

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4909
ANSWERED ON:02.09.2011
SUPPLY OF POWER
Mishra Shri Govind Prasad

Will the Minister of POWER be pleased to state:

- (a) whether the rates of power supplied to the State of Madhya Pradesh from Gandhar and Kawas Gas based Power Plant are exorbitant;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government proposes to rationalize these rates; and
- (d) if so, the details thereof?

Answer

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

(a) & (b) : The tariff of the Gandhar and Kawas gas based power plants for the period 2009-14 has been provisionally allowed by the Central Electricity Regulatory Commission (CERC). The cost of power supply to beneficiary states, including Madhya Pradesh, these plants for the year 2010-11 is Rs.3.39 per kwh and Rs.3.30 per kwh respectively.

(c) & (d) : CERC is the Appropriate Commission under Section 79 (1) read with sections 61 and 62 of the Electricity Act, 2003 to regulate the tariff of the generating companies owned or controlled by the Central Government and also the tariff of generating companies other than those owned or controlled by the Central Government having composite scheme of generation and sale in more than one State.

Section 61 of the Electricity Act, 2003 provides for various factors to be borne in mind by the Regulatory Commissions while specifying the terms and conditions for determination of tariff. The factors include inter alia safeguarding of consumers' interests and at the same time recovery of the cost of electricity in a reasonable manner, the principle of rewarding efficiency in performance etc.

The Central Commission in exercise of its powers under section 178 (2)(s) read with section 61 of the Electricity Act, 2003 has notified the terms and conditions for determination of tariff for the generating companies and inter-State transmission companies regulated by the Commission.