

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2206
ANSWERED ON:06.12.2012
SELLING PRICE OF ELECTRICITY
Joshi Dr. Murli Manohar;Yadav Shri Dinesh Chandra

Will the Minister of POWER be pleased to state:

- (a) whether a high level committee of the Planning Commission has made any recommendations on increase of sale price of electricity to promote capital investment in the power sector;
- (b) if so, the details thereof;
- (c) whether the Government has taken any decision to implement these recommendations;
- (d) if so, the details thereof; and
- (e) whether any assessment has been made on the impact of implementation of these recommendations on the development of the country; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b) : The High Level Committee on Financing Infrastructure under the Chairmanship of Shri Deepak Parekh has submitted its Interim Report to the Government of India on 3.10.2012. The Committee in its recommendation has suggested 'rationalization of tariff' in order to maintain the inflow of investment. This would also result in improving the collection efficiency and reducing their losses. The Committee recommends restructuring and rescheduling of accumulated losses while establishing an arrangement where change in fuel price is a pass through and tariffs are revised when necessary. In addition, subsidies should be funded by the State Governments concurrently, and not by withholding payments of power producers or by short-term borrowings from the banking system or by creating regulatory assets.

(c) to (f) : Since the report is interim in nature, question does not arise.