

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3029
ANSWERED ON:19.08.2011
FINANCIAL HEALTH OF POWER DISTRIBUTION COMPANIES
Jindal Shri Naveen

Will the Minister of POWER be pleased to state:

- (a) whether the Government has set up any Committee to look into the financial health of power distribution companies in the country;
- (b) if so, the details thereof along with the terms of reference and the composition of the Committee; and
- (c) the time frame by which this Committee is likely to submit its report to the Government?

Answer

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

(a) : Yes Madam, a High Level Panel on `Financial Position of Distribution Utilities` to look into the financial problems of the State Electricity Boards (SEBs) and to recommend system improvement measures has been constituted by the Planning Commission under the chairmanship of Shri V. K. Shunglu, Former Comptroller & Auditor General of India.

(b): The Terms of Reference of the Panel are:

(a) Review accounts of SEBs` and State Distribution Companies as on March 31, 2010 or earlier if updated accounts for the year ended March 31, 2010 are not available.

(b) Review their Financial Position as on March 31, 2010, and in particular, losses incurred and projected distribution losses over the period April 2010 to March 2017.

(c) Review Electricity Tariff including the role of (i) State Governments; (ii) State Tariff Regulator; and (iii) SEBs`/State Distribution Companies in periodic tariff revision.

(d) Assess system improvement measures accomplished in distribution of power, in particular, in urban areas as well as future needs / plans.

(e) Examine geographical and spatial compulsion and determine their operational impact.

(f) Review organizational and managerial structure, manpower, employed and future requirements / plans.

(g) To recommend plan of action to achieve financial viability in distribution of power by 2017.

The composition of the above High Level Panel is as follows :-

(i) Shri V.K. Shunglu, former CAG - Chairman

(ii) Shri S.K. Tuteja - Member

(iii) CMD/PFC - Member

(iv) CMD/REC - Member

(v) Chairman, CEA or his representative - Member

(vi) Three representatives from SEBs/Discoms - Members

(vii) Pr. Adviser (Energy), Planning Commission - Convener

(c): Final report of the High level panel is expected to be submitted by 31st October, 2011.