

## Study on Technical & Commercial Losses in Power Distribution System

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### ABSTRACT

In India, power distribution system faced a lot of challenges and has to follow new benchmarks on daily basis. The reduction of revenue loss is one of the major challenge for the electrical utilities in India. In the electrical system the power distribution is final and most critical link. Due to high AT&C loss the direct impact on the Discoms commercial viability and also on the stakeholders who pay for the electricity in the form of tariff. Due to the high AT&C the distribution companies have not been able to undertake corresponding investments in infrastructure enhancement. This paper facilitates the improvement of overall efficiency and revenues of the power distribution system. The paper gives an overview of the different advances of the technology in AT&C reduction methods and poses some of the challenges have to face during the working time.

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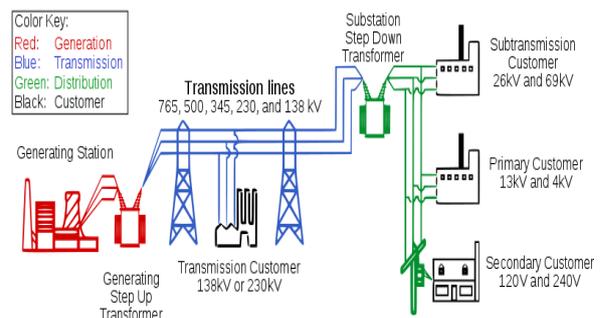
### I. INTRODUCTION

Recently India has one National Grid added with an installed capacity of 330.26 GW as on 31 May 2017. Renewable power plants constituted 30.8% of total installed capacity.[2] During the fiscal year 2015-16, the gross electricity generated by utilities in India was 1,116.84 TWh and the total electricity generation (utilities and non utilities) in the country was 1,352 TWh or 1,075.64 kWh per capita.[1] India is the world's third largest producer and fourth largest consumer of electricity.[3][4] consumption in agriculture was recorded highest (17.89%) in 2015-16 among all countries.[3] The per capita electricity consumption is low compared to many countries despite cheaper electricity tariff in India.[5] In order to provide the electricity GOI identified the not electrified areas and launch a scheme of "Power to all" by March 2019.[6]

### II. POWER DISTRIBUTION SYSTEM

Electric power distribution is the final stage in the electrical power system. It carries electricity from the transmission system to individual consumers. Distribution substations connect to the transmission system and lower the transmission voltage to medium voltage 11 KV in India with the use of transformers. Primary distribution lines carry this medium voltage power to distribution transformers located near the customer's premises. Distribution transformers again lower the voltage to the utilization voltage used by lighting, industrial equipment or household appliances. Often several

customers are supplied from one transformer through secondary distribution lines. Commercial and residential customers are connected to the secondary distribution lines through service drops. Customers demanding a much larger amount of power may be connected directly to the primary distribution level or the sub transmission level [7].



### III. CLASSIFICATION OF AT&C LOSSES IN DISTRIBUTION SYSTEM.

When an electrical distribution system is considered there are many types of losses associated with that system. There can be loss due to heat dissipation, I<sup>2</sup>R, metering errors, direct theft etc. Aggregate Technical and Commercial loss is an appropriate word which can be used in this circumstance where the system is associated with losses which occurring due to different reasons. In the yesteryears, utilities used Transmission and Distribution (T&D) losses as a parameter to represent

the loss of the system. The major downside of taking account of T&D loss was that it represented only the loss due heat dissipation while the system included other aspects of losses such as metering issues, direct theft etc. which can be called as commercial losses. The concept of AT&C loss was introduced as a solution for this situation by some state regulatory commissions. The advantage of AT&C loss is that it provides a complete picture of energy and revenue loss condition.

India's per capita electricity consumption at 957 kilowatt hours (kWh) [8] is one of the lowest in the world. Yet the nation's gross domestic product (GDP), at US\$ 2,487.94 billion [9] is the third highest in the world in terms of purchasing power parity. The disparity between these two numbers reflects the enormous latent demand for power within India. But state electricity boards' huge aggregate technical and commercial (AT&C) losses are taking away attention from efforts to establish a secure and efficient power distribution system in India. India's power sector records average AT&C losses of about 22.70 percent during 2013-14 [10] but that average hides the disturbing fact that losses can run as high as 60-80 percent in several regions. Addressing such losses will call for multipronged strategies comprising business process redesign, technical interventions, infrastructure enhancement and more effective governance.

