

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**  
**THIRUVANANTHAPURAM**

Present:       **Shri. Preman Dinaraj, Chairman**  
                      **Adv. A.J. Wilson Member (Law)**

**Petition No. OP 48/2020**

In the matter of               : Petition for approval of O&M staff engaged  
  in the power distribution business of M/s.  
  Technopark.

Petitioner                       : Electronics Technology Parks –Kerala (Technopark)  
  Park Centre, Technopark Campus,  
  Thiruvananthapuram –695581

Petitioner represented by : Smt. Jayanthi. L, CFO  
  Shri. Madhavan Praveen DGM (Projects)  
  Shri.Viswanathan, Finance Officer  
  Shri. Anfal A., Dy. Manager

Date of hearing               : 10.02.2021

**Order dated 08.04.2021**

1. The Commission vide Daily Order dated 11.11.2020 in Petition OA No. 16/2020, filed by M/s Electronics Technology Parks, Kerala had among other things directed the petitioner as follows:

*“Separate petition to be filed in respect of the complete employee details called for vide Commission’s Order Dated 27-04-2020 for arriving at a rational employee strength as per CEA norms.”*

Further, the Commission vide Order dated 27-04-2020 in OA 31/2019 while approving the Truing up of accounts for 2016-17, had directed that **“to make available the complete list of workers/staff, their qualification, place of deployment, category, salaries, wages and all other benefits paid to them. The licensee shall make this data available within three months of the date of issue of this Order”**.

2. M/s Electronics Technology Parks –Kerala (hereinafter referred to as M/s Technopark or the petitioner) filed a petition on 18-12-2020 before the Commission to approve the number of employees engaged in the operation and maintenance of the electricity distributions network in the Technopark

campuses

3. Summary of the petition filed by M/s Technopark is given below.

- (1) M/s Technopark is a State Government owned registered society mainly engaged in development of Technology Parks for promotion of Electronics and Information Technology business in the State of Kerala. They are also the Electricity Distribution Licences for supply of electricity within the parks developed in Kazhakuttam, Kollam and Pallippuram.
- (2) The petitioner licensee has been regularly submitting petitions for approval of Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC), Year-end Truing-Up petitions and other submissions as per the prevailing Acts and Regulations.
- (3) As per the petitions filed by the licensee, there is only one permanent staff engineer employed by Technopark for naging the entire electricity distribution business within the parks. However, other permanent staff members are engaged partly for the purpose. The details of the permanent staff, partly and fully engaged for the distribution business of technopark is given below

No	Designation	Posts	Gross Salary (Rs) (for 2018-19)	Ratio	Apportioned saary for 2018-19	Remarks
1	Chief Finance Manager	1	16,73,677	20%	3,34,735	
2	DGM (Projects)	1	15,50,545	25%	3,87,636	
3	Deputy Manager (Ele)	1	10,17,961	100%	10,17,961	
4	Finance Officer	1	13,81,822	20%	2,76,364	
5	Jr. Finance Officer	1	8,79,885	20%	1,75,977	
6	Sr. Ex.Finance	1	3,02,048	75%	2,26,536	Apportioned from Tecnopark
7	Jr. Engineer (Ele)	1	1,75,524	100%	1,75,524	
8	Meter readers cum supervisors	4	9,68,616	75%	7,26,462	Apportioned from O&M
9	Apprentie (Ele)	1	1,18,712	50%	59,356	Apportioned from Tecnopark
10	Civil Engineer	1	2,55,888	25%	63,972	
11	Staff welfare Exp	1	23,60,481	3%	62,384	
			1,06,85,159		35,06,908	

- (4) The licensee further submitted that, the operation, maintenance and repair of the distribution system in Technopark campuses is being carried out through contractors, engaged through an open and transparent process of e-tendering. The qualification of the staff employed has been decided based on the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 as stipulated in Regulation 7 (1) and 7 (2). However, the said Regulation does not contain any stipulation related to the number of persons required to be engaged to operate or maintain substations or distribution

system. In addition, no other Regulation notified by Central Electricity Authority also has addressed this aspect of staff requirement. However, the Chief Electrical Inspector of Kerala State, vide circular number B1-17175/2004/86/CEI dated 18-09-2004 provide as follows regarding the number of staff required at each HT installation including transformers.

ELECTRICAL INSPECTORATE CIRCULAR			
(No B1-17175/2004/86/CEI dated 18.09.2004)			
Transformer capacity of installation	In charge qualification	Full time staff qualification	No. of persons to be present in full time.
Up to 250 KVA	Diploma in Ele Eng	ITI/ITC/WIREMAN PERMIT	Min one Electrician
250 to 750 KVA	Diploma in Ele Eng	ITI/ITC/WIREMAN PERMIT	Min two Electrician
Above 750 KVA	Degree in Ele Eng/ DIPLOMA WITH 3 Years Exp	ITI/ITC/WIREMAN PERMIT	One Diploma holder and min 3 electrician.
EXTRA HIGH TENSION	Degree in Ele Eng with 2 year exp/ DIPLOMA WITH 5 Years Exp	Degree/ Diploma with 5 Years Exp and Electrician with ITI/ ITC/wireman permit	One Degree/ Diploma holder and min 5 electrician.

