

## **RECORD OF PROCEEDINGS**

DATE OF HEARING : September 6, 2007 at 11.00 hrs

CASE No. : 37 of 2007

PETITIONERS : Maharashtra State Electricity Transmission Company Limited (“MSETCL”)

RESPONDENTS : None

MATTER : Petition filed by MSETCL seeking approval of staffing norms as per its industrial engineering study, and lifting of the ban on the recruitment of personnel in the Pay-Group III and IV categories in terms of the order dated May 5, 2000 in Case No. 1 of 1999

CORAM : Chairman, Member-Technical, Member-Finance

MSETCL filed a Petition on August 1, 2007 seeking approval of staffing norms as per its industrial engineering study, and lifting of the ban on the recruitment of personnel in the Pay-Group III and IV categories in terms of the Commission’s Order dated May 5, 2000 in Case No. 1 of 1999. The Commission scheduled the hearing in the matter for August 22, 2007 in the presence of four consumer representatives authorized on a standing basis under the Electricity Act, 2003 (“EA 2003”). Notices were issued accordingly.

2. At the hearing held in the matter on September 6, 2007, Shri. Subrato Ratho, M.D.-MSETCL submitted that the expertise of M/s. Pricewaterhouse Coopers has been utilized for preparation of the industrial engineering study on the proposed staffing pattern for the recruitment of personnel in the Pay-Group III and IV categories, which has been submitted for approval under the present proceedings. It was further submitted that the said study has been prepared after undertaking field visits, and discussions with the various employees unions in MSETCL. On an enquiry made by the Commission, Shri. Ratho submitted that the said industrial engineering study has been accepted by the Board of MSETCL, though the Employee Unions had not completely agreed with the results of the study.

3. Shri. Tushar Sood, consultant to MSETCL, made a power-point presentation in support of his oral submissions. Shri. Sood submitted that the industrial engineering study as submitted for approval is based on exhaustive work-load analysis of various posts that may be considered for recruitment. The reports collected from field visits were collated and technically analysed. Thereafter, appropriate benchmarking has been done after considering the staffing pattern adopted by Transmission Licensees in selected States, viz., the Madhya Pradesh Power Transmission Company Limited, the West Bengal State Electricity Board, the Gujarat Energy Transmission Company Limited, the Rajasthan

Rajya Vidyut Prasaran Nigam Limited and the Orissa Power Transmission Corporation Limited. It was observed by the Commission that MSETCL should have benchmarked the employee levels by considering the staffing patterns adopted by national level utilities and private utilities, and 'best practices' employed by the utilities of Maharashtra.

4. On an enquiry made by the Commission as to whether the staffing pattern has considered the impact of expected technology up-gradation, Shri. Sood submitted that various factors connected with technology up-gradation, e.g. ERP systems, have been considered while finalizing the staffing norms. The said study has taken in to consideration a review of the existing staffing norms vis-à-vis the need for additional recruitment for the ensuing three to four years. The Commission further enquired as to whether recruitment of additional posts is expected to be linear on finalization of staffing norms. It was submitted by Shri. Sood that recruitment in new sub-stations shall be linear and recruitment for maintenance of existing sub-stations may not be linear. It was submitted by Shri. Ratho that MSETCL proposes to outsource staff for the purposes of non-core activities of the existing sub-stations, and for the purposes of core activities, the existing work-force shall be utilized/re-deployed after appropriate training.

5. On an enquiry made by the Commission as to whether the benchmarking has been determined considering the staffing norms employed by transmission utilities outside India, it was submitted by Shri. Ratho that the present recruitment matrix has not been prepared considering international benchmarking of staffing norms since the technology utilized by transmission utilities outside India is largely different from the technology utilized by MSETCL. However, future recruitment matrixes and/or staffing norms shall be prepared in line with international standards, even if no change occurs in the technology levels of MSETCL. It was further submitted on an enquiry made by the Commission that the present recruitment pattern shall not be implemented without considering the actual need for recruitment on a case-to-case basis.

