

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:6140  
ANSWERED ON:30.04.2015  
COMPETITION AMONGST DISCOMS  
Choudhary Shri Ram Tahal;Jadhav Shri Prataprao Ganpatrao

**Will the Minister of POWER be pleased to state:**

- (a) whether it is a fact that as per the existing arrangement the choice of power distribution companies is not ordinarily available to the consumers for the supply of electricity;
- (b) if so, the reaction of the Government thereto; and
- (c) the steps taken by the Government to provide choice to the consumers and to promote competitiveness among the service providers to discourage monopoly?

**Answer**

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

(a) to (c) : As per provisions contained in Section 14 of the Electricity Act, 2003, Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area.

The condition of having own distribution network is not cost effective and therefore, the existing arrangement the choice of power distribution companies is not ordinarily available to the consumers for the supply of electricity.

In the Electricity (Amendment) Bill, 2014, which has been introduced by the Government in the Lok Sabha on 19th December, 2014, there is a proposal for segregating the carriage (distribution network) from the content (electricity supply business) in the power sector. Distribution network will be commonly used by multiple supply licencees bringing competition and efficiency in the distribution sector by giving choice to the consumers.