

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 151/2007

In the matter of

Reimbursement of additional expenditure towards deployment of Special Security Forces (CISF) at Bongaigaon sub-station and Tripura State Rifles (TSR) for transmission line patrolling for the year 2005-2006 in North-eastern Region.

And in the matter of

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

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Government of Arunachal Pradesh, Itanagar
4. Power and Electricity Department, Govt. of Mizoram, Aizwal
5. Electricity Department, Govt. of Manipur, Imphal
6. Department of Power, Govt. of Nagaland, Kohima
7. Department of Power, Govt. of Tripura, Agartala **Respondents**

The following were present:

1. Shri V.V.Sharma, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri C.Kannan, PGCIL
4. Shri M.M. Mondal, CM (Fin), PGCIL
5. Shri Harmeet Singh, PGCIL
6. Shri H.M.Sharma, ASEB
7. Shri P.K.Kapoor, ASEB

**ORDER
(DATE OF HEARING: 22.1.2008)**

The petitioner has filed this petition seeking reimbursement of additional expenditure incurred towards deployment of special security forces at Bongaigaon sub-station in the State of Assam and for line patrolling in the State of Tripura for the year 2005-06.

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 empower the Commission to make appropriate provisions for removing difficulties and to relax the provisions thereof in appropriate cases.

3. It has been stated that the security situation at Bongaigaon and Kumarghat sub-stations was reviewed. It was observed that security situation during 2005-06 had not improved and was same as during the previous years. Therefore, the petitioner felt the need for continuing deployment of CISF at Bongaion sub-station and Tripura State Rifles at Kumarghat sub-station during 2005-06. The continuation of deployment of security forces is stated to accord greater security to the petitioner's assets, personnel deployed at sub-stations/ transmission lines and to ensure un-interrupted power flow to the respondents.

4. The petitioner has further submitted that the deployment of the security personnel of TSR at Kumarghat sub-station was with depleted strength since 30 TSR security personnel were withdrawn before elections in the State of Tripura held during April and May 2005, but were provided on case-to-case basis for line patrolling whenever asked for, for which payment was made. The expenditure of Rs 2.20 lakh is stated to have been incurred towards deployment of TSR personnel. The petitioner has also stated to have incurred an amount of Rs. 86.31 lakh on account of deployment of CISF personnel at Bongaigaon sub-station forming part of Malda- Bongaigaon transmission line, an inter-regional asset. Accordingly, the petitioner has claimed reimbursement of the following

expenditure on account of the personnel deployed on special security, as abnormal O & M expenses:

S.No.	Sub-station	Expenditure
1.	Additional security expenditure towards deployment of security forces (TSR) for transmission line patrolling in Tripura	Rs. 2.20 lakh
2.	Bongaigaon sub-station	Rs. 43.16 lakh (50% of the total expenses of Rs. 86.31 lakh)

5. The break-up of the amount of Rs. 86.31 lakh claimed for Bongaigaon sub-station has been worked out by re-apportioning salary between Bongaigaon and Salakati sub-stations in the ratio of 50:50 as per the direction given in order dated 22.2.2005 in Petition No. 83/2004. The claims of the petitioner are supported by the auditor's certificate dated 28.2.2007.

6. The details of expenditure after considering distribution of salary component of abnormal security personnel deployed at Bongaigaon and Salakati sub-stations in the ratio of 50:50 for 2005-06 are as indicated below:

(Rs in lakh)		
Particulars	Bongaigaon sub-station	Kumarghat sub-station
Salary	77.78	1.49
Medical	1.32	
Other Expenses	4.62	
Vehicle Hiring Charges	2.59	0.71
Total	86.31 50% = 43.16	2.20

7. The petitioner has listed several instances of kidnapping, attack and killing to highlight difficult security scenario in the region. 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. The petitioner has relied upon the Commission's order dated 25.9.2007 in Petition No. 35/2006

whereby reimbursement of additional security expenses for the year 2004-05 was approved.

