

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4857

ANSWERED ON:25.04.2013

MONOPOLY OF OPERATION BY PRIVATE DISTRIBUTION COMPANIES

Ganpatrao Shri Jadhav Prataprao;Jaiswal Shri Gorakh Prasad

Will the Minister of POWER be pleased to state:

(a) whether in spite of having provision in the Electricity Act, 2003 for encouraging competition in the field of power distribution, there is no competition amongst the power distribution companies in any of the States and the Government has not made any effort in this regard;

(b) if so, the details thereof along with the reasons therefor;

(c) whether the power distribution companies are having monopoly for operation in areas which were selected by them with the help of the senior officers of Central/State Governments whereas, as per the Provisions of the Electricity Act, 2003 there should be at least three companies in an area for distribution of Power; and

(d) if so, the reaction of the Government thereto and the corrective measures being taken in this regard?

Answer

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

(a) & (b) : Promoting competition in electricity sector is one of the cornerstones of the Electricity Act, 2003. Under 6th proviso of Section 14 of the Electricity Act, 2003, 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 certain conditions.

Based on the available information, following multiple licensees are operating in Mumbai, Maharashtra:-

Brihan Mumbai Electricity Supply and Transport Undertaking (BEST); Reliance Infrastructure Ltd. (Distribution) (R Infra-D); Tata Power Company Ltd. (Distribution) (TPC-D); and Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL).

(c) : Distribution is a licensed activity and the grant of license is governed as per the provisions of the Act and the regulations made thereunder by the Appropriate Commission. The relevant provisions of the Act in this regard are at Annex.

(d) : Does not arise in view of reply to (c) above.