

This inspection report has been prepared on the basis of information provided by Electricity Distribution Circle (Urban), UPCL 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 (Urban), 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 30.01.2017 to 03.02.2017

Part-I

1. **Introduction:** - The last audit of this Circle was carried out by Shri A.P.Singh, Asstt. Audit Officer and Shri Vikas Dhyani, 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 generally 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 (EDD (North), Dehradun, EDD (Central) Dehradun, and EDD (South), 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.
3. Geographical Jurisdiction of the Circle is Dehradun.

(ii) Auditing methodology and scope of audit:

Electricity Distribution Circle (Urban), 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.

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PART-II-A-REPORT

Para-1: Delay in releasing of New LT Connections resultantly UERC imposed penalty of `76.88 lakh on the divisions.

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, releasing 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 these divisions.

As per UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulation 2013, if the distribution divisions {(EDD (North), Dehradun, EDD(South), Dehradun, and EDD (Central), Dehradun)} 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 onwards consumers applied for New L.T. connections but divisions failed to release the New L.T. connections in the stipulated period, consequently UERC imposed penalty of ` 76.88 lakh {(i)-Penalty imposed by UERC against(EDD (North), Dehradun for the period from April 2013 to September 2016: ` 14.97 lakh (ii)-Penalty imposed by UERC against EDD (South), Dehradun during the period from April 2013 to December 2016: ` 45.86 lakh (iii-) Penalty imposed by UERC against EDD (Central), Dehradun during the period from April 2013 to September 2016: ` 16.05 lakh)}

In turn Circle having accepted the audit observation stated that instructions to release LT connections, Enhancement/Reduction of load as per instructions of UERC have been issued to all the Executive Engineers. Sometimes due to delay in deposit of the requisite charges as per estimate by the consumers or some objections by other consumers regarding making electricity lines near to their land it also occurs. But necessary steps are also being taken to release the connections, enhancement/reduction of load as per UERC norms.

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 ` 1.34 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 and realising of L.T. connections, Enhancement of load, Reduction of load in the stipulated period as fixed by the UERC and awarding of contracts/agreements for execution by the Distribution Divisions under the jurisdiction of the Circle)

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) EDD (South)	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.	63	115	6	5.21%	03	03	101100	303300
2.	100	253	16	6.32%	08	08	134600	1076800

3.	160	19	2	10.52%	01	01	175000	175000
4.	250	206	20	9.71%	06	14	442000	6188000
7	400	69	06	8.70%	02	04	616300	2465200
EDD North								
	250	166	06	3.61%	05	01	442000	442000
	400	72	05	6.94%	02	03	616300	1848900
EDD Central								
	250	211	08	3.79%	06	02	442000	884000
TOTAL								13383200

Above revealed that against the prescribed norms of 3% actual damage rate of transformers was ranged between 3.61% to 10.52% 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 ` 1.11 crore.

Circle 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 ` 91.64 crore.

The main functions of the Circle are to control/monitor over/of the Distribution Divisions under the jurisdiction of it i.e. control over damage rate of transformers, collection of revenue, loss of energy in distribution and releasing of L.T. connections, Enhancement of load and Reduction of load in the stipulated period as fixed by the UERC, finalisation of contracts/agreements and awarding of these to the contractors 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 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 ` 91.64 crore were pending for realization against the consumers as detailed below.

Sl. No.	Category of consumers	Arrears at end of the year (31 st March 2016)			Total
		EDD (Central) Dehradun	EDD (North) Dehradun	EDD (South) Dehradun	
1.	Total Non Govt.	2167.20	551.15	2639.63	5357.98

2.	Total Govt	1467.73	1378.34	959.90	3805.97
	Total	3634.93	1929.49	3599.53	9163.95

Further, it was also noticed that these dues were old more than one year, thus action as provided in above referred act should have been taken. Thus it is evident 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 bring to your kind consideration that a heavy amount of arrear are 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 are 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 had also not issued any instruction in this regard to the divisions.

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
04/2006 to 03/2007	--	1,2,3	03
04/2007 to 12/2010	--	1,2,3	03
04/2011 to 03/2013	1	1,2	03

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) Uttarakhand, Dehradun expresses gratitude towards Superintending Engineer of the Circle (Urban), Dehradun 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/ AO/AAO	Post	Period
1	Shri R. S. Burfal	Superintending Engineer	04/2013 to 04.07.2014
2	Shri B.M.S. Parmar	Superintending Engineer	04.07.2014 to Till Date
3	Shri Hari Om Pali	AAO	02.11.2011 to 30.06.2014
4	Shri Hari Om Pali	AO	01.07.2014 to 12.05.2015
5	Shri S.S. Bisht	AAO	13.05.2015 to 31.08.2016
6.	Shri Dinesh Kumar	AO	31.08.2016 to Till Date

Sr. Audit Officer/ES-I