



ORDER NO. NERC/139

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

**ORDER ON THE ISSUE OF NON COMPLIANCE OF THE ABUJA
ELECTRICITY DISTRIBUTION COMPANY (AEDC) WITH THE COMMISSION'S
METHODOLOGY FOR ESTIMATED BILLING**

BACKGROUND:

1. Pursuant to Section 62 (7) & 63 of the EPSR Act 2005 and Regulation 5(1) (a) & 11 of the NERC Electricity Industry (Enforcement) Regulations 2014, the Commission commenced enforcement actions against AEDC vide a Notice dated April 16, 2015 for non compliance with the Commission's Methodology for Estimated Billing, 2012.
2. Specifically, the Notice required AEDC to "show cause" why enforcement action should not be taken against it for violating:
 - Section 63 (1) EPSR Act 2005 which provides that a licensee shall comply with the provisions of his license, regulations, codes and other requirements issued by the Commission from time to time;
 - Condition 2(1) of the terms and conditions of the license granted AEDC which provides as follows:
"The Licensee shall comply with the conditions of this License and the requirements of the licensed business as set out in the Act and Regulations or approved by the Commission in accordance with the Commission's statutory duty to monitor all licensees";
 - Regulation 2 of the Methodology for Estimated Billing 2012 which provides for "the standardization of the method used by Distribution Companies (Discos) to estimate a customer's power usage and bills accruing thereby in instances where the Disco is unable to read the Customer's bill within a billing period.";

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- Regulation 4.3 of the Methodology for Estimated Billing 2012 which provides as follows:

“Where a Disco estimates a Customer’s usage, the Disco shall adopt the Commission’s approved methodology for estimated billing, and the Customer’s estimated electricity usage shall, under no circumstance, be arbitrarily inflated by the Disco”;

- Regulation 6.2 (Metered Customers) which provides as follows: “the Customers shall be billed based on the last actual reading obtained until another reading is established...”;
- Regulation 7.1 provides as follows: “The Unmetered MD Customers shall be billed based on the “Load Measurement Method” which shall be the measurement of the voltage and current on the Customer premises for a specific period (between one to twenty four hours) during normal operation and the application of the formula provided for estimation of monthly consumption;
- Regulation 8 (Unmetered Non- MD Customers) which provides as follows: “the Unmetered MD Customers and others not captured shall be billed based on the “weighted average cluster load...”.

3. AEDC consequently sent written submissions and made a presentation to the Commission subsequent upon which an investigation team was constituted to review the submissions made and carry out further investigations as necessary.

WHEREAS:

Upon review of the written submissions by AEDC on the matter as well as further investigations carried out by the Team duly constituted for the purpose;

IT HEREBY ORDERS THAT:

- i. AEDC shall, with immediate effect from the date of this Order, commence the refund through energy credit, of all excess charges billed its customers as a direct consequence of the adjustments resulting from the application of the modified estimated billing methodology applied to all the estimated customers in their Business Units for the period of October, November and December, 2014;
- ii. AEDC shall within five days of this Order and in writing advice all affected customers in accordance with Regulations 9(7) of the Nigerian Electricity

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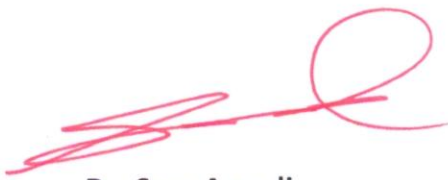
Regulatory Commission's Meter Reading, Billing, Cash Collections and Credit Management for Electricity Suppliers Regulations, 2007 which provides:

"Where a Distribution Company has over-charged a Customer, it shall advise the customer in writing, within five working days of its becoming aware of the error and it shall repay the amount to Customer in accordance with his reasonable instructions, or if no reasonable instructions are received from the Customer, by crediting the amount of the overcharge to the Customer's next bill."

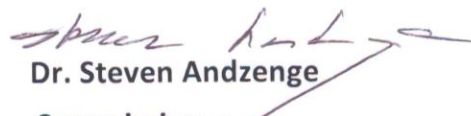
- iii. AEDC shall within one (1) month of this Order, publish in a Newspaper with wide circulation within its distribution area, an apology to all affected customers stating their Business Units, for the excess charges billed.
- iv. Following the steps in i – iii above, AEDC shall within Two (2) months of this Order, submit a report to the Commission on the level of compliance with the Orders in i – iii above providing specific data on the total number of customers affected and the amount refunded in each Business Unit.

BY ORDER OF THE COMMISSION

Dated this 15th day of June 2015



Dr. Sam Amadi
(Chairman/ CEO)



Dr. Steven Andzenge
Commissioner,
Legal, Licensing & Enforcement