

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3995  
ANSWERED ON:03.12.2010  
ELECTRICITY BOARD  
Rajesh Shri M. B.

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

- (a) whether the Union Government proposes or has done a review of the unbundling of State Electricity Boards;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the unbundling has any adverse impact on the tariff rates and efficiency of electricity boards; and
- (e) if so, the details thereof?

**Answer**

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

(a) to (e) : The Ministry had awarded a study to the Indian Institute of Public Administration (IIPA) on the impact of reorganization of the SEBs. The study concluded that 'despite some short comings, the overall impact of restructuring has been positive and in the right direction'. The report given by IIPA states that the following overall improvements have been noticed in four of the States which have reorganized their SEBs (Andhra Pradesh, Haryana, Karnataka and Orissa):

- (i) Trend towards reducing AT&C losses.
- (ii) Increased and more focused investments.
- (iii) Capacity addition and strengthening of the power systems.
- (iv) Localisation and reduction of inefficiencies.
- (v) Improved customer care.
- (vi) Progress in metering, billing and collection etc.
- (vii) Increased accountability of the Utilities.
- (viii) Establishment of Regulatory Mechanism.
- (ix) Empowerment of consumers.
- (x) Reporting and reviewing of performance of the Utilities on a regular basis.

A Report on the Performance of the State Power Utilities every year is being published by Power Finance Corporation Limited. State-wise details thereof in regard to average cost of supply, and average revenue realized (without subsidy), Profit/ (Loss) on accrual basis and Aggregate Technical and Commercial (AT&C) losses are given in Annex.

Electricity is in the Concurrent List and State Power Utilities work under the respective State Governments and their tariff is fixed by respective State Electricity Regulatory Commission.

The Electricity Act seeks to encourage competition with appropriate regulatory intervention. Competition is expected to yield efficiency gains and in turn result in availability of quality supply of electricity to consumers at competitive rates.