



# **SIMPLIFIED LEGAL *And*** **REGULATORY GUIDE:**

Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission  
(NERC) Reporting Compliance Regulations, 2009





# CONTENTS

[Overview](#)

[Enabling Law](#)

[Objective\(s\)](#)

[Key Provisions](#)

[Key Stakeholders](#)

[Pricing and Tariffs](#)

[Incentives and Investment Opportunities](#)

[Sanctions and Penalties](#)



# OVERVIEW

**Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission  
(NERC) Reporting Compliance Regulations, 2009**



The Reporting Compliance Regulations (“the Regulations”) of the Nigeria Electricity Regulatory Commission (NERC) was formulated in 2009 to serve as a regulatory framework that establishes and specifies reporting requirements and obligations of licensees and participants in the electricity sector of Nigeria. It contains a total of three (3) chapters and Schedules that contain the reporting requirements.

The Glossary of Terms referenced in this guide can be found in the main Regulation<sup>1</sup> and in our [Glossary of Industry Terms.](#)



NERC is empowered by the Electric Power Sector Reform Act, 2005 (EPSRA)<sup>2</sup>, as the major agency with the responsibility of formulating regulations to facilitate the implementation and enforcement of the provisions of the Act. NERC is vested with the authority to develop regulations relating to areas of administration, billing, licensing, procurement procedures, pricing, and tariffs, reporting compliance, etc.<sup>3</sup> The Reporting Compliance Regulations is one of the many regulations formulated within the ambit of the Commission's powers. [Please refer to EL's guide on the Electricity Act.](#)





# OBJECTIVE

**Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009**

# OBJECTIVE

---



The primary objective of the Reporting Compliance Regulations is:

- To set standards for legal requirements and reporting obligations on the part of the licensees to the Commission



# KEY PROVISIONS

**Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009**



# KEY PROVISIONS



## *Reporting Compliance and Format:*

### **Legal Reporting Requirements for licensees<sup>4</sup>**

Event	Report to be submitted
Any changes in ownership structure exceeding 5% of the authorized share capital	<ul style="list-style-type: none"><li>• Resolution on from the company authorizing such change</li><li>• Form CO2</li></ul>
Change of Directors	<ul style="list-style-type: none"><li>• Form CO7</li></ul>
Any increase in issued share capital exceeding 5%	<ul style="list-style-type: none"><li>• Ordinary resolution for the increase in share capital</li><li>• Statement of Increase duly stamped</li></ul>
Any reduction in the authorized share capital	<ul style="list-style-type: none"><li>• Resolution for the reduction in Share Capital</li></ul>
Any resolution passed at any General Meeting if it is related to the Licensed activity	<ul style="list-style-type: none"><li>• Notification of the Resolution so passed</li></ul>
Change in Objects of Company	<ul style="list-style-type: none"><li>• Amended Memo and Articles duly filed with CAC</li></ul>
Change in key Management staff of the Company	<ul style="list-style-type: none"><li>• Notification of such change and submission of CVs of the new Management</li></ul>
Change in the Company's registration details effected at the Corporate Affairs Commission	<ul style="list-style-type: none"><li>• Notification of such change to the Commission</li></ul>
Provision of electricity to customers by licensee and an affiliated licensee	<ul style="list-style-type: none"><li>• The affiliates should provide a Compliance Plan setting out the system, policies and mechanisms that each intend to use to ensure that they and their officers, employees, agents and contractors comply with the Code of Conduct Regulation of NERC.</li></ul>



## Engineering Standards and Safety Reporting Requirements

Licensees in the electricity sector of Nigeria are required to submit significant reports on incident and accident as specified in the Regulations,<sup>5</sup> Generation and Transmission licensees must submit required data for the computation of Key Performance Indicators (KPIs) and Reporting on Conditions as specified in the Regulations.<sup>6</sup> These Reporting on Conditions by the Transmission Licensee relate to Circuit Breakers, Reactors, Ground Switch, 132kV Transmission lines, 330kV Transmission lines, Isolators and Communication/SCADA in accordance with the Schedules of the Regulations.

Distribution licensees must also submit data for computation of KPIs. In addition, Six-monthly reports on Derogation Requests and Approved Derogations must be submitted in accordance with the Distribution Code.<sup>7</sup> The Distribution Load Shedding Plan of each Distribution licensee must be maintained and updated, and a Five-year Demand Forecast and Five-year Distribution Plan must be submitted. In addition, licensees are expected to comply with the Safety Orientation Training Requirements in accordance with the Schedules<sup>8</sup> and Health and Safety Manual information that is required must be provided.<sup>9</sup>

