

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:6806

ANSWERED ON:07.05.2015

ADEQUATE TARIFFS

Chavan Shri Ashok Shankarrao;Gupta Shri Sudheer;Kirtikar Shri Gajanan Chandrakant;Singh Shri Kunwar Haribansh

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to allow private power developers of stressed power plants to recover adequate tariffs and cover costs;

(b) if so, the details thereof;

(c) whether a Committee to conduct a comparative study between competitive tariff and regulatory tariff has been constituted; and

(d) if so, the details of the recommendations given by the Committee along with action taken by the Government thereupon?

Answer

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

(a) & (b) :As per the provisions given in section 61 to 64 Electricity Act, 2003, the Electricity Regulatory Commissions has been entrusted with the functions of determination of Tariff for generation, transmission and distribution. The tariff of generation and Transmission companies owned by Central Government is regulated by the Central Electricity Regulatory Commission, whereas the tariff for generation, transmission and distribution within the state are determined by the State Electricity Regulatory Commission. Under Section 62 of the Act, the Appropriate Commission shall determine the tariff if it is supplied from a generating company to a distribution licensee, while under section 63 the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by Central Government. Since the tariff determination has been entrusted with Appropriate Commission, the Central Government has no role in this regard.

(c) & (d) :Government has not constituted any committee to conduct a comparative study between competitive tariff and regulatory tariff.