

This inspection report has been prepared on the basis of information provided by Electricity Distribution Circle (Rural), Dehradun. The Office of the 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 (Rural) UPCL Dehradun for the period from April 2013 to September 2016 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act 1971 read with section 619(3)(b) of the Companies Act 1956 & section 143 of Companies Act 2013. Audit Inspection was conducted by Shri Ghanshyam Das Pal, AAO and Dr. Satish Pal, AAO under the supervision of Shri Sohrab Husain, Sr. AO during the period from 23.01.2017 to 28.01.2017

Part-I

1. **Introduction:-** The last audit of this Circle was carried out by Shri A.P.Singh, Asstt. Audit Officer and Shri Vikash Dhyanni Asstt. Audit Officer under the supervision of Shri O.P.S Yadav Sr. Audit Officer in which accounting records for the period from April 2011 to March 2013 were generally examined. In current audit, accounting records of the period from April 2013 to September 2016 were examined.
2. (i). **Functions and geographical jurisdiction of the Circle.**

The main functions of the Circle are to control over /monitoring of the Distribution Divisions (i.e. EDD Gramin Dehradun, EDD Vikash Nagar, and EDD Doiwala) 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.
3. Geographical Jurisdiction of the Circle is Dehradun and its rural area.

(ii) Auditing methodology and scope of audit:

Electricity Distribution Circle (Rural) Uttarakhand Power Corporation Ltd. Dehradun was covered in the audit. This inspection report is based on the findings raised on the examination of records provided by the Circle.

(iii) Revenue, Expenditure and Profit/Loss for the last five years.

Not applicable because no revenue is generated by the Circle.

(iv) Organization structure of the Circle.

Organization structure of the Circle is enclosed.

PART-II-A-REPORT

Para-1: Delay in releasing of New LT Connections Enhancement and Reduction of Loads resultantly UERC imposed penalty- ` 167.03 lakh.

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, realising of L.T. connections, Enhancement of load and Reduction of load in the stipulated period as fixed by the UERC and finalisation of contract/agreements for execution by these divisions.

As per UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulation 2013, if the distribution divisions (EDD, Vikas Nagar, EDD (R), Dehradun, EDD, Rishikesh and EDD, Doiwala) 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 divisions will be imposed as per laid down norms of UERC. Scrutiny of records provided by the circle revealed that during the period from April 2013 to March 2016 consumers applied for New L.T. Connections Enhancement and Reduction of Loads but divisions failed to release the New L.T. Connections Enhancement and Reduction of Loads of in the stipulated period, consequently UERC imposed penalty of ` 159.61 lakh {((i)-Penalty imposed by UERC against EDD, Vikas Nagar during the period from April 2013 to March 2016: ` 41.07 (ii)-Penalty imposed by UERC against EDD, Rishikesh during the period from April 2013 to March 2015: ` 35.90 lakh (iii-) Penalty imposed by UERC against EDD, (Rural) Dehradun during the period from April 2013 to September 2016: ` 90.06 lakh)}

In turn Circle having accepted the audit observation and stated that instructions to release LT connections, Enhancement/Reduction of load as per instructions of UERC has been issued to all the Executive Engineers.

Matter is brought to the notice of higher authority of the Circle.

Part-II-B-Report

Para 1: Blockade of funds due to excess damage of transformers ` 4.75 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, realising of L.T. connections, Enhancement of load and Reduction of load in the stipulated period as fixed by the UERC and finalisation of contracts/agreements for execution by the divisions.

Distribution transformers are vital equipment 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 is done and protection of the device is available.

Central Electricity Authority, Ministry of Power, Government of India has fixed norms for damage of transformers and issued guidelines that the damage should not exceed 3.0 percent of the transformers installed in a year. During scrutiny of technical diary of the Circle (March 2016), it was noticed that the damage rate of transformers was on higher side as compared to the norms fixed by Central Electricity Authority as detailed below:

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	No. of T/F damaged During the year		No. of T/F allowed as per norms (i.e. 3%)	No. of T/F exceed the damage limit	Issue rate of T/F (2015-16)	Blockade of funds due to excess damage of T/F
1	16	409	40	9.78%	12	28	37600	1052800
2	25	1409	225	15.97%	42	183	55000	10065000
3	63	888	91	10.25%	27	64	101100	6470400
4	100	1165	155	13.30%	35	120	134600	16152000
5	160	40	07	17.50%	01	06	175000	1050000

6	250	313	28	8.95%	09	19	442000	8398000
7	400	87	10	11.49%	03	07	616300	4314100
TOTAL								47502300

Above revealed that against the prescribed norms of 3% actual damage rate of transformers was ranged between 8.95% to 17.50% during the years 2015-16, which was comparatively on higher side than norms fixed by the Central Electricity Authority, Ministry of Power, Government of India, consequently blockade of funds of ` 4.75 crore.

