



ORDER NO: NERC/2024/040

BEFORE THE NIGERIAN ELECTRICITY REGULATORY COMMISSION

ORDER ON THE DEREGULATION OF METER PRICES FOR METERS DEPLOYED
UNDER THE METER ASSET PROVIDER SCHEME

Title

1. This regulatory instrument may be cited as the *Order on the Deregulation of Meter Prices for Meters Deployed Under the Meter Asset Provider Scheme*.

Background

2. The Meter Asset Provider and National Mass Metering Regulations (the "Regulations") provide for the metering of end-use customers of successor electricity distribution licensees ("DisCos"). Section 8(1)(c) of the Regulations provides that *"the cost of single phase and three phase meters for MAPs, inclusive of all other associated costs of installation and warranties shall continue to be at the regulated rates approved by the Commission"*.
3. Section 8(1)(d) of the Regulations provides that the prudent cost of single and three phase meters for all Meter Asset Providers ("MAPs") shall be adjusted to align with the outcome of the competitive procurement process conducted under the National Mass Metering Programme ("NMMP").
4. Section 16(1) of the Regulations subjects the procurement, supply and installation of single and three phase meters under NMMP to an open competitive process to be superintended over by a central Project Implementation Unit ("PIU").
5. Section 19(1)(b) of the Regulations requires all MAPs to comply with a minimum local content threshold of 30%, as measured by the quantity of end-use customer meters installed.

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6. Section 31 of the Regulations provides that the base cost of meters in transactions between the DisCos and MAPs shall not exceed the regulated price approved by the Commission.
7. Section 32 of the Regulations provides that where a DisCo intends to procure meters from sources other than the MAP and NMMP framework, the licensee shall obtain the Commission's approval, ensure that the meter cost is within approved regulated pricing and guarantee that the procurement terms are not in conflict with terms of existing MAP and NMMP contracts.
8. The Nigerian Electricity Regulatory Commission ("NERC" or the "Commission") in September 2023, approved the following upward review of meter prices -

Meter Type	Old Price (NGN)	Reviewed Price (NGN)
Single Phase	58,661.69	81,975.16
Three Phase	109,684.36	143,836.10

9. MAPs and LMMAs have requested a further review of meter prices in consideration of significant changes in NGN/USD foreign exchange rate and inflation rate since the last price review in September 2023, and the significant changes in these macroeconomic variables has constrained their ability to supply meters at the approved regulated price.
10. The Commission has noted the need for the efficient pricing of meters to respond more quickly to changes in macroeconomic parameters, particularly exchange rates. The Commission has further taken cognisance of the constraints/challenges faced by MAPs and LMMAs and therefore approved the deregulation of prices of meters deployed under the MAP scheme with effect from 1 May 2024.

THE COMMISSION HEREBY ORDERS as follows -

- A. With effect from 1 May 2024, all prices of meters under the MAP scheme shall be determined through a competitive bidding process with customers provided with a choice of authorised vendors.
- B. The combined effects of sections 8(1)(c), 8(1)(d), 16(1)(h), 31 and 32(1)(b) of the Regulations on the regulated pricing of meters deployed under the MAP scheme is hereby derogated.
- C. The cost of prices of meters deployed under the MAP scheme is **HEREBY DEREGULATED** to enable end-use customers acquire meters from MAPs of

their choice based on competitive open market prices determined from transparent bidding frameworks.

