



**Puducherry Electricity Department**

**Report on Corporate and Field  
Structure**

March 2010

This report contains 45 pages  
Report on Corporate and Field Structure

## Document review and approval

### Revision history

| Version | Author | Date | Revision |
|---------|--------|------|----------|
|         |        |      |          |
|         |        |      |          |
|         |        |      |          |

### This document has been reviewed by

|   | Reviewer | Date reviewed |
|---|----------|---------------|
| 1 |          |               |
| 2 |          |               |
| 3 |          |               |
| 4 |          |               |
| 5 |          |               |

### This document has been approved by

|   | Name | Signature | Date reviewed |
|---|------|-----------|---------------|
| 1 |      |           |               |
| 2 |      |           |               |
| 3 |      |           |               |
| 4 |      |           |               |
| 5 |      |           |               |

## Contents

|       |                                                                            |    |
|-------|----------------------------------------------------------------------------|----|
| 1     | Background & Introduction                                                  | 4  |
| 2     | Our Approach – Corporate & Field Structure                                 | 5  |
| 3     | Benchmark Study                                                            | 7  |
| 4     | Understanding Business Imperative                                          | 9  |
| 5     | “As is” Structure Analysis                                                 | 11 |
| 6     | Designations & Pay Scales                                                  | 13 |
| 7     | Design Principles for Corporate Structure                                  | 14 |
| 7.1   | Structural Options                                                         | 15 |
| 7.1.1 | Function based                                                             | 15 |
| 7.1.2 | Geography Based:                                                           | 17 |
| 7.1.3 | Customer Based:                                                            | 19 |
| 8     | Proposed corporate level Structure of PESCO:                               | 22 |
| 8.1   | Features of the Proposed Structures:                                       | 22 |
| 8.2   | Key benefits of the New Corporate level Structure                          | 23 |
| 8.3   | Function Wise Structure at the Corporate Level                             | 23 |
| 8.3.1 | Operation & Maintenance                                                    | 23 |
| 8.3.2 | Projects                                                                   | 24 |
| 8.3.3 | Commercial                                                                 | 25 |
| 8.3.4 | Finance & Accounts                                                         | 26 |
| 8.3.5 | Human Resources                                                            | 26 |
| 8.3.6 | Information Technology Department                                          | 27 |
| 8.3.7 | Internal Audit Department                                                  | 27 |
| 8.3.8 | Implication of the Field Structure and Staffing on the Corporate Structure | 28 |
| 8.4   | “As is” Structure Analysis – Field Structure                               | 28 |
| 8.5   | Design Principles for Field Level Structure:                               | 29 |
| 8.5.1 | Division Office                                                            | 29 |
| 8.5.2 | Support to Core functions (As part of the O&M offices)                     | 31 |
| 8.5.3 | Sub Division                                                               | 32 |
| 8.5.4 | Section Office                                                             | 33 |
| 9     | Corporate Structure & Staffing - PETCO                                     | 35 |
| 9.1   | Proposed corporate level Structure of PETCO:                               | 35 |

|       |                                                        |    |
|-------|--------------------------------------------------------|----|
| 9.2   | Features of the Proposed Structures:                   | 35 |
| 9.3   | Key benefits of the New Corporate level Structure      | 36 |
| 9.4   | Function Wise Structure at the Corporate Level         | 37 |
| 9.4.1 | Operation & Maintenance                                | 37 |
| 9.4.2 | Commercial                                             | 38 |
| 9.4.3 | Finance & Accounts                                     | 39 |
| 9.4.4 | Human Resources                                        | 39 |
| 9.4.5 | Information Technology Department                      | 40 |
| 9.4.6 | Internal Audit Department                              | 40 |
| 9.5   | Field Structure & Staffing - PETCO                     | 41 |
| 9.6   | “As is” Structure Analysis                             | 41 |
| 9.7   | Design Principles for Field Level Structure:           | 41 |
| 9.7.1 | 230 KV Sub Stations                                    | 42 |
| 9.7.2 | Support to Core functions (As part of the O&M offices) | 43 |
| 9.7.3 | 132 KV and below Sub Stations                          | 43 |

# **1 Background & Introduction**

This report provides a detailed recommendation on the proposed structure for PETCO and PESCO at the Corporate & Field level.

KPMG team has conducted detailed as is Study of Corporate Office in order to understand the present organizational set up of Puducherry Electricity Department (PED). Also the structure was analyzed from the perspective of creating two (Transmission & Distribution) self sufficient entities. Further, one on one meeting was held with the officials of PED to understand the structural issues prevailing in PED. These structural issues have been further analyzed keeping in view the best practices prevailing in country's better performing State Power Utilities (like Andhra Pradesh etc ...) & it's implication on the new proposed Structure. Subsequently, various options have been proposed for discussion purpose & it had been discussed in detail with the officials of PED & presentations have been made in this regard. After few iterations in the Corporate Office Proposed Structure the final report is submitted.

In parallel to the exercise on Corporate Structure, KPMG had started its study on the Field Structure.

In regard to Field Structure, detailed as is Study was conducted at field units of PED in order to gain understanding of present structure & staffing and prevailing structural related concerns at the field units. Further, benchmark information was obtained from some of the benchmark Utilities (like Andhra Pradesh and NDPL) & necessary inputs have been incorporated in the proposed field structure.

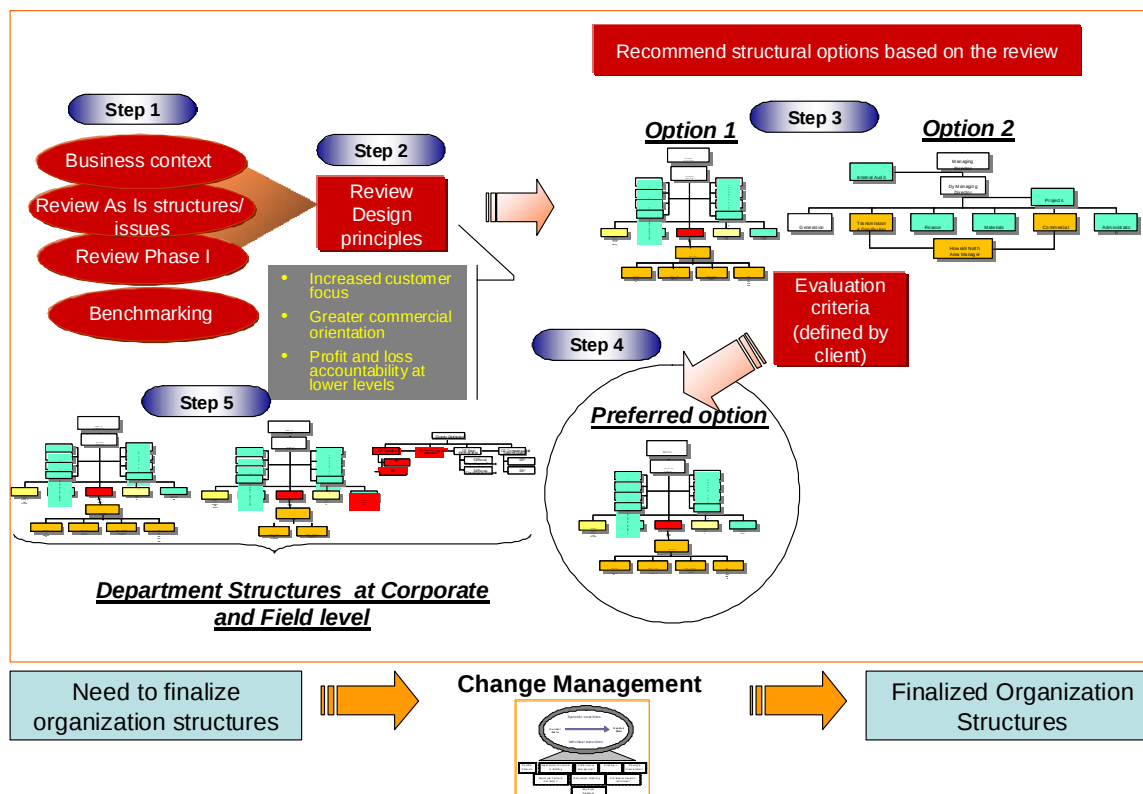
This structure has been designed on the current transfer scheme and PESCO and PETCO may decide to have a re look at the structure after final transfer scheme.

## 2 Our Approach – Corporate & Field Structure

Our approach to Organization Structures starts with capturing the business context or the strategic Intent of the organization. On the basis of background information, data available and taking in to account any other institutional change, the structures have been aligned with business principles. In our approach, each key activity is supported by a set of enablers like secondary data sources, proprietary sources, industry knowledge and our sector expertise.

Our 5-Step approach for determination of the corporate level and Field level Organization Structures of the Utility is given below:

**Figure 1: Approach for design of organization structure**



Further, we have also covered aspects like critical processes, reporting relationships, co-ordination between the corporate and field offices, key accountability and responsibility points and roles and

responsibilities across functions. Based on our findings, we have identified key areas that need to be incorporated into the management structures at the Corporate and Field levels.

Based on our interactions with the management teams of the utility, field visit findings, key issues identified in the existing organizational structure and processes and inputs from best practices, we have evolved design principles, which guide the detailing of various management structure alternatives. Based on the identified design principles, a set of structural options is developed. The options assessed the entire operational spectrum from functional and business unit orientation. The proposed structural alternatives have been evaluated along a set of criteria determined to arrive at the preferred organizational structure at corporate level & Field Level. We thereafter detailed the preferred structure to arrive at the detailed department level structures.

### 3 **Benchmark Study**

After due deliberation & discussion it was decided to benchmark PED with some of comparable organizations like:

- Andhra Pradesh Central Power Distribution Company Limited (APCPDCL)
- New Delhi Power Limited (NDPL)

Some of the key learning from benchmark organization are mentioned below:

| Structural Imperatives | Key learning from benchmark organization                                                                                                                                                                                                                                                                                       |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Structural basis       | All organizations are structured as functional structures. Some organizations have regional structures for building O&M accountability at the field level                                                                                                                                                                      |
| Functional Clustering  | Majority of organizations have clustered most of the core functions together to optimize operating synergy                                                                                                                                                                                                                     |
| Span of Control        | In most of the organizations, Span of control of the Head of the Organization is limited to 5-8                                                                                                                                                                                                                                |
| Operations             | Most organizations have representation of Operations at the Corporate level with single point accountability for all O&M activities in the field. Most organizations have core functions like Projects & Material Management clubbed with Operations to improve departmental coordination at the field level                   |
| Commercial and RAC     | Most organizations have the Regulatory function combined with the Commercial department giving a higher focus to ARR & Tariff Filing/Legal & Regulatory Compliance activities                                                                                                                                                  |
| Projects               | Projects is a clearly defined department in some organizations looking after Project Planning and Management for all internal and external projects. However, the focus on Projects varies as it is reporting independently to the Head of the organization in some organizations and is clubbed with Operations in the others |
| Material Management    | Most organizations have a distinct Material Management function which looks after the Stores as well as the Procurement function. The function is normally under the Head of Operations & Maintenance but in some cases has a direct reporting to the Head of the Organization.                                                |

|                      |                                                                                                                                                                                                                                                                                                                            |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finance organization | All organizations have a well defined Finance & Accounts department responsible for Financial Management and Accounting activities reporting directly to the Head of the organization                                                                                                                                      |
| Company Secretary    | In most organizations, the Company Secretary reports directly to the Head of the Organization. However, in certain cases, it is clubbed under the Finance & Accounts department.                                                                                                                                           |
| Internal Audit       | In most of the organizations, Internal Audit is clubbed under the Finance & Accounts department. In some organizations, it is reporting independently to the Head of the organization                                                                                                                                      |
| Corporate IT         | IT is a clearly defined department in almost all organizations responsible for IT planning and implementation (e.g. ERP implementation, Employee Database updation & maintenance). In most organizations it is reporting directly to the head of the organizations but in some it is under Finance and Accounts department |
| Human Resource       | Human Resource is an important department in all organizations with a direct reporting to the Head of the Organization and focuses on organization & people capability development. It has the key functionalities of HR such as Training & Development built into it.                                                     |
| Vigilance            | All organizations show adequate focus towards the Vigilance function. In most organizations, it has been clubbed with Operations function. However in some cases, it is reporting directly to the head of the organization                                                                                                 |

## **4 Understanding Business Imperative**

The major business objective of the PED being unbundled into PESCO and PETCO is to achieve efficiency gains in order to make it commercially viable, progressively self sustainable and less dependent on government while ensuring that the interests of the consumers are balanced with regards to quality of service and economic tariff.

Business imperative was analyzed on four major business context; which are:

### **Financial**

Maximization of revenue potential and revenue realization by:

- Restructuring aimed at strengthening the Commercial function at the Corporate with special focus on Regulatory Affairs and achieving the service levels set by the Regulatory Commission
- Vigilance function to be responsible for assessment and drive against theft (to prevent pilferage and theft of energy. Focus to be given to Vigilance function by having it directly report to Head of the organization

### **Customer (for PESCO)**

Focus on the customer by:

- Exploring acquisition of new customers or providing services to third party businesses (such as advertising agencies who would like their promotion material to be distributed with electricity bills)
- Bringing about increased proximity and reach to the customer through robust communication
- Ensuring improvement in quality of service offered to the consumers (e.g. Consumer Committees at the DTR level)
  - Complaint resolution on excess/delayed billing
  - Adequate investigation of customer complaints
  - Alternative channels to facilitate payments
  - Maintenance of equipment

- Enhancing responsiveness and complaint resolution to achieve greater customer friendly image and retaining its high value industrial customers.

### **Process**

Focus on the efficiency improvement through processes by:

- Reducing technical losses through better equipment maintenance (to decrease frequent breakdowns, interruption of supply and electricity supply at standard voltages and frequencies)
- Reducing commercial losses through adequate metering, billing and collection process improvements
- Developing a process wise performance indicators and monitoring them (e.g. per unit realization, collection efficiency etc)
- Developing MIS in areas such as GIS Mapping, Sub-Station Data Logging, Revenue Management Systems, Call Centre Operations, Office automation including web site maintenance and updating aiming towards bringing about process improvement
- Improving financial management processes (including accounting), IT processes, HR processes for organizational capability development
- Strengthening functions such as Investment Planning & Regulatory affairs

### **Capability**

Focus on the capability improvement by:

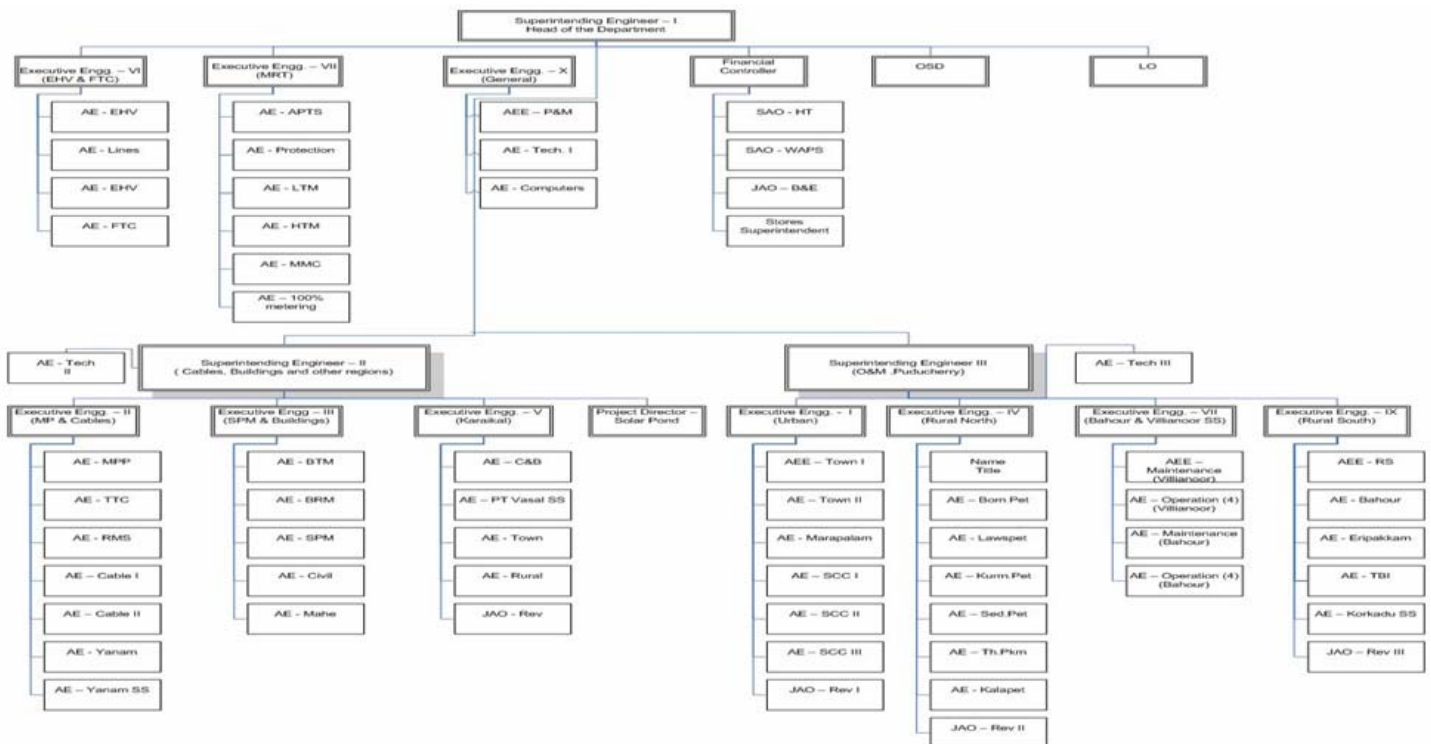
- Finalizing the Corporate and the field structures with role clarity
- Continuously developing skills/competencies of the employees in various disciplines to enable them to take up the business challenges, especially in areas of :
  - Regulatory Affairs
  - Corporate Planning
  - MIS/IT
  - Human Resources
  - Financial Management & Accounting
- Building a performance driven culture through a performance management system linked to rewards (e.g. incentive schemes); ensure objective evaluation of employee performance

## 5 “As is” Structure Analysis

The existing structure of PED has been analyzed and the issues identified have been classified into the following clusters:

- Creation of two separate entities for Transmission and Distribution
- Absence of Critical functions within the departments
- Clubbing/ Segregation of activities across departments to optimize synergies
- Principle of ‘Checks and Balances’
- Other Issues

**Figure 2: As Is structure of PED**



The existing Corporate Structure has been analyzed and various issues have been identified which led to the various scope of improvement in the existing structure. Some of the structural need is defined below:

- Structural focus on Customer Service in the organization to enhance customer orientation
- Tariff and Regulatory affairs cell to handle ARR and Tariff filing and other compliance related activities.
- Single point accountability for O&M Services activities at the Corporate Office for better monitoring
- Adequate structural focus on HR
- Structural focus on Corporate IT, given its strategic importance to the organization
- Strengthening the Vigilance function for reducing thefts and commercial loses
- Structural support to cluster all projects activities together ( for Internal & External projects) into a projects Department
- Build focus on Internal Audit based on the principle of checks and balance
- Strengthen Finance & Accounts to focus on resource mobilization, treasury activities and cost& works accounting
- Enhanced focus on Commercial activities

## 6 Designations & Pay Scales

*Table 1 : Proposed Payscales*

| Old designation                       | New designation       | Pay Scale             |
|---------------------------------------|-----------------------|-----------------------|
| Superintending Engineer               | Director              | To be Decided         |
| Executive Engineer                    | Chief General Manager | 15600-39100 GP - 6600 |
| Assistant Engg./Asst. Executive Engg. | General Manager       | 15600-39100 GP - 5400 |
| Junior Engg.                          | Manager               | 9300-34800 GP - 4200  |
|                                       | Deputy manager        | 9300-34800 GP - 4200  |
| SAO                                   | General Manager       | 9300-34800 GP - 4800  |

The existing pay scales mapped the new designations is shown in Table 1. Also it is observed that the Pay Scale at the entry level engineering staff (Junior Engineer) and highest level of O&M staff (D'Man etc ...) are at the same level. Taking into difference in qualification and the level of responsibilities and accountability at the Engineering Level PESCO and PETCO may revise the pay scales for the engineering staff. The pay scales of a leading South Indian State utility is shown in Table 2 and they are due for revision in 2010.

*Table 2 : Payscales of Leading South Indian Utility*

| Designation                             | Pay Scale                            |
|-----------------------------------------|--------------------------------------|
| Executive Director                      | 25695-860-26555-955-31330-1055-34495 |
| Chief Engineer                          | 23975-860-26555-955-31330            |
| Superintending Engineer                 | 19945-770-22255-860-26555-955-29420  |
| Divisional Engineer                     | 18405-770-22255-860-26555-955-27510  |
| Assistant Divisional Engineer           | 16395-670-18405-770-22255-860-24835  |
| Assistant Engineer                      | 13905-575-15055-670-18405-770-21485  |
| Additional Assistant Engineer (Diploma) | 13330-575-15055-670-18405-770-20715  |

## **7 Design Principles for Corporate Structure**

- Optimize structure to enhance organizational flexibility, scalability and effectiveness; prepare for a competitive environment
- Develop structural mechanisms to segregate commercial and technical activities for enhanced operational efficiencies at the field
- Design organizational entities and management systems to focus on specific stakeholder requirements
- Consolidate and provide structural focus to key business support functions to build organizational capabilities through systems and policies
- Develop structural mechanisms at the Corporate level to focus on revenue enhancement
- Develop structural mechanisms to drive customer orientation in the organization, especially for the distribution company
- Drive structural mechanisms to increase accountability for Operations and Maintenance at the Corporate level
- Provide independent orientation to functions that work on 'Checks and Balance Principle'