For Commercial and Financial Reporting Requirements, Market Operator is required to submit a forecast report while the Generation licensee is required to submit a forecast expenditure report. Distribution licensees must submit an Actual expenditure report. Furthermore, a Disbursement Summary must be submitted monthly by the Market Operator, while a Market Settlement must be submitted monthly by the Generation and Distribution Licensee. A Trading Licensee must submit a monthly Reporting document for trading and an Annual Reporting document for Trading.<sup>10</sup>



## Commercial and Financial Reporting Requirements/Formats

<b>Market operator</b>	<p>The Market Operator shall submit a forecast report which will contain the following, among many others:</p> <ul style="list-style-type: none"><li>• Duration of interruptions</li><li>• Total number of delivery points</li><li>• Total line outages</li><li>• Total transmission lines</li><li>• Transmission equipment reporting on conditions of transformers</li></ul> <p>The Market Operator must submit a monthly Market Settlement Statement which would contain Transmission equipment reporting on conditions of 330kV Transmission lines<sup>11</sup></p>
<b>Generation Licensees</b>	<p>Generation licensee shall submit forecast expenditure report which would contain:</p> <ul style="list-style-type: none"><li>• Transmission equipment reporting on conditions of circuit breakers</li><li>• Transmission equipment reporting on conditions of reactors</li></ul> <p>Generation Licensees must submit a monthly Market Settlement Statement which contain Transmission equipment reporting on conditions of isolators.<sup>12</sup></p>
<b>Distribution licensees</b>	<p>Distribution licensee shall submit Actual expenditure report which should contain:</p> <ul style="list-style-type: none"><li>• Transmission equipment reporting on conditions of ground switches</li><li>• Transmission equipment reporting on conditions of 132kV Transmission line</li></ul> <p>Distribution licensees must submit a monthly Market Settlement Statement which would contain Transmission equipment reporting on conditions of communication/SCADA.<sup>13</sup></p>



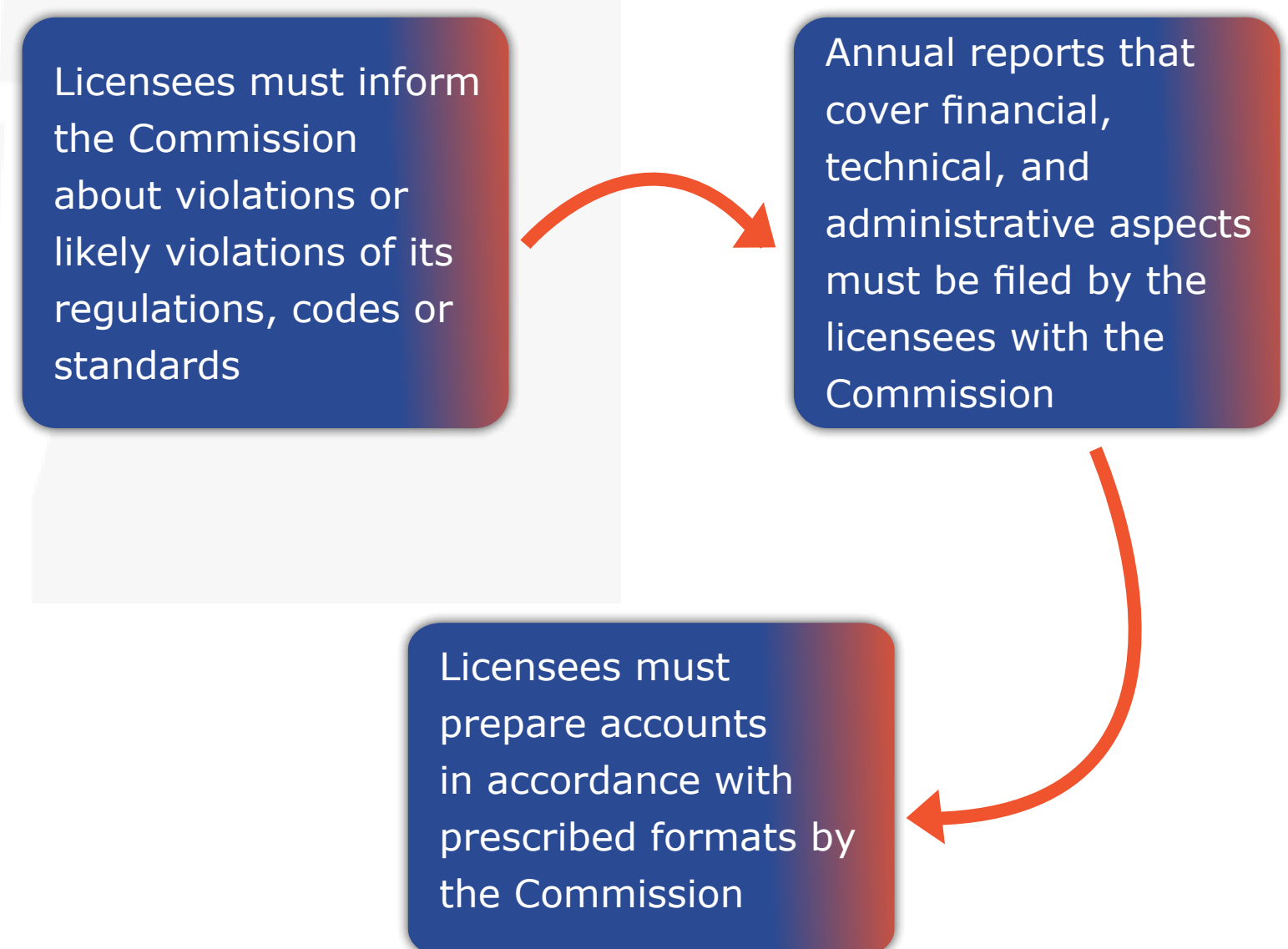
<b>Trading licensees</b>	<p>Trading Licensee shall submit a monthly Reporting document for Trading which should contain the following:</p> <ul style="list-style-type: none"><li>• Capital expenditure</li><li>• Recurrent expenditure</li></ul> <p>Trading Licensee shall submit an Annual Reporting document for Trading which should also contain the abovementioned.<sup>14</sup></p>
--------------------------	--

