

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:251  
ANSWERED ON:18.12.2003  
POWER SECTOR REFORMS  
YEMPARALA VENKATESWARA RAO

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

- (a) whether the power sector reforms have made significant achievements;
- (b) if so, the extent to which the power has been saved after implementing the reforms;
- (c) whether the Government has prepared any road map for future reforms in Power Sector in the country; and
- (d) if so, the extent to which the transmission and distribution losses would be reduced?

**Answer**

THE MINISTER OF POWER( SHRI ANANT GANGARAM GEETE )

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

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 251 TO BE ANSWERED IN TI  
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REGARDING POWER SECTOR REFORMS.

(a) :Yes, Sir.

(b) & (c) :The focus of power sector reforms is on improving quality of power supply, metering of all consumers, energy audit, improvement of billing and collection efficiency, reduction of technical and commercial losses, reduction and elimination of theft of power, constitution and Operationalisation of State Electricity Regulatory Commission, organizational restructuring to focus on accountability for performance and on achievement of commercial viability in a time bound manner.

The Government of India have initiated various steps to revive the poor financial health of SEBs/Power Utilities. The Ministry of Power has signed Memorandum of Understanding (MoU)/Memorandum of Agreement (MoA) with States on power sector reform envisaging support of Central Government subject to states progressing satisfactorily on agreed reform agenda. The Union Government, in order to help the State Electricity Boards/Utilities is providing funds to States under APDRP for investment in identified distribution areas for, inter alia, reducing technical losses and improving the quality of supply and also incentivizing, through grants, reduction of cash losses. Past debts of SEBs due to Central Public Sector Undertakings have been securitized and current payments streamlined under tripartite agreements.

The Electricity Act, 2003 which has been enacted recently is a progressive legislation that provides for measures conducive to development of electricity industry, promoting competition therein, protecting interests of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies etc.

Many States have reported reduction in cash losses. During the current year, State Utilities are making timely payments of their dues to the Central Power Sector Undertakings (CPSUs). With investments in sub- transmission and distribution, technical losses are also being reduced.

(d) :The extent of reduction of transmission and distribution losses and the time frame for this is to be prescribed by the respective State Electricity Regulatory Commission.