APPENDIX XVII

MEETING DATE BOUND

GOVERNMENT OF PUNJAB
DEPARTMENT OF IRRIGATION AND POWER
(ENERGY BRANCH)

To

1. The Agriculture & Forest Minister, Punjab.
2. S. Surinderpal Singh Gill, M.L.A.
   Nur Mahal, District Jullundur.
3. S. Inderjit Singh Jaijea, M.L.A.
   Lehra, District Sangrur.
4. S. Natha Singh Dalan, M.L.A.
   Sri Hargobindpur, Distt. Gurdaspur.
5. Giani Arjan Singh Litt, M.L.A.
   Killa Raipur, District Ludhiana.
6. S. Sukhdev Singh, M.L.A.,
   Bhatinda.
7. Capt. Kamaljit Singh, M.L.A.,
   Banur, Distt. Patiala.
8. S. Rajinder Singh Dhaliwal, M.L.A.,
   Advocate Samrala Distt. Ludhiana.
9. Financial Commissioner Development,
   Government of Punjab, Chandigarh.
10. The Secretary to Govt. Punjab,
    Department of Finance, Chandigarh.
11. The Chairman,
    Punjab State Electricity Board, Patiala.
12. H.S. Deol, Administrative Member,
    Punjab State Electricity Board, Patiala.
13. S. Bhipinder Singh Mann,
    President, Bhartiya Kisan Union,
    Opposite Kazi Mori Gate, Batala.
14. S. Ajmer Singh Lakhwal,
    General Secretary,
    Bhartiya Kisan Union,
    Basti Abdullapur, Ludhiana.
15. S. Balbir Singh Rajewal,
    H.No. 2265, Sector 35-C,
    Chandigarh.

Memo. No. 7/39/83-IPE(4)/1935-49
Dated, Chandigarh, the 23.1.1986.

Subject: Demands of Bhartiya Kisan Union

A meeting under the Chairmanship of Finance Minister.
Punjab was held on 11.1.1986 for discussing the various demands of Bhartiya Kisan Union with regard to supply of electricity. A further meeting is now scheduled to be held on 3.2.1986 at 11.00 A.M. in the Committee Room of Punjab Bhawan, Sector 3, Chandigarh. It is requested that you may kindly make it convenient to attend the meeting on the scheduled time and date.

Sd/-
Joint Secretary, Irrigation & Power

P.S. The following points raised by the Bhartiya Kisan Union will be further discussed:

1. Old agricultural power tariff at the flat rate as obtaining before the revision in 1982 should be maintained.

2. Johl Committee Report may be released in full.

3. 25% recoverable dues of the P.S.E.B. on account of tubewells and rural domestic consumption should be exempted as was done by the U.P. Govt. and the balance payable amount may be spread over four six-monthly instalments.

4. No surcharge should be levied on the agriculture.

5. Re-connection fees with respect to dis-connection made during the agitation/protest period should be waived.

6. Concessions annoumed by the Govt. on March 18, 1984 as a result of dialogue with the BKU should take retrospective effect from the year 1982.
MINUTES OF THE MEETING WITH BHARTIYA KISAN UNION
HELD ON 11TH JAN. 1986 AT CHANDIGARH BY THE
COMMITTEE CONSTITUTED BY THE GOVT. UNDER THE
CHAIRMANSHIP OF FINANCE MINISTER TO DISCUSS THE
DEMANDS OF B.K.U. REGARDING SUPPLY OF ELECTRICITY.

List of members who attended the Meeting and the agenda
items are enclosed.

1. Initiating the discussions, Finance Minister expressed
   sympathetic concern of Govt. for the farmers' problems. He
   explained present state of financial stringency of State Govt.
   and need for additional resource mobilisation for purposes of
   various important activities taken up by Government. He said
   that BKU leaders were themselves very knowledgeable and requested
   them to appreciate the tight financial position of the Govt. and
   huge losses (Rs.160 crores per year on account of Agricultural
   Power Supply), which the PSEB was already incurring due to the
   'freezing' of Agricultural Power Tariff for the last 10 years
   or so.

