THE SENATE

FEDERAL REPUBLIC OF NIGERIA

REPORT OF THE COMMITTEE ON POWER, STEEL DEVELOPMENT AND METALLURGY ON NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC) BUDGET PROPOSAL FOR THE YEAR ENDING 31ST DECEMBER 2017

OCTOBER 2017

NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC)
2017 BUDGET PROPOSAL

A	B	C	D	E	F	G
S/N	ITEMS	2016 REVISED BUDGET	2016 ACTUAL PERFORMANCE	2017 PROPOSED BUDGET	COMM. RECOMM.	REMARKS
		=N=	=N=	=N=	=N=	
	TOTAL EXPENDITURE BUDGET	7,497,530,850	4,476,703,287.33	10,731,990,668	10,731,990,668	SUSTAINED
A	TOTAL PERSONNEL COST	3,893,035,427	3,739,526,151.94	4,651,719,381	4,651,719,381	SUSTAINED
B	GENERAL	2,086,895,246	737,177,135.39	4,588,347,512	4,588,347,512	SUSTAINED
2.0	TRAVELS & TRANSPORT - GENERAL	218,373,691	209,118,600.14	258,000,000	258,000,000	SUSTAINED
2.1	HOTEL ACCOMODATION	74,935,000	74,824,945.00	90,000,000	90,000,000	SUSTAINED
2.2	LOCAL TRAVELS & TRANSPORT	75,000,000	69,108,758.35	96,000,000	96,000,000	SUSTAINED
2.3	INTERNATIONAL TRAVELS & TRANSPORT	68,438,691	65,184,896.79	72,000,000	72,000,000	SUSTAINED
3.0	UTILITIES - GENERAL	47,769,282	36,663,755.67	58,523,138	58,523,138	SUSTAINED
3.1	ELECTRICITY CHARGES	12,619,282	11,240,648.61	15,143,138	15,143,138	SUSTAINED
3.2	TELEPHONE CHARGES	4,000,000	2,718,487.76	9,600,000	9,600,000	SUSTAINED
3.3	INTERNET ACCESS CHARGES	28,000,000	20,581,313.67	30,000,000	30,000,000	SUSTAINED
3.4	WATER RATES	1,650,000	937,777.84	1,980,000	1,980,000	SUSTAINED
3.5	SEWAGE CHARGES	1,500,000	1,185,527.79	1,800,000	1,800,000	SUSTAINED

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		=N=	=N=	=N=	=N=	
4.0	**MATERIALS & SUPPLIES - GENERAL**	**35,209,270**	**20,255,625.00**	**84,965,067**	**84,965,067**	SUSTAINED
4.1	OFFICE STATIONERIES /COMPUTER CONSUMABLES	14,198,363	12,567,095.00	17,038,035	17,038,035	SUSTAINED
4.2	LIBRARY BOOKS/ PERODICALS/NEWSPAPERS	1,078,110	722,100.00	9,391,198	9,391,198	SUSTAINED
4.3	PRINTING OF NON-SECURITY DOCUMENTS	4,060,233	3,524,300.00	9,872,280	9,872,280	SUSTAINED
4.4	PRINTING OF SECURITY DOCUMENTS	775,833	516,000.00	931,000	931,000	SUSTAINED
4.5	DRUGS & MEDICAL SUPPLIES/ FIRST AIDS	-	-	2,500,400	2,500,400	SUSTAINED
4.6	UNIFORMS & OTHER CLOTHING	2,000,000	12,000.00	2,400,000	2,400,000	SUSTAINED
4.7	OFFICE MATERIALS AND SUPPLIES	13,096,731	2,914,130.00	15,716,077	15,716,077	SUSTAINED
4.8	OTHER MATERIALS & SUPPLIES - Fire Extinguishers, Work tools, Mowers etc	-	-	24,116,077	24,116,077	SUSTAINED
4.9	PROCUREMENT OF TEACHING AIDS & INSTR MATERIALS	-	-	3,000,000	3,000,000	SUSTAINED
5.0	**MAINTENANCE SERVICES- GENERAL**	**43,755,198**	**32,173,634.72**	**116,314,645**	**116,314,645**	SUSTAINED
5.1	MAINTENANCE OF MOTOR VEHICLES	5,383,866	5,157,406.10	6,460,639	6,460,639	SUSTAINED
5.2	MAINTENANCE OF OFFICE FURNITURE	199,500	171,000.00	239,400	239,400	SUSTAINED
5.3	MAINTENANCE OF BUILDING - OFFICE	9,500,000	423,130.00	11,400,000	11,400,000	SUSTAINED
5.4	MAINTENANCE OF OFFICE EQUIPMENT	500,000	289,120.00	600,000	600,000	SUSTAINED
5.5	MAINTENANCE OF COMPUTERS & IT EQUIPMENT	3,305,385	2,832,062.25	6,000,000	6,000,000	SUSTAINED
5.6	MAINTENANCE OF PLANTS/GENERATORS	940,546	806,181.99	1,128,655	1,128,655	SUSTAINED

