



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW
Petition No. 74SM of 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman
Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Suo moto proceedings in the matter of Non-Compliance of Regulation 16.11.1 read with Regulation 17 of the UPERC (Standards of Performance) Regulations, 2019.

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.
7. **Noida Power Company Limited,**
(Through its Managing Director & CEO), Electric Sub-station, Knowledge Park - IV, Greater Noida, Gautam Buddha Nagar, Uttar Pradesh – 201 310.

by



2



8. Torrent Power Ltd.,

(Through its Managing Director & CEO), 6, Raghunath Nagar, Suresh Plaza Market, Opp. Sanjay Place, M.G. Road, Agra - 282002.

..... Respondents

ORDER

1. The Commission was in receipt of complaints through various means, wherein it was being pointed out that the power supply of the consumers, having smart prepaid meters installed at their connections, whose supply had been disconnected on account of negative balance, was not getting reconnected even hours after the payment of dues or recharging of the balance, thereby violating Regulation 16.11.1 of the UPERC (Standards of Performance) Regulations, 2019, besides causing distress to such consumers.
2. Regulation 16.11.1 of the UPERC (Standards of Performance) Regulations, 2019 provides that:

"16.11.1 The Licensee shall restore power supply to a consumer, whose supply has been disconnected due to non-payment of electricity bills as per the provisions of section 4.39 of the UPERC Electricity Supply Code.

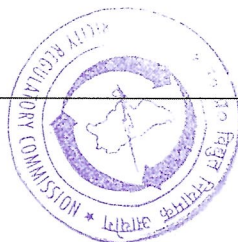
Provided that in case prepaid meters have been installed at the premises of the consumers, the power shall be restored by the Licensee within 2 hours of recharge of the prepaid meters by the consumers."

Further 'Overall Standards of Performance' for Regulation 16.11.1, as provided in Regulation 17, is reproduced below:

"Reconnection of supply following disconnection due to non-payment of bills: Licensee shall achieve the standards of performance as specified in at least 95% of the cases"

3. Conjoint reading of the above two Regulations makes it abundantly clear that Licensee would be treated in violation of Standards of Performance if it fails to restore

54





the supply of the consumers having prepayment mode, within 2 hours of payment/recharge by them in at least 95% cases on daily basis.

4. The Commission taking Suo-moto cognizance of the matter, vide its letter dated 19.03.2026, directed UPPCL and its Discoms, other distribution licensee and franchisee to submit date-wise information on the delay in reconnection of connections after the payment/ Recharge, starting from 1st February 2026, on the format provided therein.
5. Noida Power Company Limited provided the requisite data starting from 1st February till 30th March 2026, through its reply dated 13th April 2026. From the perusal of the information provided in the requisite format, it was observed that there were no connections whose reconnection did not happen within 2 hours of the payment/ Recharge. Alternatively, 100% reconnections took place within the 2-hour threshold provided in Regulation 16.11.1 of the UPERC (Standards of Performance) Regulations, 2019.
6. Torrent Power Ltd., Agra, franchisee of DVVNL, through its reply dated 24.03.2026 submitted as follows:

"At present, the Agra DF area is equipped with only 5323 no's Non-Smart pre-paid meters out of total 528715 no's consumers operating in offline mode, which are configured with an automatic supply disconnection and reconnection feature. Upon successful recharge and insertion of recharge token in meter electricity supply immediately restored without any manual intervention. Accordingly, no instances have been reported where supply was not restored even after 2 hours of recharge."

