

Audit Inspection Report on the account of Electricity Distribution Division, Tehri for the period from 04/2015 to 03/2016 carried out in exercise of the power conferred by section 19 of the C & AG, DPC Act, 1971 read with section 143 of the Companies Act, 2013. The transaction audit was conducted by Shri Ghanshyam Das Pal, AAO and Shri Robince Kirtaj, Auditor during the period from 11.7.2016 to 19.7.2016 under the supervision of Shri Sohrab Husain, Sr. Audit Officer.

“The inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division (UPCL) New Tehri, The Office of the Accountant General (Audit), Uttarakhand, Dehradun will not be responsible for any wrong information or information not received.”

Part- I

1. Introductory:-

The last audit of the division was conducted by Shri Amit Kumar Mishra, Asstt. Audit Officer, Shri Vikas Dhyani Asstt. Audit Officer and Shri Sunil Verma, Auditor under the partial supervision of Shri Mukesh Kumar, A.O. covering the period up to 03/2015. During the present audit, accounts and records of the Division for the period from April 2015 to March 2016 were generally examined.

The following Officers/Officials held the charge of the Division

1. Shri Shakti Prasad, EE since last audit to March 2016
2. Shri Sanjeev Kumar, D.A. (W) last audit to March 2016
3. Shri Sanjeev Kumar, D.A. (R) last audit to March 2016

(B) Outstanding paras of pervious AIRs:

Sl. No.	AIR for the period	Part-II-A	Part-II-B	Total
1.	04/ 1991 to 03/ 1992	03	--	01
2.	04/ 1992 to 03/ 1993	1,2,3	--	03
3.	04/ 1993 to 03/ 1994	1	-	01
4.	04/ 1995 to 03/ 1996	1		01
5.	04/ 1997 to 03/ 1998	-	3	01
6.	04/ 1998 to 03/ 1999	1 & 2	--	02
7.	04/ 2000 to 03/ 2001	02	1 & 2	03
8.	04/ 2002 to 03/ 2003	1,2,3	1 to 3	06
9.	6/ 2004 to 5/2005	-	--	-
10.	06/ 2005 to 03/ 2006	-	-	0-
11.	04/ 2006 to 10/ 3/2007	01	-	01

12.	4/ 2008 to 09/ 3//2010	02	-	01
13.	4/ 2010 to 3/ 2011	-	5	01
14.	04/ 2011 to 03/ 2012	2	2	02
15	04/ 2012 to 03/ 2013	1 to 3	1 to 4	07
16.	04/2013 to 03/2014	1 to 3	1,2	05
17	4/2014 to 3/2015	1 to 3	1 to 5	8

(C) Persistent Irregularities:

-----Nil-----

(D) Record not put up

-----Nil-----

PART-II-A- REPORT

-----NIL-----

Part-II-B-Report

Para-1: Avoidable penalty due to delay in releasing of New LT Connections, Enhancement and Reduction of Loads - ` 9.78 lakh.

As per UERC Regulation 2013 regarding Release of New LT Connections, Enhancement and Reduction of Loads if the distribution division concerned failed 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 laid down norms of UERC. Scrutiny of records provided by the division revealed that during the period from April 2014 to June 2016 consumers applied for New L.T. Connections, Enhancement and Reduction of Loads but division failed to release the New L.T. Connections, Enhancement and Reduction of Loads of the consumers in the stipulated period, consequently UERC imposed penalty of ` 9.78 lakh. If the New L.T. C connections were released in the stipulated period and loads of the consumers enhanced and reduced in time, the penalty of ` 9.78 lakh could have been avoided.

Division having accepted the audit observation and stated that issue regarding imposing of penalty is being brought to the notice of higher authorities.

Matter is brought to the notice of higher authorities of the division.

Para-2- excess damage of Transformers ` 1.65 Crore.

Distribution transformers are vital equipments for supply of power to consumers and also play vital role in stepping up the voltage of current to the consumers. Uttarakhand Power Corporation Limited (UPCL) has fixed norms for damage of transformers and issued guidelines that the damage should not exceed 3.0 percent of the transformers installed.