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5.7	MAINTENANCE OF ELEVATORS	469,674	402,577.60	563,609	563,609	SUSTAINED
5.8	FACILITY MANAGEMENT FEES	15,000,000	14,000,000.00	68,000,000	68,000,000	SUSTAINED
5.9	OTHER MAINTENANCE SERVICES	8,456,227	8,092,156.78	12,322,342	12,322,342	SUSTAINED
5.10	LOGISTICS FOR MOVEMENT TO NEW HQ BUILDING	-	-	9,600,000	9,600,000	SUSTAINED
6.0	**TRAINING- GENERAL**	**288,864,215**	**55,282,180.06**	**392,021,638**	**392,021,638**	SUSTAINED
6.1	LOCAL TRAINING	95,000,000	6,004,904.76	120,000,000	120,000,000	SUSTAINED
6.2	REGULATORY STUDY TOURS	127,721,520	32,243,832.80	196,000,000	196,000,000	SUSTAINED
6.3	INDUSTRIAL TRAINING FUND (ITF) LEVY	36,706,394	-	64,021,638	64,021,638	SUSTAINED
6.4	INT'L TRAINING	29,436,301	17,033,442.50	-	-	
6.5	NIPSS	-	-	12,000,000	12,000,000	SUSTAINED
7.0	**OTHER SERVICES - GENERAL**	**115,929,463**	**101,824,501.42**	**128,199,205**	**128,199,205**	SUSTAINED
7.1	SECURITY SERVICES	8,461,850	8,009,014.13	18,953,174	18,953,174	SUSTAINED
7.2	CLEANING & FUMIGATION SERVICE	13,768,984	13,267,376.81	16,522,781	16,522,781	SUSTAINED
7.3	TENEMENT RATE/GROUND RENT	538,371	446,460.48	12,000,000	12,000,000	SUSTAINED
7.4	LANDSCAPING SERVICES	-	-	2,400,000	2,400,000	SUSTAINED
7.5	OFFICE ACCOMMODATION RENT	93,160,258	80,101,650.00	78,323,250	78,323,250	SUSTAINED
8.0	**CONSULTING AND PROFESSIONAL SERVICE - GENERAL**	**582,375,000**	**134,126,121.47**	**1,609,416,000**	**1,609,416,000**	SUSTAINED
8.1	**F&MS CONSULTANCIES**	**58,500,000**	**13,401,750.00**	**69,000,000**	**69,000,000**	SUSTAINED

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8.1.1	AUDIT FEES	22,500,000	-	27,000,000	27,000,000	SUSTAINED
8.1.2	IFRS IMPLEMENTATION	12,000,000	10,871,250.00	-	-	
8.1.3	FINANCIAL ADVISORY SERVICE/ACTURIAL REVALUATION FOR GRATUITY FUND	17,000,000	-	20,400,000	20,400,000	SUSTAINED
8.1.4	STAFF PROMOTION EXPENSES	-	-	9,600,000	9,600,000	SUSTAINED
8.1.5	TALLY LICENCE AND UPGRADE/MAINTENANCE	7,000,000	2,530,500.00	12,000,000	12,000,000	SUSTAINED
8.2	**ES&S CONSULTANCIES**	**25,000,000**	**3,738,425.00**	**77,000,000**	**77,000,000**	SUSTAINED
8.2.1	SITE INSPECTION AND VERIFICATION EXERCISE FOR NEW LICENSE AND PERMITS APPLICATIONS AS REQUIRED BY THE EPSR ACT, 2005	25,000,000	3,738,425.00	10,000,000	10,000,000	SUSTAINED
8.2.2	REVIEW OF EMBEDDED GENERATON REGULATION AND FACILITATION OF IMPLEMENTATION	-	-	5,000,000	5,000,000	SUSTAINED
8.2.11	GUIDELINES ON MANAGEMENT OF VEGETATION NEAR ELECTRIC POWER	-	-	-	-	SUSTAINED
8.2.3	ACCIDENT INVESTIGATIONS	-	-	5,000,000	5,000,000	SUSTAINED
8.2.4	PARTNERSHIP AND EXCHANGE PROGRAMME WITH OSHA OF USA, NEMA, etc	-	-	2,000,000	2,000,000	SUSTAINED

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		=N=	=N=	=N=	=N=	
8.2.5	REVIEW AND IMPROVEMENT OF THE EXISTING LICENSE/PERMIT APPLICATION REQUIREMENT TEMPLATES FOR ALL POWER GENERATION TECHNOLOGIES INCLUDING RENEWABLE ENERGY	-	-	15,000,000	15,000,000	SUSTAINED
8.2.6	DEVELOPMENT OF REGULATORY FRAMEWORKS FOR THE UTILIZATION OF EXCESS POWER FROM CAPTIVE POWER PLANTS, THE ADOPTION OF COMBINED CYCLE GAS TURBINE (CCGT) TECHNOLOGY AS NEW BENCHMARK FOR GENERATION TARIFFS DETERMINATION & REVIEW AND IMPLEMENTATION OF THE DRAFT NERC-MAN REPORT ON MICRO-GRIDS FOR INDUSTRIAL CLUSTERS IN NIGERIA	-	-	10,000,000	10,000,000	SUSTAINED
8.2.7	COORDINATION OF GRID, DISTRIBUTION, METERING, SAFETY CODES AND NESIS REGULATION REVIEW PANELS	-	-	10,000,000	10,000,000	SUSTAINED
8.2.8	REGULATORY FRAMEWORK/GUIDELINES FOR THE ACCREDITATION OF METER TEST LABORATORIES IN NIGERIA	-	-	2,000,000	2,000,000	SUSTAINED

