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HOUSE OF REPRESENTATIVES

FEDERAL REPUBLIC OF NIGERIA

Wednesday, 29th July, 2009

The House met at 4.15 p.m.

PRAYERS

(SECOND SITTING)

(The Speaker in the Chair)

FIRST VOTES AND PROCEEDINGS

The Speaker: Hon. Members, the House is called to order. I have examined and approved the First Votes and Proceedings of Wednesday, 29th July, 2009.

CONSIDERATION OF REPORT

Report of the Ad-hoc Committee on the Review of the Recommendations in the Report of the Committee on Power

The Speaker: The next Order of the Day is Consideration of the Report of the *Ad-Hoc* Committee on the Review of the Recommendations in the Report of the Committee on Power.

Hon. Aminu Waziri Tambuwal is now invited to move for the Consideration of the Report.

Hon. Aminu Waziri Tambuwal (Kebbe/Tambuwal): Mr. Speaker, I rise to move that this House do consider the Report of the *Ad-Hoc* Committee on the Review of the Recommendations in the Report of the Committee on Power and approve the Recommendations therein.

Hon. Bello Matawalle (Bakura/Maradun): Mr. Speaker, I beg to second the Motion.

Question put and agreed to.

Resolved: That this House do consider the Report of the *Ad-Hoc* Committee on the Review of the Recommendations in the Report of the

Committee on Power and approve the Recommendations therein.

Hon. Tunde Akogun: Mr. Speaker, Sir, I move that this House do resolve into Committee of the Whole to consider the Report.

Hon. Baba Shehu Agaie: I second the Motion moved by the Leader that this House do resolve into Committee of the Whole to consider the Report.

Question put and agreed to.

Resolved: That the House do resolve into the Committee of the Whole to consider the Report.

Report of the Ad-Hoc Committee on the Review of the Recommendations in the Report of the Committee on Power – CONSIDERED IN THE COMMITTEE OF WHOLE.

(The Deputy Speaker in the Chair)

The Chairman: Chairman, Committee on Power, you have the Floor.

Hon. Aminu Waziri Tambuwal (Kebbe/Tambuwal): Mr. Chairman, Sir, we have two sets of documents. One is the Report on a Bill that is having about three Columns. The second one is the Recommendations on the Funding. We will begin by going through the first Report which has to do with the review of each and every recommendation made by the Power Committee and our recommendations.

The House of Representatives, as its sitting on Thursday, 19th March, 2009 commenced consideration of the Report of the Committee on Power into how *huge sums of money was spent on Power Generation, Transmission and Distribution between June 1999 and May 2007 without commensurate result.*

Due to controversy arising from the recommendations in the Report, the House resolved to constitute a 7-Member Committee to revisit the recommendations therein and draw up recommendations that will enable the House reach a consensus on the Report. *(Interruptions)*

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Some hon. Members: We do not have this report.

Hon. Aminu Waziri Tambuwal: The House was of the opinion, in the course of deliberation, that the Report submitted was not only disputed by Committee Members but did not address fully the issue of the way forward and it did not also appear to have been properly signed by Committee Members. Given the reactions within the Chambers and the anxiety and concerns of the Nigerian public we realised the sensitive nature and needed to address this issue with a high sense of responsibility.

The Committee met and reviewed the work done by the Power Committee and I believe in view of the time constraint we should go ahead and take the recommendations Clause by Clause as against the entire recommendations of the Committee on Power.

If there is any issue that we need to clear, Members of the Committee are here and we are all ready to avail ourselves of whatever explanations that may be needed.

The Chairman: Hon. Members, do we all have copies of this Report?

Some hon. Members: We do not have.

Some hon. Members: Yes.

The Chairman: I guess 75 per cent of us here have copies of the Report.

Some hon. Members: Yes.

The Chairman: We are going to start from the Recommendation 1. What we have on that page is *Committee on Power Recommendation* on the first Column. The second Column is *Ad-hoc Committee's Recommendation* and the last Column is *Remarks of the Ad-hoc Committee*.

We are taking them one by one and for each one I will give one minute so that we go through it. Hon. Colleagues, the recommendations we are about to approve are the Recommendations of the Ad-hoc Committee, please.

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Recommendation (1):

Given that Nigeria's power demand in the short, medium and long term is enormous and under the ongoing programme only 10,000 MW is projected to be attained by 2010, it is recommended that the government should declare the proposed *State of Emergency in the Power Sector* immediately and undertake the execution of annual minimum generation and transmission capacity that will attain the Vision 20-2020 goal through joint ventures and direct private sector participation. In this regard, it is recommended that the House of Representatives should timeously support all well meaning initiatives in that regard.

Question put and agreed to.

Recommendation (2):

Considering the magnitude of funding requirement, which cannot be solely borne by government, the Ad-hoc Committee recommends that the model used in the Telecommunications Sector of the Nigerian economy that has brought about massive private sector investments, efficiency, availability and affordability to the sector be introduced into the Power Sector of the economy. In this regard, the tariff structure in the Power Sector should be substantially deregulated and competition introduced under the guidance of robust, fair, competent and independent regulatory body.

Question put and agreed to.

Recommendation (3):

In the transition period before a fully regulated regime, the Regulatory Authorities in the Power Sector should avail themselves of the power under the ESPR Act of 2005 to ensure open access to available transmission and distribution lines and substations at fair, transparent and regulated prices.

Question put and agreed to.

Hon. Ubale Jakada Kiru (Bebeji/Kiru): Mr. Chairman, with all due respect, we may run into a problem and I think we should deal with this

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problem. 90 per cent of us received copies of this Report here and now. That is why it will not suffice for us to put the question *carried*.

I suggest that you allow hon. Members to fully look at the Report, even if it is for today and by tomorrow we will treat it here.

The Chairman: I will put the Question that we continue the consideration of this Report.

Question put and agreed to.

Recommendation (4):

During the transition period, a flexible licensing regime is hereby recommended to be introduced wherein commercial entities and willing consumer groups should be encouraged to enter into power purchase agreements with Generation and Distribution Companies in which case appropriate tariffs could be introduced which will help in releasing more power into the National Grid.

Question put and agreed to.

Recommendation (5):

That the ongoing prospective transmission operators proposing to install fresh 132KV or 33KV transmission infrastructure to overcome identified gaps in existing transmission infrastructure in order to support prospective generation projects and consumer clusters, should be licensed in accordance with the existing laws.

Question put and agreed to.

Recommendation (6):

That henceforth Letters of Credit (LC) for power projects should be for a minimum period of 2 years to assure manufacturers of equipment of our commitment to the execution of those projects. The danger in short tenured Letters of Credit (LCs) is that one could lose one's place on the queue during the interregnum of expiry and renewal of the Letters of Credit given the fact that manufacturing of power equipment are oversubscribed.

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Question put and agreed to.

Recommendation (7):

That the Federal Government should as a matter of urgency, diversify our sources of energy to encompass coal, solar, wind and nuclear energy.

Question put and agreed to.

Recommendation (8):

That the modernisation of power plants should be carried out and regular training and retraining undertaken.

Question put and agreed to.

Recommendation (9):

Having identified policy inconsistencies in the power sector as a major contributor to the country's inability to meet its energy needs, for instance, the practice of not making provisions for completion of ongoing projects in the annual budgets, the *Ad-hoc* Committee recommends that government should pay greater attention to observance of policy consistency, adequate budgetary provisions and funding.

Question put and agreed to.

Recommendation (10):

That government should fast-track the execution of all transmission and other related projects with a view to closing the loop in the National Grid.

Question put and agreed to.

Recommendation (11):

That in view of the high capacity contribution that the Mambilla Hydro-electric Power project will inject into the national grid and the time already lost, the contractors should be urgently mobilised to enable them commence work.

Question put and agreed to.

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Recommendation (12):

That government should timeously pay adequate compensation to land owners to ensure the delivery of unencumbered sites to eliminate the undue delays in project execution.

Question put and agreed to.

Recommendation (13):

The government should ensure that in future all conceived projects are properly packaged, participating agency identified and coordination properly networked to avoid difficulties and undue delays in project implementation.

Recommendation (14):

That the Revenue Mobilisation Allocation and Fiscal Commission is hereby advised to seek out of Court settlement especially since legality has returned on the withdrawal of funds from the Federation Account, which is now approved by the various relevant legislative Houses.

Question put and agreed to.

Recommendation (15):

In view of the fact that funding of the NIPP projects has been resumed and appreciable project execution progress attained as contained in the Project Status Report herewith attached, the relevant House Committee be mandated to step up oversight to ensure the timely completion of the projects.

Question put and agreed to.

Recommendation (16):

That the services of the company headed by Engr. Chinedu Ibekwe, the Consultant to the House Committee on Power, should be terminated forthwith for the embarrassment caused the House by employing the medium of Power Committee Report to settle personal scores.

Question put and agreed to.

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Recommendation (17):

That House Committees should at all times exercise due diligence in the procurement of services of Consultants or any employees for that matter to ensure that persons capable of bringing the name of the House into disrepute are excluded. Furthermore committees must realise that in quasi-judicial assignments involving the determination of rights and privileges of persons, due diligence must be employed to adopt a judicial mind knowing not only that justice must be the end but that their decisions may be subject to litigation. In all such instances, committees must observe the elementary principles of natural justice.

Question put and agreed to.

Hon. Abdul Ningi (Ningi/Warji): Mr. Chairman, you would recall that on the first day when we were to consider this Report, the Hon. Speaker, gave an opportunity to Members to make their overview on this Report and I could recall that part of the problem at that time was the various pronouncements of how much was actually expended on this project. I could recall that the point was made clearly that the Hon. Speaker asserted that US\$16 billion that was spent on the project. But I thought that what the Committee would have done was to give us an idea of what the real figure is. *(Interruptions)*

Hon. C.I.D. Maduabum (Nnewi North/South/Ekwusigo): Point of Order, Mr. Chairman!

The Chairman: Hon. Abdul Ningi, let us take a Point of Order from Hon. C.I.D. Maduabum.

Hon. C.I.D. Maduabum (Nnewi North/South/Ekwusigo): My Point of Order is premised on Order IX, Rule 1(4). It says:

Rules of Debate

A Member must confine his contributions to the subject matter under discussion and may not introduce matter irrelevant thereto.

If you look at the Clause that we are

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considering, the Committee only said: *adopted*. So, it was not even reviewed which means that the Ad-Hoc Committee also adopted the recommendations of the main Committee. There is nothing new here.

