

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1334  
ANSWERED ON:17.08.2012  
INCREASE IN PRICE OF ELECTRICITY BY NTPC  
Ramshankar Dr.

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

- (a) whether the Government has any proposal to increase the prices of electricity being supplied by National Thermal Power Corporation Limited (NTPC);
- (b) if so, the details thereof;
- (c) whether Electricity Regulatory Commission of States has accorded approval for increase in prices of electricity;
- (d) if so, the reasons for increase in prices of electricity by the NTPC; and
- (e) the steps being taken by the Government to avoid the proposed hike in prices by the NTPC keeping in view of the consumer interest?

**Answer**

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

(a) to (d) : 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 gains 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.

(e): There are various provisions in the Electricity Act, 2003 for the protection of the interest 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 interest of the consumers.