



SIMPLIFIED LEGAL *And* REGULATORY GUIDE:

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass Metering
Regulations, 2021**





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OVERVIEW

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
Metering Regulations, 2021**



The MAP and NMMP¹ Regulations amends the Meter Asset Provider Regulations of 2018 and contains eight chapters, thirty-nine sections and three schedules geared towards providing directives to participants in the Nigerian Electricity Supply Industry (NESI) regarding the following parameters: metering obligations ascribed to Meter Asset Providers, the process for participation in the National Mass Metering Programme (NMMP), rights and obligations of parties to agreements for the provision of meters, etc.

The Glossary of Terms referenced in this guide can be found in the main Regulation² and in our [Glossary of Industry Terms](#).



The enabling law for the establishment of the MAP and NNMP Regulations is the Electric Power Sector Reform (EPSR) Act of 2005 which gives the Nigerian Electricity Regulatory Commission (NERC) powers to make regulations pursuant to the Act.³ [Please refer to EL's guide on the Electricity Act.](#)



OBJECTIVE

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
Metering Regulations, 2021**



The rationale behind the establishment of the MAP and NMMP Regulations include the following:⁴

- The provision of standard rules for the implementation of metering programmes under the MAP framework, NMMP and other metering programmes approved by NERC.
- Closing the metering gap through an accelerated roll out of meters.
- Eliminating the prevalent practice of estimated billing in the NESI.
- Upholding the sanctity of existing contracts with Meter Asset Providers.
- Attracting private investment in the provision of meters and metering services in the NESI; and
- Enhancing revenue assurance at the retail end of the NESI..



KEY PROVISIONS

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
Metering Regulations, 2021**

KEY PROVISIONS



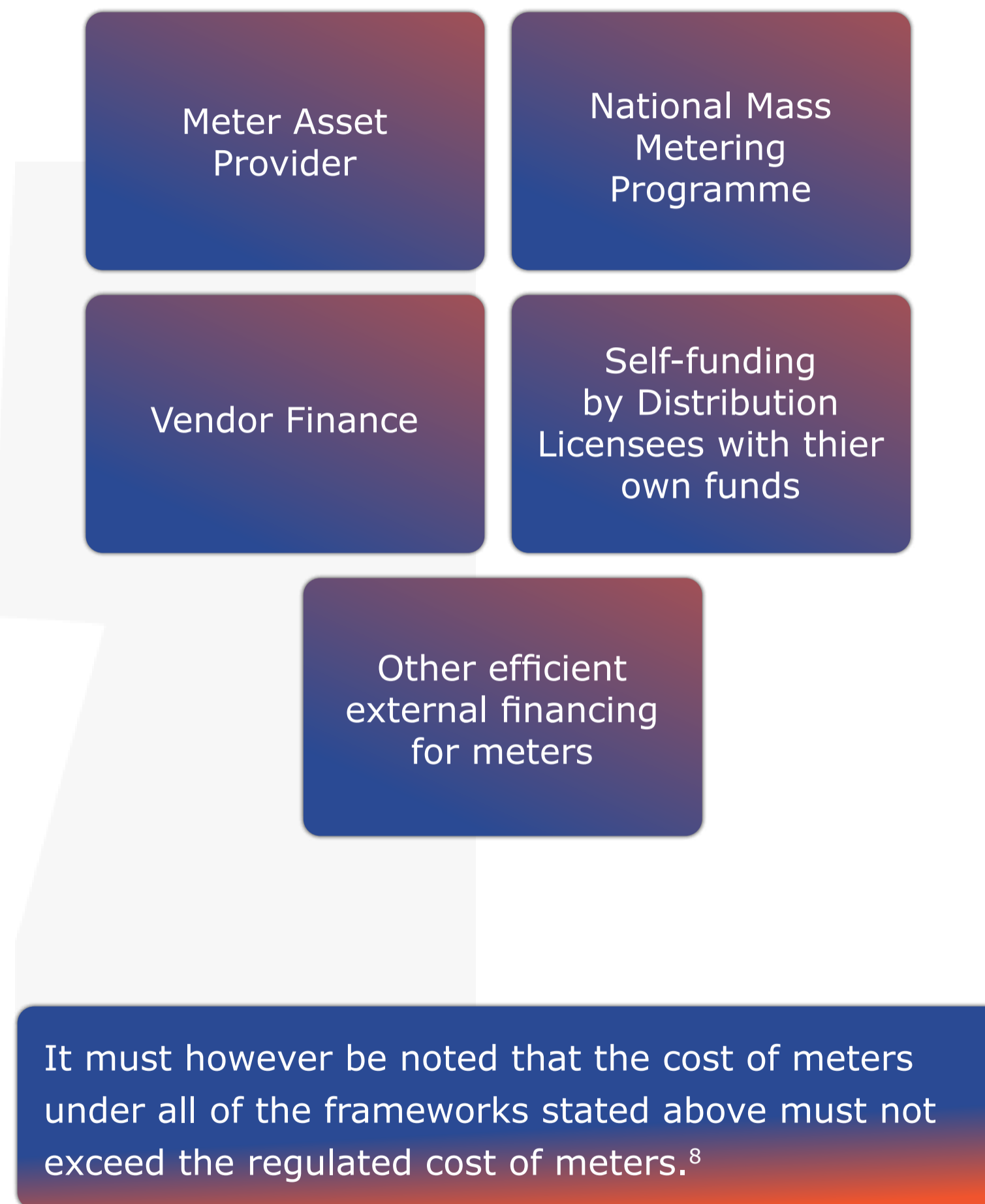
The following are the key provisions contained in the MAP and NMMP Regulations:

Applicability of the Regulation

The provision within the Regulation applies to all Distribution Licensees, Meter Asset Providers, and Local Meter Manufacturers for the provision of all types of non-maximum demand customer meters in NESI.⁵

Metering Obligations of Distribution Licensees

Distribution Licensees are required to meter their customers and meet specified metering targets set by the Commission.⁶ These licensees are also mandated to take advantage of any of the following metering frameworks or a combination of any of the frameworks towards meeting their specified metering targets:⁷





Distribution Licensees must also monitor and ensure the effective implementation of all metering services in accordance with the Metering Code⁹ and other installation standards¹⁰ applicable in the NESI.¹¹

Obligations of Meter Asset Providers

These obligations are stated below:¹²

MAPs have the obligation of supplying meters to and installing meters for customers of Distribution Licensees in accordance with the terms of their Metering Service Agreements (MSAs) and Service Level Agreements (SLAs)

For customers that choose the MAP metering option in the meter rollout plans of Distribution Licensees, the MAP framework will only allow for upfront payments by such customers; and the cost for metering services comprising the provision of single phase and three phase meters must be at the regulated rates approved by NERC

The cost of these meters must also be adjusted to align with the outcome of the competitive NMMP procurement process

MAPs are allowed to import fully built meters, however, their contracted quantities with each Distribution Licensee must comply with the NERC's minimum local content threshold of 30%.



MAPs will be allocated metering volumes and rollout plans by Distribution Licensees that are consistent with the plan of the Licensee to close the metering gap in their franchise area.¹³

