

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Dr. Pramod Deo, Chairperson
2. Shri R.Krishnamoorthy, Member
3. Shri S.Jayaraman, Member

Petition No. 160/2008

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 2007-2008 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 U.K. Tyagi, PGCIL
2. Shri V.V.Sharma, PGCIL
3. Shri A.K.Nagpal, PGCIL
4. Shri N.Roy, PGCIL
5. Shri M.M. Mondal, CM (Fin), PGCIL

**ORDER
(DATE OF HEARING: 17.2.2009)**

The petitioner has made this application seeking reimbursement of additional expenditure incurred on 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 2007-08.

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 in North-Eastern Region has remained precarious for some time. The petitioner is stated to have reviewed the situation when it observed that security scenario during 2007-08 had not improved and continued to be same as during the previous years. Therefore, the petitioner felt the need for continuing deployment of CISF at Bongaigaon sub-station and of Tripura State Rifles for line patrolling in the State of Tripura to secure its assets, personnel deployed at sub-stations and to ensure uninterrupted power supply in the region.

4. The petitioner has stated to have incurred an expenditure of Rs. 88.93 lakh on account of deployment of CISF personnel at Bongaigaon sub-station forming part of Malda- Bongaigaon transmission line, an inter-regional asset and Rs. 68 thousand on deployment of personnel of Tripura State Rifles on line-patrolling duty. Accordingly, the petitioner has claimed reimbursement of the following expenditure incurred on making special security arrangements, 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 State	Rs.0.68 lakh
2.	Bongaigaon sub-station	Rs. 44.47 lakh (50% of the total expenses of Rs. 88.93 lakh)

5. The claims of the petitioner are supported by the auditor's certificate dated 8.8.2008. The details of expenditure after considering distribution of salary component of abnormal security personnel deployed at Bongaigaon sub-station and Tripura State Rifles for line-patrolling are as indicated below:

(Rs in lakh)

Particulars	Bongaigaon sub-station	Salakati sub-station
Salary	81.48	81.48
Medical	1.34	0.92
Other Expenses	3.84	5.31
Vehicle Hiring Charges	2.59	3.00
	88.93	
Total	50% = 44.47	90.71

6. The petitioner has supported its claim of prevalent security scenario by referring to certain instances of kidnapping, attack and killing in the region, also reported by the media. For this purpose, the petitioner has submitted copies of certain documents such as newspaper reports and correspondence with the security agencies.

7. The petition was heard after notice. None was present on behalf of the respondents.

8. Reply has been filed by the first respondent, Assam State Electricity Board (ASEB). ASEB has stated that the overall law and order situation has improved in the region and there was not a single instance of intimidation or kidnapping of petitioner's personnel. ASEB has further submitted that extremist problem in the region is diminishing. It has also pointed out that the security expenses at Bongaigaon sub-station were on higher side. ASEB feels that deployment of security forces at Bongaigaon sub-station should be need based.

9. The petitioner has clarified that based on the threat perception, security personnel were deployed at Bongaigaon sub-station round-the-clock. Therefore, the cost of deployment of security at Bongaigaon sub-station has increased. It has been further explained that TSR was deployed for transmission line- patrolling on selective basis.

10. The Commission vide its order dated 25.9.2007 *ibid* held as 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 deployment of security forces is to accord greater security to the petitioner’s assets and personnel deployed at the sub-stations and transmission lines, and to extend uninterrupted power supply to the beneficiaries. Any decision on deployment is to be taken keeping these factors into consideration.

12. On consideration of the facts available on record, and taking cognizance of the general law and order situation obtaining in the North-Eastern Region, we are satisfied that the petitioner was required to make special arrangements and take preventive measures, to ensure safety and security of its personnel and property, facilitating maintenance of continuous supply of electricity in the region. It appears that because of such preventive measure, it had been possible to avoid

any untoward incident in the past. The arrangements made have benefited the end consumer in the form of regular and uninterrupted supply. The incidents narrated by the petitioner in support of its claim justify deployment of additional forces. The expenses were essential and unavoidable. No parallels can be drawn between the security expenses at Bongaigaon sub-station and those incurred on patrolling duty for the transmission lines. Therefore, we are satisfied that the respondents, as the beneficiaries of the special security arrangement made by the petitioner should bear the cost.

13. Accordingly, in exercise of powers under Regulation 13 of the regulations, we direct that the expenditure incurred by the petitioner on making special security arrangements shall be reimbursed by the respondents. The expenses for patrolling of the transmission lines claimed by the petitioner shall be borne by the beneficiaries of the North-Eastern Region. As regards Bongaigaon sub-station, as already noted it forms part of the Kathalguri Transmission System, which includes Malda-Bongaigaon transmission line, an inter-regional asset between Eastern and North-Eastern Regions. Therefore, 50% of the additional security expenses incurred on deployment of CISF at Bongaigaon sub-station shall be borne by the beneficiaries in Eastern Region, and the remaining 50% of the expenses by the beneficiaries in North-Eastern Region. Therefore, the respondents, as the beneficiaries in the North-Eastern Region are liable to pay Rs. 44.47 lakh only (50% of the abnormal security expenses of Rs. 88.93 lakh) for Bongaigaon sub-station. The charges to be borne by the beneficiaries in the North-Eastern Region for the year 2007-08 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 State.	Rs. 0.68 lakh
2.	Bongaigaon sub-station.	Rs. 44.47 lakh (50% of the total expenses of Rs. 88.93 lakh)

14. The additional security expenses for the year 2007-08 approved herein 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/-
(S.JAYARAMAN)
MEMBER

sd/-
(R.KRISHNAMOORTHY)
MEMBER

sd/-
(DR.PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 18th February 2009