COURT-1

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
(Appellate Jurisdiction)

OP No. 1 OF 2025 & IA No. 1747 OF 2025 & IA No. 1403 OF 2025 & IA No. 1404 OF 2025 & IA No. 1532 OF 2025 & IA No. 1610 OF 2025 & IA No. 1623 OF 2025

Dated: 25th November, 2025

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 Shikha Ohri *Amicus Curiae*
Counsel on record for the Respondent(s)	:	Poorva Saigal Shubham Arya Pallavi Saigal Reeha Singh Rishabh Saxena Harshvardhan Singh Shirin Gupta for Res. 1 C.K. Rai Shiva Singh Anuradha Roy Vinay Kumar Gupta for Res. 2 C.K. Rai for Res. 3 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

Dhananjay Baijal
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

GaichangpouGangmei
Arjun D Singh
YimyangerLongkumer
MaitreyaMahaley

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
IsnainMuzamil
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
SuhaelButtan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
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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
SuhaelButtan
Nihal Bhardwaj
Surbhi Kapoor
Adarsh Singh
Siddharth Nigotia
Manu Tiwari
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Priya Dhankar
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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. CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION **(CSERC)**: R-4

In compliance with our earlier order dated 11.11.2025, the Chhattisgarh State Electricity Regulatory Commission has filed its affidavit stating that, in terms of the modified order of the Supreme Court dated 28.10.2025, the existing Regulatory Assets, i.e. the unrecovered carrying cost, would be liquidated in three equal annual installments of Rs.187.87 Crores (along with interest) in the tariff orders to be passed with respect to the ARR for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

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

A fresh affidavit is filed on behalf of the Kerala State Electricity Regulatory Commission stating that the total revenue gap as on 01.04.2024 was Rs.6645 Crores; by the MYT order dated 25.06.2022, KSERC had approved Rs.1650 Crores for amortization in the three Financial Years 2024-25 to 2026-27; this sum of Rs.1650 Crores has already been passed on to the consumers as part of the retail tariff approved up to 31.03.2027; the net revenue gap as on 01.04.2027, after the aforesaid adjustment, is Rs.4995.301 Crores; and this revenue gap would be liquidated within 48 months during the Financial Years 2027-28 till 2030-31. With respect to appointment of an auditor, it is stated that the KSERC is awaiting the Accountant General of Kerala's response to their request dated 18.09.2025 and 14.10.2025 for providing a panel of appropriate auditors to conduct the intensive audit of KSEBL.

Rule 23 of the Electricity Rules requires Regulatory Assets to be amortized by way of equated annual installments. The affidavit, filed on behalf of KSERC, is not in compliance with Rule 23, for it only states that

the regulatory assets would be liquidated within 48 months from 01.04.2027 till 31.03.2031. While the modified order of the Supreme Court dated 28.10.2025 enables them to liquidate the Regulatory Assets before 31.03.2031, the afore-said directions of the Supreme Court obligates them to adhere to Rule 23 which requires the regulatory assets to be liquidated in equal annual installments.

With respect to the intensive audit to be conducted, mere correspondence by the KSERC with the Accountant General would not suffice. It does seem that, despite having addressed two letters, there is no response from the office of the Accountant General of Kerala. The order of the Supreme Court dated 06.08.2025 does not obligate the KSERC to appoint an auditor only after obtaining a panel from the office of the Accountant General. The KSERC need not be reminded of its role as an independent regulator, and of its obligations to ensure prompt compliance of the directions of the Supreme Court.

Mr. M. T. George, Learned Counsel appearing on behalf of KSERC, undertakes to file an affidavit within one week from today both regarding compliance with Rule 23 of the Electricity Rules as also the intensive audit required to be carried out by KSEBL.

Post on ***02.12.2025***.

3. BIHAR ELECTRICITY REGULATORY COMMISSION **(BERC)**: R-7

In the subsequent affidavit filed, pursuant to the modified order of the Supreme Court dated 28.10.2025, it is stated, on behalf of the Bihar Electricity Regulatory Commission, that the revenue gap of Rs.3401.10 Crores up to FY 2023-24, based on true-up with respect to the South Bihar Power Distribution Company Limited, has been brought down to Rs.1873.19 Crores in FY 2025-26 based on the approved ARR; and the

said revenue gap would be liquidated by 31.03.2031 in equal installments along with carrying cost in accordance with Rule 23 of the Electricity Rules. On the intensive audit to be carried out, it is stated that the Accountant General of Bihar has provided a list of Chartered Accountant firms empaneled by the Comptroller & Auditor General of India for the year 2025-26; the BERC has issued a notice inviting quotations to select the CA firm from amongst the empaneled CA firms, and the selection process would be completed by 10.12.2025.

4. ODISHA ELECTRICITY REGULATORY COMMISSION **(OERC)**: R-8

In their affidavit, filed pursuant to the modified order of the Supreme Court dated 28.10.2025, the Odisha Electricity Regulatory Commission has stated that they would liquidate the trued-up amount of Rs.280.06 Crores in equal annual installments over a five-year period from FY 2026-27 to FY 2030-31 to prevent tariff shock.

