

of naphtha. I would like to know as to what steps the Government are going to take in this regard? Are you going to increase the allocation of naphtha or efforts are being made to increase it so that power generation of 1500 megawatt which is being affected due to lack of naphtha in Madhya Pradesh, could be prevented? What steps the Government is going to take in this regard?

SHRI YOGINDER K. ALAGH : Mr. Speaker, Sir, provision would be made for linkage of coal and gas fuel during the Ninth Five Year Plan.

[English]

DR. T. SUBBARAMI REDDY : Sir, we want a special discussion on fuel, because it is very important.

MR. SPEAKER : Today is the last day.

[Translation]

#### Free Power-Free Fall

\*323. PROF. PREM SINGH CHANDUMAJRA : Will the Minister of POWER be pleased to state :

(a) whether attention of the Government has been drawn to the news-item appearing in the Financial Express dated July 18th, 1997 under the caption Free Power-Free Fall;

(b) if so, whether as per the study conducted in the country, 63% of power is being used without making any payment;

(c) if so, the reaction of the Government in this regard;

(d) the estimated percentage of payment actually made at the national level for using power?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH) : (a) to (d) A statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) On the basis of an assessment made by the Planning Commission, it is estimated that for the year 1996-97, the average cost and average revenue of supplying electricity per unit was 186 Paise and 147 Paise respectively. This implies cost recovery of 79 per cent. The non-recovery of full cost of supply can be attributed to several factors including low tariff prevailing in the agricultural and domestic sectors which account for 47% of the total sales but contribute only 15.4% of the total revenue, theft, un-metered supply etc. The State-wise details of sales revenue as a ratio of cost are given at Annexure-I. The State-wise details of auxiliary consumption and Transmission & distribution losses (including commercial losses) are given at Annexure-II & III respectively.

(c) and (d) Improvement of Plant Load Factor (PLF) and reduction of Transmission and Distribution losses would help in improving the financial performance of the State Electricity Boards and also result in better utilisation of capacity.

The Common Minimum National Action Plan for Power adopted on the basis of discussions held with Chief Ministers on 16.10.1996 and 3.12.1996 provides that the following measures would be undertaken by the State/UT Governments to rationalise retail tariff, improve PLF, reduce T & D losses and promote private sector participation in Distribution.

#### Rationalisation of Retail Tariffs

- (i) Determination of retail tariffs, including wheeling charges etc., will be decided by SERCs which will ensure a minimum overall 3% rate of return to each utility with immediate effect.
- (ii) Cross-subsidization between categories of consumption may be allowed by SERCs. No sector shall, however, pay less than 50% of the average cost of supply (cost of generation plus transmission and distribution). Tariffs for agricultural sector will not be less than fifty paise per Kwh to be brought to 50% of the average cost in not more than three years.
- (iii) Recommendations of SERCs are mandatory. If any deviations from tariffs recommended by it are made by a State/UT Government, it will have to provide for the financial implications of such deviations explicitly in the State budget.

#### Improvement of PLF

PLF of those thermal power stations having less than 40% PLF at present would be increased by 3% annually, by 2% in the case of those plants with PLF between 40 and 60% and by 1% for those plants with PLF over 60%. The overall PLF in the State sector in the country must come up to a minimum of 65% and the national average to 70% by 2002 A.D.

#### Metering arrangements to reduce Transmission & Distribution losses including commercial losses

Compulsory metering at sub-stations and on all major feeders would be introduced. Compulsory metering of all new electricity connections as also of connections to agriculture sector exceeding 10 HP will be under-taken and completed in two years. All electric supplies would be metered by 2002 A.D.

#### Private Sector participation in Distribution

State Governments agree to a gradual programme of private sector participation in distribution of electricity. The process of private participation shall be initially in one or two viable geographical areas covering both urban and rural areas in a State and the State may extend this to other parts of the State gradually.

