NATIONAL COORDINATION COMMITTEE OF ELECTRICITY EMPLOYEES & ENGINEERS

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Date: 22nd December 2024

To
The Hon'ble Minister
Ministry of Labour & Employment
Government of India

Subject: STOP Privatization of Chandigarh and Uttar Pradesh Public Power Utilities

- Protect the Power Sector Employees

Respected Sir,

It is to bring your kind attention over the privatization attempt of public utilities by the Chandigarh UT administration and the Uttar Pradesh Government. This is going to affect around 80,000 permanent and 50,000 outsourced employees and the 1 crore 65 lakhs of consumers. The National Coordination Committee of Electricity Employees and Engineers (NCCOEEE), the confederation of all the Federations of Electricity Employees and Engineers of our country and its all constituents are in continuous struggle against these privatization initiatives, but the authorities are reluctant to pay any heed to the pleas of the employees. The ongoing struggle is nothing but to protect the public utilities, the national assets and the interests of the people; it is about our country's energy security and sovereignty also. Here let us put some facts for your reference.

The Chandigarh UT Power Department is an exemplary public power utility with annual profit of 365 Crore in 2019-20, 225 Crore in 2021, 261 Crore in 2021-22 and so on. It has well maintained Aggregate Technical and Commercial (AT&C) loss below 10% where the national average is more than 15%. The Chandigarh State Power utility has been given favorable long term energy allocation from Bhakra Beas Management Board (Ensuring low cost hydro power) as well as allocations from Central Sector Generation Stations ensuring low priced electricity. The tariff of Chandigarh utility is around Rs 4.50 per unit which is one of the lowest in the country.

This high valued utility was put in bidding in an unscrupulous way at a base price of meager Rs 174.63 Crore. Use of huge prime land assets have been allowed to use @ Re 1 per month. All other assets have been valued @ Re 1 per item on flimsy excuse that value of assets is not available in assets register. The National Coordination Committee of Electricity Employees and Engineers (NCCOEEE) were demanding for independent valuation of the assets through CAG audit as well as the scrutiny of all the financial data adopted in Request for Proposal (RFP) and tender documents.

But the UT Chandigarh Administration in a clandestine move, hurriedly issued the Letter of Intention (LOI) to a private company - Eminent Electricity Distribution Limited (EEDL). Despite several requests, no advice was sought from Central Electricity Authority (CEA) or Central Electricity Regulatory Commission (CERC) which is a general procedural requirement guided by the Electricity Act 2003. No transfer policy has been finalized regarding the employees. No safeguard has been provided to protect the consumers from highly profiteering inflated tariffs generally imposed by the private players. The EEDL is a wholly owned subsidiary of Calcutta Electricity Supply Corporation (CESC) – the company which charges in the range of the highest electricity tariffs of our country.

Chandigarh employees are treated as per the Central Government Employees and this privatization will suddenly convert them into private sector workers. Shockingly, no transfer schemes have been arrived as desired by the Electricity Act 2003.

Similar attacks of Privatization have been unleashed on Purvanchal Vidyut Vitaran Nigam Ltd. (PVVNL) and Dakshinanchal Vidyut Vitaran Nigam Ltd. (DVVNL) of Uttar Pradesh. The estimated revenue of PVVNL for the year 2024-25 is Rs 15,596 crore and DVVNL is Rs 23,938 crore. Heavy investment has been made by the governments in these DISCOMs in the last few years under the Revamped Distribution Sector Scheme (RDSS) to bring down the Aggregate Technical & Commercial (AT&C) Losses of these utilities. These two utilities are yet to collect Rs 66,000 crore as pending bills which will be added to private kitty if these are handed over. Strikingly, it is coming to news that, the proposed reserve bid price is around paltry Rs 1,500 crore! Additionally, the Obra and Anpara Thermal Power projects are in process of being handed over to National Thermal Power Corporation (NTPC) under the Joint Venture (JV) mechanism. The new Transmission projects are handed over to Private players through the Tariff Based Competitive Bid (TBCB) Mechanism. It will put the service of 77 thousand engineers and employees and 50,000 contract workers at stake.

All these attempts will impact havoc on the Power services as well as the interests of the consumers and farmers. The Power Employees and Engineers are continuously in the street opposing these anti-National, anti-People moves. Consumers are coming to the streets in thousands every day.

Instead of listening to the stakeholders, the Chandigarh Administration and the UP government has invoked Essential Service Maintenance Act (ESMA) and imposed ban against any form of public demonstration. NCCOEEE has given a call to its constituents observe "One Hour Seize Work" on 31st December 2024 from 12 PM to 1 PM to oppose this attitude of the UT and State governments. 27 lakhs electricity employees all across the country will come to the street on that day in support of their Chandigarh and UP colleagues. Further escalation on part of the governments will compel us to go for indefinite agitation to the extent of Strike Action.

Hence we request your immediate intervention to halt all these Privatization attempts and hold a stakeholders meet to discuss the issue further. Hope you will do the needful to protect the Public Power Services of our country and its employees.

Thanking You,

With Regards,

(Prasanta N. Chowdhury)

Convener