#### IV. CONCEPT OF AT&C LOSSES

**a. AT&C (Aggregate Technical & Commercial Losses)-** The aggregate T&D loss and loss due to non-realization of billed demand is termed as aggregate technical and commercial loss

$$\text{AT\&C\%} = \frac{\text{ENERGY INPUT} - \text{ENERGY REALIZED}}{\text{ENERGY INPUT}} \times 100$$

AT&C loss is a transparent measure of the overall efficiency of the distribution business as it measures technical as well commercial losses. The schematic shows the elements of the AT&C losses are translated in terms of units both at the physical level of transmission and distribution and at the financial level of billing and collection. The AT&C Losses are presently in the range of 6.57% to 48% in various states. The national average AT&C of the distribution companies in the year 2002-03 was 36.63 % and has reduced to 22.24% in the year of 2013-14 [11]. As the T&D loss was not able to capture all the losses in the network, Concept of Aggregate Technical and commercial losses introduced. The commercial losses are mainly due to low metering efficiency, Theft and pilferages. This may be eliminated by improving meter efficiency, Fix the responsibility of the personnel as Feeder manager it may help considerably in reduction of AT&C loss. In India, the fact is that all energy supplied to a distribution utility does not reach the end consumers.

A substantial amount of energy is lost in the distribution system by way of technical losses. These inherent losses in transmission and distribution of electrical energy from the generating stations to the ultimate consumers should be reduced by eliminating or minimizing the causes of losses. T & D loss is the difference between units injected into the system and the units billed to the ultimate consumers, which is generally expressed as percentage of units injected. It is generally calculated for a period of one financial year [12]. The transmission and distribution (T & D) losses in our country, which were around 15% up to 1966-67, increased gradually to 23.28% by 1989-90. After a brief spell of reduction in T & D losses to 21.13% (1994-95), there has been an upswing and the losses reached a level of 33.98% during 2001-02. Since then, a reducing trend has been observed as T & D losses have come down to 32.54% during 2002-03, 32.53% during 2003-04 and 31.25% during 2004-05. Similarly the reduction trend in the past four years was decrement like in 2011-12 was 23.92 %, 2011-12 was 23.65%, 2012-13 was 23.04%, and 2013-14 was 21.96% as per GOI Ministry of power CEA.[12][13]

**b. T&D Loss (Transmission & Distribution Loss)-** Percentage difference between the energy input and energy billed over the energy input.

- **Collection Efficiency (CE)-** This is the percentage of the Amount Collected over Amount billed [11]

$$\text{Collection Efficiency(\%)} = \frac{\text{Amount Collected} \times 100}{\text{Amount Billed}}$$

- **Average Billing Rate (ABR) -** It is the average billing amount per unit of energy billed.

$$\text{ABR\%} = \frac{[(\text{Amount Billed})/(\text{Energy Billed})] \times 100}{}$$

$$\text{Energy collected} = (\text{Amount collected})/ABR$$

$$\text{T\&D} = \frac{\text{Energy Input} - \text{Energy Billed}}{\text{Energy Input}} \times 100$$

#### V. Reason for Technical & Commercial Losses

A) **Technical loss** is inherent in electrical systems, as all electrical devices have some resistance and the flow of current causes a power loss (I<sup>2</sup>R loss). Integration of this power loss over time, i.e., I<sup>2</sup>R.dt is the energy loss. The summary of different types of technical losses is given.

##### a) Line Loss

- Loss in conductor/Cables where lower size conductors are used. This causes sags and temperature rise in conductors which further aggravate the loss.

