

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

Petition No: OP 52/2023

Present : **Sri.T.K.Jose, Chairman**
Adv. A. J. Wilson, Member
Sri. B. Pradeep, Member

In the matter of : Petition seeking approval of employee strength and employee cost of Distribution licensee

Petitioner : M/s Thrissur Corporation Electricity Department

Represented by : Sri.Krishnakumar, Asst.Secretary, TCED
Sri. T.S Jose, Electrical Engineer, TCED
Sri.Baburaj, Senior Superintendent, TCED
Smt.Reena C.J, Senior Superintendent, TCED

Respondent : M/s Kerala State Electricity Board Limited

Represented by : Sri. Rajan, Deputy Chief Engineer, TRAC, KSEB Ltd
Sri. Ajith Kumar K.N, Executive Engineer, KSEB Ltd
Sri.Shan B.S, Asst. Executive Engineer, KSEB Ltd
Smt. Archana M, Asst. Engineer, KSEB Ltd

Date of Hearing : 12.12.2023 at Court Hall, Office of the Commission

Order Dated 19.03.2024

1. M/s Thrissur Corporation Electricity Department under Thrissur Municipal Corporation (*hereinafter referred as TCED or the Licensee*) is a deemed distribution licensee under the Electricity Act, 2003, having an operational history since August 1937, when the generation & distribution business of Cochin State Power & Light Corporation Ltd was purchased by the then Thrissur Municipality. The current license area of the TCED corresponds to the administrative limits of the old Thrissur Municipality limits covering an area of approximately 12.65 sq.km.
2. The Commission vide Order dated 28-04-2020 on Truing Up of accounts for the year 2017-18 had directed Thrissur Corporation Electricity Department (TCED) to review the engagement and deployment of workers/staff by the distribution licensee, so as to arrive at firm employee requirement and deployment norms and to make available the complete list of workers/staff (permanent/contract/temporary), their qualification, place of deployment, category, salaries, wages and all other benefits paid to them. Further, in the Daily Order dated 27-07-2020 on the Truing Up of accounts for 2018-19 directed to file separate petition in respect of the employee details for arriving at a rational

employee strength as per CEA norms. However, the steering committee of Thrissur Corporation was of the opinion that TCED has to make clear the apprehensions of the Commission in the matter instead of filing petition. The licensee had stated that their employee strength is determined by Government as per direction of the Director of Urban Affairs and separate petition on employee strength is not relevant to the electricity department.

3. The Commission in the Order on truing up of accounts for the year 2020-21 dated 16.01.2023 in OP 72 / 2021 had deferred the claim on employee cost and had strictly directed the licensee to file separate petition in compliance to the Orders issued by the Commission failing which the non-compliance shall be considered as a violation of the license conditions warranting appropriate action under Section 142 of the Electricity Act, 2003. The licensee was directed to *“file a separate petition on the required/available employee strength, qualifications, experience, scale of pay, number of employees engaged in each shift, etc to arrive at an optimal employee strength not later than three months from the date of issue this Order (including permanent and non-permanent staff).”*
4. Accordingly in compliance to the directions issued by the Commission, the licensee filed petition seeking approval of employee strength and employee cost of Distribution licensee on 25.07.2023 before the Commission with the following prayers:
 - a. To admit the petition
 - b. To allow the employee cost for the financial year 2020-21 of Rs.1267.37 lakh.
 - c. To recommend the Govt for sanctioning additional posts required in critical sections.
 - d. Pass an order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
 - e. The petitioner declares that the subject matter of the petition has not been raised by the petitioner before any other competent forum. And that no other competent forum is currently seized of the matter or has passed any order in relation thereto.
5. The licensee in the petition has submitted the sanctioned employee strength as per various government orders, as shown below;
 - a).GO(MS) No. 83/70/LSGD Dt. 15.12.1970
 - b).GO(RT) No.3917/83/LA&BWD Tvpm Dt.28.10.1983
 - c).GO(MS) No.64/91 LSGD Dt. 04.03.1991
 - d).GO(MS) No. 174/2000 LSGD Tvpm 14.06.2000
6. The licensee has also submitted the details of additional post need to be sanctioned, Technical and Non-Technical, permanent staff and Temporary staff for the consideration of the Commission. The submissions with regard to the employee strength made by the licensee is tabulated below;

A. TCED Sanctioned Strength vide Government Orders

Electrical Engineer	1	Senior Superintendent	9
Assistant Engineer	9	Senior Assistant	23
Sub Engineer	17	Junior Assistant	23
Overseer	27	Typist	2
Lineman - I	36	Driver	5
Lineman - II	15	Office Attendant	6
Electricity Worker	50	Watchman	4
Meter Mechanic	1	Total	229
Oil Filter	1		

Note: Junior Superintendent post redesigned as Senior Superintendent.

