

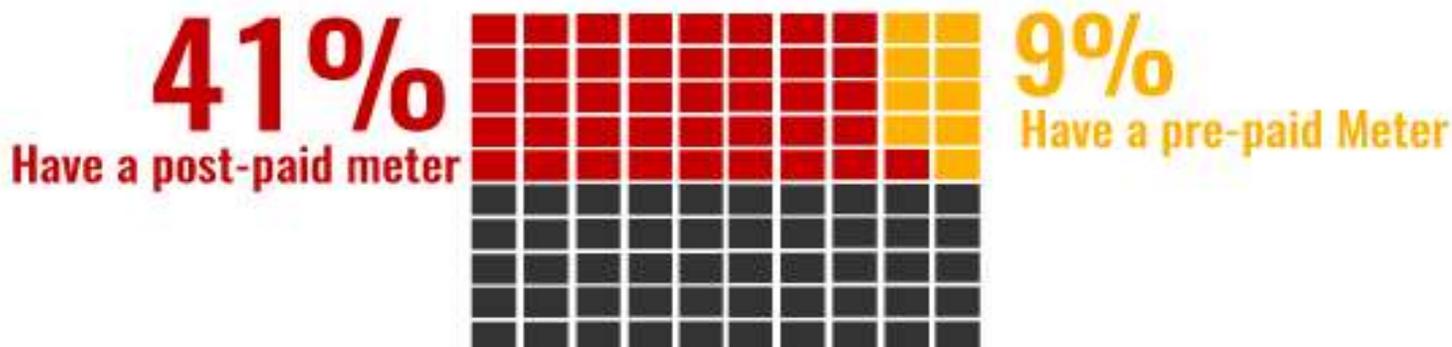


# ELECTRICITY METERING

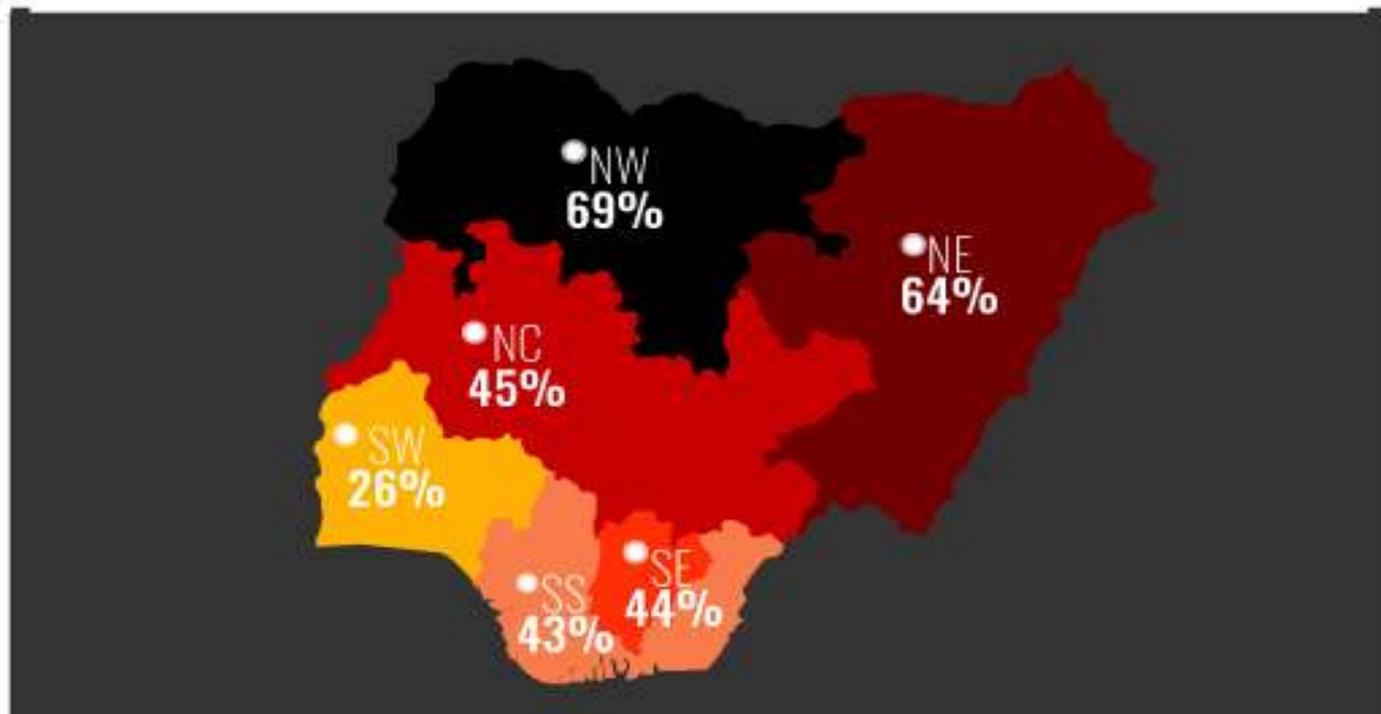
## SURVEY RESULT



WHICH OF THE FOLLOWING APPLIES TO YOUR HOUSEHOLD IN TERMS OF METERING?



