COURT-1

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
(Appellate Jurisdiction)

OP No. 1 OF 2025 & IA No. 1403 OF 2025 & IA No. 245 OF 2026 & IA No. 1404 OF 2025 & IA No. 1532 OF 2025 & IA No. 1610 OF 2025 & IA No. 1747 OF 2025 & IA No. 172 OF 2026 & IA No. 173 OF 2026

**Dated: 23rd February, 2026**

Present : Hon`ble Mr. Justice Ramesh Ranganathan, Chairperson
Hon`ble Mr. Ajay Talegaonkar, Technical Member (Electricity)

In the matter of:

| | | |
|---|---|---|
| In Suo-Motu action under Section 121 of the EA | .... | Petitioner(s) |
| Versus | | |
| Forum of Regulators & Ors. | .... | Respondent(s) |

| | | |
|---|---|---|
| Counsel on record for the Petitioner(s) | : | Anushree Bardhan<br>Shikha Ohri<br>for App. 1 |
| Counsel on record for the Respondent(s) | : | Poorva Saigal<br>Shubham Arya<br>Pallavi Saigal<br>Reeha Singh<br>Rishabh Saxena<br>Harshvardhan Singh<br>Shirin Gupta<br>for Res. 1<br><br>C.K. Rai<br>Shiva Singh<br>Anuradha Roy<br>Vinay Kumar Gupta<br>for Res. 2<br><br>C.K. Rai<br>for Res. 3<br><br>Anand K. Ganesan |

Swapna Seshadri
Utkarsh Singh
Sneha Singh Baghel
for Res. 4

M. T. George
for Res. 5

Sahil Chandra
for Res. 6

Ravi Kishore
for Res. 7

Rutwik Panda
Anshu Malik
for Res. 8

Gargi Kumar
for Res. 9

Abiha Zaidi
for Res. 10

Pratibhanu Singh Kharola
for Res. 11

Sethu Ramalingam
S. Shivshankari
for Res. 12

Pradeep Misra
for Res. 13

C.K. Rai
Shiva Singh
Anuradha Roy
Vinay Kumar Gupta
for Res. 14

Somanadri Goud Katam
for Res. 15

Shlok Chandra

for Res. 16

Suparna Srivastava
for Res. 17

Mandakini Ghosh
for Res. 18

Gaichangpou Gangmei
Arjun D Singh
Yimyanger Longkumer
Maitreya Mahaley
for Res. 19
Aishwarya Subramani
Harsha V Rao
Anand K. Ganesan
for Res. 20
Suriti Chowdhary
Anuj Bhave
Abiha Zaidi
Pritam Raman Giriya
for Res. 21
Mandakini Ghosh
for Res. 22
Anish Roy
for Res. 23
Farrukh Rasheed
for Res. 24
Rohini Prasad
for Res. 25
Sriram Krishna
Anupama Dhurve
for Res. 26
Shri Venkatesh
Suhael Buttan
Nihal Bhardwaj
Abhishek Nangia
Kartikay Trivedi
Surbhi Kapoor
Shivam Kumar
Punyam Bhutani
Nikunj Bhatnagar
Tarang Saraogi
Ananya Dutta

Shryeshth Ramesh Sharma
Kanika Chugh
Priya Dhankar
Mohit Mansharamani
Mohit Gupta
Indu Uttara
Harsh Vardhan
Vedant Choudhary
Adarsh Singh
Drishti Rathi
Ashutosh Kumar Srivastava
Akash Lamba
Siddharth Nigotia
Vineet Kumar
Manu Tiwari
Kunal Veer Chopra
Tanishka Khatana
Aashwyn Singh
Aniket Kanhaua
Manav Bhatia
for Res. 27
C.K. Rai
Anuradha Roy
Vinay Kumar Gupta
Shiva Singh
for Res. 28
Surabhi Pandey
for Res. 29
Abiha Zaidi
Suriti Chowdhary
Pritam Raman Giriya
Anuj Bhave
for Res. 30

