

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 63/MP/2014**

**Coram:**

**Shri Gireesh B.Pradhan, Chairperson**

**Shri M. Deena Dayalan, Member**

**Shri A.K.Singhal, Member**

**Date of Hearing: 22.05.2014**

**Date of order : 19.06.2014**

**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 2012-13 in Northern Region.

**And**

**In the matter of**

Power Grid Corporation of India Ltd  
Saudamini, Plot No. 2,  
Sector-29, Gurgaon-122 001, Haryana  
Vs

.....**Petitioner**

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.  
Vidyut Bhawan, Vidyut Marg, Jaipur-302 005
2. Ajmer Vidyut Vitran Nigam Limited  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Ltd  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur
4. Jodhpur Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur
5. Himachal Pradesh State Electricity Board



Vidyut Bhawan, Kumar House Complex Building-II  
Shimla-171 004

6. Punjab State Electricity Board  
Thermal Shed T-IA, Patiala-147 001
7. Haryana Power Purchase Centre  
Shakti Bhawan, Sector-6,  
Panchkula-134 109, Haryana
8. Power Development Department  
Govt. of Jammu and Kashmir  
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Limited  
Shakti Bhawan, 14 Ashok Marg,  
Lucknow-226 001.
10. Delhi Transco Ltd  
Shakti Sadan, Kotla Road,  
New Delhi-110 002
11. BSES Yamuna Power Ltd.,  
BSES Bhawan, Nehru Place,  
New Delhi
12. Chief Manager (Power Purchase)  
BSES Yamuna Power Ltd.,  
Shakti Kiran Building, Karkardooma,  
Delhi-110 091
13. HOD (Power Management Group)  
BSES Rajdhani Power Ltd.,  
2nd Floor, B-Block, BSES Bhawan,  
Nehru Place, New Delhi-110 019
14. Chandigarh Administration  
Sector-9, Chandigarh
15. Uttarakhand Power Corporation Ltd.  
Urja Bhawan, Kanwali Road, Dehradun
16. North Central Railway  
Allahandad
17. HOG (PMG)  
Tata Power Delhi Distribution Ltd.  
33 k V Sub-station building,  
Hudson Lanes, Kingsway Camp,



**The following were present:**

1. Shri S. Raju, PGCIL
2. Shri M. M. Mondal, PGCIL
3. Shri Prashant Sharma, PGCIL
4. Shri R.B.Sharma, Advocate, BRPL

**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 2012-13 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 Tariff Regulations”).

2. The Commission vide its order dated 6.5.2013 in Petition No. 260/MP/2012 has allowed reimbursement of abnormal O & M expenditure incurred towards deployment of CISF at Wagoora sub-station in Northern Region for the year 2011-12.

3. The petitioner has submitted that transmission system of PGCIL is spread all over the country. Number of transmission system such as Dulhusti, Uri, Salal, Kathalguri, Chukha, Ranganadi, etc., traverse through inhospitable terrain and are highly vulnerable and exposed to insurgencies and sabotage. The petitioner has submitted that Wagoora sub-station in Kashmir valley in NR is facing severe law

and order problem since its inception and is under constant threat of militancy/terrorism. CISF was provided at Wagoora sub-station for proper security of the assets and personnel deployed at the sub-stations. 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. 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 and assets such as control rooms, stores, residential buildings and other equipments, 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 expenditure of ₹ 490.23 lakh on account of deployment of CISF personnel at Wagoora sub-station during 2012-13. The petitioner's claim is supported by the auditor's certificate dated 18.9.2013. The details of expenditure made towards deployment of CISF at Wagoora sub-station are as indicated below:

S.No.	Description	(₹ in lakh)
1.	Salary	458.48
2.	Cost of ammunition	1.16
3.	Medical	7.59
4.	Clothing/Uniform	9.43
6.	Vehicle	5.83
7.	Others (Imprest, stationery, telephone and miscellaneous expenses)	7.71
	<b>Total</b>	<b>490.20</b>

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 that BRPL is not questioning the need for additional security per se. BRPL has further submitted as under:

(a) Law and order is State subject and cost of security should be borne by the State Government of Jammu and Kashmir. The petitioner may be directed to identify the credible arrangement in consultation with the State Government of Jammu Kashmir to meet the additional security requirements.

(b) The present petition has been filed seeking relaxation under Regulation 44 of the 2009 Tariff Regulations to relax the provisions for O & M expenses for the year 2012-13 which would give unreasonable benefit to the petitioner. Therefore, the petition may be rejected.

(c) The request for reimbursement of O & M Expenses is guided by commercial considerations with the aim to get additional benefits which is not permissible under 2009 Tariff Regulations. The tariff consists of a number of packages and each package cannot be examined on the anvil of reasonability. As tariff is a complete package, its reasonability has to be examined in this totality. Section 61 (d) of the Electricity Act, 2003 subscribe to this rationality expressly providing recovery of the cost of electricity in a reasonable manner. Therefore, the petitioner may not be allowed to recover for reimbursement of additional expenditure towards deployment of CISF.

(d) Reject the claim for reimbursement of expenditure towards petition filing fee.

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

10. We have considered the submissions made. While laying down norms for O & M expenses in the 2009 Tariff Regulations, abnormal security expenses were excluded on the understanding that such expenses could be considered on case-to-case basis.

11. BRPL has submitted that security is a State subject and therefore, the expenditure on deployment of CISF should be borne by the State Government. In this connection, it is clarified that since Wagoora sub-station is a Central Industrial Establishment, CISF has been deployed in order to secure the sub-station and equipment thereof as per the policy of the Central Govt., petitioner being company under control of Central Government. BRPL has argued that tariff may consist of number of packages and each package need not be examined on the anvil of reasonability. As tariff is a complete package, its reasonability is required to be examined in its totality. In our view, the principle that tariff is a package based on the norms and cannot be reopened on account of additional security expenses is not applicable in this case since, the impact of security expenses was never factored in the norms and hence was never part of the package. Therefore, the impact of security expenses needs to be considered over and above the norms specified in the 2009 Tariff Regulations.

12. 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.

13. In exercise of power under Regulation 44 of the 2009 Tariff Regulations, we allow the expenses on CISF incurred by the petitioner in relaxation of Regulation 19 (g) of the 2009 Tariff Regulations and direct that the expenses for the year 2012-13 as claimed by the petitioner shall be reimbursed by the respondents.

14. Sharing of security expenses shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

15. 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.

16. We order accordingly.

17. The present petition stands disposed of.

Sd/-

**(A.K.Singhal)**  
**Member**

Sd/-

**(M. Deena Dayalan)**  
**Member**

Sd/-

**(Gireesh B.Pradhan)**  
**Chairperson**

