

NOTICE OF INTENT TO ISSUE A TERMINATION ORDER

TERMINATING THE RIGHTS OF KANO ELECTRICITY DISTRIBUTION COMPANY IN LINE WITH MARKET RULES 45.4

WHEREAS:

1. That Kano Electricity Distribution Company (KEDCO) is under suspension through Market Operator issued Orders TCN/ISO/MO/005 and TCN/ISO/MO/009.
2. That KEDCO has not remedied two Event of Defaults (Lack of Adequate Security Cover and Default in Payment of May 2019 invoice) which triggered the issuance of Suspension Orders TCN/ISO/MO/2019/005 & TCN/ISO/MO/2019/009.
3. Market Rules 45.4.1 states that:

Upon the occurrence of any of the events specified in paragraphs (a) and (b), the Market Operator may issue a Termination Order, terminating the rights of a Suspended Participant who is subject to a Suspension Order under which that Participant's right to participate in the Market Operator Administered Market has been suspended. The events upon which a Termination Order pursuant to this Rule 45.4.1 may be issued are:

(a) if the Suspended Participant has not remedied the Event of Default which triggered the issuance of the Suspension Order to the satisfaction of the Market Operator within [30] Business Days of the date of issuance of the Suspension Order; or

(b) where the Suspended Participant has notified the Market that it is not likely to remedy such Event of Default.

4. Market Rules 45.4.3 further states that:

Where the Market Operator intends to issue a Termination Order in respect of any Participant, the Market Operator shall give the Participant notice of its intention, specifying:

(a) the grounds upon which it proposes to issue the Termination Order and details of any evidence relied upon;

(b) the time within which the Participant may make written representations on why the Termination Order should not be issued; and

(c) the right of the Participant to request a hearing before the Market Operator to show cause why the Termination Order should not be issued.

5. Based on Market Rules 45.4.1 and 45.4.3 the Market Operator hereby gives Kano Electricity Distribution Company (KEDCO) of this Notice of Intent to Issue a Disconnection (NIIDO) on the grounds

that it has not cured the events of Default which triggered Suspension Order TCN/ISO/MO/005 (issued July 21, 2019) within 30 business days.

- KEDCO has still not topped up its Security Cover and has made media claims it is not going to top it up.

- KEDCO has not paid in full its May 2019 invoice, still owing N315,805,053.49 representing 50% of the invoice.

6. In line with Market Rules 45.4.3.b KEDCO is required to make a written representation to the Market Operator why the Termination Order should not be issued by September 10, 2019.

- KEDCO submission is required to be submitted in 10 copies.

7. KEDCO is hereby invited to exercise its right to request for a hearing before the Market Operator on or before September 10, 2019, to show cause why the Termination Order should not be issued in line with Market Rules 45.4.3.c

BY THE NOTICE OF THE MARKET OPERATOR

DATED THIS 4TH DAY OF SEPTEMBER 2019

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