

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:681
ANSWERED ON:02.03.2007
POWER TARIFFS
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of POWER be pleased to state:

- (a) whether there is vast disparities in the power tariffs in different parts of the country;
- (b) if so, the details thereof;
- (c) whether the Government has taken any steps to rationalize and to bring some degree of uniformity in power tariffs; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : Determination of power tariffs of distribution licensees is the statutory function of the State Electricity Regulatory Commissions (SERCs). In doing so SERCs are guided by the provisions contained in section 61 of the Electricity Act 2003 which, inter alia, include the factors that would encourage competition, efficiency, economical use of resources, safeguarding of consumers interests and at the same time ensure recovery of cost of electricity in a reasonable manner and the National Electricity Policy and the Tariff policy. The SERC is required to determine tariff in a transparent way after hearing various stakeholders.

The tariff of electricity depends on the overall power purchase cost as well as the operational and financial performance of the Distribution Companies (DISCOMs) i.e. Aggregate Technical and Commercial (AT&C) losses, operational expenses, capital investment for system upgradation/augmentation etc.

A statement showing estimated average rate of electricity for different categories of consumers in various states is annexed.

The Tariff Policy lays down the approach for determination of the tariffs for the generation, transmission and distribution of electricity. However, uniform power tariff throughout the country is not envisaged.