

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 202/MP/2020

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member**

Date of Order: 20.03.2023

In the matter of:

Petition under Regulations 54 and 55 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, for truing up of expenditure approved vide order dated 31.5.2017 in Petition No. 36/MP/2017 for years 2016-19 towards deployment of special security forces (CISF) at Wagoora Sub-station in Northern Region.

And

In the matter of:

Power Grid Corporation of India Limited,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon-122001.

.....Petitioner

Vs

1. Himachal Pradesh State Electricity Board (HPSEB),
Kumar House Complex Building II,
Shimla-171 004 (HP).
2. Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL),
Vidyut Bhawan, Vidyut Marg,
Jaipur – 302 005 (Rajasthan).
3. Ajmer Vidyut Vitran Nigam Limited (AVVNL),
132 KV, GSS RVPNL Sub- Station Building, Caligiri Road,
Malviya Nagar, Jaipur-302 017 (Rajasthan).
4. Jaipur Vidyut Vitran Nigam Limited (JVVNL),
132 KV, GSS RVPNL Sub- Station Building,



Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan).

5. Jodhpur Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub- Station Building,
Caligiri Road, Malviya Nagar, Jaipur-302 017 (Rajasthan).
6. Punjab State Electricity Board (PSEB),
Thermal Shed Tia, Near 22 Phatak,
Patiala-147 001 (Punjab).
7. Haryana Power Purchase Centre (HPPC),
Shakti Bhawan, Sector-6, Panchkula- 134 109 (Haryana).
8. Power Development Department,
Government of Jammu & Kashmir, Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Limited (UPPCL),
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg, Lucknow – 226 001 (Uttar Pradesh).
10. Delhi Transco Limited (DTL),
Shakti Sadan,
Kotla Road, New Delhi-110 002.
11. BSES Yamuna Power Limited (BYPL),
B-Block, Shakti Kiran, Building (Near Karkadooma Courte),
Karkardooma, 2nd Floor, New Delhi-110 092.
12. BSES Rajdhani Power Limited (BRPL),
BSES Bhawan, Nehru Place,
New Delhi-110 019.
13. Tata Power Delhi Distribution Limited (TPDDL),
NDPL house, Hudson Lines
Kingsway Camp Delhi – 110 009.
14. Chandigarh Administration,
Sector -9, Chandigarh.
15. Uttarakhand Power Corporation Limited (UPCL)
Urja Bhawan, Kanwali Road, Dehradun (Uttarakhand).
16. North Central Railway,
Allahabad (Uttar Pradesh).



17. New Delhi Municipal Council (NDMC),
Palika Kendra, Sansad Marg,
New Delhi-110 002.

.....Respondents

For Petitioner : Shri Ved Prakash Rastogi, PGCIL
Shri Amit Yadav, PGCIL
Shri Ashish Alankar, PGCIL

For Respondents : None

ORDER

The instant petition has been filed by Power Grid Corporation of India Limited seeking reimbursement of additional expenditure incurred towards deployment of special security forces at Wagoora Sub-station, Jammu and Kashmir, during the period 2016-19, after truing up of the expenditure approved vide order dated 31.5.2017 in Petition No 36/MP/2017 under Regulation 54 and Regulation 55 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Petitioner has made the following prayers in the instant petition:

- “i) Approve the actual abnormal expenditure (additional security expenditure) for the year 2016-17, 2017-18 and 2018- 19 in respect of Northern Region as per para-7.0 above.*
- ii) Approve reimbursement of Petition filing fee.*
- iii) And pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”*

Background

3. The brief facts in the matter are as follows:

- a. Wagoora Sub-station of the Petitioner is located in the Kashmir Valley and is facing severe law and order problem since its inception and it is under constant



threat of militancy/ terrorism. The Central Industrial Security Force (CISF) is deployed in the Wagoora Sub-station for security of the assets and personnel. The expenditure incurred towards the deployment of the CISF was allowed by the Commission on a regular basis since 2001-02.

b. The details of the orders issued by the Commission reimbursing the additional expenditure on account of the deployment of the security forces in the said sub-station is as follows:

