

The Nigerian Electricity Regulatory Commission, NERC, has set December 2018 as deadline for electricity distribution companies in the country or Discos to wind up existing metering contracts and begin alignment with its newly-released Meter Asset Provider, MAP, regulation.

The commission said in a statement that the MAP

## Metering: NERC sets December deadline to wind up existing contracts

regulation will not over-ride metering contracts already entered into by distribution licensee. However, existing metering contracts must transit to the provisions of the Meter Asset Provider regulation after December 31, 2018.

Last week, NERC announced that it had approved a regulation

OPEOLUWANI AKINTAYO that provides for the supply, installation and maintenance of end-user meters by other parties.

According to the body, the regulation is in a renewed bid at ensuring that electricity customers only pay for what they actually consume.

The regulation is expected to fast-track a closure of the metering gap and encourages the development of independent and competitive meter services in the electricity industry, NERC said.

The MAP regulation (Regulation No. NERC/R/112), which became effective on April 3, 2018, introduces meter asset providers

as a new set of service providers in Nigeria Electricity Supply Industry.

As assets with a technically useful life of 10-15 years, the regulation provides for the third-party financing of meters, under a permit issued by the commission, and amortisation over a period of 10 years.

In the new regulation, the

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A Review Of The Nigerian Energy Industry

WEEKLY

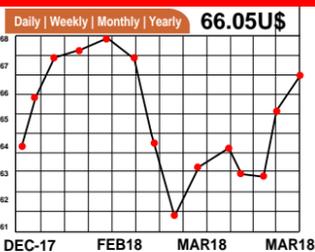
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### UPDATES

#### WEEKLY BASKET PRICE

|        |       |
|--------|-------|
| MAR-30 | 66.55 |
| MAR-23 | 65.08 |
| MAR-16 | 62.33 |
| MAR-09 | 62.52 |
| MAR-02 | 63.58 |
| FEB-23 | 63.09 |
| FEB-16 | 61.34 |
| FEB-09 | 63.86 |
| FEB-02 | 66.89 |
| JAN-26 | 67.64 |
| JAN-19 | 67.21 |
| JAN-12 | 66.81 |
| JAN-05 | 65.49 |



## Nigeria petroleum laws archaic, uncompetitive -Kachikwu

Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, has emphasised the need for a speedy conclusion of the processes leading to the passage of the Petroleum Industry Governance Bill, PIGB, as well as the fiscal and host communities bills into law, stating that existing laws in the petroleum industry have become archaic and no longer competitive.

In his presentation at an energy forum in Abuja, Kachikwu stated that it was expedient for

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## Local Content: Nigeria earns N18.8bn from vessels, electricity export



● A collage of locally manufactured oil & gas platforms and electricity tower.

IKE AMOS, ABUJA

The local content initiative of the Federal Government has started to yield benefits, as the country earned N18.8 billion from export of electrical energy as well as vessels and other floating structures in the fourth quarter of 2017.

Disclosing this in its Fourth Quarter 2017 Foreign Trade Statistics, the National Bureau of Statistics, NBS, stated that the export of these items accounted for 0.48 per cent of total export in

the fourth quarter.

Specifically, vessels and other floating structures export fetched the country N9.468 billion, while the country earned N9.33 billion from the export of electrical energy, ranking ninth and tenth respectively on the export schedule.

The report stated that the country recorded total trade of N6.022 trillion in the fourth quarter of 2017, representing a decline of 0.7 per cent over that of third quarter 2017, and an

increase of 13.9 per cent over the fourth quarter of 2016.

The report disclosed that for the entire 2017, Nigeria recorded total trade of N23.16 trillion, rising by 33.5 per cent compared to N17.345 trillion recorded in 2016.

To this end, the report revealed that the country's trade balance for the fourth quarter of 2017 stood at a surplus of N1.798 trillion compared to the surplus of N1.088 trillion recorded in the preceding quarter and the surplus of N671.30 billion in the corresponding

quarter of 2016.

"For full year 2017, trade balance stood at N4.036 trillion compared to a negative trade balance of N290.1 billion in 2016," the report noted.

It added that total imports value at N2.112 trillion in the fourth quarter of 2017 was 15.1 per cent less than N2.49 trillion recorded in the third quarter of 2017, and 8.5 per cent lower than N2.308 trillion recorded in the fourth quarter of 2016.

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● Fuel station

## Report fuel stations with adulterated products, NSCDC urges Nigerians

MKPOIKANA UDOMA, Port Harcourt

The Nigerian Security and Civil Defence Corps, NSCDC, has charged members of the public to synergise with the organisation in the fight against oil theft, illegal bunkering and sale of adulterated petroleum products in the country.

