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Title: Need to amend the Electricity Act, 2003 and extend the time limit for the bifurcation of State Electricity Boards.

SHRI K. FRANCIS GEORGE (IDUKKI): Sir, the Electricity Act 2003 has created far-reaching consequences in the power generation and distribution sector in our country through its various provisions like Tariff Policy, Open Access Regulation and the formation of State Regulatory Commissions. Central projects like APDRP, RGGVY, Mega Power Projects, Ultra Mega Power Projects, etc. are being formulated according to the new Act.

The Act stipulates that State Electricity Boards shall be reorganized as different companies for generation, transmission, distribution and trading of power. Pending reorganization, the State Boards have been allowed to continue as State Transmission Utility and Licencee up to December 9, 2006. Also, the Act stipulates that the assets of the Boards shall be revalued and vested with these newly formed companies and the tariff should be fixed in such a way so as to get 14 per cent profit for the capital investment, making the consequent increase in tariff, unbearable for ordinary consumers. A review of this policy has become very necessary.

So, I request the Government to extend the period of State Electricity Board, especially of Kerala State Electricity Board, as a State Transmission Utility and Licencee from December 9, 2006 to December 9, 2007.[\[r25\]](#)

### **13.00 hrs**

Secondly, I would request the Government to allow States to retain the Boards in the Public Sector to carry out its operations together and to formulate policies according to the needs of each State in conformity with the federal nature of our country.

Thirdly, I would request the Government to scrap the Open Access Regulation policy requiring to bring in private companies into the power distribution sector using the Boards transmission facilities which will be detrimental to the interests of the low income groups in our society.

Fourthly, I would request the Government to review the policy regarding cross subsidy to BPL, APL category consumers and the stipulation to ensure 14 per cent profit in the distribution sector.

Fifthly, to review policy regarding Mega and Ultra Mega Projects and grant Kerala 1200 MW from these projects instead of the 200 MW sanctioned now.

Finally, I would request the Government to revamp the Electricity Act, 2003, as promised in the Common Minimum Programme of the UPA Government.

SHRI P. KARUNAKARAN : I also associate with him. This is the major issue of Kerala.

MR. SPEKEAR: Okay.

Hon. Members, we have already taken 15 matters of urgent public importance. There are other matters, but we have decided that at 1 o'clock we shall take up this. There will be no luncheon recess. There is one matter relating to the Indian Telegraph (Amendment) Bill, but I am told that on the Indian Rifles (Repeal) Bill, there will be no discussion.

SHRI PRIYA RANJAN DASMUNSI: Yes, Sir.