

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.303/2009

Coram:

- 1. Shri S.Jayaraman, Member**
- 2. Shri V.S.Verma, Member**

DATE OF HEARING: 21.1.2010

DATE OF ORDER: 29.1.2010

In the matter of

Reimbursement of additional expenditure towards deployment of Special Security Forces (CISF) at Bongaigaon sub-station for the year 2008-09 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 R.Prasad, PGCIL
3. Shri M.M. Mondal, PGCIL

ORDER

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 for the year 2008-09.

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 requisite provisions for removing difficulties and to 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 and there had been cases of kidnapping of employees and contractor's staff by the militants. It has been stated that CISF cover was provided at Salakati and Bongaigaon sub-stations considering view the disturbed conditions prevailing in the area, to accord proper security to its assets and personnel deployed at these sub-stations and to ensure uninterrupted power supply to the beneficiaries. The petitioner has listed several instances of kidnapping, attack and killing to highlight difficult security scenario prevalent in the North-eastern region. The petitioner has referred to the Commission's earlier orders whereby reimbursement of abnormal O&M expenses for the previous years was approved. The petitioner has submitted that there had not been any improvement in law and order situation and sub-stations were under constant threat of militancy during the period for which CISF was deployed. In order to counter the situation, the petitioner is stated to have continued deployment of the additional security forces. The petitioner has submitted corroborative evidence in the form of copies of the newspaper reports and correspondence with the

security agencies to substantiate its claim of the prevailing law and order situation.

4. The petitioner has stated that it has incurred an expenditure of Rs. 132.26 lakh on account of deployment of CISF personnel at Bongaigaon sub-station forming part of Bongaigaon-New Siliguri transmission line, an inter-regional asset.

5. The claims of the petitioner are supported by the auditor's certificate dated 18.10.2009. The details of expenditure after considering distribution of salary component of additional security personnel deployed at Bongaigaon sub-station and Salakati sub-station are as indicated below:

(Rs in lakh)

| Particulars | Bongaigaon sub-station | Salakati sub-station |
|------------------------|------------------------------|----------------------|
| Salary | 118.78 | 118.78 |
| Medical | 7.59 | 2.44 |
| Other Expenses | 3.40 | 4.00 |
| Vehicle Hiring Charges | 2.49 | 3.13 |
| Total | 132.26 50% = 66.13 | 128.13 |

6. Accordingly, the petitioner has claimed reimbursement of the following expenditure incurred on making security arrangements of Bongaigaon sub-station, as abnormal O & M expenses:

| S.No. | Sub-station | Expenditure |
|-------|---|---|
| 1. | Total security expenditure | Rs.132.26 lakh |
| 2. | Security expenditure to be shared by NER constituents | Rs. 66.13 lakh (50% of the total expenses of Rs. 132.26 lakh) |

7. The petitioner has supported its claim based on the prevalent security scenario by referring to certain instances of extortion, 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.

8. The petition was heard after notice. None was present on behalf of the respondents. No reply has been filed by any respondents.

9. 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. Therefore, we are satisfied that the respondents, as the beneficiaries of the security arrangement made by the petitioner should bear the cost.

10. Accordingly, in exercise of powers under Regulation 13 of the regulations, we direct that the expenditure incurred by the petitioner on making security arrangements shall be reimbursed by the respondents. 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. 66.13 lakh only (50% of the abnormal security expenses of Rs. 132.26 lakh) for Bongaigaon sub-station. The charges to be borne by the beneficiaries in the North-Eastern Region for the year 2008-09 are accordingly summarized below:

| S.No. | Sub-station | Expenditure |
|-------|---|---|
| 1. | Total security expenditure | Rs. 132.26 lakh |
| 2. | Security expenditure to be shared by NER constituents | Rs. 66.13 lakh (50% of the total expenses of Rs. 132.26 lakh) |

11. The additional security expenses for the year 2008-09 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. The petitioner has also sought reimbursement of filing fee paid.

12. The Commission by its separate general order dated 11.9.2008 in Petition No. 129/2005 (Suo-motu) has decided that the petitioner shall not be allowed reimbursement of the petition filing fee.

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

Sd/-
(V.S.VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER