

This inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, (Central) 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 Executive Engineer, Electricity Distribution Division, (Central) Dehradun 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.A.O. during the period from 21.05.2018 to 01.06.2018.

**Part-I**

1. **Introduction:-** The last audit of this unit was conducted by Shri Amit Kumar Mishra, AAO, Shri A. P. Singh AAO and Shri Vikas Dhyani, AAO for the period April 2016 to March 2017 under the supervision of Shri Mukesh Kumar, Sr. A. O. 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, (Central) Dehradun is to distribute electricity to the Central area of Dehradun and keep as well as strengthen the electricity distribution system. Geographical jurisdiction of the division is Central area of Dehradun city.

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

Electricity Distribution Division, (Central) Dehradun 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. July 2017 month was selected for detailed examination of vouchers and October 2017 was selected for arithmetical accuracy.

(iii)			(` In crore)	
Year		Revenue	Expenditure	Profit
April 2017 to		123.50	10.09	--
March 2018				

(To the extent this information is available & applicable)

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

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

## Part II (A)

### **Para 1: Non-realisation of revenue from different consumers**

Commercial & Revenue manual of Uttar Pradesh Power Corporation (which is being followed by Uttarakhand Power Corporation Limited) provides that in case a consumer does not pay electricity dues against him, within 30 days from the receipt of bill, his connection would be disconnected and demand notice for recovery of electricity dues will be issued u/s 3 of UP Electricity Dues and Recovery Act, 1958 for depositing of dues against him within 30 days. In case consumer again fails to deposit the dues in the stipulated period then a recovery certificate (RC) U/S-5 of UP Electricity dues and recovery Act 1958 would be issued through concerned District Authority. All such action for recovery of dues should be completed within Six Months. The details in respect of various categories of consumers who are not regular in payment of their electricity dues are as under:

S.No	Name of Consumer	KNO	Category	Arrear due as on March 2018
1	Doon Motor Cycle	17744	RTS-2	3,40,000
2	Harsh Sehgal	17765	RTS-2	2,44,586
3	S. P. Pandhi	21551	RTS-5	2,15,958
4	Rajya Sampatti Adhikari	25946	RTS-1	14,18,869
5	Rajya Sampatti Adhikari	2603	RTS-2	45,44,421
6	Rajya Sampatti Adhikari	2602	RTS-2	36,54,918
7	Rajya Sampatti Adhikari	25775	RTS-2	34,86,239
8	Rajya Sampatti Adhikari	7206	RTS-2	39,86,987
9	Jal Kal Abhiyanta	6372	RTS-3	20,40,118
10	EE Jal Kal Sansthan	6389	RTS-3	14,76,976
11	ONGC	167	RTS-2	33,79,930
12	EE Jal Kal Abhiyanta	6387	RTS-3	13,35,923
13	Rajya Sampatti Adhikari	24598	RTS-1	52,93,046
14	EE South Jal Sansthan	6442	RTS-2	10,78,067
<b>Total</b>				<b>3,24,96,038</b>

It can be seen from above that huge amount of electricity dues were pending as on March 2018 from these consumers but no action for recovery as per Corporation's recovery rules were taken against them. Also, the initial security from seven consumers at sl. no. 1,2,3,4,9,10 & 13 was also not recovered.

Division accepted the audit observation and stated in its reply that notices are being issued to the concerned consumers for recovery of the arrears and all sub-divisional officers are also being instructed for prompt action in this regard. Reply of the division is not convincing as arrear has risen up to an alarming stage despite the efforts made by division.

The matter was brought to the notice of higher authorities.

**Para 2: Non-realisation of RCs due to insufficient address**

As per Indian Electricity Act 2003, the payment of electricity dues should be made within due date mentioned in the bill. In case of default, the supply was required to be disconnected after seven days and a demand notice under Section 3 of Dues Recovery Act, 1958 (giving 30 days' notice) was to be sent. If payment was not received, a Recovery Certificate (RC) under Section- 5 of the said act was to be sent to the District Magistrate concerned to recover the dues as land revenue. Proper care was required to be taken that the particulars of the consumers were correct and permanent disconnection was duly finalized so that the RC's could be realized.

The status of Recovery Certificates issued and returned due to insufficient address during 2016-17 and 2017-18 in Electricity Distribution Division (Central) Dehradun were detailed below:

Year	RC issued		RC returned due to insufficient address	
	No. of RC	Amount	No. of RC	Amount (In ₹)
2016-17	109	55,92,923	52	20,63,834
2017-18	47	20,65,359		
<b>Total</b>	<b>156</b>	<b>76,58,382</b>	<b>52</b>	<b>20,63,834</b>

During scrutiny of records, it was noticed that, 156 numbers of RCs amounting to ₹ 76.58 lakh were issued to district authorities for realization of dues during the years 2016-17 and 2017-18. However, 52 number of RCs amounting to ₹ 20.64 lakh were returned from district authorities during same period with the reasons that father's name/proper address of the defaulting consumers were not mentioned in RCs. This shows that consumers' details were not fed correctly/not updated in the records of the division. Hence, the chances of recovery of these dues are very grim.

