

ORDER

(Date of Order: 05.12.2023)

- (1) MP Power management company along with all three Discoms filed a petition no. 34 Of 2023, for issuance of “Practice Directions” for Smart Prepaid Billing Mechanism for consumers of Madhya Pradesh.
- (2) Petition was admitted on 01.08.2023 and Petitioners were directed to come up with all the relevant issues in this petition simultaneously and not in piece meal. The Petitioner was directed to submit additional submission within 10 days of order dated 01.08.2023.
- (3) Petitioner did not submit any additional submission in response to order dated 01.08.23. The Commission published a draft of the “Practice Direction” on 14.09.2023 and comments from stake holders were sought latest by 03.10.2023. Commission received suggestions from three stake holders namely, M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. Indore, M.P. Power Management Company Ltd. Bhopal and M/s Prayas (Energy Group) Pune. Commission also held public hearing in the matter on 10.10.2023, which was attended by all the 3 stake holders whose suggestions were received during specified time. Commission examined the suggestions received from stakeholders and revised the draft of “Practice Directions” suitably.
- (4) The Commission hereby issues the Practice Direction for smart prepaid billing of consumers as detailed in the attachment to the order.

(Prashant Chaturvedi)
Member

(Gopal Srivastava)
Member (Law)

(S.P.S.Parihar)
Chairman

Practice Directions for Smart Prepaid Billing of Consumers

Chapter I: General

1. Short title and commencement

- i) These Practice Directions shall be called the “**Practice Directions for Smart Prepaid Billing of consumers of Madhya Pradesh, 2023**”.
- ii) These Practice Directions shall come into force from the date of approval by the Commission.
- iii) These Practice Directions shall extend to the whole of Madhya Pradesh.

Chapter II: Definition

2. Definitions

- (1) In these Practice Directions, unless the context otherwise requires:
 - a) “**Act**” means the Electricity Act 2003 (No. 36 of 2003);
 - b) “**Advance Metering Infrastructure (AMI)**” means an integrated system of smart meters, communication networks and data management systems that enables two-way communication between the utilities and energy meters, and the functional blocks of Advanced Metering Infrastructure typically include Head End System, Wide Area Network, Neighborhood Area Network, Data Concentrator Unit and Home Area Network;
 - c) “**Agreement**” shall have the same meaning as assigned to it under MP Electricity Supply Code, 2021 as amended from time to time;
 - d) “**Approved ABR**” means average billing rate approved by the Commission in prevailing Retail Supply Tariff Order;
 - e) “**Area of supply**” means the geographical area within which a Distribution Licensee is authorized by his license to supply electricity;
 - f) “**Automatic Cut off of supply**” means temporary discontinuance of electricity supply of the consumer through prepayment meter, in the event of negative balance of the prepayment account of the consumer subject to the provisions of these practice directions;

- g) **“Billing Month”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended from time to time;
- h) **“Commission”** means the Madhya Pradesh Electricity Regulatory Commission;
- i) **“Contract Demand”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended from time to time;
- j) **“Day”** means a period of 24 hours between 00:00 Hours to 24:00 Hours.
- k) **“Disconnection”** means cutting off electricity supply to the consumer from the distribution system by the Distribution Licensee as specified in Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time;
- l) **“Energy Security Deposit (ESD)”** means security deposit to cover the charges towards consumption of electricity for stipulated period specified in MPERC (Security Deposit) Regulation 2009 as amended from time to time in case of existing consumers with post-paid metering connection.
- m) **“Final Monthly Bill”** means the final bill generated at the end of billing month for the consumption of electricity during the billing month as per the applicable prevalent Regulations/Code/Tariff Orders;
- n) **“Grace Period”** means the period during which there shall be no automatic disconnection of power supply of prepaid consumers even if the prepaid account balance of the consumers becomes zero or negative;
- o) **“Maximum demand”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended from time to time;
- p) **“Meter”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended from time to time;
- q) **“Minimum Charge”** means the minimum charges applicable as per the prevailing tariff order issued by the Commission for the Distribution Licensee;
- r) **“Minimum Recharge”** means a minimum amount required for recharge of prepayment account of the consumer as may be decided by the Distribution Licensee;

