

BEFORE THE APPELLATE TRIBUNAL FOR ELECTRICITY

AT NEW DELHI

(APPELLATE JURISDICTION)

OP 1 OF 2025

IN THE MATTER OF:

In Suo-Moto action under Section 121 of the EA ...Petitioner

Versus

Forum of Regulators & Ors. ...Respondents

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Filed on: 10.09.2025

Filed at: New Delhi

Jharkhand State Electricity Regulatory Commission

Through

ROHINI PRASAD

Advocate for Respondent No. 25

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**BEFORE THE HON'BLE APPELLATE TRIBUNAL FOR
ELECTRICITY AT NEW DELHI
(APPELLATE JURISDICTION)**

OP No. 01 OF 2025

In Suo-Motu action under Section 121 of the EA Appellant

Versus

Forum of Regulators & Ors. Respondent

AFFIDAVIT ON BEHALF OF THE RESPONDENT NO. 25
[JHARKHAND STATE ELECTRICITY REGULATORY
COMMISSION]

MOST RESPECTFULLY SHOWETH:

I, Rajendra Prasad Nayak, Secretary of Jharkhand State Electricity Regulatory Commission, having office at, Jharkhand State Electricity Regulatory Commission, 1st Floor, Jharkhand State Housing Board Headquarter (Old Building), Harmu Housing Colony, Ranchi – 834002, Jharkhand, do hereby solemnly affirm and declare as under;

1. That I am presently working as the Secretary of the Jharkhand State Electricity Regulatory Commission, and I am fully



conversant with facts and circumstances of the present case, based on the documents and records available in the office, hence I am competent to swear this affidavit.

2. That, vide order dated 29.08.2025 passed by this Hon'ble Tribunal in the present case, the Hon'ble Tribunal has been pleased to issue the following directions:

"We, therefore, direct all Regulatory Commissions to file their respective affidavit within two weeks from today furnishing details of (a) the Regulatory Assets with respect to each Discoms, within their jurisdiction, as on 01.04.2024; (b) the Revenue Gap (whether carried forward or not) as reflected in each ARR upto 01.04.2024; (c) the trajectory/ roadmap for liquidation of these Regulatory Assets/ ending the revenue gap upto 01.04.2024, so as to ensure that the entire Regulatory Assets/ Revenue Gap is liquidated latest by 31.03.2028; (d) the steps taken by each of the Commissions to commence an intensive audit of the circumstances in which the Distribution Companies, operating within their jurisdiction, have continued to function without recovery of the Regulatory Assets/ Revenue Gap; and (e) the year upto which each of these Commissions have passed true-up/ ARR orders with respect to each of the Distribution Companies within their jurisdiction."

3. That in Jharkhand there are 5 distribution licensees, namely 1) Jharkhand Bijli Vitran Nigam Limited; 2) Tata Steel Limited; 3) Tata Steel Utilities and Infrastructure Services Limited; 4) Steel

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Authority of India Limited; 5) Damodar Valley Corporation Limited.

4. It is submitted that in pursuance of the aforesaid directions of this Hon'ble Tribunal, the Jharkhand State Electricity Regulatory Commission (JSERC) respectfully seeks to make the following submissions:-

4.1 *The Regulatory Asset with respect to each Discoms, within their jurisdiction, as on 01.04.2024;*

It is submitted that the regulatory asset in respect of the Discoms of Jharkhand is 'Nil'

4.2 *The Revenue Gap (Whether carried forward or not) as reflected in each ARR upto 01.04.2024.*

It is submitted that the revenue Gap of the Discoms operating in the State of Jharkhand including carrying cost upto 01.04.2024 is mentioned in below table:

Revenue Gap as on 01.04.2024

S. No	Utility	Revenue Gap as on 01.04.2024 (Cr)
1	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	4257.98
2	Tata Steel Limited (TSL)	600.61
3	Damodar Valley Corporation (DVC)	689.97*

* For DVC the Revenue Gap for FY 2023-24 is Rs 689.97. Cumulative Gap till FY 2023-24 is not calculated since the Appeal No 332 of 2024, regarding NTI is sub-judice before the Hon'ble APTEL.

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S. No	Utility	Revenue Surplus as on 01.04.2024 (Cr)
1	Tata Steel Utilities and Infrastructure Services Limited (TSUISL)	82.64
2	Steel Authority of India -Bokaro (SAIL - Bokaro)	277.32

4.3 The trajectory / road map for liquidation of these Regulatory Assets /ending the revenue gap up to 01.04.2024, so as to ensure that the entire Regulatory Asset / Revenue Gap is liquidated by 31.03.2028;

4.3.1 It is submitted that considering the gap, the Commission is taking all proactive measures to reduce such gap gradually in the upcoming years. The Commission has addressed the gap/(surplus) through the Annual Revenue Requirement (ARR) and tariff framework by timely revision of category-wise tariffs in a calibrated manner, thereby avoiding any tariff shock to consumers.

4.3.2 Accordingly, cumulative gap for Jharkhand Bijli Vitran Nigam Ltd. and Tata Steel Limited has been reduced



in accordance with extant regulations. With respect to DVC on account of pendency of litigation cumulative gap / (surplus) figure cannot be given.

- 4.3.3 It is further submitted that Rule 23 of the Electricity Rules, 2005 as amended, specifies the methodology for creation and recovery of Regulatory Asset. The relevant extract of the Rule has been reproduced below:

"23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff - The tariff shall be cost reflective and there shall not be any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff except under natural calamity conditions:

Provided that such gap, created if any, shall not be more than three percent of the approved Annual Revenue Requirement:

Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum three numbers of equal yearly installments from the next financial year:

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Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff existing on the date of notification of these rules, along with the carrying cost at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum seven numbers of equal yearly installments starting from the next financial year."

