

**ORDER NO/NERC/213/2020** 

#### BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

# IN THE MATTER OF THE AMENDMENT OF THE ORDER ON THE CAPPING OF ESTIMATED BILLS FOR ENUGU ELECTRICITY DISTRIBUTION PLC

#### Title

1. This regulatory instrument may be cited as the **AMENDED ORDER ON THE CAPPING OF ESTIMATED BILLS FOR ENUGU ELECTRICITY DISTRIBUTION PLC.** 

#### **Commencement and Amendment**

2. This Order amends Order No/NERC/197/2020 (Order on the Capping of Estimated Bills in the Nigerian Electricity Supply Industry) that was issued by the Nigerian Electricity Regulatory Commission ("NERC" or the "Commission") on 20 February 2020. This Amended Order on the Capping of Estimated Bills for Enugu Electricity Distribution Plc ("EEDC") shall take effect from 1 November 2020 and shall cease to have effect on the issuance of a new Order on the same subject matter by the Commission.

#### Context

- 3. The Commission is mandated by section 32(1)(a) of the Electric Power Sector Reform Act 2004 ("EPSRA") to "create, promote, and preserve efficient industry and market structures, and to ensure the optimal utilisation of resources for the provision of electricity services".
- 4. The Commission pursuant to section 96 of EPSRA; which provides that "the Commission may make regulations prescribing all matters which are by this Act are required or permitted to be prescribed or which, in the opinion of the Commission, are necessary or convenient to be prescribed for carrying out or giving effect to this Act"; issued the following regulations to address the issue of downstream revenue assurance between distribution licensees ("DisCos") and their customers
  - a. the Nigerian Electricity Regulatory Commission's Connection and Disconnection Procedures for Electricity Services 2007.
  - b. the Nigerian Electricity Regulatory Commission's Meter Reading, Billing, Cash Collection and Credit Management for Electricity Supplies Regulations 2007.

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- c. the Methodology for Estimated Billing Regulations 2012.
- 5. DisCos are required to meter customers in accordance with requisite standards of performance. The legacy situation at acquisition of majority stake in the distribution assets from government was that the majority of customers were unmetered and there has been little change in the situation as the deployment of meters by DisCos has been outpaced by the growth in customer numbers in NESI. Data received from the ongoing customer enumeration exercise indicates that the customer population has grown from 5million in 2012 to over 10million as at December 2019 with about 52% of the population being invoiced on the basis of estimated billing.
- 6. The need for the introduction of a standard methodology of estimated billing in NESI became inevitable during the transitional period required to close the metering gap and the Methodology for Estimated Billing Regulations was introduced as a means of ensuring that customers were not issued arbitrary bills that were unrelated to actual consumption or any other metric for estimating their energy consumption. Section 3 of the Methodology for Estimated Billing Regulations provides that "the following categories of customers may be issued estimated bills
  - Customers with faulty meters: These are existing customers who have been issued meters which are no longer functional.
  - b. Customers whose meters cannot be read: These are customers whose meter readings could not be obtained by the DisCo due to inaccessibility occasioned by locked doors, customers not being at home at the time of reading the meter, presence of dogs on the premises, etc.
  - c. Existing customers without meters: These are directly connected customers that have not been provided with meters."
- 7. The successful implementation of the Methodology for Estimated Billing Regulations was hindered by the inadequate level of metering of feeders and distribution transformers which form the source data for the effective application of the estimation methodology.
- 8. The inadequacy of accurate data required for the estimation of consumption of unmetered consumers produced the most significant customer complaints with non-provision of meters and unrealistic billing of unmetered customers accounting for over 65% of complaints lodged at customer care centers of DisCos, disputes filed at Forum Offices and subsequent appeals to the Commission.
- The significant level of customer dissatisfaction arising from unrealistic estimated bills have also adversely impacted on the market revenues as a consequence of customer apathy and declining willingness to settle their invoices in full.

