

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2805
ANSWERED ON:30.03.2012
LICENCES OF POWER DISTRIBUTION COMPANIES
Jaiswal Shri Gorakh Prasad ;Sinh Dr. Sanjay

Will the Minister of POWER be pleased to state:

- (a) whether there is a provision in the Electricity Act, 2003 to cancel licences of private power distribution companies;
- (b) if so, the details of the provisions and its objective thereof;
- (c) the names of the private power distribution companies whose licences have been cancelled during the last three years along with the reasons therefor, State-wise;
- (d) whether these provisions and the existing monitoring system in this regard are not being implemented by the State Governments properly; and
- (e) if so, the details thereof and the role of the Union Government in this regard?

Answer

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

- (a) & (b) : Section 19 of the Electricity Act, 2003 empowers the Appropriate Commission to revoke the licence of the distribution licensees. The relevant extract of the Section 19 is at Annex.
- (c) : As per the information made available by the Forum of Regulators Secretariat, licence of none of the private distribution company was cancelled during the last three years.
- (d) & (e) : The Appropriate Commissions in this regard are State Electricity Regulatory Commissions/Joint Electricity Regulatory Commissions and not the State Government. Based on the available information, the provisions of the Electricity Act and Regulations notified thereunder are being monitored and implemented by the Regulatory Commissions.
- (e) : Does not arise in view of (d) above.