



ENUGU STATE ELECTRICITY REGULATORY COMMISSION

ORDER NO. EERC/2026/001

ORDER ON THE CAPPING OF ESTIMATED BILLS FOR MAINPOWER ELECTRICITY DISTRIBUTION LIMITED

Title

1. This regulatory instrument may be cited as the **Order on the Capping of Estimated Bills for MainPower Electricity Distribution Limited**.

Commencement

2. This Order:
 - a. shall take effect from 1st June 2026 and shall cease to have effect on the issuance of a new order on the same subject by the Commission.
 - b. repeals and replaces Order No. EERC/2025/004 (**Order on the Capping of Estimated Bills to Unmetered Customers of MainPower Electricity Distribution Limited**) that was issued by the Commission on 22nd August 2025.

Context

3. The Commission is mandated under section 11(a) of the Enugu State Electricity Law 2023 (“the Law”) to “*provide a stable legal, commercial and technical regulatory framework for the provision of electricity to residents of the State by market participants licensed to operate in the Enugu State Electricity Market for the benefit of residents of the State*”
4. One of the major challenges that have undermined the financial viability of the Nigerian electricity supply industry (NESI) is the low level of customer metering by the distribution companies (DisCos), which are the cash collectors of the electricity value chain. The consequent resort to estimated billing has been a recurring source of discontent by the vast majority of the affected customers.

5. The customer metering situation in Enugu State on 22nd October 2024 when the Nigerian Electricity Regulatory Commission (NERC) finally transferred regulatory oversight of the electricity market in the State to the Commission was not quite different from the rest of the country, with about 40% of MainPower’s customers being unmetered.
6. To ensure that there was no vacuum, the Commission, on assumption of regulatory oversight in Enugu State, by its Order No. EERC/IDL/2024/01 dated 22nd October 2024 (**Interim Licence Order to MainPower Electricity Distribution Limited**), adopted the order on estimated billing that was issued to Enugu Electricity Distribution Plc (EEDC) by NERC that was applicable as at 22nd October 2024, pending the time when a state-specific order of the Commission would be issued to MainPower on the subject. Accordingly, the Commission requested MainPower to submit its proposal on an estimated billing methodology that will be anchored on simplicity, transparency and fairness to both the customers and the utility.
7. While waiting for MainPower’s submission, and further to its Order No. EERC/2025/001 dated 22nd April 2025 (**Order on the Extension of the Duration of the Interim Licence Granted to MainPower Electricity Distribution Limited**), the Commission, among others, revised its authorization to MainPower on estimated billing by adopting NERC’s order to EEDC on the subject as at April 2025.
8. While still waiting for MainPower’s submission, the Commission, by its Order No. EERC/2025/004 (**Order on the Capping of Estimated Bills to Unmetered Customers of MainPower Electricity Distribution Limited**), again revised its authorization to MainPower on estimated billing by adopting NERC’s order to EEDC on the subject as at August 2025.
9. At all material times, the Commission never intended that estimated billing should take the place of customer metering, which is a primary responsibility of the utility. Rather, estimated billing is meant to be a temporary stop-gap solution only. Accordingly:
 - a. Condition 40(2) of MainPower’s Licence Terms and Conditions provides that *“electricity supply to a customer shall be effected with an operational meter first being installed.”*
 - b. Condition 40(6) of the Licence Terms and Conditions provides that *“the Licensee shall be responsible for installing electrical energy meters at its own expense and shall be the owner of all installed metering equipment.”*

10. The above referenced provisions of MainPower's Licence Terms and Conditions notwithstanding, the reality is that estimated billing of non-maximum demand (Non-MD) customers is still with us, and it is necessary that regulatory measures are taken to protect vulnerable customers, and also the utility from the wasteful practices of some customers who are billed on estimation.