NSCDC, which is the only paramilitary agency with the responsibility of securing national assets, also called on Nigerians to report any petrol station which patronises illegally refined and adulterated products from artisanal refineries in the creeks.

The Public Relations Officer of NSCDC, Rivers State Command, Mr. Akin Oguntuase, speaking to our correspondent in Port Harcourt, said the command will not hesitate to seal off such petrol station, as adulterated petroleum products were inimical to societal good.

Oguntuase explained that the command had in the past sealed off several filling stations in the state with adulterated products from illegal refineries.

He stated that once they have been informed about such petrol station, they would swing into action to ascertain if the products at the station was really adulterated, and if found

wanting such station would be sealed off and the operators charged to court.

According to him, "If you buy products at any filling station and find out that the product is not as it is supposed to be, please feel free to report to us and we will swing into action. Don't just keep quiet, because we cannot do it alone. We cannot be everywhere at the same time".

The NSCDC official also said by way of identifying adulterated products, especially Automated Gasoline Oil, the colour of a genuine product is usually pure and clear, while an adulterated product is darker or greenish in colour.

## Nigeria earns N18.8bn from vessels, electricity export

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The report declared that solid minerals imports grew by 5.19 per cent in fourth quarter 2017 to N15.2 billion, compared to N14.5 billion recorded in third quarter 2017 and 9.2 per cent above the N13.9 billion recorded in the fourth quarter of 2016.

For full year 2017, the report added that imported solid minerals increased by 372.2 per cent to N235.1 billion from N49.7 billion in 2016.

It added that, "Energy goods imports grew significantly by 950 per cent to N138.1 million in fourth quarter 2017, higher than N13.15 million recorded in the third quarter of 2017 and 57,176 per cent higher than N0.24 million recorded in the fourth quarter of 2016".

For full year 2017, the report disclosed that imported energy goods increased to N187.17 million from N8.07 million in 2016.

Furthermore, the report stated that India accounted for N571.54 billion of Nigeria's crude oil export in the fourth quarter of 2017, followed by the United States of America with N488.6 billion, while the Netherlands purchased crude oil worth N366.2 billion from Nigeria in the period under review.

## Metering: NERC sets December deadline to wind up existing contracts

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electricity distribution companies, in line with their licensing terms and conditions, are obliged to achieve their metering targets as set by NERC.

According to a statement by NERC, the contracting of meter asset providers will be through an open, transparent and competitive bid process thus, ensuring that meters are provided at least cost to electricity customers.



Gas



● Nord Stream 2 pipeline

## Germany approves Russia-built Nord Stream 2 gas pipeline

Germany has approved the construction and operation of the Russia-built Nord Stream 2 gas pipeline, its operator and the German maritime authority has said.

The Nord Stream 2 operator said it expected that other four

countries along the route of the undersea gas pipeline – Russia, Finland, Sweden and Denmark – will issue permits in the coming months.

The "scheduled construction works are to be implemented in

2018 as planned" it added.

Germany's maritime authority BSH said in a statement that it had approved the building of the 31-kilometre section that runs through its waters since it posed no danger to shipping or the environment."

Power



## Power supply: OGFZA engages investors to build turbine

● Onne Port, Rivers State



MKPOIKANA UDOMA, PORT HARCOURT

Worried by the epileptic power supply to the oil and gas free zone in Onne, Rivers State, the Oil and Gas Free Zones Authority, OGFZA,

has engaged investors to build a turbine that will provide power to the free zone before the end of this year.

Chairman, Governing Council of the Oil and Gas Free Zones Authority, Chief Timipre Sylva,

made this known during a media chat after the inaugural meeting of the the council at the Oil and Gas Free Zone in Onne.

Sylva, who is a former governor of Bayelsa State,

observed that the governing board had little time but so much to do and that the situation called for hard work and firm prioritisation in project execution.

According to him, "One of the things we would like to achieve is to be able to provide power in Onne.

"We are engaging a group of investors that will build a turbine for the free zone; that would be one of the things we would like to achieve before the end of the year."

While outlining the vision and agenda for the new board, the OGFZA chairman said efforts to improve the revenue position of

the agency through effective internally-generated revenue strategy would also receive priority attention.

Sylva added that his board would also do all that is necessary to resolve issues of conflict between the Nigeria Export Processing Authority, NEPZA, and OGFZA.

He said one of the board's priority projects would be to accelerate the take-off of the Brass Oil and Gas City.

"The BOG City was approved and licensed as a free zone a long time ago. We have to make sure that Brass Oil and Gas City becomes operational as soon as possible," Sylva said.



# REAN tackles Customs over new duty on solar panels

...Says development may derail govt's renewable energy plans

PEOLUWANI AKINTAYO

The Renewable Energy Association of Nigeria, REAN, has protested the recent increase of between five to ten percent on import duty on solar panels by the Nigerian Customs Service.