The details of the staff engaged at Technopark campuses on contract basis is detailed below.

Pattern of O&M staff arrangement in Technopark Campuses										
No	Campus	Building / indoor Substation	Capacity of the transformer (kVA)	O&M Manager/ Station Engineer	Supervis ors	Shift Operat ors	Shift Assistant	Mainte nance Engine er	Mainte nance Technic ins	Total
					(1 staff /Shift)					
1	Phase-I	Park Centre	660	1	3	4	3	2	12	88
2	Phase-I	Chandragiri	1000			4	3			
3	Phase-I	Pamba-Periyar	1000			4	3			
4	Phase-I	Bhavani	4100			4	3			
5	Phase-I	Thejasw ini-1	2500			4	3			
6	Phase-I	Thejasw ini-4	3200			4	3			
7	Phase-I	Nila SS2	2500			4	3			
8	Phase-I	Nila SS2A	2500			4	3			
9	Phase-I	Gayatri	2000			4	3			
10	Phase-I	Main Receiving station 1&2	4 in-coming feeder from 110 k s/s KZTM			4	3			
Total for phase-1			19460	1	3	40	30	2	12	88
11	Phase-III	Ganga-Yamuna	10000	0	0	4	4	2	5	15
12	Phase-III	Kulathoor 110kV station	25000	1	0	4	4	1	1	11
13	Phase-V	Kollam IT Building	2100	0	1	4	4	0	3	12
<b>Total</b>				<b>2</b>	<b>4</b>	<b>52</b>	<b>42</b>	<b>5</b>	<b>21</b>	<b>126</b>

4. The Commission admitted the petition as OP No. 48/2020. Hearing on the petition conducted on 10.02.2021 at Malabar Hall, Technopark Campus. Sri. Anfal, presented the petition on behalf of the petitioner, Smt. Jayanthi and Sri. Madhavan Praveen answered the queries of the Commission. Summary of the deliberations during the hearing is given below.

(1) M/s Technopark is a State Government owned registered society engaged in the development of Technology parks for the promotion of IT business in the State. M/s Technopark holds distribution licensee for distribution of electricity within the park owned by it. At present the petitioner distributing electricity within the Phase-I and Phase-III campus at Kazhakuttam, Thiruvananthapuram, the park at Kollam and new park at Pallippuram, Thiruvananthapuram.

(2) There is only one permanent employee responsible for the electricity distribution business. However, other permanent staffs including senior officials also engaged in the distribution business on partial basis. The total employee cost of the employees engaged in distribution business for the year 2018-19 is Rs 35.06 lakhs as detailed in the supporting documents submitted along with petition.

(3) Operation and Maintenance of the park including the maintenance of the electrical distribution system is being done through contract staff. The O&M contracts are awarded after inviting competitive E-tender.

O&M of Power, water and communications services in Technopark Phase-I campus is awarded at a total cost of Rs 9.8556 crore for the period from 01.06.2020 to 30.05.2023 (for three years).

O&M of Power/Water distribution system in Ganga Yamuna IT building in Technopark Phase-III campus is awarded at a total cost of Rs 1.466 crore for the period from 01.01.2019 to 31.12.2021 (for two years).

O&M of 110 kV s/s and 11 kV power distribution system in Technopark Phase-III and Technocity is awarded at a total cost of Rs 0.50 crore for the period from 01.09.2020 to 31.08.2020 (for one year).

O&M of IT buildings at Kollam campus is awarded at a total cost of Rs 0.2988 crore for the period from 01.06.2018 to 31.05.2021 (three years).

- (4) There are 9 IT buildings at Phase-I campus. In each buildings, one indoor transformers is installed for providing interruption free power supply to each building. One O&M Manager, 3 supervisors, 2 maintenance engineer/ supervisor and 12 Maintenance Technicians are provided at Phase-I campus by the O&M contractor for providing interruption free power supply.

In addition to the above, four (4) shift operators and three (3) shift assistants are also provided in each of the 9 IT business buildings and another 4 shift operators 3 shift assistants, i.e, 7 additional contract staff are also provided in the Phase 1 main receiving substations 1 &2. They are deployed for the operation of the transformers, emergency DG set operation, maintenance of substation and maintain supply to the consumers.