- s) **“Prepaid Consumer”** means any person who is supplied with electricity through smart prepayment meter or a pre-payment meter and billed under prepaid billing arrangement;
 - t) **“Smart Prepaid Account or Prepaid Account”** means electronic account of the smart prepaid consumer in which advance payment or recharge, credits paid to or received by the Distribution Licensee, or the consumer is received for the purpose of electricity to be supplied to the consumer;
 - u) **“Prepaid/Prepayment Meter”** means a smart prepayment meter, or a pre-payment meter as specified in relevant Indian Standard and as amended from time to time; which facilitates use of electricity only after advance payment;
 - v) **“Regulations’** means regulations made under the Act;
 - w) **“Rules”** means rules made under the Act;
 - x) **“Tariff”** shall have the same meaning as assigned to it under MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 as amended from time to time;
- (2) All other words and expressions used herein but not specifically defined in these Practice Directions shall have the meaning assigned to them in Act/ Rules /Regulations/ Retail Supply Tariff Orders.

3. Applicability:

- (i) The Practice Directions shall be applicable for all the consumers whether new or existing, where prepayment smart meters or pre-payment meters are being installed subject to feasibility of infrastructure for smart Prepayment metering & billing in the respective areas;

Provided that the Smart Prepayment Billing shall be implemented in area /feeder /class of consumers as selected by the Distribution Licensee in phased manner within the timelines given under RDSS plan of the concerned Distribution Licensee subject to approval of the Commission.

- (ii) Distribution Licensee, on an application made by a consumer covered under clause 3(1) above shall provide electricity supply through prepayment smart meter or prepayment meter in accordance with the relevant provisions of the MP Electricity Supply Code, 2021 along with

other relevant Regulations as amended from time to time;

Provided that consumer having opted in for prepayment metering system shall be eligible to opt out of prepayment metering system and accordingly avail post payment metering system after completing the formalities as specified in Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

- (iii) The requirement of service of notice as envisaged under sub section 1 of section 56 of the Act shall not be applicable for the purpose of automatic cutoff of supply of prepayment metering;

Provided that the provisions of section 56 of the Act shall be applicable for the purpose of recovery of charges and disconnection of supply to consumers under prepayment mechanism.

- (iv) The prepayment smart meters shall be read remotely at least once on daily basis. The data regarding energy consumption and balance credit in his pre-paid account shall be made available to the consumer on daily and monthly basis, through various online services i.e., website and / or mobile App and / or SMS, etc.

Chapter III: Provisions regarding Metering

4. Migration to Prepaid Billing:

- (i) Subject to the provisions of clause 3 (1), Distribution Licensee shall select the area /feeder /class of consumers where smart prepaid billing shall be implemented after installation of Prepayment smart meters, in a phased manner. Accordingly, all consumers of area / feeder /class of consumers as decided by the Distribution Licensee shall be migrated to Prepaid Billing.
- (ii) In case the postpaid meter is owned by the Distribution Licensee, the same shall be retained by it and in case the same is owned by the consumer, the Distribution Licensees shall return the meter to the consumer after change- over of the connection to prepayment smart meter.
- (iii) The Distribution Licensee through any electronic or other means shall intimate the consumers in advance (prior to next billing cycle) before their migration to Smart Prepaid Billing. An electronic record of service of such intimation shall be maintained by the Distribution Licensee.
- (iv) The MP Power Management Company Limited alongwith Distribution

Licensees shall prepare a Standard Operating Procedure (SOP) along with Frequently Asked Questions (FAQs) for migration from postpaid to prepaid connection and also for serving new connection on prepaid basis. After getting these approved from the Commission, the same shall be uploaded on the website of Distribution Licensees prominently and also given wide publicity.

5. Meter Security Deposit (MSD):

The Distribution Licensee may collect Meter Security Deposit (MSD) as specified in MPERC (Security Deposit) Regulations, 2009 as amended from time to time.

