



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4thFloor, Singareni Bhavan, Red Hills, Hyderabad 500004

WEDNESDAY, THE SIXTH DAY OF JULY
TWO THOUSAND AND TWENTY TWO

:Present:

Justice C.V. Nagarjuna Reddy, Chairman

Sri P. Rajagopal Reddy, Member

Sri Thakur Rama Singh, Member

Re:

Suo Motu Proceedings against -

1. The Anakapalli Rural Electric Co-operative Society Limited,
Kasimkota,-531031 (RESCO) , represented by its Managing
Director-Sri M.V.Ramakrishnam Raju.

2.Sri M.V.Ramakrishnam Raju, Managing Director, The
Anakapalli Rural Electric Co-operative Society Limited,
Kasimkota,-531031.

3. The Andhra Pradesh Eastern Power Distribution Company
Limited (APEPDCL), represented by its Chairman and Managing
Director, Visakhapatnam, A.P.

... Respondents.

ORDER:

By order dated 25-3-2021 this Commission directed the
Andhra Pradesh Eastern Power Distribution Company Limited
(APEPDCL), respondent No.3 herein, to take over the activities of
Distribution and Retail Sale of Electricity in the area of The

Anakapalli Rural Electric Co-operative Society Limited (RESCO), respondent No.1 herein, with immediate effect, pending settlement of the issues relating to the assets and liabilities by the competent authority.

In compliance of the said direction, the Managing Director of respondent No.1, respondent No.2 herein, has handed over the activities of respondent No.1 to respondent No.3, vide: minutes dated 03-9-2021, and letter Rc.No.3/ARECS/KSK/MD/ESTT/2021/D.No.3908, dated 01-9-2021. Since then, respondent No.3 has been undertaking the activities of distribution and supply of electricity for all the consumers, who fell within the 1st respondent's jurisdiction, as the said area falls within the area of supply of respondent No.3.

Whiles, it has come to the notice of the Commission that respondents 1 and 2 have unlawfully started interfering with the distribution and supply activities again from 01-6-2022. Consequently, this Commission has issued summons to respondent No.2, which reads as under:

“In the matter of unauthorised remittance of collections from the consumers by Anakapalle RESCO in to its own account instead of that of APEPDCL

SUMMONS

APEPDCL, in its report dated 12-6-2022 submitted to the Commission, stated that the Anakapalle RESCO has stopped billing the consumers in the RESCO's area in the name of APEPDCL from the billing month of May 22 and instead, is raising the bills on the consumers from 01-6-2022 using RESCO's own billing system and remitting the collections to the RESCO's own account instead of that of APEPDCL. Since your society has neither a licence nor is exempted from having a licence, your action is prima facie illegal and subversive of the provisions of the Electricity Act, 2003. You are, therefore, directed to appear in person before the Commission at 11 am on 06-7-2022 in the court hall of the Commission at Hyderabad and explain why proceedings under Section 142 r/w.146 of the Electricity Act shall not be initiated against you".

As directed, respondent No.2 has personally appeared before the Commission today. When questioned as to under what authority he was interfering with the distribution and supply activities being undertaken by respondent No.3, he has, orally, submitted that on 02-6-2022 the Government of Andhra Pradesh has recommended grant of exemption in favour of respondent No.1, and that, therefore, he has ventured to undertake the activity of supply and distribution. He, however, admitted that what has been issued by the Government is only a recommendation for exemption for grant of licence, and the 1st respondent's application for exemption is still pending before this Commission.

Section 12 of the Electricity Act, 2003 (for short "the Act"), *inter alia*, prohibits any person to undertake the activity of supply

without a licence or an exemption from obtaining such a licence. Under Section 142, read with 146 of the Act, any activity contrary to the provisions of the Act is penal in nature and the violator is liable for imposition of penalties and also for prosecution.

Under Section 13 of the Act, the discretion is vested in the Commission to grant exemption on the recommendation of the appropriate Government.

Admittedly, the respondents 1 and 2 have handed over the activities of distribution and supply to the jurisdictional DISCOM, viz., respondent No.3, as far back as on 03-9-2021. The application filed by respondents 1 and 2 for exemption is pending before the Commission. Until and unless this Commission grants exemption, respondents 1 and 2 cannot, by any stretch of imagination, meddle with the functioning of the jurisdictional licensee, respondent No.3. *Ex facie*, respondents 1 and 2 are indulging in blatant violation of the provisions of the Act, as referred to above. In spite of being informed, during the hearing, that the respondents cannot indulge in the activities of supply without obtaining either licence or exemption, respondent No.2 has not agreed to keep away from the said activity.

It needs no emphasis that in a Society governed by Rule of Law, every person is bound to follow the Law in its letter and spirit. The respondents 1 and 2 cannot usurp the function of supply and distribution without there being any semblance of right as on today. The action of respondents 1 and 2, *prima facie*, is in brazen violation of Law. Therefore, the Commission is left with no option other than restraining respondents 1 and 2 from, in any manner, interfering with the activity of distribution and supply of power and recovery of charges from the concerned in the erstwhile area of operation of respondent No.1, by the jurisdictional licensee, respondent No.3, pending further orders. There shall be an interim order accordingly.

Respondent No.2 shall continue to personally appear before the Commission as and when summoned with his own expenses.

Call on 13-7-2022.

Sd/-
Thakur Rama Singh
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman

Sd/-
P. Rajagopal Reddy
Member

(By Order of the Commission)


Commission Secretary i/c