Similarly, 4 shift operators, 4 shift assistants, 2 maintenance engineer, and 5 maintenance technicians are provided at Phase-III Ganga Yamuna campus. 1 O&M Manager/station engineer, 4 shift operators, 4 shift assistants, 1 maintenance engineer, and 1 maintenance technicians are provided at 110kV substation at Kulathoor. At Kollam IT campus, one supervisor, 4 shift operators, 4 shift assistants, and 3 maintenance technicians are provided.

## **Analysis and Decision**

5. The Commission has carefully examined the petition filed by M/s Technopark dated 18.12.2020, as per the provisions of the Electricity Act, 2003 and Rules and Regulations notified by the Commission, CEA and the Chief Electrical Inspector, Kerala in this regard.
6. The prayer of the petitioner is to approve the number of employees actually engaged in the operation and maintenance of the electricity distribution business in the Technopark campuses through O&M contract.
7. In this context, the Commission examined the statutory powers and authority conferred on it by the various Sections of the Electricity Act, 2003, for approving the number of employees to be engaged by a distribution licensee for carrying out the O&M activities.

As mentioned earlier, M/s Technopark is a society owned by the State Government, for creating the necessary infrastructure for facilitating Electronics and IT business at Thiruvananthapuram and Kollam districts. Apart from

creating infrastructure such as water supply, road, buildings etc, M/s Technopark is also a distribution licensee of this Commission, licensed to supply electricity to the consumers within their park area by creating necessary electricity distribution infrastructure. M/s Technopark is also required to maintain the electricity distribution system created by it.

As a distribution licensee, the Commission has been approving the reasonable O&M cost incurred by it for maintaining the electricity distribution system. This includes (i) Employee Cost, (ii) Repair and Maintenance (R&M) expenses and (iii) Administration & General (A&G) expenses. As per the provisions of the Electricity Act, 2003 and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 (herein after referred as Tariff Regulations, 2018), the O&M expenses is a controllable expenses. Further, the Commission in the Tariff Regulations, 2018 has also provided norms for O&M expenses so as to keep a check on such expenses.

Though the Electricity Act, 2003 or Regulations notified by the Commission does not lay down any criteria to fix the number of employees to be engaged by a licensee for maintaining its transformers, substations and buildings, however, the Commission is empowered and duty bound to verify the prudence of the cost incurred by the licensee under O&M expenses, which include the employee cost also.

The Commission notes that, the O&M activities within the park of the petitioner is being done through O&M contractors.

8. In the process of truing up the accounts of Technopark, the Commission is duty bound to check the O&M cost incurred by the licensee for distributing electricity, its prudence and utility practices. The Commission noted that vide Order dated 15.10.2020 in Petition OA No.12/2020, it had approved the Truing Up of accounts for the year 2017-18. In the said Order, the Commission had approved the employee cost of Rs 21.81 lakh claimed for its permanent employees.

The details of the R&M expenses claimed and admitted by the Commission for the year 2017-18 is given below.

**Table-15**  
**Approved R&M expense for 2017-18**

Particulars	2016-17		2017-18	
	As per Truing Up petition (Rs. lakh)	Trued Up (Rs. lakh)	As per Truing Up petition (Rs. lakh)	Trued Up (Rs. lakh)
	Rs. lakh	Rs. lakh	Rs. lakh	Rs. lakh
Technopark Phase I	229.38	139.75	276.69	147.92
Technopark Phase – II & III	76.41	76.41	76.57	76.57
Technopark Kollam	24.89	24.89	27.01	27.01
<b>Total</b>	<b>330.68</b>	<b>241.05</b>	<b>380.27</b>	<b>251.50</b>

As shown above, the Commission has approved the actual R&M expenses claimed for Phase-II&III Campus and Kollam Park. However, in the case of Phase-I Campus, the Commission noted that the R&M claimed was excessively high and hence for the year 2017-18 the Commission approved Rs 147.92 lakh against a claim of Rs 276.69 lakh by providing an increase of 5.85% on the approved R&M cost for the year 2016-17.

Regarding the higher R&M cost claimed by the licensee for Phase-I campus, the Commission vide paragraph 42 and 43 of the Order observed as follows.

42. The Commission has examined the details of the R&M expenses of the licensee. There is an overall increase of 15% in R&M expenses over the previous year. The increase is mainly contributed by the increase in R&M expenses for the Phase I campus which is 20.63%. In other areas, the increase is about 0.21 & 8.52%. The licensee stated that the contract for R&M works are being out sourced and the agency is selected through competitive bidding process. In this context, it is to be noted that the Commission in the ARR&ERC Order for the year 2016-17 dated 16- 11-2016 in OA No.7/2016, has mentioned the s following:

“....The Commission has asked for the details of the contract labourers employed by the contractor and the licensee has provided the details. It is seen that there are 32 operators, 38 assistant operators, 3 maintenance technicians and 11 technicians in phase I campus.