8. Reply has been filed by the respondent, Assam State Electricity Board (ASEB). Submissions have also been filed by Ms Mallika Sharma Bezbaruah as a consumer. ASEB has stated that the regulations do not prescribe for such reimbursement. It has been further stated that after formation of Bodoland Autonomous Council, the situation has improved and has become normal. Ms Mallika Sharma Bezbaruah has stated that the auditor's certificate given in support of the expenditure does not disclose any such expenditure against Kumarghat sub-station.

9. The petitioner in the hearing clarified that the claim of TSR security is for Kumarghat-Agartala transmission line patrolling. In response to the objection raised by the State of Assam, the petitioner has clarified that the certificate conforms to the audited accounts.

10. The Commission vide its order dated 25.9.2007 *ibid* held under:

“On consideration of the facts placed on record by the petitioner, the petitioner was required to make special arrangements to ensure safety and security of its personnel and property. The incidents narrated by the petitioner in support of its claim justify deployment of additional forces. The expenses were essential and unavoidable. In the absence of necessary security arrangements, any untoward incident could have resulted in disruption of power supply in the region, depriving the consumers, railways and other industry in region of electricity. The loss on account of such deprivation could prove disastrous. Therefore, we are satisfied that the respondents are the ultimate beneficiary of the special security arrangement made by the petition, and they should reimburse the expenditure incurred.”

11. The petitioner has sought approval for reimbursement of expenses under power to relax so it can be allowed the way it was allowed for 2004-05. The deployment security is to accord greater security to petitioner's assets and personnel deployed at the sub-stations and transmission lines, and to extend uninterrupted power supply to the beneficiaries. Any decision for further deployment is to be taken keeping these factors in consideration.

12. On consideration of the facts available on record, and taking cognizance of the general law and order situation in the North-eastern Region, we are satisfied that the petitioner was required to make special arrangements to ensure safety and security of its personnel and property. The incidents narrated by the petitioner in support of its claim justify deployment of additional forces. The expenses were essential and unavoidable. In the absence of necessary security arrangements, any untoward incident could have resulted in disruption of power supply in the region, depriving the consumers, railways and other industry in region of electricity. The loss on account of such deprivation could prove disastrous, and far more than the expenditure incurred on making special security arrangements and being claimed. Therefore, we are satisfied that the respondents as the ultimate beneficiary of the special security arrangement made by the petitioner should reimburse the expenditure incurred.

13. Accordingly, we, in exercise of our powers under Regulation 13 of the regulations direct that the entire additional security expenses incurred are to be reimbursed by the respondents. The expenses for patrolling of the transmission lines linked with Kumarghat sub-station as claimed by the petitioner shall be borne by the beneficiaries of the North-eastern Region. As regards Bongaigaon sub-station, it is noted that it forms part of the Kathalguri Transmission System, which

includes Malda-Bongaigaon transmission line, an inter-regional asset between Eastern and North-eastern Regions. The Commission in its order dated 26.5.2005 in Petition No. 22/2005 which related to reimbursement of abnormal expenses by the beneficiaries in Eastern Region for the year 2003-04 has decided that only 50% of the additional security expenses apportioned to Bongaigaon sub-station are to be borne by the beneficiaries in Eastern Region, and the remaining 50% of the expenses need to be reimbursed by the beneficiaries in North-eastern Region. Therefore, the respondents as the beneficiaries in the North-eastern region are liable to pay Rs. 43.16 lakh only (50% of the abnormal security expenses of Rs. 86.31 lakh) for Bongaigaon sub-station. The charges to be borne by the beneficiaries in the North-eastern Region for the year 2005-06 are accordingly summarized below:

S.No.	Sub-station	Expenditure
1.	Additional security expenditure towards deployment of security forces (TSR) for transmission line patrolling in Tripura.	Rs. 2.20 lakh
2.	Bongaigaon sub-station.	Rs. 43.16 lakh (50% of the total expenses of Rs. 86.31 lakh)

14. The additional security expenses for the year 2005-06 shall be shared by the constituents of the North-eastern Region in proportion to the transmission charges shared by them for the petitioner's transmission system in North-eastern Region for that year.

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

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 28th May 2008

sd/-
(BHANU BHUSHAN)
MEMBER