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8.2.9	REVIEW OF THE GUIDELINES FOR THE CERTIFICATION OF METERING SERVICE PROVIDERS AND OTHER RELATED MATTERS	-	-	3,000,000	3,000,000	SUSTAINED
8.2.10	DEVELOPMENT OF SAFETY AUDIT PROTOCOLS AND REVIEW OF ANNUAL SAFETY AUDIT CONDUCTED BY LICENSEES	-	-	10,000,000	10,000,000	SUSTAINED
8.2.11	CONSULTANCY ON THE REVIEW OF GENERATION ADEQUACY STUDIES	-	-	2,000,000	2,000,000	SUSTAINED
8.2.12	CONSULTANCY ON THE REVIEW OF TRANSMISSION EXPANSION PLAN	-	-	3,000,000	3,000,000	SUSTAINED
8.3	**LL&E CONSULTANCIES**	**88,000,000**	**24,889,000.00**	**377,140,000**	**377,140,000**	SUSTAINED
8.3.1	LEGAL DUE DILIGENCE	18,000,000	3,114,000.00	20,000,000	20,000,000	SUSTAINED
8.3.2	HEARINGS OF THE COMMISSION	-	-	2,000,000	2,000,000	SUSTAINED
8.3.3	INVESTIGATE NON COMPLIANCE AND VIOLATIONS, AND ENFORCEMENT	-	-	29,740,000	29,740,000	SUSTAINED
8.3.4	CIVIL LITIGATIONS & ENGAGEMENT OF COUNSEL ON EXPECTED CASES	45,000,000	21,455,000.00	160,000,000	160,000,000	SUSTAINED
8.3.5	NIGERIAN NATIONAL CONTENT CONSULTATIVE FORUM (NNCCF)	-	-	5,000,000	5,000,000	SUSTAINED
8.3.6	ATTENDANCE OF COURT PROCEEDINGS	-	-	-	-	
8.3.7	GAZETTING OF REGULATIONS	25,000,000	320,000.00	40,000,000	40,000,000	SUSTAINED

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8.3.8	FEES OF COUNSEL ON EXISTING CASES /OUTSTANDING FEES	-	-	54,000,000	54,000,000	SUSTAINED
8.3.9	TRAINING OF COMMISSIONERS ON HEARINGS	-		10,000,000	10,000,000	SUSTAINED
8.3.10	ORGANISE SEMINAR FOR JUDGES	-	-	46,400,000	46,400,000	SUSTAINED
8.3.11	PUBLISH COMPENDIUM OF PAPERS PRESENTED AT THE THIRD SEMINAR FOR JUDGES	-	-	10,000,000	10,000,000	SUSTAINED
8.4	**MARKET COMPETITION AND RATES DIV.**	**135,000,000**	**6,762,742.85**	**400,000,000**	**400,000,000**	SUSTAINED
8.4.1	TARIFF AFFORDABILITY STUDY	-	-	100,000,000	100,000,000	SUSTAINED
8.4.2	ADOPTION AND IMPLEMENTATION OF USOA	-	-	5,000,000	5,000,000	SUSTAINED
8.4.3	MYTO MINOR REVIEW	85,000,000	1,762,742.85	100,000,000	100,000,000	SUSTAINED
8.4.4	OPTIMIZATION OF TCN INVESTMENTS TO MEET MYTO LOAD ALLOCATION PROJECTIONS	-	-	-	-	
8.4.5	NIPP ASSET VALUATION FOR TCN	-	-	-	-	
8.4.6	PUBLIC CONSULTATIONS ON DRAFT REGULATIONS	-	-	100,000,000	100,000,000	SUSTAINED
8.4.7	DETERMINATION OF TECH & FIN BENCHMARK PRICES FOR OCGT,CCGT,COAL, LPG, NUCLEAR & LARGE HYDRO PLANTS	25,000,000	-	50,000,000	50,000,000	SUSTAINED
8.4.8	OPERATIONALISATION (REMUNERATION) OF THE ISAP, DRC, DRP, ETC	15,000,000	5,000,000.00	40,000,000	40,000,000	SUSTAINED

