

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1756

ANSWERED ON:19.11.2010

LOSSES OF SEBS

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Will the Minister of POWER be pleased to state:

- (a) whether the State Electricity Boards (SEBs) in the country including Punjab are incurring heavy financial losses;
- (b) if so, the details thereof, State-wise;
- (c) whether the aggregate commercial losses made by major SEBs have touched Rs. 58,235 crore in 2009-10 compared with Rs. 51,670 crore in 2008-09 recording an increase of 12.7%;
- (d) if so, whether this has pushed up the States subsidy bill from Rs. 15,915 crore to Rs. 20,409 crore over the last two years with Punjab and Haryana topping the list with Rs. 3144 crore and Rs. 2803 crore respectively;
- (e) if so, whether there has been decline in Aggregate Technical and Commercial (AT&C) losses from 33.8% in 2008-09 to 31.92% in 2009-10; and
- (f) if so, the details thereof along with the steps taken to improve the financial position of these SEBs?

Answer

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

(a) & (b) : Power Finance Corporation Limited (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. The 7th Report covering the Performance of State Power Utilities for the years 2006-07 to 2008-09 has been published in July 2010 by PFC.

Based on the above report, State-wise details of profit / (Loss) for all the power utilities on accrual basis is enclosed at Annex-I. The losses of Punjab on accrual basis has decreased from Rupees 1626 crores in 2006-07 to Rupees 640 Crores in 2008-09.

The report containing data pertaining to 2009-10 is under preparation and yet to be finalised by PFC.

(c) & (d) : Profit / loss without subsidy have increased from Rupees 26,725 crores in 2006-07 to Rupees 52,623 crores in 2008-09 as per PFC`s 7th `Report on Performance of State Power Utilities`. Details of state-wise profit / loss (without subsidy) and state-wise details on subsidy booked and received for the years 2006-07 to 2008-09 by utilities selling directly to consumers is enclosed at Annex-II & III respectively.

(e) : The Aggregate Technical & Commercial (AT&C) losses in the country, have reduced from 30.62% in 2006-07 to 28.44% in 2008-09. Details of the AT&C losses for the period 2006-07 to 2008-09 is enclosed at Annex-IV.

(f) : The high financial losses incurred by distribution utilities are mainly attributable to high Aggregate Technical & Commercial (AT&C) losses in the system. The steps required to improve the condition of the distribution utilities are to be taken by the State Governments. However, the Central Government has taken the following major initiatives for improving financial health of the distribution utilities:

i. The Electricity Act, 2003 provides that the tariff will be regulated by the Electricity Regulatory Commissions on the basis of principles laid down in the Act, which, inter-alia include efficiency improvement and reduction of cross-subsidies.

ii. As theft is one of the reasons of high AT&C losses, legal provisions in Electricity Act, 2003 for dealing with theft of electricity have been further strengthened by the Electricity (Amendment) Act, 2007, making the offence of electricity theft cognizable and non-bailable.

iii. Emphasis is given on metering of feeders and supply to consumers for energy accounting and auditing for identifying the locations of high loss areas so that corrective measures can be taken.

iv. Govt. have continued the APDRP started during X Plan renamed as Restructured Accelerated Power Development and Reforms Programme (R-APDRP) during XI Plan as a Central Sector Scheme with the objective of reducing AT&C losses to 15%. The total

outlay of the scheme is Rs.51,577 crores. There are two parts of the Scheme Part A & Part B.

Part A of the scheme envisages establishment of baseline data, Automatic Meter Reading (AMR), Geographical Information System (GIS) mapping, SCADA & adoption of IT facilities etc. Loan will be given to various SEBs/Distribution Companies and Government propose to invest Rs.10,000 crores under part A. Initially it will be given as loan and amount will be converted into grant subject to certain conditions.

Part (B) of the Scheme is for System Improvement projects and Government proposes to invest Rs.40,000 crores which include renovation, modernization and strengthening of 11 kV level Substations, Transformers/Transformer Centers, Re-conductoring of lines at 11 kV level and below, Load Bifurcation, feeder separation, load Balancing, HVDS (11 kV), Aerial Bunched Conductoring in dense areas, replacement of electromagnetic energy meters with tamper proof electronic meters, installation of capacitor banks and mobile service centers etc. In exceptional cases, where sub-transmission system is weak, strengthening at 33 kV or 66 kV levels is also considered.