

HARYANA ELECTRICITY REGULATORY COMMISSION
PREPAID METERING REGULATIONS, 2014

Notification

The 3rd September, 2015

Statement of Objects and Reasons:

No. 1561/HERC/Admin.-28.-- In supersession of notification dated 12th August, 2015 bearing No. 1278/HERC/Admn.-28, the notification is hereby issued observing that both Distribution Utilities are struggling to bring down the Aggregate Technical and Commercial (AT&C) losses in their respective licensed areas of supply despite taking various measures to improve metering, billing and collection of revenue from their consumers. The technical, commercial, economical and socio-political factors contributing to this major problem of the distribution business have been engaging the attention of the distribution licensees for quite some time. The utilities with their continuing poor state of financial health may not sustain for long and may not be able to do justice in providing quality service to the consumers which remains an issue. The consumer continues to face problems whether it is metering, billing, payments or collection of revenue. The billing disputes continue to rise, long queues are often seen for payment of bills though, the utilities have offered various modes of payments to the consumers. Also the consumers face large resentment of billing disputes.

Prepaid metering has emerged as a solution to some of the problems which are being faced by the consumers as well as the distribution utilities specially metering, billing, payment and collection of dues.

The two main attributes of the prepaid meters which distinguish these meters from standard credit meters are as follows:-

- a) Customer pay in advance for the consumption which is to take place in future.
- b) Active involvement of customer in their electricity consumption pattern.

Prepaid meter allows payment in advance of supply and reduces the working capital requirement of the distribution licensee. It also reduces the operating cost as no statement or bills are issued and delivered. There is hardly any requirement to read these meters except for statutory obligation to check theft or tampering.

The deployment of prepaid meters in areas having large concentration of consumers may yield significant reduction in working capital requirement and interest thereof for the distribution utilities as the consumer pay up-front and the possibilities of bad debts are eliminated.

The prepaid meter consumer has a greater flexibility in payment of electricity cost and can exercise better control over his electricity consumption.

For the distribution utilities, the prepaid metering reduces the meter reading, billing and disconnection / reconnection cost and since the payment is made prior to consumption, therefore, it reduces working capital requirement as well. This also results in better understanding in respect of energy consumption and induces more control of energy use and budget management by consumers leading to demand side management.

In view of above, the Commission considered it appropriate to frame the following Regulations so that both the consumers and the distribution licensee can reap the benefits of the new system/arrangement of metering & payment (Prepaid Metering) for supply of electricity. The distribution licensees shall be able to discharge its obligations for better service to the consumers which may enhance consumer satisfaction.

Regulation No. HERC/32/ 2014 The Haryana Electricity Regulatory Commission, in exercise of the powers conferred on it by Section 181 of the Electricity Act 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, hereby frames the following Regulations:-

Chapter – I

General

1. Short title, commencement and interpretation. –

- 1.1. These Regulations may be called “The Haryana Electricity Regulatory Commission (Prepaid Metering) Regulations, 2014.”
- 1.2. These Regulations shall come into force from the date of their notification in the Haryana Government Gazette.
- 1.3. These Regulations shall extend to the State of Haryana.

2. Scope and extent of application – These Regulations shall be applicable to:-

- i. Distribution and Retail Supply licensees including deemed licensees and franchisees in their respective area of supply and the electricity consumers in the State of Haryana who are covered under the scope of

these Regulations. The consumers who are otherwise covered under Regulations, HERC (Single Point Supply to Employer's Colonies, Group Housing Societies and Residential for Commercial-cum-Residential Complexes of Developers) Regulations, 2013, shall also be covered under these Regulations provided all the consumers opt to receive supply through Prepaid Meters from the distribution utilities.

Chapter – II

Definitions

- 3. Definitions.** –In these regulations, unless the context otherwise requires:-
- (1) “**Act**” means the Electricity Act, 2003 and subsequent amendments thereof.
 - (2) “**advance consumption deposit (ACD)**” means deposit prescribed to cover the estimated power consumption charges for two billing cycles.
 - (3) “**agreement**” means an agreement entered into by the licensee and consumer for the services including supply of electricity by the licensee to such consumer.
 - (4) “**area of supply**” means the area within which a licensee is authorized to supply electricity and shall include such areas where a franchisee(s) may be deployed.
 - (5) “**billing cycle or billing period**” means the period for which regular electricity bills, as specified by the Commission, are prepared for different categories of consumers by the licensee.
 - (6) “**Commission**” means the Haryana Electricity Regulatory Commission.
 - (7) “**connected load**” expressed in kW, means aggregate of the manufacturer's rated capacities or in its absence assessed capacities of all energy consuming devices or apparatus connected with the Distribution licensee's service line on the consumer's premises which can be simultaneously used and shall be determined as per the procedure laid down in the Regulations.
 - (8) “**consumption charges**” means the consumption of electrical energy in KWh or KVAh multiplied by applicable energy charges including demand charges/fixed charges, fuel surcharge adjustment (FSA), peak load

exemption charges, whichever applicable. These exclude all types of duties and taxes, service charges and rentals. Consumption charges may also be called the Sale of Power (SOP) charges.

