

This Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, Rishikesh. 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, Rishikesh for the period April 2019 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 Naveen Rawat, Auditor and Shri Amit Kumar, Assistant Audit Officer under the supervision of Smt. Usha Singh Audit, Sr. Officer during the period from 11 January 2021 to 18 January 2021.

Part-I-A

1. **Introduction:** - The last audit of this unit was conducted by Shri. Amit Kumar, Assistant Audit Officer and Shri Akhand Pratap Singh, Assistant Audit Officer under the supervision of Shri Vikas Dhyani, Sr. Audit Officer 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 examined.

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

The function of the Electricity Distribution Division, Rishikesh is to distribute electricity to the Rishikesh as well as to strengthen the electricity distribution system. Geographical jurisdiction of the division is Rishikesh.

(ii) Auditing methodology and scope of audit:

Electricity Distribution Division, Rishikesh 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 June 2019 month was selected for detailed examination.

(iii)

(` in Crore)

Year	Revenue	Expenditure	Profit
2019-20	98.46	14.45	-

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

The Electricity Distribution Division, Rishikesh is an electricity distribution division of UPCL which is officiated by the Executive Engineer.

Part II (A)

Para 1: (a) Avoidable expenditure due to delay in providing services to consumers - ₹ 41.74 lakh

As per Uttarakhand Right to Service Act, 2011, Citizen Charter and Standards of Performances, Uttarakhand Power Corporation Limited had to provide various services to the consumers regarding Power Supply, Voltage Fluctuation, 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.

(A) Delay in services relating to Power supply failure and metering.

The details of delay in providing the services relating to Power supply failure and metering and compensation payable thereon are given below:

Table 1

Type of Service- Power supply failure				
Year	No. of cases of delay	Prescribed time to resolve (in hrs)	Compensation payable time (in hrs)	Compensation Payable (in `)
2017-18	59	12/06/4	1 hrs to 208 hrs	11,956
2018-19	54	12/06/4	1 hrs to 1254 hrs	42,579
2019-20	107	12/06/4	1 hrs to 100 hrs	14,388
Total	220			68,923

From the above (table 1) it is evident that there was a delay in 220 cases in resolving the power supply within the prescribed time (12 hrs./ 06 hrs/04 hrs.) during the period April 2017 to March 2020 which attracts the penalty/ compensation payable up to ₹ 68,923/-. The delay on which penalty was payable ranged between 1 hrs to 1254 hrs. Though the compensation payable has decreased as compared to previous year but the number of cases has almost doubled itself.

Table 2

Type of Service- Metering related				
Year	No. of cases of delay	Prescribed time to resolve (in days)	Compensation payable time (in days)	Compensation Payable (in `)
2017-18	593	03/ 30/ 45	1 day to 716 days	7,71,275
2018-19	744	03/ 30/ 45	1 day to 203 days	9,14,400
2019-20	1147	03/ 30/ 45	1 day to 150 days	17,59,275
Total	2484		-	34,44,950

From the table 2, it was further observed that there was a delay in 2484 cases in resolving the issues of metering related within the prescribed time (03 days/ 30 days/ 45 days) during the period April 2017 to March 2020 which attracts the penalty/ compensation payable up to ₹ 34,44,950/-. The delay on which penalty was payable ranged between 1 day to 716 days. It can also be seen that the number of cases of delay and the corresponding penalty/compensation has increased exceptionally from ₹ 9.14 lakh to ₹ 17.59 lakh.

(B) Delay in services relating to Transfer of consumer connection & conversion of services and Disconnection/ Reconnection of supply

The details of delay in providing the services pertaining to Transfer of consumer connection & conversion of services and Disconnection/ Reconnection of supply and compensation payable thereon are given below:

Table 1

Type of Service- Transfer of consumer connection & conversion of services				
Year	No. of cases of delay	Prescribed time to resolve (in days)	Compensation payable time (in hrs)	Compensation Payable (in `)
2017-18	35	60	1 day to 612 days	1,65,500
2018-19	26	60	1 day to 207 days	59,750
2019-20	13	60	1 day to 73 days	17,100
Total	74		-	2,42,351

From the above (table 1) it is evident that there was delay in 74 cases in resolving the issues related to “transfer of consumer connection & conversion of services” within the prescribed time (60 days) during the period April 2017 to March 2020 which attracts the penalty/ compensation payable up to ₹ 2,42,351/-. The delay on which penalty was payable ranged between 1 day to 612 days.

