

## APPELLATE TRIBUNAL FOR ELECTRICITY

# Substantial Relief Secured for DVC Before APTEL in Long-Standing Tariff True-Up Dispute

**May 18, 2026, New Delhi:** In a significant litigation victory, SKV Law Offices secured substantial relief for Damodar Valley Corporation (“DVC”) before the Appellate Tribunal for Electricity (“APTEL”). By its judgment dated 18.05.2026, the Tribunal substantially allowed DVC’s appeal in a long-standing tariff dispute arising from true-up proceedings before the Jharkhand State Electricity Regulatory Commission (“JSERC”).

## Effect to CERC’s Tariff Determination

The Tribunal held that JSERC was obligated to give full effect to the tariff determination already made by the Central Electricity Regulatory Commission (“CERC”), including the allowance of ₹210 crore towards pay revision arrears for FY 2006-07 to FY 2008-09. APTEL also reaffirmed the settled principle that regulatory orders must be read as a whole, and that a summary table cannot override the operative findings set out in the body of an order.

## T&D Losses — Prudence Check, Not Mechanical Ceiling

APTEL further set aside JSERC’s mechanical restriction of Transmission & Distribution losses to a normative ceiling of 3% for FY 2012-13 to FY 2014-15, directing instead a fresh prudence check grounded in actual facts, historical performance, and on-ground operational realities. This aspect of the ruling carries particular significance: it recognises that efficiency benchmarks, however important, cannot be applied rigidly or mechanically in true-up proceedings. Meaningful regulatory scrutiny must account for system-specific conditions and the utility’s actual track record.

## Pension & Gratuity and Sinking Fund

On one issue, APTEL upheld JSERC’s position, sustaining its approach of linking the recovery of Pension & Gratuity Fund

and Sinking Fund contributions to normative plant availability for FY 2009-14.

## Why the Ruling Matters

Taken together, the judgment reinforces that tariff determination must strike a balance between regulatory efficiency and operational reality, and that State Commissions are duty-bound to give full effect to tariff components already determined by CERC. The ruling is expected to have a meaningful financial impact for DVC, particularly in relation to the recovery of employee costs and the reconsideration of power procurement costs linked to T&D losses.

## Our Team

The matter was led by SKV Law Offices, argued by Mr. Shri Venkatesh (Founding Partner), assisted by Mr. Nihal Bhardwaj (Counsel) and Ms. Surbhi Kapoor (Senior Associate).

FOR FURTHER INFORMATION PLEASE CONTACT

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