The Chairman: Thank you. Your observation has been taken. Some of these figures found in the recommendation needed to be explained. In some places you will see US\$10 billion and in some you will see US\$13 billion and so on.

Hon. Abdul Ningi: Mr. Chairman, I have been proved right when I talked about funding and funding means money. On this particular matter, the Chairman of the *Ad-Hoc* Committee said that he is here to give answer to any observation.

How much was actually spent on this project?

Hon. Aminu Waziri Tambuwal: Mr. Chairman, at the commencement of the consideration of this Report, I did say that we have two sets of Reports and the money expended and as established by our own Committee is found on Page 8 of the second Report. Therefore, until we get there you may not understand what the actual figure is.

The Chairman: So, it is there?

Hon. Aminu Waziri Tambuwal: Yes, it is.

The Chairman: That is all right. Hon. Colleagues, we will now take the Recommendations of the Committee on Power, that is, the Main Report.

Recommendation (1):

That there is absolute necessity for a clear endorsement from the Ministry of Energy (Power) to complete the transition of corporate governance of the Niger Delta Power Holding Company (NDPHC). This would require far-reaching structural and administration changes as envisaged by the Electric Power Sector Reform Act (EPSRA), 2005. The net effect should be to give the Niger Delta Power Holding Company (NDPHC) Management full authority to restructure the composition and structure of the National Integrated Power Projects (NIPP) Technical Committee.

Question put and agreed to.

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Recommendation (2):

That the Government has a duty to lay a firm foundation for the electricity sector by completing ongoing projects. At that stage, the government can confidently begin to think of privatising those assets.

Question put and agreed to.

Recommendation (3):

That the Power Holding Company of Nigeria (PHCN) should be wound up expeditiously in compliance with the Electric Power Sector Reform Act (EPSRA), 2005 and the reform process strengthened.

Question put and agreed to.

Recommendation (4):

That the London Office of Power Holding Company of Nigeria (PHCN) should be scrapped if the reasons for which it was established are no longer relevant. On the other hand, if it is still required to play its primary role of advising Power Holding Company of Nigeria (PHCN) and the Ministry of Energy (Power) on status of companies that procure equipment or have anything to do with the power sector in Nigeria, then the Office should be strengthened. The Ministry and Power Holding Company of Nigeria (PHCN) should be directed to make good use of the services of the London Office.

Question put and agreed to.

Recommendation (5):

That a comprehensive technical, financial and legal audit of National Integrated Power Projects (NIPP) be carried out.

Question put and agreed to.

Recommendation (6):

That an effective business model for Niger Delta Power Holding Company (NDPHC) be formulated.

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Question put and agreed to.

Recommendation (7):

That Design, operating concession and privatisation framework for the generation, gas pipeline, transmission and distribution assets that assure that they will be operated using best international practices and optimal private sector participation.

Question put and agreed to.

Recommendation (8):

That since any attempt to resurrect National Electrical Power Authority (NEPA) or Power Holding Company of Nigeria (PHCN) by Administrative process without the authorisation of the National Assembly would be a patent illegality, the Electric Power Sector Reform Act (EPSRA), 2005 should be implemented to the letter.

Question put and agreed to.

Recommendation (9):

That alternatively, an Amendment to the Act should be proposed to accommodate any new envisaged legal framework for the realisation of the agreed policy and institutional structure to be employed in the objective stated in the first question above.

Question put and agreed to.

Recommendation (10):

That the Committee recommends speedy completion of ongoing projects in order to stabilise the sector before liberalisation in the form of cost reflective tariff implementation regime. Funding must be done in accordance with existing laws and not in flagrant disregard of the statutory and constitutional provisions hitherto.

Question put and agreed to.

Recommendation (11):

That the Federal Government should make direct allocations to these companies with a view to strengthening their operational capacity. Some of the engineers heading some of these companies have demonstrated capacity for innovation and the Committee recommends that they should be encouraged to improve indigenous skills but this should never be done in a manner that compromises standards or encourages mediocrity or incompetence in any form. The Committee is encouraged in this direction because it found that the cost at which the Gencos and Disco carry out projects have been significantly lower and they have proved to be more reliable than contractors in jobs within their capacity to execute.

Question put and agreed to.

Recommendation (12):

That all failed National Integrated Power Projects (NIPP) Distribution and related contracts recommended to be cancelled in Part 8 below should be transferred to the Distribution Companies to execute under a strengthened management structure.

Question put and agreed to.

Recommendation (13):

Regular or monthly stakeholders Briefing by the MD/CEO of Niger Delta Power Holding Company (NDPHC) as the forum to brief all stakeholders on the progress of the National Integrated Power Projects (NIPP). All policy matters related to the Niger Delta Power Holding Company (NDPHC) and National Integrated Power Projects (NIPP) will be determined at a two weekly Executive Committee meeting of the management of Niger Delta Power Holding Company (NDPHC) chaired by the MD/CEO but the management may invite any other person as circumstances require.

Question put and agreed to.

Recommendation (14):

Publication on the Internet of a regularly updated listing of generation, trading, transmission and distribution license applications, a current list of

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licensees and a current capacity database of the electricity supply system. This On-Line Information Bank would facilitate the development of a wholesale and bilateral market.

Question put and agreed to.

Recommendation (15):

That it does not show effective policy co-ordination for a country that is in a hurry to generate more electric power using gas to leave its gas production and supply entirely at the whims and caprices of blind market forces. The Committee recommends co-ordination and integration of the basic needs of the power sector with other policy directions of the government.

Question put and agreed to.

Recommendation (16):

Funding Framework:

That the Committee recommends the completion of ongoing National Integrated Power Projects (NIPP) projects through:

- (a) Direct government spending through legitimate channels to complete ongoing National Integrated Power Projects (NIPP) projects;
- (b) Create improved environment for Public/Private Partnerships (PPPs) and IPPs through unfettered implementation of the Electric Power Sector Reform Act (EPSRA), 2005.

Question put and agreed to.

Recommendation (17):

The Niger Delta Question:

Massive infrastructural and other transformational interventions that are timely, visible and sustainable.

Question put and agreed to.

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Recommendation (18):

Government-community relations:

That the rights of communities to compensation for use and permanent loss of their lands is an issue that must be realistically addressed by the Government. Leaving the communities at the mercy of shylock contractors or kleptocratic Power Holding Company of Nigeria (PHCN) officials has proved to be disruptive of the implementation of power projects.

Question put and agreed to.

Recommendation (19):

Gas Development and Gas Delivery:

That provision of gas for domestic use must take precedence over exports. It is penny wise pound foolish to sell gas to enable other countries develop their infrastructure while basic infrastructure and industrialisation in the gas exporting country remains in the doldrums because of lack of electric power.

Question put and agreed to.

Recommendation (20):

Power Holding Company of Nigeria (PHCN) Successor Companies:

That it is absolutely necessary to put in place effective corporate governance structures for all 18 Power Holding Company of Nigeria (PHCN) successor companies. The operational framework of the Power Holding Company of Nigeria (PHCN) successor companies must be put in place. The management of each of the successor companies is expected to operate as an independent commercial entity under the supervision of its Board of Directors as specified in its Articles of Incorporation and the Companies and Allied Matters Act.

Question put and agreed to.

Recommendation (21):

Other Federal Government power projects:

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That Policy should encourage movement from small-scale self-generation which is usually inefficient and environmentally hostile to larger-scale multi-user mini-grid distribution, based on a variety of more efficient technologies. Private generation and distribution projects where there is currently no electricity infrastructure should be immediately licensed without restriction. It must, however, be ensured that licensed operators work within the framework of the Electric Power Sector Reform Act (EPSRA), 2005.

Question put and agreed to.

Recommendation (22):

Procurement of Meters:

That all existing metering contracts be terminated forthwith. That metering be immediately opened to the private sector in Order to encourage a more efficient and competitive market in this aspect of the electricity industry as envisaged by the Electric Power Sector Reform Act (EPSRA) 2005, subject to standards and controls by the Nigerian Electricity Regulatory Commission.

Question put and agreed to.

Recommendation (23):

Manufacture of Meters, Transformer Components and Switchgears in Nigeria:

That in the medium and longer term, Government needs to explore avenues to encourage local manufacture of component parts frequently used in the electricity industry.

Question put and agreed to.

Recommendation (24):

Consumer Protection:

That Distribution Companies employ a more businesslike approach to the industry, development of improved corporate image, more efficient service and eventual profitability and sustainability of the industry. The role of the Nigerian Electricity

Regulatory Commission (NERC) in this regard should be strengthened.

Question put and agreed to.

Recommendation (25):

Pension Matters:

That the Ministry of Energy (Power) will work with the Bureau of Public Enterprises (BPE) and major banks and licensed Pension Fund Administrators (PFAs) to verify, negotiate, restructure and fund all pension liabilities and outstanding and foreseen severance benefits. Union endorsement of the restructuring plan will be obtained to ensure its full implementation.

Question put and agreed to.

Recommendation (26):

Reportage on Projects:

That list of Federal Government funded projects should be forwarded to all the 36 States and the FCT Administration for the Government of each State to identify the projects they awarded and executed and those that have been awarded by the Federal Government but taken over by them. This would assist in substantiating the actual total cost spent on rural electrification projects by the Federal Government. At the same time, it would enable the Government to ascertain the projects that have been abandoned or completed and the next line of action to take on the uncompleted ones and the defaulting contractors.

Question put and agreed to.

Recommendation (27):

Inter-governmental Relations:

That the relationship of the Federal and State Governments should reflect the letter and spirit of true federalism whereby the Federal and State Governments derive their powers from the Nigerian Constitution. No level of government should treat the other with levity.

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Question put and agreed to.

Recommendation (28):

Deductions from Lagos State Government Account:

That the Committee is of the view that power generated by AES/ENRON is enjoyed by the country as a whole and the Federal Government should pay for it. That the Federal Government stop further deductions from the Account of Lagos State. Furthermore, in the spirit of fairness, the Federal Government should enter into negotiation with the Lagos State Government with a view to refunding the amount already deducted from the Lagos State Government Account.

Question put and agreed to.

Recommendation (29):

Government Agencies:

That the Power Sector requires aggressive prosecution of government plans in the sector based on well-informed advice, not pliant acceptance of ill-advice from the same men who messed up the system in the first place.

Question put and agreed to.