**Annexure-I***Sales Revenue as a ratio of Cost*

Sl. No.	SEB's	1996-97 (Accounts Provisional)
1.	Andhra Pradesh	81.23
2.	Assam	63.76
3.	Bihar	79.34
4.	Delhi	74.15
5.	Gujarat	73.31
6.	Haryana	71.28
7.	Himachal Pradesh	102.15
8.	Jammu & Kashmir	16.17
9.	Karnataka	72.69
10.	Kerala	73.09
11.	Madhya Pradesh	79.91
12.	Maharashtra	85.05
13.	Meghalaya	72.90
14.	Orissa	89.38
15.	Punjab	63.04
16.	Rajasthan	71.84
17.	Tamil Nadu	87.46
18.	Uttar Pradesh	73.71
19.	West Bengal	79.27
Average		78.93

**Annexure-II***Auxiliary Consumption*

Sl. No.	SEBs	1992-93	1993-94	1994-95	1995-96 (RE)	1996-97 (AP)
1	2	3	4	5	6	7
1.	Andhra Pr.	5.36	5.35	5.66	6.44	6.81
2.	Assam	9.18	8.55	8.09	8.47	8.27
3.	Bihar	12.87	12.78	12.80	11.15	11.41
4.	Delhi (DESU)	8.44	7.57	8.72	9.20	8.62
5.	Gujarat	10.39	10.04	9.66	9.28	9.23

1	2	3	4	5	6	7
6.	Haryana	5.33	5.46	5.28	5.23	5.25
7.	Himachal Pr.	0.35	0.27	0.24	0.56	0.51
8.	J. & K.	1.00	1.00	1.00	1.00	10.0
9.	Karnataka SEB	0.12	1.47	1.60	1.78	1.62
	KPC	3.30	3.70	3.50	4.20	4.50
10.	Kerala	0.50	0.57	0.38	0.51	0.64
11.	Madhya Pr.	9.26	9.30	9.09	9.28	9.20
12.	Maharashtra	7.91	7.89	7.53	7.80	7.80
13.	Meghalaya	0.42	0.34	0.34	0.73	0.53
14.	Orissa	2.89	3.29	2.71	0.81	0.00
15.	Punjab	4.20	4.92	4.49	4.63	4.89
16.	Rajasthan	7.33	7.50	7.10	7.67	7.42
17.	Tamil Nadu	6.06	6.79	6.41	7.28	7.29
18.	Uttar Pradesh	8.74	8.15	7.58	7.58	7.45
29.	W.B. SEB	11.14	10.71	10.91	10.61	10.44
20.	W.B. PDC	9.83	9.99	10.40	9.92	9.55
Average		6.91	7.04	6.78	7.05	7.18

**Annexure-III**

*Percentage transformation, transmission and Distribution losses (Including commercial losses such as Pilferage etc.) in SEBs/EDS.*

Region	State Elec. Board Deptt.	1990-91	1991-92	1992-93	1993-94	1994-95
1	2	3	4	5	6	7
Northern Region						
1.	Haryana	27.49	26.79	26.78	25.00	30.80
2.	H. P.	21.45	20.37	19.51	18.31	18.21
3.	J & K	42.33	49.21	48.28	45.69	48.74
4.	Punjab	18.97	21.52	19.24	19.37	16.70
5.	Rajasthan	25.92	23.11	22.74	25.00	24.78
6.	Uttar Pr.	26.93	26.96	24.43	24.08	21.60
7.	Chandigarh	26.72	29.64	26.21	27.27	28.44
8.	D.E.S.U.	23.86	24.35	23.56	31.79	34.56