Division accepted the audit observation and stated in its reply that the addresses of the consumers were not completely recorded in the consumer database. Now, efforts for updating address of the consumers are being made and revised RCs in respect of these consumers would be issued. However, the fact remains that consumers' details were not fed correctly updated in the records because of which the chances of recovery of these dues are very grim.

The matter was brought to the notice of higher authorities.

## Part II B

### **Para 1: Blockade of funds amounting to ₹ 36.00 lakh**

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.

During scrutiny of records of the division, it was observed that a 5 MVA power transformer (manufacturing year - 2003) complete with oil and all fitting and accessories (Old and Used) was dismantled and handed over to Junior Engineer, Bindal Substation by Project Wing of R-APDRP Part-B of UPCL in April 2015 for use in further corporation work. The value of transformer was ₹ 36.00 lakh. However, the said transformer was lying idle with the division for 27 months and the same was returned to Store Division in July 2017. The said transformer was not in use and remained idle for 27 months which resulted in blockade of funds amounting to ₹ 36.00 lakh of the Corporation.

Division stated in its reply that after dismantling of said transformers in April 2015, other divisions/ sub-divisions were asked to take the said transformer as per their requirements to avoid the additional cartage to send the same to Store division. As no requirement of the same was received, the same was transferred to Store division in July 2017. However, the details regarding whether the transformer was in working condition when it was returned to Store Division and if not, the expenditure made to repair the same was asked for but still awaited. The reply of the division is not convincing as the said transformer was not in use and remained idle for 27 months which resulted in blockade of funds amounting to ₹ 36.00 lakh of the Corporation.

The matter was brought to the notice of higher authorities.

**Para 2: Non Compliance of UERC Directions**

As per Uttarakhand Electricity Regulatory Commission (Release of new HT & amp; EHT Connections, Enhancement and Reduction of Loads) Regulations, 2008, voltage of supply to an applicant shall be as under:

1. Load more than 88 kVA and upto 3000 kVA 11 kV
2. Load more than 3000 kVA and upto 10000 kVA 33 kV
3. Load more than 10000 kVA and upto 50000 kVA 132 kV
4. Load more than 50000 kVA 220 kV

Provided that applicants shall be allowed to take connection at voltage higher than voltage of supply indicated above.

During scrutiny of records relating to commercial consumers (RTS-2), it was revealed that the connection was released on 0.4 kV Line to six commercial consumer namely GEMES, Hotel Nivesh, DG Police Headquarter, Hotel Inderlok, Doon Club and Gaurav Hotel whose contracted load were more than 88 kVA. The same should have been sanctioned at 11 kV line but this was not done by the division. This resulted in violation of UERC Regulation, 2008.

Division accepted audit observation and stated in its reply that connections of these consumers would be shifted to the 11 KV line as per UERC Regulations and same would be intimated to audit. However, the fact remains that these connections should have been released at 11 kV line failing which resulted in violation of UERC Regulation, 2008.

The matter was brought to the notice of higher authorities.

**Para 3: Penalty due to delay in release of new LT connection**

As per UERC Regulation 2013 (Release of new LT connections, Enhancement and reduction of loads), If the distribution division concerned failed to provide LT connection to the consumers applying in the stipulated time, a penalty on the division will be imposed as per laid norms of UERC.

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

<b>Year</b>	<b>No. of cases where connection were released beyond stipulated time</b>	<b>Amount of Penalty</b>
2016-17	26	284000
2017-18	42	212050
<b>Total</b>	<b>68</b>	<b>4,96,050</b>

It is evident from above that penalty of ₹ 4.96 lakh was imposed on the division during the period 2016-17 and 2017-18 for not releasing the connections in the stipulated time. 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.

The division stated its reply that information in respect of penalty due to delay in release of new LT connections is sent to UERC regularly on monthly basis. It is being ensured that there will be no delay in release of New Service Connection and no such penalty shall be levied on the division in future. In this regard, all the sub-divisional officers have been directed for compliance of the same. Had the division taken the sincere efforts well before in time, the penalty of ₹ 15.24 lakh due to delay could have been avoided.

The matter was brought to the notice of higher authorities.

### **Part III**

Detail of unsettled paras of previous inspection reports:-

<b>Sl. No.</b>	<b>Period</b>	<b>Part II-A</b>	<b>Part II-B</b>
1.	Since inception to 03/2007	1	1 to 3
2.	4/2007 to 03/2008	-	1 to 5
3.	04/2008 to 09/2009	1 to 3	1 to 3
4.	10/2009 to 03/2011	1,2	1 to 5
5.	04/2011 to 03/2013	1,2	1,2
6.	04/2013 to 03/2014	-	1 to 5
7.	04/2014 to 03/2015	1 to 3	1 to 3
8.	04/2015 to 03/2016	1	1 to 4
9.	04/2016 to 03/2017	1 to 5	1 to 6

Compliance report of unsettled paras of previous inspection report-

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

### **Part IV**

**Best practices of the unit**

NIL



## **Part V**

### **Acknowledgement**

1. Office of The Accountant General (Audit) Uttrakhand, Dehradun expresses gratitude towards Executive Engineer, Electricity Distribution Division, (Central) Dehradun 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. Munish Chandra	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. Audit Officer/ES-I**