6. The Commission further enquired as to whether, considering the trifurcation of MSEB and the incorporation of MSETCL as a separate transmission company and the computerization of its network, MSETCL has considered revising its existing organizational pattern or hierarchy. It was submitted by Shri. Ratho that the present study as finalized has not considered any radical restructuring of the existing organizational chart of MSETCL. The Commission observed that the efficiency of MSETCL in its day-to-day affairs may be increased though revision of the organizational chart of MSETCL. It was submitted by Shri. Sood that though no radical restructuring of the existing hierarchy has been attempted as part of the present study, MSETCL has attempted to upgrade the recruitment pattern of its IT division inasmuch as to increase its day-to-day efficiency and operations.

7. Shri. Sood submitted on the averments of the study, as submitted for approval under the present petition, while making the power-point presentation. The Commission enquired as to whether MSETCL has considered creating posts for multi-tasking activities, considering that a single employee can be recruited for performing various non-critical functions. Shri. Sood submitted that various multi-tasking groups have been proposed though no single multi-tasking post has been proposed. The Commission

observed that MSETCL should circulate an appropriate recruitment manual within its divisions so that such micro-level man-power planning is understood by all divisions with clarity. It was observed that the creation of multi-tasking posts will result in hierarchical restructuring. With the illustration of the post of a driver, it was observed by the Commission that various posts of like nature, may be multi-tasking posts.

8. Shri. Sood submitted that certain existing posts have been eliminated considering low efficacy level. The Commission observed that posts that are redundant need not be required to be filled, considering the costs that MSETCL have to bear towards introduction of ERP systems. It was observed that junior executives should be acquainted with basic computer application skills and should not require the aid of computer typists.

9. The Commission enquired on the training pattern that MSETCL seeks to implement once suitable candidates are selected. Shri. Ratho submitted that MSETCL has re-designed the existing training courses. The manner of training of junior engineers on induction, have been sought to be radically re-modulated with the help of a selected group of retired engineers who are conducting training programmes at Pune. The training module is now more practical than theoretical, requiring weekly workshops and field visits at various sub-stations and manufacturing outlets where electrical instruments are tested. It was further submitted that the preparation of a special need-based training analysis report is under process for the training and orientation of the existing officials of MSETCL who were originally employed in the distributing or generating arms of the erstwhile MSEB and have been inducted in MSETCL, post its incorporation. The Commission observed that the said need-based training analysis report should provide for the manner of training of officials who may undergo career progression, i.e., from one level to another level or from one discipline to another discipline. It was submitted by Shri. Ratho that MSETCL is further considering a policy for rotation of employees from one division to another division to ensure cross-referencing of expertise among employees. The expertise of a separate consulting body has been employed to that effect. The Commission observed that MSETCL should devise their training programmes including refresher-training in such a way to optimally utilise the resources available with national organisations.

10. The findings of the study were presented by Shri. Sood, which primarily indicate that there is a need to employ additional persons in Groups I and II, over and above the number of vacant sanctioned posts, whereas the number of additional persons to be employed in Groups III and IV is lower than the vacant sanctioned posts.

11. Shri. Mohan Dasondiram Sharma, Working President-Maharashtra State Electricity Workers Federation ("MSEWF"), submitted that M/s. Pricewaterhouse Coopers while collecting required information at field level, have not been able to meticulously collect grass-root information from the various sub-stations of MSETCL, for preparation of appropriate industrial engineering study. The information as received by the said consultants is therefore inadequate. As per the observations of MSEWF, the present consultants to MSETCL, M/s. Pricewaterhouse Coopers, have failed to identify and observe the significance of sub-stations located at Pune and Amravati vis-à-vis sub-stations located in other places, of different capacities. M/s. Pricewaterhouse Coopers

have not utilized the expertise of various technical experts who have first-hand and grass-root experience in these matters. Referring to Resolution No. 634, passed by the MSETCL Board on the basis of recruitment analysis/research undertaken by M/s CRISIL, at an earlier point of time, it was submitted that comparatively, the present analysis/research conducted by M/s. Pricewaterhouse Coopers has fallen short of various practical and critical aspects of maintenance of sub-stations and recruitment of adequate staff. Classification of each sub-station vis-à-vis critical and non-critical maintenance activities should have been properly done while considering the present staffing norms.

