



ORDER NO: NERC/2023/003

**BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION  
IN THE MATTER OF THE MIGRATION OF CUSTOMERS AND COMPENSATION  
FOR SERVICE FAILURE UNDER THE SERVICE-BASED TARIFF FRAMEWORK**

**1 Title**

This regulatory instrument may be cited as the *“Order on Migration of Customers and Compensation for Service Failure under Service-Based Tariff Framework”*.

**2 Purpose**

This Order provides the framework to be adopted by electricity distribution companies (“DisCos”) for migrating customers across service bands as provided for in the December 2022 Minor Tariff Review Order of MYTO-2022 and subsequent tariff orders issued by the Nigerian Electricity Regulatory Commission (“NERC” or the “Commission”). The Order also provides a simplified mechanism for customer compensation for events of service failure on committed service obligations by DisCos.

**3 Context**

The Service-Based Tariff (“SBT”) regime was approved by the Commission in 2020 to ensure that customer tariffs are commensurate and aligned with the quality and availability of power supplied to customer clusters by DisCos. The SBT Order provided for a periodic review/adjustment of the procedures for migrating customers from one service band to another in alignment with the quality of supply as measured by the average number of hours per day over a specified period. The SBT Order also provided for the implementation of a compensation framework to account for service failures resulting from significant differences between the committed service levels and the actual service delivered by DisCos to customers.

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#### 4 Objective

This Order seeks to -

- a. provide processes/procedures for the migration of customers across service bands in alignment with the quality of service provided to customers by DisCos.
- b. provide a framework for customer compensation and feeder service band adjustment to account for DisCos' failure to deliver on the SBT committed service levels.

#### 5 Procedure for Feeder Migration Between Tariff Reviews

DisCos that intend to migrate load clusters/feeders across service bands to provide committed service levels on a sustainable basis shall comply with the following procedures -

- a. The DisCo shall file an application with the Commission for the proposed migration supported with the following -
  - i. Name and location of the feeder(s) designated for migration.
  - ii. Report on the metering status of the designated feeder(s).
  - iii. Only feeders provided with smart meters shall be eligible for upward migration.
  - iv. A report on the quality of supply covering a minimum period of 2 (two) weeks confirming the eligibility of the feeder for migration.
  - v. The current and proposed service bands along with the respective tariffs.
  - vi. The number of customers affected.
  - vii. The proposed effective date for the feeder migration.
  - viii. Any other justification for the feeder migration.



- b. The Commission shall review the application and issue approvals for satisfactory applications within 10 (ten) working days of receipt of the migration request.
- c. DisCos shall ensure that all affected customers receive notices of feeder migration at least 5 days before implementation of the approved migration. The communication by DisCos must indicate the name of the feeder, the affected areas, the current and proposed tariff/service bands. Notifications shall be via bulk SMS to all affected customers to be migrated. DisCos shall further utilise their websites and other possible channels in addition to the bulk SMS for communicating and continuous engagements with the affected customers.
- d. Implementation of the approved migration shall take effect from the 1<sup>st</sup> day of a billing month.


## 6 Customer Compensation Due to Service Failure

The following procedure shall apply in the determination of customer compensation, where a DisCo fails to meet the committed service levels as provided in the tariff order or following a migration of a feeder to a different service level –

- a. The Commission shall, on a monthly basis evaluate the average availability of the **11kV and 33kV** feeders as measured by the average number of hours of electricity supplied by a DisCo per day over a period of 1 (one) month.
- b. Where it is established that the service level on any feeder in **band(s) "A" to "D"** has failed to meet up to **90%** of the committed service levels within one (1) month, the customers on the affected feeder(s) shall be compensated as follows –

### Prepaid Customers

- i. Prepaid customers on the affected feeder(s) shall be compensated with a token for units of energy in kWh to account for the difference between the vended tariff and the applicable tariff for the actual service experienced in the month. The value of the token in kWh are specified in Schedules 1-11 of this Order.

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- ii. Customers shall be notified of compensation due to them from DisCos by email (where available) and SMS.

