



ORDER NO/NERC/212/2020

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF THE AMENDMENT OF THE ORDER ON THE CAPPING OF ESTIMATED
BILLS FOR EKO ELECTRICITY DISTRIBUTION PLC**

Title

1. This regulatory instrument may be cited as the **AMENDED ORDER ON THE CAPPING OF ESTIMATED BILLS FOR EKO 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 Eko Electricity Distribution Plc ("EKEDC") 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.

- 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 –*
 - a. *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.
 9. 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.



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 EKEDC, 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 EKEDC 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.

The image shows three handwritten signatures in blue ink. The first signature on the left is a large, circular scribble. The second signature in the middle is a smaller, more compact scribble. The third signature on the right is a stylized signature that appears to be 'MA'.

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. EKEDC 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.



Determination of Energy Caps

19. EKEDC 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 EKEDC's network.
 - c. Adoption of consumption data of metered end-use customers whose meters had been verified in the business units in the EKEDC's network.
20. The submissions of EKEDC were backed by supporting documentation on the data and signed-off by the Managing Director.
21. The Commission considered the submission of EKEDC 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 EKEDC 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 EKEDC 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 EKEDC.
- F. Any customer that rejects the installation of a meter on their premises by EKEDC shall not be entitled to supply and **MUST BE DISCONNECTED** by EKEDC, and shall only be reconnected to the network after the meter has been installed.
- G. EKEDC 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 EKEDC 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.



- I. The Commission shall periodically review the meter deployment target achieved by EKEDC 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
Legal, Licensing & Compliance

Schedule 1
Eko Electricity Distribution Company Plc

Monthly Energy Caps			
BUSINESS UNITS	Feeder	Non-MD Service Band	Cap (kWh)
AGBARA	BADAGRY	A	551
	BAUCHI 1	A	980
	BAUCHI 2	A	980
	ONITSHA	A	786
	YAKUBU	A	832
	ABIODUN AZEEZ	B	436
	AGBARA	B	50
	AJARA	B	429
	ESTATE	B	469
	ESTATE (AGBARA)	B	622
	IBIYE 2	B	388
	IGERE 1	B	481
	IJEBU-ODE	B	420
	IJURI	B	406
	LOW COST 1	B	446
	OPIC	B	425
	ANNEX	B	681
	CSS	B	570
	ETIM INYANG	B	343
	FOWLER LOCAL	B	490
	INDEPENDENCE	B	734
	LAPAL	B	694
	M&K EXPRESS	B	781
	MACARTHY	B	559
	MOLONEY	B	600
	MRS	B	863
	NATIONAL ART THEATRE	B	310
	NATIONAL HALL LOCAL	B	910
	ONIKAN 1	B	700
	ONIRU	B	649
	RAYMOND NJOKU	B	604
	RUMENS	B	465
	TBS	B	479
AGBOGUN	C	213	
AGOKOLE	C	235	
AGRIC I	C	262	
AREA 5	C	233	
AWKUZU	C	200	

AYETEJU	C	213
EDU 1	C	204
EDU 2	C	206
ILADO 1	C	313
ILEDU ZONE A	C	213
ILEDU 2 ZONE B	C	222
ILUTUNTUN PRESTIGE	C	216
ISAMO JEREGBE	C	201
ITOGA I	C	211
ITOGA ROAD/TIMMY JACS	C	226
OKO/AFO 33	C	349
SHIBIRI	C	233
SIGHT AND SOUND	C	361
UNITY	C	241
UNITY ISUMBA	C	207
WARRI	C	291
YIDI	C	214
EKO BRIDGE	C	418
NEW CUSTOMS	C	306
OSBORNE	C	361
PZ	C	659
AGO-ETO 1	D	196
AKA	D	309
AYEDE CHURCH GATE	D	209
BADAGRY 33	D	536
ELIJAH	D	192
HUNDEYIN	D	155
IDANYIN COMMUNITY CDA	D	191
IDOMILA IDORAWA	D	211
IJANIKIN	D	382
ILOGBO	D	226
ISUMBA SASURE	D	190
KAYODE	D	197
LOW COST 2	D	235
NEPA QUARTERS	D	229
OKE - IRA 2	D	201
OKE MOROSO1	D	200
OKO AFO	D	354
ONE LOVE	D	214
OTTO AWORI	D	347
PIPE-LINE 1	D	212
POTA 1	D	224
ROSE GARDEN	D	217

Handwritten signatures and initials in blue ink, including a large circular mark and the letters 'MA'.