12. It was submitted by Shri. Mohan Sharma that the single-tier staffing pattern in 220 kV sub-stations, as suggested in the present report filed by MSETCL should not be approved. It was submitted that while deciding on the adequate man-power required for line maintenance, the distance of the electric line should be given prime consideration and only experts on line maintenance, who have first-hand experience in line patrolling and tower building, should be recruited. This aspect has categorically escaped consideration in the present study report. Further, such capable expert line-men should be recruited considering the increase of maintenance work of lines and towers. Shri. Sharma submitted that in many occasions, while an operator should have been appointed to supervise a sub-station of 66 KV capacity, MSETCL had appointed an engineer. It was submitted that the way-forward on staffing as proposed in the present study report, has been without any consideration of the practical problems that are being faced by line-men and tower-men at the sub-stations, on a day-to-day basis. Staffing norms should be determined as per the existing technology, and the technology augmentation that may be undertaken by MSETCL. The approach adopted under the present study report while reducing staff requirement does not take into account the existing technology of MSETCL. Since the scope of technological up-gradation is minimal, there is no apparent reasoning in reducing the existing number of posts.

13. Shri. Mohan Sharma further submitted that owing to termination of employment at various sub-stations in the past, the work load in the said sub-stations have substantially increased and the same requires recruitment of line-men with a standard level of experience. The staffing pattern presented under the present study report has been oblivious to various such issues, and while the same may be ideal and cost-saving as per employment standards, it falls short of practical insight. It was submitted that expert grass-root level experience should not be substituted by computer proficiency. The expected computerization of essential/critical functions of system maintenance should not terminate the scope of employment of candidates with grass-root level experience for a considerable duration of time.

14. Referring to a Technical Expert Report No. 189, Shri. Mohan Sharma submitted that no outsourcing should be permitted even for non-core activities of sub-stations, like driver, etc., leave alone for core maintenance activities. The expertise of out-sourced employees without practical experience, for the maintenance of towers and lines is rather doubtful. It was further submitted that the Commission should not approve the present study report as filed by MSETCL, considering humanitarian grounds. The candidatures of the legal heirs of employees who have suffered physical disablement and accidents, while in harness, should be considered by MSETCL while recruiting new staff. Further, it

was submitted that GAD training and basic accountancy skills should be imparted to the selected candidates.

15. Shri. Ambadas Jadav submitted that the appointment of operators or engineers at 132 kV sub-stations on a single-tier basis is not sound practice. It was also submitted that owing to a shortage of manpower, the operator or engineer who is appointed in a particular sub-station has to function under acute stress and work load. Referring to incidences that have occurred in the districts of Marathwada and Beed, it was submitted that dependency on outsourced employees for critical functions of plant maintenance should be rejected. He added that the Consultant to MSETCL had neither taken the employees into confidence, nor considered the recommendations of the EHT Committee (Deshmukh Committee) of 2006. He submitted that the study envisages filling up of Groups I and II vacancies, but does not envisage filling up of vacancies in Groups III and IV.