- D. All MAP permits holders are henceforth eligible to provide services and transact for the provision of meters and metering services with any DisCo in the Federal Republic of Nigeria with their existing permit. The lifting of the restriction on permitting to operate in all DisCos is subject to the mandatory requirement for MAPs to comply with the associated DisCo specific requirements/specifications.
- E. All DisCos shall ensure the effective and seamless integration of smart meters deployed by MAPs with the DisCo's head-end systems and meter data management systems.
- F. All DisCos shall provide a publicly accessible online portal on their website where prospective MAPs can view the DisCo's technical specifications and commercial terms for participation as a MAP within its network area.
- G. All DisCos are required to conduct a thorough test and confirmation of specifications for new meters proposed by a prospective MAP and concluded no later than 20 working days from the date the proposed MAP fulfils all the requirements specified on the online portal to participate within its network area. Where a meter fails the confirmation test, the DisCo shall immediately notify the MAP stating the points of failure.
- H. Meters to be deployed under the MAP scheme may include other types of meters including basic electronic meters, Internet of Things (IoT) meters, DIN Rail meters and Current Limiters but subject to full compliance with the NESI Metering Code and the requirements/specifications of DisCos. The type of the meter applicable to a customer under the MAP scheme shall be at the discretion of the DisCo having regard to the customer energy consumption profile.
- I. The pricing of meters under the MAP scheme is hereby deregulated but subject to an open transparent competition amongst MAP permit holders. The Commission shall, in the interim, manage the process of submitting price offers valid for one month (or as may be determined by the Commission) for meters deployed under the MAP scheme to engender transparency and competition based on the following bid process:
 - i. All MAP Permit holders wishing to participate in each competitive bidding cycle shall, no later than 5 days prior to the commencement of the process, provide verifiable evidence confirming the availability

of a minimum stock of 2,000 units of meters. This is a mandatory eligibility requirement for participation in the bidding process.


- ii. At the commencement of each session for the submission of meter prices by MAP Permit holders, the Commission shall send a dedicated link to the authorised email address of the participants. The dedicated link grants access to the Meter Price Bid Form which is completed and submitted online to the Commission.
- iii. There shall be a window of one hour (11:00am and 12:00noon) on the last working day of each month (or otherwise determined by the Commission) for the submission of unit price for different specifications of meters through the web link provided by the Commission. MAPs that intend to participate in the bid process for any DisCo shall be required to complete and submit the form within one hour of receipt of the web link. The adoption of the online link for bid submissions shall remain in force until amended or discontinued by the Commission.
- iv. The meter prices on offer by MAPs shall be valid for the succeeding month or until the opening of another price offer window by the Commission.
- v. The Commission shall forward the meter prices to the respective DisCos for publication. DisCos shall publish the bid prices from each MAP on its website on the day of receipt of such information from the Commission and within 48 hours at all its business and area offices for full view of its customers.
- vi. Any MAP that fails to upload/submit a meter price bid shall be deemed to have withdrawn from the process and considered ineligible to participate in the provision of MAP meters for the period. The MAP Permit holder shall only be eligible to sell meters to end-use customers in a DisCo's network when the company participates with a meter price offer when a price determination window is opened by the Commission.
- vii. All DisCos shall provide links on their website for the filing of applications for MAP meters by end-use customers.
- viii. DisCos shall specify to end-use customers the appropriate meter type including electronic meters, smart meters, IoT Meters, Din Rail meters, current limiters that are suitable for the end-customer's premises. End-use customers shall have the sole right to choose their preferred MAP.

- ix. All DisCos shall, at the end of each month, file with the Commission a return showing the meter supply and installation performance of each MAP for the month. Any MAP that fails, for more than 10% of customers, to install a meter at the premises of the end-use customer within the prescribed 10 working days after payment by the customer shall be disqualified from uploading meter prices in the next price determination window.
- x. Any MAP that fails to install a meter at the customer's premises within 10 working days after date of payment, shall, through the DisCo, pay the customer with preloaded energy credits of ₦500 and ₦1,000 for single phase and three phase meters respectively upon installation of the meter for each day of default.
- xi. All DisCos are required to provide a dedicated bank account for payments made by customers for meters under the MAP scheme and operational mandate of the account shall be as provided in agreement signed with the MAP.
- J. This Order is issued without prejudice to existing obligations and commitments of DisCos to existing MAPs.

Dated this 29th Day of April 2024



Sanusi Garba
Chairman



Date Akpeneye
Commissioner
Legal, Licensing &
Compliance