

This inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, Roorkee (Rural). 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, Roorkee (Rural) for the period April 2017 to March 2018 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act, 1971 read with section 143 of Companies Act, 2013. Audit Inspection was conducted by Shri A. P. Singh, AAO and Shri Vikas Dhyani, AAO under the partial supervision of Shri Mukesh Kumar, Sr. AO during the period from 21.07.2018 to 30.07.2018.

Part-I

1. **Introduction:-** The last audit of this unit was carried out by Shri A. P. Singh, AAO under the supervision of Shri Amit Kumar, AO in which accounting records of the period from April 2016 to March 2017 were generally examined. In current audit, accounting records of the period from April 2017 to March 2018 were generally examined.

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

The function of the Electricity Distribution Division, Roorkee (Rural) is to distribute electricity to all over area of Rural area of Roorkee town and keep as well as expand the electricity distribution system to this area. The geographical jurisdiction of the division is within the Rural area of Roorkee town in Haridwar district.

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

Electricity Distribution Division, Rural area of Roorkee town in Haridwar district 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 February 2018 was selected for detailed examination and July 2017 was selected for Arithmetical Accuracy.

(iii)

(₹ In lakh)

Year	Revenue	Expenditure	Profit
2017-18	39723.86	2301.36	--

(To the extent this information is available & applicable)

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

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

Part-II A

Para 1: Consumer Satisfaction and Redressal of Grievances- Delay release of new connection

One of the key elements of the Power Sector Reforms was to protect the interest of the consumers and to ensure better quality of service to them. The consumers often face problems relating to supply of power such as non-availability of the distribution system for the release of new connections or extension of connected load, frequent tripping on lines and/ or transformers and improper metering and billing. The distribution company was required to introduce consumer friendly actions like introduction of computerized billing, online bill payment, establishment of customer call centers etc. to enhance satisfaction of consumers and reduce the advent of grievances among them.

Uttarakhand Standard of performance regulation 2007 and Right to service act provided that the UPCL should adhere to the standards of performance (SOPs) for timely release of new connections, recovery of new connection charges as per Cost Data Book (CDB) and metering etc. The supply code also provided for maintenance of records at Call Centers to provide easy access for consumer complaints and their timely and effective redressal to the satisfaction of the consumers. Irregularities relating to issues of consumer satisfaction and redressal of grievances are discussed below:

Delay release of new connection

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”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.

The scrutiny of the records of the divisions for 2016-17 and 2017-18 revealed the following:

Year	No. of cases where connection were released beyond stipulated time	Amount of Penalty (₹ in lakh)
2016-17	144	14.97
2017-18	494	25.98
Total		40.95

From the above it is evident that UPCL had to bear penalty amounting to Rs 40.95 lakh 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 but inconvenience to the consumers also.

Division accepted the audit observation and stated in its reply that a large rural area comes under the jurisdiction of the division in which application for private tube wells were received for new connections and situation of disputes arises during construction/installation of lines/ transformers in the fields. Hence, these connections are not being issued in stipulated time. However, the fact remains that delay in releasing the connections to the consumers resulted in avoidable loss to the division in the form of penalty but inconvenience to the consumers also.

Part- II B

Para 1: Non recovery of additional Security amounting to ₹ 4.48 crores.

As per Para 2.2.1 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 month 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 given a notice to the consumers within the 45 days. In case the additional security which is not deposited within the stipulated period, the electricity supply of such consumers can be disconnected.

Scrutiny of billing files and other related records of the large & heavy consumers for the period April 2010 to March 2018, it was noticed that the average two months bills of consumers exceeded the amount of security already deposited worked out to ₹ 16.86 lakh as on 30 September 2011 which increased to ₹ 1.11 crore as on 31st March 2014 and increased to ₹ 3.48 crore as on 31st March 2016 but decreased to ₹ 1.95 crore as on 31st March 2017. During the year 2017-18, the amount of additional security required worked out to ₹ 4.48 crore. As per circular in question, amount of this additional security was required to be recovered within 45 days i.e. 15 May 2018. This amount should have been recovered from consumers well in time.

Division accepted the audit observation and stated in its reply that efforts are being made to recover additional security from defaulting consumers. Notices have been issued to the defaulting consumers for realization of additional security. But the fact remains that as additional security amounting to ₹ 4.48 crore pertained to the financial year 2017-18 which should have been realized within 45 days i.e. 15th May 2017. But the same is still unrealized.

The issue of non recovery of additional security has been continuously raised in previous audit but huge amount is still pending for recovery.

Para 2: Irregularity estimate for giving independent underground line of 33 KV

An estimate was prepared on request of M/s Finolex Cables Limited and M/s Carborundum Universal Limited for giving independent underground line of 33 KV through independent feeder from 132/33 KV substation Manglor under Electricity Distribution Division Roorkee (Rural) valuing ₹ 2.43 crore on deposit work basis wherein the consumer requested to lay line by itself and paying supervision charges to UPCL.

