



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 73SM of 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Charging the Smart Prepaid meters cost for new electricity connections by Discoms in violation of the Orders of the Commission.

AND

IN THE MATTER OF

1. **Uttar Pradesh Power Corporation Limited,**
(Through its Managing Director) Shakti Bhawan 14 Ashok Marg, Lucknow, Uttar Pradesh-226001.
2. **Paschimanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) Victoria Park, Meerut, Uttar Pradesh - 250001.
3. **Purvanchal Vidyut Vitaran Nigam Limited,**
(Through its Managing Director) DLW Bhikharipur, Varanasi, Uttar Pradesh - 221004.
4. **Madhyanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) 4A, Gokhale Marg, Block I, Gokhale Vihar, Butler Colony, Lucknow, Uttar Pradesh - 226001.
5. **Dakshinanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) Urja Bhawan, 220 KV Sub Station, Bypass Road, Sikandra, Agra, Uttar Pradesh - 282007.
6. **Kanpur Electricity Supply Company Ltd.,**
(Through its Managing Director) 14/71, Civil Lines, KESA House, Kanpur-208001.

..... Respondents

ORDER

1. In Annexure-26 of the Cost Data Book 2019 approved by the Commission, cost of single phase and three phase whole current prepaid meters conforming to IS 15884 was approved as Rs. 6016 and Rs. 11341 respectively. It came to the notice of the

14



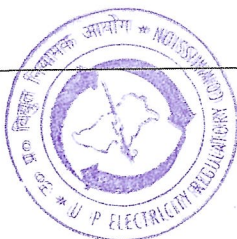


Commission that UPPCL had issued directions to the DISCOMs to charge this cost for releasing new connections through Smart Meters conforming to IS 16444, which is not as per approval granted by the Commission and also not in accordance with the provisions of section 46 of the Electricity Act, which requires authorization from the Commission for recovery of expenses reasonably incurred in providing any electric line or electric plant for the purpose of giving that supply.

2. The Commission taking Suo-moto cognizance of the matter, vide its letter dated 17.10.2025, directed UPPCL to submit a status report on the basis and rationale for charging smart meter cost, which had not yet been approved by the Commission along with reasons as to why actions under various provisions including section 142 of the Electricity Act, 2003 should not be initiated.
3. UPPCL vide its reply dated 30.10.2025, citing CEA notification dated 23.12.2019, Electricity (Rights of Consumers) Rules, 2020 and MoP notification 26.02.2021 tried to establish that as per these policy and regulatory directives, DISCOMs were mandated to install Smart pre-paid Meters for all new service connections and replacement of existing meters.
4. UPPCL, in its reply had further referred to the RDSS guidelines issued by MoP on 29.07.2021, mandating Discoms to install 100% prepaid Smart Metering across consumer and system levels conforming to IS 16444 & IS 15959 under Advanced Metering Infrastructure Service Provider (AMISP) framework.
5. It was further mentioned in the UPPCL's reply that that the Cost Data Book had not been revised by UPERC since 2019 despite submission of several draft versions since 2022. It was further submitted that:

"In the absence of any approved rate for Smart Meters (IS 16444), UPPCL was constrained to adopt a rational and interim approach by recovering from consumer the meter cost equivalent to the UPERC approved rate of 6016/- for single-phase prepaid meters, as per the Cost Data Book (2019), although smart meter (IS 16444) is superior to the smart meter (IS 15884), whose cost is approved in the Cost Data Book 2019."

54





6. It has further been submitted by UPPCL that current arrangement of charging the smart meter cost be treated as a temporary arrangement until such time the Hon'ble Commission formally notifies the cost of prepaid Smart Meters.
7. The Commission, after following the due process, has approved new Cost Data Book (CDB) on 31st December 2025 wherein the following rates have been approved for the Smart Meters (AMI compatible) in its Annexure-29:

S.No.	Particulars	Unit	Qty.	Rate (Rs.)
1	2	3	4	5
1	1 Ph-2 W Smart meter (AMI compatible) with meter box	No.	1	2800
2	3 Ph-4 W Smart meter (AMI compatible) with meter box	No.	1	4100
3	3 Phase-4 W LT-CT connected Smart meter (AMI compatible)	No.	1	8450
4	3 Phase-4 W, 11 kV Smart meter (AMI compatible)	No.	1	14850
5	3 Phase-4 W, 33 kV Smart meter (AMI compatible)	No.	1	14850

8. The reply of UPPCL has been considered by the Commission. The Commission does not want to get into the details for the delay in issuance of new Cost data Book but would certainly like to mention that various draft versions of the proposed CDB submitted by UPPCL from time to time were improper and the basis of justifications given for cost revision and determination were inconsistent with the methodology. Further, the proposals were not conforming to repeated policy directions of GoI for removing discretion in preparation of estimates and standardization of charges for the release of connections upto 150 KW and also regarding the recovery of cost of smart meters for release of new connections. It was with great difficulty that relevant information could be elicited from UPPCL and the new Cost Data Book was issued.
9. A lack of approval from UPERC does not authorize UPPCL to start charging costs from consumers which have not been approved by the Commission. This audacious act of recovery of meter cost, without approval of the Commission, is a gross violation of the provisions of the Electricity Supply Code, 2005 and the prevailing Cost Date Book 2019. This act of licensee is akin to "regulatory capture", wherein it is trying to import the cost on consumers using unallocated residuary power of the Commission, which is