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- 10. The most recent initiative of the Commission to fast track the closure of the metering gap was the issuance of the Meter Asset Provider ("MAP") Regulations with a target of metering all customers within 3 years. The MAP Regulation was approved on 8 March 2018 to achieve the following objectives:
  - a. Encourage the development of independent and competitive meter services in NESI.
  - b. Eliminate estimated billing practices in NESI.
  - c. Attract private investment in the provision of metering services in NESI.
  - d. Close the metering gap through accelerated meter roll out in NESI.
  - e. Enhance revenue assurance in NESI.
- 11. The third-party investors for the provision of meters under the MAP Regulations have been procured by EEDC, under a competitive framework of the said Regulations, to provide meters to customers based on multiple financing options. However, several constraints including changes in fiscal policy and the limited availability of long-term funding have led to limited success in the meter roll out. The imperative for mitigating the risk of unrealistic and arbitrary billing of unmetered customers however remains a key priority during the transitional period until Commission's target of "meters for all" in the MAP Regulations is achieved in NESI.
- 12. All customers of EEDC are classified on the basis of consumption/use into the following categories
  - a. Non-Maximum Demand (Non-MD): These are customers with single or three phase connection at 0.400kV feeder level. This includes all customers previously classified as R2, C1, D1, and A1 (single and three phase).
  - b. Low Voltage Maximum Demand (MD 1): These are grid connected customers with low voltage (LV) Maximum Demand connection and include all customers previously classified as R3, C2, D2, and A2 Street Light.
  - c. Medium/High Voltage Maximum Demand (MD 2): These are grid connected customers with medium voltage (MV)/high voltage (HV) Maximum Demand (11/33kV) connection. These include all customers previously classified as R4, C3, D3, and A3.
  - d. High Voltage Maximum Demand Special (MD3). These are grid connected commercial and industrial customers with average monthly energy consumption of 6.3MWh/h.
  - e. Lifeline Customers (R1): These are grid connected customers with consumption of not more than 50kWh/month.

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- 13. The Commission had issued a directive to all DisCos in June 2016 on the mandatory metering of all maximum demand ("MD") customers in NESI no later than 30 November 2016. The deadline was subsequently extended to 1 March 2017 at the instance of the DisCos and the Commission thereafter issued the following directives
  - a. "Any MD customer not provided a meter by 1 March 2017 shall not pay any electricity bill presented by a DisCo on the basis of estimated billing methodology and these customers are advised to report to the Commission.
  - b. No DisCo shall disconnect any MD customer that was not metered by 1 March 2017 on the basis of the customer's refusal to pay an invoice issued on the basis of estimated billing after the compliance deadline.
- 14. The Commission issued Order No/NERC/183/2019 on the mandatory migration of R3 class of residential customers, industrial and commercial customers to cashless settlement platforms and other matters relating to revenue protection in NESI on 30 December 2019. Paragraph 13 of the Order provides that "all DisCos shall ensure full accountability of energy flow with the installation of appropriate metering infrastructure that is integrated with the customer management system of all industrial, commercial and R3 class of residential customers by 31 December 2020".
- 15. The Commission issued Order No/NERC/197/2020 (Order on the Capping of Estimated Bills in the Nigerian Electricity Supply Industry) on 20 February 2020.
- 16. The Order on the Capping of Estimated Bills in the Nigerian Electricity Supply Industry on the Capping of Estimated Bills repealed the Methodology for Estimated Billing of 2012 and also addressed the practice of arbitrary billing of unmetered Non-MD customers while seeking to fast track the deployment of meters through the Meter Asset Provider (MAP) Scheme.
- 17. The Order on the Capping of Estimated Bills in the Nigerian Electricity Supply Industry on the Capping of Estimated Bills provides that "the Commission shall periodically review the meter deployment targets achieved by DisCos and shall on a quarterly basis review the base data on the vending records and supply availability for the purpose of reviewing the energy caps".
- 18. EEDC filed submissions with the Commission for the review of the energy caps of unmetered customers in consideration of
  - a. The effect of the energy cap methodology on actual consumption of electricity by end-use customers.
  - b. The consequential impact of the Covid-19 pandemic on meter deployment by MAPs.
  - c. The non-commensurate payment for electricity consumed by end-use customers.