During scrutiny of records it was observed that the executed estimate was prepared by the division for said work vide estimate no. 04/2017-18 valuing ₹ 2.69 crore including supervision charges of ₹ 35.00 lakh. Another executed estimate vide no 43/2017-18 for same work was prepared by the division valuing ₹ 2.12 crore including supervision charges of ₹ 27.78 lakh. It was noticed that in executed estimate vide no 43/2017-18 the quantity of PCC Hume Pipe was reduced to half of the previous estimate. Hume Pipe is laid down to safeguard the underground 33 KV cable from damages as the cable was supposed to be laid on National Highway. Hume Pipe included in the executed estimate was of Half round each length of one meter. So for laying one meter 33 KV cable two meter Hume Pipe is used. As per executed estimate vide no 43/2017-18, 7000 meter 33 KV cable was laid down wherein only 7000 meter Hume Pipe was also laid down instead of 14000 meters. This has resulted in undue favour to consumer by reducing the value of estimate by ₹ 21.70 lakh and also a risk of damage to the line laid without Hume Pipe cannot be ruled out. This has also resulted in short realization of supervision charges i.e. 15 *per cent* of estimated value amounting to ₹ 3.25 lakh which was to be deposited by consumer to UPCL.

Moreover both the consumers wrote a letter on 14.06.2017 to UPCL regarding damage of 33 KV underground cable on 31.03.2017 during the work of soil excavation by National Highway. The same was got restored on 06.04.2017. Both the consumer claimed production loss as well as material and labour cost of ₹ 58.64 lakh from National Highway and requested UPCL to get it reimbursed from National Highway. It was also mentioned in the letter that UPCL had laid down 33 KV high voltage cable in the same trench which was made during laying of underground cable without their knowledge.

The initial reply of the division is still awaited. The matter was brought to the notice of the higher authorities.

Para 3: Non- realization of Revenue

The purpose of establishing distribution division in different parts of the State is to provide electricity to the consumers of different categories. One of the most important functions of the division is to realize electricity charges consumed by the consumers. The realisation as per the targets fixed by the UPCL is intimated monthly to the division indicated efficiency of the division and good financial health of the UPCL. The revenue collected/ realised by the division is intimated through monthly commercial diary of the distribution division. Review of the commercial diary of the division for the month of March 2018 revealed that there are huge arrears pending for realisation from almost all the categories of consumers as follows:

(₹ in crore)

Sl. No.	Category of Consumers	Arrears as on March 2017	Arrears as on March 2018
1.	Government Consumers	0.93	1.08
4.	Non Government Consumer	178.91	97.83
Total		179.84	98.91

The arrears of Government consumers had increased from 7.42 crore in March 2015 to 8.14 crore in March 2016 but decreased to 0.93 crore in March 2017. During the year 2017-18, the arrear again increased to 1.08 crore. The arrears of non-government consumers had increased from 142.67 crore in March 2015 to 159.14 crore in March 2016 and to 178.91 crore in March 2017. During the year 2017-18, the arrear decreased to 97.83 crore. Hence, the total arrears has been decreased to ₹ 98.91 crore as on March 2018 in comparison to previous year's i.e. ₹ 179.84 crore but still huge arrears are yet to be realized for the sound financial health of the Company.

Division stated in its reply that billing of Government consumers are being done regularly and electricity dues upto February 2018 have been paid by them. the remaining arrears from all these consumers is to be recovered during the current financial year. However, the fact remains that still huge arrears are yet to be realized for the sound financial health of the Company.

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

Para 4: Consumer Satisfaction and Redressal of Grievances

One of the key elements of the Power Sector Reforms was to protect the interest of the consumers and to ensure better quality of service to them. The consumers often face problems relating to supply of power such as non-availability of the distribution system for the release of new connections or extension of connected load, frequent tripping on lines and/ or transformers and improper metering and billing. The distribution company was required to introduce consumer friendly actions like introduction of computerised billing, online bill payment, establishment of customer call centres, etc. to enhance satisfaction of consumers and reduce the advent of grievances among them.

