

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamtrana Bhavan, Adjacent to 220/132/33/11 KV AP Carbides SS,
Dinnedevarapadu Road, Kurnool - 518 002, Andhra Pradesh.
Phones: 08518 - 294823,24,25,26

**MONDAY, THE TWENTY FOURTH DAY OF
FEBRUARY TWO THOUSAND AND TWENTY-FIVE
(24-02-2025)**

Present

Sri Thakur Rama Singh, Member & Chairman(i/c)

Sri P.V.R.Reddy, Member

In the matter of specifying the Third Amendment to the Andhra Pradesh State Electricity Regulatory Commission (Security Deposit) Regulation, 2004 (Regulation No. 6 of 2004).

Order

The Central Electricity Authority (CEA) has issued amendments to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 through the CEA (Installation and Operation of Meters) (Amendment) Regulations, 2019, and the CEA (Installation and Operation of Meters) (Amendment) Regulations, 2022. The 2019 amendment mandates that all new consumer meters must be Smart Meters with a prepayment feature and that the existing meters (excluding Smart Meters) must be replaced with Smart Meters with a prepayment feature within a timeline specified by the Central Government(Clause 4(1)(b)). The 2022 amendment substitutes the above Clause 4(1)(b) with the following:

- In areas with a communication network, all consumers must be supplied electricity through Smart Meters operating in prepayment mode, conforming to relevant Indian Standards (IS) within timelines specified by the Central Government.

- For consumer connections exceeding the current carrying capacity specified in the relevant IS, meters must have an automatic remote meter reading facility or be Smart Meters as per the relevant IS.
- In areas without a communication network, the installation of prepayment meters conforming to relevant IS will be permitted, as approved by the respective State Electricity Regulatory Commission.

Whereas, the Ministry of Power(MOP) issued notifications dated 17.08.2021 specifying the timelines for replacing existing meters with smart meters.

Whereas, APDISCOMs, vide their letters (APSPDCL-27.01.2024 & 06.05.2024, APCPDCL-28.01.2024 & 30.08.2024 and APEPDCL -10.01.2024 & 07.05.2024) requested the Commission to make appropriate amendments to the relevant Regulations notified by the Commission and the General Terms and Conditions of Supply (GTSC) in the backdrop of the installation of Smart Meters.

Based on the above, the Commission has decided to make appropriate amendments and accordingly published the third Amendment to the Andhra Pradesh Electricity Regulatory Commission Security Deposit Regulation, 2004 (Regulation No. 6 of 2004), on its website along with a Common Public Notice on 01.01.2025 inviting all the stakeholders to furnish their comments/suggestions/objections on the proposed amendment to Regulation 6 of 2004 and two other relevant Regulations and GTCS, if any, to the office of the Commission by 22.01.2025. The Commission extended the deadline for furnishing the comments/suggestions/objections to 29.01.2025 based on the request of APDISCOMs and some objectors.

By the deadline on 29.01.2025, the Commission received 32 Nos of comments/suggestions/objections from the stakeholders on the amendments proposed in the common public notice. The gist of comments/suggestions/objections received, and the Commission's analysis and decisions on the same with regard to the amendment to the Andhra Pradesh State

Electricity Regulatory Commission Security Deposit Regulation, 2004 (Regulation No. 6 of 2004) are discussed below (The list of objectors is as per Annexure-I).

1. Amendment to Clause 4(3)(iii) (Substitution of text beneath the clause)

“In case of a new connection with a prepaid smart meter, the consumer shall not be required to deposit any Consumer Security Deposit (CSD) as part of security in pursuance of sub-section (5) of Section 47 of the Electricity Act, 2003. Provided that for an existing consumer shifting to the smart prepaid metering arrangement, the CSD shall be adjusted against outstanding dues to the Distribution Licensee or any amount becoming due to the Distribution Licensee immediately thereafter. After adjustment of the dues, if any balance is left, the same shall be credited to the e-wallet linked to the prepayment meter.”