1	2	3	4	5	6	7
<b>Western Region</b>						
1. Gujarat	23.71	23.56	22.03	20.34	20.02	
2. M. P.	24.94	25.08	21.35	20.26	19.61	
3. Maharashtra	18.06	18.40	17.83	16.22	16.33	
4. D & N H.	17.69	19.66	17.93	12.64	11.35	
5. Goa	24.97	23.78	21.85	24.50	26.87	
6. Daman & Diu	16.85	15.90	15.67	22.34	16.30	
<b>Southern Region</b>						
1. A. P.	23.43	19.70	19.88	19.91	17.95	
2. Karnataka	20.11	19.88	19.55	19.55	19.41	
3. Kerala	21.67	21.67	21.95	20.00	17.11	
4. T. Nadu	18.74	18.63	17.50	17.18	17.11	
5. Lakshadweep	18.62	17.43	18.72	16.99	17.84	
6. Pondicherry	19.20	18.00	15.31	15.80	15.00	
<b>Eastern Region</b>						
1. Bihar	21.09	23.19	22.00	20.35	19.76	
2. Orissa	25.29	24.65	25.25	22.43	23.03	
3. Sikkim	24.53	25.89	22.55	22.60	21.22	
4. W. Bengal	21.81	22.26	24.87	20.82	21.51	
5. A & N Is.	19.83	21.66	23.62	23.71	22.38	
<b>North Eastern Region</b>						
1. Assam	24.10	21.76	21.41	22.44	24.10	
2. Manipur	28.07	24.73	22.35	23.92	25.30	
3. Meghalaya	11.80	11.49	11.79	18.03	18.47	
4. Nagaland	26.08	23.14	27.26	33.45	36.12	
5. Tripura	29.59	31.96	30.64	30.33	31.96	
6. Arunachal Pr.	19.99	28.20	32.32	42.04	45.30	
7. Mizoram	29.63	34.95	29.04	31.89	29.76	
<b>All India (Utilities)</b>	<b>22.89</b>	<b>22.83</b>	<b>21.80</b>	<b>21.41</b>	<b>21.13</b>	

Source : DM & LF Division .

[Translation]

PROF. PREM SINGH CHANDUMAJRA : Mr. Speaker, Sir, I would like to ask the Hon'ble Minister that with a view to solve the problem of power crisis in the country a meeting of Chief Ministers was held some time ago in which Common Minimum Action Plan was formulated and he has also mentioned about it in his statement also. Transmission losses and distribution losses are maximum in our country. The factors responsible for power crisis include generation, distribution and transmission what progress has been made to improve the position with regard to transmission and distribution losses. You have given the points but I would like to know the actual progress made in this regard. The second thing is that the generation capacity of power projects in the country is 86,000 M.watt. It is not a fact that only 40,000 M.watt power is produced and what do you think to improve it during the Ninth Five Year Plan? How would you improve it? When demand is increasing and 1 lakh 42 thousand M.watt power is required and they are unable to improve the earlier capacity. I would like to know the steps propose to be taken to improve it?

SHRI YOGINDER K. ALAGH : Mr. Speaker, Sir, Plant Load Factor has reached from 59% to 64% during the last few years and it has improved a little in the current year also. During the last two months first time after 21 months the growth rate of power was 8.2 per cent in June and 8.4 per cent in July. It has become possible due to improvement in Plant Load factor. During this year we are trying to do it with Rs. 1600 to 1800 crores, a provision made by the Ministry of Finance to the State Electricity Board for Rehabilitation and maintenance. In the national grid for transmission and distribution, Chanderpur HDVC line of Southern grid from Western grid would become operational in September this year and for the remaining two major lines eastern grid line with southern grid and eastern grid with northern grid, arrangements for expenditure have been made. We are making provision to give loan assistance to the state government also to improve transmission and distribution system.

Effort are on to ensure that the conditions are such which could be implemented to improve the system.

PROF. PREM SINGH CHANDUMAJRA : Sir, I want to know whether it is not a fact that during the last eight Five Year Plans more than 200 projects were conceived, but out of them only 64 projects have been completed? For example, there is Thein Dam project in our Punjab state its water goes to Pakistan and we do not get electricity. In 1969 its outlay was Rs. 85 crores which has escalated to Rs. 3000 crores by the time it completes. There are many such projects in the country. I would like to know whether cheap electricity cannot be generated by hydel project? Cannot cheap electricity be generated from natural gas? Is it not a fact that the Govt. have made up its mind to generate electricity in private sector and for that a decision has been taken for a Naphtha Project involving generation of 8,000 MW of electricity and for that 12 million tonnes naphtha was to be imported annually. The hon. Minister has stated in the beginning that subsidy would be given....