During scrutiny of relevant records it was noticed that the damage rate of transformers during 2015-2016 was on higher side as compared to the norms fixed by UPCL as detailed below:

(2015-16)

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	No. of T/F damaged	No. of T/F allowed as per norms (i.e. 3%)	No. of T/F exceed the damage limit	Issue rate of T/F	Loss due to excess damage of T/F
1	16	1555	69	47	22	37600	827200
2	25	1317	206	40	166	55000	9130000
3	63	398	31	12	19	101100	1920900
4	100	116	19	4	15	134600	2019000
5	250	53	8	2	6	442000	2652000
	Total	3439	333	105	228		16549100

Above revealed that against the prescribed norm of 3% actual damage rate of transformers ranged between 3.15% to 16.38% during the year 2015-16, which was comparatively on higher side. As per division's records, reason for excess damage of transformers was internal fault.

Division stated in its reply that transformers were damaged in excess than prescribed norms due to geographical situation of the division is very difficult, besides most of the transformers were damaged by lightening being whole area of the division is hilly.

Reply of the division is not convincing because as per records produced to audit all the transformers were damaged due to internal fault and was more than prescribed norms.

Matter is brought to the notice of higher authorities of the division.

Para-3: Non - recovery of electricity dues amounting to ` 22.30 Crore due to violation of Commercial and Revenue manual.

Commercial and Revenue Manual of Uttar Pradesh Power Corporation (which has been adopted by Uttarakhand Power Corporation) interalia provides that in case a consumer does not deposit electricity dues within 30 days from the date of receipt of bill, his connection would liable to be disconnected and demand notice for recovery of electricity dues will be issued U/s 3 for depositing of dues against him within 30 days. In case consumer does not deposit the dues within stipulated period, a recovery certificate (R.C.) will be issued U/s -5 through District authorities. All such action for recovery of electricity dues should be completed within six months.

During the scrutiny of records, it was noticed that dues against four categories of consumers of ` 1860.31 lakhs were pending for realisation as on 31 March 2015 which increased to ` 2229.75 lakhs as on 31st March 2016 as detail below:

Sl. No.	Category of consumers	Outstanding Electricity dues as on 1st April 2014 (` in lakh)	Outstanding Electricity dues at the end of February 2016. (` in lakh)
1	Domestic Other than BPL	752.66	787.13
2	BPL	425.54	576.85
3	Non-Domestic	572.23	748.71
4	LT. Industries	109.88	117.06
	Total	1860.31	2229.75

Further, it was also noticed that above dues of ` 1860.31 lakh were more than one year old, however, action as provided in the above referred manual was not taken, consequently dues in question could not be realised from the consumers.

Division stated in its reply that these dues are almost fictitious because consumers which were in old Tehri (Post Tehri Dam) now they are not existed there.

Reply of the division is not acceptable because position of electricity dues should have been reconciled and correct position of dues should have been reflected in the Commercial Diary.

Matter is brought to the notice of higher authorities of the division.

Para- 4: Avoidable loss of energy in distribution- ` 9.00 crore.

The main function of UPCL is to receive the energy and distribute it among the consumers in such a way that loss of energy in distribution (line losses) should not exceed the norms fixed by the UERC. UERC fixed the target for Distribution & Transmission Losses at 15% for the year 2015-16. To achieve the targets UERC also identified some causes of excess loss of energy in distribution and remedial measures as under:

Main causes for higher line losses:

- i. Theft
- ii. Mechanical Meters
- iii. Non-replacement/ repair IDF/ADF in the stipulated period as fixed by UERC.

Remedial measure

- i. All IDF/ADF meters should be repaired /replaced in the stipulated period.
- ii. In order to avoid theft Bunch Cable should be installed instead of ABC cable
- iii. All Mechanical meters should be replaced by Electronic meters

During scrutiny of records it was noticed that there was loss of energy in distribution 31.69 percent during the period from April 2015 to March 2016 against 15 percent as fixed by UERC. It was also noticed that division has not taken remedial measures as suggested by the UERC for achieving the targets, because, there was 15869 mechanical meters, there is no Bunch Cable in rural areas and also 5992 meters were IDF as on 31.3.2016. Consequently division lost excess energy in the distribution to the extent of 35.97 million units valuing ` 9.00 crore works out as below.