Objections/views/comments

A. Sri S. Surya Prakasa Rao/Former Secretary/Erstwhile APERC

The proposed amendment suggests waiving the Consumer Security Deposit (CSD) for new connections with prepaid smart meters, while for existing consumers shifting to prepaid metering, any remaining CSD will be adjusted against dues and credited to the consumer's e-wallet. However, the absence of the optional feature contained in Sec. 47(5) of the Electricity Act is a concern. It is suggested to modify the Clause as follows:

“If an applicant seeking new connection under section 43 is prepared to take supply through a pre-payment meter, the Distribution Licensee is not entitled to collect any Deposit from such person towards Security for the supply to be made in terms of section 43 and Regulations made thereunder.”

A separate option should be provided in the application form for consumers to indicate their choice for either prepaid or normal meters. It is suggested to modify the proviso as follows:

“Provided that, for an existing consumer desirous of shifting to pre-payment system, the Distribution Licensee shall, on an application from such consumer, install pre-paid meter and allied equipment and the existing Security Deposit of such consumer shall be adjusted against outstanding dues.....”

Additionally, DISCOMs should provide application forms specified by the Commission for an easy transition to the prepaid system by consumers.

B. Chief General Manager/RA & PP/APEPDCL & Chief General Manager /Projects/APCPDCL

APEPDCL and APCPDCL suggested to add the following text at the beginning of the proposed new Clause:

“The choice of providing pre-payment meters lies with the distribution licensee.”

Commission’s analysis and decision: The Commission is also of the view that the pre-payment option is at the discretion of the consumer since Section 47(5) of the Electricity Act, 2003 provides an option to the consumer to take the supply through a pre-payment meter as opined by Sri S. Surya Prakasa Rao. Since the proposed amendment may not have reflected this view, the same is accordingly modified to provide greater clarity.

At the same time, the Commission is not inclined to accept APEPDCL and APCPDCL's suggestion to include a provision which allows the distribution licensee the choice to provide pre-payment meters, as the same contradicts Section 55 of the Electricity Act, 2003, and Clause 6(2)(b) of the CEA Metering Regulations.

The final amended Regulation is shown in Annexure-II.

Sd/-
P.V.R Reddy
Member

Sd/-
Thakur Rama Singh
Member & Chairman(i/c)

Annexure-I

List of Objectors

S.No	Name of the Objector
1	Sri S. Surya Prakasa Rao, Former Secretary, erstwhile APERC, Hyderabad
2	The Chief General Manager, RA&PP, APEPDCL, Visakhapatnam
3	The Chief General Manager, Projects, APCPDCL, Vijayawada



Annexure-II

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

[Regulation No.3 of 2025]

**Third Amendment to the Andhra Pradesh Electricity Regulatory Commission
(Security Deposit) Regulation, 2004 (Regulation No. 6 of 2004)**

The Commission, in exercise of the powers conferred on it under sub-section (v) of Section 181(2) read with Section 47 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, hereby amends the Principal Regulation as follows.

1. Short title, Extent, and Commencement

- i. This Regulation shall be called the Third Amendment to the Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004 (Regulation No. 6 of 2004).
- ii. This Regulation shall extend to the whole of the State of Andhra Pradesh.
- iii. This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. The text under clause 4(3)(iii) shall be replaced with the following:

“If an applicant seeking new connection under section 43 is prepared to take supply through a pre-payment meter, the Distribution Licensee is not entitled to collect any Deposit from such person towards Security for the supply to be made in terms of section 43 and Regulations made thereunder.

Provided that for an existing consumer desirous of shifting to the smart prepaid metering arrangement, the CSD shall be adjusted against outstanding dues to the Distribution Licensee or any amount becoming due to the Distribution Licensee immediately thereafter. After adjustment of the dues, if any balance is left, the same shall be credited to the e-wallet linked to the prepayment meter.”

(By Order of the Commission)

**Place: Kurnool
Date: 24 .02.2025**

**P.KRISHNA
Commission Secretary(i/c)**