



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Petition No. 2407 OF 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

Hon'ble Shri Griesh Kumar Vaish, Member (law)

IN THE MATTER OF

Petition under section 86(1)(k) of the Electricity Act, 2003 read with Regulation 17 of the UPERC (Open Access) Regulations, 2019 read with Regulation 57 of the UPERC (Conduct of Business) Regulations 2019, and in furtherance of the directions issued by the Hon'ble Supreme Court in the case of Indian Railways versus West Bengal State Electricity Distribution Company Limited and others.

AND

IN THE MATTER OF

1. **Uttar Pradesh Power Corporation Ltd. (UPPCL),**
through its Managing Director,
Shakti Bhawan, 14, Ashok Marg, Lucknow - 226001.
2. **Paschimanchal Vidyut Vitran Nigam Limited (PVVNL),**
through its Managing Director,
Hydel Colony, Victoria Park - Meerut - 250001.
3. **Madhyanchal Vidyut Vitran Nigam Limited (MVVNL),**
through its Managing Director,
4-A Gokhale Marg, Lucknow - 226001.
4. **Purvanchal Vidyut Vitran Nigam Limited (PuVVNL),**
through its Managing Director,
Bhikharipur, P.O DLW Varanasi - 22101
5. **Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL),**
through its Managing Director,
Urja Bhawan, NH-2, 9 (Agra Delhi bypass road) Sakandara Agra - 282002.
6. **Kanpur Electricity Supply Company Limited (KESCO),**



through its Managing Director,
14/71 Civil lines, Kanpur - 208001.

..... Petitioners

VERSUS

1. **Indian Railways,**
through its Secretary,
Rail Bhavan, 256-A, Raisina Road,
Central Secretariat, Kartavya Path, New Delhi, Delhi 110001.
2. **Northern Railways,**
through Divisional Railways Manager,
NR DRM Office, Near ICICI Bank,
Hazratganj, Lucknow-226001.
3. **Senior Divisional Electrical Engineer,**
Traction Distribution,
DRM Office Building, Northern Railway,
Hazratganj, Lucknow, Uttar Pradesh, 226001.

..... Respondents

THE FOLLOWING WERE PRESENT

1. Shri Mohit Pandey, SSE, Respondent
2. Shri Altaf Mansoor, Advocate Petitioner
3. Shri Tanay Chaudhary, Advocate, Petitioner
4. Ms. Pallavi Saigal, Advocate, Respondent
5. Ankit Trivedi, Advocate, Petitioner

ORDER

(DATE OF HEARING: 17.09.2026)

Background:

1. The present petition has been filed by the Petitioners under Section 86(1)(k) of the Electricity Act, 2003 read with Regulation 17 of The UPERC (Open Access) Regulations, 2019 read with Regulation 57 of The UPERC (Conduct of Business) Regulations 2019, and in furtherance of the directions issued by the Hon'ble

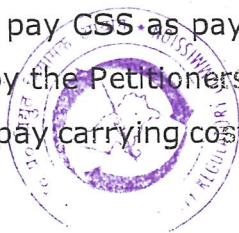




Supreme Court in the case of Indian Railways versus West Bengal State Electricity Distribution Company Limited and others (2026 SCC online SC 826).

Background

2. The dispute over Indian Railways' liability to pay Cross Subsidy Surcharge (CSS) has its genesis in litigations spread across State Regulatory Commissions, with five of eight ERCs (Punjab, Odisha, MP, Rajasthan, Haryana) holding that Indian Railways was not a deemed distribution licensee, while others (CERC, MERC, Kerala) took the opposite view. This question — whether Indian Railways' open access power procurement attracts CSS and Additional Surcharge — was conclusively decided by Hon'ble APTEL on 12.02.2024, through a judgement in which it held that Indian Railways is liable to pay CSS/Additional Surcharge and could not claim exemption merely on the basis that it is deemed distribution licensee. Acting on this, UPPTCL raised provisional CSS invoices for Nov-Dec 2023 (~Rs. 93.28 crore) vide letter dated 18.03.2024. Aggrieved by the judgement of Hon'ble APTEL, Indian Railways appealed before the Hon'ble Supreme Court under Section 125 of the Electricity Act, and the Hon'ble Supreme Court vide its interim order dated 06.05.2024 stayed recovery pending final adjudication.
3. The Supreme Court finally disposed of the appeals on 08.05.2026, directing the Respondents to compute and issue detailed CSS/Additional Surcharge calculations while affording Railways an opportunity to respond, however the recovery will be subject to "judicial scrutiny of the Appropriate Commission" Pursuant to this, UPPTCL communicated detailed CSS dues for FY 2018-19 to FY 2025-26 (aggregating ~Rs. 3,289.97 crore, including the earlier Nov-Dec 2023 bills) vide letter dated 17.06.2026. Railways raised certain objections on 25.06.2026, to which UPPCL responded on 02.07.2026. As the dues remained unpaid despite Hon'ble APTEL's and Hon'ble Supreme Court's judgements and the ensuing correspondence, UPPCL and the State DISCOMs (PVVNL, MVVNL, PuVVNL, DVVNL, KESCO) filed the present Petition before the Commission vide which following prayers have been made:
 - a) Direct Indian Railways to pay CSS as payable under various tariff orders and in terms of invoices raised by the Petitioners.
 - b) Direct Indian Railways to pay carrying cost as payable under various tariff orders.





- c) Pass any other order as the Commission may deem fit and award cost of the Petition in favour of the Petitioners.
4. The Petition is admitted. The Commission directs Petitioners to implead UPPTCL and UPSLDC as Respondents and to submit an amended memo of parties. The Petitioners are further directed to submit, within two weeks, the detailed calculations of the Cross Subsidy Surcharge (CSS) and carrying cost, in line with the ratio of the judgment of the Hon'ble Supreme Court, with specific reference to the relevant provisions of the applicable Regulations and Tariff Orders governing computation of CSS and carrying cost. Issue notice to new Respondents. The Respondents are granted six weeks to file their reply, and the Petitioners thereafter two weeks to file their rejoinder.
5. The matter is now listed for hearing on 01.12.2026.

(Griesh Kumar Vaish)
Member (law)

(Sanjay Kumar Singh)
Member

(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 23.09.2026