

NOTICE OF INTENT TO ISSUE A TERMINATION ORDER

Written by Market Operator

Wednesday, 04 September 2019 07:08 - Last Updated Wednesday, 29 January 2020 20:49

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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

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(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.

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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

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BY THE NOTICE OF THE MARKET OPERATOR

DATED THIS 4TH DAY OF SEPTEMBER 2019

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