2. President of BKU explained background of the increases
   in various charges on account of Agricultural Power Supply. He
   mentioned that the Agricultural Power Tariff rate introduced
   in the year 1975 was reduced by Govt. in the year 1977, by
   subsidising the differential amount. Due to sharp increase in
   prices of various inputs, Agriculture had become unremunerative.
   Cost of energy input for agricultural produces, and worked out
   by Agricultural Price Commission was less than the current
   tariff of P.S.E.B. Mr. Lakhowal, leader of BKU added that on an
average, an amount of Rs. 75/- is to be spent on energy charges for one crop in a field of 2½ acre. He also said that Johl Committee had made its observations on unremunerative returns of Agriculture. Sh. Rajewal suggested the idea of cess on exports of agricultural produce to the deficit States. It was, however, pointed out by the Finance Minister that it was not practicable to capitalise this idea at this stage.

3. Chairman, PSEB explained the break-up of various inputs such as average generation cost, transmission and distribution cost, which bring the total cost of energy supplied to 72 paise per unit. In 1975 this cost was only 24 paise per unit. The flat rate of power tariff continues @ Rs. 13/- (11.5+1.5) per BHP per month since 1975. The average per unit/rate of energy consumed (metered supply) was however, 12.5 paise. Chairman also illustrated that the cost of diesel, coal and furnace oil had increased during this period by 3 to 4 times. Even the price of wheat had increased by 1.5 times. Therefore, increase in agricultural power tariff was more than overdue, especially in view of the fact that agricultural sector consumed about 40% of the total power supplied by the PSEB. P.S.E.B. could not, therefore, bear such a huge loss.

While the basic tariff has not been increased since 1975, only a few additional charges were marginally revised/introduced during Oct./Nov. 1982.

These were :-
i) Demand charges increased from Rs. 1.5 to Rs. 0 per BHP per month.

ii) Fuel surcharge at 8% of energy charges (which comes to Rs. 1.64 per BHP per month). While the fuel surcharge for other categories of consumers was increased in the range of 20-25% that of the agricultural sector was maintained at 8%.

iii) Service charges @ Rs. 4/- per connection per month in lieu of Fuse Replacement etc., payable earlier @ 50 paise per call. The average actual incident of the service charges per BHP will be about Rs. 1/- per month.

4. After above discussion of general nature, item-wise discussion on the Agenda started, a brief description of which is given below:

Item I: Old agricultural power tariff at the flat rate as obtaining before the revision in 1982 should be maintained.

BKU pressed very hard on this issue. F.M. on the other hand gave the position of Punjab Government as outlined above and emphasising the present financial condition of the State. He however, offered that Government would be prepared for package deal with B.K.U. specifically on the total subsidy that Govt. should give to PSEB. After that there should be no further demands made as it affects State resources. BKU did not commit itself. A decision on the matter was deferred.
Item II: Johl Committee Report may be released in full. Demand was accepted.

Item III: 25% recoverable dues of the PSEB on account of tubewells and rural domestic consumption should be exempted as was done by the U.P. Govt. and the balance payable amount may be spread over four six-monthly instalments.

It was pointed out by the Chairman, PSEB that it would not be fair to give 25% subsidy to those who did not deposit their dues in view of Kisan agitation because most of the farmers (about 4 lacs) had already paid the dues. At this stage it was pointed out that inspite of the observations of the Chairman, it would be worthwhile to give subsidy to the defaulting farmers who stood firm by the agitation launched by BKU, especially when their number was only about 30,000. Demand was accepted with the clarification that the farmers who did not deposit their dues in view of Kisan agitation launched by BKU would be given 25% exemption in the recoverable dues on account of tubewell/consumption.

Item IV: No surcharge should be levied on the agriculture.

It was decided that late payment surcharge on the outstanding pending dues under item No. 3 above would not be levied.
Item V: Re-connection fees with respect to disconnection made during the agitation/protest period should be waived.
Accepted.

Item VI: Concessions announced by the Govt. on March 18, 1984 as a result of dialogue with the B.K.U. should take retrospective effect from the year 1982.

It was clarified to the BKU that under the agreement arrived on 18th March, 1984 the concessions declared by the Govt. were to take immediate effect and not retrospectively. It was pointed out that it would not be fair to back out on the terms of the agreement arrived at that time. Accordingly this demand was not accepted and the BKU representatives understood the position.

