

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4035

ANSWERED ON:13.08.2015

State Discom

Giluwa Shri Laxman;Jadhav Shri Prataprao Ganpatrao

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that after the entry of private power distribution companies are restricted from operating in the jurisdiction of State Electricity Boards, etc. as per the Electricity Act, 2003;

(b) if so, the reasons therefor along with the provision contained in the Electricity Act, 2003 in this regard; and

(c) the reaction of the Government thereto?

Answer

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

(SHRI PIYUSH GOYAL)

(a) to (c) : No, Madam. The Electricity Act, 2003 enables multiple distribution licensees (public or private) in the same area of supply. As per provisions contained in 6th proviso to 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, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements relating to the capital adequacy, creditworthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose.