[English]

MR. SPEAKER : This is a question hour. What are you doing?

[Translation]

PROF. PREM SINGH CHANDUMAJRA : That is what I am asking, Sir.

MR. SPEAKER : What are you asking, I am not able to understand.

PROF. PREM SINGH CHANDUMAJRA : You are not listening to what I am saying. I am saying that the subsidy is not the first thing. First of all you have told about subsidy for natural gas project but afterwards the Government denied that now he told about subsidy for Naphtha and for that also Government denied. Rita Ji has rightly stated about Naphtha. Naphtha will be costlier and the electricity is already costly. The cost of electricity is Rs. 2.50 per unit. It is the highest in the world. The electricity will be costlier if generated from liquid gas.

[English]

MR. SPEAKER : I do not think that I am going to allow a question like that, there is a limit to everything.

[Translation]

PROF. PREM SINGH CHANDUMAJRA : What about the outgoing projects.

[English]

MR. SPEAKER : Professor, you cannot do like this. This is a question hour. If you cannot frame a question in three minutes, then it means that you do not know the subject.

[Translation]

PROF. PREM SINGH CHANDUMAJRA : Sir, there are only two points.

MR. SPEAKER : There is no question of two things.

PROF. PREM SINGH CHANDUMAJRA : First is this that.....(Interruptions) The Government will give subsidy so that the plant could be run on liquid gas. I would like him to reply to these points.

[English]

MR. SPEAKER : Mr. Minister, have you understood anything of his question?

[Translation]

SHRI YOGINDER K. ALAGH : An additional amount of Rs. 660 crores has been allocated this year after the presentation of the budget for the completion of the Hydrel Project. State Governments are being given loan assistance

to enable them to complete thermal and hydel projects and these projects include 600 MW Ranjit Sagar Project in Punjab.

SHRIMATI SUSHMA SWARAJ : In reply to this question a long statement has been laid on the Table of the House in which the measures being taken by state electricity boards have been mentioned. One of the measures was compulsory metering

[English]

'All electric Supplies would be metered by 2002 A.D.'

[Translation]

I want to tell the hon. Minister that manipulation of meter is in itself theft of power. The consumers themselves or in connivance with the meter reader, get the speed of the meter slowed down. As a result thereof the real consumption of electricity is not recorded in the meter. To fulfil the compulsory target, would the hon. Minister like to produce meters which can not be manipulated?

SHRI YOGINDER K. ALAGH : There is enough improvement in meter quality, and we will support them.

[English]

MR. SPEAKER : Shri Chatterjee, it should be a one line question

SHRI NIRMAL KANTI CHATTERJEE : Sir, I will be very brief. On the question of distribution and collection, there was a suggestion that the responsibility be given to the panchayats. Has that been decided or is there any State where the panchayats have been entrusted to take charge of distribution and collection so that the collection percentages could improve?

MR. SPEAKER : It is a very good question.

SHRI YOGINDER K. ALAGH : The States are experimenting with alternative distribution systems. For example, in rural areas, Rajasthan has a massive scheme of privatisation of distribution systems — below the 32 KVA line — in nine districts. There are some cooperative projects in States like Gujarat, Maharashtra and Andhra Pradesh. I have also had some discussions with the Power Minister of the State of West Bengal and we will be supporting specific schemes which try to see that power is delivered efficiently to the consumer and is encouraged to pay for it also.

SHRI NIRMAL KANTI CHATTERJEE : Will it be through the panchayats?

SHRI YOGINDER K. ALAGH : Up-till now, the main proposals are of cooperative nature.

SHRI SURENDER SINGH : Mr. Speaker, Sir, keeping in view the distribution system, transmission losses and theft, I would like to know whether the Government have evolved some technology that could work to stop the theft and the line losses.

SHRI YOGINDER K. ALAGH : There are technologies in which the first thing to do is to have appropriate measurements at different levels — In distribution, transmission and sub-transmission systems; and we give full support to more modern technologies which use electronics and so on. However, I think, it will be fair to say that at the lowest level, the organisational systems, which I think is the brunt of the questions that the hon. Members are asking, have to collect the bills is also an extremely important question.