Recommendation (30):

That the current Minister of State for Energy (Power), Hajia (Mrs.) Fatima Balaraba Ibrahim be redeployed to a Ministry where she could be better fitted.

Question put and agreed to.

Recommendation (31):

That the office responsible for the transition of the power sector be strengthened.

Question put and agreed to.

Recommendation (32):

That Alhaji Maigida Shuaibu Maigida, Co-coordinator, Power Holding Company of Nigeria (PHCN) Liaison Unit, Abuja be mandated to oversee the transitional arrangement from the present predominantly government funded outfit to a significantly private-sector driven power sector.

Question put and agreed to.

Recommendation (33):

That the Hon. Attorney-General and Minister of Justice should be advised to make good efforts to ensure that all agreements prepared on behalf of the Federal Government by Power Holding Company of Nigeria (PHCN) and Niger Delta Power Holding Company (NDPHC) and indeed, all Ministries, Departments and Agencies (MDAs) should be cleared by his Office before they are signed, if that is not already the practice.

Question put and agreed to.

Recommendation (34):

That the Central Bank of Nigeria up to the time of this Report ignored the request of the Committee to know how much was outstanding in commercial banks and the interest accruing thereto in respect of Letters of Credit financed from the Excess Crude Account. The Governor of the Central Bank, Professor Chukwuma Soludo must take responsibility for failure to respond to the request of the Committee in this regard.

Question put and agreed to.

Recommendation (35):

That Nigerian Electricity Regulatory Commission (NERC) should be strengthened and enabled to exercise all its powers and functions under the Electric Power Sector Reform Act (EPSRA), 2005 as the driver and enabler of the electric power sector in the country.

Question put and agreed to.

Recommendation (36):

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That the Electricity Commission of Nigeria (ECN) should be adequately enabled to carry out this vital function.

Question put and agreed to.

Recommendation (37):

That Engr. J. O. Ogbonna, Acting CEO, Egbin Power Station, Lagos should be given an opportunity for service at higher levels to enable him make his contribution to solve power generation problem in Nigeria.

Question put and agreed to.

Recommendation (38):

That Engr. Okoli be redeployed immediately to bring in a more experienced officer to address the technical and human problems of Kainji Power Station.

Question put and agreed to.

Recommendation (39):

That the Chief Executive Officer (CEO) in charge of Oyo Distribution Company should be redeployed.

Question put and agreed to.

Recommendation (40):

That the Committee recommends strengthening the financial ability of the Chief Executive Officers (CEOs) to perform at the various zones Companies, Projects and Individual Actors.

Question put and agreed to.

Recommendation (41):

That the Committee recommends intensive and extensive purge at all levels of the Power Holding Company of Nigeria (PHCN) and associated agencies. Corrupt staff must not be allowed to infest and poison the emergent platform for implementation of the power sector reforms.

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Question put and agreed to.

Recommendation (42):

That the Economic and Financial Crimes Commission (EFCC) be invited to investigate the following issues, among others, which came to light during the periodic checks of the Auditor-General of the Federation and to which the National Electric Power Authority (NEPA)/Power Holding Company of Nigeria (PHCN) failed to provide answers.

- Setting aside of Due Process in payment to contractors. Payments for contract were signed by Honourable Minister and another official.
- Lack of in-house checks/processes;
- Spending part of internally generated fund amounting to ₦786 million without due process;
- Failure of National Electric Power Authority (NEPA)/Power Holding Company of Nigeria (PHCN) to release documents of compensation of ₦9.6 billion to land owners for checks in spite of repeated requests.
- Lack of in-house requests;
- Documents in respect of purchase of vehicles;
- Failure to make available road survey contracts for checks;
- Irregular transfers of money, that is, those not backed up by documentation;
- Loans totalling about ₦6.68 billion (1996) out of which ₦543 million was withheld by parent Ministry and National Electric Power Authority (NEPA) was paying interest at annual interest of ₦81 million on the loan and in 1999;
- Releases from Accountant-General's Office to Power Holding Company of Nigeria (PHCN) showed a difference suggesting that there were sums withheld by the Ministry;
- Some mobilisations were paid in excess of government guidelines;
- The sum of ₦15 billion disappeared from Power Holding Company of Nigeria (PHCN) Account and came back after about two months about which the Auditor-General sent a report to Power Holding Company of Nigeria (PHCN) but

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they failed to respond.

Question put and agreed to.

Recommendation (43):

That in view of the apparent unwillingness of the Central Bank of Nigeria (CBN) to co-operate with the Committee in this matter or provide the Committee with a proper account of withdrawals from the Excess Crude Account, the balance on the account, where the moneys in respect of unutilised Letters of Credit are kept and interest that have accrued thereto, we recommend that the Economic and Financial Crimes Commission (EFCC) be invited to investigate the Office of the Accountant General of the Federation and the Central Bank of Nigeria in respect of the above issues relating to Letters of Credit opened.

Question put and agreed to.

Recommendation (44):

That the following contracts, among others, are recommended for review, investigation and further action for reasons of non-completion long after contract date of completion in spite of having been paid, non-performance, lack of execution capacity, demonstrated incompetence or abandonment of contract:

<i>S/No.</i>	<i>Project</i>	<i>Contractor</i>
1.	Owerri – Ahaoda – Yenagoa Trx line and S/S ...	Pivot Engineering
2.	Alaoji – Calabar 330kV DC Trx line ...	Energovod SRO
3.	Maiduguri 330/132kV DC S/S ...	Charnel Engineering
4.	Alaoji – Umuahia 132kV DC Trx line ...	Pivot Engineering
5.	Gombe – Damaturu – Maiduguri 330kV Trx line ...	KEC/News Engineering
6.	Calabar 330/132kV S/S ...	...