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## **Determination of Energy Caps**

- EEDC proposed the following methodologies for the determination of energy caps in their submissions –
  - a. Adoption of weighted averages of metered prepaid and postpaid end-use customers on the basis of actual consumption data of these customers from feeders and distribution transformers.
  - b. Adoption of an incremental factor on energy caps of unmetered end-use customers on the basis of actual consumption data from feeders and distribution transformers from business units in the EEDC's network.
  - c. Adoption of consumption data of metered end-use customers whose meters had been verified in the business units in the EEDC's network.
- 20. The submissions of EEDC were backed by supporting documentation on the data and signed-off by the Managing Director.
- 21. The Commission considered the submission of EEDC and approved the methodology in 19(a) above as the basis for the review of energy caps of unmetered customers in NESI.

### THE COMMISSION HEREBY ORDERS as follows -

- A. The energy caps of unmetered end-use non-maximum demand ("Non-MD") customers of EEDC shall be computed on the basis of the weighted averages of prepaid and postpaid metered end-use customers on the basis of actual consumption data of these customers from feeders and distribution transformers.
- B. All unmetered Non-MD customers of EEDC shall not be billed for the consumption of energy beyond the cap stipulated in Schedule 1 of this Order.
- C. The energy caps prescribed by the Commission shall only apply to Non-MD customers.
- D. Non-MD customers under tariff bands D and E whose tariffs have been frozen shall have their tariffs computed using corresponding tariff rates of R2 and C1 under previous tariff classification.
- E. Details of the business unit, feeder/distribution transformer name, tariff class and rates shall be disclosed on all bills and receipts issued to customers by EEDC.
- F. Any customer that rejects the installation of a meter on their premises by EEDC shall not be entitled to supply and MUST BE DISCONNECTED by EEDC, and shall only be reconnected to the network after the meter has been installed.
- G. EEDC shall notify customers of any outstanding bills on their account and agree a payment plan for the settlement of amount due prior to installing a meter on the customer's premises.
- H. Where a customer's meter becomes faulty and a replacement meter cannot be provided by EEDC within 2 working days, the customer shall be billed an average of the last 3 month's billing/vending in accordance with section 16(5) of the MAP Regulations until the meter is replaced.

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I. The Commission shall periodically review the meter deployment target achieved by EEDC and shall on a quarterly basis review the base data on vending records and supply availability for the purpose of reviewing the energy caps prescribed in this Order.

#### **Amendment**

22. The Commission may amend this Order by making supplementary or further Orders to address the subject matter.

Dated this 30th day of October 2020

James A. Momoh

Chairman

Dafe C. Akpeneye

Commissioner

egal, Licensing & Compliance

# Schedule 1 Enugu Electricity Distribution Company Plc

	Monthly Ene	rgy Caps	
Business Unit	Feeder	Non-MD Service Band	Cap (kWh)
	ABA UMUAHIA 33KV	С	269
	ABA-EAST 11 KV	С	168
	IGI 33KV	С	276
	ABA INDUSTRIAL 11KV	D	112
	ABA TOWNSHIP 11KV	D	170
	EHI ROAD 6.6KV	D	229
	ABA_WATER SIDE 11KV	E	112
Aba	AMACHI 11KV	E	120
7,00	7-UP 11KV	E	167
	ABA BARRACKS 11KV(ABA)	E	180
	ABA WATER SIDE 11 KV	E	189
	NGWA ROAD 11KV	E	<b>17</b> 9
	OBOHIA 11KV	E	170
	OMOBA 11KV	E	143
	OPOBO ROAD 11KV	E	152
	PORT HARCOURT ROAD 11KV	E	149
	Feeder	Non-MD Service Band	Cap (kWh)
	AFIKPO 33KV	Α	128
	ABAKALIKI TOWNSHIP	С	237
	AZUIYI <b>OKWU</b>	С	197
	AZUIYIOKWU 11KV	С	185
	INDUSTRIAL	С	237
Abakaliki	NEW HAVEN 11KV	С	99
	UDEMEZUE	С	226
	EZILLO 33KV	D	99
	EZILLO FEEDER	D	117
	ISHIEKE 33KV FDR	D	180
	ITIGIDI 33KV FDR	D	169
	YAHE 33KV FDR	D	150
	Feeder	Non-MD Service Band	Cap (kWh)
	EMENE INDUSTRIAL 33KV	A	181
Abakpa	NEW NNPC 33KV	A	420
	UGWOGO 33KV	A	177



