

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:5264  
ANSWERED ON:27.08.2010  
THIRD PARTY ENERGY AUDITS  
Thamaraiselvan Shri R.

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

- (a) whether the Government has directed all the State Electricity Regulatory Commissions (SERCs) to conduct third party energy audits;
- (b) if so, the details thereof;
- (c) whether the Government have received reports that many SERCs are not strictly complying with the guidelines issued in this regard;
- (d) if so, the details thereof; and
- (e) the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARATSINH SOLANKI)

(a) to (e) : The Tariff Policy in paragraph 8.2.1(2) provides that third party verification of energy audit results for different areas/localities could be used to impose area/locality specific surcharge for greater Aggregate Technical and Commercial (ATC) loss levels and this in turn could generate local consensus for effective action for better governance.

The Standing Committee on Energy in its Thirtieth Report (14th Lok Sabha) on `Role of Central Electricity Regulatory Commission and State Electricity Regulatory Commissions in Protection of Interests of Consumers` in one of its recommendation, desired that to ensure that the consumers are extended the benefit of energy audit results and at the same time are not unnecessarily put to disadvantage, the Committee feel that SERCs should ensure third party verification of energy audit results by engaging experts/independent consultants for scrutiny and analysis of the data submitted by the licensees for tariff determination.

The Ministry took up the matter with the State Electricity Regulatory Commissions (SERCs). From the information received from 12 SERCs, it was observed that some of the SERCs are not strictly complying with the provisions in the Tariff Policy regarding third party energy audit.

The Standing Committee on Energy in its Fourth Report (15th Lok Sabha) has reiterated that the Ministry should make sincere efforts to persuade all the SERCs to implement the guidelines on Tariff Policy regarding third party verification of financial and technical data and observed that the stand taken of not having independent third party verification of energy audit, is a gross violation of Government policies.

In view of the above observations of the Committee, the Ministry is seeking Action Taken Report from the concerned.