



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

**NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC)**

**CUSTOMER PROTECTION REGULATIONS 2023**





# OVERVIEW

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**CUSTOMER PROTECTION REGULATIONS 2023**

# OVERVIEW

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The Customers Protection Regulations 2023 as established by the Nigerian Electricity Regulatory Commission (NERC). addresses general issues, procedures for connecting and disconnecting electricity services, meter reading, billing, cash collections, and credit management for electricity services, customer complaint handling standards and procedures, and customer service standards. The Regulation is divided into five chapters.



# OBJECTIVE

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# OBJECTIVE



The Regulation seeks to consolidate existing regulatory documents of NERC on the protection of customers in the Nigerian Electricity Supply Industry (NESI) into one regulatory instrument, thereby abrogating the other regulatory instruments issued by the Commission; as regards customers protection; the promotion of electricity access in NESI; and the protection of the rights of end-use customers of distribution licensees by specifying the minimum standards of service delivery. The promulgation of the Regulations is expected to address salient issues and disputes prevalent in the Nigerian electricity supply industry.

## ENABLING LAW

NERC is empowered by the Electricity Act, 2023 as the federal electricity regulatory body responsible for 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, licensing, market structure, connection and disconnection procedures, pricing, and tariffs etc.



# **KEY PROVISIONS**

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# KEY PROVISIONS

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## **Procedures for the Connection and Disconnection of Electricity Services**

Section 9 of the Regulations stipulates two ways of electricity connection to the premises of a customer; by overhead or underground networks. Furthermore, a checklist for customers that require to be connected to electricity supply at a premises that has existing supply and for a premises with no existing connection to distribution system is provided, along with the appropriate response of the distribution company in both instances. Distribution companies are allowed to disconnect supply to a customer's premises when the customer fails to pay the amount billed by the payment date, upon certain conditions listed in Sections 20 and 21. Any customer disconnected in contravention of the Regulations should be compensated by the distribution company with energy credits for each day the wrongful connection lasts. Reconnection of electricity supply should be done by distribution companies where rectifications have been made to defaulting actions of customers.

## **Meter Reading, Billing, Cash Collections and Credit Management for Electricity Services**

The Regulations provides that every distribution company shall have authorized agents to obtain actual reading of meters within its area of operations every month, but not later than once in every three months, if not, the company is to leave a note in the premises of the customer explaining its inability to read the meter. In exceptional circumstances where an estimation is made of a customer's electricity consumption, the estimate should reflect the expected usage based on prior consumption over the three preceding months, and an artificial inflation is prohibited.

When vacating a particular premises, a customer is expected to request for a final meter reading by the distribution company to calculate final electricity usage, although the means of undertaking same is not provided. The customer who consumed the electricity on the premises shall remain liable for the debt and it is the responsibility of the distribution company to recover the debt. Transference of debt to a new



customer that occupies the premises is prohibited under the Regulations. Every distribution company is authorized to issue bills for electricity consumed at regular intervals and should not issue more than one routine bill during the same billing period except to amend an earlier incorrect bill. Electricity bills should be in a format easily understood by customers.

A customer can however request for the electricity bill to be reviewed by the distribution company. Where the distribution company has overcharged, it is to advise the customer in writing and within 5 working days, repay the amount by crediting the exact amount overcharged to the customer's next bill. Where the distribution company undercharges, it shall recover the amount undercharged, after notifying the customer in writing of such error.

## **Customer Complaint Handling Standards and Procedures**

A distribution company is required to establish customer complaint units (CCU) across its operational area to ensure ease of access to all customers. The CCUs are headed by senior officers of

the distribution company. Complaints can be lodged through phone call, SMS, email or any other medium established by the distribution company. Such complaints are to be resolved no later than 15 days, except where it concerns meter accuracy and reconciliation of bills, in which case it shall be resolved within a billing cycle of one month.

Where a complaint is not resolved within the first 15 days, the distribution company shall notify the customer in writing with reasons and request for no more than another 15 days to resolve same, except the resolution takes a longer period by nature, like construction work. Any customer dissatisfied with the outcome of the handling of his complaints by the CCU can refer such complaints to the Commission's forum office at the expiration of the approved 30 days.

The Commission, NERC, is to establish a forum office across the country within the area of operation of distribution companies, which shall consist of 5 part time members, reputable persons resident in the operational area of the distribution company.

Complaints to the forum office shall be in writing or via email, and an acknowledgment sent to the customer





within 3 days of its receipt. The forum may refuse to hear any complaint that is vexatious or lacks merit. Such a customer can subsequently appeal to the Commission. If the forum hears a complaint, it can reach a decision to refund the complainant, remove defects in the subject of the complaints, address the root cause of hardship, or withdraw any hazardous electrical services being offered.

