

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) as in force from time to time;
 - 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;
 - d) “**Approved ABR**” means average billing rate approved by the Commission in prevailing Retail Supply Tariff Order;
 - e) “**Area of supply**” means the geographic area within which a distribution licensee is authorized by his license to supply electricity;
 - f) “**Billing Month**” shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended;

- g) **“Commission”** means the Madhya Pradesh Electricity Regulatory Commission;
- h) **“Energy Consumption Charges”** means the consumption of electrical energy in kWh or kVAh multiplied by applicable energy charge rate including fixed charges, fuel surcharge and power purchase adjustment (FSPPA), ToD charges, power factor charges etc.as applicable. These exclude all types of duties and taxes, service charges and rentals;
- i) **“Contract Demand”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended;
- 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 by the distribution licensee;
- l) **“Distribution Licensee”** means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- m) **“Energy Security Deposit (ECSD)”** means security deposit to cover the estimated energy consumption charges for stipulated period specified in MPERC (Security Deposit) Regulation 2009 as amended in case of existing consumers with post-paid metering connection.
- n) **“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;
- o) **“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;
- p) **“Maximum demand”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended;
- q) **“Meter”** shall have the same meaning as assigned to it under MP Electricity Supply Code 2021 as amended;

- r) **“Minimum Charge”** means the minimum monthly charges as approved by the Commission in the prevailing tariff order for the distribution licensee;
 - s) **“Prepaid Consumer”** means any person who is supplied with electricity through Smart Prepayment 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 meter conforming to relevant IS 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) **“Smart meter”** means a meter as specified in IS 16444 and as amended from time to time;
 - y) **“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 (RG-35(III) of 2021 as amended;
- (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.

3. Applicability:

- (1) The Practice Directions shall be applicable for all the consumers subject to feasibility of infrastructure for Smart Prepaid 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 as approved by the Commission.

- (2) The distribution licensee, on an application made by a consumer covered under clause 3(1) above shall provide electricity supply through prepaid smart 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.
- (3) The provisions of sub section 1 of section 56 of the Act which apply to supply of electricity through post-payment mechanism shall not be applicable to pre-payment mechanism through prepaid smart meters.
- (4) The smart pre-payment 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 basis, through various online services i.e., website and or mobile App or SMS, etc.

Chapter III: Provisions regarding Metering

4. Migration to Prepaid Billing:

- (1) The Distribution Licensee shall select the area /feeder /class of consumers where Smart Prepaid Billing shall be implemented after installation of Smart Prepaid Meters, in a phased manner. Accordingly, all eligible consumers of area / feeder /class of consumers as decided by the Distribution Licensee shall be migrated to Prepaid Billing.
- (2) 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 Smart Prepaid Meter.
- (3) The Distribution Licensee shall intimate the consumers in advance (prior to next billing cycle) before their migration to Smart Prepaid Billing.
- (4) The Distribution Licensee shall prepare a Standard Operating Procedure (SOP) for migration from postpaid to prepaid and for serving new connection on prepaid basis and shall upload the same on its website prominently and also give wide publicity in media.

5. Meter Security Deposit (MSD):

The distribution licensee may collect Meter Security Deposit (MSD) as specified in MPERC (Security Deposit) Regulations, 2009 as amended.

6. Installation and replacement of meters:

- (1) Distribution licensee shall ensure availability of prepaid smart meters for new connections, migration of existing targeted postpaid connections to prepaid connections and replacement of such defective meters in the areas where prepaid smart metering is done and to ensure prepaid smart meters' certification as per the relevant IS16444 as amended from time to time.
- (2) Prepaid smart metering systems shall have facility for recharging the credit in the consumer's account through various online recharge modes to be provided by the distribution licensee on real time basis. The prepaid 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.
- (3) The distribution licensee/consumer shall install prepaid smart meters conforming to the technical requirement of relevant regulation/guidelines of CEA as amended from time to time.
- (4) The prepaid smart meter shall have both ways communication and shall be compatible with AMI applications. The prepaid smart meter shall have adequate number of registers and the facility for Time of Day (TOD) and kVAh or kWh-based tariff application.
- (5) New eligible service connections shall be provided with Smart Prepaid Meters and the existing connections with postpaid meters shall be replaced with Smart Prepaid Meters in a phased manner (as decided by the distribution licensee) as approved by the Commission.
- (6) In case the prepaid 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.
- (7) In case of damage to the meter due to any reason other than as specified in clause 6 above, the same shall be dealt with in accordance with the relevant provisions of the MP Electricity Supply Code, 2021 as amended.
- (8) 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 ensure that tested and sealed meters of approved meter manufacturers are available to consumers for purchase and information of the places from where the consumers can purchase them is made available on its website.

- (9) The distribution licensee shall keep adequate stock of spare prepaid smart meters duly tested for replacement of defective meters immediately without any delay to avoid inconvenience to the consumer and also to meet the requirement of new connection.

