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## **THE NIGERIAN ELECTRICITY REGULATORY COMMISSION'S ORDER ON INCREASE IN ELECTRICITY TARIFF - THE DECEMBER 2019 MINOR REVIEW OF MULTI-YEAR TARIFF ORDER ("MYTO") 2015 AND MINIMUM REMITTANCE ORDER FOR THE YEAR 2020 FOR ELECTRICITY DISTRIBUTION COMPANIES (DISCOS)**

### **Season's greetings!**

The Nigerian Electricity Regulatory Commission (NERC) has by Order dated 31<sup>st</sup> December 2019 directed Electricity Distribution Companies (Discos) to increase electricity tariff for end-users, effective 1<sup>st</sup> January 2020.

The Order is published separately for all eleven (11) Discos, for different categories of consumers. The Order takes into consideration relevant macroeconomic variables (exchange rates, gas prices, inflation), and the latest generation capacity on record, to reflect a realistic tariff (cost-reflective tariff). However, in the meantime, subject to conditions, the Federal Government of Nigeria (FGN) intends to fund the revenue gap between cost-reflective tariffs determined by NERC and the actual end-user tariffs payable by consumers. In other words, the FGN, in line with its Power Sector Reform Program (PSRP), does not envisage an immediate increase in tariff until 1<sup>st</sup> April 2020, and a full transition to full cost reflectivity by the end of 2021.

Please note that this minor review is a retrospective adjustment of electricity tariffs pursuant to the MYTO 2015, putting into account changes in the relevant macroeconomic variables of the preceding years leading up to 2019. No actual tariff increase has been approved by NERC and such periodic reviews shall continue in line with the MYTO 2015.

For more enquiry you can contact us at [info@punuka.com](mailto:info@punuka.com)

This notice is issued as part of our public service and awareness agenda.

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