... ... MBH Power

7. Arochukwu 132/33kV S/S ...
 Omen Int'l Ltd

8. Ado Ekiti 132/33kV S/S ...
 JKN Ltd

9. Umuahia 132/33kV S/S ...
 Valenz Holdings

10. Damaturu 330/132/33kV S/S ...
 Parsian HV Div./Cartlark

Recommendation (45):

That the following contracts, among others listed in Volumes 3 and 4 of this Report are recommended for outright determination or cancellation:

<i>S/No.</i>	<i>Project</i>	<i>Contractor</i>
Power Holding Company of Nigeria (PHCN):		
1.	2nd Benin - Onitsha 330 KV Trx line ...	ABB Powerlines
2.	Gombe - Yola - Jalingo 330 KV Trx line ...	Consortium
3.	Katampe - National Stadium 132 KV DC Trx line ...	ABB Powerlines
4.	Umuahia - Mbalano 132 KV Trx line ...	Santon Energy
5.	Mbalano - Okigwe 132 KV Trx line ...	Atlantic Engineering
6.	Yola 330/132/33 KV S/S ...	Siemens
7.	Umuahia - Ohafia 132 KV Trx line ...	Harlesden Engineering
8.	Ohafia - Arochukwu 132 KV Trx line ...	Mogabs Ltd

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9. Mbalano 132/33 KV S/S
 ... Union Allied Engineering

10. Okigwe 132/33 KV S/S
 ... Union Allied Engineering

11. Ohafia 132/33 KV S/S
 ... Union Allied Engineering

12. Akure - Ado Ekiti 132 KV SC Trx
 Line ... Siemens

13. Onitsha 330/132/33 KV S/S
 ... Siemens

Question put and agreed to.

Recommendation (46):

That the Committee identified the brains behind Waiver of Due Process on National Integrated Power Projects (NIPP) disbursements. The justification at that time was to "fast-track" completion of the projects. But rather than fast-track or facilitate completion of the projects as envisaged, Waiver of Due Process became the major plank that facilitated payments to contractors and consultants that have failed to perform, at the expense of the nation and the power industry. They are:

- Chief Olusegun Obasanjo, former President, Commander-in-Chief;
- Senator Liyel Imoke, former Minister of Power and Steel and;
- Alhaji Abdulhamid Ahmed, former Minister of State (Energy).

That these officers need to be thoroughly investigated by appropriate agencies for economic sabotage to the country.

Question put and agreed to.

Recommendation (47):

That the following contracting and consulting companies recommended for investigation by the appropriate agencies:

**Over-scoped Transmission Line Projects
 National Integrated Power Projects (NIPP):**

		<i>As Awarded</i>	<i>Actual</i>
		km	km
EPC Lot 3:	New Haven/Ugwuaji-Ikot-Ekpene	249	168
EPC Lot 4:	Afam- Ikot Ekpene	150	70
EPC Lot 14:	Otta-Papalanto	30	21
	Papalanto-Abeokuta (Old)	55	38
	Abeokuta (Old) - Abeoluta (New)	35	12
EPC Lot 17:	Afam-Onne/Afam-Trans	50	33
EPC Lot 21:	New Haven - 9th Mile Nsukka	75	55
EPC Lot 11:	Ajaokuta – Lokoja – Gwagwalada	250	180

**Over-scoped Transmission Line Projects -
 Power Holding Company of Nigeria (PHCN):**

	km	km
EPC: Gombe – Damaturu - Maiduguri	376	321
EPC: Gombe – Yola - Jalingo	367	315
EPC: Jos - Kaduna	280	199
EPC: Katampe - National Stadium		

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Cost Inflated Transmission Line Projects:

*Owerri – Ahoada - Yenagoa (OHTL and Associated ₦3.6b ₦10b

*(Awarded at ₦3.6 billion but Government ended up paying ₦10 billion for the same project)

Overpriced Power Plant Projects:

Nine (9 Nos) additional GE Gas Turbines

BOP-EPC contracts in respect of Omoku, Egbema, Gbarain-Ubie and Mambilla.

Question put and agreed to.

Recommendation (48):

That the Committee made appropriate recommendations on each of the Projects contained in Volumes 3, 4, 5, 6 and 7 of this Report.

Question put and agreed to.

Recommendation (49):

That the following contracting companies, among others reported in Individual Project Status Reports, are recommended to be blacklisted and barred from awards of contracts by the Federal Government for their role in sabotage of the government's power sector reform programme:

- (i) Charnel Engineering;
- (ii) Renacs Engineering;
- (iii) News Engineering;
- (iv) Catlark International;
- (v) Chrome Consortium Energy;
- (vi) Hoquado Nigeria Limited;
- (vii) Pivot Engineering;
- (viii) SEPCO III for supply of refurbished machinery and equipment;
- (ix) CMEC for supply of refurbished machinery and equipment.

Question put and agreed to.