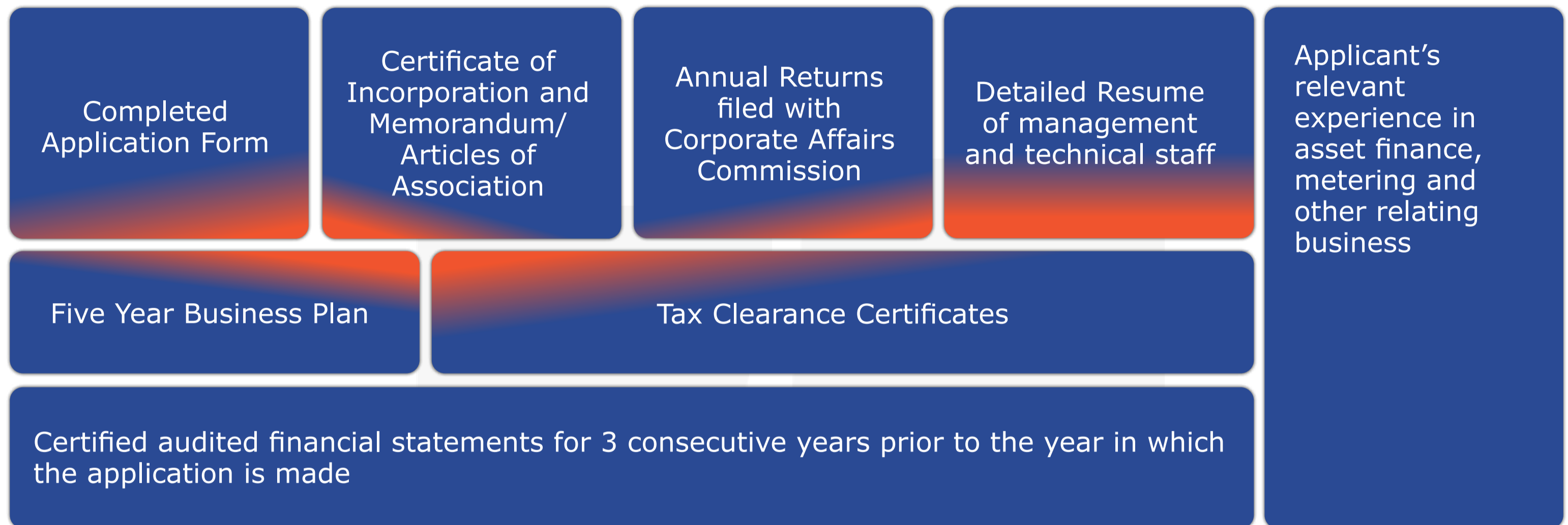
Eligibility to operate as a Meter Asset Provider

An entity will be deemed a MAP capable of providing metering services in the NESI upon the grant of a permit to that effect by the Commission to such entity.¹⁴ Also, Distribution Licensees can apply to NERC for the appointment of certain Local Meter Manufacturers/Assemblers (LMMAs) as MAPs, and the issuance of a MAP permit upon the completion of their metering obligations under the NMMP.¹⁵

Distribution Licensees can also appoint additional MAPs for the provision of metering services subject to approval obtained from the Commission, and provided that such additional MAPs are not LMMAs participating in the NMMP.¹⁶

Application Requirements for MAP Permit

The minimum documentation requirements for the issuance of MAP permits are provided as follows:¹⁷



Tenure of MAP Permits

MAP permits are generally valid for 5 years and may be renewable by the Commission subject to the MAP's demonstration of satisfactory performance of contractual arrangements with Distribution Licensees.¹⁸

Eligibility to operate as a LMMA

To operate as a LMMA eligible to provide metering services in the NESI, a certification must be given by NERC to the proposed LMMA as a Metering Service Provider (MSP) under Manufacturer Category.¹⁹

To operate as a LMMA in the NMMP procurement process, however, the following conditions must be fulfilled:²⁰

- Provision of confirmation that the proposed LMMA's local value addition is not less than the assembly of six (6) meter components at factory level in fulfillment of one of the policy objectives of NMMP.
- Distribution Licensee's confirmation that the meters supplied by the LMMA have fully met the reliability standards and quality requirements of the licensee.
- Evidence of sufficient working capital for the manufacture of a minimum of 100,000 meters annually by the LMMA; and



- Evidence of partnership between the LMMA and a Metering Service Provider or MAP for the implementation of the meter installation obligations of the LMMA's contractual arrangements with Distribution Licensees.

