



NIGERIAN ELECTRICITY REGULATORY COMMISSION

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

ORDER ABOLISHING THE METER MAINTENANCE FEE (METER CHARGE)

The Nigerian Electricity Regulatory Commission (NERC) in carrying out its objectives in accordance with the Section 32 (1) of the Electric Power Sector Reform (EPSR) Act, 2005 is specifically mandated under Section 32 (1) (d) to ensure that the prices charged by licensees are fair to consumers, sufficient to allow the licensees to finance their activities and allow for reasonable earnings for efficient operation.

Section 76 of the EPSR Act further empowers the Commission to establish one or more tariff methodologies for regulating electricity prices.

Pursuant to the above provisions and in accordance with Section 41 of the EPSR Act, 2005, the Commission, during its 7th Formal Regulatory Meeting, which held from October 17 -19, 2011 considered issues arising from the payment of Meter Maintenance Fee (MMF).

The Commission, after due consideration noted that:

- The introduction of the “Multi Year Tariff Order” in July 2008 which allowed for components of the Fixed Charge, Minimum Charge, Meter Charge (Meter Maintenance Fee) and Energy Charge has made adequate arrangement for cost by licensees and therefore obviates the need for a separate MMF;

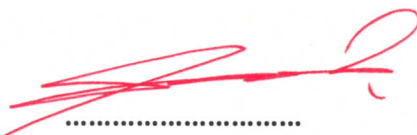
- Its obligation is to ensure that prices charged by licensees are fair to consumers while also sufficient to enable licensees finance their activities and allow reasonable earnings for efficient operation;
- The Metering Code Panel had recommended that the MMF be removed;
- At the meeting held between the Commission and the CEOs of Electricity Distribution Companies on the 12th and 13th of April 2011, it was realised that the essence of the MMF which was justifiable as a means of raising tariffs when tariff increase was frozen can no longer be justified as this has already been captured by subsidy;
- It was necessary to prevent the continued violation of the provisions of the Commission's Regulation on Connections and Disconnections Procedures for Electricity Services by the Distribution Companies

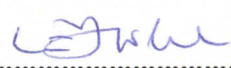
THEREFORE, THE COMMISSION HEREBY ORDERS AS FOLLOWS:

1. That with effect from the next billing cycle i.e. November 2011 Bill due in December 2011, no Distribution Company shall compute in its bill or demand the payment of Meter Maintenance fee (Meter Charge) from any of its customers;
2. That it shall therefore, from the abovementioned date, be illegal for any Electricity Distribution Company to demand the payment of the MMF from customers;
3. That all Electricity Distribution Companies should comply forthwith.

BY ORDER OF THE COMMISSION

Signed this 11th day of Nov 2011


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Dr. Sam. Amadi
Chairman/CEO


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Mrs. Mary Awolokun
Commissioner, Engineering,
Standards & Safety