

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.4974  
TO BE ANSWERED ON 25.03.2021**

**PRIVATISATION OF CHANDIGARH ELECTRICITY DEPARTMENT**

**4974. SHRI MANISH TEWARI:**

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

- (a) whether there is any proposal for the privatization of Chandigarh Electricity Department and if so, the details thereof;**
- (b) the details of the revenue figures of the Department;**
- (c) whether the profits earned by the Department and the Aggregate Technical and Commercial (ATC) losses were lower than the set target during the last three years and if so, the details thereof;**
- (d) the details of transmission and distribution losses of the Department; and**
- (e) the reasons to privatise a profit making entity by the Government?**

**A N S W E R**

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

**(SHRI R.K. SINGH)**

**(a) : Under the Aatma Nirbhar Bharat Abhiyan, Government of India had taken a policy decision to privatize the Distribution functions in the Power Departments/Utilities in the Union Territories. This is an important policy decision of the Government, which has been taken with the objective of providing better services to consumers and aimed at further improvement in operational and financial efficiency of Distribution sector. This will also provide a model for emulation by other Utilities across the country.**

**The privatization of Electricity Department in UT of Chandigarh is under process where Request for Proposal (RFP) for selection of bidders for purchase of 100% shares in Distribution Company has been floated. The selected bidders will be responsible for distribution and retail supply of electricity. After the privatization process is completed, the Distribution function would be carried out by a company 100% owned by a private entity.**

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(b) : The details of the revenue figures of the Department as provided by the UT Administration, Electricity Department, Chandigarh, are as under:

(Figures in crore)

Carrying cost	FY 2018-19	FY 2019-20	FY 2020-21
Opening gap/ (surplus)	(165.84)	(88.87)	(254.73)
Addl. gap/ (surplus) due to standalone year	(116.60)	(155.42)	(84.22)
Cumulative gap/ surplus for the FY 2010-11 to FY 2013-14	208.17	0.00	0.00
Closing Gap/ (Surplus)	(74.27)	(239.29)	(338.84)
Average Gap/ (Surplus)	(120.05)	(161.58)	(296.78)
Rate of interest	8.00%	9.55%	8.85%
Carrying cost	(9.60)	(15.43)	(25.27)
Closing gap/ (Surplus)	(83.87)	(254.73)	(365.11)

(c) & (d) : The department has gap/surplus as indicated above.

As per information provided by UT Administration, Electricity Department, Chandigarh, the Department's aggregate technical and commercial (AT&C) losses have not been worked out. However, targets for Transmission & Distribution (T&D) losses have been set and achievements are measured. The details of T&D losses for the last three years are as under:

Year	T&D loss	
	Target	Achieved
2017-18	12.75%	9.51%
2018-19	12.25%	13.5%
2019-20	9.40%	11.91%

(e) : This is an important policy decision of the Government of India taken under the Aatma Nirbhar Bharat Abhiyan with the objective of providing better services to consumers and further improvement in operational and financial efficiency of Distribution sector.

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