

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3069

ANSWERED ON:19.08.2011

POWER TARIFF

Nagar Shri Surendra Singh;Rajbhar Shri Ramashankar

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

- (a) whether the power tariff in the country is higher in comparison to certain other developing countries;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government has formulated any scheme to rationalize the power tariff; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRI K.C. VENUGOPAL )

(a) & (b) : A comparative statement indicating price of electricity for households and industry in some of the developing countries, is at Annex-I. The Average cost of supply in India as indicated in the report of the Power Finance Corporation on Performance of State Power Utilities is at Annex-II. It may be seen from the above statements that the average cost of power supply in India is not more than that in most of the developing countries.

(c) & (d) : Tariff is determined under Section 61 to 64 of the Electricity Act, 2003 by the appropriate Regulatory Commission in line with the provisions of the Act and the policies made thereunder. Whereas the tariff of generation and transmission companies owned or controlled by Central Government is regulated by Central Electricity Regulatory Commission; the tariff for generation, supply and transmission within the State is determined by the State Commissions.

Central Government has constituted Forum of Regulators (FOR) under Section 166 (2) of Electricity Act 2003. The functions of the FOR include inter- alia analysis of tariff orders and other orders of Central Commission and State Commissions and compilation of data arising out of the State orders, highlighting, especially the efficiency improvements of the utilities and harmonization of regulations amongst the Electricity Regulatory Commissions. Relevant provisions of the Act are at Annex-III.