

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3394
ANSWERED ON:21.12.2004
LOSS SUFFERED DUE TO REORGANISATION OF M.P.
Singh Shri Ganesh

Will the Minister of POWER be pleased to state:

- (a) whether the division of Madhya Pradesh has affected the State Power Board due to curtailing 1692 megawatts power from the share of Madhya Pradesh and doubling the loss of State making it Rs.2100 crores;
- (b) if so, the steps taken/proposed to be taken to compensate the State in case of loss under sections 37 and 75 of Madhya Pradesh Reorganization Act, 2000; and
- (c) the time by which the decision is likely to be taken in this regard?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (c) : Section 58 of the M.P. Reorganization Act, 2000 contains the provision relating to State Electricity Board. According to Section 58(3) of the Act that Government of India has to appoint a date from which the existing State Electricity Board cease to function and shall deem to be dissolved. It also provides that if no agreement is reached between the successor states the Central Government may by order determine the manner in which assets and liabilities of the board are to be apportioned between the successor States.

The Government of India, after hearing the two States and considering all relevant factors, has issued orders for apportioning the assets and liabilities of the MPEB between the successor entities vide its notification dated 4th November, 2004.

Section 75(2) of the Act provides that the Central Government shall, by order, also determine the share of the successor States in the entitlement of the existing State of Madhya Pradesh to power produced by the Central Government undertakings having due regard to the likely disadvantage which might have been occasioned to any successor State as a result of modified arrangements for generation and supply of electric power.

The Central Government has determined the share of the successor States on provisional basis vide its order dated 31st January, 2001. Keeping in view all relevant factors and the disadvantage occasioned to successor States the Central Government has finally determined the share of the successor States in the entitlement of the existing State of Madhya Pradesh to power produced by Central Government Undertakings vide order dated 3rd November, 2004.