

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:495

ANSWERED ON:29.04.2005

PROFIT AND LOSSES OF SEBs

Channappa Shri Kunnur Manjunath;Libra Shri Sukhdev Singh

Will the Minister of POWER be pleased to state:

- (a) whether T&D losses of some State Electricity Boards are still high;
- (b) if so, the reasons therefor;
- (c) the steps taken by Government to reduce T&D losses;
- (d) the accumulated profit & loss of each State Electricity Board during the last three years;
- (e) the nature of assistance provided by the Union Government to SEBs, State-wise; and
- (f) the steps taken/proposed to be taken by the Government to bring down the losses of SEBs?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 495 TO BE ANSWERED IN THE LOK SABHA ON 29.04.2005 REGARDING PROFIT AND LOSSES OF SEBs.

(a) & (b) : Yes, Sir. The transmission and distribution (T&D) losses of some of the State Electricity Boards (SEBs) are high on account of old and weak systems, overloading of existing lines & substation equipments, lack of up gradation of old lines and equipments, low High Tension to Low Tension Ratio, poor repair and maintenance of equipments, insufficient capacitors, low metering, billing and collection efficiency, pilferage, tampering of meters and high theft.

(c) : The steps taken by the Government to reduce the transmission and distribution losses include:

(i) Metering of 11kV feeders and consumer metering;

(ii) Energy accounting and auditing;

(iii) Strengthened provisions relating to theft of power in Electricity Act, 2003;

(iv) Upgradation and strengthening of sub-transmission and distribution system under APDRP;

(v) Incentivising for reduction of cash losses by State power utilities under APDRP;

(vi) Introduction of High Voltage Distribution System (HVDS);

(vii) Introduction of IT applications.

(d) : As reported by the Power Finance Corporation, Statewise details of Commercial Profit/Losses of Power Utilities during the years 2001-02, 2002-03 and 2003-04 are at Annexure-I.

(e) : Assistance is provided for

(i) Upgradation and strengthening of sub-transmission and distribution system under APDRP –statement is at Annexure-II.

(ii) Incentivising for reduction of cash losses by State power utilities under APDRP – statement is at Annexure-III

(f) : The Government of India has 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 Utilities is providing funds to States under Accelerated Power Development and Reforms Programme (APDRP) for investment in identified distribution areas for, inter-alia, reducing technical losses and improving the quality of supply and also for incentivising, through grants, reduction of cash losses. Past debts of SEBs due to Central Public Sector Undertakings have been securitised under tripartite agreements.

The Electricity Act, 2003 creates a liberal framework for development of electricity industry, promoting competition therein, protecting interest 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, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal. The Act reduces entry barriers in different segments of power supply industry and promotes competition and in turn efficiency improvements. It also provides for stringent measures for dealing with theft of electricity and for rationalization of tariffs.

ANNEXURE-I

ANNEXURE REFERRED TO IN PART (d) OF STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 495 TO BE ANSWERED IN THE LOK SABHA ON 29.4.2005 REGARDING PROFIT AND LOSSES OF SEBs.

State-wise details of Commercial Profit/Losses of Power Utilities

Total (Rs. crore)

Sl. No.	SEBs/Utilities	2001-02	2002-03	2003-04
1.	Andhra Pradesh	-2948	-1209	-1399
2.	Assam	-696	-775	-655
3.	Arunachal Pradesh	-93	-117	-82
4.	Bihar	-893	-1095	-980
5.	Chhattisgarh	203	792	587
6.	Delhi	N.A.	-658	-1750
7.	Goa	-7	131	153
8.	Gujarat	-3102	-2250	-3021
9.	Haryana	-947	-804	-769
10.	Himachal Pradesh	-107	-53	-46
11.	Jharkhand	-255	-397	-522
12.	Jammu & Kashmir	34	-1243	-1229
13.	Karnataka	-1846	-1566	-1236
14.	Kerala	-1253	-935	-915
15.	Madhya Pradesh	-1347	-822	-1230
16.	Maharashtra	-540	-255	-549
17.	Manipur	-129	-128	-125

18.	Meghalaya	-38	-19	64
19.	Mizoram	-30	-34	-49
20.	Nagaland	-50	-55	-42
21.	Orissa	221	-433	582
22.	Punjab	-1868	-1386	-663
23.	Pondicherry	-44	34	38
24.	Rajasthan	-1324	-1738	-1777
25.	Sikkim	-10	-30	-15
26.	Tamil Nadu	-5175	-2099	-1417
27.	Tripura	-100	-94	-5
28.	Uttar Pradesh	-2518	-2374	-2848
29.	Uttaranchal	-27	32	-35
30.	West Bengal	-1705	-913	-296

Total -26,596 -20,494 -20,232

ANNEXURE-II

ANNEXURE REFERRED TO IN PART (e) OF STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 495 TO BE ANSWERED IN THE LOK SABHA ON 29.04.2005 REGARDING PROFIT AND LOSSES OF SEBs.

Funds released to the States under investment component of APDRP

(Rs. in crores)

S. No	Name of State		Funds Released	
	2002-03	2003-04	2004-05	
1	Andhra Pradesh	163.82	402.94	0.00
2	Arunachal Pradesh	0.00	36.68	0.00
3	Assam	96.97	0.00	61.88
4	Bihar	66.11	20.88	226.19
5	Chhattisgarh	10.00	43.07	106.14
6	Delhi	105.51	0.00	0.00
7	Goa	22.04	8.54	82.82
8	Gujarat	105.41	183.45	111.40
9	Haryana	56.33	112.66	0.00
10	Himachal Pradesh	43.05	120.87	0.00
11	Jammu & Kashmir	20.00	180.50	114.47
12	Jharkhand	12.00	43.60	98.27
13	Karnataka	145.15	290.30	0.00
14	Kerala	30.43	74.23	125.89
15	Madhya Pradesh	74.87	10.00	45.00
16	Maharashtra	138.48	107.98	21.77
17	Manipur	2.67	0.00	0.00
18	Meghalaya	6.57	14.56	37.24
19	Mizoram	3.78	25.18	0.00
20	Nagaland	13.14	10.47	19.22
21	Orissa	54.35	0.00	19.67
22	Punjab	53.98	124.76	0.00
23	Rajasthan	125.64	219.70	40.49
24	Sikkim	17.21	60.17	77.35
25	Tamil Nadu	111.57	232.59	97.66
26	Tripura	2.67	6.10	28.87
27	Uttar Pradesh	80.12	0.00	54.40
28	Uttaranchal	174.63	6.13	60.00
29	West Bengal	19.02	21.15	0.00
Total				
	1755.52	2356.51	1428.73	

ANNEXURE-III

ANNEXURE REFERRED TO IN PART (e) OF STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 495 TO BE ANSWERED IN THE LOK SABHA ON 29.04.2005 REGARDING PROFIT AND LOSSES OF SEBs

Funds released to the States under incentive component of APDRP

(Rs. In Crores)

SL. NO.	STATE	INCENTIVE RELEASED
1.	Gujarat	236.38
2.	Maharashtra	137.89
3.	Haryana	105.49
4.	Rajasthan	137.71
5.	Andhra Pradesh	265.11
6.	West Bengal	73.00
	Total	955.58