

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2626

ANSWERED ON:31.08.2007

TECHNICAL AND COMMERCIAL LOSSES

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Will the Minister of POWER be pleased to state:

- (a) the details of aggregate technical and commercial losses in the power sector at present in the country as compared to other developed countries;
- (b) the target set for the Tenth Plan for reducing such losses and achieved at the end of the plan;
- (c) the total expenditure incurred thereon during the plan to achieve the target, State- wise;
- (d) whether the Government proposes to involve the private sector participation in transmission and distribution of power in the country; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : A report prepared by the Power Finance Corporation indicates that the Aggregate Technical and Commercial (AT&C) Loss of the State Power Utilities at the national level for 2005-06 was 34.54%. As per the guidelines issued by Central Electricity Authority for reduction of Transmission and Distribution (T&D) losses, the unavoidable technical loss in Indian conditions is about 10-15%. T&D losses in some of the countries (which are available for the year 2003) are given below:

S.No. Name of the country T&D losses (%)

1. Argentina	15
2. Brazil	17
3. China	6
4. Columbia	19
5. France	6
6. Germany	5
7. Japan	5
8. Mexico	15
9. Malaysia	5
10. Pakistan	25
11. Russian Federation	12
12. United Kingdom	8
13. United States of America	7
14. Venezuela RB	26

(b) : Government had launched Accelerated Power Development and Reforms Programme (APDRP) in the year 2002-03 with the objective of encouraging reforms and of reduction in AT&C loss, improving quality of supply of power and improving consumer satisfaction. The target was to reduce AT&C losses to 15% in five years to begin with in urban and high density consumption areas. At town level, AT&C losses have been brought below 20 percent in 215 APDRP towns in the country of which 163 towns have brought AT&C losses below 15 percent.

(c) : Government of India had sanctioned 571 projects at the estimated cost of Rs.17033.58 crores to States under the investment component of APDRP. State-wise details about projects sanctioned and fund released are at Annexure-I. Details of funds released under incentive component of APDRP for achieving cash loss reduction, State- wise, are at Annexure-II.

(d) & (e) : As regards private investment in transmission is concerned, Government of India has issued Guidelines for encouraging competition in the development of transmission projects and for competitive bidding for transmission services. An Empowered Committee constituted, as per provisions of these guidelines, has identified 14 inter-state transmission projects for tariff based bidding. Details of four projects out of 14 projects, which have taken up by Special Purpose Vehicles incorporated by Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) are given at Annexure-III.

Under the Electricity Act, 2003, transmission and distribution of electricity are licensed activities and the license for these activities are given by the Appropriate Electricity Regulatory Commission. 16 Private Distribution Companies are presently functioning in various parts of the country. The details of the Distribution Companies are at Annexure-IV.