5. Some of the other observations made during the course of discussion were as under:

i) Secretary Irrigation and Power gave a suggestion which evinced keen discussion. He stated that Cost Component of Power in determination of price of agricultural produce determined by Government of India was about 10% of the support price. He, therefore, proposed that percentage differential in the support price should be automatically linked with agricultural power tariff for increase in the tariff from time to time. The concensus was that this suggestion should be pressed on BKU
so that future of PSEB and therefore of Punjab agriculture does not suffer in the long run.

ii) B.K.U. pointed out that rampant corruption and theft of energy was causing considerable loss to PSEB. On behalf of PSEB it was clarified that the performance of the Board was much better than the performance of any other Board of the Country on the basis of standard parameters such as, T & D losses, Plant Load factor, Completion on the going projects, inventory/stock and manpower per unit generation etc.

iii) Finance Minister suggested that the PSEB should explore the subsidy and finance from NABARD under the Rural Electrification Schemes for installation of shunt capacitors.

iv) Members appreciated the need for conservation of energy with the use of mono-block pumping sets. PSEB clarified that the instructions relating to installation of mono-block sets as issued in the year 1982 would be applied to the new consumers given connections after the issue of instructions.

v) President of B.K.U. requested the F.M. to draw a balance sheet for the cost and benefit to the State on account of agriculture. He meant that State Govt. was spending more money on the various inputs on the agriculture and the commulative return to the State (Farmers) was less. Other deficit states enjoy surplus foodgrains of Punjab without bearing the higher cost of inputs.

vi) F.M. expressed his concern for increasing agricultural
returns by suitably changing the cropping pattern and adopting commercial cultivation with Agro-Industrial Orientation. He sought the suggestion and guidance of B.K.U. for this purpose and requested them to prepare a paper accordingly. On behalf of B.K.U. it was pointed out that some spade work had been done by the State Govt., a few years back in consultation with all concerned.

vii) B.K.U. also requested the F.M. to appoint an interdepartmental working/Co-ordination Group to go into the various aspects of the transactions and difficulties which the farmers experience in relation to their dealings with the various departments of the Govt. F.M. noted the suggestions.

viii) Chairman, PSEB categorically reiterated and assured that connections would be actually released within the three months on the receipt of satisfactory test reports.

ix) It was decided that the notice period for effecting disconnection orders of defaulting A.P. consumers (expiring on 31st Jan., 1986) would be extended to 28th Feb., 1986, for the time being, pending final settlement of the matter.

x) Some discussions took place regarding cooperative loans but these remained inconclusive as it was felt that the matter could be dealt with mutually between the F.C.(C) and B.K.U., outside the purview of the meeting.

The meetings ended in a cordial atmosphere with thanks exchanged on either side. Next date of the meeting was fixed on 3rd Feb., 1986 in the Committee Room of Punjab Bhawan, Sector 3, Chandigarh to be followed by Lunch.
List of members, who attended the meeting, is enclosed.

I. Minutes of meeting dated 11th January, 1986 were confirmed subject to the following modifications:

a) Amendment in the previous minutes: that the decision taken under Item III of the agenda regarding waiving 25% of the outstanding electricity bills will also be applicable to bills relating to domestic consumption.

b) It was also clarified that the outstanding bills should be paid in two six-monthly instalments.

II. Use of monoblocs: It was pointed out that in certain areas use of monobloc was not convenient. Punjab State Electricity Board had already identified some areas such as Bet Area and Kandi Area for giving exemption from the use of monoblocs. Punjab State Electricity Board was advised to carry out study and exempt such other areas where use of monoblocs is not conveniently possible.

III. Splitting of load: It was decided that splitting of load will be permitted in case of partition subject to the condition that one connection can be split into not more than two. To avoid the harassment of the
farmers it was decided that evidence of intqai (mutation)/entry in the Patwari's Revenue Register showing the shares of co-sharers will be sufficient for the purpose of allowing the splitting of load irrespective of any other proof of partition/share of the applicant in the revenue record. It was also clarified that the guardian of a minor co-sharer could also apply for splitting of load.

IV. Disconnection stayed up to 31.3.1986: Tubewell connections will not be disconnected for non-payment till 31.3.1986.

V. Restoration of pre-revision flat rates: Discussion on restoring pre-revision flat rate as demanded in agenda item No. 1, remained inconclusive. Finance Minister, Secretary Power and Chairman/P.S.E.B. explained various reasons due to which restoration of previous rates was considered unjustified. On the other hand, Bhartiya Kisan Union leaders pressed their demand in view of the political commitment made to the farmers during the recent elections.

VI. Implementation of the decisions taken on other agenda items will be stayed until the final settlement of demands of B.K.U.

Next meeting of the Committee will now be held on 27th February, 1986 at 11.00 A.M. in Punjab Bhavan, Sector-3,
Chandigarh, and it will be followed by lunch. It was decided that the Chief Minister and Agriculture and Forest Minister will be specially requested to attend this meeting.