

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R Krishnamoorthy, Member**

Petition No. 35/2006

In the matter of

Reimbursement of additional expenditure towards deployment of Special Security Forces (CISF and TSR) at Bongaigaon and Kumarghat sub-stations for the year 2004-2005 in North-eastern Region.

And in the matter of

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

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Government of Arunachal Pradesh, Itanagar
4. Power and Electricity Department, Govt. of Mizoram, Aizwal
5. Electricity Department, Govt. of Manipur, Imphal
6. Department of Power, Govt. of Nagaland, Kohima
7. Department of Power, Govt. of Tripura, Agartala **Respondents**

The following were present:

1. Shri Umesh Chandra, PGCIL
2. Shri P.C.Pankaj, PGCIL
3. Shri U.K. Tyagi, PGCIL
4. Shri I.S.Jha, PGCIL
5. Shri T.C.Sharma, PGCIL
6. Shri M.M. Mondal, CM (Fin), PGCIL
7. Shri S.S.Raju, PGCIL
8. Shri Harmeet Singh, PGCIL
9. Shri A.K.Das, PGCIL
10. Shri B.P.Singh, PGCIL
11. Shri W.Rehman, PGCIL
12. Shri M.Debberma, TSECL
13. Shri A.Gan. Chaudhri, TSECL
14. Shri P.K.Hazarika, ASEB
15. Shri K.Goswami, ASEB

**ORDER
(DATE OF HEARING: 1.8.2007)**

The petitioner has filed this petition seeking reimbursement of additional expenditure by the beneficiaries in North-eastern Region incurred towards

deployment of special security forces at Bongaigaon and Kumarghat sub-stations for the year 2004-05.

2. The petitioner has based its claim on Regulations 12 and 13 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the regulations) which empower the Commission to make appropriate provisions for removing difficulties and to relax the provisions thereof in appropriate cases.

3. It has been stated that the petitioner had deployed Tripura State Rifles, at Kumarghat sub-station forming part of Agartala-Kumarghat transmission line and CISF at Bongaigaon sub-station under Kathalpguri transmission system, to afford security to its assets and the personnel deployed on these two sub-stations because of inhospitable terrain, difficult law and order situation and disturbed conditions prevailing in the area North-eastern region. According to the petitioner, this also ensures uninterrupted power supply to the beneficiaries in the region. It has been stated that there had been cases of kidnapping of employees and contractor's staff by the militants and CISF cover was provided at Bongaigaon sub-station and Tripura State Police was deployed at Kumarghat sub-station taking in view the disturbed situation prevailing in the area to accord proper security to its assets and personnel deployed at these sub-stations. The petitioner has listed several instances of kidnapping, attack and killing to highlight difficult security scenario in the region. The petitioner has referred to the Commission's order dated 26.5.2005 in Petition No.22/2005 whereby reimbursement of abnormal O&M expenses for the year 2003-04 were approved. 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. Accordingly, the petitioner has claimed the following expenditure on salary etc. of the personnel deployed on special security, as abnormal O & M expenses:

S.No.	Sub-station	Expenditure
1.	Kumarghat sub-station	Rs. 35.70 lakh
2.	Bongaigaon sub-station	Rs. 40.15 lakh (50% of the total expenses of Rs. 80.29 lakh)

4. The break up of the amount of Rs. 80.29 lakh claimed for Bongaigaon sub-station has been worked out by re-apportioning salary between Bongaigaon and Salakati sub-stations in the ratio of 50:50 as per the direction given in order dated 22.2.2005 in Petition No. 83/2004. The claims of the petitioner are supported by the auditor's certificate dated 21.2.2006.

5. Reply has been filed by respondent, Assam State Electricity Board. According to ASEB, the petitioner had not submitted its tariff petitions for the period 2004-09 and as such the normal/ abnormal O & M cost had not been submitted in the proper form. ASEB has pointed out that without submitting O & M cost in the petition, it is not proper for the petitioner to submit the petition for reimbursement of additional expenditure and in the view of ASEB, the petition is not maintainable.

6. The petitions have since filed by the petitioner for approval of tariff for the period 2004-05 to 2008-09 for the transmission assets in North-eastern Region and are separately under consideration of the Commission. The security expenses incurred by the petition and claimed in the present petition will not be considered in those petitions. This should take care of the concern of ASEB.

7. On consideration of the facts placed on record by the petitioner, we are satisfied that the petitioner was required to make special arrangements to ensure safety and security of its personnel and property. The incidents narrated by the petitioner in support of its claim justify deployment of additional forces. The expenses were essential and unavoidable. In the absence of necessary security arrangements, any untoward incident could have resulted in disruption of power supply in the region, depriving the consumers, railways and other industry in region of electricity. The loss on account of such deprivation could prove disastrous. Therefore, we are satisfied that the respondents are the ultimate beneficiary of the special security arrangement made by the petition, and they should reimburse the expenditure incurred.

8. Accordingly, we direct that the entire abnormal security expenses for Kumarghat sub-station as claimed by the petitioner shall be borne by the beneficiaries of the North-eastern Region. As regards Bongaigaon sub-station, it is noted that it forms part of the Kathalguri Transmission System, which includes Malda-Bongaigaon transmission line, an inter-regional asset between Eastern and North-eastern Regions. The Commission in its order dated 26.5.2005 in Petition No. 22/2005 which related to reimbursement of abnormal expenses by the beneficiaries in Eastern Region for the year 2003-04 has found that only 50% of the additional security expenses apportioned to Bongaigaon sub-station are to be borne by the beneficiaries in Eastern Region. Thus, the remaining 50% of the expenses need to be reimbursed by the beneficiaries in North-eastern Region. Accordingly, the beneficiaries in North-Eastern region are liable to pay Rs. 40.15 lakh only (50% of the abnormal security expenses of Rs. 80.29 lakh) for

Bongaigaon sub-station. The charges to be borne by the beneficiaries in the North-eastern Region for the year 2004-05 are accordingly summarized below:

S.No.	Substation	
1.	Kumarghat sub-station	Rs. 35.70 lakh
2.	Bongaigaon sub-station	Rs. 40.15 lakh (50% of the total expenses of Rs. 80.29 lakh)

9. The above abnormal security expenses shall be shared by the constituents of North-eastern Region in proportion to the transmission charges shared by them for Agartala transmission line and Malda-Bongaigaon transmission line, as applicable.

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

Sd/-
(R.KRISHNAMOORTHY)
MEMBER

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sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 25th September 2007