

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1037  
ANSWERED ON:30.07.2010  
PERFORMANCE OF SEBs  
Rajaram Shri Wakchaure Bhausahab

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

- (a) whether the Government has made any assessment of the performance of the State Electricity Boards (SEBs) in the country;
- (b) if so, the details thereof, State-wise;
- (c) whether several SEBs are incurring heavy financial losses;
- (d) if so, the details of the losses suffered by these SEBs during the last three years and the current year along with the reasons therefor; and
- (e) the steps taken by the Government to improve their performance and reduce the financial losses?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRI BHARATSINH SOLANKI )

(a) to (e) : PFC publishes the ` Report on Performance of State Power Utilities`. The Report covers State Power Utilities (SEBs/ unbundled utilities/Power Departments) and private distribution Companies created as a result of reform measures (DISCOMs in Delhi & Orissa) in all the States, NCT of Delhi as well as Union Territory of Puducherry.

The Report is compiled on the basis of data given in the annual accounts (audited/provisional) of SEBs/unbundled utilities and Annual Resource Plans submitted to the Planning Commission by State Power Departments and utilities not preparing annual accounts. Additional information for calculation of AT&C losses, subsidy received etc. is obtained from the utilities. The 7th Report covering the Performance of State Power Utilities for the years 2006-07 to 2008-09 has been finalized. PFC in its Report compiles the profits/losses incurred by the utilities.

Based on the above report, state-wise details of Profit/(Loss) on accrual basis are placed at Annex. The losses on accrual basis decreased from Rs.13,108 crore in 2006-07 to Rs.12,542 crore in 2007-08 but increased to Rs.22,941 crore in 2008-09. The major reason for losses include high AT&C losses and non-coverage of average cost of supply by current retail prices.

One of the reasons for poor financial health of the state power utilities is the high Aggregate Technical & Commercial (AT&C) losses. AT&C loss at national level is around 29.24% (Source: PFC`s report on performance of the state power utilities for year 2007-08).

Government approved `Restructured Accelerated Power Development & Reforms Programme` (R-APDRP) on 31.07.2008 with the focus on actual, demonstrable performance in terms of loss reduction. Projects under the scheme are to be taken up in two parts. Part-A is the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centers and Part-B is regular distribution strengthening projects.

The programme size is Rs.51,577 Crore. Expected investment in Part-A (Baseline System) would be Rs.10,000 crore and that in Part-B would be Rs.40,000 crore. Initially funds for projects under both the parts would be provided through loan. The entire amount of loan for Part-A projects would be converted into grant on the completion the project and up-to 50% (90% for special category States) loan of Part-B projects would be converted into grant on achieving the 15% AT&C loss in the project area on a sustainable basis.

1400 projects at the cost of Rs.5288.47 crore have been approved to twenty nine states/UTs under Part-A and 376 projects worth Rs.5111.93 Cr have been approved to nine states under Part-B.

The successful IT enablement of a state power utility will make it an integral part of the energy audit and accounting systems. This will enable utilities to clearly account for all energy flows and reduce losses.