4.3.4 Prima-facie, it is evident that the Rule clearly outlines the process for the creation and recovery of Regulatory Assets established after the notification of the Electricity (Amendment) Rules, 2024, dated 10th January 2024.

4.3.5 According to above Rule, any Regulatory Asset created after 10th January 2024 must not exceed 3% of the approved ARR and must be fully recovered within three annual installments. Further as per the above rule, for Regulatory Assets created before 10th January 2024, recovery must be completed within seven annual installments. Thus, it is respectfully submitted that the methodology for recovering Regulatory Assets has already been defined under Rule 23 of the Electricity Rules, 2005 as amended.

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4.4 *The steps taken by each of the Commissions to commence an intensive audit of the circumstances in which the distribution Companies, operating within their jurisdiction have continued to function without recovery of Regulatory Assets / Revenue Gap;*

It is submitted that, as stated hereinabove, out of the 5 Discoms two, as on 01.04.2024, were in Revenue Surplus, and with respect to others the Commission is addressing the gap/(surplus) through the Annual Revenue Requirement (ARR) and tariff framework by timely revision of category-wise tariffs in a calibrated manner. The Commission has initiated steps and is planning to have meeting with JBVNL/ other Discoms for intensive audit of the circumstances in which the distribution Companies have continued to function without recovery of Regulatory Assets/ Revenue Gap and the Commission is working on it. Therefore, it is humbly prayed before Hon'ble Tribunal to allow the Commission to do the same as early as possible.

4.5 *The year upto which each of the Commission have passed true up/ ARR orders with respect to each distribution companies within their jurisdiction;*

It is humbly submitted that the Jharkhand State Electricity Regulatory Commission is upto date in passing True Up /ARR Order with respect to each Distribution Company operating under its jurisdiction and the Commission has passed true

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up Order till FY 2023-24, APR for FY 2024-25 and ARR for FY 2025-26 for all the Distribution Companies under its jurisdiction.

5. That, this affidavit is being submitted before the Hon'ble APTEL for its kind consideration and record with humble prayer to file supplementary affidavit, if any, as and when required by the Hon'ble Tribunal.
6. That, the contents of this Affidavit are true and correct to the best of my knowledge and nothing material has been concealed therefrom.

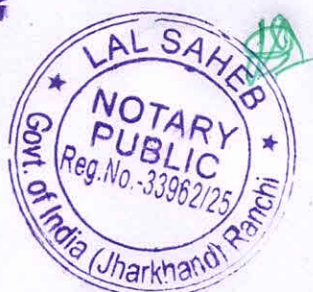
Rajendra Prasad Nayak
 DEPONENT
 Secretary
 Jharkhand State Electricity
 Regulatory Commission, Ranchi

VERIFICATION

I, the abovenamed deponent do hereby verify that the contents of this affidavit are true and correct to the best of my knowledge and belief. No part of it is false and nothing material has been concealed therefrom.

Verified at Ranchi on this the 10th day of September, 2025.

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Rajendra Prasad Nayak
 DEPONENT
 Secretary
 Jharkhand State Electricity
 Regulatory Commission, Ranchi

Filed by:
Rajendra Prasad Nayak
 Jharkhand State Electricity Regulatory
 Secretary
 Jharkhand State Electricity Commission
 Regulatory Commission, Ranchi

Through

Ms. Rohini Prasad
(Advocate for Respondent No. 25)

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Versus

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AFFIDAVIT

I, Rajendra Prasad Nayak, Secretary of Jharkhand State Electricity
Regulatory
Commission, having office at, Jharkhand State Electricity Regulatory
Commission, 1st Floor, Jharkhand State Housing Board Headquarter

Authorised under Notaries Act-1952
& Notaries Rul. 1956 by Govt of
India Jharkhand Ranchi

Ref No

Date

10 SEP 2025



(Old Building), Harmu Housing Colony, Ranchi - 834002, Jharkhand, do hereby solemnly affirm and declare as under;

1. That I am presently working as Secretary of the Jharkhand State Electricity Regulatory Commission, and as such I am fully conversant with facts and circumstances of the present case, based on the documents and records available in the office, hence competent to swear this affidavit. I am duly authorized by the Commission to swear this affidavit on its behalf.

2. That, the accompanying reply has been drafted under my instructions and the contents of the accompanying reply may kindly be read as a part and parcel of the present affidavit, as the same are not being repeated herein for the sake of brevity.

3. That, the contents of the accompanying reply being filed on behalf of JSERC are true and correct to the best of my knowledge, based on record and the submission contained therein are based on legal advice tendered and believed to be true.

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Rajendra Prasad Nayak
DEPONENT
Secretary
Jharkhand State Electricity
Regulatory Commission, Ranchi

Verification

I, Rajendra Prasad Nayak, the above named deponent do hereby verify that the contents of the above affidavit are true and correct to the best of my knowledge and belief. No part of it is false and nothing material has been concealed therefrom.

Verified at Ranchi on this the 10th of September, 2025.

Rajendra Prasad Nayak
DEPONENT

Secretary
Jharkhand State Electricity
Regulatory Commission, Ranchi

10 SEP 2025

[Signature]
10/09/25
NOTARY PUBLIC RANCHI



[Signature]
Signature Attested on
Identification of Lawyer
ENR No. 2793/24