

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:276  
ANSWERED ON:10.08.2000  
REVAMPING OF STATE ELECTRICITY BOARDS  
VILAS BABURAO MUTTEMWAR;Y.S. VIVEKANANDA REDDY

**Will the Minister of POWER be pleased to state:**

- (a) whether 12 States including Himachal Pradesh have agreed to restructure their State Electricity Boards in collaborations with the Power Finance Corporation;
- (b) if so, the details thereof;
- (c) to what extent it would help in improving the power situation in these States;
- (d) the total number of States which have not so far given their consent for revamping their State Electricity Boards;
- (e) whether the Union Government have been urging upon the State Governments to revamp the State Electricity Boards; and
- (f) if so, the reaction of the State Governments in this regard?

**Answer**

THE MINISTER OF POWER ( SHRI P.R. KUMARAMANGALAM )

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 276 TO BE ANSWERED IN THE LOK SABHA ON 10.8.2000 REGARDING REVAMPING OF STATE ELECTRICITY BOARDS.

(a) to (f) : The States who have agreed to undertake reforms and restructuring in their power sector with technical and financial assistance of Power Finance Corporation are Assam, Goa, Jammu and Kashmir, Karnataka, Maharashtra, Meghalaya, Punjab, Tamil Nadu, Tripura, West Bengal, Himachal Pradesh and Manipur.

It is anticipated that reform and restructuring of State power sector would lead to greater accountability, improvement in performance of utilities, reduction in losses and financial viability. This would help in attracting the required investments and improving the power situation.

The Central Government has been playing a pro-active role in accelerating the reform process in the power sector in the country as a whole. Electricity being a concurrent subject, the Government of India has been making a conscious effort to evolve a consensus on the various issues involved in undertaking reforms. As part of this initiative, a series of meetings/conferences with Chief Ministers/Power Ministers have been organised. In the last Chief Ministers/Power Ministers conference held on 26.2.2000, it was resolved that reform must be undertaken with a determination, vigour and sense of urgency. The key elements of the reform strategy as evolved in the Power Ministers Conference are:

- (i) Energy Audit at all levels.
- (ii) Time bound programme of 100% metering of all consumers by December, 2001.
- (iii) Reduction and finally, elimination of power theft within a specified period.
- (iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as a unit on priority basis.

If the above appears unattainable in the existing set up, corporatisation/co-operatisation/privatisation of distribution would have to be undertaken.

The response from most of the States has been very encouraging. Fourteen States have established State Electricity Regulatory Commissions (SERCs). Six States, Uttar Pradesh, Haryana, Rajasthan, Karnataka, Andhra Pradesh and Orissa have already unbundled their respective State Electricity Boards (SEBs) into separate companies for generation, transmission and distribution. Orissa has completely privatised its distribution network and partially privatised its thermal generation company. Further, Madhya Pradesh, Karnataka and Uttar Pradesh have signed Memorandum of Undertaking/Memorandum of Agreement with Government of

India (GOI) wherein the State Governments have agreed to reform their power sector in a time bound manner, and GOI has committed to provide necessary support required to achieve this.