54





expressly forbidden in regulatory regime. The principle has been clearly spelt out in ten sutras of Hon'ble Supreme Court's judgement dated 06 August 2025 in WP(C) 104 of 2014 in BSES Rajdhani Power Ltd & Anr. vs UOI & Ors. Although the judgement is primarily meant for regulators, but the underlying principle is universally applicable to all stakeholders of power sector. The relevant para of the judgement has been reproduced below:

"III. The statutory regulators, i.e. the Central and State Regulatory Commissions alongwith Union and State Governments and other stakeholders are equally bound by the mandate under Part-IV of the Constitution for its equitable distribution. This duty is predicated on the independent, efficient, objective functioning of the electricity commissions. They must guard themselves against 'regulatory failure' and in particular 'regulatory capture'. The interpretation of the powers and function of the Regulatory Commissions have to be such that there is no regulatory vacuum, in that there is no unallocated residue of power of regulation."

Hence, utilities cannot insert a foot in the space of unallocated residue of power of regulation, even if there is regulatory vacuum. Such an attempt is a deliberate "regulatory capture", which certainly cannot be allowed in any manner. The faith of people is embedded in the root of consumer/citizenry right, discharge of statutory functions, veneration of institutional integrity, deference for unwritten constitutional values and inculcation of accountability to the collective enlarge. It also conveys that the decisions are taken by the correct decision-making authority with solemn sincerity. Hence, licensees' action of specifying arbitrary cost of equipment is not only patently illegal, but it also indicates towards the unbridled behavior of licensees whereby they can impose the pricing of their own preference on consumers. Further in a regulated environment (not in laissez-faire situation), no tax or levy or imposition of cost/price can be done without authority of law as has been captured in the legal maxim *nullum tributum pricea sine lege*.

10. As is evident from para 7 above, the cost of smart meters recovered by UPPCL for release of new connections is much more than the cost determined by the Commission. The Commission also observes that consumers have paid this higher cost either in lumpsum or have opted for instalments, post such an option was subsequently allowed

54





by UPPCL. Accordingly, the excess costs recovered need to be determined and adjusted in favour of such consumers, which is strictly in line with catena of Hon'ble Supreme Court judgements, where refund of excess cost charged by Licensee has been allowed to consumers.

11. The Commission, therefore directs that all such consumers who had been issued new electricity connections levying prepaid meter cost (as per Annexure-26 of the CDB 2019), shall be provided adjustment for the excess amount charged by way of the difference of the smart meter cost actually recovered less the corresponding smart meter cost approved in the Cost Data Book dated 31.12.2025, by the respective Discoms/Licensee (See Illustration below), against their pending electricity bill, if any. Further, credit for the balance amount, if any, post adjustment of pending electricity bill shall be provided in the electricity bills of such consumers generated from 1st April 2026 onwards, till such excess recovery is fully adjusted. For Prepaid consumers such excess amount shall be passed on as credit balance in their account. It is to further clarify that 'Labour & Overhead charges' as approved in CDB 2019 shall be applicable for such consumers. Therefore, 'Labour & Overhead charges' recovered in excess of such approved amount, if any, should also be adjusted. In case prepaid meter cost is being recovered in instalments, then levy of such instalments should stop if the amount admissible as above has already been recovered and excess amount recovered, if any, should get credited into consumers account as referred above. If the admissible amount is yet to be fully recovered, then the instalments can continue till the recovery of full amount as admissible and stop thereafter.

Illustration (If amount received in lumpsum):

S. No.	Description	Prepaid Meter cost recovered as per Annexure-26 of CDB 2019 (Rs.)	Smart Meter cost approved in Annexure-29 of CDB dated 31.12.2025 (Rs.)	Excess Smart meter cost recovered (Rs.) (4-3)	Total excess meter cost to be adjusted (Rs.) (=5)
1	2	3	4	5	6
1	1Ph-2W Smart meter	6016	2800	3216	3216
2	3Ph-4W Smart meter	11341	4100	7241	7241

12. All Discoms/Licensees shall also submit their compliance report, in this matter, latest by 31st July 2026 in the following format:

by

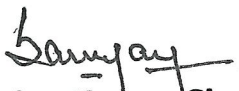




- a. Date of start of levying prepaid meter cost as per UPPCL order 10.09.2025 directing its Discoms to providing new electricity connections only through Smart prepaid meters: Date.....
- b. Date of implementation of the new Cost Data Book by the Discom: Date.....
- c. Information as per following format:

S.No	Description of meter	No. of connections issued levying prepaid meters cost as per Annexure-26 of CDB 2019 & 'Labour & Overhead charges' thereon (From the date(as in a. above) to date of implementation of the new CDB (as in b. above)) (Nos.)	Total excess meter cost recovered (In Rs. Lac)	Total excess 'Labour & Overhead charges' recovered (In Rs. Lac)	No. of connections provided credit of excess meter cost & 'Labour & Overhead charges' from the date of this Order (Nos.)	Total excess meter cost credited from the date of this Order (In Rs. Lac)	Total excess 'Labour & Overhead charges' credited from the date of this Order (In Rs. Lac)
1	2	3	4	5	6	7	8
1	1Ph-2W Smart meter						
2	3Ph-4W Smart meter						

13. The next hearing shall be scheduled on 11.08.2026. Director (Commercial) of UPPCL and other state Discoms should remain personally present during the hearing.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 06.03.2026