APPELLATE TRIBUNAL FOR ELECTRICITY

SKV Law Offices Successfully Represented POWERGRID before APTEL in dispute regarding liability of transmission charges due to delay in commissioning of generation assets

HPPTCL v. CERC & Ors., Appeal No. 300 of 2022, Judgment dated 22.07.2026

Introduction

SKV Law Offices successfully represented Power Grid Corporation of India Limited (POWERGRID) before the Appellate Tribunal for Electricity (APTEL) in an appeal filed by Himachal Pradesh Power Transmission. By its judgment dated 22.07.2026, APTEL dismissed the appeal and upheld the liability of HPPTCL to bear transmission charges for POWERGRID's transmission asset from its deemed commercial operation date till commissioning of HPPTCL's downstream asset.

Complexity

The matter turned on a decade-old statutory planning record and raised significant questions on the source of mismatch liability in the transmission sector. HPPTCL contended that the POWERGRID's asset was not constructed as per the agreement between the parties as borne out from the Standing Committee Meetings.

HPPTCL had also contended that there was no Implementation Agreement between parties as mandated under Regulation 6.3A(4) of the IEGC, 2010, and that liability could not therefore be fastened upon it. Essentially, HPPTCL was disputing the liability of transmission charges by contending that POWERGRID had constructed its asset in contravention of the planning which was agreed through statutory meetings relating to transmission planning.

Our Role

The regulatory disputes team at SKV Law Offices defended the CERC's order on the basis that POWERGRID had constructed the asset pursuant to the agreement between parties which was clear from the various statutory meetings on transmission planning. Further, the defence was anchored on the principle of defaulting entity principle which has been judicially formulated through a series of judgment.

Impact

APTEL accepted the submissions advanced by SKV Law Offices, thereby protecting POWERGRID's entitled of transmission charges for the entire mismatch period. The judgment is a significant precedent for the transmission sector: it affirms that requirements crystallized and concurred in the statutory planning process bind State utilities even in the absence of a bilateral contract or Implementation Agreement. It also reinforces the principle that tariff for a commissioned inter-State asset cannot be socialized through the PoC pool while the defaulting downstream entity escapes liability. The ruling materially strengthens the position of central transmission licensees in mismatch disputes with State utilities.

The judgment is also significant because it clears the air on mismatch liability, an issue that has been the subject of various judgments of this Tribunal turning on their own facts. Notably, the present dispute arose under the erstwhile CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010. The dispute was decided on the touchstone of the statutory transmission-planning process and the judicially evolved "defaulting entity" principle, making the judgment a valuable precedent for the body of pre-2020 mismatch disputes that continue to be adjudicated.

Team

The matter was led and argued by Mr. Shri Venkatesh, Founding Partner. He was ably supported by a team from SKV Law Offices comprising of Mr. Siddharth Nigotia, Senior Associate and Mr. Adarsh Singh, Associate.

FOR FURTHER INFORMATION PLEASE CONTACT

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