

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri R Krishnamoorthy, Member**

Petition No. 81/2007

In the matter of

Reimbursement of additional expenditure towards deployment of Special Security Forces (CISF) at Salakati and Bongaigaon sub-station for the year 2005-2006.

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon **Petitioner**

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Kolkata
3. Grid Corporation of Orissa Ltd., Bhubneshwar
4. Damodar Valley Corporation, Kolkata
5. Power Dept., Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi **Respondents**

The following were present:

1. Shri U Chandra, ED, PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri U.K. Tyagi, PGCIL
4. Shri C. Kannan, PGCIL
5. Shri Harmeet Singh, PGCIL

**ORDER
(DATE OF HEARING: 30.8.2007)**

The petitioner has filed this petition seeking reimbursement of additional expenditure incurred towards deployment of special security forces at Salakati and Bongaigaon sub-stations for the year 2005-06 by the beneficiaries in Eastern Region.

2. The petitioner has based its claim on Regulations 12 and 13 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the regulations) which empowers the Commission to make appropriate

provisions for removing difficulties and relax the provisions thereof in appropriate cases.

3. The petitioner has submitted that its establishments in North-eastern region have been receiving threats from the militant outfits. There had been cases of kidnapping of employees and contractor's staff by the militants. CISF cover was provided at Salakati and Bongaigaon sub-stations taking in view the disturbed situation prevailing in the area to accord proper security to its assets and personnel deployed at these sub-stations and to ensure uninterrupted power flow to the beneficiaries. The petitioner has listed several instances of kidnapping, attack and killing to highlight difficult security scenario in the region. According to the petitioner, local police could not provide adequate security to the sub-stations. The petitioner has referred to the Commission's order dated 27.10.2006 in Petition No.81/2006 whereby reimbursement of abnormal O&M expenses for the year 2004-05 were approved. The petitioner has submitted that there has been no improvement in law and order position and sub-stations are still under constant threat of militancy. In order to counter the situation, the petitioner is stated to have continued deployment of the additional security forces. The petitioner has submitted copies of the newspaper reports and correspondence with the security agencies in support of its claim about the prevailing law and order situation.

4. The petitioner's claim for reimbursement of special security expenses is supported by auditors' certificate dated 28.2.2007, which incorporates the details of expenditure incurred on making special security arrangement at Bongaingaon and Salakati sub-stations, as appended hereinbelow, verified from the books/records of the petitioner for the year 2005-06:

(in Rs.)

S.No.		400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary	6214685	9342080
2.	Medical	132249	72596
3.	Vehicle expenses	258786	222773
4.	Other expenses	462462	675885
	Total	7068182	10313334

5. The petitioner has apportioned the salary component between Bongaigaon and Salakati sub-stations for the year 2005-06 on 50:50 basis, based on the Commission's order dated 22.2.2005 in Petition No. 83/2004. The petitioner has submitted the following claim for reimbursement of expenses for these sub-stations:

(Rs. in lakh)

S. No.	Description	400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary	77.78	77.78
2.	Medical	1.32	0.73
3.	Vehicle expenses	4.62	6.76
4.	Other expenses	2.59	2.23
	Total	86.31	87.50

6. The petitioner has submitted that:

(a) Total security expenses of Rs. 87.50 lakh associated with Salakati sub-station forming part of Chukha transmission system are to be shared by the constituents of Eastern Region in proportion to the transmission charges shared by the beneficiaries of that Region.

(b) Security expenses for Bongaigaon sub-station associated with Bongaigaon-Malda transmission line (inter-regional asset between

Eastern Region and North-eastern Region) under Kathalguri transmission system are to be shared by the constituents of Eastern Region and North-eastern Region on 50:50 basis, the charges so calculated for Eastern Region are to be further shared by the constituents of that Region in proportion to the transmission charges shared by them for Bongaigaon-Malda transmission line.

7. No serious objection to reimbursement of the expenditure incurred by the petitioner is raised by the respondents, though Respondent No. 2, WBSEB has, in its reply stated that major part of additional security expenses for Salakati sub-station be borne by the constituents of North-eastern Region. In our view the issue raised is extraneous to the matter in the present application, since the transmission charges for Chukha transmission system of which Salakati sub-station is a part, are borne by the beneficiaries in Eastern Region.

8. The normative O &M expenses for Eastern Region do not include these abnormal expenses. We are satisfied that the expenditure has been incurred by the petitioner on making special security arrangements at the sub-stations for the reasons beyond its control and in the overall interest of security of the transmission system. Therefore, in our view the petitioner becomes entitled to reimbursement of these additional expenses incurred. We, in exercise of power under Regulations 13 of the regulations and in relaxation of the provisions thereof direct reimbursement of these additional expenses for the year 2005-06 as claimed by the petitioner from the respondents.

9. The entire expenses of Rs.87.50 lakh in respect of Salakati sub-station and 50% of these expenses in case of Bongaigaon sub-station, that is, Rs.43.16 lakh shall be shared by the beneficiaries of Eastern Region, as a part of the transmission charges for Eastern Region.

10. With this order, the present petition stands disposed of.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER

sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 30th August 2007