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

Hon'ble Shri Griesh Kumar Vaish, Member (Law)

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

THE FOLLOWING WERE PRESENT

1. Shri Nitish Kumar, Managing Director, UPPCL
2. Shri Sandeep Kumar, Managing Director, PuVVNL
3. Ms. Shruti, Managing Director, DVVNL
4. Ms. Neha Jain, Managing Director, KESCO
5. Shri Raveesh Gupta, Managing Director, PVVNL
6. Shri Prashant Verma, Director (Commercial), UPPCL
7. Shri Sanjai Jain, Director (Commercial), PVVNL
8. Shri Shishir, Director (Commercial), PuVVNL
9. Shri Rajat Juneja, Director (Commercial), MVVNL
10. Shri Nand Lal, Chief Engineer (Com.), DVVNL
11. Shri Pankaj Saxena, Chief Engineer (RAU), UPPCL
12. Shri Shadab Ahmed, SE, UPPCL
13. Shri Vivek Srivastava, SE (Com.), PVVNL
14. Shri Supushp Kumar, SE (AMISP), DVVNL
15. Shri Puneet Jain, EE (AMISP), DVVNL
16. Shri Radhey Shyam, EE (Com.), PuVVNL
17. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad
18. Shri Sabyasachi Saumitra, Advocate, UPPCL
19. Shri A.K. Jaidi, Advocate, UPPCL
20. Shri Kapil Yadav, Advocate, UPPCL

ORDER

(DATE OF HEARING: 20.08.2026)

1. It had come to the notice of the Commission that UPPCL had issued directions to the state Discoms to charge the cost of single phase and three phase whole current prepaid meters conforming to IS 15884, as approved by the Commission in the Cost Data Book 2019, for releasing new connections through Smart Meters conforming to IS 16444, which was not as per approval granted by the Commission and in violation of the provisions of section 46 of the Electricity Act, 2003, 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, sought status report from UPPCL on the basis and rationale for charging smart meter cost as the same was at variance with approval granted by the Commission along with reasons as to why action under various provisions including section 142 of the Electricity Act, 2003 should not be initiated.

3. UPPCL, in its reply dated 30.10.2025, cited CEA notification dated 23.12.2019, Electricity (Rights of Consumers) Rules, 2020, MoP notification dated 26.02.2021 and also the RDSS guidelines issued by MoP on 29.07.2021, to corroborate its defence that under these policy and regulatory directives, Discoms were mandated to install Smart pre-paid Meters for all new service connections and in case of replacement of existing meters.

4. UPPCL, in its reply also submitted that Cost Data Book had not been revised since 2019 and went on further to submit 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."

5. After due consideration of the UPPCL's reply, the Commission, in its Suo-moto Order dated 06.03.2026, had observed that the cost of smart meters recovered by UPPCL/Discoms for release of new connections was much more than what was allowed to be recovered by this Commission and therefore directed that all such consumers be provided adjustment for the excess amount charged by way of the difference in the smart meter cost actually recovered less the corresponding smart meter cost approved in the Cost Data Book dated 31.12.2025, against their pending electricity bill, if any. In the said Order it had further been directed that the credit for the balance amount, if any, post adjustment of pending electricity bill should be provided in the electricity bills of such consumers generated from 1st April 2026 onwards, till such excess recovery was fully adjusted whereas, for prepaid consumers such excess amount should be passed on as credit balance in their account.

6. The Commission, in the said Order, directed all Discoms/Licensees to submit the compliance report, in the format provided therein, latest by 31st July 2026 and also instructed Director (Commercial) of UPPCL as well as Director (Commercial)(s) of other state Discoms to be personally present during the next hearing scheduled on 11.08.2026.

7. In the next hearing, the Commission observed that none of the Discoms had filed their compliance report, either by the stipulated deadline of 31st July or by the date of the hearing. It was further observed that Chief Engineer (RAU), on behalf of UPPCL, had merely emailed a single-page letter dated 10.08.2026, submitting partial compliance, in the evening preceding the date of hearing. The Commission further observed that despite its clear and unambiguous directions, none of the Director (Commercial)(s) of State Discoms appeared for the hearing.