Vishrov Mukerjee
Janmali Gopal Rao Manikala
Nishtha Kumar
Yashaswi Kant
Pratyush Singh
Damodar Solanki
Priyanka Vyas
Juhi Senguttuvan
Anumeha Smiti
Garima Adlakha

Sai Snigdha Nittala
Snehal Upadhyay
for Res. 31
Amit Kapur
Anupam Varma
Rahul Kinra
Aditya Gupta
Aditya Ajay
Girdhar Gopal Khattar
Isnain Muzamil
Adamya Ojha
Yash Srivastava
Vaibhav Sharma
for Res. 32
Amit Kapur
Anupam Varma
Rahul Kinra
Aditya Gupta
Aditya Ajay
Girdhar Gopal Khattar
Isnain Muzamil
Adamya Ojha
Yash Srivastava
Vaibhav Sharma
for Res. 33
Shri Venkatesh
Shryeshth Ramesh Sharma
Kanika Chugh
Ashutosh Kumar Srivastava
Suhael Buttan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
Manu Tiwari
Abhishek Nangia
Abhishek Nangia
Mohit Mansharamani
Akash Lamba
Shivam Kumar
Kartikay Trivedi
Aashwyn Singh
Mohit Gupta
Harsh Vardhan

Aniket Kanhaua
Ananya Dutta
Indu Uttara
Priya Dhankar
Vineet Kumar
Tanishka Khatana
Nikunj Bhatnagar
Kunal Veer Chopra
Punyam Bhutani
Vedant Choudhary
Tarang Saraogi
Manav Bhatia
Drishti Rathi
for Res. 34
Shri Venkatesh
Shryeshth Ramesh Sharma
Kanika Chugh
Ashutosh Kumar Srivastava
Suhael Buttan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
Manu Tiwari
Abhishek Nangia
Mohit Mansharamani
Akash Lamba
Shivam Kumar
Kartikay Trivedi
Aashwyn Singh
Mohit Gupta
Harsh Vardhan
Aniket Kanhaua
Ananya Dutta
Indu Uttara
Priya Dhankar
Vineet Kumar
Tanishka Khatana
Nikunj Bhatnagar
Kunal Veer Chopra
Punyam Bhutani
Vedant Choudhary
Tarang Saraogi
Manav Bhatia

Drishti Rathi
for Res. 35
Shri Venkatesh
Shryeshth Ramesh Sharma
Kanika Chugh
Ashutosh Kumar Srivastava
Suhael Buttan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
Manu Tiwari
Abhishek Nangia
Mohit Mansharamani
Shivam Kumar
Akash Lamba
Kartikay Trivedi
Aashwyn Singh
Mohit Gupta
Harsh Vardhan
Aniket Kanhaua
Ananya Dutta
Indu Uttara
Priya Dhankar
Vineet Kumar
Tanishka Khatana
Nikunj Bhatnagar
Kunal Veer Chopra
Punyam Bhutani
Vedant Choudhary
Tarang Saraogi
Manav Bhatia
Drishti Rathi
for Res. 36
Shri Venkatesh
Shryeshth Ramesh Sharma
Kanika Chugh
Ashutosh Kumar Srivastava
Suhael Buttan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
Manu Tiwari

Abhishek Nangia
Mohit Mansharamani
Shivam Kumar
Akash Lamba
Kartikay Trivedi
Aashwyn Singh
Mohit Gupta
Harsh Vardhan
Aniket Kanhaua
Ananya Dutta
Indu Uttara
Priya Dhankar
Vineet Kumar
Tanishka Khatana
Nikunj Bhatnagar
Kunal Veer Chopra
Punyam Bhutani
Vedant Choudhary
Tarang Saraogi
Manav Bhatia
Drishti Rathi
for Res. 37
S. Vallinayagam
for Res. 38

