

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3422
ANSWERED ON:16.04.2010
INCREASE IN POWER TARIFF BY NTPC
Ahir Shri Hansraj Gangaram

Will the Minister of POWER be pleased to state:

- (a) whether the National Thermal Power Corporation Limited (NTPC) proposes to increase the rates charged for supplying power to the power distribution companies;
- (b) if so, the details thereof and the reasons therefor;
- (c) the reaction of the State Power Regulatory Commission thereto;
- (d) whether the Government proposes to take steps to protect the interests of the consumers; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) to (e): Under section 79 (1) (a) of the Electricity Act, 2003, the tariff of generating companies owned or controlled by the Central Government is regulated by Central Electricity Regulatory Commission (CERC). Accordingly, tariff for supply of power from NTPC to the distribution companies is determined by CERC from time to time after public hearing under multi-year tariff principles. CERC has notified the regulations on terms and conditions for determination of tariff, 2009 for the tariff period 2009-14. In pursuance of this, NTPC has filed petitions for determination of tariff of its power stations for the period 2009-14.

Section 61 of the Act stipulates that the Appropriate Commission, while specifying the terms and conditions for the determination of tariff, shall be guided, inter alia, by `safeguarding of consumers` interest and at the same time, recovery of the cost of electricity in a reasonable manner`.