

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3956

ANSWERED ON:21.03.2013

STRENGTHENING OF POWER DISTRIBUTION SYSTEM

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Will the Minister of POWER be pleased to state:

- (a) whether the Union Government proposes to strengthen the power distribution system across the country;
- (b) if so, the details of models under the consideration of the Union Government in this regard including the Public-Private Partnership (PPP);
- (c) whether the Union Government has made any consultations with the State Governments in the matter;
- (d) if so, the details and the outcome thereof; and
- (e) the estimated expenditure likely to be involved in this regard and the time by which it will be finalized?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) Yes, Madam. The steps taken by the Union Government to strengthen the power distribution system of the country are given in Annex.

(b) to (d) A Task Force on Private Participation in Power Sector distribution was constituted in November, 2010 under the Chairmanship of Shri B.K. Chaturvedi, Member Planning Commission to develop a framework for enabling private participation in the distribution of electricity. As per the report, State representatives were co-opted in the Task Force, which endorsed both Public Private Partnership (PPP) Model and the Franchisee Model leaving it to the States to choose a model that they think is useful for them.

PPP Model in the distribution of electricity encompasses all functions and obligations relating to distribution of electricity in a license area. The concessionaire, selected through competitive bidding, would be responsible for maintenance, operation and upgradation of the distribution network and the supply of electricity to the regulated consumers. Reduction of AT&C losses, improvement in quality of power supplied, strengthening of distribution network, improved customer satisfaction and introduction of competition through open access are some of the salient feature of this model.

Public Private Partnership (PPP) has been implemented by the way of privatization and appointment of distribution franchisee in some States. The distribution sector in the States of Odisha and Delhi was privatized in 1999 and 2002 respectively.

Public Private Partnership in the form of Urban Distribution Franchisee (UDF) is in place in the states of Maharashtra in towns of Bhiwandi, Nagpur, Aurangabad and in state of Uttar Pradesh in Kanpur & Agra urban areas.

(e) Electricity is a concurrent subject and the responsibility of electricity distribution rests with the States. Government of India acts as a facilitator in supplementing the efforts of States to provide power to consumers in an improved manner.

However, under the Restructured-Accelerated Power Development and Reforms Programme (R-APDRP), projects worth Rs.32323.67 Crores have been sanctioned. Cumulatively an amount of Rs.6456.01 Crore has been disbursed under R-APDRP, for sanctioned projects.