

Delhi Electricity Regulatory ... vs Forum Of Regulators Central ... on 27 May, 2026

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
(Appellate Jurisdiction)

Review Petition No. 7 of 2026 &
Review Petition No. 8 of 2026 & IA No. 1047 of 2026
In
Original Petition No. 1 of 2025

Dated: 27th May, 2026

Present: Hon'ble Ms. Seema Gupta, Officiating Chairperson
Hon'ble Mr. Virender Bhat, Judicial Member

In the matter of:
Delhi Electricity Regulatory Commission
The Secretary
Viniyamak Bhawan, C-Block,
Shivalik, Malviya Nagar, Delhi - 110017
Email: secyderc@nic.in

... Review Petition

Versus

1. The Secretary
Forum of Regulators
Central Electricity Regulatory Commission
6th-8th Floors, World Trade Centre,
Nauroji Nagar, New Delhi - 110023
Email: secy@cercind.gov.in
2. The Secretary
Uttarakhand Electricity Regulatory Commission
Vidyut Niyamak Bhawan Near ISBT PO
Majra Dehradun, Uttarakhand - 248171
Email: secy.uerc@gov.in
3. The Secretary
Madhya Pradesh Electricity Regulatory Commission
5th Floor Metro Plaza,
Arera Colony Bittan Market,
Madhya Pradesh, Bhopal - 462016
Email: secretary@mperc.nic.in

R.P. Nos. 7 & 8 of 2026

4. The Secretary
Chhattisgarh State Electricity Regulatory Commission
Raipur, Irrigation Colony, Shanti Nagar,
Raipur Chhattisgarh - 492001
Email: cserc.sec.cg@nic.in
5. The Secretary

Kerala State Electricity Regulatory Commission
KPFC Bhavanam, C V Raman Pillai Road,
Vellayambalam,
Thiruvananthapuram, Kerala - 695010
Email: kserc@erckerala.org

6. The Secretary
Maharashtra Electricity Regulatory Commission
World Trade Centre,
Centre No. 1, 13th Floor,
Cuffe Parade, Maharashtra - 400005
Email: mercindia@merc.gov.in
7. The Secretary
Bihar Electricity Regulatory Commission
Ground Floor, Vidyut Bhawan-II,
BSEB Campus, J.L. Nehru Marg (Bailey Road),
Patna, Bihar - 800021
Email: bercpat@berc.co.in
8. The Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan Plot No. 4,
Chunokoili, Shailashree Vihar,
Chandrasekharapur, Bhubaneswar,
Odisha - 751021
Email: orierc@gmail.com
orierc@rediffmail.com
9. The Secretary
Punjab State Electricity Regulatory Commission
Site No. 3, Sector 18, Madhya Marg,

R.P. Nos. 7 & 8 of 2026
Chandigarh - 160018
Email: secretarypsercchd@gmail.com

10. The Secretary
Karnataka Electricity Regulatory Commission
No. 16, C-1, Millers Tank Bund Road,
Yellappa Garden, Bed Area,
Vasanth Nagar, Bengaluru - 560052
Email: kerc-ka@nic.in

Also at:

The Secretary
Karnataka Electricity Regulatory Commission
No. 9/2, 6th 7 7th Floor,
Mahalaxmi Chambers,
M.G. Road, Bangalore, Karnataka - 560001
Email: kerc-ka@nic.in

11. The Secretary
Tamil Nadu Electricity Regulatory Commission
4th Floor, SIDCO Corporate Office Building,
Thiru Vi Ka Industrial Estate Guindy,
Chennai, Tamil Nadu - 600032
Email: tnerc@nic.in
12. The Secretary
Himachal Pradesh Electricity Regulatory Commission
Vidyut Aayog Bhawan, Block No. 37,
SDA Complex, Kasumpti,
Himachal Pradesh - 171009
Email: secy-hperc@hp.gov.in
13. The Secretary
Uttar Pradesh Electricity Regulatory Commission
Vidyut Viniyamak Bhawan, Vibhuti Khand,
Gomti, Nagar, Uttar Pradesh - 226010
Email: secretary@uperc.org

