

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.3868
TO BE ANSWERED ON 09.08.2018**

PENALTY FOR LOAD SHEDDING

**3868. SHRI KAMAL NATH:
SHRI JYOTIRADITYA M. SCINDIA:**

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

- (a) whether the Government has recently announced that power distribution companies or discoms have to pay penalty for load shedding in any area across the country;**
- (b) if so, the details thereof;**
- (c) whether the Aggregate Transmission and Commercial (AT&C) losses claimed by any of the discoms would not be reimbursed;**
- (d) if so, the reasons therefor; and**
- (e) the details of Union Government's new power policy and the time by which it is likely to be announced?**

A N S W E R

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

(SHRI R. K. SINGH)

(a) to (e) : The Central Government in the proposed draft amendments to the National tariff policy, 2016 has included the provision for imposition of penalties on the Distribution companies for power cuts other than force majeure conditions or technical faults by Appropriate Commission. In the draft amendments to the tariff policy, it has been proposed to stipulate that the State Electricity Regulatory Commissions and Joint Electricity Regulatory Commissions shall not consider AT&C losses exceeding 15% for determination of tariff after 31.03.2019.

The details of proposed amendments to tariff policy are given at Annexure. The proposed amendments are under finalisation on the basis of comments received from various stakeholders.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 3868 TO BE ANSWERED IN THE LOK SABHA ON 09.08.2018.

Proposed Amendments in Tariff Policy

The proposed Amendments in Tariff Policy include amendments in provisions related to Generation, Transmission and Distribution of electricity. The focus is to make 24x7 uninterrupted power supply to all consumers, improve efficiency in the operation of distribution business, addressing certain constraints faced in implementing change-in-law provisions, issues in open access, compliance and related aspects, Tariff design related issues including simplification of tariff categories and rationalization of retail tariff. Highlights of certain key proposed amendments are as follows:

- **Consumer should not be asked to pay the price of inefficiencies of the Discom, therefore AT&C Losses in excess of 15% shall not be passed on to the consumers but shall be borne by Discom.**
- **24 hours supply of adequate and uninterrupted power may be ensured to all categories of consumers by March, 2019 or earlier. In case of power cuts other than in force majeure conditions or technical faults an appropriate penalty, as determined by the SERC shall be levied on the Distribution Company and credited to the account of the respective consumers.**
- **Standards of performance for Distribution Licensee to include continuity and reliability of supply, quality of supply, timeframe for disposing application for connection/ disconnection/enhancement or reduction of connected load and complaints of disruption in supply**
- **Subsidy to any category of consumers would be required to be given through Direct Benefit Transfer i.e. directly in the bank account of such consumers.**
- **Appropriate Commission would ensure that cross-subsidies are reduced and the tariff for all consumer categories are brought within $\pm 20\%$ of the average cost of supply effective from 1st April 2019 or earlier.**
- **Simplification of tariff categories and rationalization of retail tariff.**
- **Suitable provisions for promotion of Electric Mobility- No licence would be required for setting up any charging stations for Electric Vehicles.**
