

This Audit Inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, (South), Dehradun. The office of the Principal Accountant General (Audit) Uttarakhand, Dehradun disclaims any responsibility for any misinformation, non submission or submission of incomplete records.

Audit inspection of accounting records of Executive Engineer, Electricity Distribution Division(South), Dehradun for the period April 2019 to March 2020 was carried out in exercise of the power conferred by section 19 of the CAG’s DPC Act, 1971 read with Section 143 of Companies Act, 2013. Audit Inspection was conducted by Shri Khub Chand, AAO and Shri Dheerendra Singh, AAO under the supervision of Shri Vikas Dhyani, Sr. AO during the period from 14 September 2020 to 23 September 2020.

### **Part-I**

1. **Introduction:-** The last audit of this unit was carried out by Shri A P Singh, AAO under the supervision of Shri Vikas Dhyani, AO in which accounting records of the period from April 2018 to March 2019 were generally examined. In current audit, accounting records of the period from April 2019 to March 2020 were generally examined.

2. **(i) Functions and geographical jurisdiction of the unit:**

The function of the Electricity Distribution Division (South), Dehradun is to distribute electricity in all the southern area of Dehradun to different category of consumers and keep as well as expand the electricity distribution system in that area. The geographical jurisdiction of the division is all the southern area of Dehradun.

**(ii) Auditing methodology and scope of audit:**

Electricity Distribution Division (South), Dehradun was covered in the audit. Inspection reports of all independent Drawing and Disbursing officers are being issued separately. This inspection report is based on findings of audit and March 2020 month was selected for detailed examination and September 2019 was selected for arithmetical accuracy.

(iii)

( ` in Crore)

Year	Revenue	Expenditure	Profit
2019-20	225.80	22.69	--

(To the extent this information is available & applicable)

**(iv) Organisation structure of the unit and reporting lines.**

The Electricity Distribution Division (South), Dehradun is an electricity distribution division of UPCL which is officiated by the Executive Engineer.

## Part II (A)

### **Para 1: Avoidable expenditure due to delay in providing services to consumers**

As per Uttarakhand Right to Service Act, Citizen Charter and SoPs, UPCL had to provide various services to the consumers regarding Power Supply, Metering related, transfer of consumer connection & conversion of service, disconnection/ reconnection of supply etc. within the stipulated timeline prescribed for each service failing which attracts the penalty on hourly/ daily basis. The details of delay in providing these services and compensation payable thereon with respect to Power Supply Failure, Metering related, Transfer of consumer connection & conversion of services and Disconnection/ Reconnection of supply are given below:

**Table 1**

<b>Type of Service- Power supply failure</b>				
<b>Year</b>	<b>No. of cases of delay</b>	<b>Prescribed time to resolve (in hr)</b>	<b>Range of Delay (in hr)</b>	<b>Compensation Payable (in ₹)</b>
2019-20	753	12/6/4	01 to 100	1,02,880
<b>Total</b>	<b>753</b>	<b>--</b>	<b>--</b>	<b>1,02,880</b>

From table 1, it is evident that there was a delay in 753 cases in resolving the power supply within the prescribed time (12 hrs./06 hrs/04 hrs) during the period April 2019 to March 2020 which attracts the penalty/compensation payable up to ₹ 1,02,880. The delay ranged from 01 hr to 100 hrs beyond the prescribed time.

**Table 2**

<b>Type of Service- Metering related</b>				
<b>Year</b>	<b>No. of cases of delay</b>	<b>Prescribed time to resolve (in days)</b>	<b>Range of Delay (in days)</b>	<b>Compensation Payable (in ₹)</b>
2019-20	3538	03/ 30/ 45	01 to 776	1,00,84,825
<b>Total</b>	<b>3538</b>	<b>--</b>	<b>--</b>	<b>1,00,84,825</b>

From table 2, it was further observed that there was a delay in 3538 cases in resolving the issues of metering related within the prescribed time (03 days/30 days/45 days) during the period April 2019 to March 2020 which attracts the penalty/ compensation payable up to ₹ 1,00,84,825. The delay ranged from 01 day to 776 days beyond the prescribed time.