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8.4.9	MARKET SURVEILLANCE SYSTEM & PROCEDURES	-	-	5,000,000	5,000,000	SUSTAINED
8.5	**RESEARCH, RENEWABLE & DEVELOPMENT**	**42,000,000**	**6,607,988.10**	**97,000,000**	**97,000,000**	SUSTAINED
8.5.1	REGULATION ON CROSS-BORDER POWER TRADING	-	-	15,000,000	15,000,000	SUSTAINED
8.5.2	INTEGRATED RESOURCE PLANS OF THE NESI	25,000,000	6,607,988.10	-	-	
8.5.3	CONSULTANCY AND STAKEHOLDER WORKSHOP ON REGULATORY FRAMEWORK FOR RURAL ELECTRIFICATION	-	-	6,000,000	6,000,000	SUSTAINED
8.5.4	PRODUCTION OF BENCHMARK INFORMATION ON KPI AND COST ELEMENTS OF TARIFF	5,000,000	-	12,000,000	12,000,000	SUSTAINED
8.5.5	REGULATORY IMPACT ANALYSIS OF ECONOMIC AND TECHNICAL REGULATIONS	12,000,000	-	2,000,000	2,000,000	SUSTAINED
8.5.6	PRODUCTION OF INVESTORS' GUIDE FOR ON-GRID/OFF GRID SMALL RE POWER GENERATION (1000 COPIES)	-	-	10,000,000	10,000,000	SUSTAINED
8.5.7	M&E OF IMPLEMENTATION OF PROCUREMENT OF RE BASED POWER UNDER THE FEED-IN-TARIFF	-	-	10,000,000	10,000,000	SUSTAINED
8.5.8	DEVELOPMENT OF GUIDELINES FOR NETMETERING	-	-	5,000,000	5,000,000	SUSTAINED

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8.5.9	MONITORING AND EVALUATION OF THE MINI-GRID REGULATION	-	-	2,000,000	2,000,000	SUSTAINED
8.5.10	REGULATORY FRAMEWORK ON ADJUSTMENT OF UNSPENT EXPENDITURE BY DISCOS AND TCN	-	-	7,000,000	7,000,000	SUSTAINED
8.5.11	DEVELOPMENT OF REGULATORY SUPPORT FOR PHASING OUT INEFFICIENT END-USE ELECTRICAL APPLIANCES	-	-	5,000,000	5,000,000	SUSTAINED
8.5.12	ENERGY EFFICIENCY REGULATION	-	-	10,000,000	10,000,000	SUSTAINED
8.5.13	PRODUCTION OF BENCHMARK INFORMATION ON KPI AND COST ELEMENTS OF TARIFF	-	-	5,000,000	5,000,000	SUSTAINED
8.5.14	MANAGEMENT AND MAINTENANCE OF THE COMMISSION LIBRARY, PROCUREMENT OF SUBSCRIPTION AND BOOKS (E-BOOKS INCLUDED) FOR THE LIBRARY.	-	-	8,000,000	8,000,000	SUSTAINED
8.6	**CA CONSULTANCIES**	**152,000,000**	**48,182,738.30**	**236,866,000**	**236,866,000**	SUSTAINED
8.6.1	TRAINING OF FORUM MEMBERS	12,000,000	8,372,920.00	30,000,000	30,000,000	SUSTAINED
8.6.2	CCU EVALUATION	-	-	-	-	
8.6.3	AUDIT OF DISCO COMPLIANCE TO SERVICE STANDARDS	-	-	50,000,000	50,000,000	SUSTAINED

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8.6.4	RE-ESTABLISHMENT OF COMMISSION'S DEDICATED COMMUNICATION PROGRAMMES & PRODUCTION OF THE RADIO PROGRAMME	50,000,000	4,713,650.00	34,866,000	34,866,000	SUSTAINED
8.6.5	HONORARIUM FOR FORUM MEMBERS/MONITORING PERFORMANCE OF THE FORUM OFFICES	25,000,000	4,135,000.00	70,000,000	70,000,000	SUSTAINED
8.6.6	COMMISSIONING OF FORUM OFFICES	65,000,000	30,961,168.30	40,000,000	40,000,000	SUSTAINED
8.6.7	ESTABLISHMENT OF ENERGY CLUBS	-	-	2,000,000	2,000,000	SUSTAINED
8.6.8	DISEMMINATION OF INFORMATION THROUGH BULK SMS, NATIONWIDE.	-	-	5,000,000	5,000,000	SUSTAINED
8.6.9	REVIEW AND IMPLEMENTATION OF THE APPLICATION FOR ELECTRICITY SUPPLY & AGREEMENT FORM (FORM 74)	-	-	1,000,000	1,000,000	SUSTAINED
8.6.10	DEVELOPMENT OF A CREDIT MANAGEMENT POLICY (CMP) FOR THE NESI	-	-	1,000,000	1,000,000	SUSTAINED
8.6.11	IMPLEMENTATION OF THE CUSTOMER ENUMERATION GUIDELINE BY THE DISCOS	-	-	2,000,000	2,000,000	SUSTAINED
8.6.12	PEER GROUP REVIEW MEETING WITH THE HEAD OF CUSTOMER SERVICE OF DISCOS	-	-	1,000,000	1,000,000	SUSTAINED
8.7	**CEO'S OFFICE PROJECTS AND CONSULTANCIES**	**81,875,000**	**30,543,477.22**	**352,410,000**	**352,410,000**	SUSTAINED
8.7.1	ANNUAL RETREAT	-	-	15,000,000	15,000,000	SUSTAINED

