

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
QUESTION NO 06.12.2010
ANSWERED ON
ELECTRICITY TARIFFS .

2900

Shri Kaptan Singh Solanki

Will the Minister of COALPOWER be pleased to state :-

- (a) whether it is a fact that electricity tariffs in the country are higher in comparison to other developing countries;
- (b) if so, the details thereof;
- (c) whether lack of coordination between the Central Government and State Governments is responsible for these exorbitant tariffs; and
- (d) whether Government have made any plan to regulate electricity tariffs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI BHARATSINH SOLANKI)

(a) & (b) :A comparative statement indicating price of electricity for households and industry in some of the developing countries, is at Annex-I. The Average cost of supply in India indicated in the report of the Power Finance Corporation on Performance of State Power Utilities is at Annex-II.

(c) & (d) : 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 there under. 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. Central Government has constituted Forum of Regulators (FOR) under Section 166 (2) of Electricity Act, 2003. The functions of the FOR include inter- alia analysis of tariff orders and other orders of Central Commission and State Commissions and compilation of data arising out of the State orders, highlighting, especially the efficiency improvements of the utilities and harmonization of regulations amongst the Electricity Regulatory Commissions. Relevant provisions of the Act are at Annex-III.

There is no provision for Government to regulate the electricity tariff.