Determination of Estimated Billing Caps

11. In 2020, NERC introduced the system of capped estimated billing of customers in the NESI. This system limits the maximum number of energy units that can be billed to unmetered customers based on a number of variables. It is this system that the Commission approved for MainPower on its assumption of regulatory authority over the sector in Enugu State.
12. Effective engagement between the Commission and MainPower on the estimated billing caps methodology commenced in September 2025, when MainPower submitted their first proposal to the Commission. Upon review, the Commission raised some concerns, including the following:
 - a. The proposed methodology involved using metered consumption at both the feeder and the transformer levels based on MainPower's defunct tariff design that grouped customers in such classes as residential, commercial, industrial, etc, and which differs significantly from the feeder-band tariff structure MainPower adopted and currently operates.
 - b. Estimation at transformer level is not feasible in view of the fact that MainPower has not achieved complete transformer metering.
 - c. The incorporation of blockchain which, according to MainPower, could take about two years to design and implement, to which the Commission considered as expensive, complex, and time-consuming.
13. Further to the Commission's concerns, in November 2025, MainPower submitted a second proposal to the Commission. Upon review, the Commission raised the following concerns, among others:
 - a. MainPower wrongly applied the 25% Distribution Loss approved by the Commission for MainPower, which applies in tariff determination, and not for estimated billing.

- b. The remaining energy after the deduction of metered customers' consumption was fully allocated to unmetered customers. The Commission considered it unreasonable to assume that such remaining balance was consumed only by unmetered customers.
 - c. The estimation caps approved for MainPower in August 2025 were used as the weighting reference and not based on the per capita energy consumption of metered consumption on the same feeder.
- 14. Subsequently, the Commission developed an estimation methodology which it shared with MainPower for comment or other relevant feedback. In its response MainPower requested a "correction factor" in the range of 1.8 to 2.0 to account for observable differences in the consumption behaviours of metered and unmetered customers.
- 15. The Commission carefully considered this request and decided as follows:
 - a. Difference in consumption behaviour of metered and unmetered electricity customers is supported by empirical evidence from energy economics and demand-side management studies.
 - b. Request for a correction factor in the range of 1.8 to 2.0 is extreme and unreasonable in the circumstances.
 - c. Benchmarks from some African jurisdictions show reduction in consumption by customers of between 12% and 14% immediately after meter installation, largely due to "self-control" and the elimination of wasteful habits. Consequently, by this Order, the Commission approves a 15% correction factor.

THE COMMISSION THEREFORE HEREBY ORDERS as follows –

- (1) The approved methodology under this Order shall estimate an unmetered customer's energy usage based on the average consumption of a comparable metered customer on the same feeder, applying statistical techniques to ensure reliable averages.
- (2) The energy caps of unmetered end-use non-maximum demand ("Non-MD") customers of MainPower shall be computed as follows:
 - a. Cleaning of collated consumption data of prepaid and postpaid Non-MD metered customers.

- b. Since the energy data is naturally skewed, the Tukey's IQR technique is applied to detect and remove outliers in order to improve the data.
- c. According to Tukey's rule, any value below $Q1 - 1.5 \times IQR$, Or above $Q3 + 1.5 \times IQR$ are classified as outliers.
- d. Computation of the average energy consumption of metered customers for each feeder. This average, inclusive of the 15% correction factor, becomes the energy cap for that feeder.

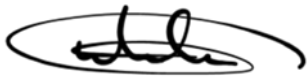
(3) **The Commission further orders as follows**

- a. The energy caps prescribed by the Commission further to this Order shall only apply to Non-MD customers.
- b. No unmetered Non-MD customer of MainPower shall be billed for the energy consumption beyond the cap as may be stipulated by the Commission further to this Order from time to time.
- c. Pursuant to the provisions of Regulations 10 and 11 of Customer Service Standards and Protection Regulations 2024, no new connection shall be billed on estimation.
- d. Any customer that rejects the installation of a meter on their premises by MainPower shall not be entitled to supply and **shall be disconnected forthwith** and shall only be reconnected to the network after a meter has been installed.
- e. MainPower shall submit to the Commission, not later than the 10th day of each month, the data listed below from the previous month for the purpose of the Commission's computation of the estimated energy caps of all unmetered customers for the current month's billing :
 - (i) Prepaid Non-MD customers' vending data; and
 - (ii) Postpaid Non-MD customers' consumption data

Amendment

16. The Commission may amend this Order by making supplementary or further orders to address the subject matter.

Dated this **25th** day of May 2026.



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Chijioke M. Okonkwo
Chairman/ CEO



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Reuben C. Okoye
Commissioner, Market Operations