DEFINITIONS

**Gross Operating Surplus/Deficit:** Operating Surplus or Deficit (Gross) before providing for depreciation and interest to the institutions and to the state Government i.e. Revenue Receipt less Revenue Expenditure.

**Commercial Profit/Losses:** Net Surplus or Deficit i.e. gross operating surplus or deficit less depreciation, interest due to institutional creditors and to the state Governments, i.e. total revenue minus total cost.

**Average Tariff:** Average rate of realization of revenue from sale of energy i.e. revenue from sale divided by units sold.

**Average Cost:** Total cost i.e. revenue expenditure plus depreciation and interest due, divided by total electricity sold.

**Revenue Receipts:** Revenue from sale of energy plus miscellaneous revenue receipts, like subsidy/ subvention and other receipts.

**Effective Subsidy:** The amount actually lost by the SEBs on account of sale of electricity at less than average cost to a sector i.e. average cost minus average tariff times the number of units sold to a given sector.

**Plant Load Factor (PLF):** Is an important indicator of operational efficiency in thermal power plants. It expressed in percentage of actual production in the year. Since factors like plant life, quality of coal etc. affect the PLF.

**Peak Demand:** It is the maximum sustained demand during the specified period.

**T&D Losses:** Losses are calculated at different sections of the SEBs network, broadly under two categories.
Transmission Loss: This is measured at 400 kV, 220 kV, 110 kV, 66 kV and 33 kV voltage levels (Up to 33 kV in 33 kV sub-station) and the loss measurement procedure for this section is called assessment of energy balance.

Note: The line losses at higher voltages like 400 kV will be captured by the national grid (Power Grid Corporation).

Distribution Loss: This is measured at 22/11kv and (Feeder level) and L.T levels (Distribution Transformer level). It is called energy accounting. The loss figures at this level are not accurate, as these involve meters at the consumers level which are not accurate/are defective, and also estimation of unmetered energy for agriculture and other unmetered energy for lighting.

AT&C Losses: The difference between the units of input and the units realized is hereinafter referred to as aggregate technical and commercial losses. The government is of the view that the clearest of overall efficiency of the distribution business is the difference between units of input system and the units for which the payment is collected. The government is of the considered view that the losses of any kind, technical, non-technical or non-realization of payments, ultimately, amount to loss in revenues. Efficiency gains must embrace all these aspects.

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\text{AT&C loss} = \frac{\text{Units input} - \text{Units (for which money is) realized}}{\text{Units input}}
\]

\[
= 1 - \frac{\text{billing in units}}{\text{input in Units}} \times \frac{\text{collection in rupees}}{\text{billing in rupees}}
\]

Commercial losses: The following are the commercial losses need to be segregated as per MoP, GoI.

- Metering inefficiency including defective meter
Billing inefficiency

Poor collection

Theft and pilferage

Utilities: Utility means the electricity lines or electrical plants and includes all lands, buildings, works and material attached there to belonging to any person acting as a generating company or licensee under the provisions of the Electricity Act-2003.

Non-Utilities: Non-Utility shall mean captive generating plant which mean a primarily for his own use and includes power plants set up by any co-operative society primarily for use of member of such co-operative society or association.

RES: Included small hydro power projects of capacity less than or equal to 25 MW

1Kwh: 1000 watts (1000 watt – hour).

1000 kilo watts: Mega Watt.

Mega Watt: $2 \times 10^6$ watts (1000 kilo watts).

Watt: Unit of power (or) 1000 hours consumption.

Volt: Unit of Electric Potential.

Unit: 1000 watts 1 hour consumption.

Cross-Subsidy: The provision of a good and service at a loss, which is met by the supply from profits made on other goods and services, where the goods and services concerned have joint costs, or are complementary in demand. The extent of Cross-Subsidy is difficult to determine.