Analysis of the commercial KPIs for ANED’s members
Q2/2019
Disclaimer

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Executive Summary

I. Highlights

II. Yearly and quarterly snapshot

III. ATC&C losses

IV. Energy sent-out & energy received

V. Customer population and metering

VI. Energy billed and ATC losses

VII. Collection and Collection Efficiency
In a yearly comparison, the revenue collection of all DisCos has increased in NGN 47 billion (+12%), mostly due to the reduction of the ATC&C losses from 50.8% down to 46.7%, in particular, the ATC losses went down from 23% to 20% and Collection Efficiency increased from 63% up to 66%. Nevertheless, some DisCos show signs of fatigue in their ATC&C performance improvement in the last months.

IE has broken a new record in ATC&C losses with 26.1% in June, reducing 5.5 points in one year. Additionally, two other DisCos have shown great improvement in reducing ATC&C in the last 12 months: KEDCO reduced by 8.6 points and JEDPLC 11.6 points.

Collection efficiency has been stuck at approximately 66% for the last five quarters and only JEDPLC has shown a steady improvement (+15 points). Moreover, for this year, most of DisCos have not been able to beat their last year records on collection efficiency.

The energy sent-out by GenCos was very inconsistent during Q2. It dropped from a historical new record on April 3rd of 109,370 MWh down to a daily average lower that 90,000 MWh.
Yearly comparison at a glance

Although that the energy received by DisCos has not increased much (only 2% additional $Y_n$ Vs $Y_{n-1}$), the improvement of DisCos performance has allowed a reduction in the ATC&C from 51% down to 47%, with an increment in collections of NGN 47 billion (+12% $Y_n$ Vs $Y_{n-1}$) reaching a total of NGN 453 billion in the last year (almost NGN 38 billion per month).

Source: DISCOs KPI Report to NERC
Quarterly comparison at a glance

The improvement in the ATC loss reduction has allowed an increase of the total collection by NGN 7 billion. However, there has not been an improvement in collection efficiency.

Source: DISCOs KPI Report to NERC
The overall ATC&C losses (m.a.) keeps smoothly decreasing and has reached a new record of 46.7%; however, some DisCos are beginning to show signs of fatigue in their performance improvement.

It is remarkable that IE has established a new record with only 26.1% and KEDCO and JEDPLC ATC&C losses decreased over 13% in one year.
The energy sent-out by GenCos was inconsistent during Q2. It has dropped down from a historical new record on April 3rd, with 109,370 MWh, down to a daily average lower that 90,000 MWh…

... in general, even in “good-manageable areas” end-customers are not receiving 24/7, which means that there is huge opportunity to allocate more energy in the good markets. Indeed allocating more incremental energy to good customers is as important as to get a cost-reflective tariff
Consequently, the energy received by DisCos in Q2 is less than the one received in Q1 for most of the DisCos. Only AEDC, IE and KEDCO received more energy…

... comparing Q2/2018 vs Q2/2019 (both beginning of the rainy season), only AEDC has substantially received more energy (7%) from TCN. This situation compromises any PIP forecast 2020-2024, as the optimal scenarios require to receive more than 10% per year and in any case less than the previous year.

Source: DISCOs KPI Reports to NERC
In June, the number of registered customers reached 8,699,271.

During the last two years, the number of customers has grown by almost 1.5 million with an average of almost 60,000 new customers per month (+0.7% growth per month).

... however, due to some delays in the MAP implementation on one side, the small CAPEX allowance and the lack of access to finance, the number of metered customers remains the same, which is the reason why the metering penetration has decreased in almost 4 points down to 41.5%

Source: DISCOs KPI Report to NERC – KE reclassified almost 100,000 to unmetered due to the obsolescence of their meters
DisCos achieved a **new record in the monthly energy billed** in April with **1,984 GWh**

DisCos have reduced their ATC losses (m.a.) from 22.5% in June 2017 down to 19.6% in June 2019, which has allowed DisCos to bill NGN 45 billion additional in the last year (July 2018 to June 2019).

... in any case, as 58% of the customers are unmetered and they receive estimated billings based on NERC’s procedure for estimated billing, the ATC losses KPI might not reflect the reality of ATC as if they were fully metered
In that sense, the energy billed by all DisCos in Q2 was slightly higher than in Q1, but is not consistent among all DisCos...

... comparing the same quarters (2019 vs 2018), most DisCos have increased their billing, except EKEDC and IBEDC.
In May, DisCos collection reached a new record of NGN 41.8 billion in the month...

The average monthly collection in the Q2 was NGN 39 billion, which is also a historical record...

...nevertheless, the Q2 overall collection efficiency remains stopped at 66% and it should be increased above the 70% in the second semester.
DisCos quarterly collection efficiency has been stuck at around 66% and it has not improved much in the last year.

<table>
<thead>
<tr>
<th>DisCos</th>
<th>2018Q2</th>
<th>2018Q3</th>
<th>2018Q4</th>
<th>2019Q1</th>
<th>2019Q2</th>
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<tbody>
<tr>
<td>AEDC</td>
<td>75,7%</td>
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<td>BEDC</td>
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<td>EKEDC</td>
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<td>78,1%</td>
<td>82,8%</td>
<td>80,4%</td>
<td>80,8%</td>
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<tr>
<td>EEDC</td>
<td>67,1%</td>
<td>67,1%</td>
<td>70,1%</td>
<td>69,0%</td>
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<td>IBEDC</td>
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<td>IE</td>
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<td>JEDPLC</td>
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<td>KE</td>
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<td>39,0%</td>
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<td>KEDCO</td>
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<td>63,6%</td>
<td>60,3%</td>
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<tr>
<td>PHED</td>
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<td>49,2%</td>
<td>51,9%</td>
<td>49,4%</td>
<td>51,4%</td>
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<tr>
<td>OVERALL</td>
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<td>66,4%</td>
<td>68,1%</td>
<td>64,9%</td>
<td>65,8%</td>
</tr>
</tbody>
</table>

**N 684 billion**

Energy billed in the last 12 months

**N 453 billion**

Energy Collected in the last 12 months

**N 231 billion**

Additional debt from end customers to DisCos in the last 12 months
Thank You!