To secure a LMMA permit, certification as Metering Service Provider under Manufacturer category must be obtained from the Commission. The requirements for this certification will be as provided in the "Guidelines for Certification for Metering Service Providers and related Matters 2013"²¹ or any other regulatory instruments as determined by NERC.²²

NMMP Procurement Process

The Procurement process for the supply and installation of single phase and three phase meters under NMMP is open and competitive, in compliance with the principles of prudence in the EPSR Act.²³ The criteria for eligibility to participate in the bid process (part of the procurement process) is restricted to LMMAs in compliance with the Federal Government's policy directive.²⁴

There will be an independent verification agent appointed by the Commission to review and validate the manufacturing capacity of all eligible LMMAs and assemblers, and there will be a central Project Implementation Unit (PIU) to

oversee the procurement process of the NMMP.²⁵ The cost of meters will form the basis of contracting with LMMAs in line with the procurement process. All bids for the supply of meters by LMMAs under NMMP must be supported by bid bonds as determined by the PIU;²⁶ and all contracts for the supply of meters under NMMP must be backed by performance bonds issued by commercial banks.²⁷

LMMAs must notably partner with approved MSPs and or MAPs for the purpose of complying with the installation obligations of their contracts with Distribution Licensees.²⁸

Technical and Technology Requirements

Distribution Licensees, LMMAs and MAPs are required to comply with the provisions of the Metering Code, the Guidelines for Certification of Metering Service Provider and Related Matters, and other applicable regulatory instruments of the NERC.²⁹

Also, all technology systems deployed in accordance with the Regulation must be compatible with the Distribution Licensee's metering infrastructure and evidence of applicable certification must be provided along with applications filed at the Commission.³⁰



Local Content Requirements

The local content requirements to be complied with the LMMAs and MAPs are as follows:³¹

All meters procured under the NMMP framework must be 100% locally manufactured or assembled. Local manufacture or assembly involves the manufacture or assembly of six components of the meter in Nigeria.

All MAPs must comply with a minimum of 30% local content threshold as measured by quantity of meters installed for customers.

Rights and Obligations of the Distribution Licensee

All meters supplied by LMMAs and MAPs will form part of the Distribution Licensee's Regulatory Asset Base (RAB) upon full consideration by the Distribution Licensee, along with all rights and privileges for the use of the meters.³²

The obligations of the Distribution Licensees' include the following:³³



Provision of meter deployment plans, along with details of customers to be metered, in compliance with NERC's metering targets.

Execution of MSAs and Meter Procurement Agreements with successful MAPs and LMMAs respectively.

Timely provision of relevant information to MAPs, to enable MAPs fulfill their obligations in the MSA.

Periodic inspection of meters to ensure integrity and reading accuracy.

Repair and replacement of faulty meters in compliance with the Metering Code and other regulatory instruments of NERC

Billing of customers strictly on their consumption pattern in the last billign cycle or the existing energy cap of the load cluster whichever is lower

Confirming the readiness of the customer's premises for metering within 10 days of the application for a MAP meter by the customer.

Ensuring a meter is installed at a customer's premises within 10 days of being notified of the MAP's failure to meter such customer.

Refund of the cost of meters to customers who make upfront payments for meters through approved MAPs and in compliance with the provisions of the Regulation.

Refund to customers of the cumulative MSC payments made to MAPs in compliance with the provisions of the Regulation

