

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.3/MP/2026

Subject : Petition under Regulation 15(1)(d) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, read with Regulation 36(3)(d) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, for approval and recovery of the insurance expenses for the 2024-29 tariff period.

Petitioner : Powergrid Corporation of India Limited (PGCIL)

Respondents : Uttar Pradesh Power Corporation of India Limited (UPPCL) and Ors.

Date of Hearing : **29.4.2026**

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

Parties Present : Shri V C Sekhar, PGCIL
Shri Prashant Kumar, PGCIL

Record of Proceedings

The representative of the Petitioner submitted that the present Petition has been filed for recovery of insurance expenses for the 2024-29 tariff period, based on the actual insurance expenses incurred for FY 2024-25, with a 5.25% per annum escalation for FYs 2026 to 2029. The representative of the Petitioner further submitted that the total insurance expense incurred by the Petitioner for FY 2024-25 was Rs. 404.18 crore, and the component of Interest on Working Capital (IOWC) on such expense, as also being claimed, works out to Rs. 17.41 crore. He submitted that the Petitioner has also filed the additional information sought *vide* Record of Proceedings dated 3.2.2026 and that none of the Respondents has filed any reply.

2. After hearing the representative of the Petitioner, the Commission directed the Petitioner to furnish the following information/ clarification, on an affidavit, within three weeks:

- (i) Component-wise break-up of 'Other insurance including Mega Insurance' of ₹97.39 crore, along with policy documents and the relevant extract of the Financial Statements for the year 2024-25 for insurance expenses of ₹ 97.39 crore.
- (ii) Detailed breakup of Gross Block of ₹2,60,099.48 crore.



- (iii) As the Gross Block of ₹ 2,60,099.48 crore is as per Ind-AS, clarify for the adjustment of the Deemed Cost adjustment (Ind-AS) of ₹27,824 crore, in the Gross Block for the calculation of self-insurance.
 - (iv) Year-wise actual insurance expenses (self-insurance and other insurance separately) for the period 2019-24, along with supporting documents.
 - (v) Whether the expenditure claimed by the Petitioner includes insurance expenses pertaining to office buildings, vehicles, and furniture of office buildings? If yes, provide a detailed bifurcation of the insurance expenses incurred under each of the heads, namely insurance of office buildings, insurance of vehicles, and insurance of furniture and fixtures in office buildings. Further, year-wise details of such expenses for the relevant tariff/control period.
3. The Commission, while closing the right of oral hearing, deemed it appropriate to permit another opportunity to the Respondents to file their replies, if any, within two weeks, with a copy to the Petitioner, who may file its rejoinders, if any, within two weeks thereafter.
4. Subject to the above, the matter was reserved for order.

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