**Table 3**

<b>Type of Service- Transfer of consumer connection &amp; conversion of services</b>				
<b>Year</b>	<b>No. of cases of delay</b>	<b>Prescribed time to resolve (in days)</b>	<b>Range of Delay (in days)</b>	<b>Compensation Payable (in ₹)</b>
2019-20	42	60	01 to 328	1,31,150
<b>Total</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>1,31,150</b>

From table 3, it is evident that there was delay in 42 cases in resolving the issues related to “transfer of consumer connection & conversion of services” within the prescribed time (60 days) during the period April 2019 to March 2020 which attracts the penalty/ compensation

payable up to ₹1,31,150. The delay ranged from 01 days to 328 days beyond the prescribed time.

**Table 4**

<b>Type of Service- Disconnection/ Reconnection of supply</b>				
<b>Year</b>	<b>No. of cases of delay</b>	<b>Prescribed time to resolve (in days)</b>	<b>Range of Delay (in days)</b>	<b>Compensation Payable (in ₹)</b>
2019-20	1090	05	01 to 506	12,94,400
<b>Total</b>	<b>1090</b>	<b>--</b>	<b>--</b>	<b>12,94,400</b>

It is also noticed from table 4 that there was delay in 1090 cases in resolving the issues related to “disconnection/ Reconnection of supply” within the prescribed time (05 days) during the period April 2019 to March 2020 which attracts the penalty/ compensation payable up to ₹12,94,400. The delay ranged from 01 day to 506 days beyond the prescribed time. Thus, delay in providing these services to the consumers resulted in avoidable loss to the division in the form of penalty/compensation payable up to ₹ 1,16,13,255 (₹1,02,880 + ₹1,00,84,825 + ₹1,31,150 + ₹12,94,400) but inconvenience to the consumers also.

Division stated in its reply that efforts are being made by the divisions to provide the services to resolve the complaints of consumers and most of complaints were resolved during the year 2019-20. Further, in power supply failure cases, complaints of the consumers were resolved in due time but the same could not be entered/ recorded in the system in timely manner. The reply of division is not convincing as the fact remains that however, most of the complaints were resolved but instances of delay were also there which resulted in levy of penalty to division of ₹ 1.16 crore.

The matter was brought to the notice of the higher authorities.

**Para 2: Non recovery of additional Security amounting to ₹ 1.24 crore.**

As per Para 2.3.1 of UERC Regulations 2007, security of the consumers should be assessed at the end of each financial year in respect of those consumers who have been given the connection for supply of electricity, the security should be equal to average consumption of two months' bill of the financial year. In case security reassessed exceeds the amount of security already deposited, the differential amount will be demanded as additional security by giving a notice to the consumers within the 45 days. In case, the additional security is not deposited within the stipulated period, the electricity supply of such consumers can be disconnected. Amount of additional security deposited by the consumers may be utilized by the Company as working capital.

Test check of the records relating to non-government consumers with high electricity consumption (from whom additional security of ₹ 1.00 lakh and above was recoverable) revealed that the Division had demanded additional security of ₹1.24 crore through monthly bill (April 2020) from the 31 consumers.

Further, detailed scrutiny of the records revealed that out of 31 consumer of which ₹1.24 crore was due, we analysed 03 consumers in the non-domestic category from whom highest additional security was due. The analysis shows the following: -

