

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2563

ANSWERED ON:18.12.2003

SUBSIDY ON POWER SUPPLY TO AGRICULTURE AND DOMESTIC SECTOR

ALE NARENDRA

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

- (a) whether the Government has taken any steps to reduce the subsidy on power supplied to agricultural as well as domestic sector;
- (b) if so, the details thereof;
- (c) whether the Government has issued any guidelines to the State Governments for reduction of subsidy and revision of power tariff as a part of second phase of reforms in power sector;
- (d) if so, the details of guidelines; and
- (e) the reaction of the State Governments thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) to (e) : The Electricity Act, 2003 has come into force w.e.f. 10th June, 2003. Under the provisions of this Act the tariff for supply of power to various categories of consumers is to be determined by the State Electricity Regulatory Commissions (SERCs) and in doing so these Commissions are required to be guided by provisions contained in Section 61 of the Act.

Section 65 of the Act provides that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall pay in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct.