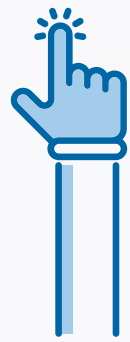




SIMPLIFIED LEGAL *And* REGULATORY GUIDE:

**Nigerian Electricity Regulatory Commission
(NERC) Meter Reading, Billing, Cash Collections
and Credit Management for Electricity Supplies
Regulations, 2007**





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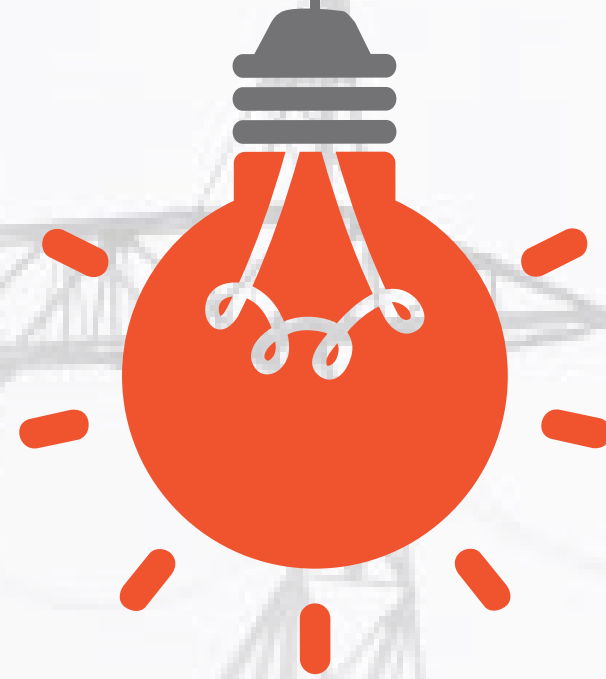
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OVERVIEW

**Nigerian Electricity Regulatory Commission
(NERC) Meter Reading, Billing, Cash
Collections and Credit Management for
Electricity Supplies Regulations, 2007**



The Meter Reading, Billing, Cash Collections and Credit Management for Electricity Supplies Regulations (referred to as the Regulations), was promulgated in December 2007. The Regulations through its 16 sections and Schedule, provides directives and guidelines to Distribution Companies (DisCos) on the appropriate framework for revenue collection activities to attain financial sustenance.

The Glossary of Terms referenced in this guide can be found in the main Regulation¹ and in our [Glossary of Industry Terms](#).



The Electric Power Sector Reform Act (EPSRA)² serves as the legal instrument backing the enforcement of the Regulations. Through the EPSRA, the Nigerian Electricity Regulatory Commission (NERC) possesses the authority to make regulations for the management of activities in the power sector,³ which in turn, serves as the foundation for the referenced Regulation. [Please refer to EL's guide on the Electricity Act.](#)



OBJECTIVE

**Nigerian Electricity Regulatory
Commission (NERC) Meter Reading, Billing,
Cash Collections and Credit Management
for Electricity Supplies Regulations, 2007**

OBJECTIVE



The rationale behind the promulgation of the Regulations includes the following:

- The promulgation of guidelines and directives to distribution companies on proper revenue collection and financial sustenance.



KEY PROVISIONS

**Nigerian Electricity Regulatory
Commission (NERC) Meter Reading, Billing,
Cash Collections and Credit Management
for Electricity Supplies Regulations, 2007**

KEY PROVISIONS



The following are key provisions in the Regulations:

Routine Meter Readings

Distribution Companies (DisCos) are required to obtain, through authorized representatives, an actual reading of all meters at all supply addresses within its area of operation every month but not later than once in every three months.⁴ If the DisCo is however unable to access the meter within the premises of a customer, a notice should be left stating also its attempt at accessing the premises for the purpose of meter reading and also requesting that the customer provides its own meter reading within a specified period of time, which if not adhered to will result in the DisCo estimating the customer's electricity usage..⁵

Final Meter Reading

When a customer is about to vacate from the premises, such customer is to make a request to the DisCo to undertake a final meter reading, for the purpose of assessing the final electricity usage by the customer in the premises, following which an appointment will be scheduled by the DisCo with the customer.⁶

Liabilities

The DisCo and the consumer are required to keep to the scheduled appointment for the final meter reading to avoid certain liabilities.⁷

If the DisCo keeps to the appointment but cannot carry out the meter reading due to a fault on the part of the customer, the customer will be liable for the usage of electricity up to the point where the DisCo is able to obtain the meter reading; provided that such liability will only accrue up until the date a new customer occupies the premises.⁸

If on the other hand, the DisCo fails to keep to the appointment with the customer, the customer will only be liable for the electricity usage up until the date the customer vacates the premises⁹ and the DisCo will accept any final meter reading provided by the Customer.¹⁰

In addition, where a DisCo fails to keep to the scheduled appointment with a customer, and the customer does not provide a final meter reading, the DisCo will obtain an actual final meter reading immediately after the customer vacates the premises based on the procedure stipulated in the Regulations.¹¹



DisCos are prohibited from artificially inflating the estimated usage of either an old or new customer.¹²

Special Meter Reading

A DisCo or a customer may request that a reading be obtained to check a previously obtained meter reading that appears to be incorrect or inadequate.¹³ Where a special meter reading is requested, an appointment will be made by the DisCo to obtain the reading.¹⁴

Where a customer requests the special meter reading but fails to provide access, the Distribution Company will advise the customer in writing that no further attempts to obtain a special meter reading will be made and that the meter reading questioned by the customer will be deemed by the Distribution company to be accepted as correct by the customer.¹⁵

Billing

DisCos are expected to issue bills at supply addresses of customers at regular intervals as approved by the Commission;¹⁶

No more than one routine bill should be issued to a customer during the same billing period.¹⁷

Electricity bills must be presented in a format easily understood by customers¹⁸ and must contain the following information:¹⁹

- Name of the customer.
- Account Number of the customer.
- customer's supply address.
- Bill delivery address (if it is not the same as the supply address).
- Meter number of the meter(s) recording electricity usage at the customer's premises.
- Value of any multiplier (meter constant) applied.
- Date of production of the bill.
- Period covered by the bill.
- Relevant tariffs on which the bill is based.



- Previous and present meter readings.
- Dates of previous and present meter readings.
- Total amount of electricity used in the period covered within the bill (kWh).
- Total value of electricity used in the period covered within the bill (Naira).
- Details of any fixed charge applied to the period covered by the bill.
- Details of any other charges applied to the period covered by the bill.
- Details of any arrears or credit standing with the previous bill.
- Total amount of the current bill.
- Due date for payment.
- Telephone number for billing and payment enquiries.
- Details of the Customer Complaint Handling process of the DisCo.
- Methods of payment which can be used and payment arrangement options.
- Details showing whether previous and present meter readings were actual, estimated, or arrived at by the customer; and

- Any additional information which may be included by the DisCo.

It is worthy of note that when a customer moves from the supply address, the DisCo will produce a final bill to finalize the customer's account with the DisCo.²⁰

Also, where there is no electricity meter to record electricity usage at a customer's premises, the distribution company will base the customer's bill on an estimated energy consumption which will be calculated in accordance with a methodology approved by the Commission.²¹

In special circumstances, a DisCo may bill a customer a supplementary bill during the billing period.²² These special circumstances include situations where it is necessary to amend an incorrect bill or where a special request for a supplementary bill is made by the customer.²³

Adjustment of a Bill

When requested by a customer, a DisCo is required to undertake a review of the customer's bill.²⁴



While the review is ongoing and if the process extends beyond one billing period, the customer will be required to pay an amount agreed between both the customer and the DisCo. If an amount cannot be agreed upon, the customer will pay an amount equal to the average amount of the customer's bills over the last 12 months. If however the customer has not resided at the supply address for 12 months, the amount will equal the average amount of the customer's bills for the period that they have been the resident at the supply address.

If the bill under review proves to be correct, the customer will either accept the correctness of the bill and pay any outstanding balance or request a meter test in line with the provisions of the Metering Code.²⁵ If the bill proves to be incorrect however, the DisCo will amend the bill in line with the Regulation.²⁶

In cases of an overcharge or an undercharge, the DisCo is to notify the customer in writing, of the error and is to follow due process towards remedying the situation as stipulated in the Regulation, i.e., by crediting the amount of the overcharge or undercharge to the customer's next bill subject to the provisions in the Regulation.²⁷

Various options of payment are available to customers for payment of bills including via:

- Cash payment at the DisCos offices.
- Bank Drafts paid at the DisCos offices.
- Payment through any authorized bank of the DisCos accepting payment on behalf of the DisCos.
- Any other payment method offered by the DisCos.²⁸

DisCos may request a security deposit from a customer as security for future electricity bills, in line with the Regulations.²⁹ Security deposits are permissible to be used to offset final bills where a customer seeks to vacate the electricity supply address.³⁰

DisCos can agree to a payment arrangement with customers that experience financial difficulties in paying electricity bills.³¹

Credit Management

DisCos are required to produce credit management guidelines detailing its approach to all aspects of credit management.³² A copy of the guidelines is to be lodged with the Commission.³³



KEY STAKEHOLDERS

**Nigerian Electricity Regulatory Commission
(NERC) Meter Reading, Billing, Cash
Collections and Credit Management for
Electricity Supplies Regulations, 2007**

KEY STAKEHOLDERS



Nigeria Electricity Regulatory Commission (NERC)

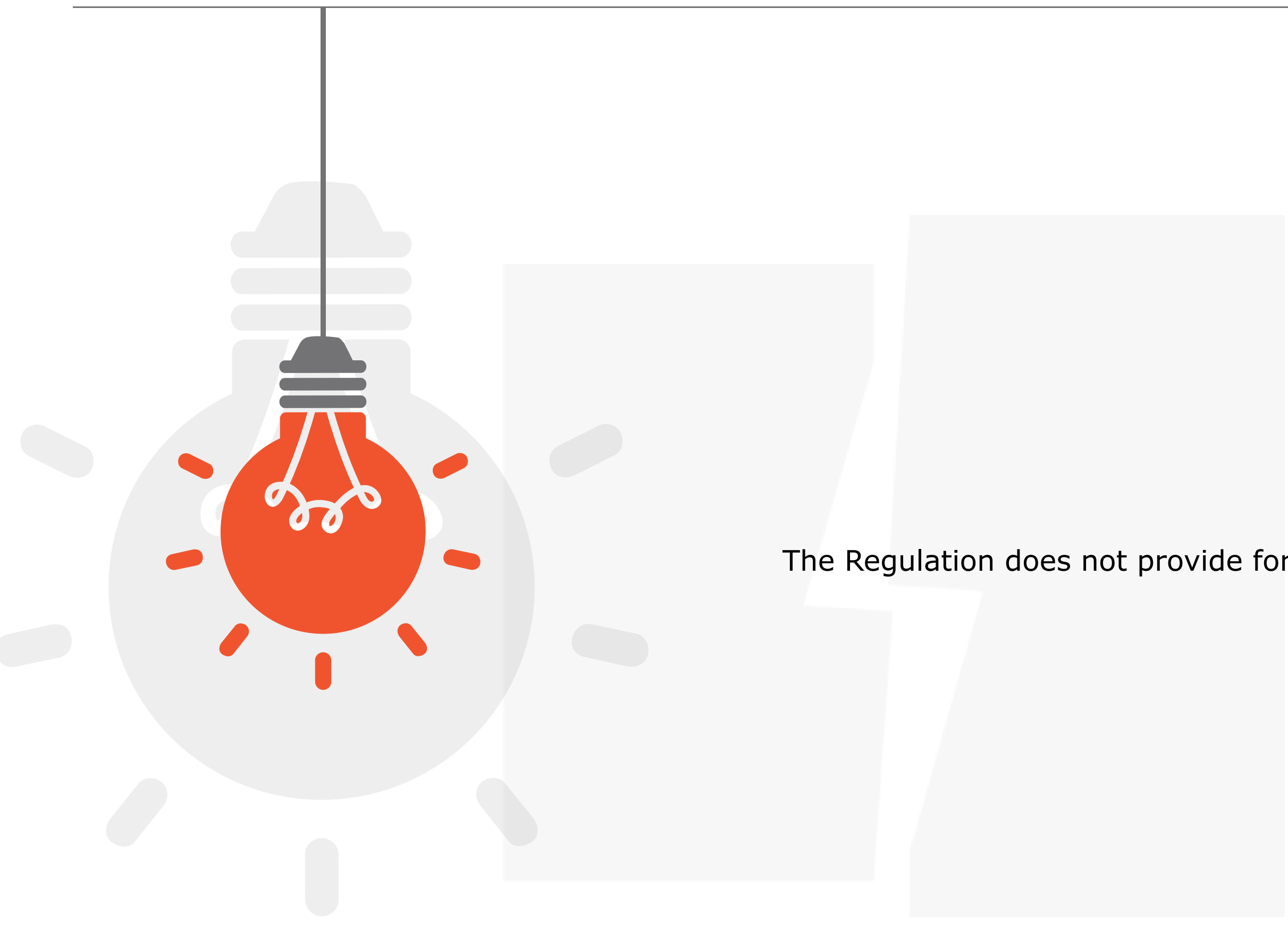
NERC is responsible for enforcing the Regulations. The Commission approves methodologies used by distribution companies in estimating a customer's usage of power,³⁴ and approves notices issued by DisCos to customers as required by the Regulation.

