

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3399

ANSWERED ON:05.02.2004

FUNDS FOR POWER TRANSMISSION AND DISTRIBUTION

ASHOK NAMDEORAO MOHOL;AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;BHASKAR RAO PATIL;BIR SING MAHATO;MADAN PRASAD JAISWAL

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

- (a) whether the Union Government plans to fund several crores to revamp and revitalize the entire power transmission and distribution system;
- (b) if so, the details thereof;
- (c) whether the funds which are likely to be spent would cut T&D losses;
- (d) if so, in what manner; and
- (e) the details of other strategies to be adopted to cut T&D losses in power sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) & (b) : Yes, Sir. The Government has launched Accelerated Power Development and Reforms Programme (APDRP) with annual budget provision of Rs.3500 crores, for strengthening the sub-transmission and distribution and improve financial viability of the States. APDRP has the following two components:

a. Investment Component -Government of India provides financial assistance to the States as additional Central Assistance over and above the normal Central Plan allocation, for strengthening and upgradation of sub-transmission and distribution network. APDRP finances 50% of the project cost in the form of 50% grant and 50% loan to SEBs in the case of Non Special Category States. SEBs/Utilities have to arrange remaining 50% of the fund from Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), other financial institutions or from own resources as counter-part fund. For Special Category States, Government of India provides 100% of the project cost as financial assistance in the ratio of 90% grant and 10% loan. (States of north-eastern region, Jammu & Kashmir, Himachal Pradesh, Uttaranchal and Sikkim are covered under special category).

b. Incentive Component - The State Governments are incentivised up to 50% of the actual cash loss reduction by SEBs/Utilities, as grant. The year 2000-01 is taken as the base year for the calculation of loss reduction. Under this component, funds would be provided by Government of India to State Governments as 100% grant. This component has been introduced to motivate the SEBs/Utilities to reduce their financial losses. The cash losses are calculated net of subsidy and receivables.

(c) & (d) : Under APDRP, schemes for 100% feeder and consumer metering, installation of capacitors at all levels, Reconductoring of over loaded conductors, installation of energy efficient distribution transformers, re-configuration of feeder lines, segregation of industrial feeders, etc. are undertaken with implementation of these schemes at reduction in T&D losses is expected.

(e) : Other strategies to bring down T&D losses are to ensure accountability of staff at all levels, designating the Junior Engineer as feeder manager, mandatory energy audit at feeder/sub-station/circle level, and distribution circles to operate as profit centres etc.