R.P. Nos. 7 & 8 of 2026

14. The Secretary
Telangana State Electricity Regulatory Commission
5th Floor, 11-4-660, Singarenu Bhavan,
Red Hills, Hyderabad,
Andhra Pradesh - 500004
Email: secy@tserc.gov.in
15. The Secretary
Haryana Electricity Regulatory Commission
Bays No. 33-36, Sector-4,
Haryana - 134112
Email: secretary.herc@nic.in & herc-chd@nic.in
16. The Secretary
Gujarat Electricity Regulatory Commission
6th Floor GIFT One Road,
5-C Zone 5 Gift City,
Gandhinagar, Gujarat - 382355
Email: secretary@gercin.org & gerc@gercin.org
17. The Secretary
West Bengal Electricity Regulatory Commission
Plot No. AH/5 (2nd and 4th floor),
Premises No. MAR 16-1111,
Action Area 1A, New Town, Rajarhat,
Kolkata, West Bengal - 700163
Email: cp-wberc@gov.in & wberc99@gmail.com
18. The Secretary
Andhra Pradesh Electricity Regulatory Commission

4th Floor, 11-4-660,
Singareni Bhawan, Red Hills,
Khairathabad, Hyderabad,
Andhra Pradesh - 500004
Email: commn-secy@aperc.in & commn-secy@aperc.gov.in

Also at:

The Secretary
Andhra Pradesh Electricity Regulatory Commission

R.P. Nos. 7 & 8 of 2026

Vidyut Niyantrana Bhawan, Adjacent to
220/132/33/11KV,
AP Carbides SS, Dinnedavarapadu Road,
Kurnool, Andhra Pradesh - 518002
Email: commn-secy@aperc.in

19. The Secretary
Rajasthan Electricity Regulatory Commission
Vidyut Niyamak Bhawan, Near Motor Garage,
Sahakar Marg, Rajasthan - 302001
Email: rercjpr@yahoo.co.in
20. The Secretary
Joint Electricity Regulatory Commission
(For the State of Goa and Union Territories)
Andaman and Nicobar Islands,
Chandigarh, Dadra and Nagar Haveli,
Daman and Diu, Goa, Lakshadweep, Pondicherry
3rd and 4th Floor, Plot No. 55-56, Phase IV,
Service Road, Udyog Vihar,
Sector 18 Gurugram, Haryana - 122015
Email: secy.jercuts@gov.in
21. The Secretary
Assam Electricity Regulatory Commission
Bidyut Niyamak Bhawan, G.S. Rd, A.S.E.B.
Campus, Dwarandhar, Six Mile, Assam - 781022
Email: aercghy@hotmail.com
22. The Secretary
Nagaland Electricity Regulatory Commission
Upper Agri Colony, House No. 341,
Old MLA Hostel Complex,
Kohima, Nagaland - 797001
Email: nerckohima@yahoo.com
23. The Secretary
Arunachal Pradesh State Electricity Regulatory Commission
O.T. Building, 2nd Floor,
Niti Vihar Market, T.T. Marg,

R.P. Nos. 7 & 8 of 2026

Itanagar, Arunachal Pradesh - 791111
Email: secy-apserc-arn@gov.in & www.apserc.nic.in

24. The Secretary
Jharkhand State Electricity Regulatory Commission
New Police Line Road, Opposite to C.M.
House Kanke Road, Ranchi - 834008
Email: secretary@jserc.org & info@jserc.org

Also at:

The Secretary
Jharkhand State Electricity Regulatory Commission
1st Floor, Jharkhand State Housing board,
Old Building, Harmu Housing Colony, Ranchi - 834002
Email: secretary@jserc.org

25. The Secretary
Sikkim State Electricity Regulatory Commission
Deorali Behind Lekha Priksha Bhavan (AG Office),
P.O Tadong, Gangtok, Sikkim - 737102
Email: Sikkim.serc@gmail.com

26. The Secretary
Meghalaya State Electricity Regulatory Commission
1st Floor, Front Block, Left Wing New
Administrative Bldg.,
Lower Lachumiere Shilong,
East Khasi Hills, District, Meghalaya - 793001
Email: mmserc@gmail.com

27. The Secretary
Tripura Electricity Regulatory Commission
Bidyut Bhavan Complex, Bhutoria,
Banamalipur, Agartala, Tripura (West),
Tripura - 799001
Email: secy.terc-tr@tripura.gov.in &
chairman.terc-tr@tripura.gov.in

