

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 11 of 2006

Application for permission for recruitment of personnel of pay group III and IV categories in 250 MW New Parli and 250 MW New Paras TPS and expansion and other power stations / offices of Maharashtra State Power Generation Co Ltd.

**Dr Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S.B.Kulkarni, Member**

ORDER

Dated: 27th September, 2006

The Maharashtra Electricity Regulatory Commission passed an Order dated 5th May, 2000 in Case No. 1 of 1999 in the matter of tariff applicable to various categories of consumers of the Maharashtra State Electricity Board (“MSEB”) directing inter alia, that:

“.....the MSEB is directed, as per the recommendations of the Rajyadhyaksha Committee report, if not done earlier, to carry out industrial engineering studies. The Commission further directs that no recruitment be done for positions falling vacant in Pay Groups III and IV.....”

2. Till the enactment of the Electricity Act (“EA”) 2003, the MSEB was a vertically integrated Electricity Board, responsible for generation, transmission and distribution of electricity in the State of Maharashtra (formed under the provisions of the Electricity (Supply) Act, 1948).

3. The Government of Maharashtra issued an Order on 6th June, 2005 giving effect to the reorganization of Maharashtra State Electricity Board in terms of the Maharashtra Electricity Reforms Transfer Scheme, 2004. As per this Order, the Maharashtra State Electricity Board (MSEB) has been restructured to form four independent entities – Maharashtra State Power Generation Co. Ltd. (MSPGCL); Maharashtra State Electricity Transmission Co. Ltd. (MSETCL); Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) and MSEB Holding Company. MSPGCL is a company incorporated under the Companies Act, 1956 on 6th June, 2005.

4. MSPGCL submitted the Petition to the Commission on 2nd June, 2006 with the prayers that the ban on recruitment for Pay Group III and IV posts may be lifted and permission for recruitment of personnel of pay group III and IV categories in 250 MW New Parli and 250 New Paras TPS and expansion and other power stations, offices of MSPGCL may be granted.



5. During the hearing on 11th August, 2006, the Petitioner submitted that, besides the prayer to lift the ban on recruitment that has been imposed vide Tariff Order dated 5th May, 2000, the Petitioner has also proposed fresh recruitment in various thermal power stations, offices and projects of the MSPGCL. The Commission observed that in terms of its Tariff Order dated 5th May, 2000 the erstwhile MSEB was directed to carry out industrial engineering studies. The Commission directed that in case the studies had already been carried out, these should be submitted to the Commission as compliance of it's earlier directive.

6. It was submitted by the Petitioner that the erstwhile MSEB had appointed an internal study committee, namely "Palamwar Committee" for this purpose. The Petitioners had, subsequently approached M/s CRISIL (Credit Rating Information Services of India Limited) to conduct a scientific study of its human resource plan. CRISIL have submitted the said report to the Petitioners. The Petitioners had carried out detailed internal discussions with all the heads of the divisions and have finalized the requirement which have been presented in the Annexures of the Petition.

7. Subsequent to the hearing, the Petitioner submitted the Study Committee reports to the Commission. The Commission has noted that M/s CRISIL have made a general review regarding operating practices of the O&M groups as well as the technical services groups at the plants of the Petitioner and thereafter submitted their recommendations for improvement of efficiency of the organisation. It has been confirmed by the Petitioner that these measures are under implementation at the plants.

8. While finalizing the staffing plan, the Petitioner has additionally considered the following points:

- a. Elimination of defunct posts
- b. Outsourcing of identified jobs
- c. Re-alignment of some of the existing posts with current requirements
- d. Surrendering and abolition of certain identified posts after retirement of the present incumbents of the posts.

9. The Commission observes that the industrial study in the manpower staffing plan has been conducted by the Petitioner and he has, complied with the directive issued by the Commission vide Clause 47.3.2 of its Order dated 5th May 2000 and may therefore take action to recruit the employees as deemed fit.

10. As a part of acceptance of the industrial study carried out, the Petitioner should expeditiously implement the recommendations submitted by CRISIL in their report of May 2005 to improve the operational processes and efficiencies.

sd/-
(S.B. Kulkarni)
Member

sd/-
(A. Velayutham)
Member

sd/-
(Dr Pramod Deo)
Chairman

sd/-
Secretary, MERC