Energy Received during the period from April 2015 to March 2016	= 239.775 MU
Energy Sold during the period from April 2014 to February 2015	= 163.790 MU
Loss of energy in distribution	= 75.985 MU
Loss of energy in distribution in percentage	= 31.69 %
Loss of energy in distribution should be (15%)	= 35.97 MU
Avoidable loss of energy in distribution	= 40.01 MU
Cost of avoidable loss of energy in In distribution	= 40.01X 10,00,000 X ` 2.25 = ` 900,22,500

Thus it would be observed from the above that if remedial measures as suggested by the UERC were taken by the division then loss of energy in distribution of ` 9.00 crore could have been avoided.

Division having accepted the audit observation and stated that Report 8 which have details of the Mechanical Meters is continuously furnished to the Executive Engineer, Test division for replacement of Mechanical Meters from Electronic Meters and matter regarding replacement of defective meters is also continuously being brought to the notice of Test Division. As Executive Engineer, Test Division is responsible for replacement of Mechanical Meters and Defective Meters.

Reply of the division is not acceptable because UPCL has suffered a loss of ` 9.00 crore as the line loss was more than prescribed norms.

Matter is brought to the notice of higher authorities of the division.

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Para-5: Heavy recurring loss of revenue due to non-repair/replacement of defective meters.

The main function of Uttarakhand Power Corporation Limited (UPCL) is to receive the energy and distribute it among the different categories of the consumers in such a way that the loss of energy in distribution should not exceed 15% as fixed by Central Electricity Authority, Govt. of India and UERC also fixed same target of loss of energy in distribution for the year 2015-16. In case loss of energy exceeds 15% the Corporation would suffer a loss to that extent. In order to control the loss of energy in distribution Central Electricity Authority, Govt. of India suggested main causes of abnormal loss of energy in distribution are defective meters, Mechanical meters and theft. Further, the consumers, who have defective meters, they misuse the electricity.

Uttarakhand Electricity Regulatory Commission (UERC) also made a provision in rate schedule (RTS) issued by it time to time. Para 4 regarding defective meters of general conditions of RTS effective from April 2014 and April 2015 interalia provides as under:

“In case of defective meter (ADF/IDF) the consumer shall be billed on the basis of average consumption of the past three billing cycles immediately preceding the date of the meter being found or being reported defective (as per Regulations 3.2 (1)of the Electricity Supply Code). These charges shall be levied for maximum period of three months or two billing cycle only. During this period licensee is required to replace the defective meter. Thereafter, the licensee shall not be entitled to raise any bill without correct meters.

Scrutiny of relevant records of the division revealed that 5992 number of meter of the consumers were IDF/Defective, out of them 4797 number of meters were defective for the period between 12 months to 102 months, however, no efforts were made to replace/repair these defective meters by the EDD/Test Division. Thus due to non- replacement of defective meters, there is heavy recurring loss of energy and also violation of UERC's order.

Division having accepted the audit observation and stated list of the defective meters is being continuously provided to the Test division for replacement of defective meters.

Reply of the division is not convincing because there is recurring loss to the UPCL either due to negligence on the part of Executive Engineer, Distribution Division or Test Division.

Matter is brought to the notice of higher authorities of the division.

Para- 6: Discrepancy in Commercial Diary.

Scrutiny of billing files of Uttarakhand Jal Sansthan (a consumer of the division) for the month of February 2016 (bills for the month of March 2016 were not available in /records produced to audit) it was noticed that electricity dues of ` 3166.72 lakh were pending against the consumer for realisation as on February 2016. Further, scrutiny of Commercial Diary for the month of March 2016 it was revealed that there was credit balance of the consumer of ` 590.22 lakh as on 31 March 2016. Thus there was wide variation in the amount involved in the bills raised to the consumer for the month of February 2016 and Commercial Diary for the month of March 2016.

Further, any consumer makes the payment against the bill raised by the division. Thus question of excess payment against the bill raised by the division does not arise.

The position of dues against the consumer may please be reconciled and correct position of dues may please be intimated to audit.

Division having accepted the audit observation and stated that position of the dues against the consumer is being reconciled and after reconciliation of dues against the consumer, correct position of dues would be intimated to the audit.

PART III

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Sr. Audit Officer/ES-I