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 positioned centrally and extends from the bottom towards the top of the frame, serving as a thematic backdrop for the electricity-related content.

PRICING **AND TARIFFS**

**Nigerian Electricity Regulatory Commission
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Collections and Credit Management for
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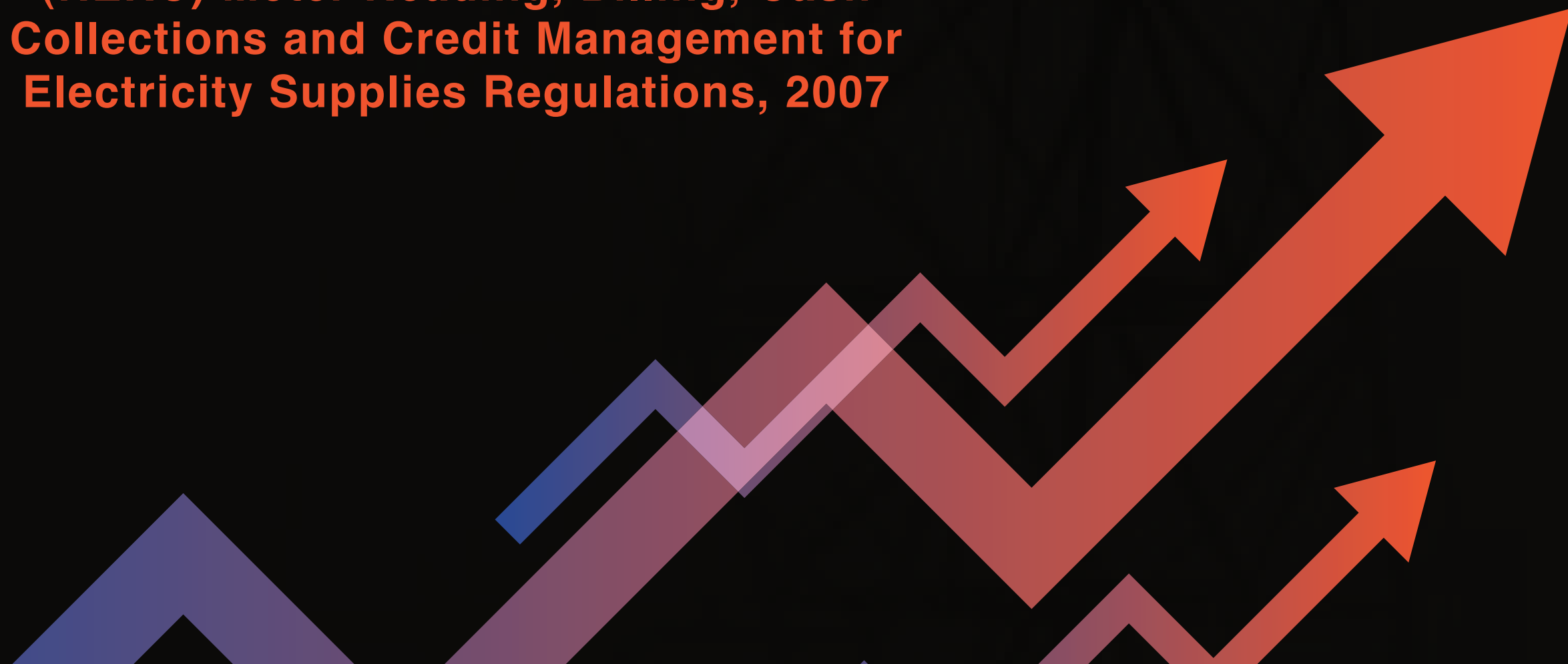
PRICING AND TARIFFS

