

ARTICLE

EXAMINATION OF THE CHALLENGES TO ELECTRICITY CONSUMERS PROTECTION IN NIGERIA

Alfred M. Tijah*

Abstract

Public electricity supply in Nigeria has persistently demonstrated grave disregard for consumers welfare. This problem was largely attributed to the absence of statutory protection. For over a century after electricity generation began in Nigeria in 1896, there were no statutory protection of any significance for electricity consumers. To address this challenge, the Federal Government of Nigeria enacted the Electric Power Sector Reform Act, 2005 which introduced a regime of consumers protection in the electric power sector. This framework was further strengthened with the enactment of Federal Competition and Consumer Protection Act, 2018 and several regulations made pursuant to these laws. Despite the legal framework, electricity consumers in the country continue to suffer inordinate hike in electricity tariff, outrageous estimated billing, unscheduled power outages and illegal disconnection. It is on this backdrop that this paper employs empirical research methodology and critically examined the underlying causes of persistent consumer exploitation despite the statutory safeguards. through this examination, the paper found that the legal framework although reasonably adequate however the lack of enforcement exacerbated by lack of knowledge of electricity consumers rights are major setback to electricity consumer protection. The paper recommended the amendment of the Electricity Act, 2023 to explicitly provide for consumer rights; the regulatory institutions should step up enforcement of the laws, enhance consumer education and awareness as well as facilitate consumers participation in regulation to build and reinforce consumers capability to advocate for consumer interests.

Keywords: Consumer Awareness, Consumer Protection, Electricity, Estimated Billing System, Metering,

*PhD; Lecturer, Department of Public Law, Faculty of Law, Benue State University Makurdi; atijah@bsum.edu.ng; 07039161957.

1.0 Introduction

Electricity was first generated in Nigeria in 1896.¹ Historically however, the challenges to electricity consumer protection in the country became heightened when the National Electric Power Authority (NEPA) became seized with authority over the electric power sector through the enactment of the National Electric Power Authority Decree 1972.² This law established NEPA as a regulatory and utility company, and vested it with monopoly over electricity generation, transmission and distribution in the entire country. The NEPA Decree under section 12 largely stripped electricity consumers of the protection available under common law or statutory provisions and conferred immunity on NEPA against any liabilities or obligations to pay damages or compensation for loss, damage or inconveniences caused to electricity consumers through any suspension, failure, discontinuance or partial interruptions of the supply of electricity.³

In 2005, the Electric Power Sector Reform (EPSR) Act 2005⁴ was enacted with consumer protection as one of its main objectives. The EPSR Act 2005 was in 2023 repealed and replaced by the Electricity Act 2023 which maintained the consumer protection objective. In 2018 the Federal Competition and Consumer Protection (FCCP) Act, 2018 which is considered as the basic and most comprehensive legislation in Nigeria on competition and consumer protection was equally enacted and it further buttress the protection of electricity consumers in Nigeria with elaborate provisions on competition and consumer protection.

In as much as the Nigerian electricity sector have moved away from the days of absence of statutory protection for electricity consumer to an era of electricity power sector reforms where laws, rules and regulations have been made and regulatory institutions established for the protection of the rights and interest of electricity consumers in a competitive market, yet, the plight of electricity consumers in Nigeria still remains unsolved as the Nigerian electricity supply industry is still characterised by chronic power shortages, poor power quality supply and poor regulation⁵ with millions of households in Nigeria lacking access to grid electricity, even those connected to the national grid continue to suffer energy deprivation, unreliable power

¹ Alfred M Tijah, *Electricity Law* (Bookwork Publishers 2025) 1

² National Electricity Power Authority Decree No. 4 of 1972; Cap N33 LFN 2004

³ Ibid.

⁴ No. 6 of 2005, now repealed and replaced by the Electricity Act 2023

⁵ Alfred M Tijah, 'Periscoping Competition in the Nigerian Electricity Supply Industry' *U.I Law Journal* (2023) (13) 147.

supply and unscheduled power outages.⁶ High tariff and inaccurate measurement of consumption with the attendant issuance of estimated bills continue to plague the Nigerian power sector. Industries in Nigeria have been forced to generate their own electricity prompting many to close down and some to move to neighbouring Africa countries owing to the high cost of energy.⁷ While measures have been taken to solve the challenges of the power sector, the problems have inured and new challenges continue to emerge. This paper is divided into five major parts for effective analysis of the issues discussed. Part one is the introduction, part two examined the legal framework for electricity consumer protection, part three dealt with research methodology. In part four, the challenges to the protection of electricity consumers were identified and analysed. While the last part titled conclusion summarised the findings of the paper and proffered suggestion for reform.

2.1 Legal Framework for Electricity Consumer Protection

The laws forming the legal framework for the protection of electricity consumers in Nigeria include the Constitution of the Federal Republic of Nigeria 1999 (as amended); the Electricity Act, 2023; and the Federal Competition and Consumer Protection Act 2018. The CFRN 1999 (as amended) being the *grund* norm, provides the basic framework from which other laws in Nigeria derive their validity. The Nigerian Constitution shares regulatory powers over the electric power sector between the Federal and State Governments by listing matters pertaining and relating to electricity generation, transmission and distribution under the concurrent legislative list.⁸

The Electricity Act, 2023 as amended is the principal sector specific legislation governing the Nigerian electricity supply industry. Before the Electricity Act, 2023 there was the Electric Power Sector Reform (EPSR) Act 2005.⁹ The EPSR Act 2005 contained provisions for direct electricity subsidies to underprivileged or low-income electricity consumers through the establishment of a Power Consumer Assistance Fund;¹⁰ and made provisions for the establishment of standards for compensation to consumers who do not enjoy regular power

⁶ Alfred M Tijah and Friday Okpanachi Ekpa, 'A Jurisprudential Examination of the Status of Successor Companies Under Nigerian Electricity Supply Industry' *Journal of Private and Property Law, Rivers State University* (2023) (20)(1) 5.

⁷ V Okolobah and Z Ismail, 'On the Issues, Challenges and Prospects of Electricity Power Sector in Nigeria' *International Journal of Economy, Management and Social Sciences* (2013) (2) (6) 410

⁸ CFRN 1999 (as amended) 2nd Schedule, part II, para 13 and 14.

⁹ No. 6 of 2005, now repealed and replaced by the Electricity Act 2023

¹⁰ EPSR Act, 2005 s83

supply;¹¹ as well as standards for promotion of the effective and efficient use of electricity by consumers.¹²The EPSR Act also established an independent regulator called the Nigerian Electricity Regulatory Commission (NERC), it expurgated the immunity and monopoly accorded NEPA thus created an avenue for the introduction in the Nigerian electricity supply industry a competitive electricity market and made provisions for electricity consumer rights and obligations.¹³ The EPSR Act 2005 was in 2023 repealed and replaced by the Electricity Act 2023 which maintained the reforms introduced by the EPSR Act 2005 and made improvement in other areas relevant to electricity consumer protection and welfare like the introduction of renewable energy regime and enhancing the status of NEMSA as a regulator.

The Electricity Act, 2023 as amended contains provisions for the protection of electricity consumer for instance section 34(2)(c) although did not directly make provisions for electricity consumer rights, bestows on the Nigerian Electricity Regulatory Commission (NERC) the powers to establish appropriate consumer rights and obligations. NERC has issued a number of consumer rights in a plethora of regulations or orders which are frequently replaced or amended.¹⁴The fluidity of NERC Regulations and orders therefore makes electricity consumer rights difficult to comprehend as one is often unsure of the extant regulation or has to examine a number of regulations to comprehend with certainty the rights of electricity consumers. In 2024, the Electricity Act, 2023 was amended by the Electricity (Amendment) Act, 2024 to make provisions for Corporate Social Responsibility obligations by the Generation Companies.

Federal Competition and Consumer Protection Act, (FCCP Act) 2018 is equally a veritable instrument for the protection of electricity consumers in Nigeria. It makes provisions for competition, consumer rights and regulatory agencies. The provisions on consumer rights applies to all categories of consumers regardless of the sector or industry. Sections 114- 133 of the FCCP Act, 2018 contains such rights as applicable to electricity consumers including: the right to information in plain and understandable language; disclosure of price of goods or services; consumer's right to select suppliers; rights pertaining to the quality and safety of goods and services; and right to repair, replacement or refund of money for the recall of unsafe goods.

The Nigerian Electricity Regulatory Commission (NERC) is the foremost regulatory institution

¹¹Ibid, s80(3)

¹²Ibid, s81(1)(a)

¹³Alfred M Tijah, 'Periscoping Competition in the Nigerian Electricity Supply Industry' *U.I Law Journal* (2023) (13) 141.

¹⁴Alfred M Tijah, *Electricity Law* (Bookwork Publishers 2025) 329

of the Nigerian electricity supply industry. It was established in 2005 pursuant to section 31 of the EPSR Act, 2005.¹⁵ The functions of NERC as provided under section 34(2) of the Electricity Act, 2023 include:

- a) promote competition and private sector participation, when and where feasible;
- b) establish or, as the case may be, approve appropriate operating codes and safety, security, reliability, and quality standards;
- c) establish appropriate consumer rights and obligations regarding the provision and use of electric services;
- d) license and regulate persons engaged in the generation, transmission, system operation, distribution, and trading of electricity;
- e) approve amendments to the market rules;
- f) monitor the operation of the electricity market and sanction licensees.
- g) intervene in the management and control of the affairs of its licensees and permit holders which it considers has failed, is failing or in crisis, including entering the premises and undertaking such other activities which are necessary or convenient for the better carrying out of or giving effect to the objects of the Commission;
- h) seal any premises operating without a license or suspected to have committed an offence under the Electricity Act; and
- i) carryout examination, inquiry and inspect all books, records, accounts and documents required to be kept by a licensee under this Act including inspection at reasonable times, a station or premises used by a licensee.

NERC through it Forum and other consumer protection institutions established under the FCCP Act, 2018 such as the Federal Competition and Consumer Protection Commission;¹⁶ and the Competition and Consumer Protection Tribunal¹⁷ are responsible for the enforcement or redressal of electricity consumer complaints.

3.1 Research Methodology

This paper adopted empirical research methodology particularly quantitative methodology to gather and analyse the data generated through the issuance of questionnaires. Empiricism in this

¹⁵Now under Section 33 of the Electricity Act, 2023 as amended

¹⁶FCCP Act, 2018, s3

¹⁷ FCCP Act, 2018, s39

research involves the use of a descriptive statistic. The study area of coverage of this research is clearly expressed in the title is Nigeria. According to the Nigeria Bureau of Statistics (NBS) the total population of electricity consumers in Nigeria at the end of the year 2023 was twelve million, one hundred and eighteen thousand, four hundred and seventy (12,118,470) people.¹⁸ Although Nigeria is politically divided into Northern and Southern parts of the country, it is as well divided into six (6) Geo-Political Zones having a total of thirty-six (36) States and a Federal Capital Territory, Abuja, there are however eleven (11) electricity Distribution Companies in the country.

Since administering questionnaires in the entire electricity consumer population in Nigeria may be very difficult if not impossible to undertake, this paper employed multi stage sampling technique to obtain the sample size. Sampling is the process of selecting a subset of individual, items, etcetera from a larger population in order to make inferences or draw conclusion about the population.¹⁹ Multi stage sampling technique involves selecting samples in multiple stages. It is commonly used when the population of interest is large and geographically dispersed. In multi-stage sampling, the population is first divided into clusters or subgroups, and then samples are randomly selected from each cluster or subgroup until the desired sample size is achieved.²⁰ There is no available data on the population of electricity consumers based on each State in Nigeria, but according to the eleven Distribution Companies, each of which operates exclusively in defined areas within/across one or more States; or within/across one or more geopolitical zones in the country. This paper therefore in order to get respondents spread across the country first adopted the division into Northern and Southern Nigeria before randomly selecting three Distribution Company having franchise or operating in Northern and three in Southern part of Nigeria. The population of electricity consumer under the Distribution Company randomly selected in the two major parts of Nigeria are as follows:

S/ No.	Electricity Distribution	Part of Nigeria	Population
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¹⁸ National Bureau of Statistics, Nigeria Electricity Report: Energy Billed, Revenue Generated and Customers by DISCOS Fourth Quarter, 2023 (NBS March 2024) 17.

¹⁹ FJ Fowler Jr, *Survey Research Methods* (5th edn, Sage Publication 2013) 22

²⁰WG Cochran, *Sampling Techniques* (3rd edn, John Wiley & Sons 1977) 103; SL Lohr, *Sampling: Design and Analysis* (3rd edn, CRC Press 2019) 286

	Companies		
1.	Jos Electricity Distribution Companies (JEDC)	North	734,222
2.	Kaduna Electricity Distribution Companies (KDEDC)	North	838,371
3.	Yola Electricity Distribution Companies (YEDC)	North	814,653
4.	Enugu Electricity Distribution Companies (EEDC)	South	1,321,862
5.	Ikeja Electricity Distribution Companies (IEDC)	South	1,120,115
6.	Port Harcourt Electricity Distribution Companies (PEDC)	South	727,470
		Total	5,556,693

Source:National Bureau of Statistics, Fourth Quarter, 2023 Nigeria Electricity Report: Energy

Billed, Revenue Generated and Customers by DISCOS.²¹

To determine the sample size needed this paper employed Taro Yamane's Formula.²² The sample size arrived at using the Taro Yamane formula is approximately 400. This paper adopted the Bowley's Formula²³ to determine the number of respondents administered questionnaires from the 400 arrived at in each of the operational areas managed by the Distribution Companies randomly selected. The four hundred (400) questionnaires were distributed to electricity consumers under six (6) different Electricity Distribution Companies with three (3) of the Distribution Companies operating in the Northern part of Nigeria and the other three (3) operating in the Southern part of Nigeria. The distribution also cut across all the six (6) Geopolitical Zones in Nigeria. This therefore ensured not only equal geographical spread of Distribution Companies in both Northern and Southern Nigeria but it also ensured spread, across the six Geopolitical Zones in the country. Out of the 400 distributed questionnaires, three hundred and ninety-eight (398) questionnaires were returned representing 99% of the distributed questionnaires as follows: JEDC- 53, KDED- 59, YEDC- 59, EEDC- 94, IEDC- 81 and PEDC- 52. Two (2) questionnaires could not be analysed as one (1) got missing owing to misplacement by the respondents and one (1) of the questionnaires was damaged to a point that complete data could not be harnessed therefrom.

3.1.0 Data Analysis

This paper is guided by four (4) research questions from which the questions in the questionnaires were framed. The research questions are as follows:

Whether the legal regime for competition in Nigeria has safeguarded electricity consumers against unfair business practices that limit competition or adversely affect prices.

Whether the law on consumer protection has accorded the deserved protection to electricity consumers in Nigeria.

How effective are the redress mechanisms available to electricity consumers under the extant

²¹National Bureau of Statistics, Fourth Quarter, 2023 Nigeria Electricity Report: Energy Billed, Revenue Generated and Customers by DISCOS <https://www.nigerianstat.gov.ng/pdfuploads/ELECTRICITY_DATA_Q4_2023.pdf> accessed 14 October, 2023.

²²T Yamane, *Statistics: An Introductory Analysis* (Harper and Row 1967) 861-862

²³FA Ayatse, 'Impact of Information and Communication Technology (ICT) on Corporate Performance: A Case Study of Cement Manufacturing Firms in Nigeria' *Journal of Management and Entrepreneurial Studies* (2012) (1)(2) 36

legal framework for consumer protection in Nigeria?

What are the factors militating against effective and efficient protection of electricity consumers' rights and interest in Nigeria?

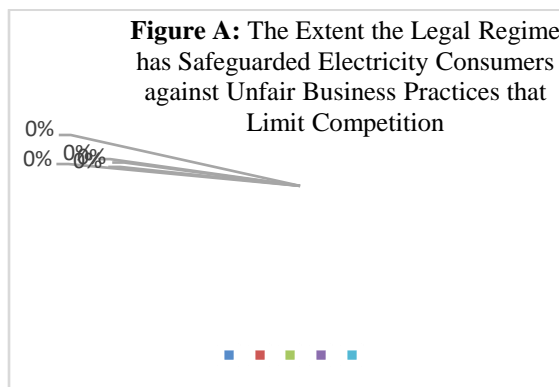
Research Question One

The first research question interrogates whether the legal regime for competition in Nigeria has safeguarded electricity consumers against unfair business practices that limit competition or adversely affect prices. Two questions were put to the respondents as in Table 1 below:

Table 1: The Legal Protection against Anti-Competitive Practices.

S / N	QUESTIONS	S A	A	U	D	S D
1	There is no competition in the Nigerian Electric Power Sector as only one Distribution Company operates in your area, do you agree or disagree?	261	80	20	22	15
2	The lack of competition encourages poor attention to consumer needs and the poor electricity supply services in Nigeria. Do you agree or disagree?	233	95	18	27	25
	TOTAL	494	175	38	49	40

Source: Field Work



Source: Field Work

Table 1 above shows the response of the respondents as to what extent the legal regime for competition in Nigeria has safeguarded electricity consumers against unfair business practices that limit competition or control prices. First item on Table 1 show that a majority of the respondents are of the view that there is no competition in the Nigerian Electric Power Sector since only one Electricity Distribution Company operate in their areas. Owing to the monopoly, a majority of the respondents as evinced on the second item of Table 1 are of the opinion that the absence of competition in the power sector encourages the Distribution Companies to pay poor attention to consumer needs and as well render the poor electricity supply services in Nigeria. The overall responses are geared towards answering research question 1 is represented in the pie chart on figure A above. This shows a cumulative of 41% and 36% totalling 77% of the respondents generally agree that because only one Distribution Company operates in their areas, poor attention and poor services are rendered by the Distribution Companies in Nigeria.

Research Question Two

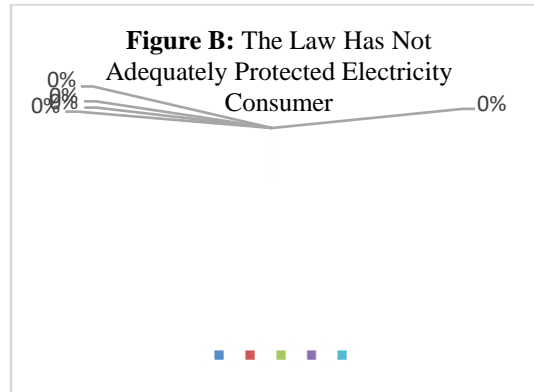
Whether the law on consumer protection has accorded the deserved protection to electricity consumers in Nigeria.

