

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2
ANSWERED ON:05.12.2013
TRANSMISSION AND DISTRIBUTION LOSSES
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of POWER be pleased to state:

- (a) whether as a part of the reforms in the power sector, it is necessary to check the losses being incurred by the power distributors in the States;
- (b) if so, the reaction of the Government in this regard;
- (c) whether this loss is solely due to the transmission and distribution losses and if so, the details thereof;
- (d) whether the Government has estimated the profit that can be earned by the power distributors by bringing this loss at par with the international standards; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

- (a): Yes, Madam, as a part of the reforms in the power sector, it is necessary to check the losses being incurred by the power distributors in the states.
- (b): To bring about the financial viability of the power distributors, the Government of India has initiated reforms measures to bring down the Transmission & Distribution losses, as well as the Commercial losses. One of the objectives of the reforms is to bring competition among the power sector players, thus loss reduction by achieving improved efficiencies is an inbuilt characteristics.
- (c): The losses of distribution companies are not solely due to Transmission & Distribution losses. Apart from transmission and distribution losses, there are commercial losses too. Therefore, the concept of Aggregate Technical and Commercial (AT&C) loss was introduced by the Government of India. The AT&C loss captures technical as well as commercial losses in the network and is a true indicator of total losses in the system. High technical losses in the system are primarily due to inadequate investments over the years for system improvement works, which has resulted in unplanned extensions of the distribution lines, overloading of the system elements like transformers and conductors, and lack of adequate reactive power support. The commercial losses are mainly due to low metering efficiency, collection efficiency, theft & pilferages.
- (d) & (e) : There are countries where the loss levels are much lower than in India. For the conditions prevailing in our country, an attainable loss level of 15% is expected as reasonable. As per Power Finance Corporation's report on 'Performance of State Power Utilities' for the years 2009-10 to 2011-12, AT&C losses at national level are 27%. Any reduction in losses would contribute to profit of the concerned utility.