**50%**  
Do not have a Meter



Source: NOIPolls - May 2017

NOIPolls is the No.1 for credible country-specific polling service in the west African region. This poll was conducted by NOIPolls Limited, for more detailed information on the poll and methodology used, please visit [www.noi-polls.com](http://www.noi-polls.com)

## ELECTRICITY METERING SURVEY RESULT

### Most Nigerians Pay Estimated Bills for Power Consumption

**Abuja, Nigeria. May 7<sup>th</sup>, 2019** – The lower chamber of the National Assembly commenced a process to prohibit the issuance of estimated bills to consumers by electricity Distribution Companies (DisCos). The passage of the Bill, which scaled third reading on the floor of the Green Chamber, would ensure that electricity consumers must be provided with a prepaid meter, hence ending the estimated billing system and the system of paying for power not consumed. In line with the above, NOIPolls presents excerpts from the results and findings of its National Survey on pre-paid meter ownership in Nigeria which was conducted in 2017. The survey revealed that ownership of fixed pre-paid metering is limited to only 9 percent of the population as the time this survey was conducted. According to the 2018 fourth quarter power report released by the National Bureau of Statistics (NBS); the report disclosed that the total number of electricity consumers with prepaid meters supplied by the 11 distribution companies (DisCos) in the country are 1,669,675.<sup>1</sup>

More findings from the 2017 National Survey indicated that the rest of the population is divided among 41 percent who use post-paid meters and 50 percent who do not have a meter, but simply pay fixed amounts of money for electricity. Being the most efficient way to distribute electricity, usage of pre-paid meters is highest in the South-East zone (13 percent) and lowest in the North-Central and North-West (7 percent apiece). Electric power usage in most cases is charged to non-urban users based on estimates that do not account for periods of power failure that are often prolonged. As expected, urban residents are twice as likely as rural residents to have pre-paid meters.

The bill seeks to amend the principal Act by creating new sections 68 to 72, which states that (Section 68 - (1)) estimated billing methodology is hereby prohibited in Nigeria. In subsection (2), it provides that “Every electricity consumer in Nigeria shall apply to the Electricity Distribution Company carrying out business within his jurisdiction for a pre-paid meter and such consumer shall pay the regulated fee for pre-paid meter to be installed in his premises and the Electricity Distribution Company shall within 30 days of receiving the application and payment install the pre-paid meter applied for in the premises of the consumer.”<sup>2</sup>

The Nigerian Electricity Regulatory Commission (NERC) as at March 1<sup>st</sup> 2017, informed electricity consumers (Maximum Demand (MD) customers only not residential) without prepared meters to stop paying electric bills presented by Distribution Companies (DisCos) on the basis of estimated billing methodology.<sup>3</sup> It is equally necessary for NERC to set a deadline for DISCOs to provide prepaid meter billing system for residential customers, especially the 50 percent of Nigerians who do not have a meter as shown in chart below, but simply pay incommensurate amounts of money for electricity.

<sup>1</sup> <https://www.thecable.ng/discos-supply-79850-meters-in-2018-not-enough-for-4-6m-households-in-need-of-one>

<sup>2</sup> <https://www.thisdaylive.com/index.php/2018/04/06/bill-to-criminalise-estimated-billing-system-by-discos-introduced-in-house/>

<sup>3</sup> <https://www.vanguardngr.com/2017/06/dont-pay-electricity-bills-youre-not-metered-fg/>

**Which of the following applies to your household in terms of metering?  
(Disaggregated by Gender and Age-Group)**

Response	Nationwide	Gender		Age Group		
		Male	Female	18-35	36-60	61+
<i>Do not have a meter (Fixed payment)</i>	50%	50%	48%	49%	49%	31%
<i>Have a post-paid meter (Use electricity before pay)</i>	41%	41%	42%	41%	42%	58%
<i>Have a pre-paid meter (Buying credits to load meter)</i>	9%	9%	10%	10%	9%	11%

**(Disaggregated by Geo-Political Zone and Urbanization)**

Response	Nationwide	Geo-Political Zone						Urbanization	
		North Central	North East	North West	South East	South South	South West	Urban	Rural
<i>Do not have a meter (Fixed payment)</i>	50%	45%	64%	69%	44%	43%	26%	45%	55%
<i>Have a post-paid meter (Use electricity before pay)</i>	41%	48%	28%	24%	43%	45%	63%	43%	39%
<i>Have a pre-paid meter (Buying credits to load meter)</i>	9%	7%	8%	7%	13%	12%	11%	12%	6%

In conclusion, the survey has shown that access to prepaid electricity metering in Nigeria is too low, therefore further reforms of the electricity sector are imminent. It is essential to further improve accountability in the sector by subsidization of prepaid meters to enable low-income households acquire and use them as 50 percent of the population pay for electricity supply by estimated billing system which does not account for periods of power failure that are often prolonged.

In a bid to eliminate the estimated billing practices in the Nigerian Electricity Supply Industry (NESI), it imperative for the management of all electricity distribution companies (DisCos) and other stakeholders to attract private investment into the metering service industry. This will help close the metering gap through accelerated meter roll out and enhance revenue assurance for the NESI. The 2018 Meter Asset Provider Regulations issued by NERC will relieve the DisCos of the burden of providing metering services and enable them to give more focus on their core responsibility of power distribution. Also, Nigerian-owned meter manufacturing companies and meter assembling plants can expect to have greater participation in the metering industry as MAPs are required to obtain at least 30 percent of their meters from local sources. Finally, this will lead to additional foreign direct investment into the country, while also ensuring transfer of technology to Nigeria.

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