8. The Commission observed in the hearing that UPPCL/Discoms have willfully violated the Order dated 06.03.2026 on multiple counts and such audacious non-compliance of the Commission's Order was being viewed by the Commission with grave concern. In light of the foregoing, the Commission, in its Order dated 12.08.2026, had directed as follows:

   a. Managing Director, UPPCL and Managing Directors of all State Discoms should file a compliance affidavit annexing information on the format prescribed in Commission's Order dated 06.03.2026. The affidavit should further spell out the reasons for non-submission of information by due date and non-appearance of Director (Commercial) of their Discom in the hearing despite clear orders. The deviation from the figures submitted by Shri. Avadhesh Kumar Verma must be taken into cognizance & cross checked. Credit should be passed on to 100% eligible consumers. Any deviations need to be explained in detail.

   b. Managing Director of UPPCL and that of State Discoms should remain personally present during the next hearing.

9. In compliance with the directions of the Commission dated 12.08.2026, UPPCL, MVVNL and PuVVNL filed their compliance affidavits on 19.08.2026 whereas the compliance

affidavits for PVVNL, KESCO and DVVNL were filed on 20.08.2026, just prior to the start of the hearing on 20.08.2026.

10. UPPCL in its compliance affidavit submitted that it deeply regrets the delay and failure to comply with the directions passed by this Commission within the prescribed period and in the manner directed. UPPCL further tendered its sincere, unqualified and unconditional apology for the aforesaid procedural lapse. The State Discoms also expressed similar regrets and submitted unconditional apologies in their respective affidavits. UPPCL and other Discoms further acceded that the delay and incomplete filing might have created an impression that the directions passed by the Commission were not being accorded the seriousness which it deserved however, there was never any intention on the part of UPPCL/Discoms to disregard, undermine or disobey the Orders passed by the Commission.

11. In regard to the failure of director (Commercial) of UPPCL/Discoms to attend the hearing of 11.08.2026, UPPCL submitted that although its Director (Commercial) had appeared before the Commission on the date fixed however, the absence of the Directors (Commercial) of the respective Distribution Licensees has been separately explained by the concerned Managing Directors in their respective affidavits. UPPCL has nevertheless regretted that the personal presence of Director (Commercial)(s) contemplated under the Order dated 06.03.2026 was not ensured.

12. Except MVVNL, other Discoms submitted reason for the absence of the Director (Commercial) in their affidavits. DVVNL submitted that its Director (Commercial) got superannuated from service on 07.08.2026 and the said post continues to remain vacant, PVVNL and PuVVNL have cited health reasons (UTI & Eye Surgery respectively) for the absence of their Director(Commercial) whereas KESCO has attributed the unavailability owing to its Director (Commercial) being on earned leave from 10^{th} to 14^{th} August, for his family function.

13. UPPCL and Discoms have further submitted that there was no deliberate, wilful or intentional disobedience of the Orders passed by the Commission however, the delay that occurred in filing the complete compliance affidavit was not on account of any decision or intention to withhold the adjustment/refund directed by the Commission.

14.UPPCL has averred that the Uttar Pradesh Rajya Vidyut Upbhokta Parishad had placed before this Commission a Discom-wise Progress Summary of 3,73,509 connections in respect of connections released during the period from 10.09.2025 to 31.12.2025, which is not disputed by them as the gross number of connections reflected in the Jhatpat Portal snapshot downloaded on 04.07.2026.

15.However, UPPCL has stated that, vide order no. 464 dated 10.09.2025, it had instructed to install smart meters at selected localities where smart meter installation drive had already commenced. UPPCL had also directed, in the said order, that installation of smart meters at the localities where installation drive had not commenced shall be taken up after commencement of the same thereby meaning that non-smart meters were also being installed simultaneously during 10.09.2025 to 21.01.2026. UPPCL, accordingly, submitted that the figure relied upon by the Parishad represents all connections released through the Jhatpat Portal during the selected period, and not the number of consumers from whom excess Smart Prepaid Meter cost was necessarily recovered.

16.UPPCL has further informed that 93138 connections were identified in Jhatpat Portal, whose additional cost was to be refunded however, during analysis 907 cases were found to be STS prepaid meters, who were not charged for excess amount. Hence, only 92231 connections were eligible for refund of excess amount out of which 84587 were single phase and 7644 three phase connections.