Table 2

Type of Service- Disconnection/ Reconnection of supply				
Year	No. of cases of delay	Prescribed time to resolve (in days)	Compensation payable time (in hrs)	Compensation Payable (in `)
2017-18	282	05	1 day to 1362 days	13,53,200
2018-19	243	05	1 day to 1940 days	8,55,600
2019-20	355	60	1 day to 810 days	15,96,400
Total	880		-	38,05,200

It is also noticed (table 2) that there was delay in 880 cases in resolving the issues related to “disconnection/ Reconnection of supply” within the prescribed time (05 days) during the period

April 2017 to March 2020 which attracts the penalty/ compensation payable up to ₹ 38,05,200/-. The delay on which penalty was payable ranged between 1 day to 1940 days. During the current year the penalty/compensation has almost doubled as compared to previous year.

Thus, delay in providing above services to the consumers may not only result in avoidable loss to the division in the form of penalty/compensation payable up to ₹ 75,61,424/- but also inconvenience to the consumers.

Division in reply stated that in spite of completing the work within time, division could not update the same in the system due lack of manpower and excess of work, resulted in penalty which was also generated by the System. Further, the penalty levied on this account was not paid by the division.

Reply of the division is not acceptable, as penalty on account of non-adherence to Uttarakhand Right to Service Act, Citizen Charter, Standard of Performance and violation of UERC Regulation has been imposed on the division which resulted in avoidable penalty of ₹ 75.61 lakh.

(b): Avoidable penalty due to delay in releasing of New LT Connections, Enhancement and Reduction of Loads – ₹ 47.13 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.

The scrutiny of the records of the divisions for 2017-18 to 2019-2020 revealed the following:

Year	No. of cases where connection were released beyond stipulated time	Amount of Penalty (in lakh)
2017-18	360	33.65
2018-19	305	11.28
2019-20	236	2.20
Total	901	47.13

It is evident from above that penalty of ₹47.13 lakh was imposed on the division during the period 2017-18 to 2019-20 for not releasing the connections in the stipulated time. Delay in releasing the connections to the consumers resulted not only in avoidable loss to the division in the form of penalty but also inconvenience to the consumers also.

Division in reply stated that in spite of completing the work within time, division could not update the same in the system due lack of manpower and excess of work, resulted in penalty which was also generated by the System. Further, the penalty levied on this account was not paid by the division.

Reply of the division is not acceptable, as penalty on account of non adherence to UERC Regulation has been imposed on the division which resulted in avoidable expenditure of ₹ 47.13 lakh.

Part II (B)

Para 1: Non compliance to UPCL headquarter working plan for Non-Billing/Stop Billing cases.

According to UPCL HQ's letter dated 2 May 2017, a working plan was circulated to all the Electricity Distribution Offices in order to write off the fictitious cases of NB/SB and assess the actual dues outstanding dues. The following action plan was formulated by the HQ's office: -

1. The consumers were to be issued the final bill after NB/SB with the direction that the payment shall be made by the consumer within 15 days (till 15.07.2017). While preparing the bill the division shall adjust the wrong billing and fictitious balances. The same shall be further adjusted in the commercial diary to show the actual receivable balances.
2. In case of non-payment of dues by the consumers the Recovery Notices u/s 3 and later on u/s 5 shall be issued. This exercise was to be completed till 30 Sep 2017.
3. Further the cases which were declared non recoverable by the DM office were to be sent to Chief Engineer (till 31.12.17) for further necessary action.

During the review of records, it was seen that according to the statement annexed with the UPCL HQ circular, there were 4,318 cases amounting to ` 14.86 crore pending for Permanent Disconnection.

However, during the period from June 2017 to December 2020 Division was able to finalise only 1447 cases (₹ 539.40 lakh) for PD. The remaining 2871 cases could not be finalised till date. Further, the finalised cases for permanent disconnection clearly indicate that out of the settled amount of ₹ 539.40 lakh, only ₹13.99 lakh was actually realized (security deposit was available with division) and ₹ 525.41 lakh was yet to be finalized

This shows that the division was not able to take the necessary steps in accordance with the working plan proposed by the HQ's office leading to huge pendency in finalisation of PD cases and building up of fictitious recoverable balances. Further the realisation of the dues from the finalised cases is also pending.

Division in reply stated that due to lack of manpower and excess of work, resolving the NB/SB cases took time. However, it was assured that after resolving NB/SB cases, audit would be intimated.

Reply of the division is not acceptable as the fact remains that remaining 2871 cases are yet to be finalised and out of ₹ 539.40 lakh of finalised PD cases only ₹13.99 lakh was actually realised leaving the pending amount as unfinalised/ unrealised.

Para 2: 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, 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) 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 5% of total connections should be inspected annually.

As per Regulation the Division was required to inspect 3389 connection (5 *per cent* of 67780 connections) during the period 2018-19.

During the scrutiny of raid cases records of the Division, it was observed that the division inspected only 57 connections during the period 2019-20 which was only 0.08 *per cent* of the total connection and irregularity was found in 22 connections. The assessed amount of ₹ 10.34 lakh was realized by the division.

