CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 75/MP/2014

Coram:
Shri Gireesh B.Pradhan, Chairperson
Shri M.Deena Dayalan, Member
Shri A.K.Singhal, Member

Date of Hearing: 29.5.2014
Date of Order : 20.6.2014

In the matter of

Approval under Regulation 44 of the CERC (Terms and Conditions of Tariff) Regulations, 2009 "Power to Relax" for reimbursement of additional expenditure towards deployment of Special Security Forces (CISF) at Salakati and Bongaigaon sub-stations for the year 2012-13 in Eastern and North Eastern Region.

And
In the matter of

Power Grid Corporation of India Ltd.
Saudamini, Plot No. 2
Sector-29, Gurgaon:122 001 (Haryana) ..... **Petitioner**

Vs

1. Bihar State Electricity Board
Vidyut Bhawan, Bailey Road
Patna-800 001

2. West Bengal State Electricity Board
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II Salt Lake City,
Calcutta-700 091

3. Grid Corporation of Orissa Ltd.
Shahid Nagar, Bhubaneswar-751 007

4. Damodar Valley Corporation
DVC Tower, Maniktala
Civic Centre, VIP Road
Calcutta-700 054

5. Power Department, Govt. of Sikkim
Govt. of Sikkim, Gangtok-737 101

6. Jharkhand State Electricity Board
Engineering Bhawan,
Dhurwa, Ranchi-834 004

7. Assam Power Distribution Company Ltd.
Bijulee Bhawan, Paltan Bazar
Guwahati-781 001, Assam

8. Meghalaya Energy Corporation Limited
Short Round Road
Shillong-793 001

9. Department of Power
Itanagar, Govt of Arunachal Pradesh

10. Power and Electricity Department
Govt. of Mizoram,Mizoram, Aizwal

11. Electricity Department
Govt. of Manipur, Keishampat, Imphal

12. Department of Power
Govt. of Nagaland, Kohima, Nagaland

13. Department of Power
Govt of Tripura, Agartala, Tripura-799 991 **Respondents**

The following were present:

1. Shri S.S.Raju, PGCIL
2. Shri M.M.Mondal, PGCIL
3. Shri S.K.Venkatesh, PGCIL

ORDER

The petitioner has made this application seeking reimbursement by the beneficiaries in Eastern Region and North Eastern Region of additional expenditure incurred on deployment of special security forces at Bongaigaon and Salakati sub-stations for the year 2012-13.

2. The petitioner has based its claim on Regulations 44 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,

2009 (hereinafter referred to as 'the 2009 regulations') which empower the Commission to relax the provisions on its own motion or on an application made by an interested person.

3. The petitioner has submitted that Bongaigaon and Salakati sub-stations are facing severe law and order problem since its inception and are under constant threat of militancy and terrorism. The petitioner has further submitted that since thier construction phase, establishments in North-eastern region have been receiving threats from the militant outfits. The petitioner has submitted that it had deployed CISF at Bongaigaon and Salakati sub-stations in NER and ER for safeguarding its installation from militant activities. The petitioner has listed several instances of kidnapping, attack and killing to highlight the 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 has not been any improvement in the law and order situation and sub-stations were under constant threat of militancy during the period for which CISF was deployed. In view of the situation, the petitioner is stated to have continued the deployment of the additional security forces. The petitioner has submitted corroborative evidence in the form of newspaper reports and correspondence with the security agencies to substantiate its claim regarding the prevailing law and order situation.

4. The claims of the petitioner for reimbursement of special security expenses is supported by auditors' certificate dated 28.8.2013, which incorporates the details of expenditure incurred on making special security arrangements at

Bongaingaon and Salakati sub-stations, as given below, verified from the books/records of the petitioner for the year 2012-13:

(In `)

S. No.	Item	400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary and other allowances	17116941	25085286
2.	Medical	496370	258287
3.	Other expenses (Uniform/Ammunitons, clothing etc.)	699217	850646
4.	Vehicle hiring charges	720726	93290
	Total	**19033254**	**26287509**

5. The petitioner has apportioned the salary component of the expenditure between Bongaigaon and Salakati sub-stations for the year 2012-13 on 50:50 basis, based on the Commission's order dated 22.2.2005 in Petition No. 83/2004. The petitioner has submitted the following details of expenses for claiming reimbursement of expenses:

(` in lakh)

S. No.	Description	400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary	211.01	211.01
2.	Medical	4.96	2.58
3.	Other expenses	6.99	8.51
4.	Vehicle hiring expenses	7.21	0.93
	Total	**230.17**	**223.03**

6. Based on above, the security expenditure of Bongaigaon and Salakati sub-stations for the year 2012-13 are as under:

(` in lakh)

Year	security expenditure of 400 kV Bongaigaon sub-station	security expenditure 220 kV Salakati sub-station	Total security expenditure
2012-13	230.17	223.03	453.20

7. None of the respondents has filed reply.

8. 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 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. The normative O &M expenses for Eastern Region do not include such abnormal expenses. Therefore, in our view the petitioner is entitled to reimbursement of these additional expenses incurred.

9. 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 2012-13 as claimed by the petitioner shall be reimbursed by the respondents.

10. The security expenses with regard to Bongaigaon and Salakati sub-stations shall be shared in accordance with the provisions of Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

11. 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. Accordingly, the prayer of the petitioner for reimbursement of the filing fee is rejected.

12. The present petition stands disposed of.

Sd/-	sd/-	sd/-
(A.K.Singhal)	**(M Deena Dayalan)**	**(Gireesh B.Pradhan)**
Member	**Member**	**Chairperson**