

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1471

ANSWERED ON:27.02.2003

POWER TARIFF

BHASKAR RAO PATIL;NARESH KUMAR PUGLIA;RAVINDRA KUMAR PANDEY

**Will the Minister of POWER be pleased to state:**

(a) whether attention of the Government have been drawn to the news-item captioned `Uncertainty over power tariff change` as appeared in the `Statesman` dated December 26, 2002;

(b) if so, the facts thereof;

(c) whether there has been delay in amending the tariff policy;

(d) if so, the reasons for the delay; and

(e) the time by which new power tariff policy is likely to be implemented?

**Answer**

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

(a) to (e) : Yes, Sir. The Electricity Regulatory Commissions (ERC) Act, 1998 was enacted to provide for Regulatory Commissions at the Centre and State level for rationalization of electricity tariff, transparent policies regarding subsidies etc. The Central Government constituted Central Electricity Regulatory Commission (CERC) under the provisions of this Act. In exercise of the powers conferred under Section 51 of the Act, the Central Government omitted the provisions of Section 43A(2) of the Electricity (Supply) Act, 1948 thereby transferring the tariff fixation powers to CERC.

Section 13(e) of the Electricity Regulatory Commission Act, 1998 envisages the formulation of a tariff policy by the Central Government on the aid and advice of the Central Electricity Regulatory Commission (CERC).

A Group was constituted under the Chairmanship of Special Secretary (Power) to prepare a concept paper on tariff policy. The Group submitted its report and since tariff policy is of vital importance for the smooth development of the power sector, it was considered necessary to have consultations with stakeholders and experts on the report of the working group and to finalise the draft tariff policy thereafter. In order to finalise the tariff policy after taking into account the comments and views of the various stakeholders and experts, a High Level Committee which includes Chairman, CEA and Managing Director of Credit Rating Information Services of India Ltd. (CRISIL) under the Chairmanship of Secretary (Power) was constituted.