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## Steps to contain losses of power distribution sector - Mr Venugopal

*Saturday, 28 Jan, 2012*

The Minister of State for Power, Mr KC Venugopal has called for finding ways and means to address the issues concerning power distribution sector and contain its mounting financial losses. He was addressing the session on Emerging Opportunities and Challenges in Power Distribution at the India Energy Congress, 2012 in New Delhi.

The Minister underlined the need for reducing high level of Aggregate Technical and Commercial losses. He said the government first launched the APDRP and later a Restructured APDRP scheme in 2008 with a focus on actual, demonstrable performance in terms of sustained loss reduction. Mr Venugopal added that the need of the hour is to create a base line data for different types of customers and segregation of agricultural & rural connections with the help of information technology. He said these issues are getting addressed during implementation of R-APDRP scheme.

The Minister said that to reap the benefits of R APDRP, Ministry of Power is finalising eight smart grid pilots worth INR 500 Crore with a focus on building a distribution business that is smart grid compatible and connects the proposed smart grid to the end consumer through smart metering and related technological interventions.

Expressing satisfaction over the implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana, Mr Venugopal said that the work has already been completed in more than one lakh un electrified villages and there will not be any un electrified villages in the country within a short span of time.

Regarding electricity pricing the Minister said that to make electricity available at a reasonable cost, various policy initiatives have been taken. He said that enactment of Electricity Regulatory Commission Act, 1998 paved the way for formation of Central and State Electricity Regulatory Commission. He said one of the major responsibilities of CERC is to ascertain the reasonability of tariff charged by generation companies on bulk consumers. The Minister said that subsequently, promulgation of the Electricity Act 2003, which superseded all the previous electricity related legislations, created a more open environment for investment and competition in the sector. He expressed the hope that with the gradual tightening of efficiency norms and shifting to tariff based procurement of electricity, the ultimate consumer will not be burdened with the cost of inefficiencies of generation, transmission and distribution.

Regarding the Shunglu Committee report, Mr Venugopal said that the Committee has raised some major concerns and quality of data furnished by the utilities to arrive at the losses incurred by them is one. He said the committee has also raised apprehensions regarding implementation of the unbundling in true sense.

Stating that with the all round economic growth happening in the country the consumers will be more and more demanding, the Minister called for responding to consumers' demands in a constructive manner.

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