B. Additional Posts required for deploying in additional substations and spot billing which is not sanctioned till date.

Shift Operator	4
Shift Assistant	4
Meter Reader	8
Security Staff	4
Electricity Worker	2
Total	18

7. Based on the above Staff Strength, TCED has submitted the existing staff strength as shown below.

A. Permanent Staff Strength

Technical Staff Strength	
Designation	Existing Staff
Electrical Engineer	1
Assistant Engineer	8
Sub Engineer	4
Overseer	13
Lineman - I	12
Lineman - II	5
Electricity Worker	0
Meter Mechanic	0
Filter Operator	0
Total	43

Non – Technical Staff Strength	
Designation	Existing Staff
Senior Superintendent	3
Senior Assistant	19
Junior Assistant	15
Typist	2
Driver	1
Office Attendant	3
Total	43

B. Temporary Staff Strength

Designation	Existing Staff
Sub Engineer (Contract)	13
Overseer (Contract)	4
Meter Reader (Contract)	8
Lineman Gr.I/Gr. II (Contract)	34
Electricity Worker (Daily wages)	37
Driver (Employment Exchange)	1
Driver (Daily wages)	3
Junior Assistant (Daily wages)	1
OA /Watchman (Contract)	6
OA (Employment Exchange)	3
Total	110

8. In the petition the licensee has submitted the distribution of works allocated to employees in Distribution business;

- **Billing section** - TCED has a billing branch that deals with spot billing, monthly billing, solar billing, and HT billing
- **KSERC section** - Ensures the implementation of all regulations of KSERC in TCED along with other duties
- **Project Implementation section** - Responsible for initiating and implementing projects, gathering information, and carrying out paperwork to finalize projects
- **Establishment section** - TCED's establishment section, unlike KSEB's section office, is responsible for initiating steps to appoint candidates to fill vacant positions, suggesting qualifications for employees as per CEA regulations to PSC, Employment exchange, and contractors, and keeping files of each employee, their leave, salary, earned leave surrender, PF, and promotion/grade promotion in accordance with the orders of the Director of Urban Affairs and Local Fund Audit
- **Audit section** - TCED has an Audit section that compiles replies to local fund audit enquiries, audit reports, Samaharitha reports of Kerala state audit department, and matters in front of the Audit committee of the state legislature. The section also compiles audit replies of performance audits, CAG reports, etc
- **Accounts section** - deals with day-to-day revenue and expenses and prepares the financial statement and budget for the year, as well as maintains audited accounts. Payments are made by cheque in TCED's office, which is different from KSEB, where payments are made in division offices.
- **Stationary section** - keeps all stationary items, books, registers, papers and receipts needed for the day to day works in the office.
- **Despatch section** - despatch and receive all communications and valuables. This work is more than that of a section office.
- TCED does not hire/appoint advocates as employees. Therefore, legal matters are handled by the standing counsel of respective courts. One clerk is assigned to this work. In addition to handling employees' establishment cases, salary, promotion, pension, grade promotion, etc., TCED's office deals with consumer grievances. The organization has litigation in CDRF and state forum, CGRF and appellate tribunal, Kerala Administrative Tribunal, C.J.M. court, High court, and Supreme court.
- It also has to make emergency purchases of materials and tools whenever necessary, annual purchases, float all tenders relating to all works and purchases.