According to the group, the increased duty negates the CET code 8541.4010.00 - a classification for import duty tariff - which provides that import duty on solar panels should be 0%.

Consequently, it said discharge of goods from the ports has been slowed down immensely and demurrage charges have risen for its members since the start of the year.

This, it argued, has grave implications for Nigeria's quest to improve the ease of doing business and deepen energy access for over 70 million people with inadequate access to power.

Nigeria moved up 24 places, from 169th to 145th, on the World Bank Ease of Doing Business Report in 2017.

"We commend the Presidential Enabling Business Environment Council (PEBEC) team on its successes thus far".

"However, it will be counterproductive for government agencies at the ports to operate in a manner that set them against the vision of government. This will reverse achievements this government has made thus

far," the association said in a statement.

According to REAN, its members have "answered the national call" by "providing solutions to the country's epileptic power situation", adding that its members currently provide over 10,000 direct and indirect jobs to the Nigerian economy.

"This is apart from the other benefits like increased disposable incomes, improved environmental conditions (like reduced noise and air pollution due to displacement of diesel

the cost of solar panels is falling, leading to increased adoption of renewables. Paris-based International Energy Agency said renewables accounted for almost two-thirds of net new power capacity around the world in 2016, with almost 165 gigawatts (GW) coming online, boosted by solar.



● Solar panels



Finance



● Seplat workers.

generators)".

Furthermore, it said, the imposition of arbitrary port charges will accelerate value destruction within the industry and will cause prices to rise to uncompetitive levels.

All over the world, it said,

## Nigeria petroleum laws archaic, uncompetitive -Kachikwu

CONTINUED FROM PAGE 01

the aggregation of industry laws which had governed the oil and gas sector over the years to be reviewed and harmonised into a comprehensive law.

He disclosed that the Federal Government had already kickstarted the process, stating that after an internal dialogue within the executive, civil society and stakeholders within the oil industry on key sector issues, a position was taken with the executive to overhaul sector policies.

According to him, the outcome of the process gave birth to the new National Oil Policy and the National Gas Policy, already approved by the Federal Executive Council, FEC, and the draft National Fiscal Policy awaiting presentation to the Federal Executive Council.

The second bill yet to be deliberated upon by the National Assembly, he explained, addresses fiscal issues around the industry, while he noted that since the fiscal tool remains an important tool for managing our oil and gas resources, it is imperative to critically and urgently fix the fiscal dilemmas to ensure viability of the industry as well as providing a fair return to the state while offering a risk balanced return to the investors.

Kachikwu maintained that now is the time to tweak the existing petroleum industry laws and come up with a new legal, institutional, commercial framework that would liberalise the petroleum industry as well as create a competitive business environment that would enhance Nigeria's revenue.

## Seplat settles with Crestar over \$20.5m in escrow account

Seplat Petroleum Development Company Plc has announced a settlement between its wholly-owned subsidiary, Newton Energy Limited, and Crestar Natural Resources Limited over the deposit of US\$20.5 million held in an escrow account.

Seplat is an indigenous oil and gas company listed on both the Nigerian Stock Exchange and London Stock Exchange.

The litigation filed in the English High Court has now been settled between the parties, a statement by the company said.

Under the terms of the settlement, the escrow monies would be split into two, with US\$10.0 million going to Seplat and US\$10.5 million to Crestar.

The case has been in court since January 2017.

Last year, Seplat announced commencement of proceedings in the English High Court against Newton Energy by Crestar Natural Resources Limited relating to the deposit of the US\$20.5 million in the escrow account.

According to the firm, the monies were related to the potential acquisition of an interest in Oil Mining License, OML, 25 by Crestar, which

Newton had an option to invest into, but were put into escrow in July 2015 until an agreement was reached with Crestar and Newton on final terms of the deal.

The acquisition of an interest in OML 25 was initially identified in 2014 at which time the group (Seplat and its subsidiaries) placed a sum of US\$453 million as a deposit towards the investment.

However, after several delays,

US\$368 million was returned to the group in July 2015.

Certain events then led to renewed efforts by the consortium to secure the asset and to the group providing the escrow monies.

Furthermore, the group had said it paid US\$11 million to Crestar for past costs while US\$45 million deposit remained with Newton.

## Nigeria to spend N90billion on Special Economic Zones

The Nigerian Government has approved N90billion for the development of special economic zones across the country in line with its economic and growth plans.

President Mohammed Buhari made the disclosure at the flag off of the Lekki Deep Seaport, adding that the approval was initiated to give added impetus to economic development.

President Buhari who was represented by Vice President, Prof Yemi Osibajo also said that the Lekki Deep Seaport project is a landmark project which targets 4.7million containers annually when the project becomes fully operational.