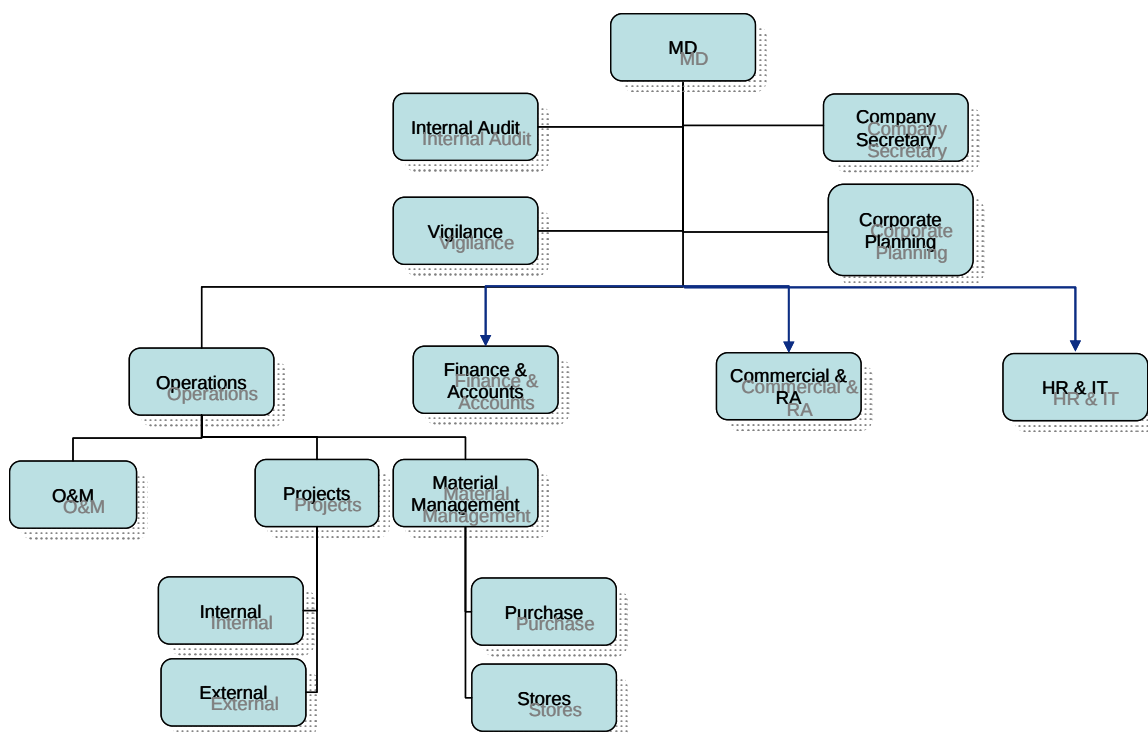
## 7.1 Structural Options

- Based on the design principles developed, structural options for the management structures at the corporate level have been explored. The proposed structural alternatives have been evaluated in terms of its merit & de-merit.
- Structural options have been developed on three basic criteria, i.e. Function based, Geography Based, and Customer Based with various variants.

### 7.1.1 Function based

This option recommends structuring based on the key functions of the organization. The support functions would be serving as shared services which would be common for all the key functions.

**Figure 3: Function based structural option**



**Merits:**

- Increased accountability of O&M function at the Corporate level by creation of two separate departments of Projects and O&M Services
- Advantages of scale and expertise within functionally specialized departments
- Standardization of processes and reduced duplication of effort
- Single point accountability within Project department for planning for both internal as well as external projects
- Optimal span of control for the Head of the Organization
- Consolidation and structural focus to key business support functions (like Internal Audit, Corporate Planning, HR, IT & Vigilance etc.) for improved organizational capabilities
- Structural support for building management systems to focus on specific stakeholder requirements
- Structural support to Customer Relationship Management for increased customer orientation in the functioning of the organization

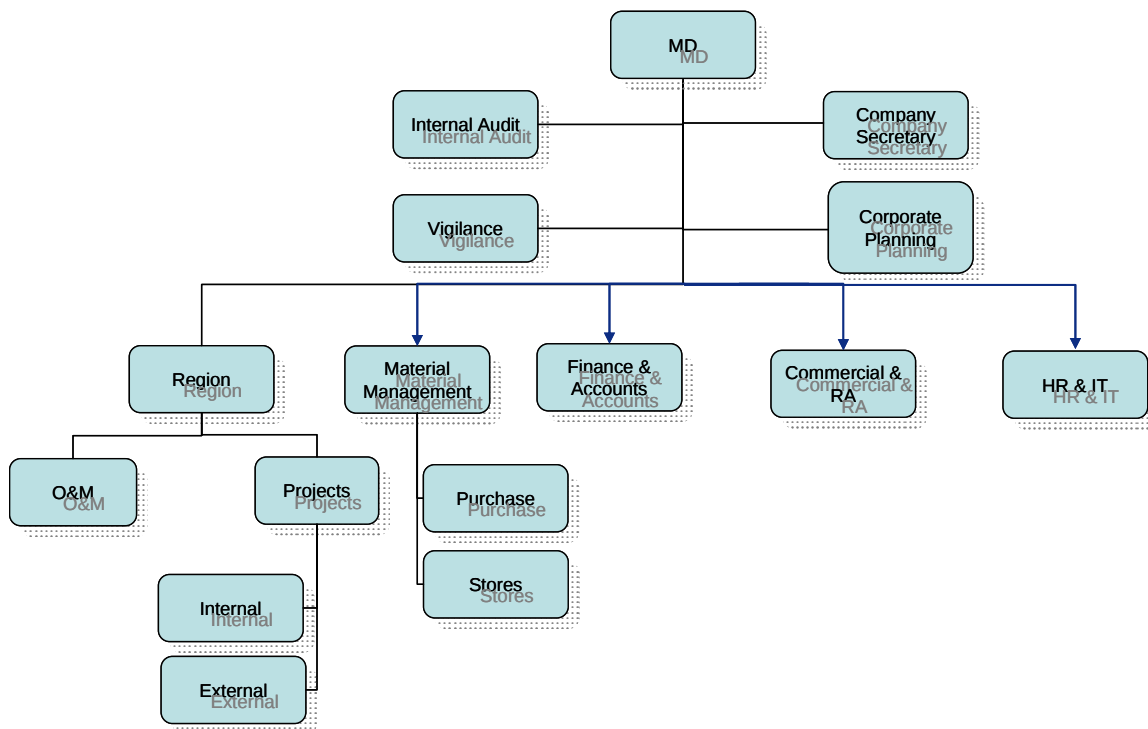
**De-merits:**

- High disparity in the responsibilities of Head of Operations as compared to other department heads
- Lack of adequate responsiveness to varying needs of different customer segments like HT & LT
- Lack of scalability and flexibility and hence reduced capacity to face competition in the customer market

### 7.1.2 Geography Based:

This option recommends structuring based on geographical regions. Each region head would have single point accountability for all core functions within that region. The support functions would be common to all the regions.

**Figure 4: Geography based structural option**



#### Merits:

- Increased accountability of O&M function at the Corporate level by creation of two separate departments of Projects and O&M Services
- Regions to act as business units and made accountable for operations and business performance
- Corporate office to function as policy making and monitoring body with execution and implementation of policies & plans entrusted to the regions

- Consolidation and structural focus to key business support functions (like Internal Audit, Corporate Planning, HR, IT & Vigilance etc.) for improved organizational capabilities
- Structural support for building management systems to focus on specific stakeholder requirements

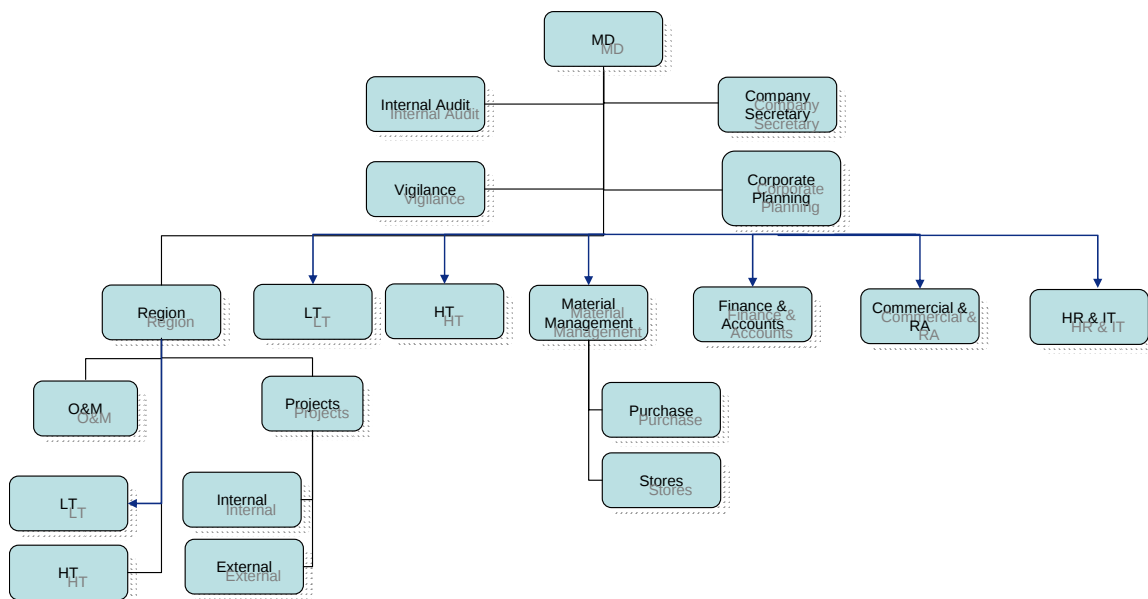
**De - merits:**

- Lack of representation of O&M Services at Corporate level and hence enhanced need of coordination between MIS and regions for consolidation of O&M data
- Decentralization of projects and O&M may lead to possible variations in quality and standard of work across regions
- This might not be suitable for the geographic area covered by PED

### 7.1.3 Customer Based:

This option recommends structuring based on customer segments. Each customer head would have single point accountability for all core functions catering to that particular customer segment. The support functions would be common to all the regions.

**Figure 5: Customer based structural option**



#### Merits:

- Best equipped to handle emerging competition in the light of open access regime
- Separation of Commercial functions from the O&M Services at the field level in line with the principle of separation of wires and supply business
- Enhanced customer focus by separation of HT & LT customer segments with regards to Commercial and CRM activities

- Decentralization of O&M and Projects at field level for improved responsiveness to customer needs
- Consolidation and structural focus to key business support functions (like Internal Audit, Corporate Planning, HR, IT & Vigilance etc.) for improved organizational capabilities
- Structural support for building management systems to focus on specific stakeholder requirements (e.g. Communication & PR at the corporate)
- Structural support to Customer Relationship Management for increased customer orientation in the functioning of the organization

**De - merits:**

- Transition from current structure to such a structure will be complex to manage
- Decentralization of projects and O&M Services may lead to possible variations in quality and standard of work across regions
- May lead to duplication of efforts and development of non-compatible systems in the two customer segments