Recommendation (50):

That former President Olusegun Obasanjo should be called to account for the recklessness in power sector during his time. That the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) should investigate him.

Question put and agreed to.

Recommendation (51):

That Senator Liyel Imoke is the principal author and executor of Waiver of Due Process. In addition to the facts laid bare in this investigation as outlined in this Report, the Committee recommends that Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) should thoroughly investigate him.

Question put and agreed to.

Recommendation (52):

That Alhaji Abdulhamid Ahmed, former Minister of State (Energy) be investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) and if found culpable, banned from holding public office for the next 10 years and if he is already holding any, he should be recalled and the appointment cancelled.

Question put and agreed to.

Recommendation (53):

That there is a *prima facie* evidence that Dr. Olusegun Agagu, former Minister of Power and Steel awarded contracts without due process. Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) should investigate the allegations with a view to prosecuting anyone found culpable.

Question put and agreed to.

Recommendation (54):

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That Engr. Joseph Makoju, former MD of Power Holding Company of Nigeria (PHCN) and currently Special Adviser to the President on Electric Power be investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) and if found culpable, he should be banned from holding public office for the next 10 years and if he is already holding any, he should be recalled and the appointment cancelled.

Question put and agreed to.

Recommendation (55):

That Engineer G. O. P. Osakwe, Chief Executive Officer (CEO) Transmission Company of Nigeria (TCN) be investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge amounts which he paid to people who ought not to have been paid. He should be redeployed to another position pending the conclusion of investigations.

Question put and agreed to.

Recommendation (56):

That Engr. (Dr.) C. E. Ifesie, Head Transmission Company of Nigeria (TCN) and Project Manager (Transmission) National Integrated Power Project be investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (57):

That Engr. Mike Ezeudenna, AGM (Lines), Transmission Company of Nigeria (TCN) be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (58):

That the Committee recommends the immediate retirement of Engr. C. N. O. Nwachukwu, Chairman Technical Committee and General Project Manager, National Integrated Power Projects (NIPP).

Question put and agreed to.

Recommendation (59):

That Engr. C. N. O. Nwachukwu be further investigated by EFCC and ICPC with a view to arraigning him for fraudulent management of NIPP projects.

Question put and agreed to.

Recommendation (60):

That Mr J. A. Olotu, Managing Director, Niger Delta Power Holding Company (NDPHC)/National Integrated Power Projects (NIPP) be relieved of his post

Question put and agreed to.

Recommendation (61):

That Mr J. A. Olotu be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to prosecuting him for involvement in huge fraudulent manipulations of National Integrated Power Projects (NIPP) distribution and other projects.

Question put and agreed to.

Recommendation (62):

That Engr. I. Onuoha, Deputy Chairman, Technical Committee should be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (63):

That Engr. Emmanuel Okonkwo, Project

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Manager (Distribution), National Integrated Power Projects (NIPP) be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (64):

That Engr. Tope Onadipe, Project Manager (Gas), National Integrated Power Projects (NIPP) be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (65):

That Mr J. C. W. Balami, Head Finance National Integrated Power Projects (NIPP) and AGM Finance Power Holding Company of Nigeria be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (66):

That Engr. Ayodele be deployed to the Ministry of Energy (Power) or one of the Discos, given serious warning for the above lapses and enjoined to put the interest of the nation first in the performance of his professional duties.

Question put and agreed to.

Recommendation (67):

Question proposed.

Hon. Terngu Tsegba (Gboko/Tarka): Mr. Speaker, Sir, this recommendation provides that Engr. Sam Gekpe should be properly investigated by the EFCC and ICPC. I think that the EFCC is currently investigating the Rural Electrification Agency projects and if there is a recommendation like this and we reject it, are we saying that what the EFCC is doing is wrong?

The Chairman: Hon. Colleagues, the investigation that the EFCC is doing is for the contracts awarded in December 2008 contrary to the directive of Mr. President that monies that were not spent up to December should be returned but those monies were not returned and it is not part of this Report.

I will now put the Question on Recommendation 67.

That Engr. Sam Gekpe, MD/CEO, Rural Electrification Agency (REA) should be redeployed and the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) should thoroughly investigate the entire REA finances, particularly dual contracts and the role of its MD/CEO, Engr. Sam Gekpe.

Question put and agreed to.

Recommendation (68):

That Mr. Chigbo should be more careful in computation to avoid re-occurrence of such mistakes.

Question put and agreed to.

Recommendation (69):

That Mr. Hayatu should be more careful in computation to avoid re-occurrence of such mistakes.

Question put and agreed to.

Recommendation (70):

That Rockson Engineering/Rockson International be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (71):

That Pivot Engineering be further investigated by the Economic and Financial Crimes Commission

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(EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (72):

The Committee recommends that Marubeni (WA) and Marubeni International be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (73):

That Lahmeyer International be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts. The Company has already been black-listed by the World Bank. It should henceforth be blacklisted by Nigerian Government (*Hon. Aminu Tambuwal*).

Question put and agreed to.

Recommendation (74):

That ABB Powerlines be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts and blacklisted.

Question put and agreed to.

Recommendation (75):

That Energy Nigeria Ltd be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge

sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (76):

That Chrome Consortium Energy be further investigated by Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts and blacklisted.

Question put and agreed to.

