

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5166
ANSWERED ON:11.05.2007
ALLOCATION OF POWER TO STATES
Saradgi Shri Iqbal Ahmed

Will the Minister of POWER be pleased to state:

- (a) whether the Orissa, Jharkhand and Chhattisgarh State Governments have demanded levy on duty of power generation to ensure equitable dispensation to the coal bearing States;
- (b) if so, whether these States have made any representation demanding allocation of an appropriate portion of power generated in their respective States at a variable cost plus formula bound incentives;
- (c) if so, whether any decision has been taken thereon; and
- (d) if not, the time by which the final decision is likely to be taken in this regard?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b): The Chief Ministers of Chhattisgarh, Jharkhand and Orissa in a joint memorandum dated 27.12.2006 to the Prime Minister had requested for a legislation having, inter-alia, the following enabling provisions:

- i. Levy of duty on generation of power by the concerned State Government.
- ii. Allocation of an appropriate portion of power generated to the host State at variable cost (plus a formula bound incentive).

(c) & (d): The demand has major tariff implications impacting almost all States of the Union. In order to evolve a general consensus, this issue requires deliberations with various stake holders, which has begun in the recently held Conference of Chief Secretaries/Power Secretaries of the State Governments on 23-24th April, 2007.