

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.1556  
TO BE ANSWERED ON 24.11.2016**

**COMPENSATION TO POWER CONSUMERS**

**†1556. SHRI PANKAJ CHAUDHARY:**

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

- (a) whether there is any provision to provide compensation to the affected power consumers by Power Regulatory Commissions in the country under Section 57 of Electricity Act, 2003 (consumer protection performance of licensee) on being failed to fulfil performance standards laid down for various operational power distribution licensees in States and if so, the details thereof;
- (b) if so, the details of the compensation been provided under the Act, by Power Regulator to affected power consumers during the last three years and the current year, State/UT-wise;
- (c) whether any further amendments/ provisions are proposed to be made in the Electricity Act, 2003 to protect consumers from frequent power cuts, low voltage power supply, burning of transformers and delays in replacing them, losses due to faulty transmission wire and burning home appliances due to high voltage; and
- (d) if so, the details thereof and if not, the reasons therefor?

**A N S W E R**

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

**( SHRI PIYUSH GOYAL )**

**(a) & (b) :** As per provisions contained in section 57(1) of the Electricity Act, 2003, Appropriate Commission may, specify standards of performance of a licensee or a class of licensees. The Act also provides for payment of compensation by a licensee in case of non-compliance of standards specified by the Appropriate Commission. The relevant provisions of the Act are given at Annex. As per information made available by Forum of Regulators (FOR) Secretariat, in pursuance to these provisions, most of the State Electricity Regulatory Commissions (SERCs) and Joint Electricity Regulatory Commissions (JERCs) have notified the standards of performance along with schedule of penalty/compensation by a distribution licensee to the person affected by non-fulfilment of the performance standards laid down. Since Power distribution falls under the jurisdiction of the respective States and is regulated by SERCs/JERCs, the Union Government has no direct role in the functioning of the same.

**(c) & (d) :** As express provisions already exist under section 57 of the Electricity Act, 2003, and as such no further amendments/provisions are proposed to be made in relevant provisions of the Electricity Act, 2003 in this regard.

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**ANNEX REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 1556 TO BE ANSWERED IN THE LOK SABHA ON 24.11.2016.**

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**Relevant provisions of the Electricity Act, 2003**

***Section 57:***

- (1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.***
  
- (2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:***  
  
***Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.***
  
- (3) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.***

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