6. Installation and replacement of meters:

- (i) Distribution Licensee shall ensure availability of prepayment smart meters for new connections, migration of existing targeted postpaid connections to prepaid connections and replacement of defective prepayment smart meters. Distribution Licensee shall also ensure prepayment smart meters certification as per the relevant IS as amended from time to time.
- (ii) Prepayment smart metering systems shall have facility for recharging the credit in the consumer's account through various recharge modes to be provided by the Distribution Licensee on real time basis. The prepayment smart metering solution shall also have the facility to send notification/alert to the consumer on registered mobile phone in case of low credit balance and negative balance. Details of all the modes for recharges shall be covered in SOP prepared under clause 4(4) of these practice directions.
- (iii) The Distribution Licensee shall install prepayment smart meters conforming to the technical requirement of relevant regulation/guidelines of CEA as amended from time to time.
- (iv) The prepayment smart meter shall have both ways of communication and shall be compatible with AMI applications. The prepayment smart meter shall have adequate number of registers and the facility for Time of Day (TOD) and kVAh or kWh-based tariff application.
- (v) Subject to provisions of clause 3(1), new service connections shall be provided with prepayment smart meters and the existing connections with postpaid meters shall be replaced with prepayment smart meters in a phased manner as decided by the Distribution Licensee and as approved by the Commission.

- (vi) In case the prepayment smart meter installed by the Distribution Licensee gets damaged due to overloading or any other reason attributable to consumer, it shall be replaced at the cost of the consumer. Distribution Licensee in such case shall intimate reasons of damage to the prepayment meter in writing to the consumer.
- (vii) The consumer shall also have the option to purchase the meter and associated equipment himself as per the specification notified by the Distribution Licensee on its website. The Distribution Licensee shall provide the information of the vendors from where the consumers can purchase the prepayment smart meters, on its website.
- (viii) The Distribution Licensee shall keep adequate stock of spare prepayment smart meters duly tested for replacement of defective meters without any delay and also to meet requirement in respect of new connection.

Chapter IV: Provisions regarding Rebate/ Incentives, Energy Consumption Security Deposit, Treatment of arrears and billing of consumer

7. Rebate for payment of recharge voucher / online recharge to prepayment consumers:

- (i) Rebate for online bill payment available to postpaid consumers as laid down in applicable Retail Supply Tariff Order shall also be applicable to prepayment consumers on all type of recharges irrespective of mode of recharge i.e. online or offline:

Provided that such rebate shall not be applicable for initial recharge amount brought forward from security deposit amount of the prepaid consumer.

- (ii) Notwithstanding anything contained in clause 7(i) above, rebate for prepaid consumers as laid down in applicable Retail Supply Tariff Order shall be applicable.

8. Energy Security Deposit (ESD):

- (i) New eligible service connection under prepayment arrangement shall not be required to pay any energy security deposit.
- (ii) In case of existing consumers with postpaid arrangement migrating to prepayment arrangement, outstanding demand of energy security deposit either raised in the electricity bills but not yet paid or to be raised, if any, shall

be withdrawn.

- (iii) The energy security deposit of consumers under postpaid arrangement already lying with the Distribution Licensee shall be treated as initial recharge amount for respective consumers.

9. Treatment of Arrears:

- (i) The arrears outstanding against consumer, if any, shall be first adjusted against the energy security deposit of the consumer lying with the Distribution Licensee.
- (ii) The consumer shall be allowed to shift to prepaid mode if all arrears are paid or adjusted from energy security deposit:

Provided that the Distribution Licensee at its discretion may allow a consumer to clear outstanding arrears in monthly / daily instalments for a certain period (as may be decided by the Distribution Licensee) alongwith delayed payment surcharge, recoverable through recharge balance at the time of shifting to prepaid mode:

Provided further that in the event of knowledge of any past demand (arrear) discovered at later stage by Audit or else, a 15 days' notice shall be given to consumer by any electronic or other mode and demand so discovered shall be debited in consumers prepayment account, after expiry of 15 days' notice period:

Provided also that in the event of knowledge of any refundable amount to consumer discovered at later stage, it shall be credited to consumers prepayment account immediately:

Provided also that in case of disputed arrears challenged before a competent Forum / Court and subject to stay order, if any, recovery of such disputed arrears shall not be insisted and recovery of such disputed arrears shall be subject to the decision of competent Forum/ Court.

