

This Audit Inspection Report has been prepared on the basis of information provided by Electricity Distribution Circle (Urban), 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 Electricity Distribution Circle (Urban), Dehradun for the period from October 2016 to March 2020 was 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. Audit Inspection was conducted by Shri Ghanshyam Das Pal, Asstt. Audit Officer under the supervision of Shri R.L. Sharma, Sr. Audit Officer during the period from 24 December 2020 to 31 December 2020.

Part-I

1. **Introduction:** - The last audit of this Circle was carried out by Shri Ghanshyam Das Pal, AAO and Dr. Satish Pal, AAO under the supervision of Shri Sohrab Hussain, Sr. Audit Officer in which accounting records for the period from April 2013 to September 2016 were generally examined. In current audit, accounting records of the period from October 2016 to March 2020 were examined.

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

The main functions of the Circle are to control over/monitoring of the Electricity Distribution Divisions *i.e.* EDD (South), Dehradun, EDD (North), Dehradun, EDD (Central) Dehradun and Test Division (Urban) Dehradun under its jurisdiction *i.e.* control over damage rate of transformers, collection of revenue, loss of energy in distribution, releasing of L.T. connections, Enhancement of load, Reduction of load in the stipulated period as fixed by the UERC and finalisation of contracts/agreements for execution by these divisions. Geographical Jurisdiction of the Circle is Dehradun and its urban area.

(ii) Auditing methodology and scope of audit:

Electricity Distribution Circle (Urban), Dehradun Uttarakhand Power Corporation Ltd. Dehradun was covered in the audit. This inspection report is based on the findings of audit and March 2018, June 2018 and October 2019 months were selected for detail examination and months of October 2017, April 2018 and June 2019 were also selected for arithmetical accuracy.

(iii)

(` in crore)

Year	Revenue	Expenditure	Profit
October 2016 to March 2017	-	0.50	-
2017-18	-	1.24	-
2018-19	-	1.21	-
2019-20	-	1.44	-

(iv) Organization structure of the Circle.

The Electricity Distribution Circle (Urban), Dehradun is a Circle of UPCL, which is officiated by the Superintending Engineer.

PART-II A

Para1 : Avoidable expenditure of ` 30.02 lakh due to delay in release of new connections

Uttarakhand Standard of Performance Regulation 2007 and Right to Service Act 2011 & Circulars issued from time to time provided that the UPCL should adhere to the Standards of Performance (SOPs) for timely release of new connections, recovery of new connection charges and metering etc. 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.

The scrutiny of the records of the Electricity Distribution Circle (Urban), Dehradun for the period April 2017 to March 2020 revealed the following:

Year	No. of cases where connection were released beyond stipulated time	Amount of Penalty (In `)
2017-18	224	1262390
2018-19	125	682000
2019-20	101	1057730
Total	450	30,02,120

From the above it is evident that UPCL had to bear penalty amounting to ` 30.02 lakh in 450 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 circle in the form of penalty and also inconvenience to the consumers.

Circle in its reply stated that the main reason for delay in releasing new service connection to consumers was due to non-submission of relevant documents by consumers in maximum cases. Further, Hon’able UERC is taking plead of UPCL into consideration and hope that the penalty would be waived off.

The reply of Circle is not convincing as the fact remains that UERC has not waived off the penalty amount till date. Thus, due to delay in releasing the connections to the consumers resulted in avoidable loss to the Circle in the form of penalty and also inconvenience to the consumers.

Part-II B

Para: 1 Non-recovery of electricity dues from the Government and Non-Government Consumers amounting to ` 58.27 crore.

The main functions of the Circle are to control/monitor over/of the Distribution Divisions under its jurisdiction i.e. control over damage rate of transformers, collection of revenue, loss of energy in distribution, realizing of L.T. connections, Enhancement of load and Reduction of load in the stipulated period as fixed by the UERC and finalizing of contracts/agreements for execution by the divisions.

