

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.4516  
TO BE ANSWERED ON 22.03.2018**

**GENERATION AND SELLING PRICE OF POWER**

**4516. SHRI P.R. SUNDARAM:  
SHRIMATI SUPRIYA SULE:  
SHRI SATAV RAJEEV:  
SHRI DHANANJAY MAHADIK:  
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:**

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

- (a) whether there is a huge difference in the power generation cost and its maximum selling price to the consumers in the country, if so, the details thereof and the reasons therefor;**
- (b) the corrective steps taken by the Government in this regard;**
- (c) the estimated average power generation cost during the last three years and the minimum and the maximum price of power sold to the consumers during the above said period;**
- (d) whether the Government has decided that power producers who do not sell electricity at regulated tariffs will not get gas supply and if so, the details thereof; and**
- (e) the steps taken/proposed to be taken by the Government in this regard?**

**A N S W E R**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER AND  
NEW & RENEWABLE ENERGY**

**( SHRI R. K. SINGH )**

**(a) to (c): As per the available information in Central Electricity Authority (CEA), the average power generation cost & average cost of supply of Distribution Companies during the last three years is as follows:**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Average generation cost (Rs/kWh)</b>	<b>3.45</b>	<b>3.67</b>	<b>4.43</b>
<b>Average cost of supply of Distribution companies (Rs/kWh)</b>	<b>5.19</b>	<b>5.21</b>	<b>5.43</b>

In addition to the generation tariff, the cost of supply to the end consumers includes the transmission charges, transmission losses, distribution network charges, distribution losses and commercial losses etc. The maximum and minimum price of power sold to consumers during the last three years is as follows:

<b>Financial Year</b>	<b>Maximum Price (Rs./kWh)</b>	<b>Minimum Price (Rs./kWh)</b>
<b>2013-14</b>	<b>6.26</b>	<b>2.75</b>
<b>2014-15</b>	<b>7.19</b>	<b>1.90</b>
<b>2015-16</b>	<b>7.09</b>	<b>1.97</b>

Through appropriate policy framework and programmes, the Government is promoting efficiency in generation, transmission and distribution and also supporting strengthening of the distribution and transmission infrastructure for reducing technical losses. These measures, along with the policy framework of discovery of tariff through competitive bidding will contribute towards lowering of tariff rates. The Tariff Policy notified by Central Government also provides for emphasis on reduction in Aggregate Technical & Commercial (AT&C) losses and theft to reduce the operating costs of Discoms.

(d) & (e): Domestic natural gas is allocated as per the prevailing gas allocation policy and supplied depending upon the availability. The Liquefied Natural Gas (LNG) is imported under open general license on terms and conditions mutually agreed upon between the buyers and sellers and also by gas based power plants.

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