1. M/s Windlas Biotech Ltd. had a contracted load of 800 KVA. In the beginning of current financial year, the security was reviewed and the security deposit was assessed as ₹ 47.80 lakh. The available security deposit of the consumer was ₹ 26.15 lakh and the consumer was required to deposit an additional security of ₹21.65 lakh. Till date the consumer has not deposited additional security as demanded by division in the bill for the month of April 2020.
2. M/s Guru Ram Rai Inst. Of Medical had a contracted load of 1700 KW. In the beginning of current financial year the security was reviewed and the security deposit was assessed as ₹ 54.98 lakh. The available security deposit of the consumer was ₹ 37.19 lakh and the consumer was required to deposit an additional security of ₹17.79 lakh. Till date the consumer has not deposited additional security as demanded by division in the bill for the month of April 2020.
3. M/s Windlas Biotech Ltd. had an another connection having contracted load of 1000 KVA. In the beginning of current financial year, the security was reviewed and the security deposit was assessed as ₹ 58.32 lakh. The available security deposit of the consumer was ₹ 45.22 lakh and the consumer was required to deposit

an additional security of ₹13.10 lakh. Till date the consumer has not deposited additional security as demanded by division in the bill for the month of April 2020. Thus, the consumers were required to deposit the requisite additional security till May 2020 but not deposited till date (September 2020). Non deposition of additional security by the consumers resulted in blocking of funds of ₹1.24 crore.

Division accepted audit observation and stated in its reply that notices are being issued to all the consumers required to submit additional security. Instructions are also being issued to all the Sub-divisional officers/ Junior Engineers for recovery of the same. However, the fact remains that the amount of additional security required is still to be recovered from the consumers.

The matter was brought to the notice of the higher authorities.

**Sr. Audit Officer/AMG-II (PSUs)**

## Part-II-B

### **Para 1: Non- realization of Revenue.**

Commercial & Revenue manual of Uttar Pradesh Power Corporation (which is being followed by Uttarakhand Power Corporation Limited) provides that in case a consumer does not pay electricity dues against him, within 30 days from the receipt of bill, his connection would be disconnected and demand notice for recovery of electricity dues will be issued u/s 3 of UP Electricity Dues and Recovery Act 1958 for depositing of dues against him within 30 days. In case consumer again fails to deposit the dues in the stipulated period then a recovery certificate (RC) U/S-5 of UP Electricity dues and recovery Act 1958 would be issued through concerned District Authority. All such action for recovery of dues should be completed within six months.

Review of the arrears of electricity dues of the division for the month of March 2020 revealed that there are huge arrears pending for realisation from different categories of consumers as follows:

(₹ in lakh)

Sl. No.	Particulars	Arrear(2018-19)	Arrear(2019-20)	Arrear Increase
I	Commercial	580.71	1000.75	420.04
II	LT & HT Connection	111.93	118.15	6.22
<b>Total</b>		<b>692.64</b>	<b>1118.9</b>	<b>426.26</b>

It was noticed that electricity dues amounting to ₹692.64lakh were pending against the above consumers as on March 2019 which increased to ₹1118.90lakh in March 2020. It revealed that during the year 2019-20 the outstanding dues increased by ₹426.26lakh (Approximate 61.54per cent). It was also seen that during the period 2019-20, only 1023 notices (₹257.50 lakh) were issued by the division for recovery under section-3 of the Act. Whereas till March 2020 the division issued only 98 (₹18.54 lakh) recovery notice under section-5 of the Act for recovery against the permanent disconnection only. However, in response, no consumer deposited any pending amount against the Section-5. Notices under section 3 have not been issued to the remaining consumers who were not depositing the electricity dues in a regular manner.

Further, as per top 100 defaulters list of the consumer, it was also observed that an arrear amounting to ₹ 1.00 Crore was pending against these consumers within a range of 01 to 101 months. Pendency of huge arrears against these consumers revealed that the recovery of the dues was not pursued vigorously. Division should make more efforts for realizing of the

same. Thus, sufficient steps should be taken by the division to recover the huge outstanding dues.

Division accepted audit observation and stated in its reply that efforts are being made to recover dues from the defaulting consumers. Instructions in this regard are also being issued to all the Sub-divisional officers/ Junior Engineers for recovery of the same. Notices u/s 03 are also being issued to these consumers. However, the fact remains that the arrear of the division increased during 2019-20 which shows that rigours efforts should be taken by division for recovery of the dues.

The matter was brought to the notice of the higher authorities.

