



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

4<sup>th</sup>Floor, Singareni Bhavan, Red Hills, Hyderabad 500004

WEDNESDAY, THE THIRTEENTH 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.

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**ORDER:**

Respondent No.2 has sent a letter dated 12-7-2022 addressed to the Commission Secretary, through mail, stating that as he is suffering from severe back pain, he is unable to appear before the Commission for today's hearing and he is

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advised to take rest for ten days by the Doctor; and that after the said period he will appear before the Commission. He has enclosed a Doctor's certificate, under which it is certified that respondent No.2 is suffering from low back pain and he recommended his absence for duty for ten days from 11-7-2022.

Though, *prima facie*, the Commission feels that the so-called back pain is a pretext to avoid appearance; however, extending the benefit of doubt, the Commission is inclined to dispense with his presence for today's hearing. However, he shall appear before the Commission on the next date of hearing.

On being required through a separate communication from the Commission's office, the Superintending Engineer (Operations), Visakhapatnam, of respondent No.3 has appeared before us. On being questioned, how respondent No.3 is allowing respondents 1 and 2 to collect CC charges from the consumers of the erstwhile area of respondent No.1-Society, he could not give a straight answer. When he was asked to file an affidavit, he, with the help of Sri P.Shiva Rao, learned Standing Counsel for the DISCOMs, filed an affidavit, which reads as under:

“ Para 2. I submit that the exemption of the licence to said Anakapalle RESCO was expired, and on 25-3-2021 the Hon'ble Commission passed the orders to take over the said

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RESCO by the DISCOM. Consequently, on 01-9-2021, the said RESCO has handed over their system to APEPDCL and from then onwards, the APEPDCL took over the area of operation hitherto held by said RESCO. APEPDCL commenced the billing from 01-9-2021 and continued the billing of consumption of power by consumers in that area upto 31-5-2022.

3. I submit that during course of time in the first week of June, 2022, the said RESCO has again issued bills in respect of May, 2022, and collected monies about Rs.9 crores. Therefore, on 01-6-2022 itself, we have issued notice to said RESCO not to collect the bills since the same is breach of obligation flown under the minutes of the meeting dated 03-9-2021. Again on 03-6-2022, another notice was given not to issue bills towards consumption charges and not to collect any monies from the consumers. Despite the same, it is learnt that the RESCO did not refrain from doing so on the ground that the Government of Andhra Pradesh has made recommendation for continuation of operations by their society to Hon'ble Commission for exemption of licence, and thus reported to have collectd about 9 crores in that month.

4. I submit that again on 19-6-2022 another letter to the said RESCO requiring them to immediately remit the amounts collected from consumers to APEPDCL. On 22-6-2022 and 23-6-2022, I also sent a letter to said RESCO to remit the monies which are unauthorisedly collected to APEPDCL. However, they did not remit the same. On 06-7-2022 this Hon'ble Commission passed injunction orders against said RESCO, and consequently, the said RESCO did not issue bills for power consumed during June, 2022.

5. I submit that now once DISCOM is taking steps to issue bills to consumers in that area as was done upto 31-5-2022 and would collect the charges from consumers.

6. I submit that in respect of monies collected unauthorisedly by RESCO, appropriate action for recovery of said monies as well as prosecution against said RESCO would be taken immediately, besides taking necessary action from today onwards to collect the bills from consumers, and

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would report compliance to the Hon'ble Commission. I submit that for not taking action immediately against unauthorised collection by RESCO, I pray the Hon'ble Commission to condone the inaction and exonerate the officials of APEPDCL. I further undertake that such inaction would not recur in future. Hence this affidavit”.

It is a matter of grave concern that though respondent No.1 is not holding either licence or exemption, as a result of which its activities were taken over by respondent No.3 on the intervention of this Commission, the latter has remained a silent spectator when respondents 1 and 2 high-handedly started raising bills and collecting CC charges for the month of May, 2022. Similarly, they have not taken any steps to raise bills for the month of June, 2022 also.

The Chairman and Managing Director of respondent No.3 is, therefore, directed to file his personal affidavit explaining the reasons for this grave omission in carrying out his statutory responsibility. During hearing it has come out that a similar situation is prevailing in Cheepurupalli RESCO. He shall explain the position with respect to the said RESCO also in his affidavit.

By the next date of hearing, the CMD of respondent No.3 along with his affidavit shall file proof of recovery of CC charges for the month of June, 2022, both in respect of Anakappalli and

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Cheepurupalli RESCOs and also file evidence of initiation of prosecution against respondents 1 and 2 and against Cheepurupalli RESCO, if they have also unauthorisedly collected CC charges for the months of May and/or June, 2022.

Call on 20-7-2022.

Sd/-  
**Thakur Rama Singh**  
**Member**

Sd/-  
**Justice C.V. Nagarjuna Reddy**  
**Chairman**

Sd/-  
**P. Rajagopal Reddy**  
**Member**