	<b>EMENE 1, 11KV</b>	С	210
	PHASE 6, 11KV	С	220
	TRANSEKULU 33KV	С	102
	9TH MILE INDUSTRIAL 11KV	D	201
	ABAKPA 1	D	162
	ABAKPA 2, 11KV	D	204
	DHAMIJA, 11KV	D	148
	EMENE 2,11KV	D	159
	EMENE 3, 11KV	D	284
	NOWAS, 11KV	D	186
	UDI 33KV	D	118
	ABAKPA 3 11KV	E	158
	ABOR	E	123
	AJALI 33KV	Е	171
	AKPOGA 33KV	Е	188
	AMAORJI 11KV	E	189
	EZEAGU	E	128
	EZEAGU 33KV	E	102
	NTA 11KV	E	140
	OKWE 11KV	Е	272
	Feeder	Non-MD Service Band	Cap (kWh)
	UKWA 33KV 05	Α	177
	OWERRINTA 33 KV	D	81
	ABA INDUSTRIAL 11KV	D	224
	<b>GUINNESS 33KV</b>	D	101
	WORLD BANK 11KV	E	98
	ABA BARRACKS 11KV(ABA)	E	335
Ariaria	ABA BARRACKS 11KV(ARIARIA)	E	304
-	ABA GRA 11KV	E	227
	ABAYI 11KV	E	128
	ARIARIA 11KV	E	76
	ASA OKPUAJA 11KV	E	130
	OMUMA 11KV	E	138
	OSISIOMA 11KV	E	141
Į.			
	URATTA 11KV	E	154
	URATTA 11KV Feeder	E Non-MD Service Band	154 Cap (kWh)
Aude			
Awka	Feeder	Non-MD Service Band	Cap (kWh)

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	AMANSEA 11KV	D	219
	AWKA MAIN 11KV	D	218
	ENUGU AGIDI VILLAGE	D	203
	ENUGWU-AGIDI	D	162
	IFITE	D	188
	OKPUNO 11KV	D	190
	UDOKA 11 KV	D	117
	ABAGANA	E	123
	ENUGU UKWU 11KV	E	125
	NIBO	E	152
Ī	NIMO 11KV	E	126
	UKPO 11KV	E	94
	Feeder	Non-MD Service Band	Cap (kWh)
	ITUKU OZALLA 33KV	A	194
	UGWUAJI GARIKKI 33KV	В	209
	ACHARA LAYOUT 11KV	С	190
	AMECHI 33KV	С	284
	ARMY 11KV	С	219
<b>A</b>	GARIKI 11KV	С	222
Awkunanaw	GARIKI 33KV	С	114
	UNEC 11KV	С	407
	AMECHI-AGBANI 33KV	D	211
	SATELLITE 11KV	D	341
	AMECHI UWANI 11KV	E	237
	AMECHI-AWGU 33kV	E	232
1	TOP LAND 11KV	E	268
	Feeder	Non-MD Service Band	Cap (kWh)
	AGULU 33KV FEEDER	С	156
	NENI 33KV FEEDER	С	223
	EKE MARKET NRI 11KV FEEDER	D	142
	ORUMBA 33KV FEEDER	D	168
	URU NRI 11KV FEEDER	D	254
Ekwulobia	AGULUEZECHUKWU 11KV FEEDER	E	129
	AMUDA	E	153
	EKWULOBIA MAIN OFFICE 11KV FEEDER	E	145
	EZIOKO 11KV FEEDER	E	115
	OGBUNKA ROAD 11KV FEEDER	E	203
	OKO POLY 11KV FEEDER	E	161

