

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:6965
ANSWERED ON:07.05.2010
POWER PURCHASE AGREEMENTS
Sarvey Shri Sathyanarayana

Will the Minister of POWER be pleased to state:

(a) whether the Public Sector Undertakings of the Power Sector including the National Thermal Power Corporation Limited sell electricity to the State Electricity Boards in the country by long term Power purchase agreements; and

(b) if so, the details thereof?

Answer

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

(a) & (b) : Yes, Madam. As per the existing practice, the Public Sector Undertakings of the power sector including NTPC Ltd. sell electricity to the State Power Utilities in accordance with long term Power Purchase Agreements. As per the Electricity Act, 2003, the tariff of power generation projects of these Public Sector Undertakings is determined by the appropriate Electricity Regulating Commission. As per provision of the Electricity Act, 2003, the tariff is worked out by these Commissions based on cost plus approach. The financial and operational norms for determination of tariff are decided by these Electricity Regulatory Commissions.