



ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
ITANAGAR

Suo Motu Case No. 1 of 2025.

In the matter of:

Suo Motu proceeding under Clause 3.1, Sub-Clause 15 of the Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024.

Date of Hearing: 29.04.2025.

Coram: **Mr.R.K. Joshi** Honourable Chairperson.

Mr.Nich Rika Honourable Member (Law).

Respondent: Department of Power, Transmission, Planning & Monitoring Zone (TP&MZ), Government of Arunachal Pradesh.

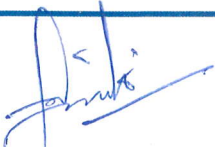
Appearance:

1. Er. T.K Tara, Chief Engineer, TP&MZ, Department of Power Government of Arunachal Pradesh.
2. Er. Nido Taka, TP&MZ, Department of Power, Government of Arunachal Pradesh

Date of Order: **01.05.2025.**

ORDER

1. Taking cognizance on the continuous non-compliance of the statutory obligations as under Clause 2.5 of the "Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024". This Commission has initiated Suo-Motu proceedings under Clause 3.1, Sub-Clause (15) of the Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 against the Respondent, Department of Power, Transmission Planning & Monitoring Zone (TP&MZ), Government of Arunachal Pradesh.


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GIST OF THE CASE:

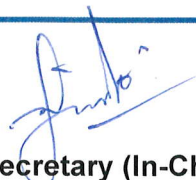
- 2.** The Clause 2.5 of the Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024, which reads as: -

"2.5 MYT Application

(1) The Generating Company, Transmission Licensee, SLDC and Distribution Licensee, shall submit the Business plan, forecast of Aggregate Revenue Requirement for the entire Control period and tariff proposal for the 1st year of the Control Period, in such manner and within 30th November of the current year (i.e 30th November, 2024 for the present control period) and accompanied by such fee payable, as may be specified under the Arunachal Pradesh State Electricity Regulatory Commission (fees) Regulations, 2011 as amended from time to time .The submission also include an annual review of performance of the current year and relevant year True Up in accordance with the applicable Regulations. "

3. The "Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024" mandates and requires that the Generating Company, Transmission Licensee, State Load Despatch Centre (SLDC) and Distribution Licensee to submit application for Business Plan, forecast of Aggregate Revenue Requirement for the entire control period and tariff proposal for 1st year of the control period within 30th November of the current year. The submission also includes an Annual Review of Performance of current year and relevant year True Up in accordance with the applicable Regulations.

4. The Transmission Planning and Monitoring Zone (TP&MZ) a deemed State Transmission licensee is bound to comply with the provisions of the Multi Year Tariff Regulations.



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5. Seen that no such application or petition has been filed by the respondent since the year 2019. A Letter dated 17.10.2023 was served upon the Respondent, Chief Engineer, TP&MZ, whereby a request was made to file Business plan and tariff in accordance to the Clause 2.3 and 2.5 of the MYT Tariff Regulation, 2018. Again on 26.11.2024 another letter was communicated to the respondent to file tariff petition pertaining to transmission. Yet on both occasions, the respondent never put forth any explanation to the non-filing of tariff under MYT Regulations.

6. On 16.12.2024, the Commission issued a notice to the respondent directing to provide a reasonable written explanation for non-compliance of the statutory and regulatory obligations within one month. Same was the result, the respondent never cared to give any reasons for its non-compliance.

7. The Commission looked at it as non-serious and wilful negligence by the respondent in not complying with the direction of the Commission's order. However, as a last measure, a final notice dated 29.01.2025 was issued to the Respondent to comply with the provisions of the Multi Year Tariff Regulations, 2024. Further in the notice itself it was made clear that failure to comply with the direction shall result in initiating of Suo Motu proceeding under section 142 and other provisions of the Electricity Act, 2003.

8. The respondent on 13.02.2025 had replied to the final notice served by the Commission on 29.01.2025. In its reply letter, the respondent has sought an extension of one month to file the tariff petition and informed that necessary initiation is underway by inviting quotations for hiring of suitable consultant agency for filing of tariff petition as required.

9. The period of one month as prayed by the respondent in their letter dated 13.02.2025 has passed but, the respondent has not filed petitions as required under the Regulations. Considering this the act as a wilful and deliberate defiance of the Commission's direction, the present notice was served upon the respondent under Clause 3.1, Sub-Clause (15) of the Arunachal Pradesh State Electricity Regulatory

Commission (Multi Year Tariff) Regulations, 2024 and the Suo Motu hearing was fixed on 29.04.2025.