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8.7.2	INDUCTION PROGRAMME FOR NEW COMMISSIONERS	6,875,000	-	8,250,000	8,250,000	SUSTAINED
8.7.3	PASSAGES EXPENSES	-	-	5,400,000	5,400,000	SUSTAINED
8.7.4	MANAGEMENT OF COMMISSION MAILS/DISPATCH EXPENSES	-	-	8,000,000	8,000,000	SUSTAINED
8.7.5	COMMISSION MEETINGS	10,000,000	3,282,922.57	17,000,000	17,000,000	SUSTAINED
8.7.6	CAPACITY BUILDING FOR CRITICAL STAKEHOLDERS	-	-	180,000,000	180,000,000	SUSTAINED
8.7.7	CORPORATE GIFT	7,000,000	3,599,825.00	-	-	
8.7.8	CORPORATE SOCIAL RESPONSIBILITY	-	-	6,000,000	6,000,000	SUSTAINED

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8.7.9	NEW MEDIA	-	-	720,000	720,000	SUSTAINED
8.7.10	RADIO/TV APPEARANCES	-	-	30,000,000	30,000,000	SUSTAINED
8.7.11	NEWSPAPER ADVERTISEMENT	35,000,000	23,660,729.65	60,000,000	60,000,000	SUSTAINED
8.7.12	MEDIA CONSULTANCY	-	-	5,000,000	5,000,000	SUSTAINED
8.7.13	MEET THE EDITORS FORUM	-	-	12,000,000	12,000,000	SUSTAINED
8.7.14	AIRING COMMISSION'S RADIO PROGRAMME	23,000,000	-	-	-	
8.7.15	POWER WATCH MAGAZINE	-	-	3,840,000	3,840,000	SUSTAINED
8.7.16	PROCUREMENT EXPENSES	-	-	1,200,000	1,200,000	SUSTAINED
9.0	**FINANCIAL- GENERAL**	**551,000,000**	**15,715,768.90**	**1,412,907,819**	**1,412,907,819**	SUSTAINED
9.1	CBN/REMITA TRANSACTION CHARGES	1,000,000	925,845.52	12,000,000	12,000,000	SUSTAINED
9.2	NERC SEVERANCE GRATUITY SINKING FUND	500,000,000	-	463,600,000	463,600,000	SUSTAINED
9.3	INSURANCE CHARGES/PREMIUM	50,000,000	14,789,923.38	185,000,000	185,000,000	SUSTAINED
9.4	PENSION & PAYE OUTSTANDING	-	-	752,307,819	752,307,819	SUSTAINED
10.0	**FUEL & LUBRICANTS - GENERAL**	**24,000,000**	**11,181,805.32**	**33,000,000**	**33,000,000**	SUSTAINED
10.1	MOTOR VEHICLE FUEL COST	12,000,000	5,918,072.00	15,000,000	15,000,000	SUSTAINED
10.2	GENERATOR FUEL COST	12,000,000	5,263,733.32	18,000,000	18,000,000	SUSTAINED
11.0	**MISCELLANEOUS**	**178,200,000**	**120,835,142.69**	**223,000,000**	**223,000,000**	SUSTAINED
11.1	REFRESHMENT & MEALS/ENTERTAINMENT EXPENSES	25,000,000	12,256,853.59	31,500,000	31,500,000	SUSTAINED
11.2	MEDICAL EXPENDITURE	26,000,000	9,084,576.37	20,000,000	20,000,000	SUSTAINED
11.3	POSTAGES & COURIER SERVICES	6,500,000	4,286,871.44	12,000,000	12,000,000	SUSTAINED

A	B	C	D	E	F	G
S/N	ITEMS	2016 REVISED BUDGET	2016 ACTUAL PERFORMANCE	2017 PROPOSED BUDGET	COMM. RECOMM.	REMARKS
		=N=	=N=	=N=	=N=	
11.4	PROTOCOLS & HOSPITALITY	45,000,000	37,244,745.19	61,500,000	61,500,000	SUSTAINED
11.5	SUBSCRIPTION TO PROFESSIONAL BODIES	5,700,000	3,801,596.12	10,000,000	10,000,000	SUSTAINED
11.6	SPORTING ACTIVITIES/STAFF GYM	35,000,000	31,641,000.00	65,000,000	65,000,000	SUSTAINED
11.7	N.Y.S.C/INTERN EXPENSES	35,000,000	22,519,499.98	23,000,000	23,000,000	SUSTAINED
12.0	**LOANS & ADVANCES-GENERAL**	**-**	**-**	**260,000,000**	**260,000,000**	SUSTAINED
12.1	MOTOR VEHICLE ADVANCES, STAFF LOANS & OTHER ADVANCES	-	-	260,000,000	260,000,000	SUSTAINED
13.0	**GRANTS & CONTRIBUTION- GENERAL**	**1,419,129**	**-**	**12,000,000**	**12,000,000**	SUSTAINED
13.1	CONTRIBUTION TO LOCAL ORGANIZATIONS/SPONSORSHIP	-	-	6,000,000	6,000,000	SUSTAINED
13.2	CONTRIBUTION TO FOREIGN ORGANIZATIONS/SPONSORSHIP	-	-	6,000,000	6,000,000	SUSTAINED
C	**TOTAL CAPITAL PROJECT**	**1,517,600,176**	**-**	**1,491,923,776**	**1,491,923,776**	SUSTAINED
14.0	**NEW PROJECTS (OTHERS)**	**1,517,600,176**	**-**	**1,491,923,776**	**1,491,923,776**	SUSTAINED
14.1	HEAD OFFICE BUILDING	617,000,000	-	-	-	
14.2	OFFICE EQUIPMENT	98,000,000	-	98,000,000	98,000,000	SUSTAINED
14.2	IT HARDWARE AND SOFTWARE (PURCHASE OF WORKSTATIONS, SERVERS & LAPTOPS)	130,070,450	-	50,000,000	50,000,000	SUSTAINED
14.3	SUPPLY & INSTALLATION OF OFFICE FURNITURE AND ACCESSORIES FOR NEW HQTRS BUILDING.	127,830,203	-	185,225,000	185,225,000	SUSTAINED

