

CHAPTER X : MINISTRY OF INFORMATION AND BROADCASTING

10.1 Avoidable payment of demand charges

Delay in assessing contracted load and reducing the same as per requirement, resulted in avoidable payment of ₹ 1.78 crore as demand charges.

All India Radio (AIR), Aligarh was having a contracted load of 3000 KVA with the Uttar Pradesh Power Corporation (UPPCL), for its power supply. As per the agreement with UPPCL, demand charges are levied on actual maximum demand recorded in a month or 75 per cent of the contracted load, whichever is higher, along with charges of actual energy consumed at the rates applicable from time to time.

Audit analysis of electric load revealed (April 2011) that actual consumption during 2008-09, 2009-10 and 2010-11 ranged between 558 KVA and 1116 KVA, 544 KVA and 1008 KVA and 572 KVA and 760 KVA respectively, and showed declining trend over these years. However, AIR Aligarh made no efforts to re-assess the demand and get its contracted load reduced. Consequently, it continued to pay demand charges for 2250 KVA per month (calculated at 75 per cent of the contracted load of 3000 KVA).

AIR Aligarh while accepting (August 2011) the audit observation, stated that low demand was on account of existing transmitters working on lower capacity and new transmitters expected to be installed. The reduction in load would be taken up with the State Electricity Board after installation of new transmitters. It subsequently informed (May 2014) that reduction in load to 1250 KVA was approved by the Director General, on 21 April 2014 and the matter has been taken up with UPPCL.

Thus, delays in assessing contracted load and seeking approval of the competent authority to reduce load resulted in an avoidable payment of ₹ 1.78 crore (**Annex-XII**) by AIR Aligarh.

The matter was reported (May 2014) to the Ministry; their reply was awaited.