Uttarakhand Standard of Performance Regulation 2007 and Right to Service Act, 2011 provided that the UPCL should adhere to the standards of performance (SOPs) for timely release of new connections, recovery of new connection charges as per Cost Data Book (CDB) and metering etc. The supply code also provided for maintenance of records at Call Centres to provide easy access for consumer complaints and their timely and effective redressal to the satisfaction of the consumers. Irregularities relating to issues of redressal of grievances are discussed below:

(a) Redressal of grievances

The UERC specified the mode and time frame for redressal of grievance in Uttarakhand Standard of Performance Regulation 2007 in pursuance of the Electricity Act, 2003. The standard of performance for UPCL sets the time limit for rendering services to the consumers and compensation payable for not adhering to the same. The nature of services contained in the Standards *inter-alia* included line breakdowns, DTR failures, period of load shedding/ scheduled outages, voltage variations, meter complaints, installation of new meters/ connections or shifting thereof, etc. The system in place provides that any aggrieved consumer may file a complaint with the UPCL who on non-settlement within time limits/ or on being dissatisfied by the decision of the UPCL, may file a complaint in the forum as per specified procedures. Any consumer, aggrieved by non-redressal of his grievances by the forum may make a representation for the redressal of his grievance to an Ombudsman as designated/appointed by the Commission in accordance with the procedure specified in the regulations.

To enable the compilation of complaints for assessing the performance on this account, separate registers were maintained by the UPCL. The overall position for the month of March 2018 as regard receipt of complaints and their clearances is depicted in the table below:

Sl.no	Number of cases pending on the last day of preceding month	Total complaints received during the month	Number of complaint rectified during the month	Number of cases pending on the last day of month	Number of cases rectified within specified period	Number of cases not rectified within specific period
	Nil	750	750	Nil	750	Nil

From the above it is clear that division has addressed all of the complaints in the specified time period.

(b) Non replacement of defective meters.

Right to Service Act, 2011 and the Electricity supply code Regulation 3.1.4 provides that, If the meter is not recording/stuck as reported by the consumer, the Licensee shall check the meter within 30 days of receipt of complaint and if found stuck or identified as defective (IDF), the meter shall be replaced by the Licensee/consumer, as the case may be, within 15 days thereafter, also all new case of defective meters namely ADF, RDF or IDF, if any, shall necessarily be rectified within a maximum period of 3 months.

During scrutiny of records of the division, it was observed that 548 complaints lodged by consumers were not rectified within the specified period which was violation of above code. The number of consumers to whom the services were not provided in the specified time which shows the UPCL's failure in providing quality service to the consumer.

Division stated in its reply that the work of replacement of IDF meters is done by test division and the reason for non-replacement of IDF meters within specified time is increase in the number of defective meters during current year. The reply of the division is not convincing as a large number of complaints regarding replace/ repair of defective meters were not rectified within the specified time which resulted in violation of above code and shows UPCL's failure in providing quality service to the consumer

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

Para 5: Poor maintenance of DTR Metering

Part A of R-APDRP scheme includes Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders. The main objective is to acquire meter data from selected DTR's, Feeders, HT services, and Boundary meters automatically from remote avoiding any human intervention, monitor important distribution parameters, use meter data for accurate billing purposes and generate exceptions and MIS reports for proper planning, monitoring, decision support and taking corrective actions on the business activities by the management. It will help in reduction in AT&C losses; establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency.

As per records/details of damaged/bypass DTR metering system installed in Manglore and Landhaura Town under Roorkee (Rural) area, it was observed that a total number of 64 meters/modems were installed against which only 11(17.19 percent) meters/modems were working/communicative. Remaining 53 (82.81 percent) were not working/non-communicative as on July 2018 which is beyond control, this will adversely affect accuracy of energy inflow/ outflow and measurements of AT&C losses and shows that one of the basic objective of implementation of Part A of R-APDRP scheme, to record accurate inflow/ outflow of energy, to reduce AT& C losses and to improve revenue collection efficiency was defeated.

Division accepted the audit observation and stated in its reply that at present, all the DTRs meters/ modems are being checked and repaired and instruction in this regard is being issued to all the concerned officials. Division is being informed to replace/ repair damaged meters. The reply of the division is not convincing as more than 80 *per cent* of modems were non-communicative till date which shows that purpose of installation of DTR metering system in Manglore and Landhaura towns is defeated.

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

Part III

(In this part, detail of unsettled paras of previous inspection reports to be reported in below given format.)

Details of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part II-A	Part II-B
1.	4/2010 to 9/2011	1	3,4
2.	10/2011 to 3/2013	-	1 to 7
3.	4/2013 to 3/2014	1,2	1 to 5
4.	4/2014 to 3/2015	-	1 to 5
5.	4/2015 to 3/2016	1	1 to 4
6.	4/2016 to 3/2017	1 to 5	1 to 6

Compliance report of unsettled paras of previous inspection report-

Inspection report period and number	Para No. Audit observation	Compliance report	Comments of Audit Party	Remarks
-	-	-	-	-

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, Roorkee (Rural) 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:**

Sr. no.	Name	Post
(i)	Shri Ashutosh Tiwari (since last audit to till date)	Executive Engineer

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 (concerned sector) within one month of receipt of the letter.

Sr. AO/ES-I