Hearing on the Petition

9. The Commission conducted the hearing on the petition on 12.12.2023 at the Court Hall, Office of the Commission. The petitioner was represented by Sri.Krishnakumar, Asst. Secretary, TCED, Sri. T.S Jose, Electrical Engineer, Sri.Baburaj, Senior Superintendent, Smt.Reena C.J, Senior Superintendent, TCED and other officers of the licensee. Sri. T.S Jose, Electrical Engineer presented the petition before the Commission and clarified the queries of the Commission.
10. The Respondent M/s Kerala State Electricity Board Limited was represented by Sri. Rajan, Deputy Chief Engineer, TRAC, Sri. Ajith Kumar K.N, Executive Engineer, Sri.Shan B.S, Asst. Executive Engineer and Smt. Archana M, Asst. Engineer, KSEB Ltd. The comments of KSEB Ltd are the following.
 - a. As per GO(MS) No. 86/70/LSGD Dt. 15.12.1970, the sanctioned strength of M/s TCED is 172. Thereafter, vide GO(Rt) No. 3917/83/LA&BWD dated 28.10.1983, the Government accepted the staff pattern according to the pattern existing then in KSEB and total strength of ministerial and executive staff was sanctioned as 183 by sanctioning 46 additional posts and abolishing 18 posts. Thereafter, vide G.O GO(MS)No.64/91 LSGD dated 04.03.1991, the Government sanctioned 27 additional posts and abolished 6 overseer posts.
 - b. The petitioner has shown the sanctioned strength as per various Government Orders as 229 with 157 technical staff and 72 non-technical staff. The present working strength in TCED is 43 staff in technical and 43 staff in non-technical staff. In addition to the above, 110 staffs are working on temporary basis, thus totalling 196 Nos.
 - c. The petitioner has shown an additional requirement of 4 shift operators and 4 shift assistants, 4 Security staff and 2 Electricity workers for additional substations and 8 Meter reader for spot billing has not been sanctioned by the Government till date. The present working strength shows 8 meter reader being engaged on contract basis without any approval from the Government.
 - d. In the petition for capital investment, TCED has included projects with huge investment for the deployment of smart meter proposed in TOTEX model. Thus the project awarded company shall take the meter readings and TCED is not needed to appoint any meter reader. Presently 8 meter readers are working on Contract basis. This may be reduced as and when smart meters are installed.
 - e. A meter tester post is sanctioned but not filled. This post seems not necessary as the requirement of new meters is limited and the meter companies are bound to supply only tested meters. Quality testing of meters is done at other

testing centres and for that it is only required to depute a sub engineer or overseer as and when required. Hence, this post may not be necessary.

- f. One post for oil filter is sanctioned but not filled. This post also seems not necessary, as this work is done by other existing technical staffs.
- g. It is submitted that, the computerisation in billing and online payment mechanism has reduced the staff requirement in KSEBL in ministerial section. Therefore, staff requirement in TCED may also be assessed in consideration of technological advancement. M/s TCED is working with the present working strength with additional staff taken on contract basis. Hence, it is humbly submitted that additional staff as requested by M/s TCED may be allowed after thorough check for works assigned to each staff as stated in the petition.
- h. It was also pointed out that the Commission had not approved the entire employee strength of KSEB Ltd but had approved only the need based requirement of man power. It was submitted that employee cost is a controllable item and non-prudent expenditure cannot be passed on to consumers and KSEB Ltd opined that the employee strength of TCED may be approved after prudence check based on facts and genuine requirements to enable the licensee to provide quality service to its consumers.

Analysis and decision of the Commission

11. The Commission considered the petition filed by TCED, the submissions made during the hearing along with the comments of KSEB Ltd. The analysis and decisions of the Commission on the petition is detailed below:

12. The current license area of M/s Thrissur Corporation Electricity Department under Thrissur Municipal Corporation corresponds to the administrative limits of the old Thrissur Municipality limits covering an area of approximately 12.65 sq.km. In order to obtain a holistic picture of the distribution activity and the consumer mix of the licensee, the Commission had analysed the same of the past six years. The comparison of consumer mix and the sales of the licensee over the years which is tabulated below;

Table 1
Number of consumers over the years

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Domestic	21150	21383	21566	21812	22161	22526
Non domestic	16937	17152	17329	17533	17813	18206
Agriculture	197	195	187	188	191	187
Industrial	528	523	508	505	498	486
Street lighting	187	224	245	272	274	292
High Tension	112	117	120	126	131	134
Total	39111	39594	39955	40436	41068	41831