28. The Secretary

R.P. Nos. 7 & 8 of 2026

Joint Electricity Regulatory Commission
J and K and Ladakh
Railway Road, Ambedkar (Panama)
Chowk, Jammu & Kashmir - 180016
Email: secretary-jercjkl@gov.in & jercjkl@gmail.com

29. The Secretary
Joint Electricity Regulatory Commission
(for the states of Manipur and Mizoram)
Aizawl Mizoram TBL Bhawan,

2nd-5th Floor, E-18, Peters Street,
Khatla, Aizwal, Manipur - 796001
Email: jerc.mm@gmail.com

30. The Secretary
Jammu and Kashmir
J & K State Electricity Regulatory Commission
J & K State Electricity Regulatory Commission
PDC Complex, Ashok Nagar,
Satwari, Jammu - 180003
Email: jkserc@nic.in
31. BSES Yamuna Power Ltd.
The Chief Executive Building,
Karkardooma
Shakti Kiran Building, Karkardooma,
Delhi - 110032
Email: sameer.singh@relianceada.com
32. BSES Rajdhani Power Ltd.
The Chief Executive Officer
BSES Bhawan, Nehru Place,
New Delhi - 110019
Email: megha.bajpeyi@relianceada.com
33. Tata Power Delhi Distribution Limited
Through its Head Legal
NDPL House, Hudson Lines
Kingsway Camp, Delhi - 110009
Email: Shri.venkatesh@skvlawoffices.com,

R.P. Nos. 7 & 8 of 2026
Delhi.office@skvlawoffices.com

... Respondent (s)

Counsel for the Petitioner(s) : B. P. Patil, Sr. Adv.
Abiha Zaidi
for Petitioner

Counsel for the Respondent(s) : Amit Kapur
Anupam Varma
Rahul Kinra
Aditya Ajay
Aditya Gupta
Girdhar Gopal Khattar
Adamyia Ojha
Yash Srivastava
Mahima Kaur
for Res. 31 & 32

Nikunj Bhatnagar
Punyam Bhutani
Tanishka Khatana

Vedant Choudhary
Shri Venkatesh
Shryeshth Ramesh
Sharma
Kanika Chugh
Ashutosh Kumar
Srivastava
Suhael Buttan
Nihal Bhardwaj
Priya Darshini
Abhishek Nangia
Akash Lamba
Mohit Mansharamani
Siddharth Nigotia
Vineet Kumar
Shourya Vir Das
Surbhi Kapoor
Aashwyn Singh
Manu Tiwari
Kunal Veer Chopra
Aniket Kanhaua
Adarsh Singh
R Jatin Kattyar

R.P. Nos. 7 & 8 of 2026

Amol Rana
Ananya Dutta
Nuha Rahman
Drishti Rathi
Devishi Gupta
Nilesh Purohit
for Res. 33

ORDER

PER HON'BLE MR. VIRENDER BHAT, JUDICIAL MEMBER

1. By way of this application, the Delhi Commission has sought Review of order dated 20th April, 2026 in the Original Petition No. 01 of 2025 whereby we had quashed the approval accorded by the Lt. Governor vide communication dated 5th March, 2026 to entrusting of strict and intensive audit of Delhi Discoms by the Delhi Commission to CAG as per RA judgement dated 6th August, 2025 of the Hon'ble Supreme Court and had directed the Commission to appoint a chartered accountant within one week from the date of the order with these specific direction to conclude the strict and intensive audit of the Delhi Discoms within three months thereafter.

2. We have heard Mr. B.P. Patil, Learned Senior Counsel along with Ms. Abiha Zaidi, Learned Counsel for the Commission.

3. Mr. B.P. Patil, Learned Senior Counsel has referred to the orders dated 11th February, 2026 and 26th September, 2025 passed by this Tribunal in the original petition with regards to the Delhi Commission to submit that this Tribunal, in these orders, had not barred or declined the move of the Commission to conduct strict and intensive audit of Delhi Discoms by CAG and also directed the Commission to submit progressive report regarding such action thereby permitting the Commission to get such audit conducted by CAG and, therefore, the order dated 20th April, 2026 upholding the objection of Discoms to such audit and quashing the approval accorded by the Lt. Governor to such audit suffers from manifest error and therefore deserves to be reviewed on this aspect.

