

**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
AT NEW DELHI
O.P. NO. 1 of 2025**

IN THE MATTER OF;

In Suo-Moto action under Section 121 of the EA

...Petitioner

Versus

Forum of Regulators & Ors

...Respondents

INDEX

S. No.	Particulars	Page No.
1.	Affidavit on behalf of Respondent No. 30, i.e., Mizoram Electricity Regulatory Commission	1-3
2.	<u>Annexure A-1</u> True Copy of the Letter dated 21.08.2025 issued by the Ministry of Power, Government of India	4-7
3.	Court Fee Receipt	8
4.	Proof of Service	9

THROUGH

Place: New Delhi

Dated: 07.09.2025



MS. ABIHA ZAIDI

Counsel for Respondent No. 30
A-304 (First Floor), Defence Colony,
New Delhi, 110024
+91-9599337516 | office@saazpartners.com

**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
AT NEW DELHI
O.P. NO. 1 of 2025**

IN THE MATTER OF:

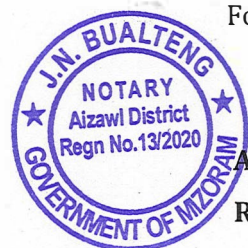
In Suo-Moto action under Section 121 of the EA

...Petitioner

versus

Forum of Regulators & Ors.

...Respondents

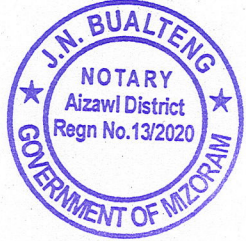


**AFFIDAVIT ON BEHALF OF RESPONDENT NO. 30 [MIZORAM ELECTRICITY
REGULATORY COMMISSION]**

I, Smt. Lalchanchinmawii, D/o Shri Romawia, aged about 47 years, presently residing at Durtlang, Aizawl, Mizoram – 796014, do hereby swear and solemnly state as under:

1. That I am presently serving as Assistant Secretary at the Mizoram Electricity Regulatory Commission ("MZERC"), having its Office at TBL Bhawan, E-18, 2nd – 5th Floor, Peter Street, Khatla, Aizawl, Mizoram – 796001.
2. That I am the authorized representative of MZERC which is arrayed as Respondent No. 30 in the above-mentioned Original Petition and as such am conversant with the facts and circumstances of the present case. I am therefore competent and authorised to swear the present affidavit on behalf of MZERC.
3. That pursuant to the directions issued by this Hon'ble Tribunal by Order dated 29.08.2025, I am filing the present affidavit placing on record the responses of MZERC to the directions passed by this Hon'ble Tribunal.
4. That on the basis of the records maintained in the office of MZERC, I respectfully state as follows:
 - a. In response to direction (a), there are **no Regulatory Assets** with respect to the Distribution Licensee under the jurisdiction of MZERC as on 01.04.2024.

Lpc
for Mizoram
**Assistant Secretary
Mizoram El. Regulatory Commission
Aizawl : Mizoram**



- b. In response to direction (b), there is **no Revenue Gap** carried forward in the ARR of the Distribution Licensee up to 01.04.2024.
 - c. In response to direction (c), since there are no Regulatory Assets or Revenue Gaps, the question of trajectory or roadmap for liquidation does not arise.
 - d. In response to direction (d), the issue of audit of circumstances for functioning without recovery of Regulatory Assets/Revenue Gaps does not arise, as no such Regulatory Assets/Revenue Gaps exist.
 - e. In response to direction (e), I respectfully submit that, as per the Regulations, the Commission has passed Orders on truing up of ARR up to FY 2023-24. There are no pending truing up orders to be issued.
5. That further, a reference may also be made to the Letter dated 21.08.2025 issued by the Ministry of Power, Government of India, wherein it has been observed that certain State Commissions (SERCs/JERCs) are disallowing costs claimed by the licensees and a list of financial disallowance States has been annexed thereto. I respectfully submit that the MZERC does not find mention in the said list, which reinforces the position of the Commission that there are no Regulatory Assets or carried-forward Revenue Gaps [A true copy of the said letter dated 21.08.2025 is annexed herewith and marked as **Annexure A-1**].
 6. That for the convenience of this Hon'ble Tribunal, a tabulated response to each of the directions issued by this Hon'ble Tribunal is provided hereinbelow:

	Directions by this Hon'ble Tribunal	Response of MZERC
(a)	The Regulatory Assets with respect to each Discom within their jurisdiction, as on 01.04.2024.	There are no Regulatory Assets with respect to the Distribution Company under the jurisdiction of MZERC as on 01.04.2024.
(b)	The Revenue Gap (whether carried forward or not) as reflected in each ARR upto 01.04.2024.	No Revenue Gap has been carried forward in the ARRs of the Distribution Company up to 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.	Since there are no Regulatory Assets/Revenue Gap under the jurisdiction of MZERC, the question of liquidation or roadmap does not arise.

