

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3828  
ANSWERED ON:27.04.2012  
HIKE IN ELECTRICITY RATES BY NTPC  
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**Will the Minister of POWER be pleased to state:**

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

**Answer**

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

(a) to (c): The tariff charged by NTPC for supply of electricity to power distribution companies is determined by Central Electricity Regulatory Commission (CERC) under Section 62 of Electricity Act, 2003. The same tariff is adopted by the State Electricity Regulatory Commissions for distribution companies. These Regulations were framed after wide consultations with all the stakeholders including the generating companies, distribution companies and consumers etc. The Tariff Regulations provide norms for the tariff determination. Over the years the efficiency norms have been made more stringent by CERC to pass on efficiency gain to the consumers. As per Tariff Regulations, CERC determines fixed charges of NTPC stations and energy charge is determined based on actual cost of fuel and normative operating parameters which is pass through in tariff.

(d) & (e): There are various provisions in the Electricity Act, 2003 for the protection of the interests of consumers. Government of India has also notified National Electricity Policy, Tariff Policy and Competitive Bidding Guidelines under Electricity Act, 2003 in order to bring in transparency and efficiency in the system to protect and promote the interests of the consumers.