- Loss in higher loaded phase wire due to unbalance loading
  - Losses due to current in neutral for cases of unbalanced where neutral wires of lower size are used ( like 3 ½ core cables, and neutral wires of size lower than phase wires),
  - Loosening of strands (in multi-strand conductors like ACSR, AAC, AAA, etc.)
- b) Losses in midspan Joints at termination.**
- Contacts of joints due to improper installation and looseness,
  - Contacts of joints due to inadequate surface area of contact.
- c) Losses in transformer**
- Loose connections at brushings,
  - Bend in jumpers at connectors where the strands are not tightly held,
  - High no-load loss depending on type of core used,
  - High no-load loss in repaired transformers, where the core has not been properly tightened,
  - No-load loss in case a large number of lightly loaded DTs,
  - High copper loss for transformers operating at sub-optimal loading which is not commensurate with the designed optimal loading.
- d) Losses in service cables and connections**
- Under sized service cables,
  - Loss in joints of service cables at the poles or junction boxes,
  - Use of inappropriate fasteners without spring washer at the crimped joints.
- e) Loss due to high impedance faults**
- Tree touching, creepers, bird nesting,
  - Insulator breakages and tracking on the surface of the insulator
- f) Losses in re-wired fuses/ jumpers**
- Loose connection
  - Inadequate size of fuse wires – often a source of hot spots
- B) Commercial Losses:-** Commercial losses are caused by non-technical or commercial factor namely pilferage theft, defective meters, errors in meter reading, estimating un-metered supply of energy etc.
- a) Loss at consumer end meters**
- Poor accuracy of meters,
  - Large error in capital CTs / PTs,
  - Voltage drop in PT cables,
  - Loose connection in PT wire terminations,
  - Overburdened CT.
- b) Tampering / bypass of meters**
- Where meter without tamper-proof-tamper-deterrent/tamper-evident meters are used,
  - Poor quality sealing of meters,
  - Lack of seal issue, seal monitoring and management system,
  - Shabby installation of meters and metering systems,
  - Exposed CTs/ PTs where such devices are not properly securitized.
- c) Pilferage of energy**
- From overhead bare conductors,
  - From open junction boxes (in cabled systems),
  - Exposed connection/ joints in service cables,
  - Bypassing the neutral wires in meters.
- d) Energy accounting system**
- Lack of proper instrumentation (metering) in feeders and DTs for carrying out energy audits,
  - Not using meters with appropriate data login features in feeders and DT meters,
  - Lack of a system for carrying out regular (Monthly) energy accounting to monitor losses,
  - Errors in sending end meters, CTs and PTs,
  - Losses connections in PT wires (which results in low voltage at feeder meter terminals),
  - Energy accounting errors (by not following a scientific method for energy audits).
- e) Errors in meter reading**
- Avoiding meter reading due to several causes like house locked, meter not traceable, etc.
  - Manual (unintentional errors) in meter reading,
  - Intentional errors in meter reading (collusion by meter readers),
  - Coffee shop reading,
  - Data punching errors by data entry operators,
- f) Error in bills**
- Errors in raising the correct bill,
  - Manipulation/changes made in meter reading at billing centres – lack of a system to assure integrity in data
  - Lack of system to ensure that bills are delivered.
- g) Receipt of payment**
- Lack of system to trace defaulters including regular defaulters
  - Lack of system for timely disconnection,
  - Care to be taken for reliable disconnection of supply (where to disconnect).