7. UPPCL through its reply dated 17th April 2026 has submitted the consolidated information for all its Discoms for 16 different dates starting from 13th March to 10th April 2026 which is as follows:

by



2



Date	No. of prepaid connections disconnected on account of negative balance	No. of connections who made the payment/ Recharge (out of column 2 including those disconnected on previous dates)	No. of Connections whose reconnection happened within 30 minutes of the payment/ Recharge (out of column 3)	Percentage of consumers reconnected within 30 Mins	No. of connections whose reconnection happened within 2 hours of the payment/Recharge (out of column 3 and including column 4)	Percentage of consumers reconnected within 2 hours	No. of connection whose reconnection did not happen within 2 hours of the payment/ Recharge (out of column 3) (3-6)	Percentage of consumers reconnected after 2 Hours	No. of consumers who claimed compensation as per SOP Regulations, 2019 (out of column 8)
1	2	3	4	5	6	7	8	9	10
13-03-2026	50,450	28,735	21,073	73%	22,384	78%	6,351	22%	0
14-03-2026	90,648	54,214	41,608	77%	44,503	82%	9,711	18%	0
16-03-2026	1,26,029	87,627	66,503	76%	69,402	79%	18,225	21%	0
17-03-2026	1,23,984	72,106	52,465	73%	55,701	77%	16,405	23%	0
18-03-2026	1,37,073	81,572	65,854	81%	68,608	84%	12,964	16%	0
23-03-2026	1,75,190	1,03,460	61,754	60%	92,029	89%	11,431	11%	0
25-03-2026	2,32,333	1,25,694	1,02,328	81%	1,14,873	91%	10,821	9%	0
28-03-2026	5,08,806	2,97,548	2,00,540	67%	2,64,908	89%	32,640	11%	0
30-03-2026	20,682	10,395	9,346	90%	9,849	95%	546	5%	0
01-04-2026	4,85,112	2,88,145	2,18,037	76%	2,74,871	95%	13,274	5%	0
02-04-2026	4,76,973	3,37,239	2,46,577	73%	3,09,939	92%	27,300	8%	0
04-04-2026	5,12,047	3,66,910	3,00,191	82%	3,53,949	96%	12,961	4%	0
07-04-2026	1,83,127	84,558	62,239	74%	78,378	93%	6,180	7%	0
08-04-2026	2,66,640	1,62,399	1,44,810	89%	1,57,189	97%	5,210	3%	0
09-04-2026	3,20,192	1,40,018	1,26,261	90%	1,36,226	97%	3,792	3%	0
10-04-2026	3,18,021	1,73,559	1,58,799	91%	1,68,227	97%	5,332	3%	0
Total	40,27,307	24,14,179	18,78,385	78%	22,21,036	92%	1,93,143	8%	0

8. UPPCL in its reply had further submitted that for majority of cases, reconnection is effected within the envisaged 2-hour period, a limited number of instance w.r.t disconnected consumers, delay beyond the stipulated timeline were observed during the initial stabilization phase. As per the submission these were primarily attributable to transient factors such as communication/network constraint, synchronization delays between payment gateways and RMS, system latency during peak transaction periods, and isolated meter-level technical issues and such occurrences have been sporadic and non-recurring in nature.

9. From mere perusal of the data in column 7 of the above table, it can be seen that the percentage of consumers whose prepaid smart meter reconnection took place within 2 hours of payment/recharge ranges from a low of 77% to 97%. However, in 10 out of 16 dates, for which the data has been provided, the percentage is below the 95% threshold as mandated in the UPERC (Standards of Performance) Regulations, 2019.

10. The Commission, while observing repeated violations of the UPERC (Standards of Performance) Regulations, 2019, issued notice dated 23rd April 2026 to UPPCL, providing an opportunity for making its submission, as to why a penalty of ₹

by





1,00,000/- U/s 142 read with Section 57 of the Electricity Act, 2003 for each day of violation should not be imposed, for contravention of the UPERC (Standards of Performance) Regulations, 2019 for the dates 13th, 14th, 16th, 17th, 18th, 23rd, 25th & 28th of March and 2nd & 7th of April 2026.