17.The Discom wise connections and the amount refunded have been summarized hereunder:

Discom		PUVNL	MVVNL	DVVNL	PVVNL	KESCO	Total
1-PH Smart Meter	**Count (in No.)**	18,329	24,048	13,993	23,063	5,154	84,587
	Amount (in Rs. Cr.)	5.89	7.73	4.50	7.42	1.66	27.20
3-PH Smart Meter	**Count (in No.)**	1,422	2,089	722	2,699	712	7,644
	Amount (in Rs. Cr.)	1.03	1.51	0.52	1.95	0.52	5.54
Total	**Count (in No.)**	19,751	26,137	14,715	25,762	5,866	92,231
	Amount (in Rs. Cr.)	6.92	9.25	5.02	9.37	2.17	32.74

18. UPPCL has further provided the historical and present status of the refund exercise as under:

Particulars	Position reported on 10.08.2026	Position as on 17.08.2026
No. of consumer accounts in which credit had been processed	86,950	92231*
No. of residual accounts requiring processing/verification	6,188	Nil
Eligible refunds remaining pending	Included within the residual reconciliation	Nil
Completion status	93.36% of the then-identified accounts processed	100% of eligible refunds completed

*Out of 93138 cases, 907 cases were found to be STS prepaid meters who were not charged for excess amount, hence were not eligible for any refund.

19. During the present hearing, Shri Avadhesh Kumar Verma submitted before the Commission that, even in localities where smart meter installation drive had already commenced and wherein, as per UPPCL's own submission, it had directed to install smart meters, the officers of Discoms were exercising pick & choose policy thereby installing Smart and non-smart meters simultaneously. He went on to submit few examples from almost all the Discoms. The Commission observed that the matter being raised was not the subject matter of the present proceeding and therefore it would not like to get into its details.

20. With regard to the installation of STS prepaid meters, the Commission enquired from Director (Commercial) UPPCL as to why and on which category of consumers these meters were being installed when the Smart meters are available and the Commission, in Section 8.9.1(B)(vi) of its previous Tariff Order dated 22.11.2025, had already instructed that "*Each Licensee shall upgrade or replace existing keypad/token-based prepaid meters installed under multi-point supply with an online prepaid metering system conforming to the Commission-approved architecture, without imposing any additional cost on affected consumers. In urban multi-storied buildings, migration shall be completed within 90 days of this Order. Where building-wise logistics necessitate*

phasing, the Licensee shall ensure 100% migration within 120 days, and shall notify a building-wise schedule to residents". The Commission reiterates that Distribution Licensees must no longer install keypad/token meters going forward, as they shall have to be replaced by Smart meters/DSDR meters yet again.

21. In response to the above, the Director (Commercial), UPPCL, informed the Commission that the 907 STS prepaid meters in question had been installed before the Tariff Order dated 22.11.2025 was issued. When the Commission directed him to explain why no timeline or roadmap had been submitted with the Commission for the complete replacement of keypad/token meters, as directed in the Tariff Order, he could not offer an explanation. The Commission directs UPPCL/Discoms to submit the roadmap, within two months from the date of this Order, for replacement of all keypad/token meters, including the above 907, with the Smart meters/DSDR meters, as applicable.

22. UPPCL has confirmed that no eligible refund remains pending as on the date of filing of the present Affidavit and the refund exercise required under the Order dated 06.03.2026, insofar as the consumer accounts identified upon verification are concerned, stands completed. It has also been submitted that a total of 92231 consumer accounts have been credited with an aggregate amount of Rs. 32.75 cr. and if any inadvertent omission or additional eligible case is identified during any subsequent account audit, the admissible amount shall be credited to the consumer concerned without requiring any separate application or representation from the consumer.

23. The Commission takes on record the compliance filed by UPPCL & the Discoms, and observes that any irregularity, if found at a later stage, shall be dealt with firmly.

24. The matter is hereby disposed of.

(Griesh Kumar Vaish)	**(Sanjay Kumar Singh)**	**(Arvind Kumar)**
Member(Law)	**Member**	**Chairman**

Place: Lucknow

Dated: 27.08.2026