Considering the fact that significant amount of ₹10.34 lakh was assessed and realised, the Division is required to increase the number of raids to ascertain unauthorized extraction of power and realise the revenue to the extent it is assessed

Division in reply stated that division could not conduct checking as per the regulation due to lack of manpower and excess of work. However, the division would try to increase the checking of the consumer's inconsonance with the available resources.

The reply of the management division is not acceptable as the fact remains that division could not adhere to the provision of The Electricity Supply Code, Regulations, as detailed above.

Para 3: - Avoidable expenditure due to excess damage of Transformers –₹ 67.44 lakh.

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 of transformers should not exceed 3.0 *per cent* of the transformers installed. During scrutiny of relevant records, it was noticed that during 2018-19, the damage rate of transformers was on higher side than the prescribed norms fixed by the UPCL as detailed below:

(2018-19)

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. 3%)	No. of T/F exceed the damage limit	expenditure on replacement of transformers (in `)
			no. of T/F	per cent of damage of T/F			
1	25	181	21	11.60	5	16	270584
2	63	128	14	10.94	4	10	259959
3	100	330	21	6.36	10	11	408106
4	250	99	10	10.10	3	7	572889
5	400	31	3	9.68	1	2	239228
Total		769	69			46	1750766

It can be seen from above that against the prescribed norms of 3 per cent, actual damage rate ranged between 06.36 *per cent* to 11.60 *per cent* in different capacities of transformers during the year 2018-19.

(2019-20)

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. 3%)	No. of T/F exceed the damage limit	Stock Issue Rates	Avoidable Expenditure (in `)	Expenditure on replacement of transformers (in ₹)
			no. of T/F	per cent of damage of T/F					
1	25	107	18	16.82	3	15	47191	707865	106398
2	63	152	17	11.18	5	12	99667	1196004	76464
3	100	432	23	5.32	13	10	143964	1439640	90729
4	250	127	8	6.30	4	4	357265	1429060	72546
5	400	39	4	10.26	1	3	527893	1583679	42615
Total		857	70		26	44		6356248	388752

From the above table it can be seen that the damage rate of transformers ranged from 6.30 *per cent* to 16.82 *per cent* in the year 2019-20 which was comparatively on higher side against the

prescribed norms. Also the avoidable expenditure increased from ₹ 17.50 lakh to ₹ 63.56 lakh in the year 2019-20. Further, the division also incurred ₹ 3.88 lakh in the replacement of the damaged transformer in the form of the carriage, loading, unloading.

Test check of transformer damage reports revealed that out of total damaged transformers (71 nos.), only 20 transformers were damaged due to lightening and balance 51 transformers were damaged due to internal faults/other faults. It was also observed that in all the 20 cases where transformers were damaged due to lightning, the Lightning Arrester (LA) was installed on the transformers as intimated by the division. This indicates that the LAs installed on the transformers were not working or it may not be installed. Further, damage of 51 transformers due to internal fault shows that the transformers were not being properly inspected by the division to check the causes of damages such as overloading of transformers, transformer oil, earthing of transformers, and unauthorized extraction of the power which resulted in damage of transformers. The damage of transformers in excess of the prescribed norms resulted in avoidable expenditure of ₹ 67.44 lakh.

Division in reply stated that due to city area as well high load of consumers, transformers got damaged. Further, division assured that it will try to minimize the damage rate of transformers inconsonance with the available resources.

The reply of the division is not acceptable as the fact remains that the damage of transformers in the division was in excess of the prescribed norms which resulted in blockade of funds of ₹ 67.44 lakh.

Para 4: Delay in execution of work

The work for the construction of 11 KV feeder for giving 940 KVA connection to Uttarakhand Pey Jal Nigam, Rishikesh under ESDS, Raiwala against Deposit head was awarded to M/S R. B. Electricals vide agreement dated 05 June 2020. The contract was valued at ₹ 15.66 lakh+ applicable taxes.

According to the terms of agreement the work was to be completed within 30 days from the date of LOI/agreement or days from the date of last lot of material issued to the contractor.

The Uttarakhand Electricity Regulatory Commission (Release of new LT Connection, Enhancement and Reduction of Loads) Regulations, 2013, Para 13 states that:

If a new connection is required in which the licensee is required to extend its distribution mains or lay new distribution mains or commission a new substation then the licensee shall inform such Applicant the time required to give the supply and same shall not exceed:

- i) 60 days if only extension of distribution mains is required.
- ii) 90 days if commissioning a new substation is also required.
- iii) 180 days if commissioning of new 33/11 kV substation is required.