Distribution companies are enjoined by the Regulations to embark on enlightenment campaigns on the existence of the CCUs and Forum office to customers resident in its operational area.

## Customer Service Standards

Section 54 of the Regulation prescribes that where a customer notifies the distribution company during working hours that electricity supply to his premises has gone off, the customer's premises shall be visited within 24 hours to determine the cause of the problem by the distribution company. The Regulations further prescribe the standards to be followed by the distribution company in the event of different faults

communicated by the customer. The distribution company will only be excused from such service standards, where the customer fails to notify the distribution company, the outage was caused by the customer's electrical installation, or the nature of the fault makes it impracticable for the distribution company to restore the supply within such period.

Every distribution company is required to submit to the Commission on a monthly basis, a summary of its performance against each of the customer service standards of service in the regulation, and the Commission shall publish on a regular basis the performance of all distribution companies in relation to compliance with customer service standards.

Distribution companies are therefore enjoined to bring to the notice of all its customers by public notice the existence and details of all customer service standards, and also publish same on its website and printed copies available for free to its customers.



# KEY STAKEHOLDERS

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# KEY STAKEHOLDERS

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## **Nigerian Electricity Regulatory Commission (NERC):**

The Commission is to establish a forum office across the country within the area of operation of distribution companies, which shall consist of 5 part time members, reputable persons resident in the operational area of the distribution company.

## **Electricity Distribution Companies (DisCos):**

A distribution company is required to establish customer complaint units (CCU) across its operational area to ensure ease of access to all customers. The CCUs are headed by senior officers of the distribution company. Where it is discovered that the distribution company has not complied with the Commission's approved methodology for billing unmetered customers, the distribution company shall refund excess charges to the customer at the next billing cycle.

The background of the slide features a dark, monochromatic image of a high-voltage power transmission tower and its associated power lines, stretching across the frame.

# **PRICING AND TARIFFS**

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# PRICING AND TARIFFS



The Regulations provide that every distribution company shall have authorized agents to obtain actual reading of meters within its area of operations every month but not later than once in every three months, if not, the company is to leave a note in the premises of the customer explaining its inability to read the meter. In exceptional circumstances where an estimation is made of a customer's electricity consumption, the estimate should reflect the expected usage based on prior consumption over the three preceding months, and an artificial inflation is prohibited. Methodology for estimation by the distribution company must be as approved by the Commission.

# INCENTIVES AND INVESTMENT OPPORTUNITIES

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# INCENTIVES AND INVESTMENT OPPORTUNITIES

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The Regulations provide that customers in use of life support machines are allowed to enter an acceptable arrangement with the distribution company for settlement of bills, and such electricity supply is not to be disconnected by the distribution company.

The Regulations also provide in Section 26 that any customer disconnected in contravention of the Regulations should be compensated by the distribution company with energy credits for each day the wrongful connection lasts.

One notable incentive of the Regulations is the provision in Section 41 for customers having difficulty in fully paying an electricity bill by the due date. Such customer is expected to contact the distribution company in respect of his inability to pay. The distribution company is to subsequently determine the customer's capacity to pay and offer the customer a payment arrangement. In calculating the amount of payment under the arrangement, the distribution company is not to inflate the value of payment above the normal amount the customer is expected to pay.

Overall, the Regulations provide a more robust customer protection framework for end-use customers that have contracted for the receipt of electricity supply from distribution licensees, thus incentivizing distribution companies to put in place effective customer protection strategies and measures in line with the Regulations; such as where the reconnection of electricity supply is required after a customer has paid all defaulting bills and charges, such reconnection should be made within 24 hours of the request for reconnection..



# **SANCTIONS AND PENALTIES**

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# SANCTIONS AND PENALTIES

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The Regulations state that any customer disconnected in contravention of the regulations should be compensated by the distribution company with energy credits for each day the wrongful connection lasts.

Also, when vacating a particular premises, a customer is expected to request for a final meter reading by the distribution company to calculate final electricity usage, although the means of undertaking same is not provided. Such notification should prompt the distribution company to schedule an appointment with the customer for the meter reading. If the distribution company fails to keep the appointment due to the fault of the customer, it will disconnect electricity supply to such premises and assess a final bill on the customer, if however, the appointment scheduled does not occur due to the distribution company's fault, the customer will only be liable for the electricity usage up to the date scheduled, to vacate the premises.

Where the distribution company undercharges a consumer, it shall recover the amount undercharged, after notifying the customer in writing of such error.

Where it is discovered that the distribution company has not complied with the Commission's approved methodology for billing unmetered customers, the distribution company shall refund excess charges to the customer at the next billing cycle.

# DISCLAIMER

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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)



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