Year(s)	Petition No.	Order details
2001-02 & 2002-03	102/2003	28.4.2004
2003-04	80/2004	22.2.2005
2004-05	37/2006	4.8.2006
2005-06	75/2007	30.8.2007
2006-07	84/2008	4.12.2008
2007-08	58/2009	26.5.2009
2008-09	250/2009	19.1.2010
2009-10	46/2011	2.9.2011
2010-11	193/MP/2011	30.11.2011
2011-12	260/MP/2012	6.5.2013
2012-13	63/MP/2014	19.6.2014
2013-14	379/MP/2014	13.11.2014
2014-15	192/MP/2015	23.9.2015
2015-16	36/MP/2017	31.5.2017

c. The Commission in order dated 23.9.2015 in Petition No.192/MP/2015 directed the Petitioner to file one consolidated petition for the period 2015-19 to avoid multiplicity of petitions. The relevant portion of the order dated 23.9.2015 is as follows:

“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.”



d. Accordingly, the Petitioner filed Petition No.36/MP/2017 claiming additional expenditure towards deployment of CISF at Wagoora Sub-station for 2015-19 period. The Commission vide order dated 31.5.2017 approved the actual expenses incurred by the Petitioner in 2015-16 and allowed 85% of the projected additional expenditure in 2016-19 subject to truing up. The relevant portion of the order dated 31.5.2017 is as follows:

“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.”

e. The Petitioner has filed the instant petition for truing up and reimbursement of the of the additional expenditure approved by the Commission vide order dated 31.5.2017 in Petition No.36/MP/2017.

4. The Petitioner has made the following submissions in this regard:
- a) The 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 susceptible to insurgencies and sabotage.
 - b) The Wagoora Sub-station in Kashmir valley in NR is facing severe law and order problem since its inception and has been receiving various threats from militant outfits. In view of this, CISF was deployed at Wagoora Sub-station for safeguarding of the transmission assets.



- c) The O&M norms applicable for 2014-19 period specified in the 2014 Tariff Regulations have been derived based on the actual O&M Expenses during the period 2008-09 to 2012-13. However, the additional expenses on account of deployment of the CISF have not been considered while deriving the O&M norms for 2014-19 tariff period. Further, there is no provision for claiming of such abnormal O&M Expenses separately by way of petition in the 2014 Tariff Regulations. However, Regulations 54 and 55 of the 2014 Tariff Regulations give power to the Commission to relax or remove difficulties in giving effect to the provisions of 2014 Tariff Regulations. The O&M Expenses towards deployment of CISF may be allowed under Regulations 54 and 55 of the 2014 Tariff Regulations.
- d) The Petitioner filed the Petition No. 36/MP/2017 claiming the following additional expenditure towards deployment of the CISF in Waroora Sub-station during 2015-19 tariff period as per the directions of the Commission in order dated 23.9.2015 in Petition No.192/MP/2015.

(₹ in lakh)

S. No.	Description	2015-16	2016-17	2017-18	2018-19
1	Salary	532.33	665.41	716.91	772.40
2	Cost of ammunition	6.20	7.75	8.35	9.00
3	Medical	5.23	6.54	7.05	7.60
4	Vehicle	11.46	14.33	15.44	16.64
5	Hardcoke	0.00	0.00	0.00	0.00
6	Clothing/Uniform	9.43	11.79	12.70	13.68
7	Others (imprest, stationary, Telephone & misc. exp.)	2.28	2.85	3.07	3.31
Total		566.93	708.67	763.52	822.61

- e) The Commission vide order dated 31.5.2017 in Petition No.36/MP/2017 allowed the reimbursement of actual additional expenditure towards



deployment of CISF for the period 2015-16. Further, 85% of projected additional expenditure towards deployment of CISF in 2016-17, 2017-18 and 2018-19 was allowed subject to true up.

- f) The Petitioner has claimed reimbursement of the actual expenditure on account of deployment of the CISF in Wagoora Sub-station during the years 2016-17, 2017-18 and 2018-19 in the instant petition by truing up the expenditure approved vide order dated 31.5.2017 in Petition No.36/MP/2017.

5. During the hearing on 6.3.2023, the representative of the Petitioner reiterated the submissions made in the petition and requested to allow the additional expenditure incurred as claimed by the Petitioner towards deployment of the CISF in Wagoora Sub-station, which is not covered in the O&M norms specified for the 2014-19 tariff period in the 2014 Tariff Regulations. None of the Respondents made appearance despite notice and have not filed any reply in the matter.

6. We have considered the submissions made by the Petitioner. The Petitioner has prayed for approval of the actual additional expenditure towards deployment of the CISF in Wagoora Sub-station during 2016-17, 2017-18 and 2018-19 under Regulations 54 and 55 of the 2014 Tariff Regulations, by truing up the expenditure approved vide order dated 31.5.2017 in Petition No. 36/MP/2017.