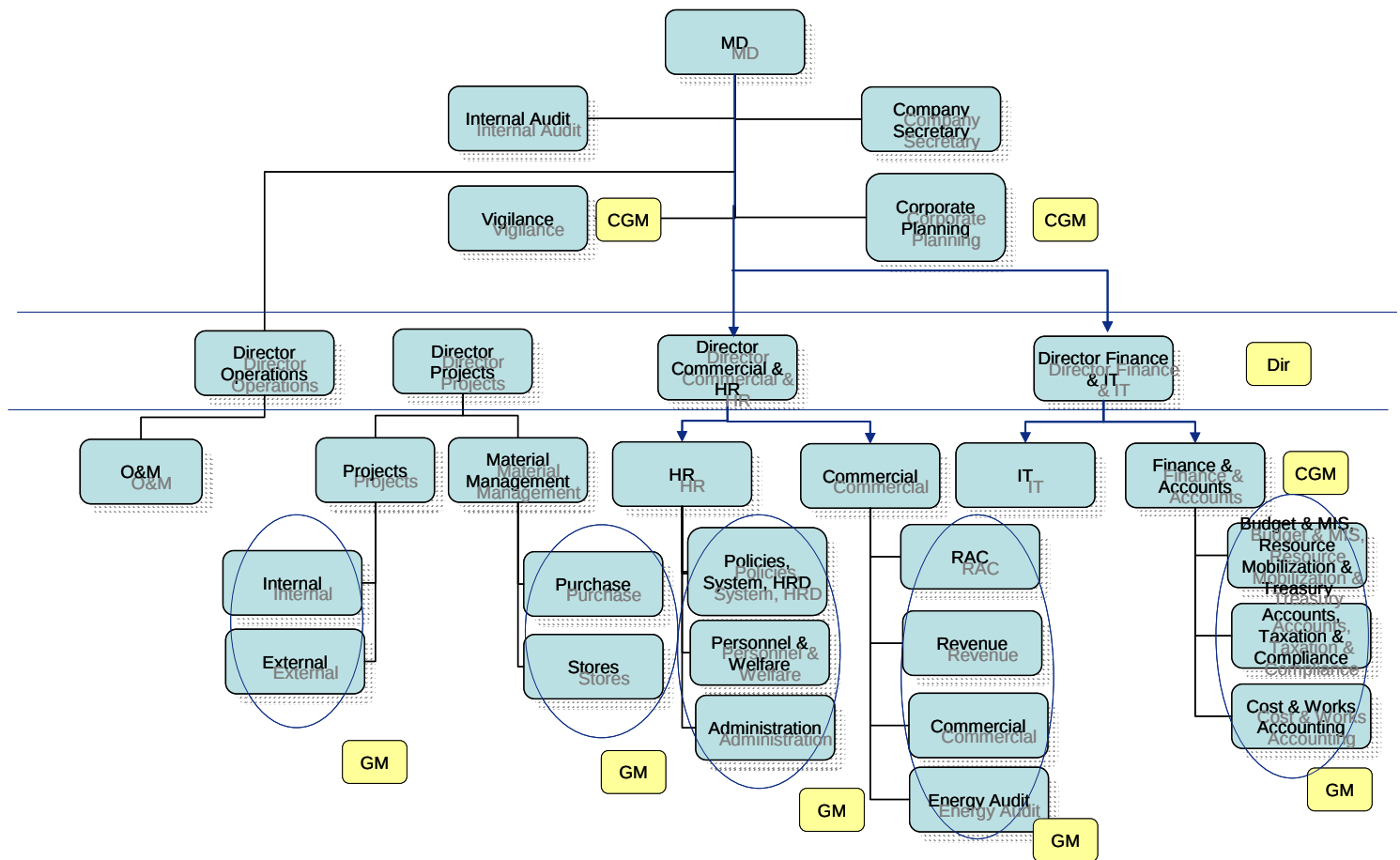
Structural issues have been further analyzed in view of its impact on the new structure. Following are some of the key structural issues & its impact on new proposed structure.

| S. No. | As-Is structural Issue                                                    | Proposed structural change                                                                                                                                                                                                                      |
|--------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Currently there is no separate O&M function                               | Creation of Operation functions which will include O&M Services. This will create more synergy and coordination and will strengthen all these.<br><b>Position of HOD :</b> HOD will report to CMD<br><b>Level Of HOD :</b> Director - Operation |
| 2      | Currently Purchase and Stores are functioning as an Independent functions | Creation of Material Management function to give it more focus and bring the entire supply chain activities under one function<br><b>Position of HOD :</b> HOD will report to Director - Projects<br><b>Level of HOD :</b> CGM                  |

|   |                                                                                                                                        |                                                                                                                                                                                                                                                                                                |
|---|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                                                                                                                        |                                                                                                                                                                                                                                                                                                |
| 3 | Currently there is no separate Works/Projects function                                                                                 | <p>Creation of Projects functions which will take care all Internal &amp; External project activities</p> <p><b>Position of HOD :</b> HOD will report to CMD in PESCO and Director Operations in PETCO</p> <p><b>Level of HOD :</b> Director – Projects in PESCO and CGM Projects in PETCO</p> |
| 4 | Presently, Internal Audit function resides within Finance & Accounts.                                                                  | <p>Creation of a separate Internal Audit department based on “Checks and Balance” principle and the head of the Internal Audit department to report directly to the CMD.</p> <p><b>Position of HOD :</b> HOD will report to CMD</p> <p><b>Level of HOD :</b> CGM</p>                           |
| 5 | Lack of adequate focus on IT functions (such as automation of monitoring activities, Website maintenance and online customer service). | <p>Creation of and strengthening of IT department which would carry out system automation initiatives and addressing the IT needs of the company.</p> <p><b>Position of HOD :</b> HOD will report to CMD</p> <p><b>Level of HOD :</b> Director - IT</p>                                        |

## 8 Proposed corporate level Structure of PESCO:

Figure 6: Proposed Corporate Structure for PESCO



### 8.1 Features of the Proposed Structures:

- Separate Directorates created for Operations, Projects , Commercial & HR and Finance & IT
- Separate Projects directorate created keeping in view of increased capital expenditure
- Internal audit function created separately and reporting directly to CMD
- It was felt that there is a need to strengthen the vigilance function. It is to be strengthened by adding more manpower

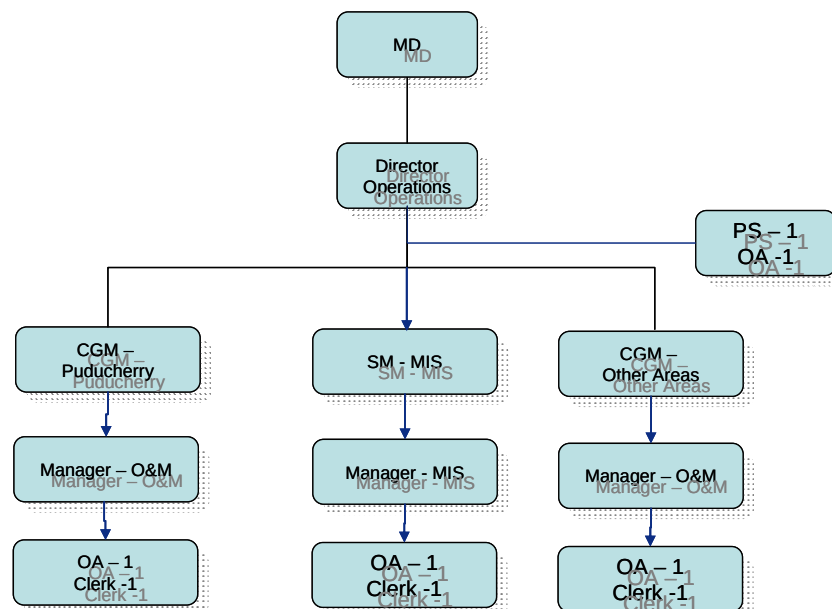
## 8.2 Key benefits of the New Corporate level Structure

- Enhanced organizational flexibility, scalability and effectiveness; preparing for a competitive environment.
- Segregation of commercial and technical activities for better revenue monitoring and enhanced operational efficiencies at the field.
- Structural focus to key business support functions to build organizational capabilities through systems and policies.
- Adequate importance given to drive customer orientation in the organization.
- Increased accountability and ownership for Operations and Maintenance activities at the corporate level.
- Provides independent orientation to functions that work on 'Checks and Balance Principle'.

## 8.3 Function Wise Structure at the Corporate Level

### 8.3.1 Operation & Maintenance

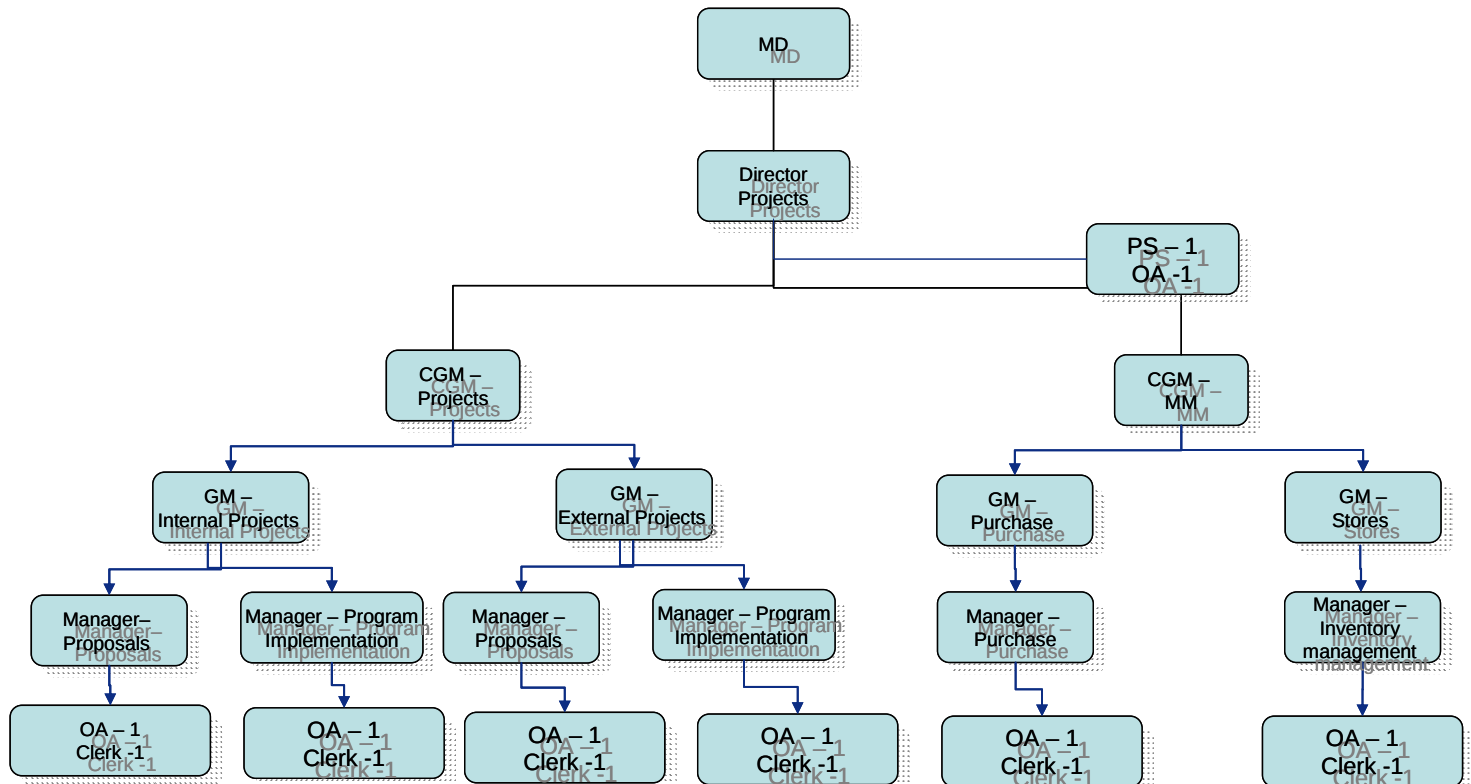
**Figure 7: Proposed Departmental Structure for O&M**



Currently there is no separate Operation & maintenance department in the corporate office. A separate O&M function is being proposed to give the O&M activities more focus.

