

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2530
ANSWERED ON:09.12.2005
PRIVATIZATION OF POWER SUPPLY
Singh Shri Prabhunath

Will the Minister of POWER be pleased to state:

- (a) whether the private power distributing companies are not at all willing to supply power in the rural areas of the country;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Union Government in this regard?

Answer

THE MINISTER OF INFORMATION & BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS(SHRI PRIYA RANJAN DASMUNSI)

(a) to (c): Under the provisions of the Electricity Act, 2003, distribution of electricity is a licensed activity and the appropriate Electricity Regulatory Commission grants the license.

Under the provisions of section 43 of the Act, every distribution licensee is under obligation to supply electricity within the specified time frame to premises located in the area of license on application by the owner or occupier of the premises. Failure to supply electricity within the time frame specified under sub-section (1) attracts imposition of penalty on the licensee.

Under section 57 of the Act, the Appropriate Regulatory Commission is required to specify standards of performance of a licensee. In case the licensee fails to meet the specified standards, he is liable for imposition of penalty or prosecution and also for payment of compensation to the affected person. One of the functions of the State Electricity Regulatory Commission, as laid down under section 86(1)

(i) of the Act, is to specify or enforce standards with respect to quality, continuity and reliability of service by licensees.