

LOK SABHA DEBATES

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LOK SABHA

*Tuesday, February, 24, 1987/Phalguna 5,
1908 (Saka)*

*The Lok Sabha met at Eleven of the
Clock.*

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Electricity Tariffs for Agricultural Operations

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*2. SHRI UTTAMRAO PATIL :
SHRI DHARAM PAL SINGH
MALIK :

Will the Minister of ENERGY be
pleased to state :

(a) Whether Union Government are
aware of high increase in electricity tariffs
all over the country for the agricultural
operations and the consequent resentment
amongst farmers ;

(b) if so, the details thereof ; and

(c) whether Union Government are
considering any steps to have these tariffs
reduced so as to ensure that the agricul-
tural production is not adversely
affected ?

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THE MINISTER OF STATE IN THE
DEPARTMENT OF POWER IN THE
MINISTRY OF ENERGY (SHRIMATI
SUSHILA ROHTAGI) : (a) to (c).
Under the Electricity (Supply) Act, 1948,
it is within the purview of the State
Governments/State Electricity Boards
to revise tariffs for various categories of
consumers. The State Electricity Boards
supply electricity to the agricultural
sector considerably below the cost o
supply.

[*Translation*]

SHRI UTTAMRAO PATIL (Yavat-
mal) : Mr. Speaker Sir, (a) and (b)
parts of my question have not been
answered and in reply to part (c) of my
question, it has been stated that this
matter is under the jurisdiction of the
State Governments. Agricultural Finance
and similar other subjects are also under
the State Governments, but doesn't the
Central Government have any connection
with them ? By saying that the subject
is under the State Government and that
it has no connection with it, can the
Central Government really shirk its
responsibility ? This is my first sup-
plementary.

Now, I want to ask my second sup-
plementary. In reply to my original
question, it has been stated that the State
Electricity Boards supply electricity in
all the areas considerably below the cost
of supply. But the details have not been
given and I would urge the hon. Minister
to kindly furnish the details also in
the House.

SHRIMATI SUSHILA ROHTAGI :
Sir, so far as the question of not replying
to parts (a) and (b) of the question is
concerned, I would like to refer to the
original question which reads :

[*English*]

“Whether Union Government is aware of high increase in electricity tariffs all over the country for the agricultural operations....”

[*Translation*]

The reply to it is given in parts (a) to (c) at the end.

[*English*]

“The State Electricity Boards supply electricity to the agricultural sector considerably below the cost of supply.”

[*Translation*]

From the above, it is clear that there has been no high increase in electricity tariffs, and hence it cannot be said that the reply has not been given.

In regard to the second question, which concerns the responsibility of the Central Government. I want to say that it is within the powers of the State Electricity Boards to increase the tariff etc., and the State Electricity Boards are under the State Governments. Letters have been sent through the Planning Commission and the Central Electricity Authority, wherein it has been suggested that the commercial bodies should, as far as possible, manage the Boards in a manner that the losses which are mounting every year, are kept in check. This has been given priority in view of our current expansion programmes—which is essential too—because it includes supply of electricity for irrigation purposes and electrification of rural areas. Due to these reasons, electricity tariffs in seven States have been slightly revised upwards but not to the extent that they could be put in the ‘high’ category. If the hon. Member wants, I can give the names of those States.

SHRI UTTAMRAO PATIL : My question was whether the Central Government were aware of the increase in electricity tariffs effected by the State Electricity

Boards or the State Governments. I had asked a categorical question which has not been replied to. Later, in regard to the supply of electricity to the agricultural sector, the hon. Minister has said that electricity is supplied in this sector at very low tariffs. In this connection I want to submit that in Maharashtra, Gujarat and some other States, tariffs have been recently increased, and consequently the agriculturists have to pay more on account of higher electricity bills. Will the Central Government advise the State Governments to charge minimum tariffs for agricultural operations ?

SHRIMATI SUSHILA ROHTAGI : Sir, a memorandum of demands was received from some farmers of Uttar Pradesh, which was at once forwarded to the Chairman U.P. Electricity Board.

MR. SPEAKER : I also received a copy.

