

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4780

ANSWERED ON:23.04.2010

COST OF ELECTRICITY

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Owaisi Shri Asaduddin;Shekhar Shri Neeraj;Singh Chaudhary Lal;Yaskhi Shri Madhu Goud

Will the Minister of POWER be pleased to state:

- (a) whether as per the mid-term review of the Planning Commission, the average cost of electricity in India is highest in the world;
- (b) if so, the details thereof;
- (c) whether the power companies lose Rs.30,000 Crore every year by way of power theft, faulty metering and poor billing as per the mid-term review of the Eleventh Five Year Plan by the Planning Commission;
- (d) if so, the details thereof and the reasons given by the Planning Commission therefor; and
- (e) the steps taken or proposed to be taken by the Government to improve upon the situation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARAT SINGH SOLANKI)

- (a) & (b) : The average rate of sale of power in the country increased from Rs.1.98/kWh to Rs.2.36/kWh in 2008-09. The average cost of supply of electricity in the country is not the highest at the international level.
- (c) to (e): As per the 6th Report on the performance of the State Power Utilities for the years 2005-06 to 2007-08 published by PFC, the overall commercial losses of the utilities for the years 2005-06 to 2007-08 are as under:

YEAR	COMMERCIAL LOSSES WITHOUT SUBSIDY	COMMERCIAL LOSSES WITH SUBSIDY
	(Rs In Crores)	(Rs in Crores)

2005-06	20865	8071
---------	-------	------

2006-07	27101	13452
---------	-------	-------

2007-08	31862	12462
---------	-------	-------

Source: PFC

Government of India has launched Restructured Accelerated Power Development and Reforms Programme (R-APDRP) in July 2008 as a central sector scheme for XI Plan aimed at turnaround of power distribution sector. The scheme comprises of two parts-Part-A & Part-B. Part-A of the scheme being dedicated to establishment of IT enabled system for achieving reliable & verifiable baseline data system in all towns with population greater than 30,000 as per 2001 census (10,000 for Special Category States) Installation of SCADA/DMS for towns with population greater than 4 lakhs & annual input energy greater than 350MU is also envisaged under Part-A. 100% loan is provided under R-APDRP for Part-A projects & shall be converted to grant on completion and verification of same by Third Party independent Evaluating agencies (TPIEA) appointed by MOP/PFC. MOP, GOI has earmarked Rs. 10,000 Crores for R-APDRP Part-A. Part-B deals with regular Sub Transmission & Distribution system strengthening & up-gradation projects. The focus for Part-B shall be loss reduction on sustainable basis. 25% loan is provided under Part-B projects and up to 50% of scheme cost is convertible to grant depending on extent of maintaining AT&C loss level at 15% level for five years. For special category states, 90% loan is provided by GOI for Part-B projects and entire GOI loan shall be converted to grant in five tranches depending on extent of maintaining AT&C loss level at 15% level for five years. It is expected that on successful completion of the scheme, the AT&C losses will be reduced to the extent of 15% in the project areas.

Under Part-A of R-APDRP, cumulatively 1387 projects at the cost of Rs. 5130.70 crore have been approved to 27 states/UT(Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, J&K, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Punjab, Rajasthan, Sikkim, Tamilnadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal).

239 projects worth Rs 3059.28 Cr have been approved to seven states (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Punjab, Rajasthan and Tamil Nadu) under Part-B.