- (9) “**contract demand**” means the maximum demand in kW or kVA (within a consumer’s sanctioned load) agreed to be supplied by the licensee and indicated in the agreement executed between the licensee and the consumer.
- (10) “**disconnection**” means the physical separation of consumer installation from the licensee’s system.
- (11) “**licensee**” or “**distribution licensee**” means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply and includes his authorized representative.
- (12) “**Low Voltage (LV)**” means a voltage not exceeding 250 volts.
- (13) “**Maximum demand**” means the highest load measured in average kVA or kW at the point of supply of a consumer during any continuous period of thirty minutes during the billing period.
- (14) “**meter**” means an device installed for measuring, indicating and recording consumption of electricity or any other quantity related with electrical system and shall include, where ever applicable , other equipment such as Current Transformer (CT), Voltage Transformer (VT) or Capacitor Voltage Transformer (CVT), necessary for such purpose.
- (15) “**Prepaid Meter**” means a meter defined in the CEA Regulations for regulating the installation and operation of meters which facilitate use of electricity only after advance payment. The meters shall also include associated in-home display / keypad unit.
- (16) “**minimum charge**” means the minimum monthly charges as approved by the Commission in the prevailing tariff order for the licensee.
- (17) “**sanctioned load**” means the approved connected load in kW.
- (18) “**security deposit**” means deposit made by a consumer to cover the payment due to the licensee for electric meter and metering equipment

that is to be provided by the licensee for supplying electricity to a premises and includes the advance consumption deposit.

(19) “**tariff**” means a schedule of prices or charges including fixed charges and monthly minimum charges for supply of electrical energy and services as approved by the Commission, which are applicable to all such services provided to the consumers by the licensee.

The other words and expressions used herein but not specifically defined in these Regulation but defined in the Act or under any law passed by the Parliament applicable to the electricity industry in the State shall have the meaning assigned to them in the Act or such law.

4. These Regulations shall be in addition to and not in derogation of the Haryana (Electricity Supply Code) Regulations, 2014 and other relevant Regulations notified by the Commission.

Chapter III

5. Applicability

- 5.1 The Prepaid Metering Regulations shall cover new single phase and three phase LT Industrial, NDS, mobile towers and Temporary connections upto a connected load of 50 KW as specified by the distribution licensee.
- 5.2 The distribution licensee, on an application made by a consumer covered under 5.1 above shall provide electricity supply through prepaid meter subject to feasibility as per the relevant provisions of the Haryana Electricity Supply Code and the other Regulations in force.
- 5.3 The existing LT Industries, NDS, temporary consumers and domestic consumers, whether existing or new, may also opt for Prepaid Metering supply arrangement. The licensee shall convert the supply of such consumers to the Prepaid Metering on receiving such request as per the provisions under these Regulations, provided the requisite facilities for recharge exist in that area.
- 5.4 In case the existing consumer opts for Prepaid Metering and the meter under postpaid arrangement was owned by the consumer the licensee shall return the meter to the consumer after change-over of the connection to prepaid meter.

Provided further if the meter belongs to licensee the same shall be retained by the licensee and the security deposit, if any, shall be returned to the consumer such working meters taken out from consumers premises shall be used by the licensee for replacement or providing new connections.

- 5.5 The licensee may also introduce prepaid metering scheme to such other category of consumers and in such areas of supply, where it is felt necessary to implement prepaid metering scheme under intimation to the Commission.
- 5.6 It is clarified that provisions of Section 56 of the Act which apply to supply of electricity through post-payment mechanism shall not be applicable to supply through prepaid meters.
- 5.7 The prepaid consumer shall not be required to be billed. However, the licensee shall carry out the periodical inspection / checking of meters not more than once in six months unless, there is specific complaint and shall download the requisite data for energy accounting purposes.

6. Security/ACD

In case of new connection with prepaid meter the distribution licensee shall not require security, in pursuance of clause (a) of sub section (1) and sub section(5) of Section 47 of the Electricity Act, 2003. The consumer shall not be required to deposit any advance consumption deposit (ACD) as part of security.

Provided further that for existing consumer shifting to Prepaid Metering arrangement, the ACD deposited with the licensee shall be adjusted against the last bill including arrears if any and the balance if any payable to the consumer shall be adjusted in next recharge.

7. Metering:

- 7.1 The licensee shall approve vendor for prepaid meters (meters shall be certified as per the relevant IS standard 15884) and shall make arrangement for recharge of the credit in the meter by the consumer online and offline within area of his supply.
- 7.2 The licensee shall install prepaid meters, including the display unit, conforming to the technical requirement as prescribed in the CEA (Installation and Operation of Meters) Regulations, 2006 and its

subsequent amendments. The prepaid meter including the display unit shall be provided by licensee at the cost of the consumer or on monthly rental basis (meter rent charged to the consumer on monthly basis).