Table 2: The Protection under the Legal Framework

3	The rights of electricity consumers are not contained in one single law so it makes it difficult for them to gather and know their rights. Do you agree or disagree?	1 3 7	1 5 6	6 7	1 8	2 0
4	Do you agree that Distribution Companies do not read meters but issue estimated bills to consumers with post-paid meters	1 6 1	1 3 6	4 4 8	4 2	1 1
5	Do you agree that Distribution Companies do not involve electricity consumers in the reading of meters at transformers before issuance of estimated bills	1 9 0	1 3 8	3 5	2 9	6
	TOTAL	4 8	4 3	1 5	8 9	3 7

		8	0	0		
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Source: Field Work



Source: Field Work

Table 2 above shows the responses of the respondents as to whether the legal regime on consumer protection has accorded the deserved protection to electricity consumers in Nigeria. the response from Table 2 as represented in percentage on the pie chart in Figure 3 above show that many of the respondents agree that the rights of electricity consumers are not codified and so it makes it difficult for electricity consumers to understand and collate what constitute their rights of electricity consumers from very many Regulations as made by regulatory institutions. The Electricity Act, 2023 as amended did not directly provide for electricity consumer rights but allowed for the making of Regulations and these Regulation have not adequately covered electricity consumer rights. For instance, there is no statutory provisions for the right to the refund of the amount overbilled an electricity consumer. furthermore, consumers with existing connection to electricity supply do not have enforceable right to demand be fitted with electricity meters by the Distribution Companies. Figures 4 and 5 show the lack of protection of electricity consumers against fraudulent estimation of consumption and arbitrary billing. Many respondents agree that electricity consumers do not read meters and as can be seen on Figure 5, 83% of the respondents generally agree that there is no consumer participation in the estimation of consumption for issuance of estimated bills. Distribution Companies arbitrarily estimate consumption and wield the discretion to reclassify electricity consumers at will for the collection of high electricity tariff.

Research Question Three

How effective are the redressal mechanism available to electricity consumers under the extant legal framework for consumer protection in Nigeria?

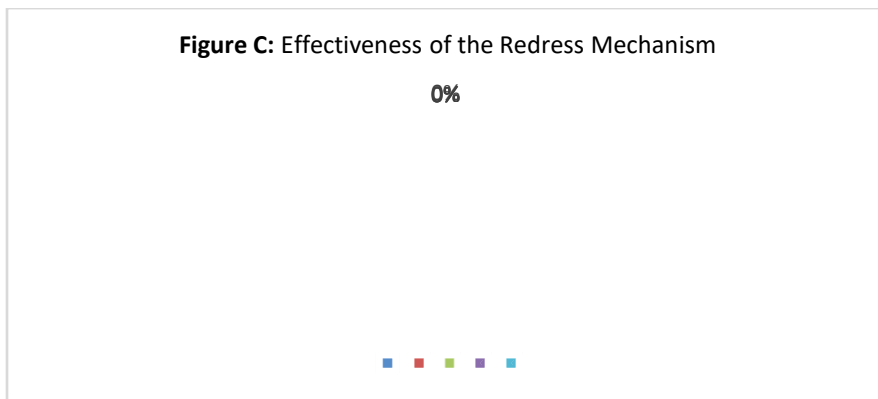
Table 3: The Effectiveness of the Redressal Mechanism over Electricity Consumer Protection

S / N	QUESTIONS	SA	A	U	D	S D
6	Do you agree that most electricity consumers are not aware of the special consumer courts/tribunals that can protect their rights like the Nigerian Electricity Regulatory Commission (NERC) Consumer Forum, Federal competition and Consumer Protection Council (FCCPC) and Federal Competition and Consumer Protection Tribunal (FCCPT)?	220	1 2 7	4 4	4	3
7	Does delay or high cost of litigation prevent electricity consumers from going to Court?	142	1 7 6	4 3	2 8	9
8	Both NERC Forum and the Electricity Distribution Companies do not quickly respond or quickly resolve consumer complaint. Do you agree?	238	9 8	3 8	2 1	3
	TOTAL	600	4 0 1	1 2 5	5 3	1 5

Source: Field Work

This paper interrogates the effectiveness of the redress mechanism available to electricity consumers under the extant legal framework for consumer protection in Nigeria. Responses of respondents to the questionnaires issued in this respect are represented on Table 3 above. Item 6 on Table 3 shows that a majority of the respondent agreed that electricity consumers are not

aware of the redressal avenue for ventilating their rights like the NERC Consumer Forum, FCCPC and FCCPT. The redressal mechanism cannot be said to perform optimally when those they are established to be helped do not know of their existence. Item 7 on Table 3 shows that a majority of the respondents do not resort to the court for redressal of electricity consumer rights violation owing to delay and high cost of litigation in Nigeria. Item 8 on the Table 3 also shows responses that the complaints of electricity consumers are not quickly responded to. On the whole Figure C below shows in percentage as concurred by 84% of the respondents that the redressal mechanism are seriously lacking in effectiveness in redressing electricity consumer disputes.



Source: Field Work

3.1.4 Research Question Four

What are the factors militating against effective and efficient protection of electricity consumers' rights and interest in Nigeria?