4. The relevant portions of the orders dated 11th February, 2026 and 26th September, 2025 , to which the Learned Senior Counsel had referred, have been extracted in para No. 4 & 5 of the application and we find it pertinent to extract those portions of these two orders hereunder also :-

Order dated 11th February, 2026

"While the submissions urged on behalf of the Delhi Discoms that, in view of the judgment of the Delhi High Court, an audit by the CAG is impermissible, cannot be readily brushed aside, we see no reason to examine this contention in the present proceedings, that too at this stage when no auditor has as yet been appointed. While we may not be understood to have held that the DERC ought not to have the audit conducted by the CAG, we wish to emphasize that appointment of an auditor does not brook any further delay."

Order dated 26th September, 2025 "Regarding the steps taken to commence the intensive audit, State Commission submitted that they have approached the CAG to undertake this special audit and assured that in any case of no response/ or refusal from them, they shall initiate steps to appoint Auditor on their own and shall make efforts to get the same completed by 31.03.2026. State Commission to inform the progress in

this regard to this Tribunal by way of a progress report before the next date of hearing."

5. It is limpid that in the order dated 11th February, 2026, this Tribunal observed that the objection of Delhi Discom that CAG audit is impressible, cannot be readily brushed aside, but refrained from examining this contention as no auditor had been appointed till that date by the Commission. In the subsequent order dated 26th September, 2025 this Tribunal has merely recorded the submission on behalf of the Commission that they have approached CAG to undertake the special audit of the Delhi Discoms and the assurance that in case no response/or refusal from CAG, they shall initiate steps to appoint auditors on their own.

6. Hence, there is nothing in these two orders to show or suggest that this Tribunal approved the action of the Commission to entrust the special audit of the Discoms to CAG, and thus, the interpretation which is sought to be given on behalf of the Commission is absolutely erroneous. Deriving of such conclusion by the Commission from these two orders of this Tribunal appears to be patently fallacious and pre-posterous.

7. Further, relying upon the order dated 29th January, 2021 passed by the Hon'ble Supreme Court in Civil Appeal Nos. 226-227 of 2021 - Andhra Pradesh State Load Despatch Centre Vs. M/s KSK Mahanadi Power Company Ltd. & Ors., it is argued by Learned Senior Counsel for the Commission that this Tribunal was not competent to decide dispute with regards to the entrustment of special audit of Delhi Discoms to CAG in this petition under Section 121 of the Electricity Act, 2003, and, therefore, the order dated 20th April, 2026 suffers from manifest error on this account also. In this regard, it is to be noted that these submissions were made during the hearing on 20th April, 2026 also and have been noted as well as discussed in paragraph Nos. 34 to 37 of the said order and, therefore, do not merit any fresh consideration. We hasten to add that reliance on the order of the Hon'ble Supreme Court in Civil Appeal Nos. 226 & 227 of 2021 in this regard is totally misplaced. In that case, the Company had filed a petition before the Central Electricity Regulatory Commission but during the pendency of the petition, this Tribunal took up the case and decided it on merits on the ground that since no legal member had been appointed to the Central Commission, the Central Commission was unable to decide the petition and, therefore, this Tribunal will

----- have to do so itself. Such course of action adopted by this Tribunal was held impermissible by the Hon'ble Supreme Court on the ground that Section 121 does not give any power to the Tribunal to decide any dispute pending before the regulatory Commissions and only empowers this Tribunal to, after hearing the concerned Commission as well as other interested parties, issue orders/instructions or directions to the Commission for performance of its statutory functions. That is not the case herein. No such dispute involving the Delhi Discom is pending before the Commission. The Commission had, in pursuance to RA judgement dated 6th August, 2025 of the Hon'ble Supreme Court proceeded to conduct special audit of Delhi Discoms by CAG for which approval was accorded by the Lt. Governor vide communication dated 5th March, 2026 but objection was raised by Delhi Discoms to such audit before this Tribunal. This Tribunal has been monitoring the conducting of intensive audit of discoms by the Regulatory Commissions throughout India in terms of the said judgement of the Hon'ble Supreme Court. Therefore, we have noted in para No. 36 of the order that it is implicit in the directions of the Hon'ble Supreme Court to this Tribunal to monitor the directions contained in paragraph No. 71 of the RA judgement that this Tribunal

----- must ensure that these directions are complied with by the Regulatory Commissions in tune with relevant Rules/Regulations/Statutory provisions. Once it is found that while complying with these directions, Regulatory Commissions have contravened any Rules/ Regulations/Statutory provisions, this Tribunal is duty bound to intervene and ensure that there is no violation of any such statutory

provisions in complying with the directions of the Hon'ble Supreme Court. When this Tribunal found that the Delhi Commission, in directing audit of Delhi Discoms by CAG, has contravened the statutory provisions i.e. Section 21 of CAG Act, the Tribunal found it not only difficult but unlawful to endorse such action of the Commission as it would have been against the spirit of engrafting of Section 121 of the Electricity Act. This Tribunal found it duty bound to pass directions to ensure that the decisions of the Regulatory Commission are in line with the relevant statutory provisions.