SUBMISSIONS OF THE RESPONDENT, TRANSMISSION PLANNING & MONITORING ZONE (TP&MZ): -

10. When the matter was called for hearing on 29.04.2025, Respondent, represented by Er. T K Tara, Chief Engineer, TP&MZ in its submission had tendered an apology for non-filing of tariff petitions and submitted that due to acute manpower shortage in the establishment, it has become extremely difficult to comply with the regulatory directives in a timely manner. Further the respondent submitted that despite challenges efforts are made to fulfil its obligations. In this step a suitable consultant agency has been selected and awarded the contract to file the tariff petition as required.

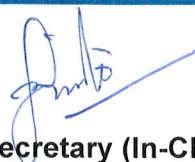
11. The respondent prayed to the Commission to consider the genuine constraints and not to impose any penalty as all possible efforts were made to comply with the statutory requirements. The respondent further sought a time frame of three months to prepare and file the MYT Petitions.

COMMISSION'S OBSERVATION:

12. The Suo Motu proceedings have been initiated under Clause 3.1, Sub-Clause (15) of the Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 which reads as:

"3.1 Filing of MYT and Tariff Petition

(15) Notwithstanding anything contained in these Regulations, in case of delay in filing or non-submission of MYT application for determination of tariff, the Commission may initiate Suo motu proceeding mandating the filing of the said application.



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Provided that in the event of the licensee not filing the application despite the aforesaid proceeding, the Commission may on its own, decide the tariff based on previous year's tariff details and after incorporating suitable adjustments. "

13. The Commission on its part had been compelled to initiated Suo Motu proceedings against the respondent because of the wilful and deliberate defiance of the Commission's direction through several communications as recorded above. The Commission has powers to issue necessary directions in the interest of improving the financial health and long-term viability of electricity sector in general and to the utilities. The objectives for the enactment of the Electricity Act, 2003 provides the Powers to the State Commission to determine the Tariff and to take suitable measures conducive to the development of the electricity industry and rationalisation of electricity tariff. Its emphasis to lay down justiciable statutory principles to mandatory and regular tariff determination requiring cost-reflective and viable tariff determination in terms of Section 61 of the Electricity Act. This should be treated as a time-bound exercise. If there is any lack of diligence on the part of the licensee or the utility which led to the delay, then the State Commissions have to intervene and to play a proactive role in accordance with the Regulations framed and the Statutory policy.

14. The Commission is of the view that the 'regulations making' is an intensive and time-consuming but important process. The varied complexity in framing the regulations requires a deep and pensive thought, with all considerations and contemplations which are to be properly discussed/deliberated/examined before notifying the MYT Regulations. Further, concerned generating companies and licensees need to file their tariff applications by 30th November of the financial year so that the Commission can issue the Tariff Orders in timely manner, before commencement of next financial year. Therefore, the Commission is of the considered opinion that such thorough examination cannot be completed due to paucity of time if the utilities deliberately delay the submission of Petitions.

15. The Commission is vested with the provision to punish for non-compliance of its directions. Under Section 142 of the Electricity Act ,2003, which reads as:

"142. Punishment for non-compliance of directions by Appropriate Commission: -

In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any of the provisions of this Act or the rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction."

16. The Commission had made up its mind to imposed penalty of Rs 30,000/- [Rupees Thirty Thousand] only against the respondent for non-seriousness and lackadaisical approach in complying with the directions issued by the Commission, but on the prayer by respondent and assurance to file the petition within one month time. The penalty of Rs 30,000/- [Rupees Thirty Thousand] only is not taken in consideration and hence not imposed on the respondent for this time.

17. The Commission had also noted the respondent's submission regarding hardship in complying with regulatory directives in a timely manner due to acute man power shortage and other regular official duties. But in the instant matter, the respondent has failed to submit the required application since the year 2019 though the other general activities were continued for this period by the respondent, except filing of the tariff petition. The Commission sense the lackadaisical and non-responsive

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attitude of the respondent in complying statutory provisions of tariff filing that compelled to initiate the present Suo Motu Proceedings.

ORDER

18. We hereby decide and direct the Respondent, in this present case the Transmission Planning & Monitoring Zone, Department of Power, Government of Arunachal Pradesh to comply with the direction to file applications as provided in the Clause 2.5 of the Arunachal Pradesh State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 within one month time from the date of this Order. It is made clear that no further extension shall be granted and non-compliance with this Order shall be viewed seriously and the Commission shall initiate Suo Motu proceedings taking in account penal provisions of the Electricity Act, 2003.

19. With these observations, this Suo Motu petition is disposed of.

BY ORDER OF THE COMMISSION


**Secretary I/c
APERC**


**Secretary (In-Charge)
State Electricity Regulatory Commission
Arunachal Pradesh**