

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5010

ANSWERED ON:23.04.2015

PROVISION OF CANCELLATION OF DISCOM UNDER ELECTRICITY ACT

Giluwa Shri Laxman;Jadhav Shri Prataprao Ganpatrao

Will the Minister of POWER be pleased to state:

- (a) whether there is any provision to cancel the licenses of private power distribution companies in Central Electricity Act, 2003;
- (b) if so, the details thereof including the details of private power distribution companies whose licenses have been cancelled during the last three years, along with the reasons therefor;
- (c) whether it is a fact that these provisions have not been implemented in appropriate manner by State Governments; and
- (d) if so, the details thereof and the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) :Yes, Madam. As per provisions contained in Section 19 of the Electricity Act, 2003, the Appropriate Commission, after making an enquiry, and if satisfied that public interest so requires, may revoke a license be it a Government company or a private company. The relevant provisions of the Act are given at Annex.

(b) :As per information made available by Forum of Regulators (FOR) Secretariat, the Odisha Electricity Regulatory Commission, vide its Order dated 4.3.2015 (Case No. 55/2013), has revoked the licenses granted to NESCO (License No. 3/1999, dated 31.3.1999), WESCO (License No. 4/1999, dated 31.3.1999) and SOUTHCO (License No. 2/1999, dated 31.3.1999), under the provisions of Section 19 of the Electricity Act, 2003 with effect from 4.3.2015. The Odisha Electricity Regulatory Commission, vide its Order dated 4.3.2015 (Case No. 55/2013) designated CMD, GRIDCO as "Administrator of NESCO, WESCO and SOUTHCO utilities" under the supervisory control of Principal Secretary, Department of Energy, Government of Odisha as far as Administration of NESCO, WESCO and SOUTHCO utilities are concerned. The Commission also ordered that CMD, GRIDCO will have all the powers for management of NESCO, WESCO and SOUTHCO utilities and business and as such all the functions including financial functions shall be taken over by him.

(c) & (d) : The question of inappropriate implementation of the provisions of the Electricity Act, 2003 by the State Governments does not arise since the power to revoke the license has been given to the Appropriate Commission.