CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 318/MP/2023

Subject	:	Petition for approval of "Change in Law" event and for offset the financial/ commercial impact on account of imposition of ecosystem charge for commercial usage of natural water as a result of Ecosystem Services Rules, 2022 dated 18.7.2022 issued under Sikkim Forests, Water Courses and Road Reserve (Preservation and Protection) Act 1988 and in terms of Articles 9.8 and 11 of the PPA entered by the Petitioner in relation to Teesta-III Hydroelectric Project (1200 MW) with PTC India Limited on 28.7.2006 read with Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021.
Petitioner	:	Sikkim Urja Limited (SUL)
Respondent	:	PTC India Limited (PTCIL) and Ors.
Date of Hearing	:	**9.7.2026**
Coram	:	Shri Jishnu Barua, Chairperson Shri Ramesh Babu V., Member Shri Harish Dudani, Member Shri Ravinder Singh Dhillon, Member
Parties Present	:	Shri Tabrez Malawat, Advocate, SUL Shri Syed Hamza, Advocate, SUL Shri Sourajit Sarkar, Advocate, SUL Ms. Rupali Jain, Advocate, SUL Shri Shubham Sharma, Advocate, Haryana Utilities & PSPCL Ms. Kaavya Madaan, Advocate, Haryana Utilities & PSPCL Ms. Shradhha Deshmukh, Advocate, Rajasthan Discoms Shri Sanchit Singh, Advocate, Rajasthan Discoms Shri Sarthak Gupta, Advocate, Rajasthan Discoms Shri Kaustubh Khanna, Advocate, Rajasthan Discoms Shri Ravi Kishore, Advocate, PTC Ms. Deepti Dash, Advocate, PTC Shri Nived Verapaneni, Advocate, UPPCL Ms. Shubham Mudgil, Advocate, UPPCL

Record of Proceedings

At the outset, the learned counsel for the Respondent, UPPCL, submitted that he had been recently engaged and accordingly requested an additional two weeks to file a reply in the matter. The learned counsel further submitted that a proceeding challenging the vires of the Ecosystem Service Rules 2022 has been pending before the Hon'ble Sikkim High Court since 2022, and the matter is next listed for hearing in the month of July itself. The learned counsel further submitted that the law imposing

similar levies passed by two States has already been set aside as unconstitutional. Accordingly, the learned counsel requested that in order to bring these developments on record, the Respondent, UPPCL, may be permitted to file its reply in the present matter.

2. The learned counsel for the Respondents, Haryana Utilities and PSPCL, submitted that, unlike other hydro generators, including NHPC & THDC, who have all challenged the levy on the cost of commercial usage of water, the Petitioner has sought to recover the said levy by claiming it as Change in Law compensation.

3. In response, the learned counsel for the Petitioner pointed out that the last opportunity granted for filing the reply(s) in the matter had already expired and, therefore, prayed that the Respondent, UPPCL, ought not to be permitted to file any reply in the present proceedings. The learned counsel also added that the Petitioner has not instituted any proceedings before the Hon'ble High Court of Sikkim and as the Petitioner has already incurred an expenditure to the tune of Rs. 100 crore, the Change in Law relief ought to be allowed subject to the outcome of the proceedings before the Hon'ble High Court.

4. After hearing the learned counsel for the parties, the Commission deemed it appropriate to permit the Respondent, UPPCL, to file its reply, as a last opportunity, within two weeks with a copy to the Petitioner, who may file its rejoinder, if any, within two weeks thereafter.

5. The Petition will be listed for the hearing on **10.9.2026**.

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