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

7. Rebate for making online recharge prepayment consumers:

1. 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 recharge:

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

2. Rebate for prepaid consumers shall be applicable as laid down in applicable Retail Supply Tariff Order.

8. Energy Security Deposit (ESD):

1. New eligible service connection under smart prepayment arrangement shall not be required to pay any energy consumption security deposit.
2. In case of existing consumers with postpaid arrangement migrating to smart prepaid arrangement, outstanding demand of energy consumption security deposit, if any, shall be withdrawn.
3. 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:

1. The arrears, if any, shall be first adjusted against the energy consumption security deposit lying with the distribution licensee.
2. The consumer shall be allowed to shift to prepaid mode if all arrears are paid or adjusted from energy consumption deposit:

Provided that the distribution licensee at its discretion may allow a consumer to clear outstanding dues in monthly installments recoverable through recharge balance:

Provided further that in case of any revision in consumer's account due to any past demand (arrear) /refund discovered at later stage by Audit or else, a 15 days' notice shall be given to consumer on mobile app/SMS/email etc. and demand so discovered shall be credited / debited in consumers account, as the case may be after expiry of 15 days' notice period:

Provided also that in case of disputed arrears, action for recovery shall be subjected to the decision of court / adjudicating authority/ Forum.

10. Prepaid billing of consumers

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

1. Procedure for Daily Provisional Billing:

- (i) **Opening Balance:** First Recharge or Initial Recharge or brought forward energy consumption security deposit will be considered as opening balance of Smart Prepaid Account.
- (ii) **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 (if allowed by distribution licensee), and other applicable charges on cumulative consumption 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.
- (iii) **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

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.

2. Procedure for Month End Final Billing:

- (i) Calculation of Final monthly Bill:** The 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.
- (ii) Credit of 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.
- (iii) Reconciliation and Adjustment:** Upon calculation of final bill at the month end, reconciliation and adjustment shall be done as below:

 - a.** 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.
 - b.** 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 10 days from the date of

generation of Final Monthly Bill. The rate of delayed payment surcharge shall be as per applicable Retail Supply Tariff Order. However, the delayed payment surcharge will not be applicable after supply to the consumer is permanently disconnected.

- (iv) **Due date for Payment:** The due date for making the payment of due amount after the issue or conveying of final bill for the month shall be as per the provisions of the MP Electricity Supply code, 2021 as amended.
- (v) The Final Monthly Bill shall be uploaded on the Licensee's website on the day of bill generation. The consumer shall be intimated about the generation of bill through SMS or email or by both, immediately and the intimation shall consist of the details of bill. The consumer shall also be able to access the billing information through dedicated mobile APP and web portal. The bill in its printable form shall be issued only on the request of the consumer.

3. Daily Provisional Billing and Month End Final Billing when Smart Prepaid Meter remains dysfunctional:

- (i) In case during a period when the meter is defective or stopped working or become non-communicative then daily provisional billing shall be done in a similar manner as stipulated at Clause 10 (I) above. However, quantity of electricity consumed daily during the dysfunctional period will provisionally be assessed as per the relevant provisions of MP Electricity Supply Code, 2021 as amended.
- (ii) The final billing at the month end in case when Smart Prepaid Meter remains dysfunctional will be done as per relevant provision of MP Electricity Supply Code, 2021 as amended.
- (iii) In case, if any disconnected Smart Prepaid Meter becomes non-communicative, provision shall be made for reconnection 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/- and/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 credit in the prepaid account for the recharge made by the consumer online and/or offline.

12. Disconnection Process:

- (i)** Daily provisional billing of consumer shall take place as per the billing methodology as explained above and accordingly, the prepaid balance will be updated on daily basis which can be viewed by the consumer via dedicated mobile App and web portal.
- (ii)** In case of LT domestic prepaid consumer, the Smart Prepaid 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 smart prepaid meter shall not automatically cutoff the supply of the consumer even if his prepaid account balance remains negative. If a day succeeding the day on which the grace period is ending is a public holiday (i.e., when Discoms offices remain closed), the grace period shall be extended to include such public holiday.

- (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 be cutoff automatically. The supply shall be restored only after receipt of outstanding dues along with further minimum recharge amount:

Provided that the Smart Prepaid Meter shall automatically cut off the supply in any day only between 10:00 AM to 2:00 PM 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 disconnection, consumers shall be notified about the same along with the details of outstanding balance amount through SMS/App Notification/WhatsApp.
- (viii) Manual disconnection process shall be initiated if balance becomes negative and meter is non communicative / defective.
- (ix) In case, the consumer does not recharge his account after temporary disconnection as elaborated in sub clause (i) to (viii) of this clause, the account may reach negative balance on account of applicability of monthly minimum charges or any other similar charge as determined by the Commission, even if there is no electricity consumption by the consumer.
- (x) The notification/ alert shall be considered as notice for recharging the account & distribution licensee may disconnect the supply on failure to recharge the account by consumer without any further notice after expiry of grace period.
- (xi) 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 any other charges decided by the

Commission even if there is no consumption by the consumer during temporary disconnection.

- (xii) 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 nondomestic 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 and the meter shall be physically removed from the consumer premises.

- (xiii) After permanent disconnection, new connection to such consumer shall be served as per the provisions of MP Electricity Supply Code, 2021 as amended, however no energy security deposit shall be levied.

13. Reconnection-Disconnection (RCDC) Charges:

In case of manual disconnection, billing of RCDC charges shall be done in accordance with the relevant provision of the MPERC (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) Regulations (Revision-II), 2022 as amended.

14. 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 Revenue shall be recognized in the books of account of distribution licensee after final monthly bill generation.

15. 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.