

POWER PACK

# Discoms' AT&C losses come down at 19.1%

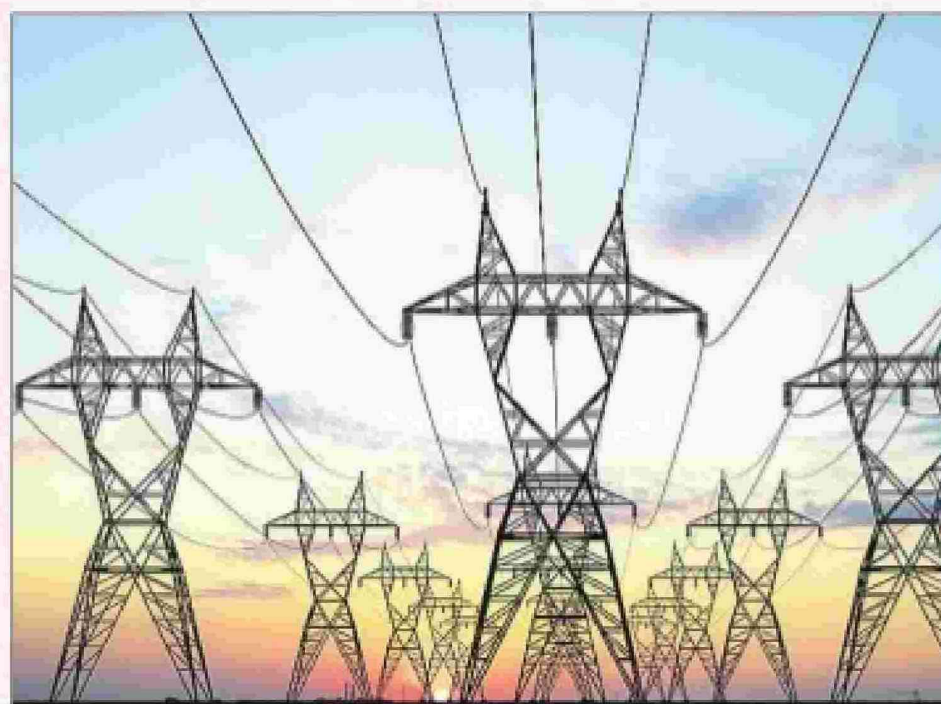
FE BUREAU

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**THE AGGREGATE TECHNICAL** and commercial (AT&C) losses of discoms in 24 states under the Ujwal Discom Assurance Yojana (UDAY) came down to 19.1% at the end of FY18, from 20.3% a year ago.

Though the AT&C loss figures are below 20% for most major states, not far from their respective targets for the period, losses in Uttar Pradesh, Bihar, Jharkhand and Madhya Pradesh remain very high. Losses in Jharkhand and Madhya Pradesh even increased from their FY17 levels.

AT&C losses in Uttar Pradesh was 27.9% against the target of 23.6%, while Bihar's losses were at 33.2%, missing the target of 29%. Jharkhand's AT&C losses were at 31.8%, against the target of 22%, and even higher than 29.9% loss in FY17. Madhya Pradesh's AT&C loss was 29.7% in FY18, compared



with 25.2% in FY17. The target was set at 19.2%. At 8.7%, Andhra Pradesh recorded the lowest AT&C losses for the financial year.

Discoms of Uttar Pradesh and Madhya Pradesh have already flagged rising rural supply as a key contributor towards rises in AT&C losses. Uttar Pradesh needs to connect 60,000 households per day to

achieve 100% household electrification on time. Madhya Pradesh has cited rise in supply in rural areas due to inadequate rainfall as a cause for higher losses.

Under UDAY conditions, AT&C losses, which represent slippages through power theft and operational inefficiencies, have to be brought down to 15% by all participating states

by FY19.

UDAY was launched in November 2015 to turn around financially distressed electricity distribution companies (discoms), which is seen to be the primary condition for the success of the government's 100% household electrification scheme and renewable energy programmes.

In line with what power minister RK Singh told in an interview to FE last year, the draft amendment to the National Tariff Policy, 2016, released by the power ministry on May 30, proposed that AT&C losses of more than 15% cannot be passed through to consumers by raising tariffs, potentially adding more pressure on the finances of discoms.

Although financial losses of UDAY discoms fell to ₹17,352 crore at the end of FY18 from Rs 34,656 crore, sustainability of these entities depends on attaining the target AT&C loss levels.