

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 177/MP/2025 along with IA (Diary) No. 534/2026

Subject : Petition under Section 79 of the Electricity Act, 2003 read with Regulations 65, 67 & 68 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and in terms of CERC's Order dated 13.08.2021 passed in Petition No.6/SM/2021 as well as Order dated 29.11.2024 passed in Petition No.4/SM/2024 seeking Supplementary Tariff in respect of implementation of Flue-Gas Desulphurization System in the coal based Anuppur Thermal Power Project of MB Power (Madhya Pradesh) Limited in District Anuppur of Madhya Pradesh in compliance of the Revised Emission Standards prescribed by MoEFCC's Notification dated 07.12.2015.

Petitioner : MB Power (Madhya Pradesh) Limited (MBPMPL)

Respondents : Uttar Pradesh Power Corporation Limited and Ors.

Date of Hearing : **6.8.2026**

Coram : Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V, Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Parties Present : Shri Amit Kapur, Advocate, MBPMPL
Shri Anant Singh Ubeja Advocate, MBPMPL
Ms. Shyenika Upadhyay, Advocate, MBPMPL
Ms. Puja Priyadarshini, Advocate, UPPCL
Shri Kunal Kashyap, Advocate, UPPCL
Shri Ravi Kishore, Advocate, PTCIL
Ms. Deepti Dash, Advocate, PTCIL

Record of Proceedings

At the outset, the learned counsel for the Respondent, UPPCL, submitted that UPPCL had filed IA (Diary) No. 534/2026 seeking the appointment of an Investigating Authority under Sections 128 and 129 of the Electricity Act, 2003 (the Act) to examine the technical, financial, and compliance-related aspects of the FGD works at Anuppur TPS, in view of the serious concerns that had arisen and the significant cost implications for the Procurers and, ultimately, the consumers of electricity in the State of Uttar Pradesh. The learned counsel further submitted that the said IA had been filed on the basis of certain written complaints received by UPPCL. Accordingly, the learned counsel requested that UPPCL be permitted to place the said documents before the Commission in a sealed cover, instead of filing them online, so as to avoid disclosing the identity of the complainant(s). The learned counsel further requested that the said IA be listed for hearing at an early date.

2. The learned counsel for the Petitioner submitted that this Petition has been pending for some time now, and filing of such IA at this stage is nothing but an attempt to



protract the proceedings. The learned counsel further sought liberty to file a reply to the said IA and requested the Commission to proceed with the hearing of the main Petition.

3. In response, the learned counsel for the Respondent submitted that under Sections 128 and 129 of the Act, the Petitioner does not have a right to respond to such an application at this stage and it is the discretion of the Commission whether to entertain such application and initiate an investigation into the affairs of the generating company. The learned counsel further submitted that under the said Sections, an opportunity of being heard or making representation is to be provided only after an investigating authority submits its report, and the Commission decides to issue any direction under Section 129 based on such report.

4. Considering the submissions made by the learned counsels for the parties, the directions are as under:

(a) Issue notice on the IA.

(b) The Respondents of the IA to file their respective replies within two weeks, with an advance copy to the Applicant, who may file its rejoinder within a week thereafter.

5. The Commission also directed the Petitioner to furnish the following information/clarification, on an affidavit, within two weeks with a copy to the Respondents, who may file their response, if any, within a week thereafter.

(a) Detailed scope of work and scope-wise cost breakup indicating the works envisaged under the in-principle approval, the changes in scope subsequently undertaken, and the segregation of expenditure pertaining to the WFGD system and other non-WFGD works, duly supported by the relevant LOAs, work orders and other documents.

(b) As on the ODe (31.5.2024) of Unit-II, the total cash expenditure was ₹802.95 crore. However, as per the auditor-certified statement, the total cash expenditure as on 31.5.2026 is ₹896.06 crore. Furnish the details and justification for the additional capital expenditure of ₹93.11 crore incurred after the ODe, including the break-up of hard and soft costs, along with supporting documents. Detailed break-up of the Pre-Operative Expenses, Incidental Expenditure During Construction (IEDC), and Pre-Commissioning Expenses amounting to ₹33.00 crore, indicating the nature of each expenditure head along with justification and supporting documents for capitalisation of the same.

(c) Item-wise break-up of the miscellaneous expenditure of ₹67.72 crore, including expenditure towards early completion incentives, additional limestone and gypsum storage facilities, capital spares, chemical laboratory facilities, and other components, along with the basis, justification, and supporting documents for inclusion of such expenditure in the project cost.

(d) Clarify and reconcile the variation observed in the IDC and IEDC figures furnished in Annexure-19 (audited statement) and Annexure-20 of the Petition along with the supporting documents in this regard.

(e) Details of the income earned or proposed to be earned from the sale of gypsum and any other by-products generated from the operation of the WFGD system, along with supporting documents. Indicate the manner in which such income has been considered while computing the additional O&M expenses claimed in the Petition, in accordance with the applicable provisions/ orders of the Commission.

6. The Petition, along with the IA, will be listed for hearing on **3.9.2026**.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**