



NIGERIAN ELECTRICITY REGULATORY COMMISSION

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

Order on the Operation of the Distribution Code by Electric Power Sector Operators.

Preamble:

The Nigerian Electricity Regulatory Commission (NERC) in carrying out the objectives contained in section 32 (1) of the Electric Power Sector reform Act has the function under section 32 (2) (b) of the Act, to establish or, as the case may be, approve appropriate operating codes and safety, security, reliability, and quality standards.

Following the issuance of Distribution Licences to various Companies by the Commission, the Commission hereby enacts a Distribution Code to regulate the activities of Operators.

Facts:

A Draft Distribution Code was developed over 2005 and 2006 by the Engineering Division of NERC working together with Consultants – Mercados EMI and IPA Energy + Water Consulting.

A three day workshop was thereafter held from the 12th to the 14th of September, 2006. This brought together stakeholders in the electricity industry to receive and discuss the Draft Distribution Code. Invitees included Officers of the Successor Companies to, and Liason Office of, the Power Holding Company of Nigeria and the Federal Ministry of Power and Steel, as well as Independent Power Producers, Engineers, Lawyers, Consumer Rights Advocacy Groups, Electricity Meter Manufacturers and Journalists.

Participants at the Workshop discussed the Draft Distribution Code extensively and made useful contributions which were all noted by the Regulatory Commission and the Consultants.

The Workshop participants agreed that an Advisory Committee be inaugurated to collate inputs to, and review the Draft Code and come up with a revised Draft for the Regulatory Commission's consideration. The Committee was made up of representatives of:

1. Successor Generation Companies;
 - a. Delta Power Station
 - b. Jebba Hydro Power Station
2. Meter Manufacturers;
 - a. EMCON Ltd.
 - b. Unistar Hi Tech System Ltd.
3. Transmission Company of Nigeria;
4. Market Operations;
5. Independent Power Producers
 - a. ICS Power Ltd.
 - b. ELF Petroleum
6. Instrument Laboratory (Former PHCN HQ);
7. Successor Distribution Companies;
 - a. Eko Distribution Company Plc
 - b. Enugu Distribution Company Plc
 - c. Ibadan Distribution Company Plc
8. NERC

The revised Draft Metering Code was submitted to the Commission on May 2, 2007.

Upon due consideration of the revised Draft Metering Code incorporating the comments of all Stakeholders,

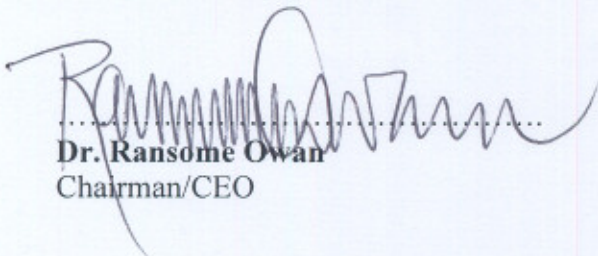
IT IS HEREBY ORDERED that the Metering Code as amended, be adopted.

IT IS FURTHER ORDERED that the Metering Code become effective and binding on all Operators from the 1st day of August, 2007.

IT IS FURTHER ORDERED that the Metering Code be publicly presented to all Stakeholders on June 21, 2007.

By Order of the Commission.

Signed this 18th day of June, 2007.



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Dr. Ransome Owan
Chairman/CEO