

THE ELECTRICITY (REMOVAL OF DIFFICULTY) THIRD ORDER, 2005¹

Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act), came into force on the 10th June, 2003;

And whereas the clause (b) of the sub-section (1) of section 86 of the Act provides that the State Commission shall have powers to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

And whereas the Appropriate Commission has the power to determine the tariff for supply of electricity by a generating company to a distribution licensee in terms of clause (a) of sub-section (1) of section 62 of the Act;

And whereas some of the State Governments are getting free electricity from the power generated by various hydro power generating companies in pursuance of the conditions relating to the development of the hydro power site;

And whereas such a State Government is not covered in the definition of the "generating company" in terms of sub-section (28) of section 2 of the Act, for purpose of clause (a) of sub-section (1) of section 62 of the Act;

And whereas difficulties have arisen in respect of disposal of free electricity received by the State Government from hydro power generating companies and related matters;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of discretion of the State Government to dispose off such electricity, not inconsistent with the provisions of the Act, namely:—

1. Short title and commencement.—(1) This order may be called by Electricity (Removal of Difficulty) Third Order, 2005.

(2) It shall come into force on the date² of publication in the Official Gazette.

2. Disposal of free electricity received by a State Government from hydro power generating stations.—The State Government receiving free electricity from hydro power generating stations shall have discretion to dispose off such electricity in the manner it deems fit according to the provisions of the Act:

Provided that if such electricity is sold by the State Government to a distribution licensee, the concerned State Commission shall have powers to regulate the price at which such electricity is procured by the distribution licensee.

1. Vide S.O. 792(E), dated 8th June, 2005, published in the Gazette of India, Extra., Pt. II, Sec. 3(ii), dated 8th June, 2005.

2. Came into force on 8-6-2005.