BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION AT AHMEDABAD

Date: 17th July, 2001

CORAM: Justice S. D. Dave, Chairman

Shri B. M. Oza, Member

Shri R. K. Sharma, Member

IN THE MATTER OF SUBSIDY BY GOVERNMENT IN AGRICULTURAL SECTOR

Case no. 39/2001

ORDER

17/07/2001

1. The Gujarat Electricity Regulatory Commission in case No.19/1999 of GEB issued the tariff orders on 10/10/2000, determining the tariff applicable to the consumers receiving supply of electricity from Gujarat Electricity Board.

2. The Government of Gujarat Energy and Petrochemicals Department approached the Commission in their letter No. GEB-20-2000- Tariff-K dated 24/12/2000 intimating the decision taken by the Government to grant additional subsidy to the agricultural consumers with a view to continue the existing tariff till 301h June, 2001 and further with a view to provide incentives to encourage metering by offering them reduced rates of metered tariff till 30/6/2002. The Department requested the Commission to lay down the manner of payment of subsidy under the Provisions of Section 29 (5) of Electricity Regulatory Commissions Act 1998.

3. The Commission vide its order dated 20/1/2001 allowed the Government as follows :

(1) The tariff in existence prior to award dated 10/10/2000 be continued till 30/6/2001 in case of agricultural consumers.

(2) Agricultural consumers who apply for energy meters up to 31st March, 2001 be charged @Rs.0.40 per unit inclusive of electricity duty w.e.f 1/7/2001 and these tariff be continued up to 30/6/2002.

(3) Agricultural consumers who apply for energy meters after 31 st March 2001 but up to 30th June, 200 I be charged @ Rs. 0.50 per unit inclusive of electricity duty with effect from 1/7/2001 and this tariff be continued upto 30th June, 2002.

(4) Agricultural consumers who do not apply for energy meters even by 301h June, 200 I be charged by GEB w.e.f 1-7-2001 at the revised rates of tariff fixed by the Commission vide order dated 10/10/2000.

4. The Government of Gujarat directed Gujarat Electricity Board vide letter No GEB-20-2000 Tariff-Ka dated 31/3/2001 to approach the Commission for extension of time limit for one month for agricultural consumers who applied for energy meters upto 31-3-2001. The Commission considered the request and ordered on 31-3-2001 that :
" Agricultural consumers who apply for energy meters upto 30th April, 2001 be charged @ Rs.0.40 per unit inclusive of electricity duty w.e.f 1/7/2001 and these tariff be continued upto 30/6/2002."

5. The Energy & Petrochemicals Department vide its letter dtd. 30-6-2001 requested the Commission for extension of time limit for agricultural consumers of GEB. Para 2 and 3 of the said letter reads as under :-

"As there is inadequate rain in the State, farmers of the State are facing drought condition till now, Moreover, on account of recent earthquake, the State Machinery and the GEB were engaged in restoration and rehabilitation activities. Therefore, the farmers were not educated properly in favour of Meter Based Tariff. Out of about 5.90 lacs agriculture consumers, only 63,535 consumers have opted for meter based tariff. GEB could also install only 4,245 meters on such consumers as on 24-6-01. GEB's operation for installing meters was also hampered because of earthquake the State has suffered in the month of January.
Under the circumstances, the State Government has decided that the HP based Tariff in existence prior to award dated 10th October, 2000 should be extended from 30-06-2001 to 31st October, 2001. It has also been decided to extend the time limit of 30.6.2001 to 31-10-2001 for giving consent to meter based tariff. Accordingly it has been decided that the agriculture consumers applying for installation of energy meters from 1-7-01 to 31-10-2001 should also be charged at the rate of 0.50 paise/unit (inclusive of electricity duty) upto 30.6.2002. The consumers who do not apply for energy meters even by 31 st October, 2001, revised agricultural tariff fixed by the Commission vide order dated 10th October, 2000 will apply from 1st November, 2001."

6. The Commission heard the representative of GEB Shri M. M. Srivastava, Member (F), Shri R.K. Shah, Under Secretary, Energy & Petrochemiclas Department and Shri P.B. Darji, Under Secretary, Finance Department of the Government of Gujarat on 17- 7-2001 The representative of Finance Department confirmed that the necessary provision for payment of subsidy to GEB for agricultural consumers has been made in current year's budget.

7. The Commission expressed concern over the sluggish implementation of the Commission's directives regarding installation of meters for agricultural consumers. out of about 5.9 lakhs agricultural consumers, only 63535 consumers have opted for meter based tariff and GEB could in stall only 4,245 meters as on 24-6-2001. Shri M.M.

Srivastava, Member (Finance) of GEB explained that the circumstances like earthquake in the month of January have hampered the programme of installation of meters.

8. The Commission directs the GEB to implement the programme of meter based tariff for agricultural consumers in more systematic manner and directs the GEB to chalk out metering programme as ordered by the Commission on 10-1 0-2000. The Commission further directs the GEB to submit the progress report of installation of meters for agricultural consumers by loth of every month, beginning from August, 2001 and a review meeting regarding the progress on installation of meters will be conducted by the Commission during September, 2001.

9. The Commission also inquired of the Board regarding the working of the procedure for payment of subsidy laid down in the earlier order dtd. 20-1-2001. It was stated by Shri M. M. Srivastava that the procedure was working satisfactorily. In view of this position, the Commission directs that the procedure laid down in para 12 of the order dtd. 20-1-2001 regarding the manner of payment of subsidy may be followed with appropriate changes in respect of additional amounts that become payable towards the subsidy for the period from 1- 7-2001 to 31-10-2001. The amounts of subsidy to be paid may also be computed in accordance with the pr"ocedure laid down in para 12. The Commission also directs that as mentioned in para 13 of the order dtd. 20-1- 2001 the additional amounts becoming payable as a result of this order may also be paid in cash and not by way of accounting adjustments against any other dues payable by the Board to the Government.

10. The .Commission having considered the request of Govt, of Gujarat directs that item No, I, 2, 3 & 4 of its order dtd. 20-1-2001 in the matter of subsidy by the Government in agricultural sector be read as under ;

1. The tariff in existence prior to award dated 10-10-2000 be continued till 31-10-2001 in
case of agricultural consumers.

2. Agricultural consumers who applied for energy meters upto 30-4-2001 shall be charged @ 40 paise per unit inclusive of electricity duty with effect from 1-11-2001 and this tariff be continued upto 30-6-2002.

3. Agricultural consumers who applied for energy meters after 30-4-2001, but upto 31-10-2001 be chrged @ 50 paise per unit, inclusive of electricity duty, with effect from
1-11-2001 and this tariff be Continued up to 30-6-2002.

4. Agricultural consumers who do not apply for energy meters even by 31-10-2001 be charged by the GEB with effect from 1-11-2001 at the revised rates of tariff fixed by the
Commission by its order dtd. 10-10-2000.

Other conditions of Commission's order dated 20-1-2001 will remain the same.

Sd/-	Sd/-	Sd/-
(JUSTICE S. D. DAVE)	**(B. M. OZA)**	**(R. K. SHARMA)**
CHAIRMAN	**MEMBER**	**MEMBER**

Place: Ahmedabad
Date: l7th July, 2001