Table 4: Factors Militating against Effective and Efficient Electricity Consumer Protection

S/N	QUESTIONS	S A	A	U	D	S D
9.	Do you agree that most electricity consumers are not aware of any NGO/Civil Society Group that can help them fight their rights as electricity consumers?	2 2 5	1 1 1		4 1 1	

10.	Poverty and corruption are some of the major factors preventing electricity consumers from enforcing their rights. Do you agree?	1 9 7	1 0 8	2 5	2 8	4 0
11.	Poor/indigent electricity consumers do not know they have a right to subsidy or to be assisted in the payment of their electricity bills by government. Do you agree or disagree?	2 0 0	1 5 5	2 7	9	7
12.	Do you agree that most electricity consumers do not know how to read their bills or calculate their energy charges.	2 2 6	1 4 2	1 4	1 2	4
13.	Do you agree that most electricity consumers do not know the method used by electricity suppliers for the estimation of power usage in Nigeria	2 1 5	1 6 5	1 2	3	3
	TOTAL	1 0 6 3	6 8 1	1 2 3	6 3	6 0

Source: Field Work

From the responses under Table 4 a very large number of the respondents agree that there are many factors militating against the effective protection of electricity consumers in Nigeria including lack of consumer groups or association, the difficulty in accessing the rights of electricity consumers, poverty, and lack of awareness of electricity consumer rights.

Figure D: Factors Militating against Effective and Efficient Protection of Electricity Consumers' Rights in Nigeria



Source: Field Work

Figure D above shows that 54% strongly agree while 34% agree culminating to 88% of the respondents generally in agreement that lack of consumer association, the difficulty in accessing the rights of electricity consumers, poverty, and lack of awareness of electricity are major factors militating against effective and efficient protection of electricity consumers. In addition, to the above factors militating against the effective protection of electricity consumers, responses were gathered through open-ended question requesting the respondents to state challenges to electricity consumer protection in Nigeria. The responses made and collected are:

- a) Poor supply of power/ poor service
- b) High electricity tariffs
- c) Inadequate/lack of electricity meters
- d) Malfunctioning meters occasioning high electricity prices
- e) Corruption and favouritism by electricity distribution company staff
- f) Improper calculation of estimated bills
- g) Inaccessibility of NERC Forum for the making of complaints
- h) Electricity transformers are not properly secured occasioning vandalism
- i) Consumers are not aware of the avenues to ventilate their grievances
- j) Increase in tariff without recourse to electricity consumers
- k) Electricity consumers are made responsible for repairs/installation of electricity transformers
- l) Over billing and estimated billing
- m) Electricity consumers are unaware that it is the responsibility of Distribution Companies to install and maintain electricity transformers.

It is axiomatic from the data presented and analysed in this research that despite the reforms

initiated by the legal framework for electricity consumer protection in Nigeria, numerous challenges still exist raising grave concerns. This segment discussed the challenges and prospects of electricity consumer protection as garnered from the data analysed.

4.1 Challenges to Electricity Consumer Protection

The development of consumer protection in the Nigerian electricity supply industry witnessed a commendable shift from the challenges of the absence of statutory protection for electricity consumers to a regime of electric power sector reform inundated with several legislation and regulations including the Federal Competition and Consumer Protection (FCCP) Act 2018²⁴ and the recently enacted Electricity Act 2023. These laws and regulations make elaborate provisions for electricity consumer rights and established a miscellany of institutions which constituting the regulatory and enforcement framework for the protection of electricity consumers in Nigeria. The recent power sector reforms of the Nigerian Electricity Supply Industry began with the enactment of the Electric Power Sector Reform (EPSR) Act, 2005.²⁵ The reforms gave rise *inter alia* to a privatised electricity sector; created a regulator distinct from the services providers; and the provision for consumer protection including statutory protection of the rights and interest of electricity consumers.

The success achieved by the electricity reforms did not totally surmount the challenges of electricity consumers protection in Nigeria, it also opened new vistas of challenges to electricity consumer protection including ineffective and inefficient redressal and enforcement mechanism; consumer exploitation under the estimated billing system; the challenges in the enforcement of electricity consumer rights; lack of consumers rights awareness; meters and inadequate metering; and ineffective supervision of the activities of service providers in the Nigerian Electricity Supply Industry.

4.1.1 Ineffective and Inefficient Redressal and Enforcement Mechanism

The legal framework for electricity consumer protection in Nigeria confers on the electricity consumers a number of rights and creates an assortment of avenue or institutions for the enforcement of these rights. The institutions constituting the enforcement framework for

²⁴ Federal Competition and Consumer Protection (FCCP) Act, 2018

²⁵ Electric Power Sector Reform (EPSR) Act, 2005

electricity consumer protection as established by various legislations in Nigeria include the Court,²⁶ Nigerian Electricity Regulatory Commission (NERC),²⁷ NERC Forum, Consumer Complaint Unit of Distribution Companies, Nigerian Electricity Management Service Agency (NEMSA),²⁸ Federal Competition and Consumer Protection Commission (FCCPC),²⁹ Competition and Consumer Protection Tribunal (CCPT),³⁰ and Civil Society Groups.³¹

Table 3 shows that a majority of respondent representing 80 percent are of the view that delay in redressing electricity consumer complaints and the high cost of litigation is a challenge to electricity consumer protection in Nigeria. It also shows that both NERC Forum and the Electricity Distribution Companies do not quickly respond or quickly resolve electricity consumer complaints. The responses accorded with the opinion of the Federal Competition and Consumer Protection Commission (FCCPC) expressed during a four-day one-stop-shop for addressing electricity consumer issues in Ikeja Distribution Company coverage areas.³² The FCCPC noted that the Distribution Companies do not quickly resolve consumer complaint and urge them to quickly do so since the highest number of complaints received by the FCCPC was from the power sector and specifically concerning overbilling, disregard of metering, community transformer problems, and non-adherence to NERC Regulations on disconnection, tariff band classification and energy tapping.³³

The legal framework for the protection of electricity consumer in Nigeria is fashioned in a manner as to cause serious delays in the redressal of electricity consumer complaint. By the combine effect of the provisions of section 3(9) and 43(4) of the NERC Customer Protection Regulations, 2023 made pursuant to section 226 of the Electricity Act, 2023 (as amended); and the provisions of section 47 of the FCCP Act, 2018 before an electricity consumer ventilate his grievances through the Competition and Consumer Protection Tribunal, the consumer must first file a complaint with his electricity distribution company, then escalate the complaint to NERC if not satisfied, and further appeal to the FCCPC before the CCPT can have jurisdiction to

²⁶ Constitution Federal Republic of Nigeria (CFRN) 1999 (as amended), s6 and chapter VII

²⁷ EPSR Act, 2005, s31

²⁸ Electricity Act, 2023 as amended s172

²⁹ FCCP Act, 2018, s3s

³⁰ FCCP Act, 2018, s39

³¹ FCCP Act, 2018, s151

³² News Agency of Nigeria, 'FCCPC Tasks Electricity Distribution Companies on Quick Responses to Customers' Complaints' (2 March, 2024) <FCCPC tasks electricity distribution companies on quick responses to customers' complaints (gazettengr.com)> accessed 24 May, 2024,

³³ ibid

entertain the complaint. This procedure is very lengthy and may discourage the ventilation of grievances through the CCPT.

