**Ref: Intersociety/NG/002/11/015/NERC/ABJ**

**Dr. Sam Amadi**

**Executive Chairman, Board of Nigerian Electricity Regulatory Commission (NERC)**

**NERC Headquarters, Adamawa Plaza**

**Plot 1099, First Avenue, Off Shehu Shagari Way**

**Central Business District, Abuja, FCT, Nigeria**

**Sir,**

**EEDC-A Tragedy Of Electricity Sector (Distribution) Privatization In Nigeria & Uncovering Of Its Unchecked Fraudulent Activities Against Citizens Of The Southeast: A Case-Study Of Ogbaru, Onitsha & Ogidi Business Units (Part 1)**

(**Onitsha Nigeria, 10th November 2015**)- Recall Sir, that the Nigerian Electricity Regulatory Commission (NERC), under your chairmanship, is an independent body, established by ***the Electric Power Sector Reform Act of the Federation 2005*** to undertake technical and economic regulation of the Nigerian Electricity Supply Industry. The Commission is also created to, among others, license operators, determine (regulate) operating codes and standards and establish and protect customer rights and obligations as well as setting cost reflective industry tariffs.

Recall too Sir that our organization (**International Society for Civil Liberties & the Rule of Law)** had on 3rd December 2012 written your office and then Minister of Power (Zainab Ibrahim Kuchi), raising same complaints against then *Power Holding Company of Nigeria (PHCN), Enugu Zone* and its three Biz Units of Onitsha, Ogbaru and Ogidi. The letter was referenced: ***Intersociety/NG/001/11/012/FMP/ABJ/FRN*** and titled: ***Multi-Billion Naira Fraud In Onitsha, Ogbaru & Ogidi Business Units Of The Power Holding Company Of Nigeria: Ogbaru Business Unit As Our Case-Study.***

The highlights of fraudulent activities contained in the said letter are: 1. ***deliberate commercialization of distribution and marketing functions and duties by the PHCN staff and management, 2.non provision and inadequacy of distribution transformers, 3.abandonment by relevant staff and management of specific duties such as maintenance of distribution transformers and tasking consumers through forced undertakings, to bear the burden of procurement of transformers and their accessories such as armored cables, earth cables, transformer oil, fuses, panels, etc and cost of fixing them (usually through hired third parties or electric contractors certified by the same PHCN), 5.abandonement of existing meters (post paid) and indiscriminate issuance of tariffs and their collection using “quota” or “target” (a criminal billing benchmark), 6.issuance of monthly bills based on criminally imposed estimated bills, which now surpass monthly house rents of customers or consumers, 7.criminal and forceful issuance and collection of the so called “service charge” or “fixed charge” of N650,00 per customer/month and criminal abandonment in the hands of consumers of general maintenance of distribution transformers and existing meters (long discarded).***

Others are: ***8.non provision of prepaid meters to customers, 9.criminal mass disconnection of power lines including customers that paid their bills; for the purpose of extortion and individual criminal enrichment, 10.forcing customers to write under duress or sign forced undertakings for the purpose of “donating” transformers and their accessories as well as bearing the cost of installing and maintaining them, 11.epileptic and leprous power supply to customers particularly in areas under 11KVA lines,12.phasing out without replacement (prepaid meters) of existing post paid meters of 1990s and below leading to indiscriminate issuance and collection of outrageously estimated monthly bills of between N7,000 and N15,000 per month/consumer(non commercial),13.indiscrimate imposition and allocation of outrageous “tariff or power consumption units”(i.e. between 500 and 900 units per consumer at the rate of N16.44) and 14.poor customer service relationship.***

Sadly Sir, all the fourteen major sharp practices highlighted above and raised against the former *PHCN* have been retained and consolidated by the ***Enugu Electricity Distribution Company (EEDC),*** which succeeded the ***Power Holding Company of Nigeria (PHCN)****.* As you know Sir, ***the EEDC*** is owned, subject to your Board (NERC) statutory regulation; by one Sir Emeka Offor (chairman of its board of directors) and his associates with a Briton-Mr. Robert Dickerman as its Managing Director & Chief Executive Officer (CEO). ***The EEDC,*** which covers the five Southeast States of Anambra, Enugu, Imo, Ebonyi and Abia, is sub-divided into 18 Business Units of Onitsha, Nnewi, Awka, Ogidi, Ogbaru and Ekwulobia all in Anambra State. Others are Ogui, Awkunanaw, Abakpa, Nsukka, Owerri, New Owerri, Orlu, Mbaise, Umuahia, Aba, Ariara and Abakiliki.

