

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4939
ANSWERED ON:19.04.2001
FUNDS TO DEVELOP HYDRO ELECTRIC GENERATION
BODAKUNTI VENKATESHWARLU

Will the Minister of POWER be pleased to state:

- (a) whether the Government propose to levy a consumption cess for generating more funds to develop hydro electric generation capacity;
- (b) if so, the details thereof; and
- (c) the method by which the cess is proposed to be realized?

Answer

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

[a] to [c] : The Policy on Hydro Power Development announced by the Government of India in August, 1998 provides for the establishment of National Power Development Fund through levy of cess at 10 paise per Kwh of electricity consumed in the country. A proposal to levy cess at 5 paise per Kwh of electricity generated was subsequently put up for consideration of the Government but was deferred. However, on a petition filed by NHPC for levy of a surcharge of 10 paise/unit on energy available at bus bar on the electricity generated from its generating stations, CERC has allowed NHPC to levy development surcharge at the rate of 5% of the billing amount to be used for development of hydro power in the Region. This amount collected and invested in the project will not earn any return on equity in the tariff.