**Para 2: Avoidable penalty due to delay in releasing of New LT Connections, Enhancement and Reduction of Loads – ₹ 13.10 lakh.**

As per section 14 and 15 of UERC Regulation 2013, regarding Release of New LT Connections, Enhancement and Reduction of Loads, if the concerned Distribution Division fails to release the LT Connection, Enhancement and Reduction of Loads in the stipulated period as fixed by the Commission, a penalty on the division will be imposed as per the norms laid down by UERC.

UERC LT Regulation, 2013 *inter alia* provides that “The licensee shall be under obligation to energize the connection through a correct meter within 30 days from the:

- a) Date of application if no defects or outstanding dues are found.
- b) Date of intimation of removal of defects or liquidation of outstanding dues or the date of Application whichever is later.

As per the LT regulation, a penalty on the division will be imposed at the rate of ₹10 per day on per ₹1000 of the amount deposited by applicant subject to maximum of ₹ 1000 for each day of delay. Also the right to service act prescribes the time limit for release of new connection as 15 days, where extension of network is not required.

Scrutiny of records provided by the division revealed that during the period from April 2017 to March 2020, the division failed to release 199 connections during stipulated time period.

The year wise detail of the same is as follows:-

Sl.No.	Year	No. of cases with delayed connection	Penalty (in ₹)
1.	2017-18	126	5,76,900
2.	2018-19	44	2,00,940
3.	2019-20	29	5,325,00
<b>Total</b>		<b>199</b>	<b>13,10,340</b>

From the above it is evident that division had to bear penalty amounting to ₹13.10 lakh in 199 cases during the period April 2017 to March 2020 due to delay release of connection. Delay in releasing the connections to the consumers resulted in avoidable loss to the division in the form of penalty and inconvenience to the consumers also.

Had the New L.T. and HT Connections released in the stipulated period, the probability of imposition of the penalty of ₹ 13.10 lakh could have been avoided.

Division stated in its reply that efforts are being made to release new LT connections to consumers in time. Further, out of 29 cases of delay in release of new LT connection, delay in 14 cases were due to request of consumers for holding the release of connection for personal reason, ROW issue, connectivity issue and unavailability of meters. However, the fact



remains that due to lack of coordination between various divisions of UPCL like Test Division, Store Division and Distribution Division leads to problems of connectivity issues and unavailability of meters/ material which resulted in delay in release of new connection and imposition of penalty.

The matter was brought to the notice of the higher authorities.

**Para 3: Delay in execution of works.**

The work for replacement of busbar and jumper conductor, graveling of yard and supply of miscellaneous material regarding Kaulagarh substation under EDD(South) Dehradun, was awarded (August 2019) by O/o Superintending Engineer, Electricity Distribution Circle, (Urban), Dehradun to M/s Ajay Enterprises, Roorkee at a contract value of ₹ 24.75 lakh (GST extra) and was handed over to the Electricity Distribution Division (South) Dehradun for the execution. The work was to be completed in three months from the date of signing of the agreement *i.e.* December 2019.

During review of the records, it was observed that even after a lapse of 10 months, the work was not completed by the contractor till date. Further, the replacement of busbar and jumper conductor helps in the quality of electricity supply to the consumers and due to delay in the execution of the work, the division was not able to get the benefits of the same.

Division stated in its reply that reasons for the slow progress of the work was non-availability of Shut-down and material from the store. Further, 95 percent of the work has been completed and remaining work would be completed after receipt of material from store. However, the fact remains that after lapse of 10 months, work is still incomplete and the division was not able to get the benefits of the work.

The matter was brought to the notice of the higher authorities.

**Para 4: Non inspection of electricity connections according to the prescribed regulations.**

As per sub regulation of 5.1.2 (4) The Electricity Supply Code, Regulations, 2007, if it is established that there is a case of theft of energy, the Licensee shall disconnect the supply of the consumer, Licensee shall also assess the energy consumption for past twelve (12) months as per the assessment and prepare final assessment bill as per applicable tariff and serve on the consumer under proper receipt. The consumer shall be required to make the payment within seven working days of its proper receipt. Further, as per sub regulation of 5.1.4 (4) of the Electricity Supply Code, (First Amendment) Regulations, 2008, the licensee shall intensify the effort for regular inspection of premises of persons and other persons to ensure prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. At least *5per cent* of total connections should be inspected annually.