4.1.2 Estimated Billing System

From item 12 and 13 on table four, and from the open-ended responses, it is clear that most of the respondents agree that estimated billing methodology is a challenge to electricity consumer protection in Nigeria. This accords with the conclusion by Njoku that estimated billing system is associated with fraud as it issued to compel electricity consumers to pay more than what they consumed.³⁴ The estimated billing system is one of the most problematic issues emanating from the billing of electricity consumers in Nigeria. The electricity distribution companies in Nigeria have used the estimated billing system to exploit electricity consumers in excess of the approved tariff by NERC. Despite the high cost of engaging staffs of Distribution Companies and in some cases law enforcement in walking from house to house distributing bills and ensuring compliance in payments by disconnecting electricity consumers, Distribution Companies still prefer the estimated billing system to the use of prepaid meters which requires less compliance stress because of the exploitative advantage derivable from the estimated billing system.

More worrisome is the fact that in recent times, the Distribution Companies have reclassified electricity consumers with the post-paid meters as unmetered consumers and issues them with estimated bills. Item 4 on Table 2 shows a vast majority of respondents generally agree that Distribution Companies do not read meters but issue estimated bill to electricity consumers with post-paid meters. This is a violation of the metered electricity consumers' rights to transparent billing as protected under the NERC Customer Service Standard of Performance for Distribution Companies, 2007,³⁵ and the Meter Reading, Billing, Cash Collections and Credit Management for Electricity Supplies Regulations, 2007.³⁶

Despite the position of the law that all new electricity connections to electricity supply must be done strictly based on metering before connection as clearly spelt out under the NERC Customer Service Standard of Performance for Distribution Companies, 2007,³⁷ Distribution Companies with impunity make new connections without affixing electricity meters. This impunity exists

³⁴Alphonsus O Njoku 'An Examination of the Challenges of Power Supply in Nigeria in Post-Privatization Era, 2013-2016' *Asian Journal of Basic and Applied Sciences* (2016) (3) (1) 41

³⁵ NERC Customer Service Standard of Performance for Distribution Companies (NERC CSSPDC), 2007, regulation 10(1)

³⁶ Meter Reading, Billing, Cash Collections and Credit Management for Electricity Supplies Regulations, 2007, regulation 1.

³⁷ NERC CSSPDC, 2007, regulation 2

owing largely to the absence of direct sanctions under the law for its violation and NERC has failed to adopt administrative sanctions against defaulting Distribution Companies. Distribution Companies benefit enormously from estimated billing system and capitalise on the lack of sanction to swindle electricity consumers by the issuance of outrageous estimated electricity bills. Estimated billing system is a gigantic monster bedeviling the Nigerian Electricity Supply Industry.

4.1.3 Consumers Awareness

There are a number of laws and regulations governing the Nigerian Electricity Supply Industry. The electricity consumer rights and obligations in Nigeria are spread across these legislations and regulations and this makes a holistic understanding of the rights of electricity consumers in Nigeria exceptionally difficult. The frequency of the review of the regulations harbouring some of the electricity consumer rights creates uncertainty as to the extant position of the law. As apparent on the item 3 on table 2 a majority of respondent are in agreement that electricity consumers find it difficult to search and pickup of their rights spread in the various laws and regulations since the rights of the electricity consumers are not codified in a single law or regulation. Access to legal services for advice and enlightenment over electricity consumer rights is not cheap especially in the light of the recent application of minimum charges for legal services as contained in the Legal Practitioners Remuneration (for Business, Legal Service and Responsibility) Order, 2023. The respondents as shown under Table 2 agree that the high cost of litigation prevent electricity consumers from going to court to redress their grievances. Consequently, many electricity consumers do not know their rights. Though the various NERC Regulations and Reports are easily accessible with the aid of information technology, many electricity consumers are not aware that they can easily access NERC Regulation and reports from the institution's website. There is every need for a dedicated department in the NERC or a different agency to be established for consumer awareness in Nigeria.

The dearth of awareness of the laws and regulations on electricity consumers rights are a big challenge for electricity consumer protection in Nigeria. Many electricity consumers in Nigeria have little or no knowledge about the existence of the laws and regulations for the protection of their rights against exploitation by the service providers. Most electricity consumers pay their monthly electricity bills without knowledge or attention to regulated rates or usage patterns, and

they do not know the price paid per kWh on their electricity bill.³⁸ This lack of awareness cuts across virtually all strata in society whether educated or not and the high level of illiteracy of the citizenry as well compounds the problem.

Item 12 on Table 4 shows that a majority of the respondents agree that most electricity consumers do not know how to read their bills or calculate their energy charges. The lack of awareness thus affects electricity consumer right to transparent billing. A large number of electricity consumers do not know the methodology for computation of their energy charge and are ignorant of the tariff methodology applicable to them. Most electricity consumers are even not aware of the category of tariff class their connection belongs to. It is equally disheartening that many unmetered consumers are not aware of the cap of estimated billing methodology applicable to their communities.

Under item 13 on Table 4 it is clear that a vast majority of the respondents agree that most electricity consumers do not know the method used by electricity suppliers for the estimation of power usage in Nigeria. Owing to the vast ignorance on the basic parameters that determines the computation of electricity energy charge, electricity consumers cannot say with certainty when their rights to accurate and transparent billing are violated. It is most often when they can no longer bear the hardship created by the crazy bills issued by Distribution Companies that they cry out. Most electricity consumers are oblivious or do not understand the importance of using energy saving appliance or the proper manner to use electricity to conserve energy and prevent waste of electric power.

Although the Electricity Act, 2023 as amended provides for the protection of indigent or underprivileged power consumers through the grant of subsidy.³⁹ Item 6 on Table 3 shows that many of the respondents are of the opinion that poor/indigent electricity consumers do not know that they are entitled to subsidy or to be assisted in the payment of their electricity bills by government. This lack of awareness may be owing to the fact that the Minister for Power and NERC have failed to implement the provisions of the law on subsidy to underprivileged electricity consumers for over nineteen (19) years after it was provided in the letters of the law. Because most electricity consumers do not know their rights, it is therefore very difficult or impossible for them to assert these rights. In some countries, consumers resort to consumer

³⁸ Barbara Reid Alexander, *Retail Electric Competition: A Blueprint for Consumer Protection* (US Department of Energy 1998) 15

³⁹ Electricity Act, s117 and 122(4)

association who assist them to enforce their rights. However, in Nigeria as shown in item 1 on Table 3, most electricity consumers are not even aware of the existence of any NGO/Civil Society Group that can help them fight their rights as electricity consumers. This finding accords with the opinion of Usman and Yaacob and Rahman⁴⁰ who identified lack of consumer rights awareness and lack of awareness of available redress mechanism as one of the foremost challenges militating against the effective protection of electricity consumers in Nigeria. Consumer awareness reduces the chances of consumer exploitation by producers.⁴¹ It is very important to pursue consumer awareness because where government or regulatory institutions fails to protect electricity consumers, enlightened consumers can rise up to protect their rights from exploitation.

4.1.4 Poverty

As discernible from item 10 on Table 4, poverty and corruption are major factors preventing electricity consumers from enforcing their rights. Many Nigerians are poor, living below poverty level of \$1 per day.⁴² Despite the statutory protection of electricity consumer rights and the availability of redressal mechanisms poor electricity consumers are most likely to witness the violation of their rights without means of enforcing these rights. This is in agreement with the postulation of Oputa that rights are very difficult to be enforced by the poor who cannot afford even to pay summons fees let alone the services of a Counsel to conveniently prosecute his case.⁴³ Owing to poverty exacerbated by the high cost of litigation or the unusual delays in the resolution of matters in courts, many electricity consumers become disillusion and hopeless and rather chose to endure the oppression of Distribution Companies.

4.1.5 Lack of Competitive Electricity Market

In item 1 on Table 1 a majority of the respondents are in agreement that there is no competition in the Nigerian Electric Power Sector. The Nigerian electricity market in practical reality is not competitive. It is structured in an anticompetitive manner with the impetus of deepening low-

⁴⁰ Dahiru Jafaru Usman and Nurli Yaacob and Aspalella A. Rahman, 'Lack of Consumer Awareness: A Major Challenge for Electricity Consumer Protection in Nigeria (2015) (11) (24) *Asian Social Science Journal* 240-251

⁴¹ *ibid* 244

⁴² Tokunbo Orimobi, 'Challenges to the enforcement of fundamental human rights in Nigeria' (*Business Day* 13 August, 2015) <<https://businessday.ng/news/legal-business/article/challenges-to-the-enforcement-of-fundamental-human-rights-in-nigeria/>> accessed 17 May, 2024

⁴³ *ibid*.

quality service performance, higher prices and lack of incentive for innovation. The Nigerian electricity market though organised in similar fashion as the electricity market of many other countries consisting of a wholesale and retail electricity market, however both the wholesale and retail Nigerian electricity markets are not competitive. In the wholesale electricity market, there exist several Generation Companies but only one buyer is authorised to purchase electricity from all the Generation Company. The Nigerian Bulk Electricity Trading (NBET) Plc for the time being is the single buyer. NBET Plc is also the sole wholesaler or middleman designated to sell bulk electricity to the Distribution Companies in the Nigerian electricity market. The wholesale electricity market is therefore not anticompetitive.

The Nigerian retail electricity market on its part consists of eleven (11) successor retailers who purchase electricity from NBET Plc and resale to electricity consumers. The eleven (11) Successor Distribution Companies are the retailers which were then formed and licensed under the now repealed EPSR Act, 2005 to supply electricity to consumers in the entirety of Nigeria. Though the Distribution Companies are eleven (11), the retail electricity market is nevertheless not competitive owing to the balkanisation of the Nigerian electricity market into eleven (11) business or franchise areas shared among the eleven (11) Successor Distribution Companies with each Distribution Companies exercising monopoly over the allocated business areas. For instance, the business area for which the Jos Electricity Distribution Company Plc (JED Plc) has exclusive license to do business in Nigeria is restricted to Bauchi, Benue, Gombe and Plateau States. The Abuja Electricity Distribution Company (AEDC) on its part is allocated exclusive franchise over consumers in the Federal Capital Territory Abuja, Kogi, Nassarawa and most parts of Niger States; while the Port Harcourt Electricity Distribution Company (PHEDC) exercises monopoly in the distribution of electricity, to electricity consumers in AkwaIbom, Bayelsa, Cross River and Rivers States. All the eleven (11) Distribution Companies have their respective business areas to which they exercise monopoly and none is expected to encroach into the business area of another. Section 6 of the Electricity Act, 2023 as amended give a statutory stamp to the current monopolistic arrangement in the country.

With the present situation, electricity consumers cannot exercise their right to choose. They must patronise the distribution company allocated to them or remain without public energy supply. It is this situation that the eligible customer scheme sought to remedy but it was suspended by

NERC.⁴⁴ Nigerians suffered a great deal under the monopolistic reigns of NEPA, the story has not changed with the present allocated monopolies.

With the present monopoly, there is no incentive for innovation or competition which may prompt the breaking of new grounds. The Distribution Companies have no need to scramble for electricity consumers and so they do not try to extend their business coverage by expanding their distribution networks; they do not maintain the distribution network because there is no threat of another company taking over the abandoned business space. Government and electricity consumers are left with the task of expanding the distribution network and paying for the repairs and maintenances of electricity equipment and installations while the Distribution Companies claim ownership of the network with their job simply restricted to receiving electric energy from the transmission companies and forwarding same through the already built and maintained distribution network to electricity consumers for profits. Item 2 on Table 1 shows that a majority of the Respondents are in agreement that the lack of competition encourages poor attention to consumer needs and the poor electricity supply services in Nigeria. With the monopoly in place, the Distribution Companies are certain that their poor electricity services are without consequences and often only push for increase in tariff to maintain more profits no matter the deplorable conditions of the electric power sector.