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_	UMUNZE 11KV FEEDER	Ε	241
Mbaise	Feeder	Non-MD Service Band	Cap (kWh)
	MBAISE 33KV FEEDER	В	228
	AVUVU 11KV FEEDER	E	142
	EGBEREDE 11KV FEEDER MBAISE	E	158
Minaise	NKWOALA 11KV FEEDER	E	89
	OBOWO 33KV	E	122
	OKIGWE 33KV FEEDER(MBAISE)	E	272
	UMUIHI 11KV FEEDER	E	83
	Feeder	Non-MD Service Band	Cap (kWh)
	AIRPORT 33KV(NEW OWERRI)	В	117
	CBN TEE OFF ON OGUTA 33KV(NEW OWERRI)	В	187
	CONCORD 11KV	С	209
New Owerri	PORTHARCOURT 11KV FEEDER	С	242
MEM OMELLI	IRETE INDUSTRIAL 11KVA FEEDER	E	121
	NEW OWERRI 11KV FEEDER(NEW		
	OWERRI)	E	218
	OBINZE 11KV FEEDER	E	75
ļ	OWERRI WORLD BANK 11KV	E	131
	WORLD BANK FEEDER	Ε	131
	Feeder	Non-MD Service Band	Cap (kWh)
	NNEWI INDUSTRIAL 33kV	В	321
:	OBOSI - ORAIFITE 33KV	В	361
-	NNEWICHI 11KV	С	244
	NNEWI-OBA 33KV FEEDER	С	186
	TEACHING HOSPITAL PUBLICE 11KV	С	190
,	NKWOEDO 11KV	D	174
-	OTOLO 11KV	D	175
Nnewi	IBOLO 11KV FEEDER	E	201
-	IDEMILLI 33KV	E	84
	MBANAGU 11KV	E	119
	NNEWI - AMICHI 33kV	E	245
	NNEWI - AWKA ETITI 33kV	E	270
	NNEWI - UMUDIM 33kV	E	202
	OBOSI - IHIALA 33KV	Ε	112
	OBOSI - OZUBULU 33KV	E	306
	OBOSI - ULI 33KV	E	89
	UBAHU 11KV FEEDER	Ε	201

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	UKPOR - NNEWI 33KV	E	255
	UMUOFOR 11KV	E	137
	URUAGU FEEDER 11,11KV	E	153
	Feeder	Non-MD Service Band	Cap (kWh)
	WILSON 11KV	A	127
	EHA - AMUFU 33KV	C	129
	IBAGWA 33KV	С	115
	AKU (LEJJA) 11KA	D	130
Nsukka	CAMPUS 11KV	D	258
	NSUKKA TOWNSHIP 11KV	D	149
	ONUIYI 11KV	D	145
	ORBA NSUKKA 33KV	D	145
	UGWUOYE 11KV	D	149
	Feeder	Non-MD Service Band	Cap (kWh)
	ATANI WATER WORKS 11KV	E	175
	DOZZY 11KV	С	174
	FEGGE 11 KV	D	136
	GCM-UGA 33KV	A	212
	HABOUR 11KV	С	247
	HOUSING EBH 11KV	D	187
Ogbaru	IUNT 11KV	Α	186
	IYIOWA 11KV	D	125
	OKPOKO 11KV	D	201
	OSSOMALLA 33KV	A	305
	PREMIER 11KV	С	172
	UGA 11KV	D	190
	WHALF 11KV	С	120
	Feeder	Non-MD Service Band	Cap (kWh)
	ARMY BARRACKS 33KV	Α	212
	OSSAMALLA 33KV	А	176
	ARMY BARRACKS 11KV(OGIDI)	В	553
	NICCUS 33KV	В	516
Ogidi	UMUNYA 33KV	В	295
Ogiui	AGULERI 33KV	С	163
	MGBUKA 11KV	D	79
	ATANI 11KV	E	108
	AVENCO 11 KV	E	156
	AWADA 11KV	E	118
	EZEIWEKA 11KV	E	226