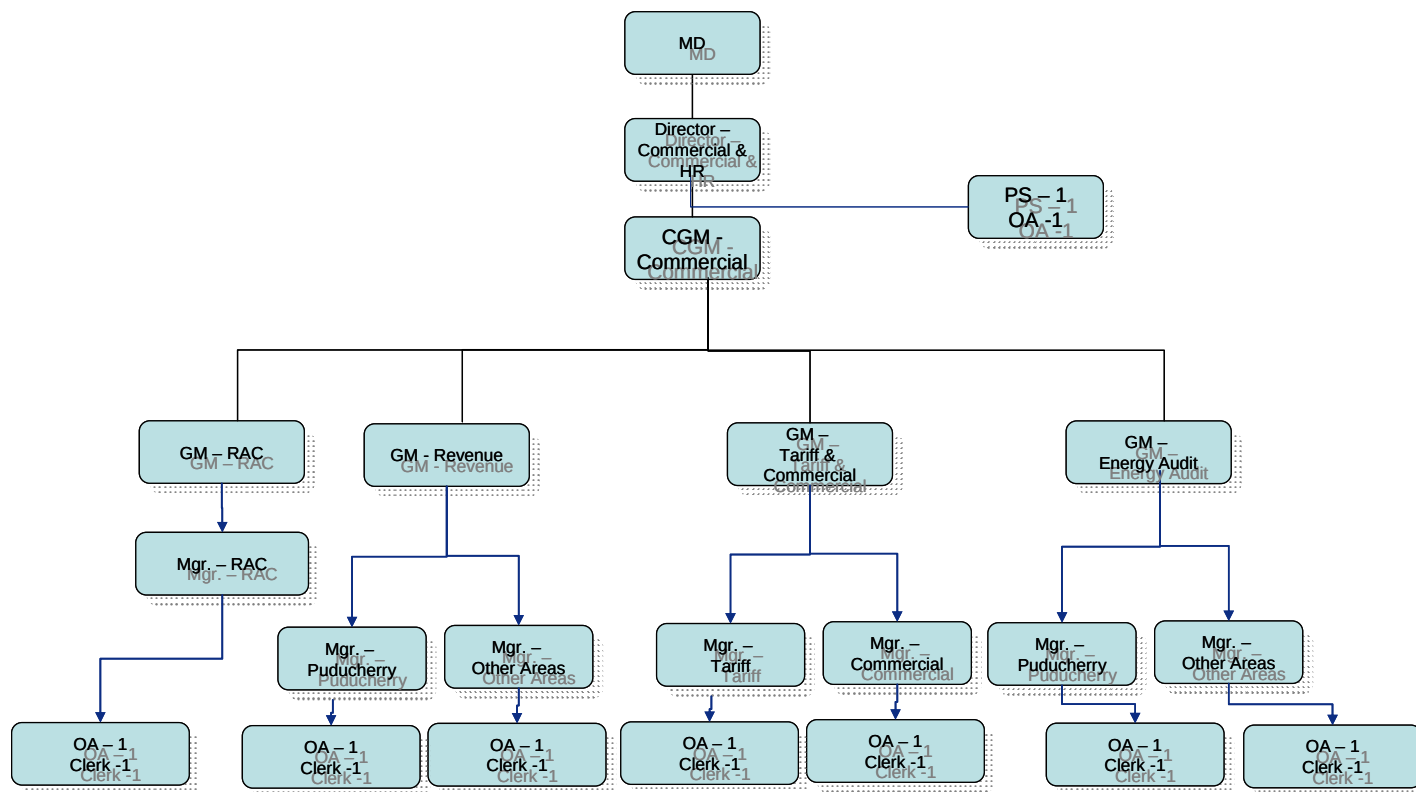
### 8.3.2 Projects

**Figure 8: Proposed Departmental Structure for Projects**



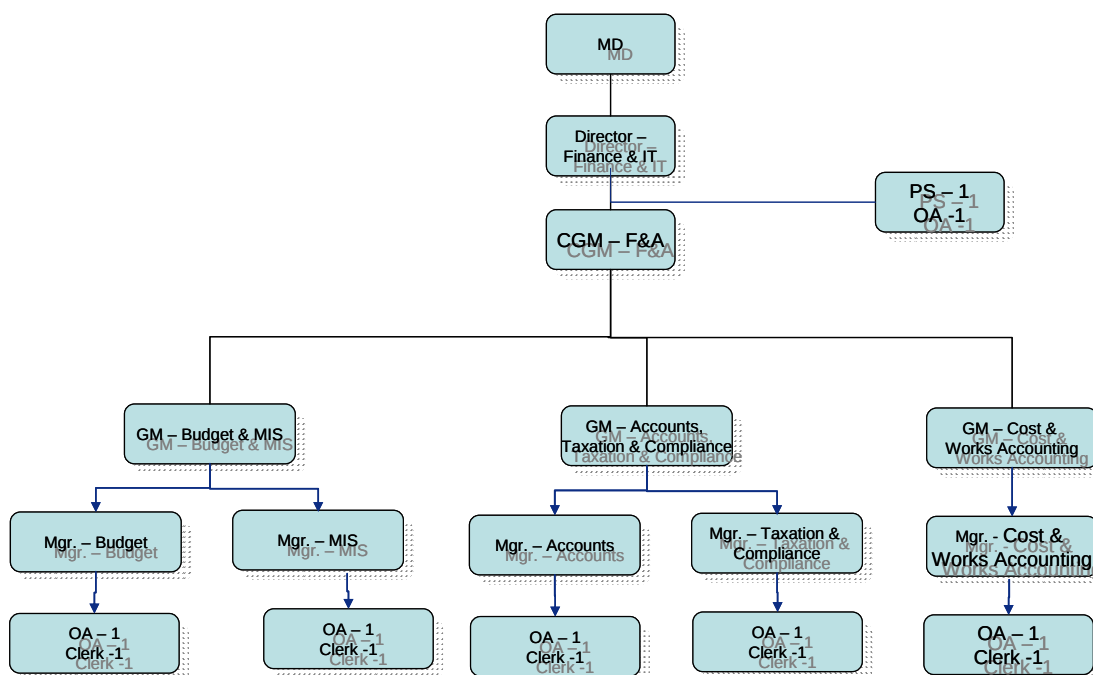
### 8.3.3 Commercial

**Figure 9: Proposed Departmental Structure for Commercial**



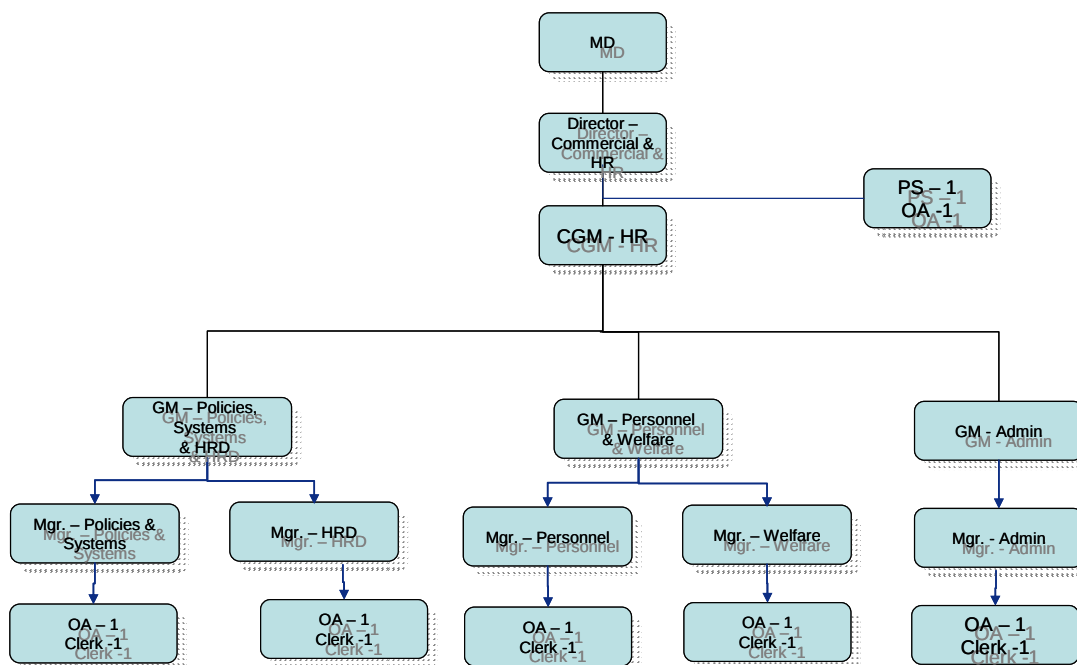
### 8.3.4 Finance & Accounts

Figure 10: Proposed Departmental Structure for Finance & Accounts



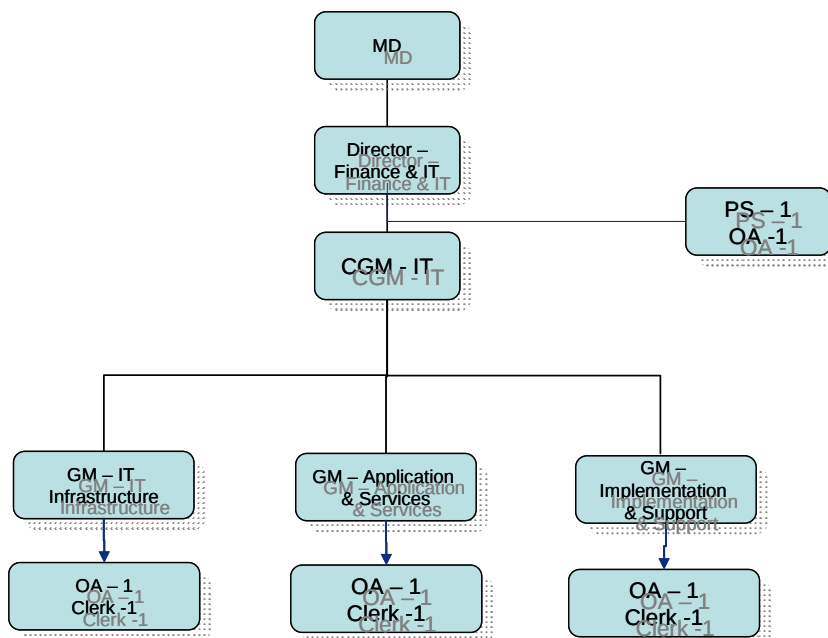
### 8.3.5 Human Resources

Figure 11: Proposed Departmental Structure for Human Resources



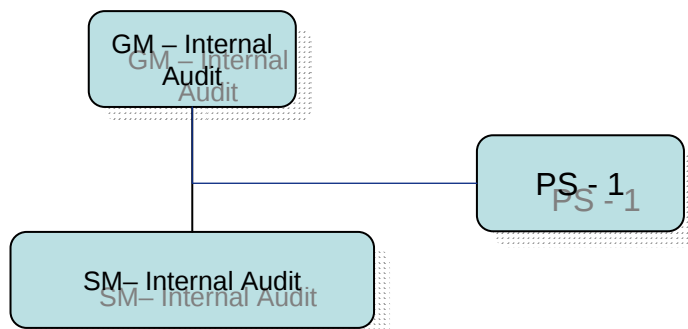
### 8.3.6 Information Technology Department

