

This inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, (South) 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 Executive Engineer, Electricity Distribution Division, (South) 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 02.06.2018 to 14.06.2018.

Part-I

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

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

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

(iii)

(` in crore)

Year	Revenue	Expenditure	Profit
April 2017 to March 2018	190.30	16.06	--

(To the extent this information is available & applicable)

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

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

Part II (A)

Para 1: Non- realization of Revenue

The purpose of establishing distribution division in different parts of the State is to provide electricity to the consumers of different categories. One of the most important functions of the division is to realize electricity charges consumed by the consumers. The realisation as per the targets fixed by the UPCL is intimated monthly to the division indicated efficiency of the division and good financial health of the UPCL. The revenue collected/ realised by the division is intimated through monthly commercial diary of the distribution division. Review of the commercial diary of the division for the month of March 2018 revealed that there are huge arrears pending for realisation from government as well as non-government consumers which was as follows:

(` in crore)			
Sl. No.	Category of Consumers	Arrears as on March 2017	Arrears as on March 2018
1.	Government Consumers	13.96	16.48
4.	Non Government Consumer	22.79	24.92
Total		36.75	41.40

The arrears has risen up to an alarming stage amounting to ₹ 41.40 crore as on March 2018 in comparison to previous year's of ₹ 36.75 crore which is not good for the financial health of the Company.

Division accepted the audit observation and stated that all sub-divisional officers are being instructed for 100 *per cent* recovery and correspondence is also being made with the Head of Department in respect of Government consumers for recovery of arrears. 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 the 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.

During scrutiny of records, it was noticed that, 91 numbers of RCs amounting to ₹ 70.85 lakh were issued to district authorities for realization of dues during 2017-18. However, 79 number of RCs amounting to ₹ 41.77 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 that complete addresses of the consumers were not recorded in the consumer database. However, 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 are very grim.

The matter was brought to the notice of higher authorities.

Part II B

Para 1: Poor maintenance of DTR Metering

Part A of R-APDRP scheme includes Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders. The main objective is to acquire meter data from selected DTR's, Feeders, HT services, and Boundary meters automatically from remote avoiding any human intervention, monitor important distribution parameters, use meter data for accurate billing purposes and generate exceptions and MIS reports for proper planning, monitoring, decision support and taking corrective actions on the business activities by the management. It will help in reduction in AT&C losses; establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency.

As per records/details of damaged/bypass DTR metering system installed in town area under South Division Dehradun, it was observed that a total number of 429 meters/ modems were installed against which only 172 (40.09 percent) meters/modems were working/ communicative. Remaining 257 (59.91 percent) were not working/non-communicative as on 31st May 2018 which is beyond control, this will adversely affect accuracy of energy inflow/ outflow and measurements of AT&C losses and shows that one of the basic objective of implementation of Part A of R-APDRP scheme, to record accurate inflow/ outflow of energy, to reduce AT& C losses and to improve revenue collection efficiency was defeated.

Division accepted the audit observation and stated that it is the joint responsibility of distribution and test division to keep the meters/ modems communicative/ working which were installed in distribution transformers. Efforts for proper coordination with test division are being made for reducing the percentage of damaged/ non-communicative meters/ modems. However, the fact remains that as more than 59 percent meters/modems were not working/non-communicative, the objective of installation of these meters/modems, to record accurate inflow/ outflow of energy, to reduce AT& C losses and to improve revenue collection efficiency was defeated.

The matter was brought to the notice of higher authorities.

Para 2: 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:

Year	No. of cases where connection were released beyond stipulated time	Amount of Penalty
2016-17	150	663020
2017-18	121	724810
Total	271	1387830

It is evident from above that penalty of ₹ 13.88 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 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 ₹ 13.88 lakh due to delay could have been avoided.

The matter was brought to the notice of higher authorities.

Para 3: Delay in electrification of residential/ commercial complex on deposit work

An estimate for electrification of Residential/commercial complex of M/s RBS Developer, 7 A, Saharanpur Road, Ajabpur Khurd Dehradunn was prepared under deposit work by the division on request of consumer on 10.08.2017 valuing ₹ 42.45 lakh. The report in respect of electrification of said work was submitted on 10.08.2017. The amount of ₹ 42.45 lakh was deposited by consumer on 22.08.2017.

During Scrutiny of records and measurement book, it was noticed that the work has not been completed till date though the material issued by store division was taken into account in measurement book in September 2017.

Division in its reply stated that the site of the electrification was not complete and made available by consumer till date. However a connection with a load (Partial load) of 50 KW was released in January 2018 to the consumer for completion of rest of the work at site. The updated progress of the work when completed will be intimated to audit. The progress would be watched in next audit.

The matter was brought to the notice of higher authorities.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part II-A	Part II-B
1.	4/1999 to 3/2000	1 to 4	1 to 3
2.	4/2000 to 03/2001	--	3 to 5
3.	3/2001 to 4/2002	--	4 & 5
4.	5/2002 to 6/2003	--	1 to 3
5.	7/2003 to 5/2004	1 to 3	03
6.	6/2004 to 3/2005	1	1, 3 & 4
7.	4/2005 to 3/2006	--	1 to 4 & 6
8.	4/2006 to 3/2007	--	04
9.	4/2007 to 3/2008	--	2 to 4
10.	4/2008 to 3/2011	--	1,3 & 5
11.	4/2013 to 3/2014	1 to 4	--
12.	4/2014 to 3/2015	-	1 & 2
13.	4/2015 to 3/2016	-	2
14.	4/2016 to 3/2017	1	6

Compliance report of unsettled paras of previous inspection report-

Inspection report period and number	Para No. Audit observation	Compliance report	Comments of Audit Party	Remarks
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Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of the Principal Accountant General (Audit) Utrakhand, Dehradun expresses gratitude towards Executive Engineer, Electricity Distribution Division, (South) 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 Ashutosh Tiwari (last audit to 18.08.2017)	Executive Engineer
(ii)	Shri. Anil Kumar Mishra (19.08.2017 to till date)	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