

No. 23/22/2019-R&R (Part-5)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 16th January, 2020

To

Principal Secretary/Secretary (Power/Energy), State Governments/UTs

Subject: Reduction in cost of power due to prepayment by end consumers.

Sir/ Madam,

I am directed to refer to this Ministry's letter of even no. dated 15.11.2019 regarding reduction in cost of power due to prepayment in entire value chain of power sector.

2. Prepayment meters are being provided to end consumers by the Distribution Companies. With the availability of prepayment meter consumers pay in advance for electricity consumed by them to the DISCOMs. In cases of prepayment, the carrying costs will come down, leading to reduced requirement of working capital for the Distribution companies. Further, this will also eliminate associated costs involved in meter reading, billing and collection. Therefore, where prepayment meters are installed or being installed, the electricity tariff per unit for the consumer should reduce.

3. In view of the above, the States may request the State Electricity Regulatory Commissions (SERC) to consider reduction in power retail tariff to the consumers for the power purchased through prepayment meters.

4. It is also requested that the necessary changes in relevant Regulations/Orders/Mechanism to reduce cost of power in case of advance payments/prepayment by any entity or consumers should be implemented within six months of issuance of this letter.

Yours faithfully



(Debranjana Chattopadhyay)

Under Secretary to the Government of India

Ph: 011-2373 0265

Copy to:

- 1) Secretary, CERC/FOR/JERCs
- 2) Secretaries of all SERCs
- 3) CMDs of Distribution Companies/Generating Companies
- 4) Chairperson, CEA, Sewa Bhawan, RK Puram, New Delhi

Copy also for information to:

PS to MOS (I/C) for Power and NRE, Sr. PPS to Secy (Power), PPS to AS (R&R), Sr.PPS to CE (RR), PS to Dir (RR)