

Date: 10 May 2017

To,
Shri. K. Siddaramaiah
Honourable Chief Minister
Government of Karnataka
Vidhana Soudha
Bengaluru – 560001

Subject: Payment of Subsidy directly to the Farmers' Account and encourage metering of the IP Sets

Ref: KERC Tariff order 2017 for Bangalore Electricity Supply Company(BESCO) dt 11 April 2017 (Chapter 5, Ref Page: 15)

Dear Sir,

Greetings from B.PAC !

Under your leadership, Karnataka state became the first among the other states in the country to direct transfer benefits to the farmers' account under state funded schemes pertaining to Agriculture Dept. 'Parihara'- the program of Direct Benefit Transfer(DBT) has ensured the subsidies reach the targeted individuals.

The Agriculture and revenue Department together worked in crediting a subsidy amounting to Rs 671 crores to the bank accounts of farmers through Direct Benefit Transfer (DBT) scheme whereby a farmer's identity is verified through his/her Aadhaar number.

B.PAC supports Government's initiative which streamline subsidy for farmers and reduce corruption and delays and the proposes to extend DBT to all state funded schemes.

B.PAC during the public hearing made a submission to the Hon'ble Karnataka Electricity Regulatory Commission (KERC) to direct ESCOM's to remit subsidy amount per IP Set be transferred to the farmers directly under the Direct Benefit Transfer (DBT) scheme.

The Commission took note of our suggestion and has viewed in its final order that ***"implementing the suggestion of direct remittance of subsidy to the farmers would encourage metering of the IP Sets enabling proper accounting of energy and also facilitate accurate computation of losses in the distribution system. The Commission notes that the Government of Karnataka would have to formulate suitable policy in the matter."***

It is estimated by the Commission; Government of Karnataka will pay over Rs. 9938 Crores towards free supply of electricity to 26.57 lakhs IP sets up to and inclusive of 10 HP and 29 lakh BJ/KJ households to ESCOM's during FY 17-18.

Considering the large outlay towards free supply of electricity to IP sets, direct remittance of subsidy through Direct Benefit Transfer (DBT)

The commission was approached by few farmer's Association supporting the step to meter individual IP sets and transfer of subsidy using DBT will bring in greater transparency and accountability.

Sir, This step by state of Karnataka will set a precedence to other states in the country to emulate.

We urge you to direct the Energy Department to formulate a policy to transfer direct remittance of subsidy to farmers who meter their IP sets.

Thanking You

-Sd-

Revathy Ashok

Managing Trustee & CEO

Encl:

[Copy of B.PAC submission to KERC during Public Hearing](#)

[KERC Tariff order 2017 for Bangalore Electricity Supply Company\(BESCO\)](#)

CC:

Shri. D.K. Shiva kumar, Hon'bl Minister for Energy, GoK

Shri. Subash Chandar kuntia, Chief Secretary, GoK

Dr. Rajneesh Goel, Addnl Chief Secretary to Energy Dept, GoK

Shri. M k Shankar Linge Gowda, Chairman, KERC