A	B	C	D	E	F	G
S/N	ITEMS	2016 REVISED BUDGET	2016 ACTUAL PERFORMANCE	2017 PROPOSED BUDGET	COMM. RECOMM.	REMARKS
		=N=	=N=	=N=	=N=	
14.4	SUPPLY AND INSTALLATION OF GENERATORS	50,000,000	-	205,000,000	205,000,000	SUSTAINED
14.5	FENCING & LANDSCAPING OF HQ	-	-	10,000,000	10,000,000	SUSTAINED
14.6	PROCUREMENT OF TESTING & MONITORING EQUIPMENT	-	-	30,711,875	30,711,875	SUSTAINED
14.7	PROCUREMENT OF PERSONAL PROTECTIVE EQUIPMENT (PPEs)	-	-	10,000,000	10,000,000	SUSTAINED
14.8	FLOOR & WALL PARTITIONING OF HEAD OFFICE COMPLEX	-	-	200,000,000	200,000,000	SUSTAINED
14.9	SUPPLY AND INSTALLATION OF IT INFRASTRUCTURE AND PROVISION OF SECURITY EQUIPMENTS AND APPARATUS FOR HEAD OFFICE	414,699,523	-	67,986,901	67,986,901	SUSTAINED
15.0	PROJECT VEHICLES	80,000,000	-	535,000,000	535,000,000	SUSTAINED
15.1	POWER SECTOR CUSTOMER DATABASE & COMPLAINT MANAGEMENT SYSTEM	-	-	-	-	
15.2	AUDIT OF THE ELECTRICITY MARKET & REVENUE ASSURANCE SYSTEM	-	-	100,000,000	100,000,000	SUSTAINED
	SOURCE OF FUNDS					
	OPERATIONAL LEVY					
	OPERATIONAL CHARGES FROM MARKET OPERATOR	6,578,830,546	3,175,397,963.61	9,288,619,982	9,288,619,982	SUSTAINED

A	B	C	D	E	F	G
S/N	ITEMS	2016 REVISED BUDGET	2016 ACTUAL PERFORMANCE	2017 PROPOSED BUDGET	COMM. RECOMM.	REMARKS
		=N=	=N=	=N=	=N=	
	OPERATIONAL CHARGES FROM OFF GRID	628,753,241	36,527,300.89	120,000,000	120,000,000	SUSTAINED
A	**TOTAL OPERATIONAL LEVY**	**7,207,583,787**	**3,211,925,264.50**	**9,408,619,982**	**9,408,619,982**	SUSTAINED
	FUNDS FROM CBN NEMSF					
	CBN NEMSF FUND	-	-	450,000,000	450,000,000	SUSTAINED
B	**TOTAL FUNDS FROM CBN NEMSF**	**-**	**-**	**450,000,000**	**450,000,000**	SUSTAINED
	AGENCIES					
	DONOR AGENCIES	-	-	-	-	
	WORLD BANK	-	-	-	-	
	TOTAL FUNDING FROM MULTILATERAL/DONOR AGENCIES	**-**	**-**	**-**	**-**	
	OTHER INTERNALLY GENERATED REVENUE (IGR)					
	LICENCE RELATED FEES	500,000,000	233,541,754.96	250,000,000	250,000,000	SUSTAINED
	METER SERVICE PROVIDER REGISTRATION	75,000,000	22,291,000.00	100,000,000	100,000,000	SUSTAINED
	GENERATOR IMPORT PERMIT	180,000,000	121,452,162.62	150,000,000	150,000,000	SUSTAINED
	OTHER FEES & INCOME	72,000,000	18,114,996.48	200,000,000	200,000,000	SUSTAINED
C	**TOTAL IGR**	**827,000,000**	**395,399,914.06**	**700,000,000**	**700,000,000**	SUSTAINED

A	B	C	D	E	F	G
S/N	ITEMS	2016 REVISED BUDGET	2016 ACTUAL PERFORMANCE	2017 PROPOSED BUDGET	COMM. RECOMM.	REMARKS
		=N=	=N=	=N=	=N=	
	TOTAL PROJECTED INCOME (A+B+C)	**8,034,583,787**	**3,607,325,178.56**	**10,558,619,982**	**10,558,619,982**	SUSTAINED
	LESS: PROJECTED BUDGET EXPENDITURE	7,497,530,850	4,476,703,287.33	10,731,990,668	10,731,990,668	SUSTAINED
D	25% TRANSFER OF IGR TO CRF	-	-	-	-	
	SURPLUS/DEFICIT	**537,052,937**	**(869,378,108.77)**	**(173,370,687)**	**(173,370,687)**	SUSTAINED

NERC 2017 REVENUE ESTIMATE

	SOURCE OF FUNDS	2016 REVISED REVENUE ESTIMATE	2016 ACTUAL REVENUE	2017 PROPOSED REVENUE ESTIMATE BASED ON MYTO PROJECTION
		=N=	=N=	=N=
a	OPERATIONAL CHARGES FROM MARKET OPERATOR (1.5%)	6,578,830,545.98	3,175,397,963.61	9,288,619,981.81
b	OPERATIONAL CHARGES FROM OFF GRID (IPPs)	628,753,240.52	36,527,300.89	120,000,000.00
c	OTHER IGR (LICENCE FEES, GENERATOR IMPORT PERMIT FEES ETC)	827,000,000.00	395,399,914.06	700,000,000.00
d	DONOR AGENCIES	-	-	-
e	CBN NEMSF FUND			450,000,000.00
	TOTAL	8,034,583,786.50	3,607,325,178.56	10,558,619,981.81

NOTES:

1. *Operational charges of N13.26B in 2016 was based on power generation projection of 5,700 MW.*
2. *Operational charges of N9.2B in 2017 was based on:*
    a. *Power generation projection of 4000 MW for 2017.*
    b. *Actual Revenue performance of first half of 2016 was used to estimate revenues in the first half of 2017*
    c. *It is expected that the proposed Power Sector Bond will as from July 2017 cover the current revenue gaps at the distribution end. The Commission's IGR will thus improve from the second half of the year when the bond becomes effective.*

THE SENATE
FEDERAL REPUBLIC OF NIGERIA

Committee on Power, Steel Development & Metallurgy

1.0 INTRODUCTION

The Senate at its sitting of Wednesday 12th July 2017 considered and adopted a motion by the Senate Leader, for "***consideration of Budgets of all Government Agencies and Corporations as captured in section 21 (1) of the Fiscal Responsibility Act requiring the approval of the National Assembly before any generated revenue can be spent from the consolidated revenue fund of the Federation***", and mandated all affected Standing Committees to carry out further legislative action within a time frame.

The Nigerian Electricity Regulatory Commission (NERC) is Nigeria's independent regulatory agency for the Nigerian Electricity Supply Industry (NESI) established by the Electric Power Sector Reform Act (ESPRA) 2005. The ESPRA provides the legal and regulatory framework for the electricity supply industry in Nigeria. It empowers NERC to regulate the NESI, made up of the Generation, Transmission and Distribution/retail sectors.

2.0 2016 BUDGET PERFORMANCE

The Projected Revenue for 2016 for the Nigerian Electricity Regulatory Commission was ₦ 7,497,530,850 out of which ₦4,476,703,287.33 was realized and expended, representing 60%.

SUMMARY OF 2016 BUDGET

DESCRIPTION	2016 BUDGET ₦	ACTUAL PERFORMANCE ₦	% OF ACTUAL PERFORMANCE OF 2016 BUDGET
2016 Budget	7,497,530,849.71	4,476,703,287.33	60%
Recurrent Expenditure	5,979,930,673.54	4,476,703,287.33	75%
Capital Expenditure	1,517,600,176.17	-	-

SUMMARY OF 2017 BUDGET PROPOSAL

DESCRIPTION	2017 BUDGET ₦	COMMITTEE RECOMM. ₦	REMARKS
Proposal	10,731,990,668.35	10,731,990,668.35	SUSTAINED
Recurrent Expenditure	9,240,066,892.35	9,240,066,892.35	SUSTAINED
Capital Expenditure	1,491,923,776.00	1,491,923,776.00	SUSTAINED

3.0 2017 BUDGET PROPOSAL

The sum of Ten Billion, Seven Hundred and Thirty-one Million, Nine Hundred and Ninety Thousand, Six Hundred and Sixty-eight Naira, Thirty-five Kobo (₦10,731,990,668.35) only was presented as 2017 Budget Proposal of Nigeria Electricity Regulatory Commission broken down as follows:

4.0 SUMMARY OF NERC BUDGET FOR 2017

REVENUE PROFILE

A: Sources of Funds

Operational Levy from Legacy Companies (Collected through M.O.)	-	₦9,288,619,981.81
Operational Levy from Independent Licensees	-	₦120,000,000.00
Total Operational Levy	=	**₦9,408,619,981.81**

B: Funding from Multi-lateral/Donor Agencies

CBN NEMSF Fund	-	₦ 450,000,000.00
Total funding from Multi-lateral/ Donor Agencies	-	**₦450,000,000.00**

C: Internally Generated Revenue (IGR)

License Related Fees	-	₦250,000,000.00
CAPMI Registration	-	₦100,000,000.00
Import Permit	-	₦150,000,000.00
Other Fees & Income	-	₦200,000,000.00
Total IGR	=	**₦700,000,000.00**

SUMMARY (A+B+C)

"A"	-	₦9,408,619,981.81
"B"	-	₦ 450,000,000.00
"C"	-	₦ 700,000,000.00
Total Projected Revenue	=	**₦10,558,619,981.81**