	ADENIJI ADELE	D	483
	AJELE LOCAL	D	411
	DOLPHIN	D	340
	GBO	D	907
	M&K LOCAL	D	355
	OBA	D	431
	ODUNFA	D	966
	TOKUNBOH	D	609
	SHAGAMU	E	588
	Feeder	Non-MD Service Band	Cap (kWh)
	N.B.L	B	711
	AJEGUNLE EXPRESS	C	361
	ALABA (ALABA)	C	549
	BEACHLAND	C	581
	BOUNDARY	C	309
	BROSETTE	C	743
	CENTRAL AVENUE	C	710
	COMMERCIAL	C	471
	MOBIL (APAPA)	C	440
	OBA PALACE	C	454
	OLODI	C	474
	OLOFIN	C	561
	PLAZA	C	646
	WAREHOUSE	C	538
	WHARF ROAD	C	827
	ADELEYE	D	363
	ALABA (AMUWO)	D	476
	AMUKOKO	D	367
	ARMY SIGNAL	D	428
	BADIA	D	729
	CARDOSO	D	370
	MBA	D	408
	ODOFIN	D	404
	PLANK MARKET	D	465
	SARI	D	437
	Feeder	Non-MD Service Band	Cap (kWh)
	SNAKE ISLAND	A	980
	KIRIKIRI INDUSTRIAL	B	408
	OPIC	B	233
	4TH AVENUE	C	278
	BEACHLAND	C	271
	BOUNDARY	C	291
	CHEVRON 11KV	C	368

	311 ROAD	D	446
	6TH AVENUE	D	514
	71 ROAD	D	399
	7TH AVENUE	D	496
	AGBOJU	D	456
	CHEVRON	D	474
	COMFORT OBOH	D	306
	FESTAC 2	D	406
	IJEGUN	D	436
	SATELITE 2	D	369
	UNITY (IBA)	D	415
	321 ROAD	E	393
	512 ROAD	E	457
	5TH AVENUE	E	429
	ALAKIJA	E	501
	COMMUNITY	E	395
	SATELITE 1	E	470
	Feeder	Non-MD Service Band	Cap (kWh)
	AGUNGI	A	781
	ELEGUSHI	A	797
	LEKKI	A	749
	VGC ROAD 3	A	361
	ILASAN	B	621
	OSAPA	B	357
	VICTORIA AROBIEKE	B	845
	AJIWE	C	679
	GOLDEN SWAM	C	482
	ADDO ROAD	D	412
	BADORE	D	420
	ESTATE (AJAH)	D	457
	LANGBASA	D	466
	OGOMBO	D	463
	ELEKO	E	385
	ELEMORO	E	615
	Feeder	Non-MD Service Band	Cap (kWh)
	BAGCO	A	856
	GRACE COURT	A	980
	IGANMU 2	A	699
	NITEL DOMSAT	A	650
	ONIKE	A	579
	ABEOKUTA XI	B	538
	CAPITAL WORKS	B	457
	CAUSEWAY 1	B	683

Handwritten signatures and initials in blue ink, including a large circular mark, a signature, and the initials 'MA'.

	CAUSEWAY II	B	557
	CTL	B	667
	TEJUOSHO MARKET	B	453
	ADISA BASHUA	C	704
	APAPA 2	C	509
	ATUNRASHE	C	775
	BIRREL	C	667
	CENSUS	C	728
	FREEMAN	C	395
	FREEMAN (NRC)	C	388
	IGANMU 11KV	C	615
	MONTGOMERY 1	C	654
	MONTGOMERY 2	C	645
	NATHAN	C	424
	NEPA 11KV	C	515
	OJUELEGBA	C	498
	OYADIRAN	C	522
	SABO EXPRESS	C	580
	ABEOKUTA EXPRESS	D	458
	ADELABU	D	582
	ADETOLA	D	471
	BORNU WAY	D	427
	EB LOCAL	D	456
	EB1	D	562
	HERBERT MACAULAY	D	491
	IKATE	D	931
	ISHAGA	D	513
	MURITALA MUHAMMED	D	520
	OGUNLANA	D	489
	OKOH	D	452
	OTTO PALACE	D	320
	PASSAT	E	402
ISLANDS	Feeder	Non-MD Service Band	Cap (kWh)
	1004 EXPRESS	A	847
	BRITISH AMERICA TOBACCO	A	980
	FEDERAL PALACE EXPRESS	A	958
	KINGSWAY	A	860
	MAROKO	A	310
	MOORE ROAD 11KV	A	980
	NEW IDUMAGBO	A	980
	OBALLENDE	A	980
	POSTE RMU	A	585
ROCKY ESTATE	A	761	



1004 1	B	790
2ND AVENUE	B	757
ABOYADE COLE	B	980
ADELEKE ADEDOYIN	B	980
ADEOLA HOPEWELL	B	922
AKARIGBERI	B	980
ANNEX	B	939
AWOLOWO ROAD	B	980
CORPORATION DRIVE	B	843
DIDEOLU	B	985
ELEKE CRESCENT	B	973
ETIM INYANG	B	905
FALOMO	B	891
FEDERAL PALACE 2	B	785
FEDERAL SECRETARIAT	B	913
FORESHORE	B	984
FOWLER LOCAL	B	930
GLOVER	B	893
ICON	B	653
IDEJO	B	980
IDOWU MARTINS	B	901
LANDBRIDGE	B	857
MARKET ROAD	B	986
MAROKO OVERHEAD	B	895
MARWA	B	980
MOBOLAJI JOHNSON	B	819
MOLONEY	B	980
MOORE ROAD	B	943
MRS	B	770
MULLINER	B	971
NATIONAL HALL LOCAL	B	980
NTDA	B	750
OLOGUN AGBAJE	B	737
ONIKAN 1	B	980
ONIRU	B	962
OZUMBA MBADIWE	B	980
PALACE ROAD	B	973
PARKVIEW	B	908
PARLIAMENTRY	B	982
RAYMOND NJOKU	B	970
RMU LOCAL	B	959
ROAD 12	B	864
RUMENS	B	775

Handwritten signature and initials in blue ink, including a large circular mark and the letters 'MA'.

