



Uttar Pradesh Electricity Regulatory Commission

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Sumeet Kumar Agarwal
Secretary

Ref.: UPERC/Secy/D(D)/2026-258
Dated: 29/05/2026

To,

Managing Director,
U.P. Power Corporation Ltd.,
Shakti Bhawan, 14 Ashok Marg,
Lucknow.

Subject: Incorrect interpretation of Note-5 of the Chapter-4 'Security' of the Cost Data Book dated 31.12.2025 for conversion of smart meters to prepaid mode-Reg.

Sir,

Please refer to your above captioned letter No. 175/RAU/UPERC dated 15th May 2026, submitted in reply to the Commission's letter No. UPERC/Secy/D(D)/2026-60 dated 16.04.2026.

2. It is to mention that the Commission had accorded approval of the Capex plan for the Smart Metering works component of the RDSS scheme for PuVVNL, KESCO, MVVNL, DVVNL and PVVNL through its Order dated 13.08.2024. Subsequently, during the process of finalization of the Cost Data Book, UPPCL had submitted that they were not procuring the Smart meters themselves, for installation at the new/future connections and instead had extended the scope of work of the AMISPs working under RDSS scheme, to install same smart meters at the new connections being released by the Discoms.

3. Thus, Smart meters for both existing as well as new consumers were being installed by the AMISPs finalized under the RDSS scheme.

4. Applicable legal provisions for the installation of consumer meters in prepayment or post-payment mode are as follows:

(A) Sub-section (5) of Section 47 of the Electricity Act, 2003 provides that:

*"(5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is **prepared** to take the supply through a pre-payment meter."*

Thus, Sub-section (5) of Section 47 of the Electricity Act, 2003 provides that pre-payment mode is consumer's choice and not mandatory.

(B) Sub-rule (1) of Rule 5 "Metering" of the Electricity (Rights of Consumers) Rules, 2020 dated 31st December 2020 provides as follows:

"5. Metering – (1) No connection shall be given without a meter and such meter shall be the smart pre- payment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or pre-payment meter."

(C) Sub-Regulation (1)(b) of Regulation-4 of the Central Electricity Authority (Installation & Operation of Meters) Amendment Regulations, 2026 provides that:

"4. Type of meters. –

(1)(b) All consumers in areas with communication network, shall be supplied electricity with Smart Meters conforming to relevant IS, within the timelines as provided by the Central Government:"

Thus, Sub-Regulation (1)(b) of Regulation 4 of the CEA (Installation & Operation of Meters) Amendment Regulations, 2026 mandate installation of Smart Meters without specifying any particular payment mode.

Therefore, while the Electricity Act provides an option to consumer, sub-rule (1) of Rule 5 "Metering" of the Electricity (Rights of Consumers) Rules, 2020 mandates prepayment mode however, providing the Commission powers to relax.

5. The Commission, in line with sub-section (5) of Section 47 of the Electricity Act, 2003 and also in exercise of powers conferred under Sub-rule (1) of Rule 5 "Metering" of the Electricity (Rights of Consumers) Rules, 2020, while issuing the 'Cost Data Book' dated 31.12.2025 had provided option for both the payment modes i.e. pre-paid as well as post-paid, for new as well as the existing electricity connections. This intent/ direction of the Commission is clear from the following dispensations about the security amount in note

4 and 5 of the 'Chapter-4' 'Security' of the Cost Data Book dated 31.12.2025:

"4. No security shall be charged if the connection is given through pre-paid meter.

5. If an existing electricity connection through post-paid meter is converted into pre-paid mode, the licensee shall adjust the security deposit in the outstanding bill, if any, or pass-on the credit in the subsequent billing, as the case may be."

6. Thus it can be summarised that, Sub-section (5) of Section 47 of the Electricity Act, 2003, Regulation-4(1)(b) of the CEA (Installation and Operation of Meters) Amendment Regulations, 2026 as well as Cost Data Book dated 31.12.2025 notified in exercise of the powers conferred under Sub-rule (1) of Rule 5 of the Electricity (Rights of Consumers) Rules, 2020, individually and collectively mandate installation of smart meters in both the payment modes i.e. Postpaid or Pre-paid and the choice of selection of the mode lies with the consumer. Compliance needs to be ensured accordingly.

7. This issues with the approval of the Hon'ble Commission.

Encl: As above.

Yours faithfully



(Sumeet Kumar Agarwal)
Secretary

C.C.

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