Recommendation (77):

That IOEC/Kaztec Consortium be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

Recommendation (78):

That the company should be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (79):

That KEC/News Engineering be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (80):

That Hoquado Nigeria Ltd be thoroughly

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investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge and undeserved financial gains it made at the expense of the Federal Government and the people of Nigeria.

Question put and agreed to.

Recommendation (81):

That Santon Energy be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (82):

That Union Allied Engineering be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts. The relationship between this company and Engr. (Dr) E. C. Ifesie should also be investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC).

Question put and agreed to.

The Chairman: There is nothing on Recommendation 83.

Recommendation (84):

That Mogabs be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (85):

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That Atlantic Engineering be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (86):

That Harlesden Engineering be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (87):

That the Charnel Engineering should be further investigated by the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) with a view to recovering huge sums fraudulently received on power project contracts.

Question put and agreed to.

Recommendation (88):

That all contractors executing distribution substations contracts should be investigated.

Question put and agreed to.

Hon. Isa Idris Umaru (Igabi): I consider recommendation Number 16; it is rather advisory and my humble view here is that we delete that recommendation because the entire content of that recommendation suggests advising our own House Committees and there are internal mechanisms whereby if there is any advisory of this nature, we can deliver this advisory to the Committees through our channels rather than pass resolutions of our own House to ourselves.

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Hon. Khadijat Bukar Ibrahim (Damaturu. Gujba/Gulani/Tarmuwa: Chairman and colleagues, recommendation number 16 says:

That House Committees should, at all times, exercise due diligence in the procurement of services of Consultants or any employees for that matter to ensure that persons capable of bringing the name of the House into disrepute are excluded. Furthermore Committees must realize that in quasi-judicial assignments involving the determination of rights and privileges of persons, due diligence must be employed to adopt a judicial mind knowledge not only that justice be the end but that their decisions may be subject to litigation. In all such instances Committees must observe the elementary principles of natural justice.

Now, Chairmen use their discretion in choosing their consultants. Members of Committees do not get involved in any decision-making of who is to be a consultant or whatever in the said Committee. So, it should not be blamed on the whole Committees. It should be succinct that Chairmen of all Committees should exercise due diligence in choosing their consultants or employee.

Thank you.

Question put and agreed to.

The Chairman: I have an additional recommendation by the Chairman of the Committee and I will read it out, please.

Recommendation (18):

The relevant security and regulatory agencies should study the Ad-hoc Committee's Report and act on any misconduct or impropriety disclosed.

Question put and agreed to.

Hon. Aminu Waziri Tambuwal (Kebbe/Tambuwal): A fundamental issue was raised in the course of consideration of this Report and it has to do with the amount of money expended during the period under review based on the facts of the findings on page 8 of the second Report which was captured as follows:

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From evidence available to the Ad-hoc Committee, the total expenditure in the power sector in the year under review was US\$12.93 billion with the breakdown there on pages 8 and 9, please.

The Chairman: Hon. Colleagues, the total money expended was US\$12.93 billion approximately 13 billion US dollars.

Hon. Tunde Akogun: Mr. Chairman, I move that the House do revert to Plenary.

Hon. Baba Shehu Agaie: Mr. Chairman, I second the Motion as moved by the House Leader.

Question put and agreed to.

House reverts to plenary

(The Speaker in the Chair)

The Speaker: My dear Colleagues, the House considered the Report of the Ad-hoc Committee on the Review of the Recommendations of the Report of the Committee on Power and approved recommendations A 1- 88 and approved recommendations B 1-17 and approved a new recommendation number 18.

ANNOUNCEMENT

Dissolution of the Committee on Power

The Speaker: Before we move for adjournment, please listen to the following announcements. I hereby dissolve the Committee on Power.

Honourable Colleagues, this is probably the most difficult job any Committee had handled. Before they started this work, I did advice that we would be abused; we would be persecuted; we would be called all sorts of names. And at the end of the day, we have to come up with what is right and what is just for Nigeria.

I believe that the last recommendation by the team may have done justice to this exercise. We have not shied away from our responsibility and I exceedingly thank the Committee on Power for the job they did.

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They have been bruised, bartered but they are still here with us.

I also thank the Ad-Hoc Committee for the job they have done as well even though they were saying that the last recommendation will need to be confirmed. Well, the job is done; we need to move forward as a nation. We know that the quest for power in the nation is still going on, some billions have been released. In all these, we are watching and we are praying that this time around we will get the desired output.

It is a fact from the review of the recommendation of the Power Committee that US\$12.9 billion as at that time had been spent. We do not know the figure that had been appropriated into the Power Sector and the new Power Committee that will be inaugurated will have a bigger job to do, to monitor those funds and to make sure that the desired output is achieved.

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I thank all Members present today for their participation in this exercise and as I said this is the House of Representatives. God bless you all.
(Applause)

ADJOURNMENT OF SECOND SITTING

Hon. Tunde Akogun: Mr. Speaker, I move that this House do stand adjourned till Thursday, 30th July, 2009 at 10.00 a.m.

Hon. Baba Shehu Agaie: Mr. Speaker, I do second the Motion.

Question put and agreed to.

Resolved: That the House do stand adjourned till Thursday, 30th July, 2009 at 10.00 a.m.

The House adjourned accordingly at 5.45 p.m.