**Ogbaru, Onitsha & Ogidi Business Units As Case-Study:** Sir, the ***fourteen major sharp practices*** under complaint have steadily remained the stock-in-trade of most, if not all the 18 Business Units of the ***EEDC***. Of the 18 Business Units, the six Business Units in Anambra State (Onitsha, Ogbaru, Ogidi, Awka, Ekwulobia and Nnewi), particularly those of Ogbaru, Onitsha and Ogidi are places where the ***fourteen major sharp practices*** are incurably entrenched.

**Ogbaru Business Unit As Specific Case-Study:**

**Facts & Profile:** The Ogbaru Business Unit located along Obodukwu Road by Atani-Ogwuikpere Federal Road is headed by a Business Manager by name Engineer Ezeh. The Unit covers Fegge sub city, and Fegge Housing Estate (in Onitsha), the Habour Industrial Layout, Mkpikpa Lyout, Okpoko sub city, Nkutaku Layout, Iyiowa Layout, Odekpe Community, Odor Rubber Layout, Ogbeukwu sub community and other communities of Ogbaru Local Government Area. The Business Unit is specifically hit by the following fourteen sharp practices: 1. ***deliberate commercialization of distribution and marketing functions and duties by the Unit, 2.non provision and inadequacy of distribution transformers, 3.abandonment by relevant staff and management of specific duties such as maintenance of distribution transformers and tasking consumers through forced undertakings, to bear the burden of procurement of transformers and their accessories such as armored cables, earth cables, transformer oil, fuses, panels, etc and cost of fixing them (usually through hired third parties or electric contractors certified by the Unit).***

Others are: ***5.abandonement of existing meters (post paid) and indiscriminate issuance of tariffs and their collection using “quota” or “target” (a criminal billing benchmark), 6.issuance of monthly bills based on criminally imposed estimated bills, which now surpass monthly house rents of customers or consumers, 7.criminal and forceful issuance and collection of the so called “service charge” or “fixed charge” of N650,00 per customer or consumer and criminal abandonment in the hands of consumers of general maintenance of distribution transformers and existing meters (long discarded), 8.non provision of prepaid meters to customers, 9.criminal mass disconnection of power lines including customers that paid their bills; for the purpose of extortion and individual criminal enrichment, 10.forcing customers to write under duress or sign forced undertakings for the purpose of “donating” transformers and their accessories as well as bearing the cost of installing and maintaining them, 11.epileptic and leprous power supply to customers particularly in areas using 11KVA lines,12.phasing out without replacement (prepaid meters) of existing post paid meters of 1990s and below leading to indiscriminate issuance and collection of outrageously estimated monthly bills of between N7,000 and N15,000 per month/consumer(non commercial),13.indiscrimate imposition and allocation of outrageous “tariff or power consumption units”(i.e. between 500 and 900 units per consumer at the rate of N16.44) and 14.poor customer service relationship.***

Sir, recall that we had as a result of same complaints in 2012 written your Board and office on 3rd December 2012, raising same issues against then ***Power Holding Company of Nigeria (PHCN)*** in the Southeast Zone particularly against its Ogbaru, Onitsha and Ogidi Business Units. Your Board responded commendably leading to provision of a 500 KVA (33KVA line) to the ***Abazuonu/Ihitenansa Electricity Consumers/Customers Forum*** of Iyiowa Layout in Ogbaru Business Unit (the case-study area) by the PHCN Zonal Office in Enugu. The Transformer was delivered on 4th February 2013. The said Consumers Forum spent N70, 000 to deliver the transformer from Enugu to Ogbaru, following claims by the PHCN that “it did not have means to deliver same”.

This was followed by another claim by the same PHCN that “it did not have accessories (i.e. armored cables, earth cables, fuses, oil, panels, feeder units, etc) to install it”; leading to “its advice to the Consumers Forum to “write a letter donating materials to PHCN” for the purpose of installing and energizing it (see a copy of ***our booklet of evidence***). Over N1.5 million was spent by the Consumers Forum in the installation of the transformer including procurement of 45 meters of armored cable valued at N650, 000.

The transformer became over-loaded in 2014 owing to its under capacity; leading to a written notification and request by the Consumers Forum (Abazuonu/Ihitenansa) to the EEDC in Ogbaru, Onitsha (Principal Manager for Operations) and Enugu (i.e. departments in-charge of network expansion and distribution and office of the MD/CEO) for “a relief sub-station”. Promises were made by the EEDC but never fulfilled leading to “packing” of the transformer in November 2014. Further written notifications to that effect were made and the Forum was told to “wait” for availability of “materials” for the “packed” transformer to be refurbished and energized under “load-shedding” pending the provision of a new sub-station to relief the ailing one. The Forum was in total darkness for one month without a reprieve leading to them being advised by the same EEDC departments (i.e. network expansion, distribution and office of the Ogbaru Business Unit Manager) “to write to donate materials and power of attorney to refurbish and energize” the “packed” sub-station using EEDC certified electric engineer.

