

proposed intention of resuming the building/ space allotted to the license. In case of due expiry of the license tenure/ or after giving notice, if the Licensee/Lessee fails to vacate the premises it will be treated as unauthorized occupation/ encroachment.

- viii. The Licensee/Lessee shall have the right to appeal against resumption of the Covered space to the Board of NMPA within a period of 30 days from the date of receipt of the Order appealed against and the decision of the Board of NMPA will be final in this regard.
- ix. The Licensee/Lessee shall agree to comply with all rules or directions issued by the NMPA from time to time. Should the Licensee/Lessee neglect to comply with the rules or directions, the NMPA may terminate the license.
- x. The Licensee/Lessee shall agree that all payments and expenses of whatever sort due to the Port in respect of the Building/ spaces allotted to the Licensee/Lessee, shall be recoverable at the rates prescribed in the Scale of Rates of NMPA from time to time.
- xi. The Licensee/Lessee shall comply with all rules and regulations that may from time to time be issued by Govt. / Local Authorities/ Circulars as per Law of the Land.

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**PD-87**

## **KARNATAKA ELECTRICITY REGULATORY COMMISSION**

**No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052**

### **NOTIFICATION**

**No: KERC/6/DDD/F-1335/2023-24/462, Bengaluru, dated: 04.08.2023**

**Draft Karnataka Electricity Regulatory Commission (Pre-paid Smart Metering) Regulations, 2023.**

#### **PREAMBLE:**

- (1) The Commission notes that, currently only in respect of temporary installations the Commission has ordered installation of prepaid meters and in respect of installations in Government buildings, installing prepaid meters is made optional, at the instance of the consumers. For all the other installations the Commission is yet to specify any Regulations. Hence, the Commission has felt the necessity to specify Regulations on pre-paid smart metering for such of the consumers who desire to get them installed. This would, to some extent address the long-standing demand of a few consumers to have prepaid meters installed to their installations.

- (2) With the advent of technology and introduction of smart meters (with inbuilt facility for remote disconnection and reconnection) the electricity consumers may opt to avail power supply to their installations through pre-paid smart meters.
- (3) Therefore, In exercise of the powers conferred by Section 16, sub-section (5) of Section 47, Section 86 and Section 181 of the Electricity Act 2003 (Central Act 36 of 2003) and all powers enabling it in that behalf, the Karnataka Electricity Regulatory Commission hereby decided to notify the following draft "Karnataka Electricity Regulatory Commission (Pre-paid Smart Metering) Regulations, 2023" for inviting comments / views / suggestions / objections from the stakeholders, general public and interested persons.
- (4) The Stakeholders, general public and interested persons are requested to file their comments / views / suggestions / objections, if any, on the proposed draft "Karnataka Electricity Regulatory Commission (Pre-paid Smart Metering) Regulations, 2023 within **thirty (30) days** from the date of its publication in the official gazette, to the Secretary, Karnataka Electricity Regulatory Commission, No.16, C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru-560052.

#### 1. Short Title and Commencement:

- 1.1 These Regulations shall be called the **Karnataka Electricity Regulatory Commission (Pre-paid Smart Metering), Regulations, 2023**.
- 1.2 These Regulations shall come into force from the date of publication in the official gazette of Karnataka.
- 1.3 These Regulations shall be applicable to the whole of the State of Karnataka.

#### 2. Definitions and Interpretations:

- 2.1 "**Act**" means the Electricity Act, 2003 (36 of 2003) and subsequent amendments thereof;
- 2.2 "**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, Neighbourhood area network, Data concentrator unit and Home area network;

- 2.3 **“Commission”** means the Karnataka Electricity Regulatory Commission;
- 2.4 **“Consumption Charges”** means the consumption of electrical energy in kWh or kVAh multiplied by applicable energy charges and include demand charges / fixed charges, fuel & power purchase cost adjustment charges (FPPCA), ToD charges, taxes / duties and any other applicable charges.
- 2.5 **“Disconnection”** means the non-continuance of the electricity supply to the consumer from the licensee's system;
- 2.6 **“Pre-paid / pre-payment meter”** means a smart meter conforming to relevant IS which facilitates use of electricity only after advance payment;
- 2.7 **“Re-connection” means** continuance of the electricity supply to the consumer from the licensee's system after prepayment of consumption charges by the consumer;
- 2.8 **“Security Deposit”** means deposit prescribed in Karnataka Electricity Regulatory Commission (Security Deposit) Regulations, 2007 and subsequent amendments thereon;
- 2.9 **“Smart Meter”** means an AC static watt-hour meter with time of use registers, internal connect and disconnect switches with two-way communication capability. It is designed to measure the flow of forward (import) or both forward (import) & reverse (export), store and communicate the same along with other parameters defined in relevant standards. It shall be remotely accessed for collecting data / events, programming for select parameters to be provided by the distribution utility for supplying electricity to an installation / premises.
- 2.10 All other words and expressions used in these Regulations although not specifically defined herein above, but defined in the Karnataka Electricity Regulatory Commission's **“Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka” / Regulations on “Recovery of Expenditure” and in the Act and other Regulations of the Commission**, shall have the same meaning.

**3. Applicability and Procedure for availing facility under pre-paid Meters:**

These Regulations shall be applicable to all categories of consumers (new and existing consumers). However, availing power supply through a smart pre-paid meter shall be at the option of the consumers.

3.1 The existing consumers of the Distribution licensee may make an application to the licensee for arranging power supply through smart pre-paid meter. The licensee shall allow the consumer to purchase the meter in the market conforming to relevant standards /IS, at his own cost and dispose of the existing meter, as per the existing practice, so as to avoid its misuse.

3.2 The provisions of Section 56 of the Act (*Disconnection of supply in default of payment*), which apply to supply of electricity through post-payment mechanism shall not be applicable to supply through pre-paid smart meters.

3.3 The pre-paid smart meters shall be read remotely at least once in a day and an authorized representative of the Distribution licensee shall physically read the meter once in every quarter. The data regarding energy consumption shall be made available to the consumer, through website or mobile application or Short Message Service etc.,

3.4 After the installation of smart meters, no penalty shall be imposed on the consumer, based on the maximum demand recorded by the smart meter, for the period before the installation date.

3.5 In case maximum demand recorded by the smart meter exceeds the sanctioned load in a month, the bill, for that billing cycle, shall be calculated based on the actual recorded maximum demand and consumers shall be informed of this change in calculation through Short Message Service or mobile application:

Provided that the revision of the Sanctioned Load, if any, based on the actual recorded maximum demand shall be as under:

(a) in case of increase in recorded maximum demand, the lowest of the monthly maximum demand, where the recorded maximum demand has exceeded the sanctioned load limit at least three times during a financial year, shall be considered as the revised sanctioned load, and the same

shall be automatically reset from the billing cycle in next financial year:  
and

(b) in case of reduction of maximum demand, the revision of sanctioned load shall be done in accordance with the Regulations /Supply Codes/Standard Operating Procedures issued by the Commission.

#### 4. **Security Deposit:**

In case of new connection with pre-paid smart meter, the licensee shall not collect any security deposit, in pursuance of sub section (5) of Section 47 of the Act.

Provided that in respect of the existing consumer migration to pre-paid smart metering arrangement, the security amount deposited with the licensee shall be adjusted against the last bill including arrears, if any, and the balance, if any, payable to / by the consumer shall be settled in full, at once.

Provided further that in case of conversion pre-paid to post-paid conversion, again security deposit shall be paid by the consumer in addition to other formalities, if any.

#### 5. **Metering:**

5.1 Licensee shall ensure that the pre-paid smart meters purchased by the consumers conform to the technical requirements of relevant regulations / guidelines of CEA, as amended from time to time. The consumer shall get the meters tested at the licensees' meter testing lab or any NABL accredited labs before installation.

5.2 Pre-paid smart metering system shall have facility for recharge of the credit in the consumers' account through online such as mobile App, Credit / Debit Cards, web application or digital payment systems (e-wallet / wallet, web portal) etc., to be provided by the licensee on real time basis and also send notification to the consumer on registered mobile phone, in case of minimum / low credit.

5.3 The pre-paid smart meter shall be compatible with AMI application of the licensee and communicate the data. The pre-paid smart meter shall have adequate number of registers and the facility for Time of Day (TOD) and kVAh based tariff application.

5.4 The AML software application of the licensee shall initiate auto reconnection after successful recharge of the meter so that the connection is restored automatically/ immediately.

**6. Billing of electricity charges:**

6.1 The pre-paid smart meter billing system by the licensee shall have the provision for ensuring recovery of monthly minimum charges, fixed charges, FPPCA charges, ToD tariff and the consumption charges, taxes or any other applicable charges, as per the applicable tariff schedule / specific orders of the Commission. The balance shall be updated on the monthly billing date (date as decided by the licensee).

The software solution provided for pre-paid smart meter billing shall be capable of implementing the tariff as per tariff orders approved by the Commission from time to time.

6.2 The consumer may recharge his prepaid smart meter account as and when required in multiples of Rs.100/-, subject to a minimum amount equivalent to one week's average consumption charges as recorded in the immediately preceding month or when one week's clear consumption is available, as per the multi recharge facilities/options provided by the Distribution Licensees. There shall be no maximum limit for recharge amount.

Provided that in case of newly serviced installations where no previous average consumption of at least one week is not available, the Distribution Licensee shall compute the consumption charges for one week based on the burning hours basis as provided in the "Conditions of Supply of Electricity of Distribution Licensees in The State of Karnataka / Regulations / Codes / Orders of the Commission.

6.3 The Consumers shall maintain monthly minimum balance of fixed / demand charges as per the prevailing approved tariff for different category of consumers on the basis of connected load on per KW/HP basis.