Provided further that the consumer may also purchase his own meter of approved make and specifications from the vendor(s) approved by the licensee. The consumer shall get such meter tested at the licensee's meter testing lab after payment of the requisite fee. The licensee shall install the meter outside the consumer premises.

7.3 The display unit shall indicate the electricity consumed (kWh, kVAh), the running load / demand in KW/KVA and the number of units and the credit balance available out of the prepaid amount.

7.4 The prepaid meter shall be simple keypad based meter with ease of operation capable of recharging through coupon and/or online recharge and also capable of alarm, indication in case of low credit and disconnection on over load or no balance.

Provided further that these meters of various manufactures and the vending infrastructure shall have the inter-operability for ease of operation.

7.5 The meter shall be communicable and compatible for AMR or AMI applications.

Provided further that the meter shall have adequate number of registers and the facility for TOD and kVAh based tariff application.

7.6 The meter shall set off alarm when the balance amount in the meter account has reached the amount defined by consumer. It shall raise alarms on regular intervals till it is acknowledged.

7.7 The electricity supply shall be automatically disconnected once the credit gets exhausted in the meter. The supply shall be restored automatically on recharging and no reconnection charges will be recovered.

7.8 In case the consumer fails to recharge his prepaid meter account and his balance runs out, the meter shall not disconnect the supply of the consumer for 48 hours or till the emergency credit limit, if any, defined by the licensee for that consumer gets exhausted.

- 7.9 The prepaid meter and the recharge coupon shall have inbuilt security mechanism to guard against any attempt of theft of the codes. In case the recharge coupon is lost by a consumer, it should not be usable in any other prepaid meter.
- 7.10 The meter shall have the provision for ensuring recovery of monthly minimum charges, fixed charges and the consumption charges as per the applicable tariff.

Provided further that the meter shall be capable of deductions of the consumption charges according to the slab system in the tariff from the consumer.

- 7.11 The tariff revision in case of prepaid meter consumer shall be done through a recharge coupon code for offline prepaid meters and through data command for the online prepaid meters.
- 7.12 In case of off line recharge for prepaid meter, the coupon shall have validity of three months after which the same shall be required to be revalidated.
- 7.13 In case the consumer, at any time, uses/put on load exceeding 110% of his sanctioned load, the meter shall give an audible warning for one minute and then the supply shall be disconnected by the meter automatically.

Provided the supply shall be restored when the load falls below the sanctioned load.

- 7.14 The licensee shall provide adequate number of vending machines for facilitating recharge of coupons in addition to the facility of online recharge.

8. Rebate for prepaid meter

A rebate of 5% shall be allowed on the applicable tariff for the consumers availing supply through prepaid meters

9. Procurement

- 9.1 The licensee shall prepare a draft contract, for prepaid meter procurement / installation and submit the same for approval of the Commission.
- 9.2 The licensee shall finalize the terms and conditions with various manufacturers/suppliers to have a common platform (or sharing of

code) for developing the vending software to create recharge for multiple meter makes.

- 9.3 Provision of spare meters for replacement. The utility shall keep adequate stock of spare prepaid meters duly tested for replacement of defective prepaid meters immediately without any waiting to avoid inconvenience to the consumer and to meet the requirement of new incumbents to the scheme.

10. Vending interoperability

Licensee shall ensure vending system interoperability so that consumer shall not have any problem in getting recharge coupon from anywhere through any mode as per the availability of the service. The licensee shall ensure that system level interoperability is achieved using web services, while ensuring the tariff compliance and relevant BIS for the meter. It shall be possible to recharge coupon for different make of meters from any vending station.

Provided further that the prepaid metering system shall have the capability to be integrated with the main system of the licensee to have one system with all consumers data for ease of operation.

11. Training

The meter vendor shall provide training to the staff of utility to facilitate smooth/proper implementation of prepaid metering scheme.

Provided further that the server for the proposed metering system, software and the vending infrastructure shall be maintained and operated by the licensee to eliminate any problem at later stage.

12. The regulation in respect of billing as provided under HERC (Electricity Supply Code) Regulations, 2014 and the other relevant Regulation shall not be applicable to the consumer under prepaid meter scheme.

Chapter - IV Miscellaneous

13. **Interpretation.** - If any question arises relating to the interpretation of any provision of these regulations, the decision of the Commission shall be final.
14. **Power to amend.** - The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision of these Regulations by specific order.

- 15. Power to remove difficulties.** - If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these Regulations or the Act, do or undertake to do things or direct to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.
- 16. Power of relaxation.** - The Commission may in public interest and for reasons to be recorded in writing, relax any of the provisions of these regulations.

By order of the Commission.
Secretary,
Haryana Electricity Regulatory Commission.