

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 248/MP/2026

Subject : Petition under Section 79 of the Electricity Act, 2003 read with Article 10 of the Power Purchase Agreement dated 18.01.2014 and Schedule 1 Clause VIII of the Power Purchase Agreement dated 20.01.2014 and in terms of this Commission's Order dated 03.06.2019 passed in Petition No. 156/MP/2018 seeking: a) Validation and approval for recovery of the Change in Law compensation, along with the applicable carrying cost/ interest/ late payment surcharge thereof, on account of the additional operational expenditure and additional capital expenditure incurred by the Petitioner towards compliance with the statutory mandate under the Ministry of Environment, Forest & Climate Change Notification dated 25.1.2016 relating to transportation and utilization of fly-ash, which has already been recognized as a Change in Law event by this Commission and the additional expenditure thereof by MB Power has been in principally admitted by this Commission in its Order dated 03.06.2019 passed in Petition No. 156/MP/2018, and; b) Issuance of appropriate directions to Respondents for payment of additional operational expenditure and additional capital expenditure incurred by the Petitioner towards transportation and utilization of the fly-ash along with the applicable carrying cost/ interest/ late payment surcharge.

Petitioner : MB Power (Madhya Pradesh) Limited

Respondent : PTC India Limited and Ors.

Date of Hearing : **24.6.2026**

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, MBPL
Shri Akshat Jain, Advocate, MBPL
Shri Sayan Ghosh, Advocate, MBPL

Record of Proceedings

Learned counsel for the Petitioner, MBPL, submitted that the present Petition has been filed pursuant to the liberty granted by the Commission vide order dated 3.6.2019 in Petition No. 156/MP/2018 seeking validation and approval for recovery of Change in Law compensation, along with the applicable carrying cost/ interest/ late payment surcharge thereof, from PTC/ UPPCL on account of the additional expenditure incurred by the Petitioner relating to transportation and utilization of the fly-ash towards compliance with the statutory mandate under the MoEFCC Notification dated 25.1.2016 which has already been recognized as a Change in Law event. In fact, the Commission vide its order dated 19.12.2017 in Petition No. 229/MP/2016 has also held that additional expenditure/ cost incurred by the generator towards transportation and utilization of fly-ash is a Change in Law event and prescribed certain conditions for admissibility of such claim by the generating company. He further submitted that the additional expenditure claimed in the Petition includes both capital expenditure as well as operational expenditure incurred by the Petitioner towards transportation and utilization of fly-ash.

2. Considering the submissions made by the learned counsel for the Petitioner, the Commission directed as under:

- (a) Admit and issue notice to the Respondents, subject to just exceptions;
- (b) The Petitioner to file the following information/clarification, on an affidavit, within four weeks:
 - (i) Details of compliance with Paragraph 2(10) of the MoEF&CC Notification dated 25.1.2016 regarding transportation of fly ash to specified end users within the prescribed distance, and compliance with the MoEF&CC Notification dated 31.12.2021, along with subsequent amendments, on fly ash utilisation, including issuance of notices to concerned agencies.
 - (ii) Clarification as to whether the requirement of providing free transportation cost extends to all end users, including cement manufacturers and other commercial entities, or is limited to specified categories of agencies under the relevant Notifications.
 - (iii) Auditor-certified unit-wise and month-wise details of actual ash transportation expenditure incurred during the period 2015-16 to September 2025, indicating quantity transported, destination, distance, mode of transport and transportation cost (₹/tonne/km). The Petitioner shall also justify that the claim is within limitation and furnish the applicable State Schedule of Rates or other relevant benchmarks to demonstrate that the transportation charges claimed are reasonable and commensurate with prevailing market rates.

(iv) Details of the award of fly ash transportation contracts, indicating whether the same has been carried out through a transparent competitive bidding process or otherwise. In case of an award through negotiations, submit reasons, justification, and supporting documents.

(v) End-user certificates and supporting documents for fly ash supplied/ utilised during the period 2015-16 to September 2025, indicating quantity, purpose of utilisation, destination, distance and mode of transportation. The purpose-wise details of ash utilisation (road construction, mine void filling, dams, etc.) and establish that such utilisation pertains to eligible Government/ State-owned infrastructure projects, wherever claimed.

(vi) Details of revenue/ income realised from the sale or supply of fly ash and month-wise adjustment thereof against the transportation expenditure, indicating the net amount claimed.

(vii) Detailed computation of the fly ash transportation/ disposal cost claimed, in editable Excel format, along with supporting workings and appropriate links/ references to the source data and calculations.

(vii) Complete details and supporting documents in respect of the capital expenditure/ additional capital expenditure claimed towards fly ash transportation and utilisation infrastructure, including scope of work, cost estimates, tender/ award documents, invoices and capitalization details. Establish the necessity and nexus of such expenditure with compliance with the applicable MoEF&CC Notifications and justify its reasonableness and prudence.

(c) The Respondents to file their replies, including the information/ clarification to be furnished by the Petitioner as above, within five weeks, with a copy to the Petitioner, who may file its rejoinder(s), if any, within two weeks thereafter.

3. The Petition will be listed for hearing on **20.8.2026**.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Law)