

# REVIEW OF THE NERC CUSTOMER PROTECTION REGULATIONS, 2023



1 Regulation 9(1)

2 Regulation 10(1)

3 Regulation 10(2)

4 Regulation 12(2)

5 Regulation 13(1)

6 Regulation 13(2)

7 Maximum Demand Customer is defined in the Regulation as "grid connected customers that use their premises for purposes other than exclusively as a residence and such customers so defined as Maximum Demand Customers according to industry usage by Distribution Companies.

8 Regulation 14(1)

9 Regulation 15

10 Regulation 16(1)

11 Regulation 18(1)

## PROEM

As part of its mandate to ensure the protection of end-use customers in the Nigerian Electricity Supply Industry ("NESI"), the Nigerian Electricity Regulatory Commission ("NERC" or the "Commission"), pursuant to its powers under section 80 of the Electric Power Sector Reform Act, 2005, recently released the Customer Protection Regulation, 2023 (the "Regulation") which abrogates the existing regulations on consumer protection in NESI and specifies the new minimum standards of service delivery.

## SCOPE OF THE REGULATION

The Regulation applies to all licensees and holders of mini-grid permits that have been issued licences/permits to distribute or supply electricity to end-use customers, including end-users that have entered into contracts with the distribution licensees for the supply of electricity. Essentially, it covers the procedure for connection and disconnection of electricity services; meter reading, billing, cash collection and credit management for electricity services, customer complaints handling standards and procedures, and customer service standards. The key features of each aspect of the Regulation are discussed below.

### Procedure for Connection and Disconnection of Electricity Services

The Regulation sets out in detail, the manner for electricity connection to a customer's premises, the process involved and the connection options available to customers. The Regulation provides that electricity connection to the premises of a customer shall either be done in the form of overhead or underground networks.<sup>1</sup> Generally, the connection options to be offered to customers are; single phase overhead network, three-phase overhead network, single-phase underground network, three-phase, underground network, extra service (where the customer's location is further than the nearest available supply), 11kV link-up high-tension supply and 33kV link-up high tension supply.<sup>2</sup> For other connections besides the aforementioned options, the Distribution Company (the "DisCo") is required to obtain the approval of the Commission in the manner prescribed in the Regulation.<sup>3</sup>

Whilst customers would be required to provide the connection materials that comply with the standards approved by the DisCo to ensure connection to its premises,

the DisCo is charged with the responsibility of providing the connection from the available supply to the customer's metering point.<sup>4</sup> Once the customer has provided the materials in the manner required, the DisCo is expected to ensure the connection of supply to the customer's premises within forty-eight (48) hours.<sup>5</sup> The DisCo is also required to provide the meter and meter accessories, upon connection, for proper accounting or billing of the customer's energy consumption.<sup>6</sup>

In relation to the above, a point worthy of note is that the specific timeline for the provision of the meter is not provided in the Regulation. Considering that several customers are currently unmetered, it is not clear how DisCos would ensure that meters are provided upon connection. Also, whilst the timeline for connection after the provision of the required materials by the customer is forty-eight (48) hours, the Regulation has not provided any sanction or tailored remedies to the customer where DisCos does not ensure connection to its premises within the stipulated timeline.

The Regulation recognizes a class of customers referred to as Maximum Demand Customers.<sup>7</sup> It is expressly provided that the DisCos shall bear the cost of any fee for inspection, testing and commissioning of electricity supply to the premises of these customers.<sup>8</sup> However, it is not clear whether the other customers would be billed for such services by the DisCo.

Furthermore, the DisCos are required to file their Connection Manuals (the "Manual") with the Commission, for approval. The Manual would guide the installation inspectors and set out the procedures for undertaking the different connection designs recognized under the Regulation.<sup>9</sup> For connection of customers with existing electricity supply, such customers shall apply to the DisCo and follow the requirements set out in the Regulation.<sup>10</sup> Similarly, where the customer's premises has no existing connection to the distribution system, an application would be made to the DisCo in the manner prescribed by the DisCo and in accordance with the provisions of the Regulation.<sup>11</sup>

It must be noted that whilst the Regulation allows the DisCo to disconnect a customer when the customer fails to pay the amount billed by the due date, the DisCos must fulfill certain conditions before exercising such rights.



