

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 260/MP/2012

Coram:

Shri S. Jayaraman, Member

Shri V.S.Verma, Member

Shri M.Deena Dayalan, Member

Date of Hearing: 22.01.2013

Date of order : 06.05.2013

In the matter of

Approval under Regulation 44 of the Central Electricity Regulatory Commission (Terms and conditions of Tariff) Regulations, 2009 "Power to Relax" for reimbursement of additional expenditure towards deployment of special security forces (CISF) at Wagoora Sub-Station for the year 2011-2012 in Northern Region

And in the matter of

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

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
2. Ajmer Vidyut Nigam Ltd, Jaipur
3. Jaipur Vidyut Vitran Nigam Ltd., Jaipur
4. Jodhpur Vidyut Vitran Nigam Ltd., Jaipur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Power Generation Corporation Ltd., Panchkula
8. Power Development Department, J&K
9. Uttar Pradesh Power Corporation Ltd., Lucknow
10. Delhi Transco Ltd., New Delhi
11. BSES Yamuna Ltd., New Delhi
12. BSES Rajdhani Power Ltd., New Delhi
13. North Delhi Power Ltd., New Delhi
14. Chandigarh Administration, Chandigarh
15. Uttaranchal Power Corporation Ltd., Dehradun
16. North Central Railway, Allahabad
17. New Delhi Municipal Council, New Delhi

.....**Respondents**



The following were present:

1. Shri S. Raju, PGCIL
2. Shri M. M. Mondal, PGCIL
3. Shri R.B.Sharma, Advocate, BRPL
4. Shri Vikas Sharma, J & k, PDD

ORDER

The petitioner has filed this petition seeking reimbursement of additional expenditure incurred towards deployment of special security forces at Wagoora sub-station located in the State of Jammu and Kashmir, during the year 2011-12 in Northern Region under Regulation 44 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 regulations").

2. The Commission vide its order dated 30.11.2011 in Petition No. 193/MP/2011 has allowed reimbursement of abnormal O & M expenditure incurred towards deployment of CISF at Wagoora sub-station in Northern Region for the year 2010-11.

3. The petitioner has submitted that Wagoora sub-station is facing severe law and order problem since its inception and is under constant threat of militancy and terrorism. CISF was provided at Wagoora sub-station for proper security of the assets and personnel deployed at the sub-stations and to ensure uninterrupted power supply to the beneficiaries. The petitioner has submitted that there has not been any improvement in law and order situation and the sub-station was 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 CISF. 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. The petitioner has also stated that continued deployment of the CISF is also required to give a sense of security/safety to the personnel working in the area.

4. To sum up, the petitioner has submitted following justification for deployment of CISF at Wagoora sub-station, namely:

- (i) To avoid damage to the Government property, assets associated with Wagoora sub-station, which need round the clock guarding;
- (ii) Apprehensions that miscreants may damage some of the equipment at any point of time and the procurement of the same may take months together resulting in down time of vital equipments in the sub-station; and
- (iii) To guard against any militant/sabotage activity at the sub-station which may totally disrupt evacuation of power from Uri Hydroelectric Project, located in the State of Jammu and Kashmir to the beneficiaries in Northern Region.

5. The petitioner has stated that it has incurred an expenditure of ₹ 438.19 lakh on account deployment of CISF personnel at Wagoora sub-station during 2011-12. The petitioner's claim is supported by the auditor's certificate dated 8.8.2012. The details of expenditure made towards deployment of CISF at Wagoora sub-station are as indicated below:

S.No.	Description	(₹ in lakh)
1.	Salary	413.34
2.	Cost of ammunition	5.58
3.	Medical	6.15
4.	Clothing/Uniform	7.02
5.	Hard coke	0.18
6.	Vehicle	4.72
7.	others	1.20
	Total	438.19

6. 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.

7. Reply to the petition has been filed by BSES Rajdhani Power Limited (BRPL).

8. BRPL in its reply has submitted as under:

(a) Wagoora sub-station is located in the State of J & K. The petitioner has not explicitly stated in the petition as to why the other beneficiaries would have to share the security expenses especially when the Wagoora

sub-station is exclusively feeding the utility in the State of Jammu and Kashmir.