11. UPPCL submitted its reply dated 27.05.2026 before the Commission, setting out the points summarized below:

- i) **Basis of assessment and data adequacy:** UPPCL has submitted that the observations in the notice are based on a limited set of dates during a specific period whereas assessment of compliance with SOP Regulations requires evaluation over a broader and representative dataset rather than isolated day wise instances.
- ii) **Regulatory interpretation of Standards under Regulation 16.11.1 read with regulation 17:** UPPCL has submitted that the Standard of performance framework, lays bare the intention of the Commission that the 95% compliance requirement is intended to be assessed over a defined reporting period, rather than only on isolated day wise instances, while allowing the normal operational variations.
- iii) **Transitional phase of smart prepaid metering:** UPPCL has submitted that the period referred to in the notice coincides with an ongoing inception and transition phase involving large-scale migration from conventional metering to prepaid smart metering under the national programme RDSS.
- iv) **Technical and system level factors:** UPPCL has submitted that temporary latency or failure in any of the technological layers impact the execution of the remote reconnection commands, particularly during the transition and stabilization phase of operations.
- v) **Absence of willful or persistent non-compliance (Section 142):** The data was voluntarily submitted by UPPCL, which exhibits UPPCL's commitment to ensure that the deployment of the prepaid smart metering ecosystem is being undertaken in a transparent manner and in compliance with the Commission's regulatory mandate. There is no element of intentional, deliberate or continued disregard of Regulatory obligations.

by



2



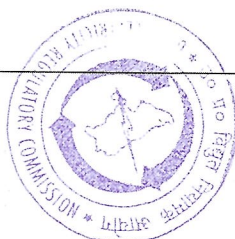
- vi) **Regulatory framework under Section 57 (Compensation Mechanism):** UPPCL has submitted that Section 57 of the Electricity Act, 2003 provides a distinct mechanism for addressing deviations from the standards of Performance through consumer compensation. The present matter may be viewed as relating to operational deviations and may not warrant the initiation of the penal proceedings under Section 142.
- vii) **Corrective measures, Reconnection analysis and current status:** UPPCL has submitted that it has undertaken continuous corrective and monitoring measures and pursuant to the same, the performance has now improved to 98.1% for the duration from 13.04.2026 to 04.05.2026.

12. The Commission, while considering UPPCL's reply dated 27.05.2026, observes that the submission made in paras 11 (i) & (ii) above are unsustainable as Regulation 16.11.1 read with Regulation 17 of the UPERC (Standards of Performance) Regulations, 2019 does not specify any time-period over which the data should be collected or evaluated. Moreover, UPPCL's averment is countered by its own submission dated 17th April wherein from the Column 3 of the table reproduced above, the data size (*No. of connections who made the payment/ Recharge and whose reconnection was required to be done*) can be seen to vary from 10,395 to as high as 3,66,910 consumers per day which, by any stretch of imagination, cannot be considered a small dataset. Further, as far as the issue of allowing normal operational variations is concerned, the Commission observes that in Regulation 17, the compliance level for "Overall standards of performance" has intentionally been kept at 95% of the cases, already providing a window of 5% for operational variations.

13. The Commission further observes that UPPCL's submission made in paras 11 (iii) & (iv) above are unfounded and baseless based on account of following:
- a) The Commission observes that '**Project Implementation Schedule**' as provided in the '**Letter of Award**', issued in the year 2023, for all clusters of different Discoms, provide the following:

"

by



3



S.No.	Milestone	Timeline
4.	<ul style="list-style-type: none">• Delivery, site inspection and commissioning of Network Operations cum Monitoring Centre with related hardware, software and equipment and,• Delivery, site inspection, integration and operationalisation of [5%] of Smart Meters each with related meter box, service cable, hardware, software and equipment and successful operational go live.	Within [7] months from the date of execution of the Contract.

“

b) Clause 9.6 of the updated SBD dated 20.08.2022 for the selection of AMISP under RDSS scheme, provides that:

"The Operational Go Live of the AMI system shall be considered as completion of the SAT for [5%] or [25,000] of Smart Meters whichever is less (along with its related hardware and software equipment) supplied installed and integrated.

.....

Based on these submittals the utility shall check for the completeness and accuracy of the submittals and issue Operational Go Live certificate to the AMISP in not more than [3] days from the date of submittal. Commercial operation shall be effective from the date mentioned in this certificate."