12 Regulation 20(2)

13 Regulation 22

14 Regulation 24 and 27

15 Regulation 28(1)

16 Regulation 28(3). It is observed that the Regulation has provided strict obligations on the DisCo without proper mechanism to ensure compliance or clarity on the nature of the remedy that would be available to the customer in the event a breach of the obligation by the DisCo.

17 Regulation 29(1)

18 Regulation 29(5)

19 Regulation 29(3)

20 Regulation 31(2) and 34(1)

21 Regulation 29(6) and 29(7)

22 Regulation 31(3)

23 Regulation 37(3)

24 Regulation 38(1)

25 Regulation 43(1)

26 Regulation 43(5)

27 Regulation 43(7)

28 Regulation 43(8)

29 Regulation 43(9)

30 Regulation 44(1)

31 Regulation 49

32 Regulation 50(2)

33 Regulation 50(3)

34 Regulation 47(1)

35 Regulation 54(1)

These conditions include :<sup>12</sup>

- The payment date must be stated on the bill;
- The payment date must be at least ten (10) days from the date of the delivery of the bill to the customer;
- The period between the payment date and the date of scheduled disconnection for non-payment is not less than two (2) working days after the payment date; and
- The DisCo must verify from its records that payment has not been made by the customer.

Notwithstanding the above, the Regulation allows the DisCo to disconnect the customer's electricity supply without notice on the following limited grounds:

- Where the customer is connected to the DisCo's network in an unauthorized manner;
- The customer's connection is considered to be dangerous to the integrity of the network and/or affects the quality of supply to other customers; and
- Where the DisCo is not granted access to read a meter that is located within the customer's premises.

Other important points contained under this segment of the Regulation includes the option for the DisCo to refuse the application or request for supply of electricity where the customer refuses to provide an acceptable means of identification or refuses to pay the security deposit requested by the DisCo,<sup>13</sup> and obligation of the DisCo to provide the reason for disconnection to the customer and to ensure reconnection, when the customer complies with the terms stipulated in the Regulation.<sup>14</sup>

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

Chapter III of the Regulation, which deals with general billing and credit management provides the following highlights for customers and DisCos to note:

(i) DisCos are required to obtain, through their authorized representatives, actual readings of meters within their areas of operation, every month but not later than once every three (3) months;<sup>15</sup>

(ii) Where DisCos estimates the customer's electricity consumption, it shall ensure that the estimate accurately reflects the customer's usage for the period based on a prior consumption over the preceding (3) months and same would not be inflated artificially.<sup>16</sup>

(iii) A customer is required to request a final reading of his meter at the time the customer is vacating the premises. This final reading would be used in calculating his final electricity usage on the premises.<sup>17</sup> Similarly, a new occupant is required to contact the DisCo on their first day of moving into the premises. The DisCo shall then make arrangements to reconnect the supply to the premises.<sup>18</sup>

(iv) The DisCos are not allowed under any circumstance to transfer electricity bill debts to a new customer that occupies a premise. The customer that consumed the electricity on the premises shall remain liable for the debt and it is the responsibility of the DisCo to recover debt from such customer.<sup>19</sup>

(v) DisCos are not allowed to issue more than one (1) routine bill to any customer during the same billing period unless under special circumstances where the DisCo may issue a supplementary bill during the billing period.<sup>20</sup>

(vi) The only recognized customer of a DisCo for billing and bill settlement shall be the registered owner of the property or any person authorized by the registered owner to use and settle electricity bills on the premises. Also, there should be a clear distinction between the registered owner and the customer of electricity for the purpose of billing and settlement.<sup>21</sup>

(vii) The electricity bill should be in a format that is easily understood by the customers and should contain all the required information.<sup>22</sup>

(viii) Where payment is made by the customers to the DisCo, the DisCo is required to issue a receipt for the full value of the payment which would contain the customer's name, supply address for which payment is made, the account number of the supply address, the full amount paid and any other information that the DisCo may deem necessary.<sup>23</sup>

(ix) Also, DisCos are required to prepare a credit management policy on its approach to credit management.<sup>24</sup>

