



## CLIENT ALERT

**NERC AMENDS ORDER ON  
UNAUTHORISED ACCESS,  
METER TAMPERING, AND BYPASS –  
IMPLICATIONS FOR CUSTOMERS  
AND DISCOS**



The Nigerian Electricity Regulatory Commission (“NERC”) has issued an Amended Order on Unauthorised Access, Meter Tampering, and Bypass (“Order”), which took effect on January 22, 2025. This Order replaces and updates the previous regulation with the aim of strengthening enforcement mechanisms against electricity theft.

### KEY AMENDMENTS AND IMPLICATIONS:

#### 1. Stricter Administrative Charges for Tampering and Bypass

Customers found guilty of unauthorised access to electricity via meter tampering or bypass will be required to pay substantial administrative charges in addition to reconnection costs and back-billing for unaccounted electricity consumption. The revised charges are outlined below:

<b>Non-Maximum Demand (Non-MD) Customers:</b>	Single-phase residential: NGN100,000 (first offence), NGN150,000 (subsequent offences)
	Three-phase residential: NGN200,000 (first offence), NGN300,000 (subsequent offences)

<b>Maximum Demand (MD) Customers:</b>	First offence: 450% of the last authorised recorded monthly consumption
	Subsequent offences: 600% of the last authorised recorded monthly consumption

Non-MD Customers:	NGN10,000
MD Customers:	NGN50,000

These penalties aim to deter illegal activities and promote compliance with electricity regulations.

#### 2. Reconnection Costs and Delayed Reconnection Compensation

Customers found to have engaged in unauthorised access must also pay reconnection fees before being reinstated on the electricity network:

In cases where reconnection is delayed beyond 48 hours after payment, DisCos will be required to compensate customers by issuing energy credits equivalent to their daily consumption for each day of delay.

#### 3. Back-Billing for Lost Revenue

In addition to administrative and reconnection charges, customers found to have engaged in unauthorised access will be back-billed for the full period of unauthorised consumption at the prevailing tariff. This measure ensures that distribution companies recover lost revenue due to electricity theft.

### IMPLICATIONS FOR CUSTOMERS AND DISTRIBUTION COMPANIES

#### For Customers:

- I. Increased Financial Burden: Customers engaging in unauthorised access now face significantly higher penalties, with

administrative charges, back-billing, and reconnection costs collectively amounting to substantial financial consequences.

- II. Service Disruptions: Offenders risk prolonged service interruptions as reconnection is contingent upon full payment of all applicable fees and charges.
- III. Stronger Enforcement and Monitoring: NERC's stricter compliance measures mean customers are more likely to be caught and penalized. The use of smart meters, periodic audits, and technology-driven monitoring systems will enhance detection and enforcement.
- IV. Delayed Reconnection Protections: While penalties have increased, customers are now entitled to compensation if DisCos fail to reconnect them within 48 hours after payment.

#### **For DisCos:**

- I. Enhanced Revenue Protection: The new back-billing provisions allow DisCos to recover lost revenue from unauthorised consumption, reducing financial leakages.
- II. Clearer Enforcement Mechanism: DisCos now have a well-defined regulatory framework to penalize violators without ambiguity, ensuring consistent enforcement across the sector.
- III. Liability for Reconnection Delays: While DisCos benefit from stronger anti-theft measures, they must also compensate customers for unjustifiable delays in reconnection, creating pressure to improve operational efficiency.

## **CONCLUSION**

The amended Order represents a firm stance by NERC to curb electricity theft and unauthorised access, fostering a more transparent and efficient electricity market. Customers and stakeholders are advised to review their compliance status and engage with regulatory authorities or their DisCos for any clarifications.

For further information or legal advisory on compliance with this Order, please contact us.