

Notice of Lifting Suspension and Disconnection Order 002-003 for EEDC

Written by Onem Public Affairs

Friday, 05 July 2019 18:00 - Last Updated Friday, 05 July 2019 21:45

TRANSMISSION COMPANY OF NIGERIA (TCN)

INDEPENDENT SYSTEM OPERATOR

Notice of Lifting Suspension Order

(Order: TCN/ISO/MO/2019/002)

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Notice of Lifting Disconnection Order

(Order: TCN/ISO/MO/2019/003)

issued against Enugu Electricity Distribution Company

Before the Market Operator, Independent System Operator, Transmission Company of Nigeria.

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In the matter of non-compliance with the Market Rules and Market Participation Agreements.

WHEREAS:

1.

Enugu Electricity Distribution Company (EEDC) was suspended from the Market Operator Administered Market due to an **EVENT OF DEFAULT**. EEDC was notified of this EVENT OF DEFAULT by a **NOTICE OF EVENT OF DEFAULT** (NED/2019/002) dated May 24, 2019.

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2. In line with Section 45.3.7 of the Market Rules EEDC was issued a ***“Notice of Intent to Issue Suspension Order (NIISO/2019/002)”***

dated May 31

st

, 2019 indicating the intention of the Market Operator to suspend EEDC from the Market Operator Administered Market and restrict some of its rights in the Market Operator Administered Market. EEDC was also reminded of its right pursuant to Section 45.3.8 to request a hearing before the Market Operator to show cause why the Market Operator should not issue a Suspension Order or Disconnection Order against it.

3.

EEDC responded to the ***“Notice of Intent to Issue Suspension Order (NIISO/2019/002)”*** dated May 31

st

, 2019 within the 5 days or 2 Business Days stipulated by the Market Rules and requested for a hearing before the Market Operator to show cause why the Suspension Order, the Disconnection Order, or both, as the case may be, should not be issued.

4.

The Market Operator constituted a three member panel of Market Operator Institution staff, the Market Operator Enforcement Panel (MOEP), to adjudicate at the hearing requested by EEDC.

5.

The hearing was conducted on June 13, 2019 where a team of Market Operator Compliance

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Officers argued before the MOEP for the suspension of EEDC based on EEDC being in default of Market Rules 45.3.1 (d) and not remedying it within the stipulated time.

6.

EEDC also argued before the MOEP stating the cause why it should not be issued a Suspension Order.

7.

The MOEP reviewed the submissions of both Market Operator Compliance Officers and EEDC and thereafter recommended the suspension of EEDC from Market Operator Administered Market.

8.

Based on Market Rules 45.3.9, 45.3.12 and 45.3.13, the Market Operator suspended EEDC from Market Operator Administered Markets.

9.

EEDC has now forwarded a Bank Guarantee, issued on its behalf by First Bank, to the Market Operator. The Bank Guarantee dated July 2, 2019 was received on July 4, 2019.

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10.

The Market Operator deems the Bank Guarantee adequate.

11.

Market Rules 45.3.11 states that:

“The Market Operator shall lift a Suspension Order issued pursuant to Rule 45.3, if the Event of Default in respect of which it was issued is remedied and there are no other subsisting Events of Default with respect to the Suspended Participant, provided that the Market Operator may, upon lifting the Suspension Order, impose such conditions on the authorization of the Participant to participate in the Market Operator Administered Market as it deems appropriate including, but not limited to:

1.

establishing a lower trading limit in respect of the Participant than would otherwise be applicable to the Participant under these Rules;

2.

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establishing a more frequent continuing schedule of payments than would otherwise be applicable to the Participant under these Rules; or

3.

imposing more stringent Prudential Requirements than would otherwise be applicable to the Participant under Rule 15.3.”

1.

Based on Market Rules 45.3.11 and 45.3.15 the Market Operator hereby notifies the Transmission Service Provider, System Operator, other Participants and the General Public that:

1.

The Market Operator Order TCN/ISO/MO/002 suspending Enugu Electricity Distribution Company from the Market Operator Administered Markets is hereby lifted.

2.

The Market Operator Order TCN/ISO/MO/003 disconnecting some facilities in Enugu Electricity Distribution Company from the transmission grid is hereby lifted.

3.

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In line with Market Rules 45.3.15, the Market Operator hereby notifies the Transmission Service Provider to connect back the following facilities to the Grid:

Facilities to be connected back

Transmission Station

33kV Feeders

NEW HAVEN

KINGSWAY I

NEW HAVEN

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KINGSWAY II

BY NOTICE OF THE MARKET OPERATOR

DATED THIS 3rd DAY OF JULY 2019

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