Figure 12: Proposed Departmental Structure for Information Technology



### 8.3.7 Internal Audit Department

Figure 13: Proposed Departmental Structure for Internal Audit



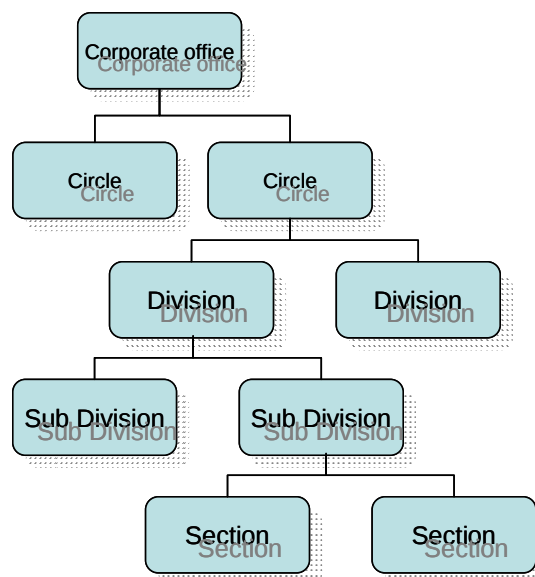
### 8.3.8 Implication of the Field Structure and Staffing on the Corporate Structure

While deciding the structure and staffing for field units , certain minor changes in existing staffing pattern was required and the same are proposed to be as under ;

- O&M structure will be placed under CGM - Projects
- Metering and Collection will be placed under CGM – Commercial. This included Meter readers also. Existing APTS and 100% metering to be merged with Commercial
- IT function needs to be built from scratch. PESCO may consider an outsider for the post of CGM – IT. Internal capability building assumes critical importance

## 8.4 “As is” Structure Analysis – Field Structure

**Figure 14: Existing Field Level Structure**



Some of the observations made at Field Units are:

- The functions of Sub-Divisions are not clearly defined

- O&M staff also involved in collections and recovery thus causing a shortage of technical manpower
- The Distribution Section Office handles both Commercial and O&M activities
- Lack of structural focus for handling HT consumers at the field level
- Need to increase the reach of the collection centres to the consumers

## **8.5 Design Principles for Field Level Structure:**

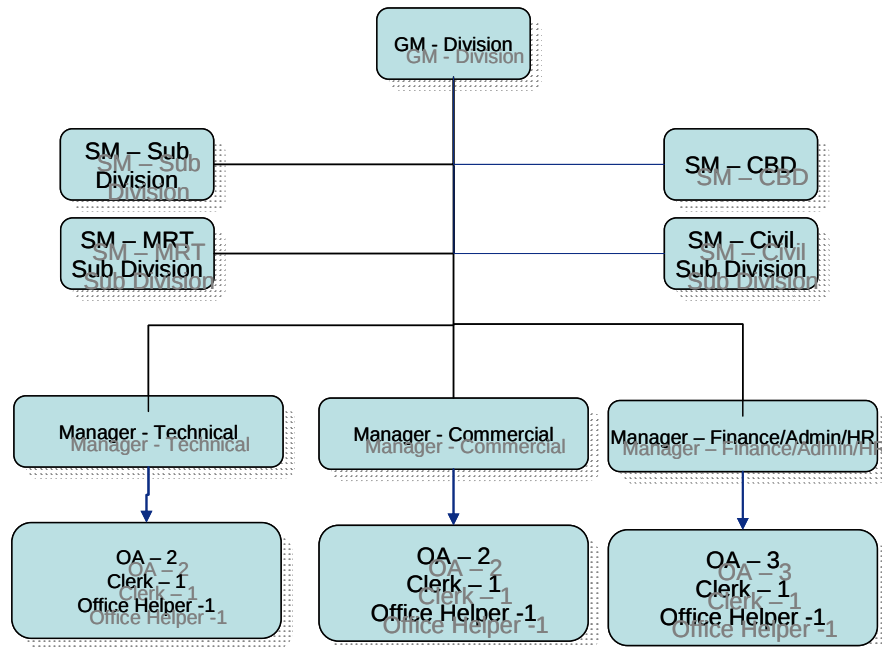
- Drive customer focus at the Field level
- Increase the effectiveness of the organization to achieve operational excellence and efficiency
- Drive accountability for financial performance and cost management down the organisation to distinctly identifiable viable field entities (i.e. Divisions, Sub Divisions etc...)
- Develop structural mechanisms to focus on revenue enhancement (e.g. the division heads should be accountable for revenues)
- Design organisational entities and management systems to focus on specific stakeholder requirements
- Optimize structure to enhance organizational flexibility (scalability) and effectiveness

### **8.5.1 Division Office**

There has been no change to the existing segregation of the Divisions. Outlying regions (Mahe and Yanam) shall be attached with one of the O&M divisions. HR function has been created with a responsible officer to manage all the employee related activities and give more focus on HR activities which is presently non-existing.

The above changes are expected to free the Division Heads from non-core activities such as Employee matters, Departmental enquiries and Court cases and will give them full time to focus on O&M and Commercial activities.

**Figure 15: Division Office Structure**

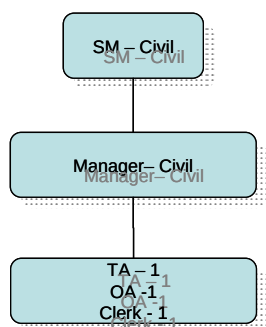


## 8.5.2 Support to Core functions (As part of the O&M offices)

### 8.5.2.1 Civil Office

Civil Sub Division office needs to be created at Division Level for the purpose of construction and maintenance activities. Civil function has been merged with Division Offices to make Civil accountable to Division thereby improvement in estate management under the control of Division.

**Figure 16: Civil Sub Division Office Structure**



### Area Store

There are presently Area Stores will operate under SM – Stores..

### 8.5.3 Sub Division

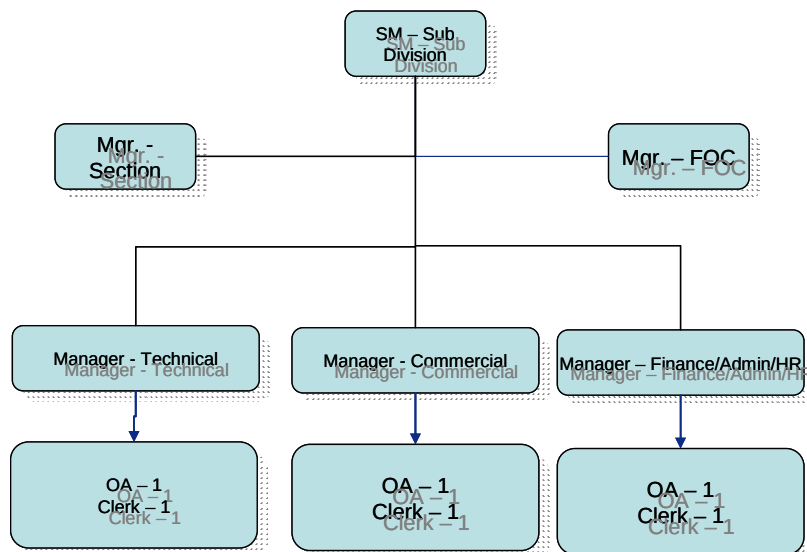
In the present system of handling all the commercial and O&M activities are to be operated by creating separate groups for O&M and Commercial function. This is to ensure undivided focus on the O&M and Commercial activities with proper planning and execution.

Each Sub Division will have a 24\*7 Fuse Off Call Centre (FOC). The FOCs will be headed by a Manager and will consist of FOC gangs on a shift basis.

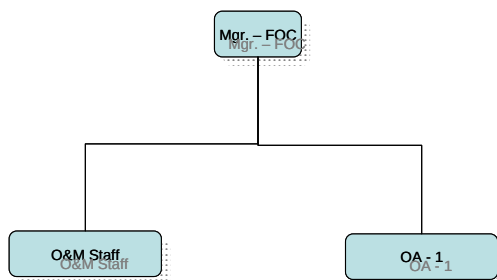
The individual commercial and O&M groups are to be equipped with vehicles to enable them to efficiently plan and execute their activities.

Each sub division is to be provided 2 computers for efficient data management/generation of MIS and to inculcate the habit of use of computers which shall be handy at the time of implementation of ERP.

**Figure 16: O&M Sub Division Office Structure**



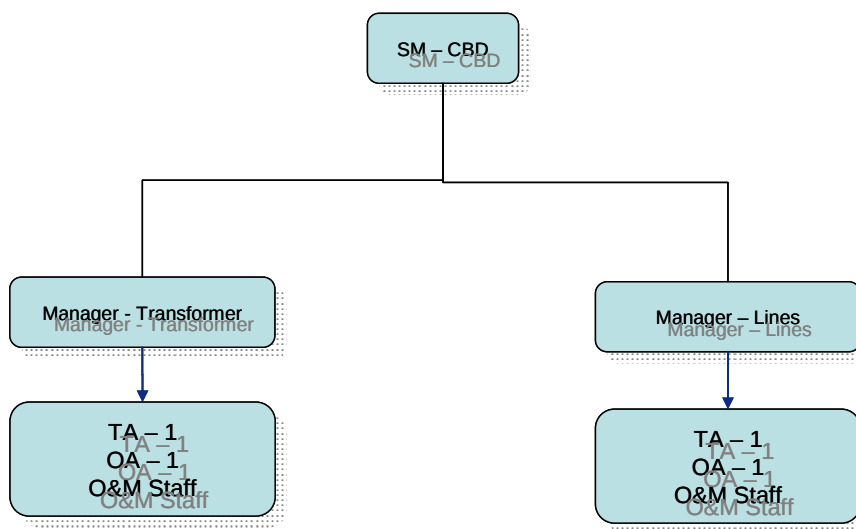
**Figure 16: FOC Section Office Structure**



### 8.5.3.1 CBD Sub Division

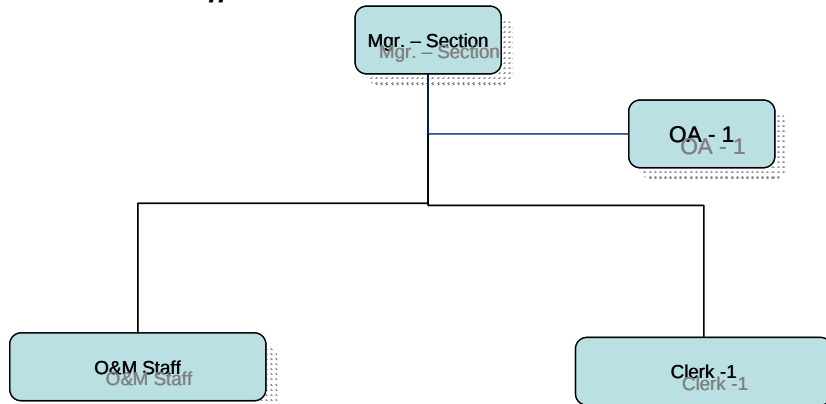
A Centralised Breakdown Service Sub Division shall be created for exclusively attending to HT Breakdowns. CBD Sub Division shall be created in Divisions with maximum concentration of HT consumers.