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	IDEMILI 33KV	E	143
<u> </u>	MGBEMENA 11KV	E	140
-	MINAJ 1, 11KV	E	123
-	MINAJ 2, 11KV	E	
-	NKPOR 11 KV		135
-		E -	101
	NWAZIKI 11KV	E	156
-	OGIDI 11 KV	E	133
-	OJOTO 11KV	E	177
	TOLL-GATE 11 KV	E	126
-	Feeder	Non-MD Service Band	Cap (kWh)
-	ABAKALIKI ROAD 11KV	Α	738
	GOVERNMENT HOUSE 11KV	A	267
	GOVERNMENT HOUSE 33KV	Α	509
	KINGSWAY LINE 1 33KV_OGUI	A	93
	ONITSHA ROAD 11KV	В	325
	POWER HOUSE 11KV	В	264
	ACHI 33KV	С	125
	ARTISAN 11KV	С	437
Omri	CHIME AVENUE 11KV	С	437
Ogui	GOLF 11KV	С	372
	NEW HAVEN 11KV	С	348
	PRESIDENTIAL 11KV	С	278
	COAL CAMP 11KV	D	264
	ENUGU GRA 11KV	D	210
Γ	IYIOWA 11KV	D	84
Γ	MARYLAND 11KV	D	272
	OJI URBAN 11KV	D	141
	PRISONS 11KV	D	255
	HILL TOP 11KV	E	126
	Feeder	Non-MD Service Band	Cap (kWh)
	3-3, <b>33KV</b>	В	228
	BIDA 11KV	E	125
	HOUSING 11KV	С	209
	INLAND 11KV	E	151
Onitsha	IWEKA 11KV	E	156
	MARKET 11KV	E	165
	MGBUKA 11KV	D	127
	NKWELLE 11KV	E	144
	NSUGBE 11KV	E	4-7- <b>7</b>

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	OMAGBA 11 KV	D	216
	ONITSHA G.R.A 11KV	E	136
	WOLIWO 11 KV	E	152
	Feeder	Non-MD Service Band	Cap (kWh)
	OGUTA 33KV(ORLU)	В	87
	ORLU 33KV(ORLU)	В	423
	UMUAKA 11KV	D	76
	AMAIGBO ROAD. ORLU 11KV	E	114
Orlu	IHIOMA ROAD. ORLU 11KV	E	138
	LIMCA, OKIGWE 11KV	E	60
	OKIGWE 33KV FEEDER(ORLU)	Е	61
	OWERRI ROAD, ORLU 11KV	E	66
	TOWNSHIP, OKIGWE 11KV	E	52
	URUALLA CIVC CENTER 11KV	E	246
	Feeder	Non-MD Service Band	Cap (kWh)
	OWERRI 3 33KV FEEDER	A	116
	AIRPORT 33KV(OWERRI)	В	178
	OGUTA 33KV(OWERRI)	В	222
	ORLU 33KV(OWERRI)	В	262
	IKENEGBU 11KV FEEDER	С	174
	TOWNSHIP 11KV FEEDER	D	215
	EGBEADA 11KV FEEDER	E	140
Owerri	EGBU 11KV FEEDER	E	309
Owenn	EMEKUKU 11KV FEEDER	E	93
	FUT 11KV FEEDER	E	175
	GRA 11KV FEEDER	E	208
	IFAKALA 11KV FEEDER	Е	251
	MBIERI 11KV FEEDER	E	108
	NAZE 11KV FEEDER	E	153
	NEW OWERRI 11KV FEEDER(OWERRI)	E	177
	OKIGWE 33KV FEEDER(OWERRI)	E	107
	UMUNEKE-NGOR 11KV FEEDER	E	85
	Feeder	Non-MD Service Band	Cap (kWh)
	AFARA 33KV	Α	115
	CBN 33KV(UMUAHIA)	В	62
Jmuahia	UBAKALA 33KV	В	243
	GRA 11KV	С	167
	AROCHUKWU 33KV	D	136
	AZIKIWE RD 11KV	D	177

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NKWOEGWU 33KV	D	144
TOWNSHIP 11KV UMUAHIA	D	185
ABA ROAD 11KV	E	149
ABIRIBA 11KV	E	77
AMACHARA 11KV	E	62
AMACHARA 11KV	E	196
AMAOGWUGWU 11KV	E	70
EKENOBIZI 11KV	E	71
NDUME 11KV	E	168
NKWOEGWU 11KV	E	75
NTIGHA 33KV	E	190
OHAFIA BARRACKS 11KV	E	243
OLD UMUAHIA 11KV	E	100
OLOKORO 11KV	E	98
UBAKALA 11KV	E	116
UMUDIKE 11KV	E	324
UMUNEKE 11KV	E	62
WORLD BANK 11KV UMUAHIA	E	149

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