Commercial and Revenue Manual of Uttar Pradesh Power Corporation (which has been adopted by Uttarakhand Power Corporation) inter-alia provides that in case a consumer does not deposit electricity dues within 30 days from the date of receipt of bill, his connection would be liable to be disconnected and a demand notice for recovery of electricity dues will be issued under section -3 of Electricity Dues & Recovery Act, 1958 (Act) 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 under section -5 of the Act through District authorities. All such action for recovery of electricity dues should be completed within six month.

During scrutiny of records relating to arrears of Non-Government and Government consumers, it was noticed that electricity dues amounting to ` 58.27 crore were outstanding as on March 2020 for realization against the both categories of consumers as detailed below:

(in lakh)

Sl. No.	Name of Division	Category of consumers	Arrear as on March 2019	Arrear as on March 2020
1	EDD(N) Dehradun	Non-Govt.	466.13	721.99
		Government	76.91	505.76
2	EDD(S) Dehradun	Non-Govt.	2624.90	2361.88
		Government	1081.99	1845.77
3	EDD(C) Dehradun	Non-Govt.	189.83	-499.96
		Government	233.30	891.89
Total			4673.06	5827.33

It was noticed that electricity dues of ` 46.73 crore were pending against the above consumers as on March 2019 which increased to ` 58.27 crore in March 2020. It revealed that during the

year 2019-20 the outstanding dues increased by ` 11.54 crore (Approximate 24.70 *per cent*). This shows that divisions were not properly monitored by the Circle.

Circle stated in its reply that due to effect of COVID-19 pandemic the complete revenue drive could not be conducted and revenue could not be realized. Now instruction has been issued to all divisions to take steps for timely realization of electricity dues. However, the fact remains that significant amount of dues is yet to be realized.

The matter of non-recovery of Electricity dues is brought to the notice of higher authorities.

Para 2: Excess damage of Transformers beyond norms.

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. The age of distribution transformers is estimated to be 25 years, provided that proper maintenance and protection of the device is available.

Uttarakhand Power Corporation Limited (UPCL) had issued guidelines that the damage rate of transformers should not exceed three *per cent* of the transformers installed. The damage rate of transformers during 2019-20 are shown in the table below:

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	T/F damaged		No. of T/F allowed as per norms (i.e. three <i>per cent</i>)	No. of T/F exceed the damage limit
			Number	Damage in <i>per cent</i>		
1	16	4	4	100	-	04
2	25	87	7	8.05	3	04
3	250	658	38	5.77	20	18
4	400	253	20	7.91	8	12

It can be seen from the above table that against the prescribed norms of three *per cent*, actual damage rate ranged between 5.77 *per cent* (250 KVA) to 100 *per cent* (16 KVA) in 2019-20 which was on higher side.

It was also noticed that Circle being the administrative head of the three Electricity Distribution Divisions has not taken any serious efforts to minimize the damage rate of transformers.

Circle accepted the audit observation and stated that more effort has been made to minimize the damage rate.

However, the fact remains that the damaged rate of transformers is higher than prescribed norms fixed by Corporation. The outcome of measures taken by the circle in respect of damage rate of transformers would be watched in next audit of the Circle.

Part-III

Outstanding Paras of previous Audit Inspection Reports.

Period	Part II A	Part IIB	Total
04/2006 to 03/2007	--	1,2,3	03
04/2007 to 03/2011	--	1,2,3	03
04/2011 to 03/2013	1	1,2	03
04/2013 to 09/2016	1	1	02

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.90 of Book No. 1055 was issued to the Circle. In turn, the reply only for the period 4/2013 to 09/2016 has been furnished by the Circle.

Part IV

Best practices of the Unit

-----NIL-----

Part V

Acknowledgement

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

The 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 of Superintending Engineer/AAO	Post	Period
1.	Shri. B.M.S. Parmar	Superintending Engineer	Upto 8/8/2017
2.	Shri. Sailendra Singh	Superintending Engineer	08.08.2017 to till date
3.	Shri Dinesh Kumar	AAO	upto 13.09.2019
5.	Shri M.S. Negi	AAO	13.09.2019 to till date.

The compliance report on the AIR may be sent to Deputy Accountant General/AMG-II, Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakaar, Bhawan, Kaulagarh, Dehradun within one month of receipt of the letter.

Sr. Audit Officer/AMG-II(PSUs)