

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2561  
ANSWERED ON:07.08.2003  
PRESENT STATUS OF POWER REFORM  
YEMPARALA VENKATESWARA RAO

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

- (a) whether power reforms are under implementation for quite some time now;
- (b) if so, the details of the present status in this regard;
- (c) the extent to which the power reforms have helped to improve performance; and
- (d) the details of the targets fixed for the current year?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) : Yes, Sir.

(b) to (d) : Ministry of Power has signed State specific Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA) on power sector reforms with twenty seven States.

Twenty-one States have constituted State Electricity Regulatory Commissions (SERCs). Further fifteen SERCs have issued tariff orders. Nine States have unbundled/corporatised their State Electricity Boards. Ten States have enacted their own Reform Law.

Distribution has been privatized in Orissa and Delhi.

A new central legislation namely the Electricity Act, 2003 has been enacted, providing for a liberal framework for development of the power sector.

Under the new Accelerated Power Development and Reforms Programme (APDRP), the Central Government has been providing financial assistance for specific projects in identified distribution circles aimed at bringing about a turn around. This has now been combined with the provision of incentive by way of grant to the States linked to the actual reduction in cash losses. During the Financial Year 2002-03 State power utilities of Maharashtra, Gujarat and Haryana have shown cash loss reduction for the year 2001-02 to the tune of Rs.579.75 crore, Rs.1072.29 crore and Rs.10.20 crore respectively. An interim relief of incentive to these States amounting to Rs.137.89 crore, Rs.236.37 crore and Rs.5.01 crore respectively have been made on March 31, 2003.

Substantial relief has also been given to the State Utilities through the securitization of past dues to Central Public Sector Undertakings (CPSUs) under the Tripartite Agreement signed with 27 out of 28 States.