	SHAW ROAD	B	901
	STATE HOUSE	B	968
	TBS	B	813
	UPDC	B	541
	BAR BEACH	C	735
	OSBORNE	C	622
	ADENIJI ADELE	D	618
	DOLPHIN	D	920
	LANGBASA	D	411
	M&K LOCAL	D	715
	OBA	D	822
	ST. GREGORY	D	824
	Feeder	Non-MD Service Band	Cap (kWh)
	AGUNGI	A	645
	BASHORUN OKUSANYA	A	801
	ELEGUSHI	A	625
	IGBO EFON	A	682
	IKATE EXPRESS	A	827
	LEKKI	A	937
	VGC IKOTA	A	496
	VGC ROAD 2	A	980
	VGC ROAD 3	A	785
	VGC ROAD 4	A	980
	WOLE OLATEJU	A	859
	ADMIRALTY	B	897
	AJIRAN	B	751
	FOLA OSHIBO	B	843
	ILASAN	B	727
	JAZZ 38	B	814
	JUBRIL AYINLA	B	732
	LADI ALAKIJA	B	795
	MARWA	B	720
	NEPA 2	B	565
	OSAPA	B	704
	SPG	B	562
	VICTORIA AROBIEKE	B	885
	WATER CORPORATION	B	941
	WATER FRONT	B	684
	ADDO ROAD	D	470
	ESTATE (AJAH)	D	415
	IBEJU	D	526
	LANGBASA	D	971
MUSHIN	Feeder	Non-MD Service Band	Cap (kWh)

EJIRE	A	682
SADIKU I I	A	672
SHOLA DRIVE	A	762
AIRWAYS	B	496
FATAI ATERE	B	504
LADIPO	B	669
OMOLOLU PMT	B	626
OSHODI EXPRESS	B	225
OSHOGBO 1	B	488
SEBANJO	B	437
SHITTU	B	228
NEW AMUWO	C	371
ADEDOKUN	C	295
AMUWO EXPRESS	C	395
ARMY RESETTLEMENT	C	343
ATUNRASHE	C	494
AWANATU	C	310
AYILARA PMT	C	300
BAMIGBOYE II	C	200
BANIRE PMT	C	218
BINEY	C	384
CHURCH	C	223
COLE PMT	C	295
DUROJAYE	C	295
FIVE STAR	C	413
IGBOWU	C	219
NATHAN	C	536
NITEL	C	399
OLISA	C	310
ADESHINA	D	367
AGEGE MOTOR ROAD	D	413
ARAROMI	D	206
ASSOCIATION	D	222
CELE	D	378
CHALLENGE	D	456
DANIYAN	D	500
IDI ARABA	D	398
ILASAMAJA	D	549
KEKEREOWO	D	189
LUTH EXPRESS	D	495
ODEWALE	D	183
ODO ERAN	D	681
OGUNLANA	D	395



	OKOH	D	511
	OLOWU	D	408
	ONITIRE	D	414
	PAPA AJAO	D	418
	REDEMPTION	D	254
	SMITH	D	405
	SUBERU BANIRE	D	233
	TAPAI	D	187
	Feeder	Non-MD Service Band	Cap (kWh)
OJO	OPIC	B	271
	AGBARA 33	C	395
	FESTAC 1 (OJO)	C	304
	ILUFE	C	411
	SHIBIRI	C	368
	AKA	D	322
	IBA	D	342
	IGBEDE	D	423
	IJANIKIN	D	374
	ILOGBO	D	490
	JAKANDE	D	404
	LANGBASA	D	249
	OKO AFO	D	388
	UNITY (IBA)	D	358
	ESTATE (IBA)	E	342
	OJO	E	354
	OKOKOMAIKO	E	327
	SABO	E	395
	Feeder	Non-MD Service Band	Cap (kWh)
ORILE	BAGCO	A	843
	KERNEL	A	691
	TEXLON	A	329
	CENSUS	C	616
	IGANMU 11KV	C	860
	SANYA	C	505
	ADELABU	D	558
	ADETOLA	D	465
	AGUDA	D	584
	AKINYELE	D	473
	BABALOLA	D	519
	BABALOLA	D	464
	COKER	D	435
	EB1	D	314
	ODUTAYO AGBOYIN	D	488

	IMAM MEMUDU	E	479
	ORILE	E	441
	PASSAT	E	370


  