Circle having accepted the audit observation stated that in order to reduce the damage rate of transformers following remedial measures are being taken:

1-New Sub-station to reduce the excess load on transformers have been installed under RAPDRP scheme which help to reduce the damage rate of transformers.

2- Arial Bunch Conductor has been laid down in different theft proven areas so that transformer will bear normal load as per connection sanction load.

3- Different fraction feeders have been constructed to reduce excess load on existing feeders under RAPDRP-B scheme which will help to reduce the damage rate of transformers.

Damage rate of transformers would be watched in next audit of the Circle.

Matter is brought to the notice of higher authority of the Circle.

Para 2: Non-recovery of electricity dues from the Government and Non-Government Consumers amounting to ` 369.04 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, realising of L.T. connections, Enhancement of load and Reduction of load in the stipulated period as fixed by the UERC and finalising of contracts/agreements for execution by the divisions.

The Electricity Act 2003 provides that in case a consumer does not pay the electricity dues which are due against him, within 15 days from the date of receipt of the bill, the electricity connection should be disconnected and demand notice of electricity charges is to be issued under Section-3 of Electricity Act 2003 for depositing the dues within 30 days. In case defaulting consumers again do not deposit the dues within stipulated period than notice U/s-3 would be issued to defaulter consumers. In case consumers again do not deposit the dues then recovery certificate under Section - 5 of the said Act would be issued through District Authorities. All these actions should be completed within 6 months.

During the scrutiny of commercial diary and others relevant records relating to Distribution Divisions provided by the Circle, it was noticed that electricity dues amounting to ` 369.04 crore were outstanding for realization against consumers as detailed below:-

(` in lakh)

Sl. No.	Category of consumers	Arrears at end of the year (31 st March 2016)				Total
		Vikas Nagar	Dehradun	Rishikesh	Doiwala	
1	Total Non Govt.	2940.96	565.04	28581.27	213.70	32300.97
2	Total Govt	1600.56	1828.63	959.78	143.17	4532.14
3	Ex Licensees	--	71.72	-	-	71.72

	Total	4541.52	2465.39	29541.05	356.87	36904.83
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Further, it was also noticed that above dues are more than one year old.

It would be observed from the above that divisions were not properly monitored by the Circle.

In turn Circle having accepted the audit observation stated that all the concerned Executive Engineers have been directed to speed up the revenue realisation and to prepare master plan to reduce the arrear. It is also brought to notice that a heavy amount of arrear is lying in the Head of surcharge against the consumers i.e. Jal Sansthan, Nagar Palika etc. as these authorities are not paying the surcharge amount and the matter is on the table of higher authorities of both the department to resolve the surcharge issue.

Reply of the circle is not acceptable because action as provided in the above referred Act was not taken by the division against the defaulter consumers and circle has also not issued any instruction in this regard to the division.

Matter is brought to the notice of higher authority of the Circle

Part-III

Outstanding Paras of previous Audit Inspection Reports.

Period	Part II A	Part IIB	Total
04/1991 to 03/1993	--	1,2,3,&4	04
04/1996 to 03/1998	--	1	01
04/1998 to 10/2000	1	1,2	03
11/2000 to 08/2003	-	1,2	02
09/2003 to 03/2005	--	1,2	02
04/2005 to 03/2006	--	1,2	02
10/2006 to 03/2007	---	1,2 &3	03
04/2007 to 03/2013	--	1,2	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.47 was issued to the Circle. In turn Circle furnished reply of the two paras of Inspection Report for the period from 4/2007 to 3/2013 which are being examined in the separate file .Circle has not furnish reply to the remaining outstanding paras of inspection reports.

Part IV

Best practices of the Division

No good practices or innovation noticed during the course of audit

Part V

Acknowledgement

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

2. Documents were not produced during audit:

-----NIL-----

3. Persistent irregularities.

-----NIL-----

4- 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 N. K. Joshi	Superintending Engineer	04.07.2012 to 12.9.2013
2	Shri Rajneesh Agarwal	Superintending Engineer	13.9.2013 to 7.03.2014
3	Shri M.C. Gupta	Superintending Engineer	8.03.2014 to 06.4.2014
4	Shri. M.L.Tamta	Superintending Engineer	06.4.2015 to till date of audit.
5	Sh. Bhagirath Bharti	AAO	01.04.2013 to 26.08.2013
6.	Sh. U.B. Saxena	AAO	26.08.2013 to 03.12.2014
7.	Sh. Surender singh Bisht	AAO	03.12.2014 to 11.05.2015
8.	Sh. Vikram Singh Yadav	AAO	11.05.2015 to till date.

Sr. Audit Officer/ES-1