



**GLOSSARY OF KEY TERMS  
AND DEFINITIONS**





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Aggregate Revenue Requirement	The annual revenue requirement comprising of allowable expenses and return on equity share capital/ return on net fixed assets pertaining to the distribution business/ licensee for recovery through tariffs.
Aggregate Technical & Commercial (AT & C) loss	A measure of total technical and commercial loss of electricity occurring in distribution network. Technical loss refers to network loss inherent in delivery of electrical energy and includes losses in conductors, transformers, switchgears and measurement system. Commercial loss represents energy loss caused by external factors such as power theft, deficiencies in metering, billing and collection system etc.
Average Cost of Supply (ACS)	Ratio of total expenditure (including cost of power generation, establishment, interest charges, depreciation etc.) to total input energy (excluding transmission loss and energy traded/ sold).
Average Revenue Realised (ARR)	Ratio of revenue earned from sale of power and other income to the total input energy
Carrying cost	Cost of funds incurred by DISCOM for funding the revenue gap.
Consumer indexing	Identification and codification of consumers in electrical network and relating it to network assets.
Demand Side Management (DSM)	Involves planning, implementation and monitoring of activities to encourage consumers to amend their electricity consumption patterns and help them use electricity more efficiently.
Distribution Transformer (DT)	A final voltage transformation in the distribution system to step down voltage to the level used by consumer
Expected Revenue from Charges (ERC)	An estimate of revenue at the prevalent tariff. A tariff revision may be permitted when ARR exceeded ERC unless the gap could not be met by other means.
Geographic Information System (GIS)	A tool for development of geo-referenced consumer and network maps for DISCOMs, which helps in network planning and providing better services to consumers.
HT:LT ratio	Ratio of the length of High Tension lines in a distribution network to the length of Low Tension lines.

High Tension (HT) consumer	A consumer who is supplied with electrical energy at high voltage (higher than 650 Volts but not exceeding 33,000 Volts) by KSEBL.
High Voltage Distribution System (HVDS)	A method used to improve quality (voltage profile) of electric supply and reduce losses by extending 11 kV lines up to or as nearer to the load centre as possible and installing small-size transformers ranging from 10 kVA to 100 kVA (depending on load requirement) to supply power to consumers.
Hydel energy	A form of renewable energy that uses the power of moving water to generate electricity.
Key Performance Indicators (KPIs)	Parameters or yardsticks used to measure the operational and financial performance of entities, units/ teams and/ or employees. They are used to provide required information to those charged with oversight as well as line managers and allow management to track the progress of improvement programmes.
Low Tension (LT) consumer	A consumer supplied with electrical energy at low voltage (not exceeding 250 Volts) or medium voltage (higher than 250 Volts but not exceeding 650 Volts).
R-APDRP towns	Areas in which the Restructured Accelerated Power Development & Reforms Programme (R-APDRP) of GoI, for establishing automated systems for collection of base line data and energy accounting/ auditing and distribution network strengthening, was implemented.
Radio Frequency (RF)	A technology that uses electromagnetic radiation between circuits that have no direct electrical connection.
Renewable energy	Energy generated from sources such as wind, solar, biomass, bio-fuel, urban or municipal waste, small, mini and micro hydro-electric sources, and includes such other sources as approved by MNRE.
Renewable Energy Certificate (REC)	A market-based instrument issued by State nodal agency to eligible renewable energy generators for promoting renewable energy and facilitating RPO compliance. One REC was equivalent to 100 MU of renewable energy.
Renewable Purchase Obligations (RPOs)	Targets assigned to obligated entities (distribution licensees/ open access consumers/ captive users), legally binding them to consume renewable energy as a share of the total energy they consume in a year.

Ring fencing	Installing import/ export meters at the boundary of a distribution area and on dedicated feeders and 33 kV/ 11 kV sub-station lines to measure net input energy.
Smart metering system	A bi-directional communication network to gather real-time information on energy usage and analysis, which enables Time-Of-Day/ Time-Of-Use billing, prediction and management of peak demand, consumer control over power consumption, prepaid billing facility, remote connection/ disconnection of load, accurate billing etc.
System Average Interruption Duration Index (SAIDI)	The average duration of interruptions experienced by consumers during a year and expressed as a ratio of the annual duration/ hours of sustained interruptions to the total number of consumers served.
System Average Interruption Frequency Index (SAIFI)	A measure of distribution system reliability or quality of power distributed by DISCOM to consumers, it is the ratio of number of customer-interruptions in a year to total number of customers served.
Tariff	A schedule of charges for generation, transmission or supply of electricity together with the terms and conditions for application thereof proposed by the licensee or generating company or approved by appropriate regulatory commission.
Truing up	A process to firm up the revenue surplus/ gap for a financial year based on audited accounts.