EXPENDITURE PROFILE

A: Expenditure Items

Recurrent	-	₦9,240,066,892.35
Capital funded by IGR	-	₦1,491,923,776.00
Total Projected Budget Expenditure	=	**₦10,731,990,668.35**
Surplus/(Deficit)	=	**(₦ 173,370,686.54)**

SUMMARY
Expected Income – Projected Expenditure = Surplus/(Deficit)

Total Revenue	-	₦10,558,619,981.81
Total Expenditure	-	₦10,731,990,668.35
Projected Surplus(Deficit)	-	**(₦ 173,370,686.54)**

5.0 FINDINGS

The Committee on Power, Steel Development & Metallurgy is one of the standing Committees of the Senate of the Federal Republic of Nigeria with its mandate among others, being generation, transmission and distribution of electricity in Nigeria.

The Management of the Nigerian Electricity Regulatory Commission (NERC), led by its Vice Chairman, Engr. Sanusi Garba appeared before the Committee on Thursday, 20th July, 2017 to defend the Commission's year 2017 Budget Proposal and after exhaustive deliberations, the Committee observed as follows:

i. The Commission's expected Revenue of Ten Billion, Five Hundred and Fifty-eight Million, Six Hundred and Nineteen Thousand, Nine Hundred and Eighty-one Naira, Eighty-one kobo only (₦10,558,619,981.81) only consists of:

• Operational Levy	-	₦9,408,619,981.81
• Funding from Multilateral/ Donor Agencies	-	₦ 450,000,000.00
• Internally Generated Revenue	-	₦ 700,000,000.00
Total	=	**₦10,558,619,981.81**

ii. The Commission's total projected Expenditure of Ten Billion, Seven Hundred and Thirty-one Million and Nine Hundred and Ninety Thousand, Six Hundred and Sixty-eight Naira, Thirty-five Kobo **(₦10,731,990,668.35)** only consists of total Recurrent Expenditure plus Capital hence the sum of Nine Billion, Two Hundred and Forty Million, Sixty-Six Thousand, Eight Hundred and Ninety-two Naira Thirty-five kobo (**₦9,240,066,892.35**) and One Billion Four Hundred and Ninety-one Million Nine Hundred and Twenty Three Thousand Seven Hundred and Seventy Six Naira only (**₦1,491,923,776).**

iii. Hence, the Commission is expected to transfer the projected Surplus to the Rural Electrification Fund (REF) after the 2017 Audit as per the provision of Section 53 of the Electricity Power Sector Reform (EPSR) Act 2005.

6.0 RECOMMENDATION:

It is hereby recommended that NERC's 2017 budget of **₦10,731,990,668.35 (Ten Billion seven Hundred and Thirty One Thousand, Nine Hundred and Ninety naira, Six Hundred and Sixty Eight naira, Thirty Five kobo only)** be sustained as presented.

7.0 PRAYER

That the Senate do approve the recommendation of the Committee.

Senator Mustapha Bukar

Vice Chairman

ii. The Commission's total projected Expenditure of Ten Billion, Seven Hundred and Thirty-one Million and Nine Hundred and Ninety Thousand, Six Hundred and Sixty-eight Naira, Thirty-five Kobo **(₦10,731,990,668.35)** only consists of total Recurrent Expenditure plus Capital hence the sum of Nine Billion, Two Hundred and Forty Million, Sixty-Six Thousand, Eight Hundred and Ninety-two Naira Thirty-five kobo (**₦9,240,066,892.35**) and One Billion Four Hundred and Ninety-one Million Nine Hundred and Twenty Three Thousand Seven Hundred and Seventy Six Naira only **(₦1,491,923,776).**

iii. Hence, the Commission is expected to transfer the projected Surplus to the Rural Electrification Fund (REF) after the 2017 Audit as per the provision of Section 53 of the Electricity Power Sector Reform (EPSR) Act 2005.

6.0 RECOMMENDATION:

It is hereby recommended that NERC's 2017 budget of **₦10,731,990,668.35 (Ten Billion seven Hundred and Thirty One Thousand, Nine Hundred and Ninety naira, Six Hundred and Sixty Eight naira, Thirty Five kobo only)** be sustained as presented.

7.0 PRAYER

That the Senate do approve the recommendation of the Committee.

Senator Enyinnaya Abaribe

Chairman

NIGERIAN ELECTRICITY REGULATORY COMMISSION YEAR 2017 BUDGET

REPORT ENDORSEMENT SHEET

Senator Enyinnaya Abaribe
CHAIRMAN

Senator Mustapha Bukar
Vice Chairman

Senator James Manager
Member

Senator Philip T. Aduda
Member

Senator Adamu Aliero
Member

Senator Mao Ohuabunwa
Member

Senator Clifford Ordia
Member

Senator Suleiman Hunkuyi
Member

Senator Abdullahi Sabi Aliyu
Member

Senator Mohammed Hassan
Member

Senator Olanrewaju Tejuoso
Member

Senator Abubakar Kyari
Member

Senator Ahmed S. Ogembe
Member

Senator Duro Faseyi
Member

Gideon Zemo
Committee Clerk