"I am delighted to be here this morning for the flag off of the Lekki deep sea port project and being a landmark project for several crucial reasons, the first is that the promoters of this project are targeting about 1.5 million Twenty Equivalent Unit, TEUs, container capacity annually.

"We expect this to grow to 2.7 million and 4.7 million TEUs when the project's operations commence.

"With this feat, the Lekki deep seaport will become one of the largest deepwater port in our region and serve as a hub for port operations for the whole of West Africa.



## Communities should benefit from mining projects - Govt

The Ministry of Mines and Steel Development says communities should have some benefits from mining projects within them and that mining operations should impact positively on the lives of host communities.

The Director, Mines Environmental Compliance Department of the ministry, Mr. Salim Salaam, disclosed this in Abuja as he revealed news of some mining companies signing community development agreement with their host communities.

According to him, the Nigerian Minerals and Mining Act, NMMA, 2007 introduced a novel practice

of mandatory community agreement, CDA, between mining sector operators and a certain segment of the society referred to as "the host community".

"Wherever mining operation is going on, the community should have some benefits from the projects, this will impact positively on the lives of host communities and improve their relationship with better interaction.

"We at the ministry don't partake in the signing of the agreement but we ensure that the terms and conditions in the agreement are achievable and realistic," Salaam said.

He explained that the Mining Act enacts a regime of mandatory CDA negotiation between minerals exploration and production companies and communities within and around which they operate.

The director further said his department has a monitoring and enforcement unit, which ensures mining companies fulfill the agreement signed with their host communities.

"The unit collates information, checks regularly, and updates its records before the timeline given to the companies to operate in the communities expires; if any company failed to fulfill its agreement, the unit follows them up," he said.



● Mining site



● Artistic impression of Lekki port

## Freight

## Govt says Lekki Port concession will run for 46 years

VINCENT TORITSEJU

The Federal Government has disclosed that the concession of the Lekki port project will run for 46 years.

Vice President Yemi Osinbajo stated this as he announced government's approval N90 billion for special economic zones across the country in line

with its economic and growth plans.

He also said government is targeting N200 billion at the end of the concession period.

The landmark project also targets 4.7 million containers annually when it becomes fully operational.

"I am delighted to be here this morning for the flag off of the Lekki deepsea port project and being a landmark project for several crucial reasons, the first is that the promoters of this project are targeting about 1.5 million Twenty Equivalent Unit, TEUs, container capacity annually.

"This expects to grow to 2.7 million and 4.7 million TEUs when the project's operations commence," Osinbajo said at the flag-off of the Lekki Deep Seaport project.

He added: "With this feat, the Lekki deep seaport will become one of the largest deepwater port in our region and serve as a hub for port operations for the whole of West Africa.

"And with all of the plan that they have for developing it, we expect that it will probably become the largest in Africa.

"We expect that when completed, the project will influence the generation of up to 170,000 direct and indirect jobs in the economy".

## Community



## Beyond oil, NDDC to create regional economy on tourism

MKPOIKANA UDOMA, Port Harcourt

To diversify the Niger Delta region from oil and gas to the non-oil sector, the chairman, governing board of the Niger Delta Development Commission, NDDC, Senator Victor Ndoma-Egba, says the commission has identified tourism as a fast strategy to integrate the region and create a regional economy.

Ndoma-Egba maintained that the Niger Delta region, with its rich ecosystem, mangroves, rivers, tributaries, flora, and fauna, had great potentials for tourism, adding that the current board of the commission had drawn up strategies to make the region a tourism destination.

Senator Ndoma-Egba, who spoke at the 42nd annual general meeting of the National Association of Nigeria Travel Agencies, NANTA, in Port Harcourt, underlined the need to harness the rich tourism potentials in the region to create a competitive and integrated aviation and tourism template.

According to him, "We must deploy our natural endowments to create the much-needed wealth beyond oil which has been more of a curse than the blessing that it should have been to the region.

"I have a dream that someday soon, the Niger Delta region will be peaceful, secure and prosperous and that the young men and women of the region will take full advantage of the new opportunities their environment offer for their betterment."

Senator Ndoma-Egba said that the NDDC board and management had commenced setting up critical pillars for the creation of an integrated regional economy, which will assure economics of scale and make the region more competitive.

"We need to change the narrative of militancy for which the region has become infamous and improve the



● Niger Delta map

general security of the region. We must move from militancy of kidnapping and pipeline breaches to a new kind of militancy; militancy for peace, security, and development.

"The narrative of the Niger Delta must change from the

negatives of kidnapping, pipeline vandalism etc. to a new narrative of peace, security, and development. This we can achieve through bold initiatives pursued with the appropriate will and single-minded focus," stated.

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