Figure 17: CBD Sub Division Structure



### 8.5.4 Section Office

Figure 18: O&M Section Office Structure

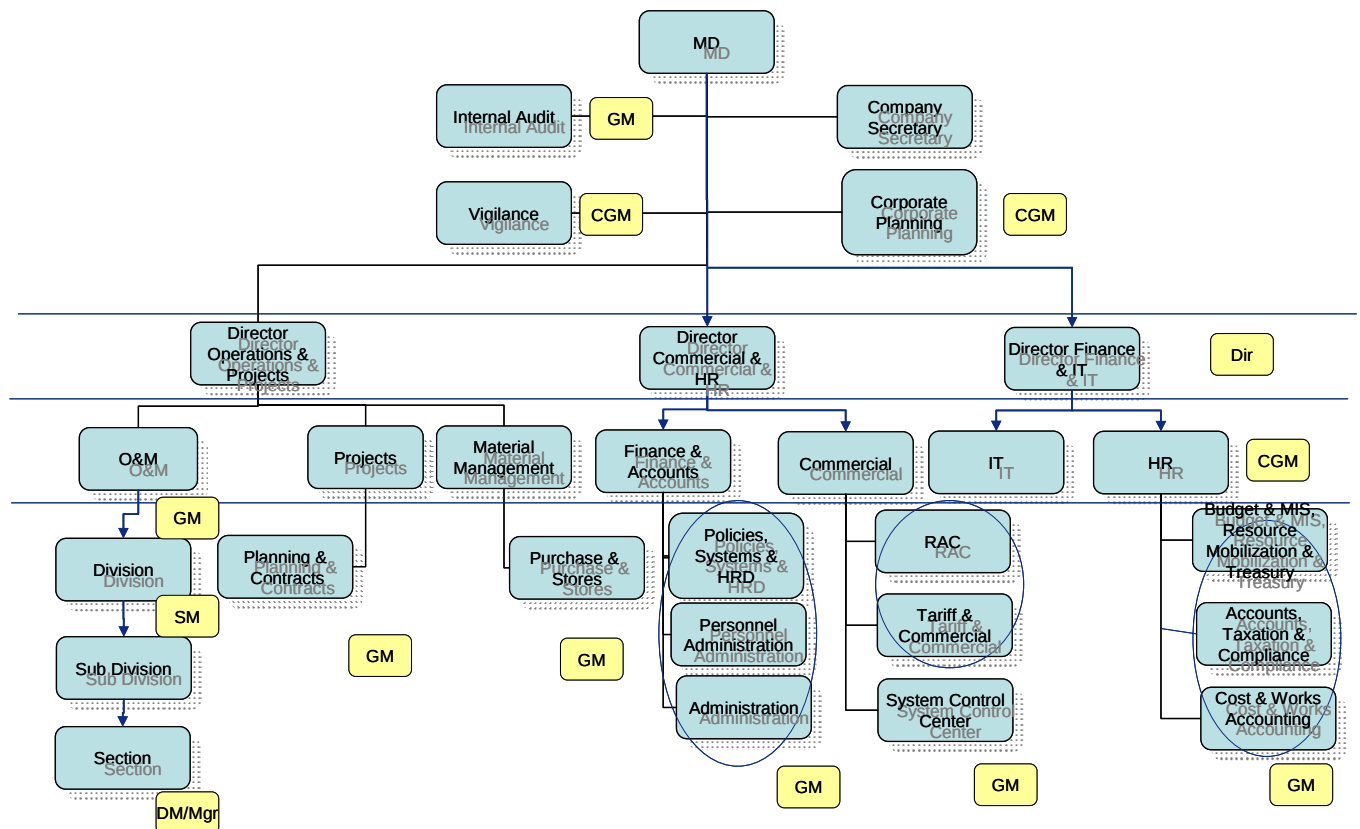




## 9 Corporate Structure & Staffing - PETCO

### 9.1 Proposed corporate level Structure of PETCO:

Figure 18: Proposed Corporate Structure for PETCO



### 9.2 Features of the Proposed Structures:

- Projects attached with O&M directorate.
- SCC attached with CGM – Commercial
- Internal Audit function has been created
- It was felt that there is a need to strengthen the vigilance function. It is to be strengthened by adding more manpower.

### **9.3 Key benefits of the New Corporate level Structure**

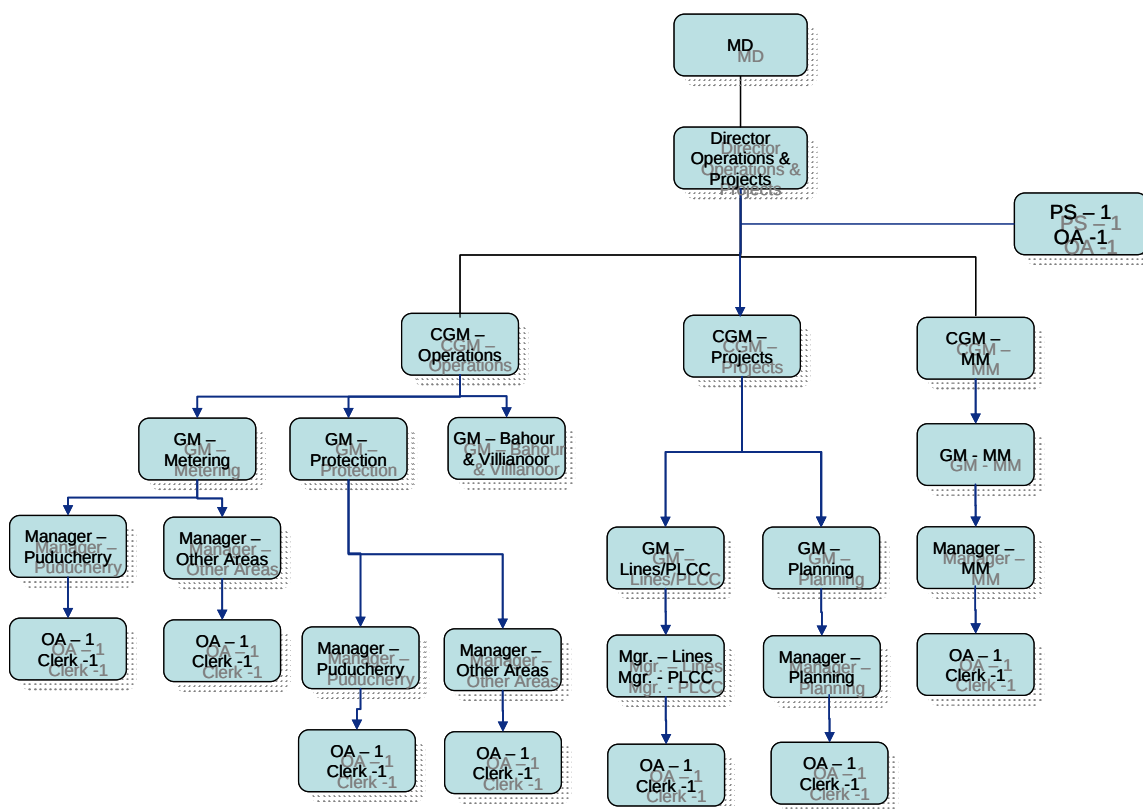
- Enhanced organizational flexibility, scalability and effectiveness; preparing for a competitive environment.
- Segregation of commercial and technical activities for better monitoring and enhanced operational efficiencies at the field.
- Structural focus to key business support functions to build organizational capabilities through systems and policies.
- Increased accountability and ownership for Operations and Maintenance activities at the corporate level.
- Provides independent orientation to functions that work on 'Checks and Balance Principle'.

## 9.4 Function Wise Structure at the Corporate Level

The proposed department wise Structure at the Corporate Office is as under:

### 9.4.1 Operation & Maintenance

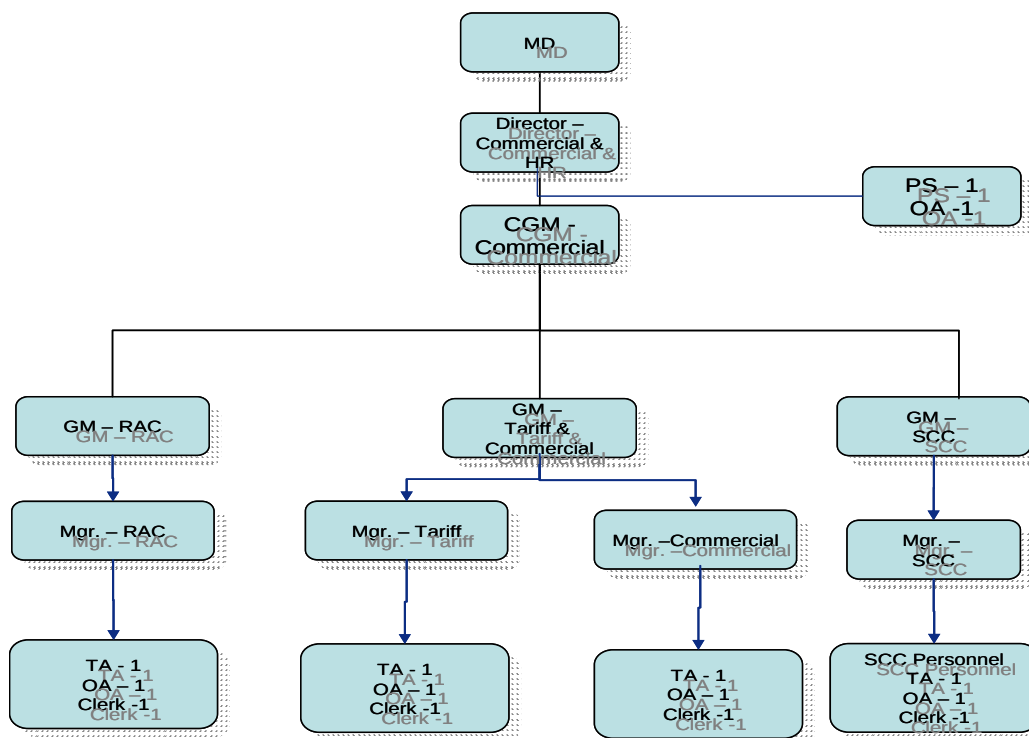
**Figure 19: Operations & Projects Department**



Currently there is no separate Operation & maintenance department in the corporate office. A separate O&M function is being proposed to give the O&M activities more focus. Materials & Projects function will report to Head- Operation which will create more synergies among the different function

