

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:261

ANSWERED ON:19.08.2011

POWER SECTOR REFORMS

Bajwa Shri Partap Singh;Rao Shri Sambasiva Rayapati

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

- (a) whether structural reforms were undertaken in the power sector to reduce transmission and distribution losses;
- (b) if so, the details thereof along with the achievements made in reducing transmission and distribution losses in the power sector;
- (c) whether the Government proposes to formulate any new interest subsidy scheme or a dedicated fund to push up further reforms in the distribution sector;
- (d) if so, the salient features of the scheme proposed to be formulated in this regard; and
- (e) the other steps taken for reducing transmission and distribution losses?

**Answer**

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

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

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 261 TO BE ANSWERED IN THE LOK SABHA ON 19.08.2011 REGARDING POWER SECTOR REFORMS.

(a): Yes, Madam. The responsibility of reduction of Aggregate Technical & Commercial (AT&C) losses in the distribution network is with the State Governments and the Power Departments/Utilities. However, to address the issues related to the high AT&C losses, the Government of India launched Accelerated Power Development and Reforms Programme (APDRP) in 10th Plan and launched Restructured Accelerated Power Development and Reforms Programme (R- APDRP) in July, 2008 under 11th Plan. The focus of R-APDRP Scheme is to achieve sustained Aggregate Technical & Commercial (AT&C) loss reduction.

(b): The projects under the R-APDRP scheme are taken up in two parts: Part-A & Part-B. Part-A is for the establishment of an IT enabled system for energy auditing and accounting to get verifiable data on AT&C losses. Part-B is for strengthening and up-gradation of the sub-transmission and distribution system to reduce and sustain AT&C losses on sustainable basis.

Under Part-A of R-APDRP, 1401 projects and 42 projects for Supervisory Control and Data Acquisition System(SCADA) and under Part-B, 907 projects have been sanctioned. The schemes sanctioned are under implementation. However, the national percentage average of Aggregate Technical & Commercial (AT&C) losses have been reduced from 36.64% in year 2002-03 to 27.15% in year 2009-10.

(c): Yes, Madam.

(d): A proposal for setting of National Electricity Fund (Interest Subsidy Scheme) to provide interest subsidy for the loans taken by the utilities/departments/State Electricity Boards etc. for works undertaken to strengthen and upgrade sub-transmission and distribution network in order to reduce AT&C losses and service increased load is under submission to Cabinet. The States, which have undertaken certain fundamental reforms in Electricity Sector are proposed for being eligible to avail interest subsidy and quantum of interest subsidy is proposed to linked to performance of utility on reduction in AT&C losses, reduction in gap between Actual Cost of Supply (ACS) and Average Revenue Realization (ARR), provision of return on equity and multiyear tariff.

Proposal has been submitted for consideration of CCEA (Cabinet Committee on Economic Affairs).

(e): Other interventions for reducing commercial losses are incorporation of specific provisions in the Electricity Act, 2003 for detection of theft of Electricity, speedy trial of theft related offences and recovery of the charges of electricity stolen. Section 135 and Section 151 of the Electricity Act, 2003 have been amended to make offence punishable under Section 135-140 and Section 150 as cognizable and non-bailable. The definition of theft has also been expanded to cover use of tampered meters and use of electricity for unauthorized purpose by insertion of provisions (d) and (e) under Section 135(1) of the Electricity Act, 2003.

Administrative measures also include constitution of Special Courts (as per Section 153 of the Act) for speedy trial of offences committed under Section 135-140 of the Act. So far 24 States have constituted Special Courts for such purposes.