Taking in to consideration the consumer strength and limited area of operation, the Commission directs that the licensee should resort to a prudent work study and decide on an optimum level of employees in Phase I campus and renegotiate the labour component with the contactor”

43. However, the licensee has not mentioned any measures taken in compliance of the above direction. Hence the Commission is not in a position to approve the entire expenses for Phase I campus as claimed by the licensee.

Though the Commission has directed the petitioner to carry out a prudent work study so as to arrive at the optimum level of employees required for carrying out the O&M activities at the Phase-I campuses, the petitioner is yet to conduct the studies and report the same to the Commission.

9. The Commission noted that, there are nine (9) IT building's and one Receiving substation at Phase-I campus. As mentioned in para 3(4) above, the licensee has approved the engagement of 1 O&M Manager, 3 supervisors, 2 maintenance engineer/ supervisor and 12 Maintenance Technicians at Phase-I campus for maintenance and to ensure interruption free power supply.

In addition to the above, the licensee had also engaged four (4) shift operators and three (3) shift assistants in each of the buildings including receiving substations for maintaining the 'indoor transformer' installed in each buildings. Thus, 70 persons are engaged by the O&M contractor in the buildings at Phase-1, in addition to the 18 persons engaged exclusively for O&M activities.

The Commission during the hearing directed the petitioner to clarify the necessity of providing 4 shift operators and 3 shift assistants for each of the indoor transformers installed at each of the IT buildings at Phase-I Campus. According to the petitioner, the shift operators and shift assistants are provided on 24x7 basis at each indoor transformer as per the Circular dated 18.09.2004 of the Chief Electrical Inspector, Kerala.

The Commission noted with concern this unnecessary provisioning of manpower and is of the opinion that if the above criteria is adopted as such in Kerala, then the Commission will have to allow a similar number of shift operators and assistants at the 80,000 plus distribution transformers in the State on 24x7 basis. Further, the necessity, utility and functionality of engaging such huge number of staff in every building located within the phase I campus can neither be justified nor agreed to. The Commission also noted that in the event of a transformer failure, rectificatory measures will normally have to be entrusted to the original equipment manufacturer. It is also highly doubtful whether the shift operators and assistance posted at each of the transformers will be able to do any rectificatory work and in fact the commission views such postings as highly infructuous.

Considering the above facts, the Commission cannot agree to such lavish provisioning of contract staff whose utility and usefulness in a transformer defect or failure situation is highly doubtful. The Commission has also noted that in addition to the above provisioning of contract staff in each of the buildings, the distribution licensee has provided for one O&M manager/station



engineer, three supervisors, two maintenance engineers and 12 maintenance technicians totaling 18 more contract staff exclusively for O&M works. It is a fact that in case of any requirement, the distribution licensee is at liberty to divert these contract staff to the buildings as required. However, rather than resort to a centralized strength of maintenance staff, the distribution licensing has misinterpreted the circular issued by the Chief Electrical Inspector, Kerala resulting in staff profligacy at the cost of their consumers.

The Commission is of the considered view that it cannot be a spectator to such wasteful expenditure. Further, the Commission vide Order dated 16.11.2016 in OA No.07/2016, had directed the licensee to resort to a prudent work study so as to arrive at an optimum level of employees in Phase I campus and renegotiate with the labour contractor for the actual requirement of contract employees and to provide the details to the Commission.

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. ***Hence, the Commission is constrained not to approve the strength of contract O&M staff on the basis of the justifications provided by the distribution licensee.***

With the above observations, the Commission hereby rejects the petition filed by the M/s Technopark, for the approval of the number of employees engaged in the O&M of the electricity distribution network in the Technopark campuses.

### **Orders of the Commission**

10. The Commission after detailed examination of the petition dated 18.12.2020 as per the provisions of the Electricity Act, 2003 and Regulations notified by the Commission and the public hearing held on 10.02.2021, hereby orders the following.
  - (1) Reject the petition filed by M/s Technopark for the approval of the number of staff engaged in the O&M activities of the electricity distribution business in the Technopark campuses as detailed in the preceding paragraphs of this Order.
  - (2) The petitioner is hereby directed to conduct a prudent work study so as to estimate the optimum level of staff required for O&M activities in their various campuses. Thereafter, they shall renegotiate the labour component with the contractor for the reduction of the O&M contract

staff. This exercise shall be conducted within four months of the date of this Order.

- (3) A copy of the study report along with the recommendations and action taken to reduce the excess contract staff shall be submitted to the Commission within six months of the date of this Order. The distribution licensee is also warned that if the above exercise is not completed as per the Commission's directions, the Commission shall be constrained to initiate action under Section 19 of the Electricity Act, 2003.

The petition is hereby disposed off.

**Sd/-**  
**Adv. A.J. Wilson**  
**Member (Law)**

**Sd/-**  
**Preman Dinaraj**  
**Chairman**

Approved for issue

C R Satheeshchandran  
Secretary (i/c)