Mr. Rutwik Panda, Learned Counsel for the OERC, further states that the Commission would act strictly in accordance with the directions of the Supreme Court in its order dated 06.08.2025 as modified by the order dated 28.10.2025; and would, in compliance with the directions of the Supreme Court, provide carrying cost. An affidavit, in this regard, shall be filed on behalf of the OERC within one week.

Post on ***02.12.2025***.

5. PUNJAB STATE ELECTRICITY REGULATORY COMMISSION **(PSERC)**: R-9

It is stated that there are no Regulatory Assets and no outstanding revenue gaps in the State of Punjab as on 01.04.2024. As such, no liquidation trajectory/ roadmap is required.

6. DELHI ELECTRICITY REGULATORY COMMISSION **(DERC)**: R-10

No affidavit has been filed by the Delhi Electricity Regulatory Commission. Learned Senior Counsel, appearing on their behalf, seeks one more weeks' time to do so. Considering the fact that implementation of the order of the Supreme Court does not brook any delay, we were initially disinclined to grant any further time. We are, however, assured by Sri Nikhil Nayyar, Learned Senior Counsel appearing on behalf of the DERC, that he would ensure that the said affidavit is filed within one week. In the light of his assurance, we defer hearing with respect to the DERC till the next date of hearing i.e. 02.12.2025.

Post on ***02.12.2025***.

IA No. 1747 of 2025
(for directions filed by R-32 & R-33)

This IA is filed by M/s BSES Rajdhani Power Limited and BSES Yamuna Power Limited (R-32 & R-33). DERC shall file its reply thereto latest by 08.12.2025.

IA NO. 1623 OF 2025
(For impleadment/ intervention)

By way of IA No. 1623 of 2025, the United People Progressive Front, an Association of multiple Resident Welfare Associations, have sought to implead themselves in this OP, besides seeking refund by the distribution licensees of the amounts wrongfully paid by the consumers towards pension for the DVB employees and pensioners. They request that this refund be considered while calculating the Regulatory Assets for Delhi; and carrying cost be directed to be paid on the ad-hoc amounts, paid by the Delhi consumers towards pension trust surcharge, which is required to be refunded.

The Order of the Supreme Court, in WP (C) NO. 104 OF 2014 and Batch dated 06.08.2025, required this Tribunal [in terms of Para 71(ix)] to register a suo moto petition under Section 121 of the Electricity Act to monitor implementation of the directions issued in Para 71 (v) and (vi) till the conclusion of the period mentioned therein. The direction in Para 71(v) is for the Regulatory Commissions to ensure liquidation of the existing Regulatory Assets in a maximum of 4 years starting from 01.04.2024, taking Rule 23 as the guiding principle. Para 71(vi) requires the Regulatory Commissions to provide the trajectory and roadmap for liquidation of the existing regulatory asset, which will include a provision for dealing with carrying costs. Regulatory Commissions were also directed to undertake strict and intensive audit of the circumstances in which the distribution companies had continued without recovery of the regulatory assets.

The directions issued by the Supreme Court in Para 71(v) of its order dated 06.08.2025 was subsequently modified by order dated 28.10.2025, and it was held therein that the existing Regulatory Assets must be liquidated in a maximum of seven years as provided in Rule 23 of the Electricity (Amendment) Rules 2024.

The scope of the present OP, which this Tribunal has registered Suo Moto under Section 121 of the Electricity Act, is confined to monitoring implementation of the directions in Para 71(v) (as modified by the order dated 28.10.2025) and the directions in Para 71(vi) of the Order of the Supreme Court dated 06.08.2025.

What this Tribunal is required to monitor is therefore – (a) that the existing Regulatory Assets up to 01.04.2024 are liquidated in a maximum of seven years as per Rule 23 of the Electricity (Amendment) Rules 2024 i.e. on or before 31.03.3031; (b) the Regulatory Commissions must provide the trajectory and roadmap for liquidation of

the existing Regulatory Assets (ie as on 01.04.2024) including providing for carrying cost; and (c) Regulatory Commissions must undertake a strict and intensive audit of the circumstances in which the distribution companies have continued without recovery of the Regulatory Assets.

It is only on the aforesaid three aspects is this petition, registered suo-motu under Section 121 of the Electricity Act, confined to.

The relief sought, by the applicants in this IA, is for a direction to the distribution licensees to implead them as Respondents in the O.P, and to direct the distribution licensees to refund the amount alleged to have been wrongfully paid by the consumers towards pension of DVB employees and pensioners. While the prayer sought in the application no doubt appears innocuous, as it appears only to seek impleadment of the consumer association as a Respondent in the O.P, what the applicant, in effect, seeks is for refund of the aforesaid amounts which is beyond the scope of the present O.P as it is confined only to the directions issued by the Supreme Court in the amended Para 71(v) and Para 71(vi) of the order dated 06.08.2025. No useful purpose would, therefore, be served in impleading the consumer Association as a Respondent in this OP, as the actual relief sought by them is beyond the scope of enquiry permissible under this O.P. The IA is, accordingly, dismissed.