(b) The petitioner has not clarified whether the installation required to be protected by deployment of special security forces is insured and if so to what extent.

(c) Since the Electricity Act, 2003 is not applicable to the State of Jammu and Kashmir whether the reimbursement of additional expenditure towards deployment of CISF is legally permissible.

(d) The burden of maintaining the law and order in the State of Jammu and Kashmir by deployment of special security force should be borne exclusively by the State of Jammu and Kashmir and should not be transferred to other utilities of the Northern Region.

9. The petitioner in its rejoinder has submitted as under:

(a) The Commission vide its order dated 30.11.2011 in Petition No. 193/MP/2011 had already approved the expenses on CISF incurred by it by relaxing the Regulation 19 (g) of the 2009 regulations.

(b) The equipments as installed are covered under insurance policy. However, number of transmission system of PGCIL traverse through inhospitable terrain and are highly vulnerable and exposed to insurgency and sabotage. Wagoora sub-station is facing severe law and order



problems since its inception and is under constant threat of militancy/terrorism. Therefore, deployment of security had to be continued.

(c) CISF has been deployed at Wagoora sub-stations for safeguarding its installation from militant activities. As the transmission tariff of the NR is being shared by J & K, the security expenses for deployment of CISF for the transmission system are also to be shared by J & K.

(d) Power generated at Uri station is being transferred through Uri-Wagoora, Wagoora-Kishenpur and Kishenpur-Moga links and onward to NR constituents and the Wagoora sub-station is a vital ingredient of the ISTS network of NR. Therefore, any expenditure incurred to protect a part of the network from militancy serves the common interest of the entire NR constituents.

10. During the hearing, learned counsel for the BRPL reiterated the submission made in the reply of BRPL.

11. We have considered the submissions made. While laying down norms for O & M expenses in the 2009 regulations, abnormal security expenses were excluded on the understanding that such expenses could be considered on case-to-case basis. On consideration of the facts available on record, and taking cognizance of the general law and order situation prevailing in Jammu and Kashmir, we are satisfied that the petitioner is 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. As regards the sharing of the transmission tariff of the Wagoora sub-station, the petitioner has submitted that the power from Uri generating station is being transferred to the constituents of the NR through Uri-Wagoora, Wagoora-Kishenpur and Kishenpur-Moga transmission line and therefore, Wagoora sub-station is vital ingredient of the ISTS network of NR. This being the case, the constituents of NR, who are beneficiaries of the Wagoora sub-station cannot be exempted from the transmission charges including the additional expenditure on deployment of CISF.

12. In exercise of power under Regulation 44 of the 2009 regulations, we allow the expenses on CISF incurred by the petitioner in relaxation of Regulation 19 (g) of the 2009 regulations and direct that the expenses for the year 2011-12 as claimed by the petitioner shall be reimbursed by the respondents. The expenses shall be shared by the respondents in the ratio applicable for sharing of the transmission charges for Uri Transmission System, approved by the Commission vide its order dated 16.12.2010 in Petition No. 107/2009 for the year 2009-14.

13. The petitioner has sought reimbursement of fee paid by it for filing the petition. In our order dated 11.1.2009 in Petition No. 109/2009, we had decided that reimbursement of filing fee will be reimbursed in the following cases:

“85. The Commission after careful consideration has decided that filing fee will be reimbursed in the following cases:

(a) Main petitions for determination of tariff;



- (b) *Petitions for revisions of tariff due to additional capital expenditure.;*
(c) *Petitions for truing up of expenditure.*

Filing fees paid for filing the Review Petitions, Interlocutory Applications and other Miscellaneous Applications will not be reimbursed in tariff. The Commission has decided to reimburse the expenses on publication of notices as such expenses are incurred to meet the statutory requirement of transparency in the process of determination of tariff.”

This petition being a miscellaneous petition reimbursement of filing fee is not allowed.

14. We order accordingly.

15. The present petition stands disposed of.

Sd/-

(M. Deena Dayalan)
Member

Sd/-

(V.S.Verma)
Member

Sd/-

(S.Jayaraman)
Member