

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 36/MP/2017

Coram:

Shri Gireesh B.Pradhan, Chairperson

Shri A.K.Singhal, Member

Shri A.S.Bakshi, Member

Dr. M.K.Iyer, Member

Date of Order : 31st of May, 2017

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 Wagoora sub-station for the year 2015-19 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. Chairman,
Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Vidyut Bhawan, Vidyut Marg, Jaipur-302 005
2. Managing Director
Ajmer Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
3. Managing Director
Jaipur Vidyut Vitran Nigam Ltd
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
4. Managing Director
Jodhpur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur

5. Chairman
Himachal Pradesh State Electricity Board
Vidyut Bhawan, Kumar House Complex Building-II
Shimla-171 004
6. Chief (Engineer)
Punjab State Power Corporation Ltd.
Thermal Shed T-IA, Near 22 Phatak
Patiala-147 001
7. S.E./C &R-I
Haryana Power Purchase Centre
Shakti Bhawan, Sector-6,
Panchkula-134 109, Haryana
8. Commissioner
Power Development Department
Govt. of Jammu and Kashmir
Mini Secretariat, Jammu
9. Chairman
Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14 Ashok Marg,
Lucknow-226 001.
10. Chairman
Delhi Transco Ltd
Shakti Sadan, Kotla Road,
New Delhi-110 002
11. Chief Executive Officer
BSES Yamuna Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi
12. Chief Executive Officer
BSES Rajdhani Power Ltd.,
2nd Floor, B-Block, BSES Bhawan,
Nehru Place, New Delhi-110 019
13. Chief Executive Officer
North Delhi Power Ltd.,
Power Trading and Load Despatch Group
Cennet Building, Adjacent to 66/11 kV Pitampura
Grid Building, Near PP Jewellers
Pitampura, New delhi-110 034
14. Chief Engineer
Chandigarh Administration
Sector-9, Chandigarh

15. Managing Director
Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road, Dehradun
16. Chief Electrical Distribution Engineer
North Central Railway
Allahabad
17. Chairman
New Delhi Municipal Council
Palika Kendra, Sansad Marg,
New Delhi-110 002

Respondents

The following was present:

Shri S.Raju, PGCIL

ORDER

The Petitioner has filed this petition seeking reimbursement of additional expenditure incurred and to be incurred towards deployment of special security forces at Wagoora sub-station located in the State of Jammu and Kashmir, during the year 2015-19 in Northern Region under Regulations 54 and 55 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Commission vide its order dated 23.9.2015 in Petition No. 192/MP/2015 has allowed reimbursement of abnormal O & M expenditure incurred towards deployment of CISF at Wagoora sub-station in Northern Region for the year 2014-15.

3. The Petitioner has submitted that transmission system of PGCIL is spread all over the country. Number of transmission systems 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 safeguarding of the assets. 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 the following justification for deployment of CISF at Wagoora sub-station, namely:

- (i) To avoid damage to the assets such as control rooms, stores, residential buildings and other valuable 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, which is of national importance.

5. The Petitioner has stated that it has incurred expenditure of ₹ 566.93 lakh on account of deployment of CISF personnel at Wagoora sub-station during 2015-16. The Petitioner's claim is supported by the auditor's certificate dated

8.7.2016. The details of expenditure made towards deployment of CISF at Wagoora sub-station are as indicated below:

S.No.	Description	(₹ in lakh)
1.	Salary	532.33
2.	Cost of ammunition	6.2
3.	Medical Expenses	5.23
4.	Vehicle Expenses	11.46
5.	Hardcoke	0.00
6.	Clothing/Uniform	9.43
7.	Others (Imprest, stationery, telephone and miscellaneous expenses)	2.28
	Total	566.93

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. The Petitioner has submitted that the Commission vide order dated 27.8.2015 in Petition No. 177/MP/2015 directed 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. Accordingly, the Petitioner has submitted the following projected additional expenditure to be incurred on deployment of special security forces for the period 2016-17, 2017-18 and 2018-19:

(₹ in lakh)

S.No.	Description	Projected additional expenditure for the year 2016-17*	Projected additional expenditure for the year 2017-18**	Projected additional expenditure for the year 2018-19**
1.	Salary	665.41	716.91	772.40

2.	Cost of ammunition	7.75	8.35	9.00
3.	Medical Expenses	6.54	7.05	7.60
4.	Vehicle Expenses	14.33	15.44	16.64
5.	Hardcoke	0.00	0.00	0.00
6.	Clothing/Uniform	11.79	12.70	13.68
7.	Others (Imprest, stationery, telephone and miscellaneous expenses)	2.85	3.07	3.31
	Total	708.67	763.52	822.61

* The projected additional expenditure to be incurred on deployment of special security forces for the period 2016-17 is based on the percentage increment of 25% on the audited expenditure of 2015-16, with reference to the press release of Press Information Bureau regarding Cabinet approval for implementation of the recommendation of 7th Central Pay Commission.

** The projected additional expenditure to be incurred on deployment of special security forces for the period 2017-18 and 2018-19 is based on the escalation of 7.74% for Wagoora sub-station on the expenditure to be incurred during 2016-17 and 2017-18 respectively in salary (percentage average expenditure calculated based on the expenditure approved by the Commission from 2010-11 to 2014-15).

8. None appeared on behalf of the respondents despite notice. During the course of the hearing, the representative of the petitioner reiterated the submissions made in the petition and requested to allow the expenditure incurred and to be incurred by PGCIL.

9. We have considered the submissions made by the Petitioner. While laying down norms for O & M expenses in the 2014 Tariff 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. Since, the expenditure on deployment of CISF personnel have not been included in the O & M expenses, we are of the view that the

petitioner needs to be reimbursed such expenses incurred towards deployment of CISF Personnel.

10. In exercise of power under Regulation 54 of the 2014 Tariff Regulations, we allow the expenses on CISF incurred by the petitioner in relaxation of Regulation 29 (3) of the 2014 Tariff Regulations and direct that the expenses for the year 2015-16 as claimed by the Petitioner shall be reimbursed by the respondents. With regard to expenses to be incurred for the years 2016-17, 2017-18 and 2018-19, we allow 85% of the projected additional expenditure to be incurred by the Petitioner subject to truing up.

11. The security expenses with regard to Wagoora sub-station shall be shared in accordance with the provisions of the 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. 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