

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 177/MP/2015**

**Coram:**

**Shri Gireesh B.Pradhan, Chairperson**

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

**Shri A.S.Bakshi, Member**

**Dr. M.K.Iyer, Member**

**Date of Hearing: 18.8.2015**

**Date of Order : 27.8.2015**

**In the matter of**

Approval under Regulations 54 and 55 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 "Power to Relax" and "Power to Remove Difficulty" for reimbursement of additional expenditure towards deployment of Special Security Forces (CISF) at Salakati and Bongaigaon sub-stations for the year 2014-15 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 State Electricity Board  
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 was present:**

Ms. Sangeeta Edwards, 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 2014-15.

2. The petitioner has based its claim on Regulations 54 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as 'the 2014 Tariff 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 their construction phase, establishments in North-eastern region have been receiving threats from the militant outfits. The petitioner has 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 with the deployment of the additional security forces. The petitioner has submitted that Bongaigaon and Salakati sub-stations are isolated from each other and road distance between two sub-stations is about three kms. The petitioner has submitted that at present 89 CISF personnel have been deployed in the both sub-stations. 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 petitioner has submitted that O & M rates applicable for the period 2014-19 specified in the 2014 Tariff Regulations have been derived based on the actual O & M expenses and while deriving such rates, abnormal expenses on account of deployment of additional security have not been considered. The petitioner has submitted that the provision to claim such abnormal O & M expenses separately, by way of petition, has not been provided in the 2014 Tariff Regulations.

5. The claim of the petitioner for reimbursement of special security expenses is supported by auditors' certificate dated 5.5.2015, which incorporates the details of expenditure incurred on making special security arrangements at Bongaigaon and Salakati sub-stations, as given below, verified from the books/records of the petitioner for the year 2014-15:

( In ₹ )

S. No.	Item	400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary and other allowances	21,907,726.00	32,861,591.00
2.	Medical	320,826.00	247,234.00
3.	Other expenses (Uniform/Ammunitions, clothing etc.)	980,423.00	1,476,744.00
4.	Vehicle hiring charges	669,589.00	0.00
	<b>Total</b>	<b>23,878,564.00</b>	<b>34,585,569.00</b>

6. The petitioner has apportioned the salary component of the expenditure between Bongaigaon and Salakati sub-stations for the year 2014-15 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	273.85	273.85
2.	Medical	3.21	2.47
3.	Other expenses	9.80	14.76
4.	Vehicle hiring expenses	6.69	0.00
	<b>Total</b>	<b>293.55</b>	<b>291.08</b>

7. Based on above, the security expenditure of Bongaigaon and Salakati sub-stations for the year 2014-15 are as under:

(₹ in lakh)			
Year	security expenditure of 400 kV Bongaigaon sub-station	security expenditure 220 kV Salakati sub-station	Total security expenditure
2014-15	293.55	291.08	584.63

8. None of the respondents has filed reply.

9. We have considered the submissions made. While laying down norms for O & M expenses in the 2014 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.

10. In exercise of power under Regulation 54 of the 2009 Regulations, we allow the expenses on CISF incurred by the petitioner in relaxation of Regulation 29 (3) of the 2014 Regulations and direct that the expenses for the year 2014-15 as claimed by the petitioner shall be reimbursed by the respondents.

11. 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.

12. 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.

13. It is noted that the petitioner is filing the petition for reimbursement of additional expenditure towards deployment of special security force (CISF) every year. To avoid multiplicity of the petitions, we direct the petitioner to file one consolidated petition for the purpose of reimbursement of additional expenditure incurred on deployment of special security forces for the period 2015-16 to 2018-19.

14. The present petition stands disposed of.

Sd/-

**(Dr. M.K.Iyer)**  
**Member**

sd/-

**(A.S.Bakshi)**  
**Member**

sd/-

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

sd/-

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