**Postpaid Customers**


- i. Given that postpaid bills are issued with a one-month lag following the period services were rendered, the resulting bill of the postpaid customers of the affected feeders shall be issued with the adjusted applicable tariff based on the actual service experienced during the period.
- ii. Customers shall be notified of the adjustments to their bills by email (where available) and SMS.
- c. **Each DisCo shall file with the Commission no later than the 15<sup>th</sup> day of the month, the monthly report of customers' compensation for service failure effected by the DisCo in the last billing cycle.**

**7 Effective Date**

This Order shall be effective from 1<sup>st</sup> June 2023.

Dated this 26<sup>th</sup> Day of May 2023

  
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Sanusi Garba  
Chairman

  
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Dafe C. Akpeneye  
Commissioner  
Legal, Licensing & Compliance

**Schedule 1 Approved Compensation for Service Failure (kWhr/month) – Abuja  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	20	22	23	24
	B - NMD	-	-	21	24	26
	C - NMD	-	-	-	29	30
	D - NMD	-	-	-	-	44
	E - NMD	-	-	-	-	-

**Schedule 2: Approved Compensation for Service Failure (kWh/month) – Benin  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	12	14	15	15
	B - NMD	-	-	13	15	16
	C - NMD	-	-	-	18	18
	D - NMD	-	-	-	-	24
	E - NMD	-	-	-	-	-

**Schedule 3: Approved Compensation for Service Failure (kWh/month) – Eko  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	27	30	31	33
	B - NMD	-	-	30	33	36
	C - NMD	-	-	-	41	43
	D - NMD	-	-	-	-	62
	E - NMD	-	-	-	-	-

**Schedule 4: Approved Compensation for Service Failure (kWh/month) – Enugu  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	13	14	15	15
	B - NMD	-	-	14	15	17
	C - NMD	-	-	-	19	20
	D - NMD	-	-	-	-	27
	E - NMD	-	-	-	-	-





**Schedule 5: Approved Compensation for Service Failure (kWh/month) - Ibadan  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	12	13	14	15
	B - NMD	-	-	13	14	16
	C - NMD	-	-	-	18	19
	D - NMD	-	-	-	-	31
	E - NMD	-	-	-	-	-

**Schedule 6: Approved Compensation for Service Failure (kWh/month) - Ikeja  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	26	29	30	32
	B - NMD	-	-	29	32	35
	C - NMD	-	-	-	44	46
	D - NMD	-	-	-	-	64
	E - NMD	-	-	-	-	-

**Schedule 7: Approved Compensation for Service Failure (kWh/month) - Jos  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	13	15	15	16
	B - NMD	-	-	14	16	17
	C - NMD	-	-	-	19	20
	D - NMD	-	-	-	-	25
	E - NMD	-	-	-	-	-

**Schedule 8: Approved Compensation for Service Failure (kWh/month) - Kaduna  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	13	15	16	16
	B - NMD	-	-	14	16	18
	C - NMD	-	-	-	20	21
	D - NMD	-	-	-	-	-
	E - NMD	-	-	-	-	-

**Schedule 9: Approved Compensation for Service Failure (kWh/Month) - Kano  
DisCo**

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		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	13	14	15	16
	B - NMD	-	-	14	15	17
	C - NMD	-	-	-	21	22
	D - NMD	-	-	-	-	31
	E - NMD	-	-	-	-	-

**Schedule 10: Approved Compensation for Service Failure (kWh/month) -  
P/Harcourt DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	12	14	14	15
	B - NMD	-	-	13	15	16
	C - NMD	-	-	-	18	19
	D - NMD	-	-	-	-	25
	E - NMD	-	-	-	-	-

**Schedule 11: Approved Compensation for Service Failure (kWh/month) - Yola  
DisCo**

		Actual Service Experienced				
Projected Service Delivery	Bands	A - NMD	B - NMD	C - NMD	D - NMD	E - NMD
	A - NMD	-	13	14	15	-
	B - NMD	-	-	14	16	-
	C - NMD	-	-	-	19	-
	D - NMD	-	-	-	-	-
	E - NMD	-	-	-	-	-

