

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1667
ANSWERED ON:23.03.2012
ELECTRICITY ACT, 2003
Choudhary Shri Harish;Sinh Dr. Sanjay

Will the Minister of POWER be pleased to state:

- (a) whether under the Electricity Act,2003 another power distribution company can also operate within the same area in which one power distribution company is already operating;
- (b) if so, the details thereof; and
- (c) the State-wise details of such areas where another private power distribution company is also operating in the same area in which one private power distribution company is operating?

Answer

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

(a): Yes, Madam.

(b): Another Power distribution company can also operate within the same area in which one power distribution company is already operating as per the provisions of Electricity Act, 2003 as amended from time to time. The 6th proviso under Section 14 of the Electricity Act, 2003 provides 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, creditworthiness, 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.

(c): As per the information available with Forum of Regulators, two private power distribution companies are in the same area of supply in Mumbai, Maharashtra.