

CHAPTER XI : DEPARTMENT OF SPACE

11.1 Avoidable payment of demand charges

Failure of the ISRO Satellite Centre and ISRO Telemetry, Tracking and Command Network to assess power consumption needs accurately and delay in taking action to reduce the contracted demand resulted in avoidable payment of ₹ 3.72 crore for consumption of electricity.

The ISRO Satellite Centre (ISAC) and the ISRO Telemetry, Tracking and Command Network (ISTRAC), Bangalore, constituent units of the Indian Space Research Organisation (ISRO) under the Department of Space (DoS) entered into agreements with the Bangalore Electricity Supply Company (BESCOM) in April 2007 and April 2008 respectively for supply of electricity for their units at Bangalore. The agreements were entered into for supply of 5500 KVA power supply (contracted demand) by ISAC and 2500 KVA power supply (contracted demand) by ISTRAC.

As per BESCOM's tariff policy for high tension lines, if the power consumption was less than the contracted demand, the billing demand which was a minimum of 75 per cent of the contracted demand or the maximum demand recorded during the month, whichever was higher, had to be paid.

Audit examination of records revealed that the monthly consumption of electricity never reached the contracted demand during the period April 2007 to December 2011 at ISAC and during the period April 2008 to April 2011 at ISTRAC. Since, the consumption of power was far below the contract demand, payment of 75 per cent of contract demand (4125 KVA for ISAC and 1875 KVA for ISTRAC) being the billing demand was being paid each month as per the BESCOM tariff policy for high tension lines. The maximum actual demand recorded vis-à-vis contract demand during the period was mere 33 per cent in case of ISAC and 39 per cent for ISTRAC, which clearly indicated that the contracted demand was significantly higher than the actual requirement. Thus, the agreement for higher contract demand resulted in incurring an avoidable excess expenditure of ₹ 3.72 crore, towards cost of power not actually utilized as detailed in the following table :

Name of Unit	Contract Demand (in KVA)	Billing Demand (75% of Contract Demand) (in KVA)	Range of Actual Consumption Per Month (in KVA)	Period of Bill	Charges Worked Out (₹ in lakh)	Actual Payment (₹ in lakh)	Excess Payment (₹ in lakh)
ISRO Satellite Centre-ISAC	5500	4125	1182-1788	April 2007 to December 2011	162.22	456.23	294.01
ISTRAC-IDSN Project	2500	1875	165-979	Apr 2008 to April 2011	39.48	117.52	78.04
Total					201.70	573.75	372.05

On this being pointed out (December 2009) in audit, ISAC, accepting the fact, replied (January 2012) that on the basis of need assessment, the expected power requirement up to the end of year 2014 would be about 4000 KVA and therefore they had applied (September 2011) to BESCOM for entering into a fresh agreement to reduce the contract demand of the Centre from 5500 KVA to 4000 KVA (entailing a minimum chargeable demand of 3000 KVA). It was further added that ISAC was pursuing the matter with BESCOM to reduce the contracted demand to 4000 KVA and their application was under process (January 2012).

In its reply, ISTRAC stated (May 2011) that as per the revised assessment, the optimum maximum demand was likely to reach 1100 KVA and it had requested (June 2010) BESCOM to reduce the contract demand from 2500 KVA to 1250 KVA.

Based on the audit observations pointing to the excess contract of power demand, ISTRAC and ISAC initiated action to reduce the contract demand only in June 2010 and September 2011 respectively. Thus, the failure of ISAC and ISTRAC to accurately assess power consumption needs in the first instance, together with delay in taking action to reduce the contracted demand, resulted in avoidable payment of ₹ 3.72 crore (as of December 2011) for consumption of electricity towards billing demand.