SHRIMATI SUSHILA ROHTAGI : It was forwarded to them so that it could be given a serious consideration. Whatever action was possible to take in this connection, that was taken. However, I would certainly like to submit that the Government of Uttar Pradesh had set up a Commission to go into the question of tariffs. The Commission had suggested that it should be increased by 50 paise per unit. The Government felt that the increase would be burdensome for the farmers. Hence the above suggestion was not accepted and a tariff of 30 paise per unit which is, of course, slightly higher than the earlier tariff, is being imposed. In Assam, the tariff has been increased from 30 paise per unit to 50 paise. In Gujarat, the tariff per unit has been increased from 33.50 to 36.51 paise; in Haryana from 28.68 to 32.35 paise; in Karnataka from 7.66 to 11.49 paise, and in Uttar Pradesh the increase has been from 22.90 paise to 30.64 paise. I have supplied the information as per the statistics available with me.

SHRI DHARAM PAL SINGH MALIK : Mr. Speaker Sir, the hon. Minister has not given a satisfactory

reply. She has said that electricity is supplied at very cheap rates. I want to tell the hon. Minister that in Haryana the rate of electricity was 12.5 paise per unit in the beginning. Later, the rate was increased to 20 paise per unit, then it became 25 paise per unit, thereafter it was raised to 28 paise per unit and now it stands at 32 paise. The rate is really very high. In addition, flat rates are also charged and there is a surcharge of Rs. 20 per month per horse-power, but in spite of all this, electricity is not supplied at all. The farmers pay their bills without getting the benefits. Last times, I raised a question as to why there had been such a high increase in the power rates in Uttar Pradesh. The Central Government also supplies electricity to the States through its thermal plants, then will the Central Government like to reduce their rates I would also like to know how much does it cost to the Central Government to generate one unit of power ?

THE MINISTER OF ENERGY (SHRI VASANT SATHE) : Mr. Speaker Sir, at the outset, I want to submit that 80 per cent of power in this country is generated by the State Electricity Boards. The Central Electricity Boards, wherever they are located, for example, Singrauli, Korba, Ramagundam and so on, do not generate much power. Today, 48,000 MW of electricity is produced in the country, of which not even 8000 MW is produced in the Central Sector. Although the initial cost is 40 to 45 paise per unit, the total cost after taking into account the transmission losses etc. comes to 60 paise per unit. However, we are not able to supply adequate power to the State Electricity Boards for agricultural operations; it is not possible for the time being to do so. This is the actual position which needs to be understood.

The fact is that if the cost of generation comes to 53 paise per unit and the total cost including transmission comes to 69 paise per unit, then if the Government wants, it can take a national average of 50 paise and supply electricity to either agricultural or industrial sectors

at subsidised rates. Even after all this, I want to tell you that the cost per unit in Assam is Rs. 1.60 and after taking the average of 50 paise, a loss of Rs. 1.10 is incurred. In Gujarat, the cost is 81 paise and after charging 36 paise, a loss of 45 paise per unit is incurred. The loss per unit in Haryana, is 33 paise, in Karnataka it is 42 paise, in Uttar Pradesh it is 53 paise, in Rajasthan it is 41 paise per unit, in Maharashtra it is 50 paise and in Tamil Nadu it is 64 paise per unit.

MR. SPEAKER : Satheji, the farmers also sell their produce at a loss.

SHRI VASANT SATHE : You can supply electricity free of cost to the farmers.

MR. SPEAKER : The farmers also sell their produce at a loss.

SHRI VASANT SATHE : You can supply power free of cost to the farmers. I am prepared for it. But the question is

MR. SPEAKER : They do not want it to be free.

SHRI VASANT SATHE : The State Electricity Undertakings are commercial units. If they are made to run at a loss, how can you expect them to earn 3 per cent profit? The State Electricity Boards have to bear losses amounting to Rs. 1200 crores per year. The House is the authority, the hon. Members are the authority, whatever they say, that will be done.

MR. SPEAKER : I am speaking in favour of both the parties. Neither one nor the other should suffer loss. They sell their produce to you at a distressed price.

