



Ref:  
Date: 29<sup>th</sup> July 2022  
To: All Staff  
From: Managing Director/Chief Executive Officer  
Subject: **Policy on Feeder Band Movement**

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## **1. INTRODUCTION**

The Nigerian Electricity Regulatory Commission (NERC) instituted the service reflective tariff (SRT) regime as an initiative geared towards cost reflective pricing of electricity. BEDC, being a key player in the Nigerian Electricity Supply Industry (NESI), is committed to the SRT and has continued to ensure compliance through the instrumentality of its monthly energy nominations/plans, which guarantee energy availability consistent with the SRT structure.

Due to business exigencies and/or other considerations, BEDC may desire to upgrade or downgrade any of its feeders, culminating in increased or reduced availability respectively. This has direct implications for the SRT, hence the need to put a policy in place towards ensuring that all regulatory and business requirements are fulfilled whilst we also do not compromise on quality service delivery to our esteemed customers.

## **2. PURPOSE**

The purpose of this policy is to provide the criteria/guidelines that must be adhered to before carrying out feeder upgrade or downgrade across BEDC franchise areas.

## **3. SCOPE**

This policy shall apply to all BEDC regions, feeders and DSSs.

## **4. GUIDELINES**

The following criteria/guidelines must be adhered to strictly in upgrading or downgrading any feeder.



**Stage 1 - The region's feeder band upgrade/downgrade proposal is reviewed by the Strategy department, which takes into account the following requirements from the regional manager.**

- 4.1 Three months average consumption of the feeder - this is used to evaluate the weight of upgrade or down grade on average tariff.
- 4.2 Billing Efficiency (BE), Collection Efficiency (CE) and Response Efficiency (RE) of the feeder.
- 4.3 Current feeder band and proposed feeder band.
- 4.4 Technical feasibility in terms of ability to deliver on proposed band (this isto be carried out by the regional network manager)

**Stage 2 - If proposed movement has negative impact on average tariff**

- 4.5 The region shall be asked to do a swap with a feeder of similar consumption (where request is for downgrade). For instance, if feeder A is proposed for



downgrade, the region will be asked to upgrade feeder B of similar consumption to balance out the negative impact of the downgrade on feeder A.

4.6 Once this is fulfilled, stage 1 is applied again. When there is a net **upward** movement in tariff, **or at least no decline or reduction in tariff**, it is recommended to the MD for approval.

4.7 In the case of an upgrade, it is recommended to MD for approval.

### **Stage 3 - Customer Engagement**

4.8 The region shall engage the affected customers with pictorial evidence and minutes signed off before proposing the upgrade or downgrade to strategy unit as in stage one - this forms an annexure to NERC.

4.9 Legal and Regulatory department of BEDC shall write to NERC to inform them of the upgrade or downgrade.

4.10 Consistent with NERC requirements, the feeder is recommended to be placed on 2 months availability (for upgrade) whilst the customers are only billed on the new tariff after BEDC has demonstrated ability to maintain minimum availability.

4.11 In the case of feeder downgrade proposal, the feeder is dropped immediately and billed appropriately after approval by the MD

## **5. ENFORCEMENT**

**Internal control/audit officers, strategy officers, product heads, regional managers, product managers, DDSO and all staff members** are expected to ensure full compliance and escalate noted violations for Management action.

Approval.....

**Dr. Henry Ajagbawa-MD/CEO**