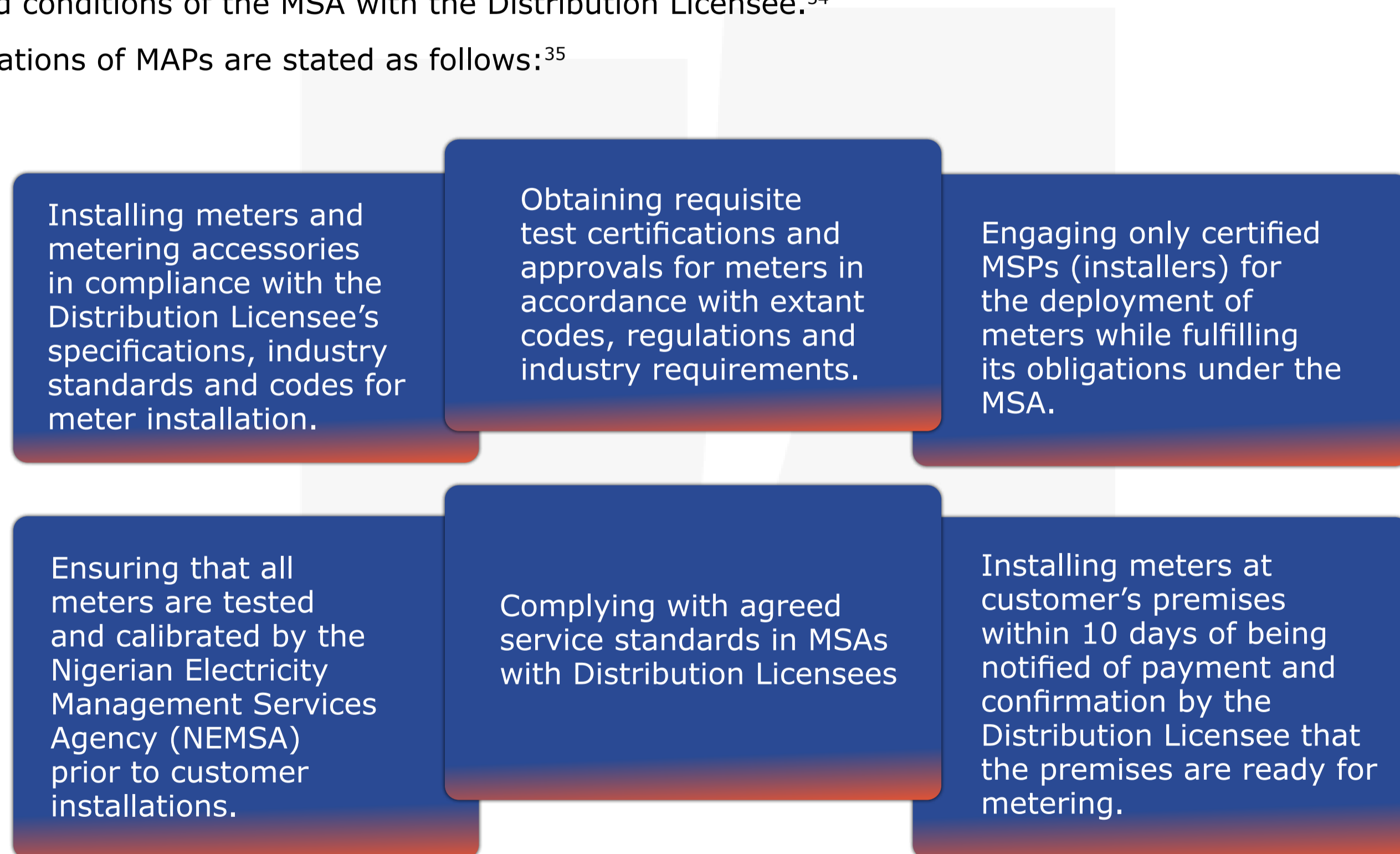
Payment of the unamortized cost of meters to MAPs supplied to customers under the MSC framework.



Rights and Obligations of MAPs

MAPs have the right to timely payment in full for services rendered in accordance with the terms of the MSA with the Distribution Licensee; and access to customer premises to carry out metering operations in accordance with the terms and conditions of the MSA with the Distribution Licensee.³⁴

The obligations of MAPs are stated as follows:³⁵





Rights and Obligations of the Customer

Customers under the Regulation have rights to the following:³⁶

- Installation of an appropriate meter to accurately determine energy consumption and provide for energy accounting.
- A refund of the cost of a meter through energy credits by the Distribution Licensee where the customer elects to make upfront payments for such meter.
- A refund through energy credits, of the cumulative number of monthly payments made by a customer under the MSC.
- Repair or replacement of faulty meters by Distribution Licensees within two days in accordance with the provisions of the Metering Code at no additional cost to the customer.³⁷
- Fair resolution of disputes arising on responsibility for destruction of a meter and the Distribution Licensee replacing the meter pending the resolution of the dispute; and
- Right to receive outstanding energy credits remaining on meters being replaced within 48 hours of installing the replacement meter.