### Customer Complaint Handling Standards and Procedures

Discos are required to establish a Customer Complaints Units ("CCU") which would be headed by a senior officer of the DisCo to receive and resolve customer complaints.<sup>25</sup> The written complaint procedures are required to be filed with the Commission for approval. Customers may lodge complaints through phone calls, SMS, emails or any other medium established by the DisCo for receipt of customer complaints including call centers and social media platforms. The medium/channels for receipt and resolution of customer complaints shall be widely published as well.<sup>26</sup>

The complaints are required to be resolved not later than fifteen (15) days of receipt by the CCU except in cases where the complaints relate to meter accuracy and reconciliation of bills where the complaints shall be resolved within a billing cycle of one (1) month.<sup>27</sup> An additional fifteen (15) days would be granted if the complaint is not resolved within that timeframe.<sup>28</sup>

Also, the customer has the option of referring the complaint to the Commission's Forum Office at the end of the maximum allowable period of thirty (30) days.<sup>29</sup> A Forum Office is required to be established by the Commission within the area of operation of the DisCo for the resolution of customer complaints.<sup>30</sup> Upon receipt of the complaint at the Forum Office, the Regulation provides details on the procedures leading to the resolution of the relevant issues.<sup>31</sup> Generally, the complaints are expected to be heard expeditiously and a decision reached within a maximum period of two (2) months from the date of receipt of a complaint by the Forum.<sup>32</sup> However, adjournment can be made as necessary.<sup>33</sup> Also, DisCos are required to enlighten the customers through campaigns on the existence of the Forum Office.<sup>34</sup>

### Customer Service Standard

Where a DisCo is notified by a customer during working hours that the electricity supply to his premises has gone off, an authorized officer from the DisCo shall visit the premises within twenty-four (24) hours of being notified by the customer to determine the cause of the problem.<sup>35</sup> Depending on the nature of the fault, such fault is required to be resolved within the corresponding timeline provided in the Regulation. The Regulation further provides for grounds exempting DisCos from the responsibility of rectifying the error.



- 36 Regulation 54(2)
- 37 Regulation 559(1)
- 38 Regulation 65(1)
- 39 Regulation 65(3)

These grounds include failure of the customer to notify the DisCo, where the outage was caused by the customer's electrical installation and where the DisCo cannot practically resolve the issue within the stipulated timeline in the Regulation.<sup>36</sup>

For new requests by customers for new or additional connections, the DisCo is required to ensure that such installation of the meter and connection of power to the customer's premises within ten (10) working days of receiving the request where the DisCo has inspected and approved the electrical installation and the DisCo has agreed to connect the customer to its network.<sup>37</sup>

Other obligations imposed on the DisCo under this chapter include monitoring its performance against the Customer Service Standards contained in the Regulation,<sup>38</sup> submission of its performance document to the Commission every month and filing of monthly reports in the format provided in the Regulation with the Commission within ten (10) working days of the end of each calendar month.<sup>39</sup>

**CONCLUDING REMARKS**

The Regulation essentially repeals the NERC Customer Complaints Handling Standard and Procedures; NERC Meter Reading, Billing, Cash Collections and Credit Management for Electricity Supply Regulations; NERC Connection and Disconnection Procedures for Electricity Services; NERC Customer Service Standards of Performance for Distribution Companies; and NERC Methodology for the Determination of Connection Charges for Electricity Supply Regulations.

Whilst the abrogation of the above set of regulations and consolidation of their provisions in the Regulation is an efficient process to review, amend and update issues on customers' rights, it appears that some stones have still been left unturned. For instance, issues around connection or disconnection and their associated cost implications were not clearly provided for in the Regulation.

Furthermore, the Regulation provides that the DisCos shall provide meters to customers upon connection, without stating the specific timeline. Additionally, there are other lapses in relation to effective remedies. Although the timeline for handling complaints is fifteen (15) days (with a thirty (30) day maximum timeline), there is no clarity to determine the implications of a situation where the DisCo does not resolve the dispute at that time. Nonetheless, the Regulation is a good effort to ensure that DisCos continue to abide by the set standards and customers are assured of their rights on electricity matters in the NESI.

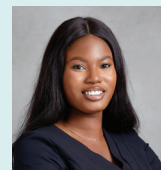
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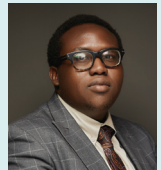
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