Lee main

Assistant Secretary
Mizoram Ely. Regulatory Commission
Aizawl : Mizoram

(d)	The steps taken by the Commission to commence an intensive audit of the circumstances in which the Distribution Companies have continued to function without recovery of the Regulatory Assets/ Revenue Gap.	Not applicable, as there are no Regulatory Assets/Revenue Gap in Mizoram.
(e)	The year upto which the Commission has passed true-up/ ARR orders with respect to each of the Distribution Companies within its jurisdiction.	As per the Regulations, the Commission has passed Orders on truing up of ARR up to FY 2023-24. There are no pending truing up orders to be issued.



7. I say that the contents thereof are true and correct to the best of my knowledge and based on records available in the office of MZERC/Respondent No. 30.

Acc main

DEPONENT

Assistant Secretary
Mizoram Ely. Regulatory Commission
Aizawl : Mizoram

VERIFICATION

I, the above named deponent, do hereby verify that the contents of paragraphs 1 to 7 of the above affidavit are true and correct to my knowledge and belief, and nothing material has been concealed therefrom.

Verified at Aizawl on this 4 day of September, 2025.

Acc main

DEPONENT

Assistant Secretary
Mizoram Ely. Regulatory Commission
Aizawl : Mizoram

M. Guruvung
NGURRIVUNG, M.A., L.L.B
Advocate
District & Session Court
Aizawl : Mizoram
Ph : 9612514841 (Whatsapp)
8837368660

J.N. Bualteng
J.N. BUALTENG
Advocate & Notary Public
Aizawl : Mizoram

Notarial Registration

No. 51/9

Date 4/9/2025

8/25/25, 10:25 AM

Gmail - Regulatory Dis-allowance leading to Financial Viability concerns for Distribution Utilities-reg.

4

NZERC

Receipt No. 848
Date 25/8/25

ANNEXURE A-1

Jerc Mizorammanipur <jerc.mrn@gmail.com>

Regulatory Dis-allowance leading to Financial Viability concerns for Distribution Utilities-reg.

1 message

RCM Section <rcmdivision-mop@gov.in>

Fri, Aug 22, 20 25 at 11:45 AM

To: aerc ghy <aerc_ghy@hotmail.com>, Hage Mima <secy-apserc-am@gov.in>, Sunil Dutt Sharma <secy.jercuts@nic.in>, sunilduttsharma <sunilduttsharma@yahoo.com>, Secretary CSERC <cserc.sec.cg@nic.in>, Commission HERC <secretary.herc@nic.in>, hperc <hperc@rediffmail.com>, HPERC <secy-hperc@hp.gov.in>, secretary <secretary@jserc.org>, Rekha Secretary <kerc-ka@nic.in>, secretarykserc <secretarykserc@gmail.com>, Crschandran <crschandran@gmail.com>, "Mohd. Ashraf" <secretary-jercjkl@gov.in>, jercjkl <jercjkl@gmail.com>, Secretary MPERC <secretary@mperc.nic.in>, Eswoll Slong <secy.mserc-meg@nic.in>, secretarymserc <secretarymserc@gmail.com>, orierc <orierc@rediffmail.com>, orierc <orierc@gmail.com>, sikkim serc <sikkim.serc@gmail.com>, TERC Secretary <secy.terc-tr@tripura.gov.in>, Umakanta Panda <secy@tserc.gov.in>, TNERC Chennai <tnerc@nic.in>, Neeraj Sati <secy.uerc@gov.in>, jerc mm <jerc.mm@gmail.com>
Cc: Pankaj Agarwal <secy-power@nic.in>, Srikanth Nagulapalli IAS <as-mop@nic.in>, Hemant Pandey <hpandey@nic.in>, Sunil Sharma <sunil.sharma24@gov.in>, sanjeevprasad <sanjeev.prasad@gov.in>, PO NNA VIJAYA <vt.sasivarun-cwc@gov.in>, rcmdivisionmop <rcmdivisionmop@gmail.com>, recrcmcell <recrcmcell@gmail.com>

Sir/Madam,

Please find attached the letter regarding the above-mentioned subject for your information and necessary action.

with Regards

RCM Section
Ministry of Power
201, F Wing, Nirman Bhawan
New Delhi-110011

 Letter to Concerned SERCs on Regulatory Dis-allowance.pdf
952K

AC(E)
Mizoram is
not reflected.