- 6.4 The computation of the applicable charges shall take place on a daily basis, as per tariff schedule / specific orders of the Commission. The energy charges shall be deducted on the daily basis from the consumer recharged amount.
- 6.5 In case of non-communication of smart prepaid meters, daily energy charges shall be calculated on the basis of estimated daily consumption calculated from average of last 7 (seven) days daily recorded consumption to enable the consumers to arrange for prepayment. The prepaid balance shall be immediately updated on the basis of actual consumption once the reading is received from such pre-paid smart meter.
- 6.6 In case, the consumers' exhaust 75 % of the cumulative recharged amount (excluding fixed charges) in a billing month, the communication system shall notify the same to the consumers alerting them to recharge the prepaid account.
- 6.7 In case, the consumers fail to recharge their prepaid meter account and their balance runs out to zero, the meter shall automatically disconnect the supply of the consumers.
- Disconnection on low balance shall be deemed to be temporary disconnection.
- Disconnection process shall be scheduled only between 10 AM to 1 PM of any particular day and disconnection of power supply shall not be resorted to during weekly and other general holidays to avoid inconvenience to consumer (till such time the reconnection on real time basis is implemented by the licensee).
- 6.8 Post disconnection, consumers shall be notified through SMS about the same along with the details of zero / negative balance amount.
- 6.9 In case of temporary disconnection, the consumer may recharge the meter and restore the electricity supply without any additional charges or penalty.
- 6.10 AMI software application of the licensee shall initiate auto reconnection after successful recharge of the meter.

**[Working illustration for billing is provided in the Annexure to these Regulations]**

**7. Electricity Taxes / Duties payable to Government:**

Electricity Tax / Duties, as per the Government Rules / Orders, shall be payable by the consumers at the time of recharge of his pre-paid account. The licensee shall maintain separate account for such electricity taxes / duties. However, while recharging the pre-paid account, the licensee shall credit the pre-paid account with applicable tariff charges.

**8. Migration of the existing post-paid consumers to prepaid smart meter:**

8.1 The existing Consumer may be allowed to migrate to prepaid mode subject to clearing all arrears or after adjustment of the Security Deposit. There shall not be any previous arrears outstanding in the name of the consumer before switching to prepaid metering mode.

8.2 In case of any revision in consumers' account due to any demand (arrears) / refund discovered at later stage including any amount pointed out by Audit, a notice on the revised billing account shall be sent to consumer on mobile application / SMS / email, etc., giving 15 (fifteen) days to remit the amount.

After 15 days of notice, the amount of arrears or amount of interest or refund, if any, payable by / to consumer shall be adjusted to pre-paid balance of consumer. In case of insufficient balance, the installation shall stand disconnected temporarily, till recharge by the consumer.

Provided that the licensee shall complete the exercise of audit of relevant consumers' account within 3 (three) months from the day of consumer switching over from post-paid to pre-paid facility.

**9. Physical Disconnection:**

9.1 In case, the consumers does not recharge their account after temporary disconnection as prescribed in clause 6.7, the account may reach negative balance on account of applicability of Monthly Minimum Charges or Fixed Charges or any other charges as decided by the Commission, even if there is no electricity consumption by the consumers. The notification / alert shall be considered as notice for recharging the account and licensee shall disconnect the supply on failure to recharge the account by consumers, without any further notice.



9.2 The temporary disconnection shall be restored within 6 (six) months only after recharging with an amount adequate to recover the monthly minimum charges or fixed charges or any other charges decided by the Commission even if there is no consumption by the consumer during temporary disconnection period.

9.3 If the consumer fails to recharge the account within six months of temporary disconnection, the connection shall be disconnected permanently, and the meter shall be physically removed from the consumer premises.

The Distribution Licensee shall initiate the proceedings for recovery of arrears, if any, from the consumer as per the provisions of "Conditions of Supply of Electricity of Distribution Licensees in The State of Karnataka / Regulations / Codes / Orders of the Commission".

After permanent disconnection, fresh connection to such consumer shall be done as per the "Conditions of Supply of Electricity of Distribution Licensees in The State of Karnataka / Regulations / Codes / Orders of the Commission".

#### **10. Replacement of meters:**

10.1 In case the pre-paid smart meter gets damaged or burnt out, the same shall be replaced at the cost of the consumer duly testing the meter in Licensee's Lab or any NABL accredited labs.

10.2 The released damaged or burnt out meter shall be got tested at the Licensees' meter testing lab or any NABL accredited labs. If the meter is burnt out due to technical reasons like voltage fluctuation etc., attributable to the system constraints, the depreciated cost of burnt out meter shall be paid to the consumer, through adjustment to pre-paid account within 7 (seven) days from the date of laboratory testing report. The original cost of pre-paid meter purchased initially by the consumer shall be recorded in the RR Docket of the consumer.

#### **11. Training:**

11.1 The licensee shall provide adequate training to their staff to facilitate smooth / proper implementation of the pre-paid smart metering system.

11.2 The Server for the pre-paid smart metering system, software shall be maintained and operated by the licensee or its authorised vendor, as the case may be, for proper functioning of the prepaid metering system.

**12. Interpretation:**

If any question arises relating to the interpretation of any provision of these regulations, the decision of the Commission shall be final.

**13. Power to amend:**

The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provisions of these Regulations by specific order.

**14. 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 licensees to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.

**15. 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 the approval of the Commission,

**Secretary,  
Karnataka Electricity Regulatory Commission.**