

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4922

ANSWERED ON:02.09.2011

OPEN ACCESS

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

- (a) whether the Open Access in transmission is aimed at promoting competition among the power distribution companies in the country;
- (b) if so, the details thereof;
- (c) whether in various States, including the National Capital Territory of Delhi the power distribution work has been entrusted to one company in a particular area and consumers are compelled to buy power from the same company leading to monopolization of that company;
- (d) if so, the details thereof along with the reaction of the Government thereto; and
- (e) the corrective measures taken by the Government in this regard?

**Answer**

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

(a) & (b): The Electricity Act, 2003 mandates non-discriminatory open-access for use of the transmission lines or distribution system or associated facilities by any licensee or consumer or person engaged in generation in accordance with the regulation specified by the Appropriate Commission.

Central Electricity Regulatory Commission (CERC) has specified regulations on open access in inter-State transmission.

With regard to Open Access at Inter-State level, during the Financial Year 2009-10, the total number of transactions under Open Access was 18128 as against 778 in 2004-05. Further, Central Transmission Utility (CTU) is reported to have received 225 applications from private developers for Long Term Open Access amounting to 1,62,898 MW.

At State level, as per information available with Forum of Regulators secretariat, 24 SERCs have notified terms and conditions of Open Access Regulations, 20 SERCs have determined cross subsidy surcharge, 25 SERCs have allowed Open Access up to 1 MW and above, 22 SERCs have determined transmission charges and 18 SERCs have determined wheeling charges.

(c) to (e): The Electricity Act, 2003 provides, inter alia, for license to a distribution licensee to distribute electricity in a specified area of supply. Section 14 of the Act states that `the Appropriate Commission may, on an application made to it under section 15, grant a licence to any person-

(a) to transmit electricity as a transmission licensee; or

(b) to distribute electricity as a distribution licensee; or

(c) to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:´

Also, section 2 (3) of the Act defines `area of supply` as the area within which a distribution licensee is authorized by his license to supply electricity.

Further, section 14 of the Electricity Act, 2003 provides for the concept of multiple licensee in the same area of supply. The 6th proviso of Section 14 of the Act states:

´Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements relating to the capital adequacy, credit-worthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:´

As regards the National Capital Territory of Delhi, the power distribution companies have been formed in accordance with the Delhi Electricity Reform Act, 2000 and the provisions of this enactment have been saved by the Electricity Act, 2003 subject to the condition that these provisions are not inconsistent with the Electricity Act, 2003.

In so far as provision of open access in National Capital Territory of Delhi is concerned, Delhi Electricity Regulatory Commission (DERC) has notified Delhi Electricity Regulatory Commission (Terms & Conditions for Open Access) Regulations, 2005 and have also followed up by issuing DERC Order dated 29.8.2008 in the matter of `Determination of Transmission and Wheeling Charges, Cross Subsidy Surcharge, additional surcharge and other applicable charges under Open Access`. As per these regulations, open access is available to consumers having a load of 1MW and above.