If the licensee fails to provide connection to an applicant within the period specified above, he shall be liable to pay penalty @ ₹ 10.00 per ₹ 1000 of the amount deposited by the Applicant subject to a maximum of ₹ 1000 for each day of default.

During the review of records pertaining to the said work it was observed that the payment for the above work was received by the division vide three payments ₹ 59.94 lakh, ₹ 3.47 lakh and ₹4.51 lakh dated 14.11.2019, 01.05.2020 and 28.08.2020 respectively. Thus the division received the payment for the deposit work well in advance, however, the work has not been started by January 2021 even after lapse of seven months from the date of agreement.

In view of the above it can be seen that the division was not able to construct the 11 KV feeder in a timely manner which resulted in failure to give connection to Uttarakhand Pey Jal Nigam in consonance to the UERC regulations which may attract penalty as applicable.

Division in reply stated that the construction of the line got delayed because IDPL did not permit construction of the line.

The reply of the division is not acceptable as the fact remains that division could not construct the line in spite of lapse of five months of deposit of advance which would attract the penalty under The Uttarakhand Electricity Regulatory Commission (Release of new LT Connection, Enhancement and Reduction of Loads) Regulations, 2013.

Para 5:- Deficiencies noticed in the Service Books of employees.

During scrutiny of the Service Books of the employees of the Division audit noticed the following deficiencies:

- 1- The premiere requirement of the Service books is to identify the employee appropriately/ correctly. Hence, the colored photo graph of the employee concerned is to be affixed in the respective service book. However, the scrutiny of the records revealed that the colored photo graph of the employee concerned was not affixed in the service books.
- 2- The nomination form of the employees was not attached in the Service books.
- 3- As per orders of the Uttarakhand Power Corporation Limited (UPCL) dated 12 August 2016, provision of section 23(1) of the financial hand book volume-II part two to four, the employee was given an option to opt the fixation of salary after promotion on the date of next increment.

In the order, it was further stated that on the date of the promotion, the pay band was to remain same; however, grade pay of the promoted post was to be given to the employee on the date of promotion. Further, the salary was to be fixed on the date of increment as per the option given by the employee under above rules.

In this reference, it is further to state that after the adoption of the recommendation of the seventh pay commission, the provisions relating to the grade pay were detained/ abolished.

During the scrutiny of the records, it was seen that in compliance to the above orders, two employees namely Shri Pradeep Shukla, TG-I and Shri Laxmi Kant, TG-I deputed in the EDD, Rishikesh were given an increment on the date of promotion¹, further, the next increment was given on the date of increment. However, as per the option given by them as 01 January, the pay should be fixed on the date of increment. Thus, the increment given on date of increment does not commensurate with the above orders.

Division in reply assured audit of taking appropriate action after the due scrutiny of the cases.

The matter is brought to the notice of higher authorities.

¹ Shri Pradeep Shukla (06.07.2016) and Shri Laxmi Kant (29.08.2017)

Details of penalty due to delay in release of new connection

Sl. No.	Month	No. of cases	Penalty (in ₹)
1.	April 2019	60	28190
2.	May 2019	47	64730
3.	June 2019	43	19300
4.	July 2019	58	53640
5.	August 2019	3	1660
6.	September 2019	4	1450
7.	October 2019	4	3840
8.	November 2019	4	240
9.	December 2019	3	600
10.	January 2020	5	2270
11.	February 2020	3	39360
12.	March 2020	2	5650
Total		236	220930

Part III

Detail of unsettled paras of previous inspection reports: -

Sl. No.	AIR for the period	Part-II-A	Part-II-B
1.	04/2004 to 03/2005	1	--
2.	04/2005 to 03/2006	1&2	4
3.	04/2006 to 03/2007	1	1 to 4
4.	04/2007 to 09/2010	1 & 2	1 to 6
5.	10/2010 to 03/2012	1 & 2	1 & 4
6.	04/2012 to 03/2013	1 to 3	1 & 2
7.	04/2013 to 03/2015		1 to 7
8.	04/2015 to 03/2016	--	1 to 4
9.	04/2016 to 03/2017	--	1 to 6
10.	04/2017 to 03/2018	--	1 to 8
11	04/2019 to 03/2020	1 & 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 number 27 book number 1053 was issued to the Division. In response, division stated that the replies of previous audit report would be submitted to audit at the earliest.

Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of The Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer, Electricity Distribution Division, Rishikesh 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. D.P. Singh (12.06.17 to Till Date)	Executive Engineer
(ii)	Shri Gajendra Singh	Divisional Accountant (Works)

The compliance report on the AIR is required to be send to Sr. DAG (AMG-II), O/o the PAG (Audit) Uttarakhand, Mahalekhakar Bhawan, Dehradun within one month from the receipt of this AIR.

Sr. Audit Officer/AMG-II (PSUs)