

# NATIONAL COORDINATION COMMITTEE OF ELECTRICITY EMPLOYEES & ENGINEERS

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08.12.2014

Shri Piyush Goyal  
Hon'ble Minister in-charge, Power  
Government of India  
Shram Sakti Bhawan  
New Delhi – 1.

**Sub : NCCOEEE Memorandum for Pro-people review of Power Policy.**

Dear Sir,

The National Co-ordination Committee of Electricity Employees and Engineers, a broad based platform of all major Federations of Power Sector Employees and Engineers observe with grave concern that Government of India is pursuing the same anti people power policy to curb the right to Electricity for the people of India. Electricity Workers and Engineers organised Parliament March and a Stay In Demonstration (Dharna) at Jantar Mantar, New Delhi on date against the loots by the corporates, wide spread corruption and escalating tariff of Electricity to unbearable level. We request you to consider the following points:

A. The proposal to amend the Electricity Act 2003 by further unbundling and splitting wire and content should be dropped immediately for the following reasons:

1. In Delhi the unbundling was at the level of entire distribution. The distribution network was given to large houses. Even though in Delhi the tariff revisions have been the highest (about 250 % in ten years) the DISCOMS did not pay NTPC except under orders of the court. Even this was possible only when the DISCOMS were bailed out by public owned power finance corporations.
2. The reality of unbundling of distribution at bulk level has so far been dismal. Aurangabad franchise had to be taken back under orders of the regulator due to continuous default in payment to state owned utility. Franchisees of Agra and several other states gave large out-standings with the public owned discoms.
3. The public owned discoms are incurring huge losses since they are required to sell to the franchise at a lower rates, than the price at which they are able to purchase from the generation companies and incur cost and losses for wheeling electricity to the franchise bus-bar.
4. Competition is possible only in situations of surplus. We do not see, in the near future, power being surplus in most parts of the country. Shortages only create black market.
5. Claim of the Government that weaker sections would be provided power cannot be realized except through the public owned distribution companies, that would be forced to bear further losses. The proposal for privatizing profits and nationalizing losses is unsustainable.

The entire scheme is unsustainable and we apprehend this will only lead to heavy losses of public owned utilities, sky level tariff hike and endless litigation.

B. Since initial days of the process of the enactment and implementation of Electricity Act, 2003, State Electricity Boards were dissolved, splitting into generation, distribution and transmission companies. So many scams like Krishna-Godavari Gas basin (KG-D6) scam, Coal block allocation scam, UMPP scam, Delhi Discom scam are being revealed day by day. Our demand for auditing of accounts of private Electricity utilities and distribution franchisees by CAG were not being conceded to, with the ultimate motive of protecting huge profit of the private players by looting peoples money.

After five decades of rendering splendid services towards development of the nation, SEBs were blamed for cumulative financial loss of Rs. 26,000 crores. Within a period of only one decade of promulgation of Electricity Act, 2003, cumulative loss of all the Discoms exceeded about five lakh crores of rupees.

C. Since decades Government of India boastfully declared implementation of Ultra Mega Power Projects through international competitive bidding. Within one year of operation they are insisting on revision of tariff. Government of India is inclined to concede the same. CERC departing from all norms and regulations took up the same for consideration. Levelised Tariff for 25 years of the UMP Projects fixed through International competitive bidding are being dishonored throwing away the Universal norms of trade and commerce.

D. In the name of distribution reform APDRP, RAPDRP were taken up. Ultimate result of these ambitious schemes flopped due to too many conditions imposed upon. Huge fund has already been siphoned but still AT & C loss remained over 26% as per CEA report.


E. Electricity industry has become one of the broadest platform of exploitation of workers through casualisation, contractorisation, outsourcing and franchising etc. in gross violation of all labour laws of the land. Nos. of regular workers and employees are far less than contract / casual workers. NCCOEEE firmly demands strict compliance of labour laws and immediate action towards absorption of all categories of non-regular workers in the regular posts, while equal wage for equal work subject to minimum of Rs. 15,000/- month should be paid with immediate effect. Safety of workers is in jeopardy. Thousands of workers are facing accidental death every year due to lack of proper training and safety surveillance.

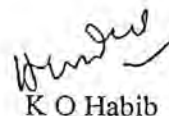
F. NCCOEEE urges that good sense will prevail upon the Government and they will put hold upon their suicidal steps in the name of further reform in Power sector. Unless there will be no other alternative left before the Employees and Engineers of the Power sector than resort to stringent path of movement. Responsibility for the same should be borne by the Government alone.

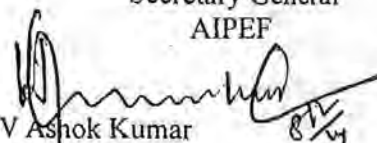
We mention below our demands for in depth consideration of Government.

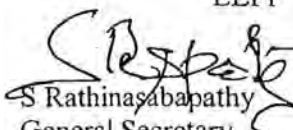
- Review Electricity Act '03 in view of total failure of so called reforms in Power Sector aimed at to promote privatization during last two decades & withdraw all proposed anti people amendments in Electricity Act, 2003. Stop Unbundling, Privatising, Franchising all Power Utilities in Generation, Transmission & Distribution till review of Energy Policy is done. Stop transfer of Energy resources to the private hands. Cancel all PPAs, MOUs for allocation of Natural Energy Resources. Ensure Power to All at Affordable Rates by strengthening Public Sector.
- Stop Outsourcing / Contract system in Power Utilities & fill up all vacant posts through recruitment from the concerned workers immediately. Pending regularization of all contract / casual workers Ensure equal wage for equal work.
- CAG Audit be made mandatory for all private companies engaged in generation, transmission, distribution & trading of electricity.

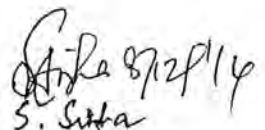
  
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