D3		118,501	142,202	170,642	204,770
A1		750	900	1,080	1,296
A2		52,250	62,700	75,240	90,288
A3		58,438	70,125	84,150	100,980
S1		750	900	1,080	1,296

Table 25: Energy Charges - Eko Disco

ENERGY CHARGES ₺/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		19.12	18.26	17.61	16.61

R3		29.02	27.72	26.72	25.21
R4		29.02	27.72	26.72	25.21
C1		19.39	18.51	17.85	16.84
C2		26.97	25.76	24.83	23.43
C3		26.97	25.76	24.83	23.43
D1		21.76	20.79	20.04	18.91
D2		28.28	27.00	26.03	24.57
D3		28.28	27.00	26.03	24.57
A1		20.83	19.90	19.18	18.10
A2		20.83	19.90	19.18	18.10
A3		20.83	19.90	19.18	18.10
S1		16.00	15.28	14.73	13.90

Disco 9- Ikeja Disco

Table 26: Fixed Charges - Ikeja Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		750	900	1,080	1,296
R3		26,269	31,523	37,827	45,393
R4		164,174	197,009	236,410	283,692
C1		750	900	1,080	1,296
C2		23,814	28,577	34,292	41,151
C3		148,835	178,602	214,323	257,188
D1		1,000	1,200	1,440	1,728
D2		195,252	234,303	281,163	337,396

D3		198,447	238,137	285,764	342,917
A1		750	900	1,080	1,296
A2		43,125	51,750	62,100	74,520
A3		65,625	78,750	94,500	113,400
S1		650	780	936	1,123

Table 27: Energy Charges - Ikeja Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		17.02	15.83	14.89	13.69
R3		29.86	27.76	26.11	24.01
R4		29.86	27.76	26.11	24.01
C1		22.64	21.05	19.80	18.21
C2		27.76	25.81	24.27	22.32
C3		27.76	25.81	24.27	22.32
D1		22.40	20.82	19.58	18.01
D2		29.09	27.05	25.44	23.40
D3		29.09	27.05	25.44	23.40
A1		21.44	19.93	18.75	17.24
A2		21.44	19.93	18.75	17.24
A3		21.44	19.93	18.75	17.24
S1		16.46	15.31	14.40	13.24

Disco 10 – Port Harcourt Disco

Table 28: Fixed Charges – Port Harcourt Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		-	-	-	-
R2		700	840	1,008	1,210
R3		35,025	42,030	50,436	60,524
R4		164,174	197,009	236,410	283,692
C1		700	840	1,008	1,210
C2		31,752	38,102	45,723	54,867
C3		148,835	178,602	214,323	257,188
D1		980	1,176	1,411	1,693
D2		146,439	175,727	210,873	253,047
D3		148,835	178,602	214,323	257,188
A1		980	1,176	1,411	1,693
A2		65,625	78,750	94,500	113,400
A3		87,500	105,000	126,000	151,200
S1		980	1,176	1,411	1,693

Table 29: Energy Charges – Port Harcourt Disco

ENERGY CHARGES ₦/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		26.81	24.70	26.60	22.83
R3		44.10	40.64	43.75	37.56

R4		44.10	40.64	43.75	37.56
C1		32.42	29.87	32.16	27.61
C2		40.99	37.78	40.67	34.91
C3		40.99	37.78	40.67	34.91
D1		44.10	40.64	43.75	37.56
D2		42.97	39.60	42.63	36.60
D3		42.97	39.60	42.63	36.60
A1		31.66	29.18	31.41	26.97
A2		31.66	29.18	31.41	26.97
A3		42.22	38.90	41.88	35.95
S1		32.42	29.87	32.16	27.61

Disco 11 – Yola Disco

Table 30: Fixed Charges – Yola Disco

FIXED CHARGES ₦/MONTH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1					
R2		750	900	1,080	1,296
R3		24,205	29,046	34,855	41,826
R4		151,274	181,529	217,835	261,402
C1		750	900	1,080	1,296
C2		21,943	26,331	31,598	37,917
C3		137,141	164,569	197,483	236,980
D1		750	900	1,080	1,296
D2		134,933	161,920	194,304	233,165
D3		137,141	164,569	197,483	236,980

A1		750	900	1,080	1,296
A2		44,688	53,625	64,350	77,220
A3		60,469	72,563	87,075	104,490
S1		750	900	1,080	1,296

Table 31: Energy Charges – Yola Disco

ENERGY CHARGES ₺/KWH					
TARIFF CODE DETAILS					
		2015	2016	2017	2018
R1		4.00	4.00	4.00	4.00
R2		27.36	24.74	26.99	24.59
R3		41.43	37.46	40.87	37.24
R4		41.43	37.46	40.87	37.24
C1		32.61	29.49	32.17	29.31
C2		38.51	34.82	37.99	34.61
C3		38.51	34.82	37.99	34.61
D1		32.61	29.49	32.17	29.31
D2		40.36	36.50	39.82	36.28
D3		40.36	36.50	39.82	36.28
A1		31.92	28.86	31.49	28.69
A2		31.92	28.86	31.49	28.69
A3		31.92	28.86	31.49	28.69
S1		29.18	26.39	28.79	26.23

54. Following consultation with all relevant stakeholders, the Commission hereby orders a deferment in the increase in R2 Fixed and Energy charges from 1st January 2015 to

30th June 2015. Discos may only collect the R2 tariff in place before the effective date of this Order and shall only be entitled to collect the revised R2 tariff as from 1st July 2015.

55. The effect of the deferral will be quantified by NERC and added to the revenue requirement from 2016 onwards. The exact spread during the tariff period shall be determined in collaboration with the Discos.

56. All market participants should note that the 'Baseline Remittance' principle introduced in the Interim Rules will no longer apply. Full payment of invoices from NBET and MO will be expected from the date on which this Order becomes effective.

EFFECTIVE DATE

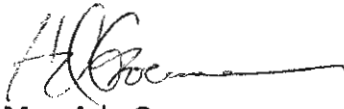
57. This Order shall take effect from 1st January 2015.

Dated at Abuja this 31st day of December 2014

Dr. Sam Amadi
Chairman/CEO

Dr. Steven Andzenge
Commissioner
Legal Licensing and Enforcement

I certify that this is a true version of the Multi Year Tariff Order – 2.1 for the period from 1st January 2015 to 31st December 2018 as executed by the Chairman and the Commissioner (Legal Licensing and Enforcement), Nigerian Electricity Regulatory Commission.



Mrs. Ada Ozoemena
Commission Secretary