As per Regulation the Division was required to inspect 4891 connections (*5 per cent* of 97822 connections) during the period 2019-20.

During the scrutiny of raid cases records of the division, it was noticed that the division inspected only 141 connections during the period 2019-20 which was only *0.14per cent* of the total connection and irregularities were found in 96 connections.

An amount of ₹ 90.16 lakh was assessed by the division in respect 96 consumers. Against the assessed amount, the Division could realise ₹ 50.01 lakh and the balance amount of ₹40.15 lakh is yet to be recovered/ realised from the consumers. Considering the fact that significant amount of ₹ 90.16 lakh was assessed in the theft cases, the division is required to increase the number of raids to check unauthorized extraction of power and loss of revenue.

Division accepted audit observation and stated in its reply that against the assessed amount of recovery of ₹ 90.16 lakh, recovery of ₹ 50.01 lakh have been made and recovery of pending amount of ₹ 40.15 lakh is in progress. However, the fact remains that number of checking was very less (0.14 percent) and the same should be increased as per the provisions of the Regulation (5.00 percent) to check unauthorized extraction of power and loss of revenue.

The matter was brought to the notice of the higher authorities.

### Part III

Detail of unsettled paras of previous inspection reports: -

Sl. No.	Period	Part II-A	Part II-B
1.	4/1999 to 3/2000	1 to 4	1 to 3
2.	4/2000 to 3/2001	--	3 to 5
3.	3/2001 to 4/2002	--	4 & 5
4.	5/2002 to 6/2003	--	1 to 3
5.	7/2003 to 5/2004	1 & 3	2 & 3
6.	6/2004 to 3/2005	1	1, 3 & 4
7.	4/2005 to 3/2006	--	1 to 4 & 6
8.	4/2006 to 3/2007	--	04
9.	4/2007 to 3/2008	--	2 to 4
10.	4/2008 to 3/2011	--	1,3 to 5
11.	4/2013 to 3/2014	1 to 4	--
12.	4/2014 to 3/2015	-	1 & 2
13.	4/2015 to 3/2016	01	02
14.	4/2016 to 3/2017	02	06
15.	4/2017 to 3/2018	1 to 2	1 to 3
16.	4/2018 to 3/2019	1 to 2	1 to 4

#### Compliance report of unsettled paras of previous inspection report-

For furnishing of reply of the outstanding paras of old Inspection Reports an audit Memo No. 14 of Book No.1051 was issued to the division. In turn, division stated that replies of these outstanding paras of old Inspection Reports have been forwarded to higher authority of UPCL for approval and same would be furnished to O/o PAG (Audit) Uttarakhand after approval of higher authorities.

## **Part IV**

### **Best practices of the unit**

NIL

## **Part V**

### **Acknowledgement**

1. Office of the Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Electricity Distribution Division, South Dehradun and their officers and employees for promptly providing desired documents and information including infrastructure related co-operation during the course of audit.

Though following documents were not produced during audit:

NIL

2. Persistent irregularities.

NIL

3. The following officers held the charge of head of the office during the audit period:

<b>Sr. no.</b>	<b>Name</b>	<b>Post</b>
(i)	Shri Anil Kumar Mishra, (From Last audit to till date)	Executive Engineer
(ii)	Shri Satish C. Kandpal (From Last audit to Sept 2019)	Divisional Accountant (works)
(iii)	Shri D K Kashyap (From Sept 2019 to till date)	Divisional Accountant (works)
(iv)	Shri Vaibhav Jain (From Oct. 2019 to till date)	Divisional Accountant (Revenue)

Minor and operational irregularities which could not be resolved at the time of audit and have been included in Temporary Audit Note with the request that the compliance report on the same may be sent to Sr. DAG/DAG AMG-II within one month of receipt of the letter.

**Sr. Audit Officer/AMG-II (PSUs)**