SHRI VASANT SATHE : I want the House to give the guidelines. I am in favour of the farmers. They are

getting subsidies in fertilizers and power ... (*Interruptions*)...I am coming to theft of power (*Interruptions*)...Let me speak. I am coming to corruption also.

SHRI GIRDHARI LAL VYAS : The losses are incurred due to inefficiency. This must be done away with.

SHRI VASANT SATHE : I myself have said that there is theft of power in the transmission lines and 10 per cent loss is incurred on this account. There is a loss of 12 per cent on the technical side. Who are the thieves? There are power losses.

SHRI GIRDHARI LAL VYAS : They are not doing it, but they are being made to do it.

SHRI VASANT SATHE : All right, someone must be doing it. Let it be debated. I want that there should be a detailed discussion on it same day.

MR. SPEAKER : We shall do it.

SHRI VASANT SATHE : Let me get the directions from Parliament. If they are to run at a loss, then these losses should be made good. Let there be a discussion on it.

MR. SPEAKER : Of course, we will do it.

SHRI VASANT SATHE : Let there be a discussion on the basic issue.

MR. SPEAKER : Shri Arun Kumar Nehru.

[*English*]

SHRI ARUN KUMAR NEHRU : Sir, the issue of profit and loss is a very relative term which can be applied either way. But in the recent past of all the price increases which have taken place, how many have gone for increase of salaries and wages in the State Electricity Boards because every time you increase the tariff, all that is happening is that the

salaries and wages are going up and the losses are increasing and there is no question of getting any reduction or parity anywhere in the system. I would like to know from the hon. Minister what specific measures have been taken to ensure that the cost of the State Electricity Boards does not go up, that the corruption comes down and that this 21 per cent transmission loss which is taking place on an average, comes down. As far as the Central projects are concerned, the transmission loss is much lower compared to what is happening in the State Electricity Boards. So, I would also like to know what concrete steps have been taken in this regard.

SHRI VASANT SATHE : Sir, as I said, power generation and transmission is basically under the States. We do not have a national grid system.

AN HON. MEMBER : It is an excuse.

SHRI VASANT SATHE : It is not an excuse... (*Interruptions*).

MR. SPEAKER : Let him have his say.

SHRI VASANT SATHE : If you want to hold the Central Government responsible for generation and distribution, then the Power Boards, the power plants under the State Governments and the Electricity Boards also must come under our control. Authority and accountability must go together. You cannot hold me responsible for an inefficiency of a State Electricity Board which is under the control of the State Government, which is not under my control .. (*Interruption*).

SHRI RANA VIR SINGH : Then he should not defend the inefficiency of the State Electricity Boards.

SHRI VASANT SATHE : I am not defending the inefficiency of the State Electricity Boards at all.

All I am saying is that to-day the factual position is that these are the costs,

Transmission losses, as my friend who put the question and had the experience of this Department knows, I myself stated, are basically because theft of power. We enacted a law here. The States also have enacted laws and those laws will have to be implemented. But there are vested interests, those who are using power freely, a substantial portion is also agriculturists, major agriculturists. Laws will have to be implemented at that level. We can only persuade. In the Power Ministers Conference, the Prime Minister himself asked the State Electricity Boards to ensure that transmission losses are reduced. We can use our persuasive power. You should also use your persuasive powers in the States.

PROF. MADHU DANDAVATE : The hon. Minister has been trying to shift the entire burden on the States. I would like to raise the basic issue. I would like to get a clear answer from him. I am raising the question of planning priority. Repeatedly, the Finance Minister announced that Agriculture and Rural Employment will have priority No. 1 in this country. I hope under the new Finance Minister the priority is not changed. I am asking a categorical question because the issue that you are raising is also related to priority. I will give a concrete instance about the Railways. As far as electricity supply is concerned and some times, the power cut is concerned, it is as accepted convention that since the Railways provide the infra-structure, wherever there is a power cut, it should be the last which should suffer from the power cut. Even the States have been instructed that if there are any difficulties in their respective States, as far as the Railways are concerned they should not disturb the power supply to the Railways. Similarly, in the context of your planning priorities, will you send guidelines to all the States that agriculture being the first priority in this country, in fixing up the relative tariff rates, priority should be given to agriculture because it is also linked up with the question of remunerative prices? The Greater the cost of inputs for agriculture, less remunerative is the price and since you are also supposed to over-see the question of remun-