The obligations of Customers include granting access to their premises for the installation and inspection of meters in accordance with the installation requirements of the

Distribution Licensee; ensuring the safety of the meter, not tampering with the meter, and ensuring that unauthorized persons are not granted access to the meter.³⁸

Rights and Obligations of LMMAs

The rights and obligations of LMMAs are determined based on the terms of their contracts with Distribution Licensees. However, LMMAs are required to submit monthly returns to the Commission regarding performance under its contracts with Distribution Licensees and transactions with MAPs including pricing, volumes, and pending deliveries.³⁹

Reporting Obligations

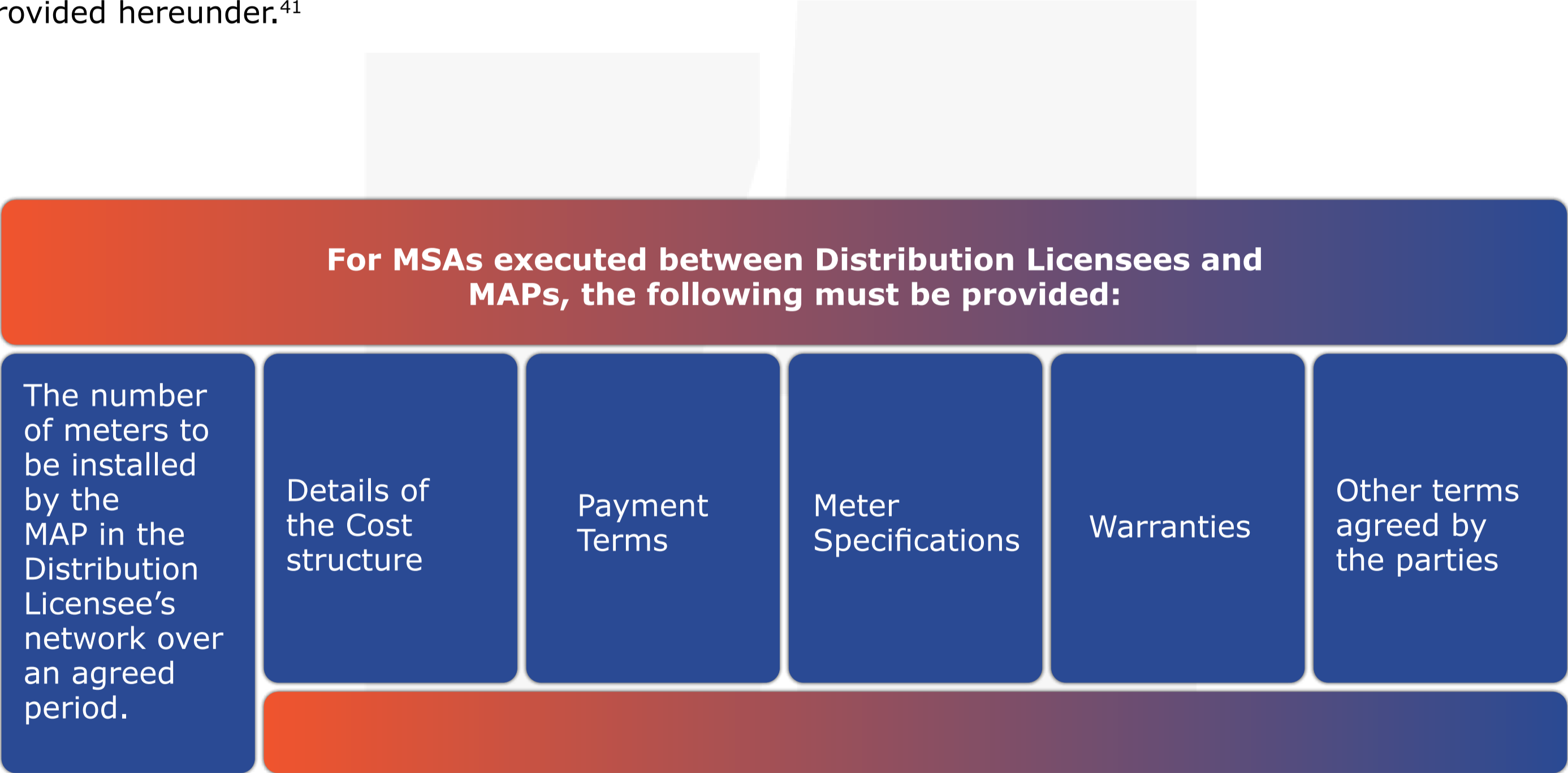
Distribution Licensees, MAPs and LMMAs are required to file returns specified as follows:⁴⁰

