

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1128  
ANSWERED ON:05.08.2011  
ELECTRICITY ACT, 2003  
Singh Rajkumari Ratna;Singh Shri Ijyaraj

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

(a) whether the Central Electricity Regulatory Commission has not implemented the rules relating to private power distribution companies which have been given licences to maintain the quality, sustainability and credibility under section 79 of the Electricity Act, 2003;

(b) if so, the reasons therefor; and

(c) the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) : Section 79 of the Electricity Act, 2003, provides functions of the Central Electricity Regulatory Commission (CERC) which do not include grant of licenses to distribution companies. License for distribution is to be granted by the State/Joint Electricity Regulatory Commissions under Section 86(d) of Electricity Act, 2003. CERC is empowered to grant licenses to entities for inter- state transmission in electricity and inter-state trading in electricity.

The CERC has already framed regulations defining terms and conditions for grant of license for inter-state transmission and inter-state trading in electricity. As required under Section 79 of the Act, the CERC has already notified Indian Electricity Grid Code Regulations 2010 which lay down the rules, guidelines and standards to be followed by various persons and participants in the system to plan, develop, maintain and operate the power system, in the most secure, reliable, economic and efficient manner, while facilitating healthy competition in the generation and supply of electricity. These regulations apply equally to public as well as the private sector licensees.

(b) & (c) : Do not arise.