4.1.6 Regulation, Supervision and Compliance Monitoring

The Nigerian Electricity Supply Industry can safely be considered adequately regulated with several laws and regulations made. These laws and regulations contain lofty and commendable provisions save for few lapses and there are a number of regulatory agencies created to safeguard the rights and interest of electricity consumers. A substantial compliance to these laws and regulations has the propensity of adequately protecting electricity consumers in Nigeria but that is where the main problem lies. Ineffective supervision and enforcement of the rights and interest of electricity consumers by the regulatory and enforcement agencies is one of the main challenges to electricity consumer protection in Nigeria.

Most regulatory and enforcement agencies are not proactive and pragmatic in enforcing their Regulations, they do not request for compliance report, but often wait for complaints to be made before activating any enforcement measure for consumer protection or enforcement of their

⁴⁴Alfred M Tijah, *Electricity Law* (Bookwork Publishers 2025) 78

Regulations. Despite the lack of competition in the Nigerian Electricity Supply Industry, the FCCPC as the foremost regulator and enforcer of competition in Nigeria has not launched any investigation even into the eligible customer scheme where there appear to be serious crisis. Regulatory agencies must prioritise constant supervision and enforcement of regulations, not just the rolling out of the regulations and collection of revenue through licensing, taxes and levies. The EPSR Act, 2005 introduced lofty paper reforms for the benefit of electricity consumers including the establishment of a competitive electricity market, eligible customer scheme, and Power Consumer Assistance Fund to provide electricity subsidies to indigent electricity consumers. However, these reforms are mainly left at the discretion of the Minister of Power for implementation. This arrangement is antithetical to policy stabilisation being left in the bosom of political office holders. The role or inactions of the Minister of Power is rather adversative to the interest of electricity consumers for instance, the Act accorded the Minister of Power authority over the provision of subsidies to underprivileged electricity consumers in Nigeria,⁴⁵ however no modalities have been set up by the Minister of Power to implement the provisions on electricity subsidy to underprivileged consumers in Nigeria.

4.1.7 Inadequate Metering and Faulty Meters

Meters guarantees electricity consumers' rights to accurate and transparent billing and provides consumers the opportunity of employing measures for the conservation of energy consumption. A number of respondents in answer to the open-ended questions on the challenges to electricity consumer protection identified inadequate meters and the fitting of faulty meters in Nigeria as one of the top challenges to the protection of consumers in the Nigerian electricity supply industry. The responses are in synch with the opinion of Olanrewaju and Suanu-Deeka⁴⁶ that the challenges of metering in Nigeria is not limited to the huge metering gap but extend to the fitting of meters that are unusable.

Inadequacy of meters in Nigeria remains a serious challenge to electricity consumer protection. As at the end of the year 2023 over 55% of the 13,162,572 registered electricity consumers in Nigeria were without meters,⁴⁷ and the number have continued to grow as new consumers are

⁴⁵ EPSR Act, s83 and 85

⁴⁶AA Olanrewaju and KJ Suanu-Deeka, 'Electricity Metering System in Nigeria: An Examination of Regulatory and Policy Initiatives to Bridge the Gap' *Benue State University Law Journal* (2020) (9) 160

⁴⁷NERC Annual Report, 2023.

connected to electricity supply without the installation of meters. Electricity Distribution Companies owing to greed and corruption are deliberately expanding the metering gap as a result of the benefit they derive from the fraudulent and outrageous estimation of consumption for the purpose of billing unmetered electricity consumers. The adequacy of electricity meters is capable of solving most if not all of the problems associated with estimated billing system.

5.1 Conclusion

The importance of electricity in modern society cannot be overemphasized, however access to stable and affordable electricity in Nigeria is fraught with enormous challenges. This is owing largely the power imbalance between electricity producers/suppliers and consumers in Nigeria with electricity producers wielding enormous powers in the market place and exercising same with great disregard to the welfare of electricity consumers. Although laws have been enacted to protect electricity consumers this work found a number of challenges preventing the adequate protection of electricity consumers from the exploitation of electricity suppliers including the lack of enforcement of the laws; the very low rate of awareness of electricity consumers to the available grievance redressal mechanism; the lack of participation of electricity consumers and their representatives in the regulatory process owing largely to lack of in-depth knowledge and the fact that consumer participation in electricity regulation in Nigeria is a one-way communication in the form of making inputs and petitioning for better service and no more. The Electricity Act 2023 merely allows electricity consumers to make inputs on tariff review without active involvement in the decision-making process through deliberation. Also, despite the abundant natural resources available in Nigeria for the generation of electricity through renewable energy sources, the Nigerian electricity supply industry is heavily dependent on fossil fuel which account for 86% of electricity generation. Electricity prices are therefore greatly affected by the fluctuation of the global oil market. The recent crisis in the exchange rate of the naira have greatly compounded the issue. It is therefore recommended that:

Section 34 of the Electricity Act, 2023 should be amended to explicitly provide for electricity consumer rights for certainty. Consumer rights as provided under the FCCP Act, 2018 do not apply to certain peculiar areas of the electric power sector like the estimated billing system.

Section 47 of the FCCP Act, 2018 should be amended to grant the CCPT original jurisdiction for expeditious dispensation of justice rather than the present appellate jurisdiction with lengthy

condition precedents.

Section 6 of the Electricity Act, 2023 should be amended to allow for a competitive electricity market and remove the legal approval to anticompetitive practice in Nigeria.

the regulatory institutions should step up enforcement of the laws, enhance consumer education and awareness as well as facilitate consumers participation in regulation to build and reinforce consumers capability to advocate for consumer interests.

Regulatory institutions must have dedicated budget each year for consumer awareness and education. This is expedient since the knowledge of one's rights is the beginning of redressal and enforcement measures. Consumer education may involve training programs, workshops, technical assistance and capacity building for consumers and consumer organisations and equipping them with the requisite knowledge, skills, and resources needed to engage effectively in policymaking.

The Electricity Act 2023 should be amended to encourage and adopt consumer participation based on active involvement in decision-making through deliberation rather than the one-way communication of only making inputs that may not be considered.