erative prices for the agricultural produce, tariff also enters into the input and therefore, please give guidelines to all the States. Do not make any pretences, do not try to say as one of the hon. Members has said that administrative expenditure of the Electricity Boards is increasing and as a result of that agriculturists are suffering and, therefore, you also try to oversee the working of the Electricity Boards and see that the priority fixed by the Centre is adhered to and agriculture is given the first priority in liberal tariff for the agriculturists.

SHRI VASANT SATHE : All the advice given by the hon. Member is being implemented.

PROF. MADHU DANDAVATE : It is not the advice. Question is also asked. I do not give advice. I have asked the question-whether they will issue guidelines to the States keeping in mind the priority?

SHRI VASANT SATHE : Before you gave the advice we anticipated and I said it should be implemented.

PROF. MADHU DANDAVATE : I am not giving advice. You are beyond advice.

MR. SPEAKER : Beyond redemption.

SHRI VASANT SATHE : I am happy to tell you that your advice is already being carried out.

PROF. MADHU DANDAVATE : In advance.

[*Translation*]

SHRI V. TULSIRAM : Mr. Speaker Sir, the whole House is aware that the farmers form the backbone of India. But, Sir, whenever the issue regarding their interests crops up, every hon. Member as well as the Government back out. Just now our hon. Minister stated that there was theft of power. The farmers never do it. He has only a small electric motor, so, how can he indulge in power

theft? You very well know where power theft actually occurs. What steps are you going to take to check it?

Mr. Speaker, Sir, the generation cost is actually Rs. 5. It is increased to Rs. 10 on the pretext that the farmers are provided electricity at the rate of Rs. 2. You have not done much for the farmers. What steps are being taken for checking power theft so that the farmers are able to get power at a cheaper rate? The price of agricultural produces like wheat, cotton, rice do not increase.

MR. SPEAKER : Put your supplementary.

(Interruptions)

MR. SPEAKER : Hon. Shri Tulsiram wants to say that when the farmer does not get full price for his produce, and sells it at a loss, then the Government is not doing him any favour by providing him electricity at subsidised rates. Hence they should be given priority.

SHRI VASANT SATHE : I want to humbly submit that the farmers are the backbone of our country and so, if we give them power at subsidised rates, we are not doing them any favour. I fully agree with the view of the hon Member. We should supply electricity to farmers at cheaper rates all right. Let a Committee of the House decide as to what should be the ex-cost of generation including transmission minus theft, if the electricity board or the producer is quite efficient.

SHR GIRDHARI LAL VYAS : Mr. Speaker, Sir, please allow a discussion on the subject.

MR. SPEAKER : If you so suggest, of course, we shall do it. But let this question be completed.

(Interruptions)

SHRI VASANT SATHE : Theoretically, if we accept the cost as 50 paise, then at what rate should we buy power

from State Electricity Boards? Should they be allowed to run at a loss? Would that be in the interest of the nation? This should be discussed and whatever decision the House takes should be adhered to. I would not like the farmers to suffer.

MR. SPEAKER : Make the hon. Members from Uttar Pradesh understand it.

[English]

Parallel Telecommunications System

*3. SHRI RAMSWAROOP RAM : Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether any proposals were received from the private sector for setting up a parallel telecommunications system to relieve congestion in the existing lines;

(b) if so, the details thereof; and

(c) the decision taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI SONTOSH MOHAN DEV) : (a) No such proposals have been received from private sector for setting up a parallel telecommunications system to relieve congestion in the existing lines.

(b) and (c) Question does not arise in view of (a) above.

[Translation]

SHRI RAMSWAROOP RAM : Mr. Speaker, Sir, though communication System is the most important organ of the country, yet there is so much of line congestion that we cannot communicate from one place to another easily. The Government has stated that on proposals from the private sector are under consideration, agreed. But I want to know whether efforts are being made to improve the communication system to relieve congestion in the existing lines while continuing to retain it in the public sector?