## V. COMMERCIAL LOSS REDUCTION TECHNIQUES USED IN DISCOMS

- Enforcement team conduct frequent raids at the high loss pockets to avoid direct theft in the early morning and late nights including day time.
- Relocate the energy meters outside the premises.
- Replace the very old meters those warranty discarded by the manufacturer.
- Frequently Discoms conduct accuracy check of the meter at the consumer end to avoid any type of tempering.
- Use of arial bundled or armored LT cable in place of bare conductor to avoid direct hooking.
- The energy meter should be housed in a separate box sealed and made inaccessible to the consumers. The fuse cut-outs should be provided after the meter;
- Multi-core PVC cables should be used as service mains instead of single core wires,
- It is often considered as a low skill, labor oriented activity. It must be given due importance to against revenue loss.
- Correct billing and timely delivery of bills go a long way in improving the revenue collections. The normal complains viz. non-receipt / late-receipt of bills, wrong bills, wrong reading status, wrong calculations etc. should be avoided.
- The electricity Act, 2003, visualizes the role of users'' associations, co-operatives, panchayats and franchisees in electricity distribution management be successfully inculcated to develop a sense of belonging to and stake in the entity. [14]
- Close the Distribution box and sealed with the checknut to avoid direct hooking and also installed away from the consumer premises.
- Severe penalties may be imposed for tampering with metering seals, etc.;
- Theft of electricity should be publicized as a social and economic crime and people should be informed of the provisions in electricity laws in this regard.
- Constant nil consumption cases reported without any comment;
- Progressive readings recorded in disconnected services;
- Adoption of wrong multiplication factors (MF) for billing as the change in MF in not intimated to the billing agency.
- Conduct social awareness program by utility with the consumers /RWA/MLA /Schools/ colleges.
- Make the straight through joints at the location where DB boxes open continuously.

## VI. T&D LOSS REDUCTION TECHNIQUES USED IN DISCOMS

The causes of high technical losses are varied and require different remedial measures to be implemented to bring them down to acceptable levels. The following measures help out to reduce the T&D losses.

- Network Reconfiguration – It gives an option to handle the increased demand and increases system reliability. It is effective when voltage drops between the nodes to be linked is rich and the distance between the nodes is short. Within a feeder it is effective only when the zigzag factor is high. [15]
- Network Reconditioning – The size of conductor/ cable determines the current density and the resistance of the line. A lower conductor size can cause high I<sup>2</sup>R losses and high voltage drop which causes a loss of revenue as consumer's consumption and hence revenue is reduced.
- Preventing Leakages at Insulators -Cracking of insulator and flashover across insulators often cause outages and result in loss of revenue. Use of appropriate material for insulators, depending on the nature of pollution, and designed protected creep age path helps in reducing insulator failure. Preventive actions are regular inspection and hot line washing.
- Automatic Voltage booster – it is similar to that of the series capacitor as an on-load tap changer it boosts the voltage at its point of location in discrete steps. This, in turn, improves the voltage profile and reduces the losses in the section beyond its point of location towards the receiving end. It has a total voltage boosts of 10% in four equal steps and the loss reduction is directly proportional to voltage boosts.
- To manage better Distribution Transformers – the following measures can be taken in this regard:
  - a) Augmentation/ addition of distribution transformers;
  - b) Relocation of distribution transformers nearest at load centers;
  - c) Low voltage (less than declared voltage) appearing at transformers consumers terminals;
  - d) Guarding against loss in transformers through oversized transformers operating at low loading, undersized transformers, unbalanced loads in secondary side, connector at bushings, low oil level/ oil leakages, hot spots in core, use of energy efficient transformers etc.
- Load Balancing and Load Management – if the loads on each of the three phases of a distribution lines or among feeders are redistributed, the losses will be reduced. The best method to

identify load balance is to construct current duration curves for all three phases. Distribution automation along with SCADA (Supervisory Control and Data Acquisition System) is an important tool for load management which should be introduced.

- Capacitor Installation – the use of capacitors to correct for poor power factor is a cost effective means of reducing distribution losses and maximizing the revenue. In most LT distribution circuits, it is found that the power factor (PF) ranges from 0.65 to 0.75. For low PF the amount of current drawn increases to meet the same kW demands of load. Overall improvement in the operating condition can be brought about by reducing the system reactance. System conductor losses are proportional to the current squared and, since the current is reduced in direct proportional to the power factor improvement the losses are reduces in proportional to the power factor improvement.
- Improving joints and connections – Improper joints are a source of energy loss in both overhead and underground systems. The conductivity of joints should not be less than an equivalent length of the conductor. Joints should be capable of carrying maximum fault current without failure or deterioration for the time required for the protective system to operate.
- Increase in HT/LT ratio – It is well known that for high HT/ LT ratio, the losses will be low. The losses for a given quantum of power supplied by a line are inversely proportional to the square of its operating voltage. Higher the operating voltage, lower will be the line losses. Therefore, by increasing the HT lines the losses will be reduced.
- Preventive maintenance – These components of the distribution system are necessary to reduce/ eliminate breakdowns. It can be minimized by careful design and healthy installation practices. The following activities should be undertaken for preventive maintenance:
  - Maintenance of overhead lines,
  - Correction of bent poles,
  - Rewinding transformer,
  - Monitoring transformer tank temperature,
  - Use of protective devices,
  - Improved bushings,
  - Transformer oil BDV testing,
  - Repairing of broken parts. Like Leads, sockets
  - Protection revival
  - Megger results, earthing measures