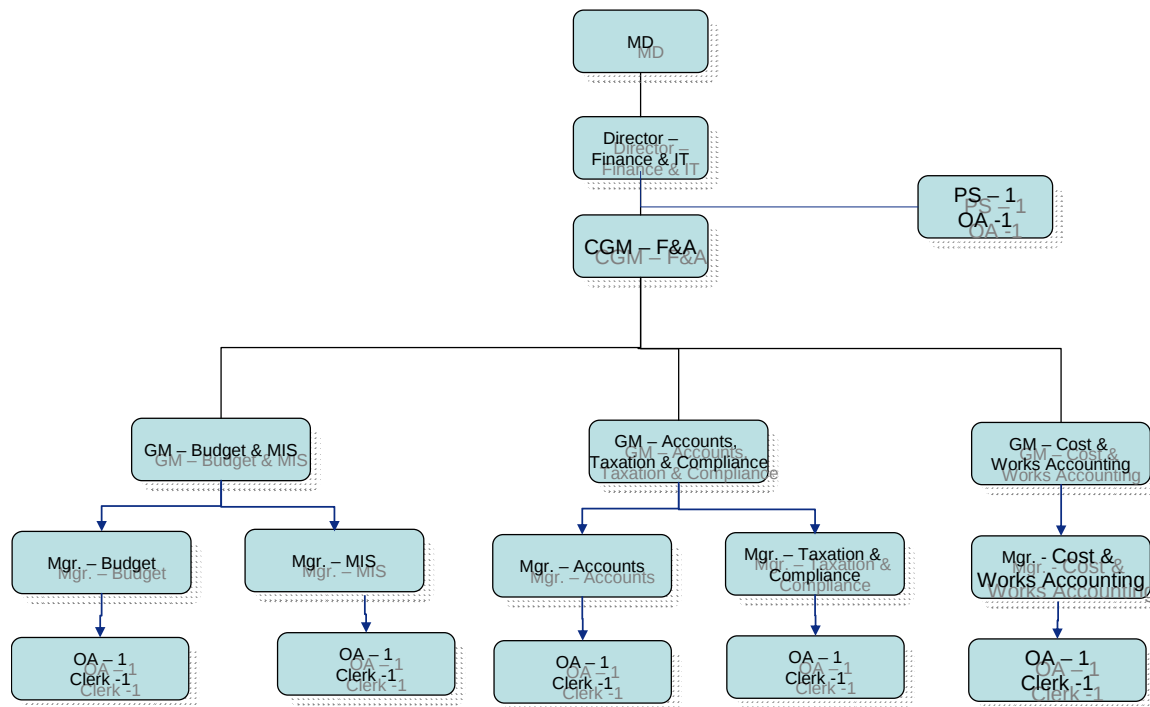
#### 9.4.2 Commercial

**Figure 20: Proposed Structure for Commercial Department**



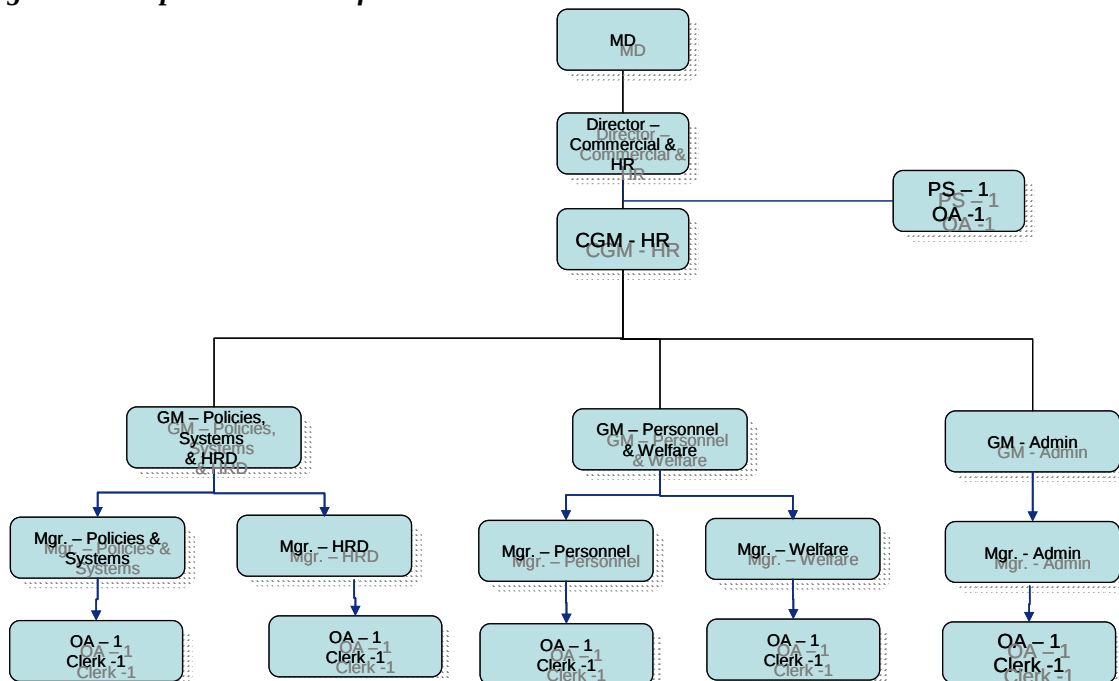
### 9.4.3 Finance & Accounts

Figure 21: Proposed Structure for Finance Department



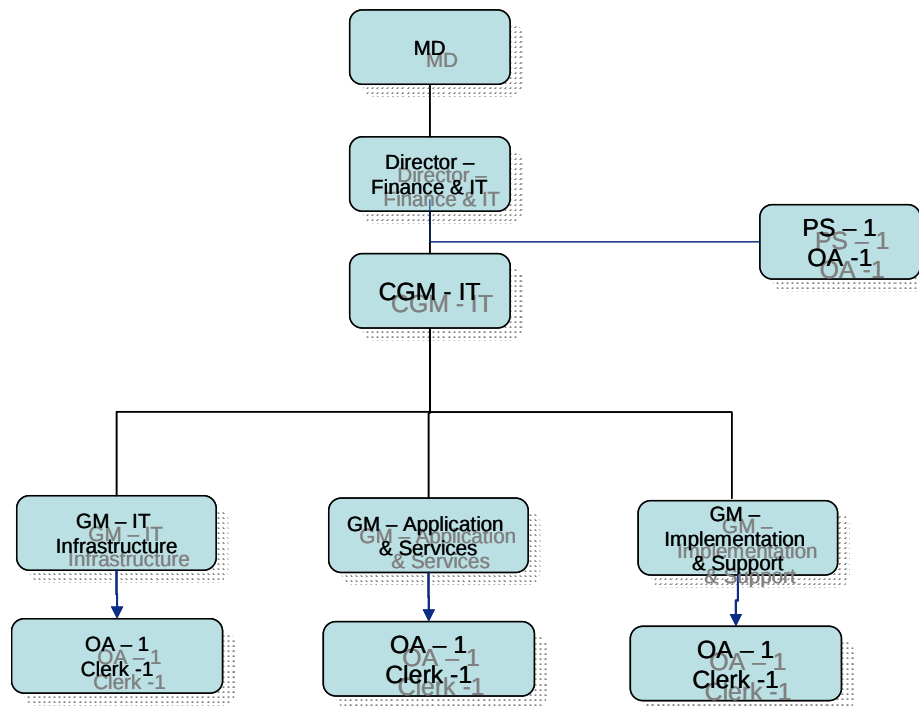
### 9.4.4 Human Resources

Figure 22: Proposed Structure for Human Resources



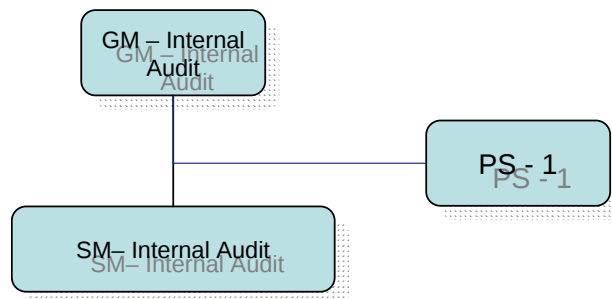
#### 9.4.5 Information Technology Department

Figure 23: Proposed Structure for Information technology



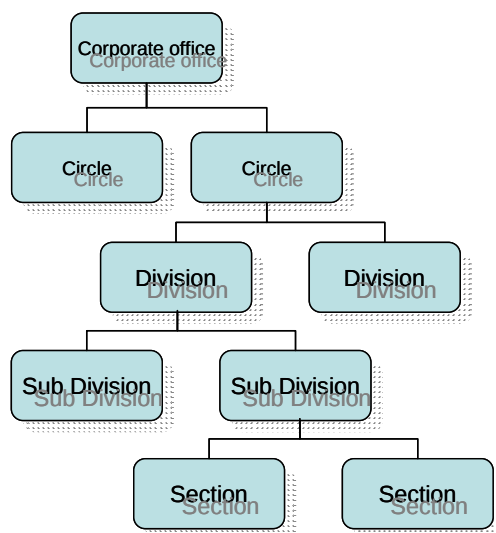
#### 9.4.6 Internal Audit Department

Figure 24: Proposed Structure for Internal Audit Department



## 9.5 Field Structure & Staffing - PETCO

## 9.6 “As is” Structure Analysis



Some of the observations made at Field Units are:

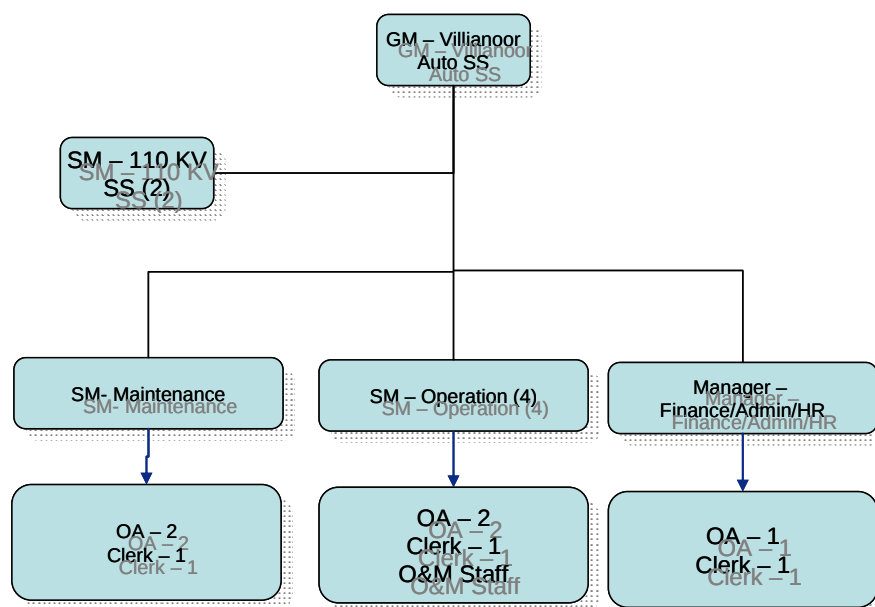
- The distinct Transmission Structure needs to be created.
- The functions of Sub-Divisions are not clearly defined

## 9.7 Design Principles for Field Level Structure:

- Increase the effectiveness of the organization to achieve operational excellence and efficiency
- Drive accountability for financial performance and cost management down the organisation to distinctly identifiable viable field entities
- Design organisational entities and management systems to focus on specific stakeholder requirements
- Optimize structure to enhance organizational flexibility (scalability) and effectiveness

### 9.7.1 230 KV Sub Stations

Figure 25: Proposed Structure for 230 KV SS

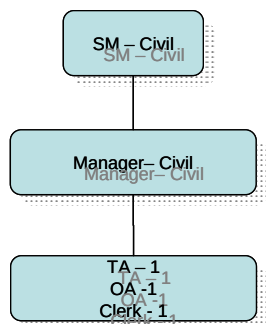


## 9.7.2 Support to Core functions (As part of the O&M offices)

### 9.7.2.1 Civil Office

Civil Sub Division office needs to be created at Division Level for the purpose of construction and maintenance activities. Civil function has been merged with Division Offices to make Civil accountable to Division thereby improvement in estate management under the control of Division.

**Figure 26: Proposed Structure Civil Sub Division Office**



## 9.7.3 132 KV and below Sub Stations

**Figure 27: For 132 KV and below SS**

