

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:595
ANSWERED ON:04.12.2003
DRAFT POWER TARIFF POLICY
A.P. JITHENDER REDDY;IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

- (a) whether the Government have prepared a draft power tariff policy in consultation with the Crisil which is aimed at promotion of efficiency, introduction of competition, rationalization of electricity tariff and transparency in subsidy administration;
- (b) if so, whether a copy of the draft policy has been sent to all State Governments for their comments;
- (c) if so, the time by which the final tariff policy is likely to be finalized; and
- (d) the extent to which it is likely to be beneficial?

Answer

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

(a) & (b) : Section 3(1) of the Electricity Act, 2003 provides inter alia that the Central Government shall prepare the tariff policy in consultation with the State Government and the Central Electricity Authority (CEA). A preliminary discussion paper on tariff policy was prepared with the assistance of CEA and Credit Rating Information Services of India Ltd. (CRISIL) and circulated to all the State Governments for their comments and suggestions.

(c) & (d) : Since tariff policy is of vital importance for the smooth development of the power sector, the Government of India has constituted a Task Force on Power Sector Investment and Reforms under the Chairmanship of Shri N.K. Singh, Member (Energy), Planning Commission, with the terms of reference, inter alia, to recommend Electricity Tariff Policy and also to evolve and recommend a National Electricity Policy. Several meetings have been held with various stakeholders. The Task Force is yet to submit its report.