SHRI K.S.R. MURHTY : Sir, in the statement of the Minister, it is said that the cost recovery is about 79 per cent. Practically, all the State Electricity Boards in the Country are in red, excepting the NTPC. Now, what is it that the Government of India is doing to make the State Electricity Boards stand on their own when the World Bank, the IMF and everybody else are refusing to give them loans?

SHRI YOGINDER K. ALAGH : Sir, to begin with, we are placing before the House a legislation for setting up independent tariff regulatory bodies both at the Central and the State levels. The recommendations of these bodies will be mandatory. Therefore, it is expected that once this legislation is approved, there will be an improvement in the systems at the level of the State Electricity Boards. Also, for specific strategies of reform where there are many models, and I do not want to take the time of the House in describing them — Orissa, Rajasthan and so on — if there are financial costs to the reform in addition to the World Bank or the ADB packages, then the Power Finance Corporation can also make funds available to the State Electricity Boards. When the Power Finance Corporation lends to the State Electricity Boards, it tries to establish with them a reform programme of a specific kind depending on the conditions in the State.

[Translation]

SHRI SATYA PAL JAIN : Mr. Speaker, Sir, I would not like to go into any dispute regarding the information given by the hon. Minister in regard to the generation of power in private Sector and Public Sector. The claims of the Government notwithstanding, the fact remains that there are lakhs of people in our country even today to whom we are not able to provide electricity connections due to shortage of electricity. In my constituency, there are one lakh of such persons. Moreover, in the markets and sectors of Chandigarh, in villages and in the colonies, we are not in a position to provide electricity connections. Pay attention to the fact on the occasion of 50th Anniversary of India's Independence will the Government consider giving electricity connections to every person on demand, irrespective of the fact whether he lives in the villages, in colonies or in any market and supply electricity too? Will the hon. Minister consider it and give an assurance to this effect?

AN HON. MEMBER : They should give both the connection as well as electricity.

SHRI SATYA PAL JAIN : The people should be given connection as well as electricity because at many places there are connection but there is no electricity.

[English]

MR. SPEAKER : I do not know whether it arises out of this question.

[Translation]

SHRI YOGINDER K. ALAGH : Mr. Speaker, Sir, there are schemes of the Government of India under which provision has been made for electrification of rural areas. There is a 'Kutir Jyoti' scheme for the poor and a special project for tribals. Unfortunately there are three-four states which have failed to repay their old loans as a result of which they could not get their money. We are trying to get that amount. A reference was just now made about Bihar. If they could draw mutually acceptable repayment schedule, we can give the money to them for that. If the state Government formulates a scheme, we shall encourage them. All the State Governments should formulate similar schemes during the Ninth Five Year Plan. If the rural electrification is completed, we shall be in a position to develop loan assistance for that purpose.

#### Cost of Power Generation

\*324. SHRI NAWAL KISHORE RAI :  
JUSTICE GUMAN MAL LODHA:

Will the Minister of POWER be pleased to state :

(a) whether the Government have made any assessment about the cost of power generation at the national level;

(b) if so, the average cost of power generation in hydel, thermal and atomic sectors during the first and final years of the Eighth Five Year Plan separately;

(c) whether the average cost of power generation has gone up during the above period; and

(d) if so, the main reasons therefor and the percentage increase estimated in the average cost of power generation as a result of each factor?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH):

(a) to (d) A Statement is laid on the Table of the House.

#### Statement

(a) and (b) the cost of generation, at the national level, hydel and thermal sector at the beginning of 8th plan and in the year 1995-96 are given below :

	At the beginning of 8th Plan	In the year 1995-96
Hydro Power Stations	Varied from 10 P/Kwh to 69 P/Kwh	Varied from 19 P/Kwh to 115 P/Kwh
Thermal Power Stations	Varied from 56 P/Kwh to 190 P/Kwh	Varied from 79 P/Kwh to 288 P/Kwh