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

While expressing the belief that the State Government would adhere to its assurance for providing subsidy for liquidation of the Regulatory Assets, the TNERC has, in the additional affidavit filed by them, stated that, in case of failure of the State Government to do so, they would liquidate the Regulatory Assets of Rs.59,038 Crores in four

equal yearly installments of Rs.14759.50 Crores from FY 2027-28 to FY 2030-31. The affidavit is, however, silent regarding recovery of carrying cost for delayed liquidation of the Regulatory Assets. Mr. M. Sethuramalingam, Learned Counsel for the TNERC, requests one week's time to file an affidavit furnishing details of the mode and manner in which the Commission intends to ensure recovery of the carrying cost for delayed liquidation of the Regulatory Assets.

The very same stand taken by the Kerala State Electricity Regulatory Commission is being taken by the Tamil Nadu Electricity Regulatory Commission regarding intensive audit. It is stated that the Commission is in discussions with the Accountant General of Tamil Nadu. Compliance with the order of the Supreme Court does not brook any delay, and mere discussions would not justify non-compliance with the order of the Supreme Court. The affidavit to be filed by the TNERC shall also state as to why the Commission cannot appoint an auditor on its own accord, since it does appear that there is complete lack of urgency being shown, on the part of the Accountant General's office, in recommending the names of the Chartered Accounts for conducting intensive audit.

Post the matter relating to TNERC on ***02.12.2025.***

8. TELANGANA ELECTRICITY REGULATORY COMMISSION **(TGERC)**: R-15

While stating that they have not received any response from the Government of Telangana, it is stated on behalf of the TGERC that the Commission would proceed to recover the balance subsidy amount due to Discoms, i.e. for Rs.3386.22 Crores, from the ensuing financial years ie from FY 2026-27 till FY 2030-31 ensuring liquidation of the entire balance subsidy amount with carrying cost in terms of the time lines provided in the Rule 23 of the Electricity (Amendment) Rules, 2024. It is

further stated that they would pass a true up order for FY 2022-23 and FY 2023-24 on or before 31.03.2026.

With respect to the intensive audit, it is stated that the TGERC has issued a tender notice on 14.11.2025; the financial bids would be opened on 08.12.2025; and the intensive audit report is required to be submitted within 90 days from the date of the letter of award.

9. WEST BENGAL ELECTRICITY REGULATORY COMMISSION **(WBERC)**: R-18, and

10. RAJASTHAN ELECTRICITY REGULATORY COMMISSION **(RERC)**: R-20

No affidavits have been filed by the Rajasthan Electricity Regulatory Commission, and the West Bengal Electricity Regulatory Commission. Learned Counsel, appearing on their behalf, seek one more weeks' time to do so. Considering the fact that implementation of the order of the Supreme Court does not brook any delay, we were disinclined to grant any further time. We are, however, assured by the Learned Counsel appearing on behalf of these two Commissions that they would ensure that these affidavits are filed within one week. In the light of this assurance, we defer hearing with respect to these two Commissions also till the next date of hearing i.e. 02.12.2025.

Post the issues relating to these two Commissions on ***02.12.2025***.

11. JHARKAND STATE ELECTRICITY REGULATORY COMMISSION **(JSERC)**: R-25

In the additional affidavit filed on behalf of the Commission, it is stated, with respect to JBVNL, that a sum of Rs.2708.92 Crores is the total revenue gap as on 31.03.2026; the JSERC would recover this sum including carrying cost in four equal installments of Rs.677.23 Crores for FY 2026-27 to FY 2029-30, and the balance Rs.637.43 Crores would be recovered in FY 2030-31. The JSERC further states that they have

already appointed an auditor who is expected to complete their audit and submit their report by mid-January 2026.

What is, however, required to be clarified by the Commission is the manner in which they have computed carrying cost. Mr. Shri Venkatesh, Learned Counsel for the Damodar Valley Corporation (DVC), would contend that the Commission has provided carrying cost only from 01.04.2026, and not from the year in which these Regulatory Assets were created; and the carrying cost provided is also contrary to Rule 23 of the Electricity Rules. Ms. Rohini Prasad, Learned Counsel for JSERC, seeks one weeks' time to obtain instructions in this regard.

In so far as Tata Steel Limited (TSL) is concerned, the Revenue Gap as on 31.03.2026 is said to Rs.483.28 Crores which the Commission intends to recover in equal yearly installments of Rs.120.82 Crores during FY 2026-27 to FY 2029-30, and the balance of Rs.113.72 Crores would be recovered in FY 2030-31.

The very same issue of carrying cost with respect to Jharkhand Bijli Vitran Nigam Limited (JBVNL) and DVC may also arise in the case of TSL.

While Ms. Rohini Prasad, Learned Counsel for JSERC, would seek a week's time, Mr. Shri Venkatesh, Learned Counsel for DVC, requests that the matter be taken up on 09.12.2025.

Post the matter relating to JSERC on ***09.12.2025***.

Ajay Talegaonkar
Technical Member (Electricity)

Justice Ramesh Ranganathan
Chairperson

tpd/kns