

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H.Jung, Member**

Petition No. 81/2006

In the matter of

Approval of abnormal operation and maintenance expenses on account of additional security for the year 2004-2005 in Eastern Region.

And in the matter of

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

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Kolkata
3. Grid Corporation of Orissa Ltd., Bhubneshwar
4. Damodar Valley Corporation, Kolkata
5. Power Dept., Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board , Ranchi **Respondents**

The following were present:

1. Shri U.K. Tyagi, , PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri C. Kannan, PGCIL
4. Shri A.K.Nagpal, PGCIL
5. Shri M.M.Mondal, PGCIL

**ORDER
(DATE OF HEARING: 26.10.2006)**

The petitioner has filed this petition seeking reimbursement of additional expenditure incurred towards deployment of special security forces (CISF) at Salakati and Bongaigaon sub-stations for the year 2004-05 by the beneficiaries in Eastern Region.

2. The petitioner has based its claim on Regulation 12 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,

2004 (the regulations) which empowers the Commission to make appropriate provisions for removing difficulties.

3. The petitioner has submitted that its establishments in North-eastern region have been receiving threats from the militant outfits. There had been cases of kidnapping of employees and contractor's staff by the militants. CISF cover was provided at Salakati and Bongaigaon sub-stations taking in view the disturbed situation prevailing in the area to accord proper security to its assets and personnel deployed at these sub-stations and to ensure uninterrupted power flow to the beneficiaries. The petitioner has listed several instances of kidnapping, attack and killing to highlight difficult security scenario in the region. According to the petitioner, local police could not provide adequate security to the sub-stations. The petitioner has referred to the Commission's order dated 27.5.2004 in Petition No.83/2004 whereby reimbursement of abnormal O&M expenses for the years 2003-04 were approved. The petitioner has submitted that there had been no improvement in law and order position and sub-stations are still under constant threat of militancy. In order to counter the situation, the petitioner is stated to have continued deployment of the additional security forces. The petitioner has submitted copies of the newspaper reports and correspondence with the security agencies in support of its claim about the prevailing law and order situation.

4. The petitioner's claim for reimbursement of special security expenses is supported by auditors' certificate dated 21.2.2006, which incorporates the details of expenditure incurred on making special security arrangement at Bongaingaon and Salakati sub-stations, as appended hereinbelow, verified from the books/records of the petitioner for the year 2004-05:

(Rs. in lakh)

S.No.		400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary	6004514	8946771
2.	Medical	169083	46382
3.	Vehicle expenses	261791	210708
4.	Other expenses	122265	183398
	Total	6557653	9387259

5. The petitioner has apportioned the salary component between Bongaigaon and Salakati sub-stations for the year 2004-05 on 50:50 basis, based on the Commission order dated 22.2.2005 in Petition No. 83/2004. The petitioner has submitted the following break-up of expenses for these sub-stations:

(Rs. in lakh)

S. No.	Description	400 kV Bongaigaon sub-station	220 kV Salakati sub-station
1.	Salary	74.76	74.76
2.	Medical	1.69	0.46
3.	Vehicle expenses	2.62	2.11
4.	Other expenses	1.22	1.83
	Total	80.29	79.16

6. The petitioner has submitted that:

(a) Total security expenses of Rs. 79.16 lakh associated with Salakati sub-station forming part of Chukha transmission system are to be shared by the constituents of Eastern Region in proportion to the transmission charges shared by the beneficiaries of that Region.

(b) Security expenses for Bongaigaon sub-station associated with Bongaigaon-Malda transmission line (inter-regional assets between Eastern Region and North-eastern Region) under Kathalguri

transmission system are to be shared by the constituents of Eastern Region and North-eastern Region on 50:50 basis, the charges so calculated for ER are to be further shared by the constituents of that Region in proportion to the transmission charges shared by them for Bongaigaon-Malda transmission line.

7. No serious objection to reimbursement of the expenditure incurred by the petitioner is raised by the respondents, though Respondent No. 2, WBSEB has raised certain issues in its reply, which in our view are extraneous to the matter in the present application since in the past similar expenses have been allowed to be reimbursed.

8. The normative O &M expenses for Eastern Region do not include these abnormal expenses. We are satisfied that the expenditure has been incurred by the petitioner on making special security arrangements at the sub-stations for the reasons beyond its control and in the overall interest of security of the transmission system. Therefore, in our view the petitioner becomes entitled to reimbursement of these additional expenses incurred. We, in exercise of power under Regulation 13 of the regulations and in relaxation of the provisions thereof direct reimbursement of these additional expenses for the year 2004-05 as claimed by the petitioner from the respondents.

9. The entire expenses of Rs.79.16 lakh in respect of Salakati sub-station and 50% of these expenses in case of Bongaigaon sub-station, that is, Rs.40.15 lakh shall be shared by the beneficiaries of Eastern Region.

10. With this order, the present petition stands disposed of.

**Sd-/
(A.H.JUNG)
MEMBER**

**sd-/
(BHANU BHUSHAN)
MEMBER**

**sd-/
(ASHOK BASU)
CHAIRPERSON**

New Delhi dated the 27th October 2006.