

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:627

ANSWERED ON:26.02.2015

POWER TARIFF

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

(a) the per unit average cost of power production from thermal, gas, hydro etc. based power projects along with criteria fixed for determining power tariff to be charged from various classified consumers including existing rate of power being charged from the said consumers in each State/UT of the country by private as well as Government power producing companies;

(b) the details of profits earned by each private and Government power companies during the Twelfth Plan Period, State/UT/year-wise;

(c) whether tariff fixed/charged in the country by these power producers particularly private companies is much higher than that of any other developing/developed countries and if so, the details thereof and the reasons therefor; and

(d) the remedial steps taken/to be taken by the Government to reduce power tariff in the country along with action plan chalked out for increasing production of power in the next Plan?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY ( SHRI PIYUSH GOYAL )

(a) :The source-wise weighted average rate of sale of power generation per unit (Unit = 1 kWh) from generating stations to Power Utilities, as per data available in Central Electricity Authority for the year 2012-13, is given below:

TYPE OF PROJECT	(Figures in Paise/ kWh)
Hydro	236.19
Thermal (Including gas)	331.87
Nuclear	266.53
Private Sector	327.19
State sector	334.86
Central sector	294.71
All India	317.61

The details of estimated average rate of electricity of various classified consumers estimated on the basis of tariff decided by Central/State Electricity Regulatory Commission (CERC / SERC) at various assumed consumptions including the taxes and duties levied by the States are given at Annex-I.

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. In this regard, State/Joint Electricity Regulatory Commissions (SERCs/JERCs) notify the Terms and Conditions of tariff fixation from time to time for both public and private distribution licensees. Section 61 of the Act provides for guiding principles which the Appropriate Commission is required to consider for specifying the terms and conditions of tariff.

(b) : As per information made available by Power Finance Corporation, details of profit /loss earned by the power utilities selling directly to consumers are enclosed at Annex-II.

(c) : A statement indicating price of electricity for households and industry in some of the countries is at Annex-III. The details of average cost of supply in India, is given in Annex-IV. As is evident, the average cost of power supply in India is not more than that in most of the other countries.

(d) : There is no provision for direct regulation of the electricity tariff by the Central Government. However, through appropriate policy framework and programmes, the Government is promoting efficiency in generation, transmission and distribution business and also supporting strengthening of the distribution and transmission infrastructure, with a view to reduce the total cost of supply of electricity to the consumer. These measures, along with the policy framework of discovery of tariff through competitive bidding, contribute towards

lowering of tariff rates.