10. Prepaid billing of consumers

The billing in case of Smart Prepaid mode shall be done in the following manner, namely:

(i) **Procedure for Daily Provisional Billing:**

- a. **Opening Balance:** First Recharge or Initial Recharge or brought forward energy consumption security deposit will be considered as opening balance of Smart Prepayment Account.
- b. **Daily Billing:** Daily billing will be made on provisional basis separately for fixed charges, energy charges (including fuel and power purchase adjustment surcharge), electricity duty, outstanding arrears (installments if allowed by Distribution Licensee), on cumulative consumption (subject to tariff minimum billing wherever applicable) as per relevant slab / rate as approved in the prevalent Retail Supply Tariff Order. The method for daily billing/deduction will be decided by the Distribution Licensee which shall be consistent with the tariff schedule for respective category of consumers approved in the prevalent Tariff Order. The Distribution Licensee shall incorporate the billing methodology in its SOP.
- c. **Closing Balance of the day:** The closing balance of the day shall be derived as below:

Closing Balance of the day = Opening Balance of the day – Daily Billing- other demand (if any) + amount recharged/credited during day (if any).

The closing balance of the day so derived as per formula above will be considered as opening balance for the next day and the cycle will repeat.

(ii) **Procedure for Month End Final Billing:**

- a. **Calculation of Final monthly Bill:** Except as otherwise provided in these practice directions, final monthly bills will be calculated by Distribution Licensee as per applicable tariff schedule for respective category of consumer of prevalent tariff order and as per relevant provision of Supply Code/other applicable Regulations. All the underlying principles for calculations of energy charge, fixed charge, additional billing due to audit, electricity duty, incentives, or rebate, FPPAS, eligible government subsidy, power factor penalties etc., as applicable in case of post payment billing system shall also be applicable in case of prepayment billing system.

- b. **Consumers Government Subsidy:** The prepaid account of the consumers eligible for government subsidy shall be credited with eligible subsidy amount in final monthly bill at the end of billing month. The disconnection of domestic subsidized consumer shall be dealt with as per clause 12 (ii) of these practice directions.
- c. **Reconciliation and Adjustment:** Upon calculation of final bill at the month end, reconciliation and adjustment shall be done as below:
- i. If Final Monthly Bill Amount at the month end is less than ‘total amount deducted as per provisional daily billing’, the differential shall be credited to consumer’s account within one day from the date of generation of Final Monthly Bill.
- ii. If Final Monthly Bill Amount at the month end is more than ‘total amount deducted as per provisional daily billing’, the difference shall be debited to the consumer’s account after generation of Final Monthly Bill, which shall be adjustable from next recharge:
- Provided that if the consumer does not make payment of the due amount after generation of Final Monthly Bill, the same shall attract delayed payment surcharge after due date of final monthly bill. The rate of delayed payment surcharge shall be as per applicable Retail Supply Tariff Order. The delayed payment surcharge will not be applicable after supply to the consumer is permanently disconnected. However, for temporary connection, if any amount is outstanding after the period of temporary supply is over and supply has been disconnected, delayed payment surcharge shall be applicable as per the provisions of Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.
- d. **Due date for Payment:** The due date for making the payment of due amount, if any, after the issue of final bill for the month shall be as per the provisions of the MP Electricity Supply code, 2021 as amended from time to time.
- e. **Issue of Final Bill:** Distribution Licensee shall upload the final bill of consumer on its website upon expiry of billing period and intimate the consumer through electronic modes or otherwise, immediately after generation of final bill as for as possible but not later than the day next to the day on which billing period is over, in

any case. The intimation shall consist of the details of bill. The consumer shall be able to access the billing information through dedicated mobile App and web portal. The bill in its printable form shall be issued at the request of the consumer.

(iii) Daily Provisional Billing and Month End Final Billing when prepayment smart meter remains dysfunctional:

- a. During a period when the meter is defective or stopped working or becomes non-communicative, daily provisional billing shall be done in a similar manner as stipulated at Clause 10 (1) above. However, quantity of electricity consumed daily during the period the meter being dysfunctional will provisionally be assessed as per the relevant provisions of MP Electricity Supply Code, 2021 as amended from time to time.
- b. The final billing at the month end, in case of prepayment smart meter remaining dysfunctional, will be done as per relevant provision of MP Electricity Supply Code, 2021 as amended from time to time.
- c. In case, any disconnected prepayment smart meter becomes non-communicative, reconnection shall be made through manual intervention after receipt of recharge amount.

11. Recharging the Smart Prepaid Account:

- (i) The consumer can recharge his smart prepaid account as and when required in multiples of Rs.100/- or in any denomination as decided by the Distribution Licensee through multi recharge facilities/options.
- (ii) There shall be no maximum limit for the recharge amount. The Discoms shall make necessary arrangements for crediting the recharge amount paid by the consumer online and /or offline in his prepaid account.