### Customer Related Requirements

Distribution licensees must submit the following to the Commission<sup>15</sup>:



### Reporting Obligations for Generation, Transmission and Distribution licensees<sup>16</sup>





# KEY STAKEHOLDERS

Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009





### **Nigerian Electricity Regulatory Commission**

The primary agency for the supervision and control of the Regulations as specified in the EPSRA is the Commission. NERC was established as a corporate body to regulate the generation, transmission, distribution of electricity in Nigeria through promoting efficiency in industry and market structures, regulating prices, and ensuring safety in the production and delivery of electricity.<sup>17</sup> NERC is vested with the responsibility of monitoring and overseeing estimated billing activities to facilitate competition and prevent abuse of market power. The Commission may amend or repeal the provisions of the Regulation.<sup>18</sup> In addition, NERC may make orders as may be necessary in the public interest to do so and it may adopt a procedure that is not consistent with the Regulations if it is expedient to do so.

The background of the slide features a dark, monochromatic image of a high-voltage power transmission tower and its associated lines, stretching across the frame. The tower is a lattice structure, and the lines are thin and dark against the grey background.

# **PRICING** **AND TARIFFS**

**Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009**

# PRICING AND TARIFFS



Due to the nature of the Regulations, there are no specific provisions for pricing and tariffs.

# INCENTIVES AND INVESTMENT OPPORTUNITIES

Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009



# INCENTIVES AND INVESTMENT OPPORTUNITIES



The Regulations do not specifically provide for opportunities for investment.





# **SANCTIONS AND PENALTIES**

**Simplified Legal and Regulatory Guide  
Nigeria Electricity Regulatory Commission (NERC)  
Reporting Compliance Regulations, 2009**

# SANCTIONS AND PENALTIES

---



There are no provisions for sanctions and penalties under the Regulations.

## Referenced Statutory Instruments

- Electric Power Sector Reform Act (EPSRA) No.6 LFN 2005
- Company and Allied Matters Act (CAMA), 2020

### Endnotes

- 1 NERC, Official website available at <https://nerc.gov.ng/index.php/library/documents/Regulations/NERC-Reporting-Compliance-Regulation-2009/>
- 2 NERC, Official website, 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 See S.96(1), 96 (2)f of the EPSRA, No 6 LFN 2005
- 4 Schedule 1A
- 5 Schedule 2A
- 6 Schedule 2B-2D
- 7 NERC, Official website available at <https://nerc.gov.ng/doclib/codes-standards-and-manuals/19-distribution-code-v02/file>
- 8 Schedules 2S and 2T
- 9 Section 4
- 10 Section 5, Schedule 3K
- 11 Schedule 3A, 3B, 3G
- 12 Schedule 3C, 3D, 3H
- 13 Schedule 3E, 3F, 3I
- 14 Schedule 3J, 3K
- 15 Section 6
- 16 See Company and Allied Matters Act (CAMA), 2020, also Section 8 of the Reporting Compliance Regulations, and section 9, Schedules 4A and 4B
- 17 Sections 31-61 of the EPSRA
- 18 Section 10

# 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.

For Enquiries and/or Advisory Services, kindly reach out to us at our e-mail address: [ask@electricitylawyer.com](mailto:ask@electricitylawyer.com)

For Research and Insights, kindly reach out to us at our email address: [insights@electricitylawyer.com](mailto:insights@electricitylawyer.com)

For Training and Capacity Building, kindly reach out to us at our email address: [trainings@electricitylawyer.com](mailto:trainings@electricitylawyer.com)



ELECTRICITY  
LAWYER