

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.932
TO BE ANSWERED ON 27.06.2019**

TARIFF SCHEDULE FOR DISCOMS

932. SHRI RAVNEET SINGH BITTU:

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

- (a) whether the Government has tried to simplify the complex tariff schedule of DISCOMs to prevent confusion and if so, the details thereof and if not, the reasons therefor;**
- (b) whether the Government has taken measures to reduce the DISCOM's debt and if so, the details thereof and if not, the reasons therefor;**
- (c) whether the Government proposes to stop cross-subsidisation of electricity prices for retail consumers to industrial consumers by charging high prices; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

A N S W E R

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, NEW & RENEWABLE ENERGY AND THE MINISTER OF STATE FOR SKILL DEVELOPMENT & ENTREPRENEURSHIP

(SHRI R.K. SINGH)

(a): The committee constituted by Ministry of Power, Govt. of India to give recommendations for simplification of consumer categories, has submitted its recommendations which include reduction in tariff slabs and consumer categories. Based on the recommendations of the Committee and further consultations with stakeholders, amendments have been proposed in the draft tariff policy.

(b): Ministry of Power vide Office Memorandum dated 20th November 2015 had announced UDAY (Ujwal DISCOM Assurance Yojana), a scheme for the financial turnaround of Power Distribution Companies (DISCOMs). The objective of the scheme was to improve the operational and financial efficiency of the State DISCOMs. One of the primary steps envisaged in the scheme for financial turnaround was that a substantial debt of the state owned DISCOMs would be taken over by the States.

(c) & (d): Tariff policy, 2016 provides that the State Governments can give subsidy to the extent they consider appropriate as per the provisions the electricity Act, 2003 and direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross-subsidizing the tariff across the board. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. The Tariff Policy, 2016 also required the Appropriate Commission to notify a road map such that tariffs are brought within $\pm 20\%$ of the average cost of supply.