- Distribution Licensees are to file a detailed meter deployment plan with the Commission.
- Distribution Licensees are to file monthly meter installation returns with the Commission.
- MAPs must file monthly sales and meter installation returns with the Commission.
- LMMAs must file monthly production, meter deployment/ installation returns with the Commission and
- Any other return that is required by the Commission.



Minimum requirements in MAP and NMMP Agreements

The agreements provided for within the Regulation include Metering Service Agreement (MSA), Meter Purchase Agreement (MPA), and Service Level Agreement (SLA). The minimum requirements for each of these agreements are provided hereunder.⁴¹





For MPAs executed between Distribution Licensees and LMMAs, the following must be provided:

Quantity of meters to be supplied by the LMMA

Delivery Period

Cost Structure

Payment Terms

Meter Specifications

Warranties

Other terms agreed by the parties

For SLAs executed between Distribution Licensees and LMMAs or MAPs, the following minimum standards and responsibilities must be specified:

Timeframe for meter installations

Minimum installation standards

Protection against unauthorized access/tampering

Key performance indicators

Compensation for meter bypass and tampering by agents of LMMA and MAP



Vendor Finance

Where a Distribution Licensee and LMMA or MAP mutually agree on a deferred payment arrangement,⁴² the base cost of meters must not exceed the regulated price approved by NERC. Where the cost of financing is more than the rate granted by the Central Bank of Nigeria (CBN) under the NMMP, the approval of NERC must be obtained prior to the execution of the MPA.⁴³

Meter Financing by Distribution Licensees

Where Distribution Licensees directly procure meters from other sources outside the MAP and NMMP framework:⁴⁴

- The basis for the additional meter financing option and associated terms and conditions shall be subject to approval by the Commission.
- The allowable costs of meters, accessories, installation, and warranties must not exceed the regulated pricing approved by the Commission; and
- The terms of supply must not be in conflict and/or competition with the terms of existing MAP and NMMP contracts.

Dispute Resolution

All agreements executed by parties pursuant to this Regulation must contain appropriate dispute resolution clauses for settlement of disputes by arbitration.⁴⁵

Capping of Unmetered Customer Bills

All unmetered non-maximum demand customers will be billed using the NERC's prevailing Order on capping of estimated bills.⁴⁶



KEY STAKEHOLDERS

**Nigerian Electricity Regulatory Commission-
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KEY STAKEHOLDERS



NERC's MAP and NMMP
Regulations, 2021

Nigerian Electricity
Regulatory Commission
(NERC)



Nigerian Electricity Regulatory Commission (NERC)


NERC is responsible for the promulgation of the Regulations pursuant to its regulatory powers arising from the EPSR Act. The Commission enforces the provisions within the Regulation and may from time to time, amend or repeal, in whole or in part, the provisions of the Regulation.⁴⁷

The background of the slide features a faint, dark silhouette of a high-voltage power transmission tower, also known as a pylon, which is a lattice structure. It is centered vertically and horizontally, with its base extending towards the bottom and its top reaching towards the top of the frame. The tower's structure is composed of numerous intersecting lines forming a triangular and quadrilateral pattern.

PRICING **AND TARIFFS**

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
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PRICING AND TARIFFS

A large, stylized illustration of a lightbulb is positioned on the left side of the slide. The lightbulb has a grey base and a red filament. It is surrounded by several grey, rounded rectangular shapes that resemble light rays or reflections. The background of the slide features faint, large, light grey letters 'A' and 'Z'.

INCENTIVES AND INVESTMENT OPPORTUNITIES

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
Metering Regulations, 2021**



INCENTIVES AND INVESTMENT OPPORTUNITIES



There are no opportunities for investment in the Regulation.



SANCTIONS AND PENALTIES

**Nigerian Electricity Regulatory Commission-
Meter Asset Provider and National Mass
Metering Regulations, 2021**

SANCTIONS AND PENALTIES



Any customer that denies access to his premises for inspection and installation of meters in accordance with the installation requirements of the Distribution Licensee, will be disconnected from supply and denied service by the Distribution Licensee until access is granted to the premises.⁴⁹

In the event of a MAP failing to perform its meter roll out obligation in accordance with the terms of its MSA with a Distribution Licensee, such Distribution Licensee can terminate the MSA and the Commission can also upon verifying the performance failure, cancel the permit issued to the non-performing MAP.⁵⁰

Referenced Statutory Instruments

- Electric Power Sector Reform Act, 2005
- Metering Code for the Nigerian Electricity Supply Industry – Version 01, 2013
- Guidelines for Certification of Metering Service Provider and Related Matters, 2013
- Amended Orders on the Capping of Estimated Bills, 2020

Endnotes

1 National Mass Metering Programme
2 NERC MAP and NMMP Regulation - Aug 2021, available at <https://nerc.gov.ng/index.php/component/remository/func-startdown/887/?Itemid=591>
3 Section 96, EPSR Act
4 Preamble, Section 2 & Section 6(3)
5 Section 5
6 Section 7(1)
7 Section 7(2)
8 Ibid
9 NERC, Metering Code. Available at <https://nerc.gov.ng/index.php/component/remository/Codes-Standards-and-Manuals/Metering-Code/?Itemid=591>
10 See NERC, Nigerian Electricity Supply and Installation Standards Regulations 2015, available at <https://nerc.gov.ng/index.php/component/remository/Regulations/Nigerian-Electricity-Supply-and-Installation-Standards-Regulations-2015/?Itemid=591>
11 Section 7(3)
12 See generally, Section 8(1)
13 Ibid
14 Section 9(1)(a)
15 Section 9(1)(b)
16 Section 10
17 Section 11; Schedule 2
18 Section 12
19 Section 13
20 Section 14(1)
21 NERC, Guidelines for Certification of Metering Service Providers and Related Matters. Available at <https://nerc.gov.ng/index.php/component/remository/NERC-Guidelines/Guidelines-for-Certification-of-Metering-Service-Providers-and-Related-Matters/?Itemid=591>
22 Section 15
23 Section 16(1)
24 Section 16(1)(b)
25 Section 16(1)(c) & (d)
26 Section 16(1)(i)
27 Section 16(1)(k)
28 Section 16(1)(g)
29 Section 17
30 Section 18
31 Section 19
32 Section 20
33 Section 21
34 Section 22
35 Section 23
36 Section 24
37 However, where it is established that the customer willfully damaged the meter, the Distribution Licensee will replace the meter based on an upfront payment by the customer or other mutually agreed terms of payment.
38 Section 25
39 Section 26
40 Section 27; Schedule 3
41 See Section 28, 29 & 30
42 An arrangement that allows you to make payments on past-due balance in monthly installments. See Menasha Utilities, Deferred Payment Agreements; available at <https://www.menashautilities.com/deferred-payment-agreements>
43 Section 31
44 Section 32
45 Section 35
46 Section 40; See NERC, Amended Orders on the Capping of Estimated Bills, available at <https://www.nerc.gov.ng/index.php/component/remository/NERC-Orders/Amended-Orders-on-the-Capping-of-Estimated-Bills/?Itemid=591>
47 Section 38
48 Section 16(1)(h)
49 Section 25
50 Section 33

DISCLAIMER

This document titled the “Simplified Legal and Regulatory Guide” of the referenced country is not expected to form the basis of, or be construed as standard legal advice; nor should any of its contents and representations be strictly relied upon for any activities. Electricity Lawyer (EL) will not be liable for decisions whatsoever that are made based on the contents of the document.

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