

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1081
ANSWERED ON:01.03.2001
NEW TARIFF ISSUED BY CERC
RAMSHETH THAKUR

Will the Minister of POWER be pleased to state:

- (a) whether the Central Electricity Regulatory Commission has issued new tariff orders which would reduce the NTPC's internal resources by Rs.18,000 crores;
- (b) if so, the details thereof and justification behind issuing such orders;
- (c) whether the CERC has considered the adverse effect of such orders before issuing the same;
- (d) if so, whether NTPC has opposed the said orders; and
- (e) if so, the steps being taken by the Government to resolve the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) to (e) : The Central Electricity Regulatory Commission (CERC) is an independent statutory body created under the Electricity Regulatory Commissions (ERC) Act, 1998 with powers, inter alia, to regulate tariff of generating companies owned or controlled by the Central Government and to determine by regulation the terms and conditions for fixation of tariff for such generating companies. CERC while determining the tariff is to be guided by inter alia, that the generating companies and transmission entities shall adopt such principles in order that they may earn an adequate return and at the same time that they do not exploit their dominant position in generation, sale of electricity or in the inter-State transmission of electricity; and the factors which would encourage efficiency, good performance optimum investments etc. In exercise of the powers conferred under the ERC Act, 1998, the CERC has issued orders regarding Availability Based Tariff (ABT) on 15.12.2000 and regarding Tariff Principles and Norms for Central Generation Stations including NTPC on 21.12.2000 after hearing all parties.

The orders regarding ABT were first issued on 4.1.2000 against which NTPC filed a review petition before the CERC. The CERC considered the petition and issued final order on ABT on 15.12.2000.

As regards CERC's order dated 21.12.2000 regarding Tariff Principles and Norms, NTPC has filed a review petition before the CERC. CERC has not yet considered/disposed the petition of the NTPC in this regard. NTPC has also filed an appeal before the Hon'ble Delhi High Court against the Commission's orders.