16. Shri. Sayad Zahiruddin submitted that the present study of MSETCL attempts to reduce the existing staff requirement by 50% as compared to the Palatkar Committee Report adopted by MSETCL in 1994. The said Palatkar Committee Report set adequate staffing requirement and staffing norms. Further, single-tier working pattern should not be approved and the existing two-tier working pattern should not be abolished. Shri. Zahiruddin submitted that while MSETCL creates multiple posts for engineers annually and advertises the same in various newspapers, the scope of recruitment of employees in the Pay Groups III and IV should be increased simultaneously. Further, the benefits of promotion and career progression should also be provided to existing employees and not reserved for outsourced employees only, which approach is apparent in the present study report. Further, the abolition of posts in the nature of line foreman, chief foreman, etc., would demotivate the existing staff. It was further submitted that preference should be given to the legal heirs of the employees who have suffered death in harness, and candidates who have completed relevant technological courses.

17. Shri. S.R. Kole, submitted that on March 17, 2006 a meeting was conducted by MSETCL with the members of the workers organization that he is representing, and a study report prepared by M/s. Pricewaterhouse Coopers was placed by MSETCL for consideration. Pursuant thereto, comments on the said report were submitted to MSETCL on March 29, 2006. The principal objection of the organization was against the abolition of the two-tier staffing pattern which enables the operator of a sub-station to perform without mental pressure and work load. It was submitted that man-power shortage was always a fetter on day-to-day efficiency and the present possibility of man-power augmentation should be best utilized. At present, the work load and nature of technology in MSETCL requires the continuance of the two-tier staffing pattern. Illustratively, it was submitted that the operation of the Bhagirathi scheme, which comprises of a heavy work load, cannot be efficiently performed by a single operator vis-à-vis operation of load shedding hours at the control room.

18. Per contra, Shri. Subrato Ratho submitted that after a draft study report on staffing norms and recruitment pattern was prepared by M/s. Pricewaterhouse Coopers, MSETCL had conducted thorough discussions on the said report with field officers. Shri. Ratho

submitted that he was personally present during many discussions on the draft study report with various workers associations. Appropriate modifications have been made to the said study report considering the comments received from the field officers, as an outcome of the series of discussions. The primary concern of the MSETCL Board, while revising the said study report, was the safety and security of its infrastructure and technology. It was further submitted that a revised study report was further circulated to the various employee organizations and their written comments were considered for further revisions. Shri. Ratho submitted that modifications to the said study report have not been made completely as per the satisfactions of existing employees and a fine balance between staff requirement and employees satisfaction have been maintained. It was further submitted that achievement of an overall consensus between the employer and the employee is not easy on all aspects of staff requirement staffing. Shri. Ratho submitted that exceptional situations of some sub-stations may be considered separately and the present study as submitted may be approved.

19. The Commission observed that MSETCL should file on affidavit their contentions that the said study report was circulated to various employee organizations, before finalization and submission for approval.

The hearing in the matter concluded thereafter.

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**List of Persons present at the hearing on September 6, 2007**

1. Shri Deepak S. Krishnan, Consultant, PwC
2. Shri. Mohan Sharma, Working President, MSETCL.
3. Shri. D.B. Borde, Dy. General Secretary, MSEB Workers Federation.
4. Shri. S.R. Kole, Organising Secretary, Vidyut Shetre Tantrik Kamgar Union.
5. Shri. S.G. Kelkar, CE (Trans. O&M), MSETCL.
6. Shri. Subrat Ratho, Managing Director, MSETCL.
7. Shri. V.T. Phirke, EE (Reg. Cell), MSETCL.
8. Shri. Tushar Sood, Consultant to MSETCL.
9. Shri. Amitabha Saha, Consultant to MSETCL.
10. Shri. S. Zahiruddin, MSETCL.
11. Shri. M.S. Bamnale, MRVTKU, MSETCL.
12. Shri. N.K. Masar, MRVTKU, MSEDCL.
13. Shri. A.S. Lodho, MSETCL.
14. Shri. S.D. Sane, MSETCL.
15. Shri. V.R. Iyengar, Dy. GM, MSETCL.
16. Shri. A.V. Despande, MSETCL.
17. Shri. S.J. Ambale, GM (F&A) MSETCL.
18. Shri. Ambadas Jadav.