### VII. AT&C Data of BYPL (Delhi based Discom)

S. No.	Division Name	FY 2016-17							
		Energy Input	Energy Billed	Amount Billed	ABR	Amount Collected	AT&C Loss	T&D Loss	Coll. Eff
1	Chandni Chowk	251.96	197.38	170.65	8.65	167.38	23.16%	21.66%	98.09%
2	Darya Ganj	598.71	455.68	355.83	7.81	341.72	26.91%	23.89%	96.03%
3	Pahar Ganj	352.31	291.16	228.23	7.84	222.77	19.33%	17.36%	97.61%
4	Shankar Road	354.44	331.12	279.71	8.45	273.88	8.53%	6.58%	97.91%
5	Patel Nagar	383.41	350.90	266.22	7.59	261.86	9.98%	8.48%	98.36%
6	Jhilmil	438.06	402.00	301.53	7.50	295.94	9.93%	8.23%	98.14%
7	Dilshad Garden	481.17	446.95	332.56	7.44	327.70	8.47%	7.11%	98.54%
8	Krishna Nagar	589.91	513.33	361.52	7.04	357.68	13.90%	12.98%	98.94%
9	Laxmi Nagar	706.42	648.08	457.07	7.05	447.76	10.13%	8.26%	97.96%
10	Mayur Vihar	345.97	300.60	198.91	6.62	193.49	15.48%	13.11%	97.28%
11	Mayur Vihar - III	215.31	189.10	119.18	6.30	115.69	14.75%	12.17%	97.07%
12	Yamuna Vihar	574.33	447.07	292.48	6.54	283.55	24.53%	22.16%	96.95%
13	Karawal Nagar	516.77	445.81	290.34	6.51	283.39	15.80%	13.73%	97.60%
14	Nandnagri	418.89	360.85	238.83	6.62	234.34	15.48%	13.86%	98.12%
x	Total	6,227.68	5,380.04	3,893.05	7.24	3,807.15	15.52%	13.61%	97.79%

### VII. CONCLUSION

In BYPL, The loss reduction drive has been started aggressively since FY14-15. All the activity which are mentioned in this paper are using in BRPL and BYPL but we have discussed only BYPL as per data.

- Average loss reduction by BYPL from FY 08-09 to FY 14-15 is 0.7% in 6 years
- Reduction of T&D in FY 14 -15 is 1.2%
- Reduction of T&D in FY 15 -16 is 3.4%
- Expected Reduction of T&D (based on reduction trend till Jan 17) in FY 16 -17 is 3.2%
- Average loss reduction by BYPL in last 3 FY is 2.6%

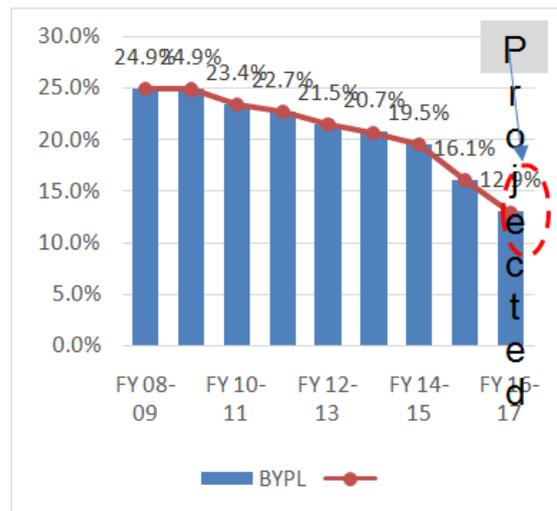


Fig. 2 Loss trend of BYPL [16].

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