Thus 'Operational Go-Live' of various clusters of the AMI project under RDSS had already been achieved long ago and the commercial operations had already been underway for more than a year and half. Additionally, as per RDSS dashboard more than 90 lac smart consumer meters have already been installed by different AMISPs in all its Discoms. Therefore, Smart meter installations under the RDSS scheme can in no manner be treated as in 'Transitional Phase' and such recurring events of violation cannot be treated as 'temporary latency or failure' of the system.

14. The Commission also observes that UPPCL's submission made in paras 11 (v) that data has been submitted voluntarily is factually incorrect as the data submitted by UPPCL through its letter dated 17th April 2026 was in reply to the Commission's letter dated 19th March 2026. Furthermore, under the provisions contained in sub-sections (b), (c) and (d) of Section 94 of the Electricity Act, 2003, Regulation 7.1 of the

by.



2



UPERC (General Conditions of Distribution License) Regulation No. 4361 / 2004 & Regulation 28(a)(i) of the UPERC (Conduct of Business) Regulations, 2019, the Distribution Licensee is dutybound to furnish to the Commission without delay such information, documents and details, as the Commission may require from time to time.

15. With regard to UPPCL's submission made in para 11 (vi) above, the relevant sub-section (2) of Section 57 of the Electricity Act, 2003 is reproduced below:

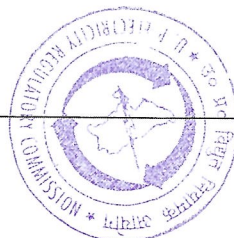
"Section 57

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard."

Thus, sub-section (2) of Section 57 of the Electricity Act, 2003 provides for the payment of compensation to the person affected, which is *"without prejudice to any penalty which may be imposed"* whereas, Section 142 of the Electricity Act, 2003 confers powers upon the Commission to impose such penalty *"...if that Commission is satisfied that any person has contravened any of the provisions of this Act or the rules or regulations made thereunder, or any direction issued by the Commission"*. Thus, "Absence of willful or persistent non-compliance" cannot become the ground for seeking leniency or pardon.

16. The Commission believes that in case of smart prepaid meters the reconnection must be immediate or alternatively take few minutes. However, if such reconnection does not take place within two hours of the payment or recharge, it is violative of the Regulations apart from creating huge distress and mental agony among the consumers. Even a miniscule percentage of such consumers cause distrust towards the system, which is unbecoming of an efficient licensee.



by

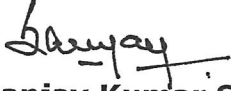


17. The Commission, after due consideration of the facts and the submissions made by UPPCL, in exercise of the powers conferred by Section 142 read with Section 57 of the Electricity Act, 2003, directs that UPPCL, without prejudice to any compensation which it may be liable to pay to the person affected under the UPERC (Standards of Performance) Regulations, 2019, on behalf of state Discoms shall pay @ ₹ one lac for each contravention along with an additional ₹ six thousand for every day of continuing failure, totaling ₹ 7,18,000 as per the following breakup, by way of penalty, to the Commission for contravention of the UPERC (Standards of Performance) Regulations, 2019, within a period of 15 days from the date of issuance of this Order.

S.No.	Date(s)	Penalty Amount (₹)
1	13 th & 14 th of March 2026	1,06,000
2	16 th , 17 th & 18 th of March 2026	1,12,000
3	23 rd of March 2026	1,00,000
4	25 th of March 2026	1,00,000
5	28 th of March 2026	1,00,000
6	2 nd of April 2026	1,00,000
7	7 th of April 2026	1,00,000
TOTAL		7,18,000

18. Above depiction shows that on certain intervening days in the entire period, the performance marginally improved but again to fall in succeeding days. This demonstrates that the curing mechanism was not able to identify the root cause of default and certain ad hoc improvement modes were adopted. This casual and ad hoc approach is undesirable for a commercial organization like UPPCL, which is a continuous and dynamic interface with the consumers of the state.

19. The Commission, therefore, further directs that a root cause analysis be done to identify the problem areas leading to the default and corrective measures be taken without any further delay so that such default does not recur in future.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 03.06.2026