

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:732

ANSWERED ON:27.11.2014

IMPACT OF NATURAL GAS PRICE ON TARIFF OF POWER

Rajesh Shri M. B.

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

- (a) the impact of increasing prices of natural gas on thermal power sector;
- (b) whether the tariff has gone up/ expected to increase due to the gas price hike; and
- (c) if so, the details thereof and the steps taken/being taken by National Thermal Power Corporation (NTPC) to meet the challenges caused by the gas price hike?

**Answer**

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

(a) & (b) : There is an impact of the increasing prices of Natural Gas on the Thermal Power Sector. For every one dollar increase in gas price, the variable cost component of electricity tariff increases by approximately 45 paise.

(c) : The tariff of NTPC stations has increased from 1st November, 2014 by 65 paise to 85 paise per unit depending upon applicable State taxes, transportation charges and exchange rate etc. The improvement in generation from gas based power projects would depend on increase in domestic gas production.