## ORDER

**1. TAMIL NADU ELECTRICITY REGULATORY COMMISSION (TNERC): R-12**

Mr. P. Wilson, Learned Senior Counsel appearing on behalf of the TNERC, would submit that the Tamil Nadu Power Distribution Corporation Ltd. has filed Writ Petition (C) No. 158 of 2026 before the Supreme Court questioning the vires of the Amendment to the 2005 Rules whereby Rule 23, which prescribes the rate of interest on carrying cost to be paid at LPS rates, is under challenge. Learned Senior Counsel would further state that the TNERC has filed Civil Appeal No. 897 of 2026 against the order

passed by this Tribunal on 09.12.2025. In its order dated 09.12.2025, this Tribunal had, while expressing its inability to agree with the submission urged on behalf of the Commission that Rule 23 of the Electricity Rules would not apply to a state utility, more so a state utility which is completely funded by grants provided by the State Government, observed that Rule 23 did not make any such distinction; it required carrying cost to be paid in terms of what was stipulated as the base rate, for late payment surcharge, for the unliquidated regulatory assets, be it to a private distribution licensee or to a distribution licensee which is a State Govt. utility; the order of the Supreme Court dated 06.08.2025, as modified by the order dated 28.10.2025, did not also permit any such deviation; and the TNERC shall, therefore, compute carrying cost in terms of the directions issued by the Supreme Court dated 06.08.2025 and 28.10.2025, and in terms of the 3rd Proviso to Rule 23 of the 2005 Rules.

It is now brought to our notice by Mr. P. Wilson, Learned Senior Counsel, that both the Writ Petition and the Civil Appeal came up for hearing on 19.02.2026, and the Supreme Court, while directing notice to be issued to the Respondents returnable on 13.04.2026 has posted the matter for hearing on 20.04.2026. Learned Senior Counsel would state that larger issues, including on the jurisdiction of the Central Government to make Rules which would impinge on the independence of a state regulator, have been raised in the Writ Petition filed by them challenging the vires of Rule 23; and this Tribunal may, considering the larger impact the earlier order of the Supreme Court dated 28.10.2025 may have on consumers in the State of Tamil Nadu, defer passing any further orders

till the Supreme Court takes up the matter, after notice is served on the Respondents in the Writ Petition and the Civil Appeal.

We must again express our inability to agree. In the absence of the either the order passed earlier by the Supreme Court on 28.10.2025 or the order of this Tribunal dated 09.12.2025 being stayed by the Supreme Court, the earlier order of the Supreme Court dated 06.08.2025, as modified by the order dated 28.10.2025, continues to remain in force. As long as the said order continues to remain in force, the Regulatory Commissions in the country, including the TNERC, are bound to adhere to such directions. The said order of the Supreme Court also binds this Tribunal and, in the absence of any order of stay being passed in the Writ Petition and the Civil Appeal filed subsequently, this Tribunal is bound to implement the earlier order of the Supreme Court dated 06.08.2025/28.10.2025 with utmost promptitude.

While Mr. P. Wilson, Learned Senior Counsel, would state that compliance with the order of the Supreme Court dated 06.08.2025/28.10.2025 may render the Writ Petition and the Civil Appeal infructuous, we must express our inability to agree, as the Commission can always comply with the earlier order of the Supreme Court, without prejudice to their rights in, and subject to the result of, both the Writ Petition and the Civil Appeal pending before the Supreme Court.

We again direct the TNERC to ensure strict compliance with the order of the Supreme Court dated 06.08.2025/28.10.2025 in the ensuing tariff order to be passed for FY 2026-27, which they are required to pass on or before 31.03.2026.

Post the matter on ***02.04.2026.***

**2. KERALA STATE ELECTRICITY REGULATORY COMMISSION (KSERC): R-5**

Mr. M. T. George, Learned Counsel for the KSERC, would submit that, in compliance with the directions of the Supreme Court in its order dated 06.08.2025, the Commission has appointed an auditor on 18.02.2026; the auditor has accepted the mandate; the mandate of the auditor is to complete the special intensive audit within 90 days; and they would be submitting their official audit report within 90 days.

Post the matter on ***25.05.2026.***

**3. BIHAR ELECTRICITY REGULATORY COMMISSION (BERC): R7**

Mr. Ravi Kishore, Learned Counsel for the BERC, states that the audit is complete and they would file the audit report within two weeks.

Post the matter on ***23.03.2026.***

Ajay Talegaonkar
Technical Member (Electricity)

Justice Ramesh Ranganathan
Chairperson

sk/kns