A large, faint illustration in the background features a glowing orange lightbulb hanging from a cord. Behind the lightbulb are several sheets of paper, some of which are highlighted in orange. The lightbulb has orange rays emanating from it, and the papers have orange borders or highlights.

The Regulation does not provide for pricing and tariffs.

INCENTIVES AND INVESTMENT OPPORTUNITIES

**Nigerian Electricity Regulatory Commission
(NERC) Meter Reading, Billing, Cash
Collections and Credit Management for
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INCENTIVES AND INVESTMENT OPPORTUNITIES



The Regulation does not contain provisions relating to investment opportunities.



SANCTIONS AND PENALTIES

**Nigerian Electricity Regulatory Commission
(NERC) Meter Reading, Billing, Cash
Collections and Credit Management for
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SANCTIONS AND PENALTIES



Customers who fail to pay their bills will be disconnected from supply by the DisCo. At the time of disconnection, the DisCo will use the meter reading taken at the point of disconnection to bill all disconnected customers, and the bill is to project the total value of all charges owed by the customer up until the time of disconnection.³⁵

Following the disconnection, the DisCo is not to bill any additional charges in respect of the supply address of the concerned customer, until after connection has been restored.³⁶

Referenced Statutory Instruments

- Electric Power Sector Reform Act, 2005; and
- Metering Code for the Nigerian Electricity Supply Industry, 2013

Endnotes

1 NERC, Meter Reading, Billing, Cash Collections and Credit Management for Electricity Supplies. Available at <https://nerc.gov.ng/index.php/library/documents/Regulations/Meter-Reading-Billing-Cash-Collections-and-Credit-Management-for-Electricity-Supplies/>

2 NERC, Electric Power Sector Reform Act (EPSR), 2005. Available at [https://nerc.gov.ng/index.php/component/remository/Regulations/Electric-Power-Sector-Reform-Act-\(EPSR\)-2005/?Itemid=591](https://nerc.gov.ng/index.php/component/remository/Regulations/Electric-Power-Sector-Reform-Act-(EPSR)-2005/?Itemid=591)

3 Section 96, EPSRA

4 Section 1

5 Section 1(2)

6 Section 2

7 Section 2(3-6)

8 Section 2(3)

9 Section 2(4)

10 Section 2(5)

11 Section 2(6)

12 Section 2(7)

13 Section 3(1)

14 Section 3(2)

15 Section 3(4)

16 Section 4(1)

17 Section 4(2)

18 Section 4(3)

19 Schedule to the Regulations

20 Section 5(1)

21 Section 8

22 Section 7(1)

23 Section 7(2)

24 Section 9(1)

25 Section 9(4); NERC, Metering Code. Available at <https://nerc.gov.ng/index.php/library/documents/Codes-Standards-and-Manuals/Metering-Code/>

26 Section 9(6)

27 Section 9(7) (8) & (9)

28 Section 10 (1) (2)

29 Section 12(1)

30 Section 13(1)

31 Section 14(1)

32 Section 11(1)

33 Section 11(2)

34 Section 1(5)

35 Section 6(1)

36 Section 6(2)

37 Section 16(3)

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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