

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.611
TO BE ANSWERED ON 22.07.2021**

LOSSES TO POWER DISTRIBUTION COMPANIES

**†611. SHRI SANJAY JADHAV:
SHRI OMPRAKASH BHUPALSINH ALIAS PAWAN RAJENIMBALKAR:**

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

- (a) whether the power distribution companies are regularly incurring losses year after year in various States;**
- (b) if so, the details thereof including the factors responsible for the same;**
- (c) the names of those States which are effectively implementing power sector reforms in the country;**
- (d) the details of transmission and distribution losses in the said States;**
- (e) whether there has been no decline in the transmission and distribution losses despite the power sector reforms; and**
- (f) if so, the details thereof along with the steps being taken/proposed to be taken to reduce the transmission and distribution losses?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : Yes, Sir. Aggregate Technical and Commercial (AT&C) losses over the period FY 2014-15 to the year 2019-20 are as follows:

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
AT&C losses (%)	25.72	23.70	23.50	22.38	22.03	21.83

The reasons for the losses of Utilities are primarily tariffs not being reflective of costs; shortfall in payment of subsidies announced by the State Governments and non-payment of dues of electricity of the Departments by the State Governments and the Local Bodies.

(c) & (d) : The AT&C losses, which include the Transmission and Distribution losses, and the gap between Average cost of Supply (ACS) and Average Revenue Realizable (ARR), also called the ACS-ARR gap, are the most important parameters outlining the performance of Distribution Utilities. The overall operational performance and reform parameters of the Utilities including AT&C losses are reflected in the Annual Integrated ratings of the State Distribution Utilities published by PFC. As per the latest Ninth Annual Integrated rating of State Distribution Utilities published in July, 2021, Power Distribution Utilities in the States of Gujarat, Haryana, Punjab and Maharashtra have achieved high ratings. The AT&C losses of the high ranking Utilities of these States for FY 2019-20 are attached as Annexure.

(e) : There has been a steady decrease in the AT&C Losses in the country. These losses have reduced from 25.72 % in the year 2014-15 to 21.83 % in the year 2019-20.

(f) : As stated in the answer to part (e) there has been a steady decline in AT&C losses in the Country. Distribution of Electricity falls under the purview of respective Distribution Utilities and it is the responsibility of respective Utilities to reduce the losses in the distribution sector. Government of India supplements the efforts of the States/Utilities by launching various schemes from time to time such as Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY). Funding has been provided to the States under these schemes for creation and augmentation of Sub-Transmission and Distribution Infrastructure; Metering of Distribution Transformers, Feeders and Consumers; Underground Cabling and Aerial Bunched Cables; and, IT enablement of Distribution Infrastructure for reduction of losses.

To further support the efforts of States towards reforms, the Government of India has recently approved a Reforms-Based and Results-Linked Revamped Distribution Sector scheme to improve the operational efficiencies and financial sustainability of all Distribution Utilities excluding Private Sector Utilities. The Scheme would be available till the year 2025-26 and would have an outlay of Rs. 3,03,758 crore with an estimated Gross Budgetary Support from the Government of Rs. 97,631 crore for strengthening of supply infrastructure including installation of prepaid Smart Meters, which will help in reduction of losses. The scheme has an objective for reduction of AT&C losses to pan India levels of 12 to 15% by 2024-25.

The Government has also come out with a Liquidity Infusion Scheme under which PFC and REC Ltd. have extended loans to Distribution Companies which have submitted a credible action plan to reduce AT&C losses and ACS-ARR gap. Action plan will also have Undertaking by States to liquidate the payments due to DISCOMs on account of electricity dues of Government departments/attached offices etc. and subsidies, along with timelines to install smart prepaid meters in Government departments/ attached offices etc.

ANNEXURE**ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF UNSTARRED QUESTION NO. 611 TO BE ANSWERED IN THE LOK SABHA ON 22.07.2021**

Rank	State	Name of Utility	9th IR Rating	AT&C Loss (%) FY 2019-20
1	Gujarat	Uttar Gujarat Vij Company Limited	A+	6.88
2	Gujarat	Madhya Gujarat Vij Company Limited	A+	11.31
3	Gujarat	Dakshin Gujarat Vij Company Limited	A+	6.22
4	Gujarat	Paschim Gujarat Vij Company Limited	A+	19.22
5	Haryana	Dakshin Haryana Bijli Vitran Nigam Limited	A+	16.37
6	Haryana	Uttar Haryana Bijli Vitran Nigam Limited	A	20.68
7	Punjab	Punjab State Power Corporation Limited	A	14.35
8	Maharashtra	Maharashtra State Electricity Distribution Company Ltd	A	19.92