Over N600, 000 was spent by the Consumer Forum in refurbishing and energizing it including the sum of N407, 500 charged by the EEDC certified third party. The area was also clamped into “load-shedding” owing to over-load and failure of the EEDC to provide a relief sub-station as severally promised. Reprieve came to the Abazuonu/Ihitenansa Electricity Consumers Forum alongside others in the Ogbaru Business Unit during the last elections’ campaigns. They had till then been experiencing dearth of distribution transformers with attendant excruciating pains and hardships. Over forty main and mini distribution transformers were given to various residences and communities under the Ogbaru Business Unit alone; out of which, at least 20 came from the immediate past Speaker of the Anambra State House of Assembly, Hon Chinwe Claire Nwaebili. Of the 20 distribution transformers of 500KVAs and 300KVas under reference, Okpoko sub city got eight, while the remaining twelve were shared by selected residences in Iyiowa Layout (Market Square, Madonna Catholic Church, Saint Gregory Catholic Church, Achina Street, Duruzor Street, Ihitenansa/Abazuonu Street, Mission Road and Ogbeukwu sub community). Other beneficiaries were residences of the Deeper Life Bus Stop in Odor Rubber Layout and the Okoti Layout as well as Okpotuno area of Odekpe Community and the Atani Community.

The relevant officials and departments of the EEDC were notified in writing by the beneficiary residences and communities of the availability of the transformers and need for them to be installed and energized so as to boost power supply and revenue generation of the Company; sadly the EEDC turned down the requests, asking the beneficiaries “to go back to their donors to get them installed and energized” or “write EEDC and sign undertakings to donate them with their accessories and get them installed and energized” through EEDC certified engineers or third parties as well as under EEDC supervisory approval and certification. Frustrated, all the beneficiaries wrote the EEDC as directed and funded the installation of the transformers, with each gulping at least N2.5million solely incurred by the beneficiaries.

The Abazuonu/Ihitenansa Electricity Consumers Forum further undertook the responsibility of refurbishing the existing transformer (i.e. replacement of burnt armored cables, feeder units, panels, fuses, etc) alongside installation of the new one (received from the former Anambra State Assembly Speaker); leading to expenditure of at least N3.5 million. The transformer was energized in July 2015 and commissioned by its donor on 1st October 2015.

**Profiling Of Donated & Community Procured Transformers:** Between 2013 and 2015; a period of three years, the Ogbaru Business Unit of the EEDC has profiled and claimed at least 60 mini and main distribution transformers comprising 500KVAs, 300KVAs and *table or hanging transformers,* donated to residences and communities by political office holders or politicians seeking elective offices as well as those procured through community or residential efforts. In 2015 alone, at least 40 of them have been profiled and claimed by EEDC. Since the privatization of the Enugu Electric Distribution Company (EEDC) and its takeover by one Sir Emeka Offor and associates, injection and provision of needed facilities such as distribution transformers and their accessories as well as prepaid meters has remained a mirage. The EEDC has continuously reaped from where it did not cultivate by coercing and exploiting its consumers and afflicting them with all kinds of bureaucratic sharp practices including those highlighted above.

Between 2013 and 2015 alone, the Abazuonu/Ihitenansa Electricity Consumers Forum had spent at least N5.5 million in installation of its two existing transformers as well as their general maintenance. Till date, no single letter of commendation, or tariff weavers or compensation had come their way from the EEDC. The EEDC has completely abandoned requisite *distribution maintenance* or aptly respond to any community/customers’ attention. The Company is only interested in issuance and collection of *criminal tariffs* using crooked means including manipulated *techniques designed to rip off* or swindle its customers. Other than the provision of a 500KVA (33 Line) transformer by the moribund PHCN to the referenced Consumers Forum in early February 2013 via your office intervention, all other sharp practices complained of were left unaddressed till date, leading to this letter of ours under discussion.

**Yours Faithfully,**

**For: International Society for Civil Liberties & the Rule of Law**

**Emeka Umeagbalasi, B.Sc. (Hons), Criminology & Security Studies**

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**CC:**

1. **Managing Director, Enugu Electricity Distribution Company (EEDC), Enugu, Nigeria**
2. **The Principal Manager in-charge of Operations for Anambra State, Onitsha, Nigeria**

**Note: Attached below is *a booklet of evidence*** in support of our findings in the ***case-study area.***