12. Disconnection Process:

- (i) Daily provisional billing of consumer shall take place as per the billing methodology as explained above. Accordingly, the prepaid balance will be updated on daily basis which can be viewed by the consumer via dedicated mobile App and web portal. It will be intimated to the consumer through other electronic modes such as

SMS etc. also.

- (ii) In case of LT domestic prepaid consumer, the prepayment smart meter shall not automatically cut off the supply till the cumulative consumption during any particular month remains within the range eligible for government subsidy as decided by the government from time to time:

Provided that when the cumulative consumption of domestic consumer crosses the eligible units for subsidy and the existing balance of the consumer is negative or zero, a grace period of 3 days shall be provided to the consumers to make recharge.

- (iii) In case of other Prepaid Consumer, a grace period of 3 days shall be provided to recharge the prepaid account from the day when the consumer's prepaid account balance reaches to zero or negative.
- (iv) During the grace period, the prepayment smart meter shall not automatically cut off the supply of the consumer even if his prepaid account balance remains negative. If day(s) succeeding the day on which the grace period is ending is / are public holiday (s) (i.e., when Discoms offices remain closed), the grace period shall be extended by number of such public holiday(s).
- (v) After the grace period gets exhausted and the consumer fails to recharge his account with adequate amount which shall not be less than the outstanding amount plus minimum recharge amount, the supply to the consumer shall remain cutoff. The supply shall be restored only after receipt of outstanding dues along with further minimum recharge amount:

Provided that the prepayment smart meter shall not cut off the supply automatically on any day between 06:00 PM to 10:00 AM to avoid discomfort to consumers.

- (vi) The notification or alert shall be sent to the consumer through SMS/App Notification/WhatsApp/alerts on the meter for recharge to avoid automatic disconnection of the power supply from time to time.
- (vii) Post cutoff of supply , consumers shall be notified about the same along with the details of outstanding balance amount through

SMS/App Notification/WhatsApp.

- (viii) Manual process shall be initiated for discontinuance of supply if balance becomes negative and meter is non communicative / defective.
- (ix) In case, the consumer does not recharge his account with adequate amount, his account may reach negative balance on account of applicability of monthly minimum charges or any other applicable charges as determined by the Commission, even in case no electricity is consumed by the consumer. This situation should be explained by Distribution Licensee in SOP.
- (x) The notification/ alert shall be considered as notice for recharging the account & Distribution Licensee shall cutoff the supply on failure to recharge the account by consumer without any further notice after expiry of grace period.
- (xi) If the consumer does not clear outstanding dues and adequately recharge his account even after due date of final monthly bill, Distribution Licensee shall initiate the process of disconnection as specified in Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.
- (xii) The temporary disconnection can be restored within 6 months only after recharging prepaid account with an amount sufficient to recover the monthly minimum charges/fixed charges or other charges determined by the Commission which are applicable even if there is no consumption by the consumer during temporary disconnection period.
- (xiii) The connection shall be disconnected permanently, if the consumer fails to recharge the account within 6 months of temporary disconnection in case of LT domestic and single-phase non-domestic consumers and the meter shall be physically removed from the consumer premises:

Provided that in case of consumers other than LT domestic and single phase nondomestic, connection shall be disconnected permanently after 6 months of temporary disconnection or expiry of initial agreement period whichever is later as per the procedure specified in the MP Electricity Supply Code, 2021 as

amended from time to time and the meter shall be physically removed from the consumer premises.

- (xiv) After permanent disconnection, new connection to such consumer/ premises shall be served as per provisions of MP Electricity Supply Code, 2021 as amended from time to time.

13. Maintenance of Records and Revenue Recognition:

- (1) Proper record of the recharges made by the prepaid consumers shall be maintained by the Distribution Licensee.
- (2) The Distribution Licensee shall provide billing data of atleast past 6 months on the current final bill of each prepaid consumer and made available the same alongwith data of recharges made by consumer on its website for easy access of consumer.
- (3) The Revenue shall be recognized in the books of account of Distribution Licensee after final monthly bill generation.

14. Other Charges and rebates:

The provisions of rebates/incentives towards advance and prompt payment as stipulated in applicable Retails Supply Tariff Order shall not be applicable to consumers migrated to pre-paid mechanism.