8. Hence, the contention on behalf of the Delhi Commission that the order dated 20th April, 2026 of this Tribunal in this original petition suffers from any error on the face of the record appears to be only figment of imagination of the Commission itself which is not borne out

----- from the meaningful perusal of the said order. The contentions are absolutely fallacious and mis-conceived to say the least.

9. With respect to the prayer (b) in the application for grant of minimum period of 45 days to the Commission to complete the process of appointment of chartered accountant for conduct of strict and intensive audit of Delhi Discoms, it is to be noted even though in the order dated 20th April, 2026 we had directed the Commission to appoint a chartered accountant within one week from the date of that order, no steps in this regard appear to have been taken by the Commission till today during the period of one month which has elapsed after the passing of that order. It is submitted that certain requisite steps have to be followed in terms of Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2001 for appointment of a chartered accountant which would require the minimum period of 45 days. In case, the Commission had initiated such process immediately after the order dated 20th April, 2026 was passed by this Tribunal, only 15 to 20 more days would have been required for completing such mandatory process. It again appears to us that the Commission is deliberately delaying the appointment of chartered accountant for conducting the audit of Delhi Discoms as

----- directed by the Hon'ble Supreme Court in the RA judgement. However, be that as it may, since as per the above noted Regulations, 45 days period would be required for completion of the process of a chartered accountant, we find it appropriate to grant such period to the Commission. We make it clear that no further extension of such period shall be granted to the Commission in future.

10. With these observations/directions, the Review Petition stands disposed of.

11. By way of this petition, the Delhi Commission has sought review/recall/modification of the order dated 20th April, 2026 to the extent it rejects the request of the Commission for commencing process of liquidation of regulatory assets w.e.f. 1st July, 2026. Further direction of this Tribunal to commence process of liquidation of regulatory assets within three weeks from 20th April, 2026 is also sought to be recalled/modified.

12. We note that the grounds on which review/recall/modification of the order dated 20th April, 2026 is sought by way of this petition have already been considered in paragraph Nos. 43 and 44 of the said

----- order and have been repelled by the observations contained in paragraph Nos. 48 & 49 of the order. Therefore, by way of the instant petition, the Commission only seeks fresh consideration on these contentions which is not permissible. There may be appropriate remedies available to the Commission in case it is not satisfied with such directions passed by us in the order dated 20th April, 2026. However, certainly the instant petition does not make out any ground for review/recall/modification of the said order.

13. We are constrained to note that considering the statutory procedure to be followed for issue of true-up order, as was conveyed to us during the hearing on 20th April, 2026, we had granted time to the Commission till 30th June, 2026 for passing true up order for Financial Year 2023-24. We hope and expect that the said true up order would be passed by the Commission on or before the said specified date. However, as we have noted in the order dated 20th April, 2026, there is no impediment as such in the way of the Commission in commencing the process of liquidation of regulatory assets of the Discoms. It cannot be gain said that such process cannot be completed in one year or a couple of years. Keeping in view the extent of regulatory assets which have tentatively been

----- quantified by the Commission itself as Rs.38,552/- crores, it would take several years to liquidate the same in terms of Supreme Court order. Therefore, it is in the interest of the consumers that the Commission must commence such process at the earliest without making any further excuses.

14. Considering that the period of three weeks for commencing of such process as fixed by us in the order dated 20th April, 2026 has already lapsed, we direct the Commission to commence the process of liquidation of regulatory assets of the discoms w.e.f. 16th June, 2026 positively.

15. With these observations/directions, the review petition stands disposed of.

Pronounced in the open court on this 27th day of May, 2026.

(Virender Bhat)
Judicial Member

(Seema Gupta)
Officiating Chairperson

REPORTABLE / NON REPORTABLE

js

