

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1672
ANSWERED ON:05.03.2015
LOSSES TO POWER DISTRIBUTORS
Bhamre Dr. Subhash Ramrao

Will the Minister of POWER be pleased to state:

- (a) whether it is necessary to check the losses being incurred by the power distributors in the States as a part of the reforms in the power sector;
- (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 along with the manner in which it is likely to be done?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

- (a) : Yes, Madam, it is necessary to check the losses being incurred by the power distributor as a part of reforms in power sector.
- (b): The supply and distribution of electricity falls under the purview of respective State Government/State Power Utility. It is the responsibility of the distribution licensee to provide reliable and uninterrupted power supply in its area of operation. However, for improvement of the distribution sector, the Government of India is providing financial assistance through its various schemes such as Integrated Power Development Scheme (IPDS), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), National Electricity Fund (NEF) and Financial Restructuring Plan (FRP) etc.
- (c) : Apart from transmission & distribution losses, the other factors responsible for losses of distribution companies are commercial losses such as inadequate metering, poor billing & collection efficiency, pilferage of electricity etc. Major chunk of the losses are in distribution sector. The losses in any system would depend on the pattern of energy use, intensity of load demand, load density, capability and configuration of the transmission and distribution system that vary for various system elements.
- (d) & (e) : The national average for aggregate technical & commercial(AT&C) losses for 2013-14 is about 23.04%(for 36 Utilities out of total 55 Utilities). If this is brought down, then it will lead to commensurate financial benefits to Discoms depending upon their existing level of AT&C losses and the reduced level of losses achieved.