

TRANSMISSION COMPANY OF NIGERIA (TCN)

INDEPENDENT SYSTEM OPERATOR

Order No: TCN/ISO/MO/2019/006

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

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

WHEREAS:

1. That Kano Electricity Distribution Company (KEDCO) is under suspension through Market Operator issued Order TCN/ISO/MO/005.
2. That Kano Electricity Distribution Company (KEDCO) has been suspended from the Market Operator Administered Market due to an EVENT OF DEFAULT that was not remedied. KEDCO was notified of this EVENT OF DEFAULT by a NOTICE OF EVENT OF DEFAULT (NED/2019/004) dated July 9TH, 2019.
3. In line with Section 45.3.7 of the Market Rules KEDCO was issued a "Notice of Intent to Issue Suspension Order (NIISO/2019/005)" dated July 15th, 2019 indicating the intention of the Market Operator to suspend KEDCO from the Market Operator Administered Market and restrict some of its rights

in the Market Operator Administered Market. KEDCO 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.

4. KEDCO responded to the “Notice of Intent to Issue Suspension Order (NIISO/2019/005)” dated July 15th, 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.

5. 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 KEDCO.

6. The hearing was scheduled to hold on July 19, 2019 where a team of Market Operator Compliance Officers prepared to argue before the MOEP for the suspension of KEDCO based on KEDCO’s being in default of Market Rules 45.3.1 (c) and not remedying it within the stipulated time.

7. KEDCO neither appeared before the MOEP nor indicated in writing the reason for failing to appear on July 19, 2019.

8. Market Rules 45.3.9 states that:

Where the Participant does not, or notifies the Market Operator that it will not, request a hearing pursuant to Rule 45.3.9, or in the event that it requested a hearing, then upon the conclusion of such hearing in accordance with Rule 45.3.10, the Market Operator may:

(a) issue a Suspension Order to the Participant suspending or restricting all or any of the Participant's rights to participate in the Market Operator Administered Market;

(b) issue the Suspension Order referred to in Rule 45.3.9(a) and issue, with notice to the Participant, a Disconnection Order to the TSP or any other Transmitter or Distributor to whose system the Participant is connected, directing Disconnection of the relevant Facilities or equipment of the Suspended Participant from the Transmission System or the Distribution System to which they are connected; or

(c) make such other order as it considers appropriate.

And Market Rules 45.3.13 also states:

45.3.13 Upon issuing a Disconnection Order to any Transmitter or any Distributor pursuant to Rule 45.3.9(b), the Market Operator, or the Transmitter or Distributor to whose system the Facilities or equipment of the Participant is connected, shall upon the later of the date and time specified in the Disconnection Order or the expiry of the period specified in Rule 43.3.2, and subject only to Rules 45.3.14 to 45.3.17, disconnect the Facilities or equipment of the Suspended Participant to whom the Disconnection Order applies. The Transmitter or Distributor, as the case may be, shall not reconnect such Facilities or equipment until such time as it receives the notice referred to in Rule 45.3.18, and shall reconnect such Facilities or equipment on the date and at the time specified in such notice. No costs associated with Disconnection and reconnection shall be borne by the Market Operator.

9. Based on Market Rules 45.3.9, and 45.3.13, the Market Operator hereby orders as follows:

A. That the Transmission Service Providers should disconnect the following interface facilities from the Grid until the Event of Default stated in NIISO/2019/005 is remedied.

Facilities to be disconnected

Transmission Station 33kV Feeders

Dan-Agundi Club

Dan-Agundi Zaria Road

BY THE ORDER OF THE MARKET OPERATOR

DATED THIS 21st DAY OF JULY 2019

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Engr. E.A. EJE

MARKET OPERATOR