7. The Petitioner has submitted that the State of Jammu & Kashmir has been affected by terrorist and secessionist violence for more than two and half decades and that the situation during 2016-19 has not improved necessitating deployment of security



personnel in Wagoora Sub-station. The Petitioner has further submitted that in the year 2016 there has been significant increase in terrorist violence and casualties of security forces in comparison to year 2015. The year 2016 witnessed a 54.81% increase and 110.25% increase in the number of terrorist incidents and fatalities of security forces in comparison to the corresponding period of 2015.

8. Taking into consideration the general law and order situation in the State of Jammu & Kashmir, especially the area around Wagoora Sub-station, the Commission, in order dated 31.5.2017 in Petition No.36/MP/2017, came to the conclusion that it is necessary to continue with the deployment of additional security forces to ensure the safety and security of its personnel and the transmission assets. The Commission further observed that the abnormal security expenses towards deployment of the security forces was not considered while specifying the O&M norms in the 2014 Tariff Regulations and has to be considered on a case to case basis. The Commission also approved the reimbursement of 85% of the projected additional expenses towards deployment of the CISF during 2016-19, subject to truing up, by relaxing Regulation 29 in exercise of the power to relax under Regulation 54 of the 2014 Tariff Regulations. The relevant portion of the order dated 31.5.2017 is as follows:

“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.”

9. The Petitioner has claimed the following the actual expenditure on account deployment of the CISF in Wagoora Sub-station during the years 2016-17, 2017-18 and 2018-19 in the instant petition.

(₹ in lakh)				
S. No.	Description	2016-17	2017-18	2018-19
1	Salary	646.57	810.76	941.94
2	Cost of ammunition	18.63	17.12	6.82
3	Medical	3.09	3.17	6.11
4	Vehicle	10.35	12.03	18.12
5	Clothing/Uniform	9.45	9.96	7.50
6	Others (imprest, stationary, Telephone & misc. exp.)	2.07	2.05	3.37
7	Ex-gratia to CISF personnel			25.00
	Total	690.16	855.09	1008.86

10. The Petitioner has also submitted the audited statement of account, dated 26.8.2019, in support of its claim.

11. Taking into consideration the copies of the documents, wherein the security situation of the area around the Wagoora Sub-station has been elaborated, the extracts of various correspondences highlighting the prevailing law and order situation during 2016-19 and the letter dated 9.11.2018 regarding deployment of additional security after the attack on CISF sub-officer at Wagoora on 27.11.2018, we are of the view that the Petitioner is required to continue with the deployment of the CISF in Wagoora Sub-station



to ensure safety and security of its personnel and property and maintenance of continuous supply of electricity in the region.

12. In view of the observations and findings of the Commission order dated 31.5.2017 in Petition No.36/MP/2017 and the prevailing law and order situation in Wagoora, we true up the expenses approved vide order dated 31.5.2017 towards deployment of CISF in Wagoora Sub-station in exercise of the power conferred under Regulation 54 of the 2014 Tariff Regulations by relaxing Regulation 29(4) of the 2014 Tariff Regulations and direct that the additional expenses during the year 2016-19 shall be reimbursed by the Respondents.

13. We also direct that 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 provided in Regulation 43 of the 2014 Tariff Regulations.

14. It is observed that the Petitioner has sought reimbursement of the filing fee paid by it. The Commission in order dated 11.1.2009 in Petition No. 109/2009 has already held that filing fee will be reimbursed only in case of tariff petitions and will not be reimbursable in case of Miscellaneous Petitions. Further, the Commission's regulations also do not provide for reimbursement of the filing fee in case of Miscellaneous Petitions. The relevant portion of the order dated 11.1.2009 is extracted hereunder:

"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.”

15. Since this petition is a Miscellaneous Petition, reimbursement of filing fee paid by the Petitioner is not allowed.

16. To summarise, the details of the trued-up additional expenses approved towards deployment of CISF in Wagoora Sub-station in the instant order is as follows:

Particulars	(₹ in lakh)		
	2016-17	2017-18	2018-19
Trued up additional expenses approved in the instant order	690.16	855.09	1008.86

17. Petition No. 202/MP/2020 is disposed of in the light of the above discussions and findings.

sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

