

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 128/ 2011

Coram

Dr. Pramod Deo, Chairperson

Shri S. Jayaraman, Member

Shri V.S. Verma, Member

Shri M. Deena Dayalan, Member

Date of Hearing: 29.9.2011

Date of Order : 14.11.2012

In the matter of

Reimbursement of expenditure on deployment of CISF at Loktak Power Station located in the State of Manipur.

And in the matter of

NHPC, Faridabad

..... **Petitioner**

Vs

(1) Assam State Electricity Board, Guwahati

(2) Department of Power, Government of Arunachal Pradesh, Itanagar

(3) Electricity Department, Government of Mizoram, Aizawal

(4) Tripura State Electricity Corporation Limited, Agartala

(5) Meghalaya State Electricity Board, Shillong

(6) Electricity Department, Government of Manipur, Imphal

(7) Electricity Department, Government of Nagaland, Kohima **Respondents**

ORDER

This petition has been filed by the petitioner, NHPC Ltd, claiming the following reliefs:



- (a) All expenditures to be incurred on deployment of CISF for the security of Loktak Power Station located in the State of Manipur may be reimbursed to the petitioner as pass through in tariff separately on actual basis as and when the same is incurred.
- (b) The respondents may be directed to make the payment to the petitioner as an when the bills are raised by petitioner separately pertaining to the CISF deployed in Loktak Power Station for security.
- (c) Further to the prayer 1 & 2 when allowed by the Hon'ble Commission, the petitioner may be permitted to file the claim after all the expenditure on account of security charges as above and all other associated charges are incurred.
- (d) Pass such other and further order/ orders as are deemed fit and proper in the facts and circumstances of the case.

2. The petitioner has submitted that the law and order situation in the State of Manipur where the Loktak Power station (the generating station) is located is critical on account of the ongoing militancy in the State. It has also submitted that the security of generating station is of the utmost importance as the employee posted at the generating station have to feel an essence of safety for discharge of the duty without fear and for this reason, the security in and around the generating station is being looked after by CRPF and the expenditure is being met by the State/Ministry of Home Affairs, Government of India. The petitioner has further submitted that based on the decision of the Ministry of Home Affairs, Government of India for withdrawal of CRPF and deployment of one battalion equivalent of CISF for the security of the generating station, the IG (Headquarters), CISF has communicated vide his letter dated 4.3.2011, for the regular deployment of 795 CISF personnel at the generating station along with the financial implication on recurring expenditure of ₹251790729/- and non-recurring expenditure of ₹24421223/- which does not include cost of land, building, modern

security gadgets, office automation etc, which are to be separately estimated. In view of this, petitioner has been submitted that the actual expenditure to be incurred on account of deployment of CISF for security of generating station, in place of CRPF, may be reimbursed as a pass through separately, as and when the same is incurred.

3. During the hearing on 18.8.2011, the representative of the petitioner reiterated the submissions made in the petition and prayed that the reliefs claimed in para 1(a) above may be allowed by the Commission.

4. The Respondent No. 1, ASEB has filed its reply to the petition and has mainly submitted that the decision for withdrawal of CRPF to maintain security of the generating station is unfair and uneconomical in so far as the interest of the beneficiary States of North East is concerned and is not based on any rational thinking. It has also submitted that it would be irrational to engage 795 CISF personnel with such huge expenditure at the generating station with normal life span of around 7 years (approx). The respondent has reiterated that the action to replace CRPF would pose serious threat to the generating station and would also inflate the energy tariff of the generating station. The respondent has further submitted that the petitioner has requested the NERPC forum to take up the issue through NEC with the Ministry of Home Affairs, Government of India and thus the matter has gained momentum for review of the decision of the Government to withdraw CRPF from the generating station. The respondent has also requested the Commission to take up the matter with the Ministry

of Home Affairs, Government of India about the likely tariff impact following the proposed replacement of CRPF by CISF.

5. The submissions of the parties have been examined. The deployment of CISF in the generating station is based on the decision of Ministry of Home Affairs (MHA), Government of India and accordingly 795 CISF personnel are to be deployed in the generating station. This is a policy decision of the Government of India to replace CRPF personnel with CISF and the Commission cannot go in to the rationale of such policy decision. Moreover, the Commission cannot take up the matter with the Ministry of Home Affairs regarding the likely impact of such deployment of CISF on tariff of the generating station. It is open to the beneficiaries of the generating station to pursue the matter with the appropriate authority, if they so desire.

6. The petitioner has sought a declaration that it would be entitled to the reimbursement of expenditure on deployment of CISF personnel in the generating station, as and when deployed. The prayer is in the nature of in-principle approval .It is clarified that there is no provision in the 2009 Tariff Regulations to grant in-principle approval to any proposed expenditure. However, all expenditures which are permissible under the provisions of the 2009 Tariff Regulations shall be reimbursed after prudence check. In our view, the prayers of the petitioner are premature and cannot be considered at this stage. The petitioner is at liberty to approach the Commission to claim the expenditure, if any, actually incurred towards the deployment of CISF personnel in the generating station, which will be considered in accordance with law.

7. The petition is disposed of in terms of the above.

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S. Verma)
Member

Sd/-
(S. Jayaraman)
Member

Sd/-
(Dr. Pramod Deo)
Chairperson

