



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4thFloor, Singareni Bhavan, Red Hills, Hyderabad 500004

WEDNESDAY, THE FOURTEENTH DAY OF JUNE,
TWO THOUSAND AND TWENTY THREE

:Present:

Justice C.V. Nagarjuna Reddy, Chairman
Sri Thakur Rama Singh, Member

O.P.No.10 of 2023

Between:

Military Engineer Services (MES)
Garrison Engineer (I) NYC,
Ship Building Centre, Naval Base Post,
Godavari Gate, Visakhapatnam - 530 014.

... Petitioner

And:

1. APTRANSCO, Vidyut Soudha, Gundala, Vijayawada - 524 004
- 2, Eastern Power Distribution Company of Andhra Pradesh Ltd,
Corporate Office, P&T Colony, Seethammadhara, Visakhapatnam - 530 013

... Respondents

This Original Petition has come up for hearing before us today in the presence of Sri C.Suil Chowdary, ISDE, AEE of Garrison Engineer (I) NYC, representing the petitioner and Ms. Madhavi Lata Katasani, Counsel representing Sri P. Shiva Rao, learned Standing Counsel for the respondents, that after carefully considering the material available on record and after hearing the arguments of the learned counsel for both parties, the Commission passed the following:

ORDER

This Original Petition is filed for recognizing the Military Engineering Services (MES) at Ship Building Centre, Visakhapatnam, as a Deemed Distribution Licensee in the State of Andhra Pradesh.

We have gone through the averments in the petition and heard Sri C.Suil Chowdary, ISDE, AEE of Garrison Engineer (I) NYC, representing the petitioner and Ms. Madhavi Lata Katasani, Counsel representing Sri P. Shiva Rao, learned Standing Counsel for the respondents.

Both the respondents filed counter-affidavits, wherein the status of the petitioner as an entity falling under the Second Proviso to Section 14 of the Electricity Act, 2003 (for short “the Act”) is not disputed.

In the counter affidavit filed on behalf of respondent No.1, it is, *inter alia*, stated that the petitioner has not furnished the following information:

- “a) Information/details of Tie up with Generator for availing Power;
- b) Network details for transmission of power i.e whether they are going to build own network or use Transco network. Further, it is required by AP Transco to assess its impact on the network as facilitating the necessary network is the primary responsibility of the STU;
- (c) MES plan for backup or standby power in case failure to safeguard the Grid”.

In the counter-affidavit filed on behalf of respondent No.2, the only plea raised is that for providing electricity to meet the requirements of MES, both the respondents have established the required transmission and distribution network and uninterrupted power supply is being extended till date by purchasing power from several Generators. It is further averred that for providing the said service, respondent No.2 has executed long term Power Purchase Agreements with Generators to meet the required demand in the State, including the petitioner; and that even if the petitioner stops receiving

power supply, respondent No.2 will be obligated to pay fixed charges for that power, which have to be borne by other consumers of the Licensee.

In our opinion, the stand taken by respondent No.2 in opposing the prayer in the petition, viz., recognition of the petitioner as a “Deemed Distribution Licensee” militates against the Second Proviso to Section 14 of the Act. As per the said Proviso, in case an appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, they shall be deemed to be a Licensee under the Act. The petitioner claimed that it is the Defence Organisation, an organ of the Central Government, which falls within the definition of Section 2(5)(a)(i) of the Act. It is, obviously, because of this undisputed position, that neither of the respondents have raised any dispute about the claim of the petitioner that it is a part of the Central Government, which is the “Appropriate Government” as per the aforementioned definition. Once the petitioner satisfies the requirement of the Second Proviso to Section 14 of the Act, no other factor could be taken as a relevant consideration to deny the petitioner the status of a Deemed Distribution Licensee. Therefore, it is idle to plead that by granting Deemed Distribution Licensee status, the power, which was committed to the petitioner, will get stranded and that respondent No.2 needs to pay fixed charges even for such stranded power.

We, however, find merit in the objections of respondent No.1 regarding the failure of the petitioner to furnish required information. The petitioner is, therefore, directed to furnish the information mentioned in para-4 of the

counter-affidavit of respondent No.1 within two weeks from today to both the respondents. On furnishing such information, respondent No.1 shall submit a report of compliance to this Commission along with proof of payment of required charges payable by a Deemed Distribution Licensee in terms of Andhra Pradesh Electricity Regulatory Commission (Fees) First Amendment Regulation 2013 (Regulation 11 of 2013). On receipt of such a compliance report, the Office shall issue an appropriate proceedings recognizing the petitioner as a Deemed Distribution Licensee.

Subject to the above directions, the OP is disposed of.

Sd/-
Thakur Rama Singh
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman