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Government of India
Ministry of Power

New Delhi, the 22nd November, 2017

The Addl Chief Secretary / Principal Secretary/Secretary (Energy /Power) of all states


Subject: Smart metering and prepaid metering in states.

Sir,

AT&C loss reduction has been engaging the attention of the Governments and DISCOMs for quite some time now. Despite efforts made over several years, the AT&C losses have been reducing at very slow pace. Thus, it is imperative that urgent measures are taken so that the national AT&C figures come down to the UDAY commitment levels of 15% by March 2019.

2. Analysis of losses indicates that AT&C loss reduction is contingent upon improvement in the Billing efficiencies. Since a large number of consumers are still unmetered, or with defective consumer meters, which does not enable proper accounting of the energy inputs into the system, the Government of India has sanctioned almost 2.36 Crore consumer meters in the IPDS and DDUGJY schemes. Details of the same are enclosed.
3. The Power Ministers conference held in Goa on 16th & 17th June 2016 had resolved to procure only Smart Meters after a cut-off date as may be notified by CEA. All States had further resolved to send their revised proposal under IPDS/DDUGJY to cover procurement of Smart Meters by end of June, 2016.
4. However, it is understood that data communication constraints in various parts of the country, especially in rural and remote places, may not make Smart meters a feasible option for such places, but prepaid meters may work. While Smart meters ensure on demand energy audits, the prepaid meters ensures billing and collection in advance to DISCOMs.
5. Thus, it would be advisable to ensure installation of Smart meters in areas that have a feasibility of communication for all consumers above monthly electricity utilization of approximately 500 Units in first place and then upto 200 units in second phase. Other consumers in remote locations and in rural areas may be provided with Pre-paid meters. In case either of them is not possible, States/DISCOMs may go for static meters and/or may consider hiving off the system to Distribution Franchisees.
5. EESL has gone for the procurement of 5 million Smart Meters for UP and Haryana. States may like to contact EESL to get the advantage of economy of scale through aggregation.
6. States going for Smart meters and prepaid meters under IPDS and DDUGJY for consumers may send the details to the Ministry.

Yours faithfully,


(G. Swan Za Lian)

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Copy to:

1. Director (RE), Ministry of Power
2. CMD (PFC), CMD(REC)