Table 2
Sale over the years in Lakh Units

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Domestic	396.80	398.80	422.50	431.40	415.50	400.99
Non domestic	530.80	546.20	590.10	416.60	467.10	587.56
Agriculture	0.70	0.80	0.60	0.70	0.50	0.54
Industrial	36.60	34.90	33.90	25.70	27.70	32.68
Street lighting	18.60	17.80	17.70	13.40	11.70	12.12
High Tension	452.50	449.10	447.30	323.00	368.00	448.41
Self Consumption	1.40	1.40	1.40	1.10	1.10	1.30
Total	1437.30	1449.00	1511.90	1211.90	1291.60	1483.61

13. Commission notes that, apart from the years of the impact of COVID 19 pandemic, the increase in the number of consumers and sale is only minimal and there are no drastic/significant variations in the consumer mix/sales of the licensee. As per the provisions of the Electricity Act, 2003 and the Tariff Regulations issued by the Commission, the Operation and Maintenance Expenses are controllable expenses and the licensee is to take all earnest efforts to optimise the Operation and Maintenance Expenses. Further, the Commission in the Tariff Regulations has also provided norms for O&M expenses so as to keep check on such expenses.

14. The following table shows the amounts of employee cost for the past five years which is claimed by the licensee and approved by the Commission

Table 3
Comparison of employee costs (Rs. Lakh)

Year	Norms as per Tariff Regulations	Truing Up Petition	Trued Up
2017-18	996.47	1177.75	1163.49 <i>Rs.941.40 lakh (Norms of 2016-17) + Rs.222.09 lakh (2008 pay revision arrear payments)</i>
2018-19	1092.60	1141.65	1092.60 <i>Norms approved</i>
2019-20	1145.48	1244.82	1724.68 <i>1145.48 norms + 579.20 pay revision arrear</i>
2020-21	1200.92	1267.37	1200.92 <i>Norms approved Provisionally</i>
2021-22	1259.05	1273.18	1259.05 <i>Norms approved Provisionally</i>
2022-23	1315.13	1209.46	Not yet Trued Up

15. It is to be noted that the Commission had been consistently allowing only the norms as fixed in the Tariff Regulations and the pay revision arrears actually paid by the licensee.

16. It is pertinent to note that the electricity distribution activity of the licensee has been in operation since 1937 and the employee strength has been sanctioned, as per various government orders, as mentioned in paragraph 5 of this Order. It is to be seen that the sanction orders are very old and considering the

technological growth in every sectors, the advancement should naturally have an impact on the number of employees leading to downsizing in the numbers. As already analysed in paragraph 13, increase in the number of consumers and sale is only minimal and the development in technology along with capital investments made to strengthen the distribution network makes it possible for the licensee to reduce the employee strength in a phase wise manner without compromising the efficient performance of the licensee. The licensee can also redeploy the staffs to other activities of Thrissur Corporation so as to effectively reduce the employee cost of the distribution licensee. The licensee has also filed petition for approval of capital investment plan for the future years wherein the licensee has proposed for investments enabling to make use of the technological advancements in the electricity distribution business. Accordingly, the Commission is of the considered view that there is ample scope for further reduction in the employee strength of the licensee.

17. After carefully considering the submissions, justifications and other facts made available by the distribution licensee, the Commission finds that the distribution licensee has not been implementing prudent staff practices in their operations and the Commission hereby rejects the petition filed by M/s TCED seeking approval of employee strength and employee cost of Distribution licensee.

Order of the Commission

18. The Commission after detailed examination of the petition filed by TCED, other documents and details submitted during the deliberations, provisions of the Electricity Act, 2003 and Regulations in force, hereby orders the following.

(1) Reject the petition filed by M/s TCED for the approval of employee strength and employee cost of Distribution licensee.

(2) TCED shall conduct a need-based work study taking into account technological advancements and phased adoption of new technologies in the near future, by engaging a competent agency to assess the staff requirement for the optimum utilisation of its manpower, with proposals to utilise the excess manpower to the activities of Thrissur Municipal Corporation.

(3) A copy of the study report along with the recommendations and action taken to reduce the employee cost shall be submitted to the Commission within four months of the date of this Order.

The petition is disposed of. Ordered accordingly.

Sd/-
Sri. T K Jose
Chairman

Sd/-
Adv. A. J. Wilson
Member

Sd/-
Sri. B. Pradeep
Member
Approved for issue
Sd/-
C.R.Satheesh Chandran
Secretary