25/8/25

AC(8A)

DA-II

27/8

Acc
main

Assistant Secretary
Mizoram Ely. Regulatory Commission
Aizawl : Mizoram

F. No. 07/02/2024-RCM
Government of India
Ministry of Power
(RCM Section)

F-201, Nirman Bhawan, New Delhi,
Dated the 21st August, 2025

To

The Secretary of SERCs/JERCs
(Assam, Arunachal Pradesh, Chandigarh, Chhattisgarh, DD & DNH,
Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Lakshadweep,
Ladakh, Madhya Pradesh, Meghalaya, Manipur, Odisha, Sikkim, Tripura,
Telangana, Tamil Nadu, Uttarakhand)

**Subject: Regulatory Dis-allowance leading to Financial Viability concerns for
Distribution Utilities-reg.**

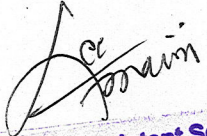
Sir/Madam,

As per the Electricity Act, 2003 and the Tariff Policy, the electricity tariff must be cost-reflective. The Tariff Policy also stipulates that creation of Regulatory Assets shall not be permitted under normal circumstances.

2. Rule 20 of the Electricity (Second Amendment) Rules, 2023 provides that all the prudent costs of power procurement, incurred by distribution licensee for ensuring 24x7 supply of electricity to consumers and for meeting requirements as per Resource Adequacy plan shall be taken into account. Further, all the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system in accordance with the Act shall be pass-through.

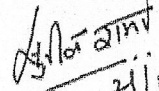
3. It has been observed that certain State Commissions (SERCs/JERCs) are disallowing cost claimed by the licensees, in tariff petitions, which would affect financial sustainability of the DISCOMs, ultimately impacting the whole power sector as well as the service quality to consumers. (List of financial disallowances States attached).

4. In view of above, it is advised to ensure compliance of statutory provisions and cost-reflective tariff to the licensees.


Assistant Secretary
Mizoram E. Regulatory Commission
Aizawl : Mizoram

5. This issues with the approval of competent authority.

Yours faithfully,

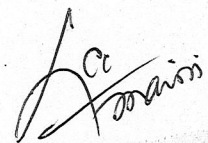


(Sunil Kumar Sharma)
Director (RCM)

E-mail: sunil.sharma24@gov.in

Copy to: Secretary, FOR

Copy for information to: Sr. PPS to Secretary (P) / Sr. PPS to AS (R&R) / PSO to CE (R&R) / PPS to Dir (RCM).



Assistant Secretary
Mizoram Ely. Regulatory Commission
Aizawl : Mizoram

Annexure

State-Wise Financial Dis-allowances (FY 2025-26)

S.No.	State	Financial year	Net disallowance (In Cr.)	ARR (In Cr.)	Net Disallowance (% of ARR)
1	Jharkhand	FY24	2,993	7,855	38.11%
2	Manipur	FY24	175	729	23.99%
3	Arunachal Pradesh	FY24	145	843	17.23%
4	Sikkim	FY 24	64	466	13.63%
5	Tripura	FY23	176	1,873	9.40%
6	Lakshadweep	FY20	13	141	9.23%
7	Ladakh	FY24	11	214	5.31%
8	Uttarakhand	FY24	519	9,918	5.23%
9	Meghalaya	FY24	48	1,293	3.69%
10	Chandigarh	FY22	25	852	2.91%
11	Kerala	FY24	592	20,493	2.89%
12	Haryana	FY24	1,181	41,607	2.84%
13	Assam	FY24	220	9,411	2.34%
14	Madhya Pradesh	FY24	1,077	51,985	2.07%
15	Telangana	FY23	125	7,028	1.78%
16	Chhattisgarh	FY23	316	20,419	1.55%
17	Karnataka	FY24	1,003	68,789	1.46%
18	Himachal Pradesh	FY24	72	6,878	1.04%
29	Odisha	FY23	139	15,157	0.92%
20	Tamil Nadu	FY24	201	78,332	0.26%
21	DD & DNH	FY23	11	5,997	0.19%

Acc. Secy
Assistant Secretary
 Mizoram E&R Regulatory Commission
 Aizawl : Mizoram