



India

42 Srisailam Power Transmission System Project (1)(2)

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The project's objective was to improve the supply/demand balance in Andhra Pradesh (AP) State by constructing transmission lines connected to Srisailam Pumped Storage Power Station, and thereby contribute to economic development of the state.

Loan Amount/Disbursed Amount: 13,352 million yen/ 10,121million yen
Loan Agreement: December 1992, February 1995
Terms and Conditions: Interest rate, 2.6%; Repayment period, 30 years (grace period, 10 years); Partially untied (1)/General untied (2)
Final Disbursement Date: April 2000, April 2004
External Evaluator: Ryujiro Sasao (IC Net Limited)
Field Survey: July 2003



Evaluation Result

In this project, construction of transmission lines and construction and expansion of substations were carried out almost as planned. The project period took much longer than planned because of the delay in obtaining permission for forest clearance. The project cost was lower than the estimate. In spite of the fact that the project area (with a population of 10 million, comparable to the population of Tokyo which is 12.44 million) is a major electricity consumption center in AP State with a population of 76 million, transmission voltage in this area was low. The project enabled high-voltage power transmission, and thus helped stabilize power supply and reduce transmission loss (8.8% in the Fiscal Year 2000 → 7.4% in the Fiscal Year 2002). The average capacity utilization ratio of transmission lines in the past three years is 99.3%, and they are in good condition. The average annual growth rate of real GRDP (Gross Regional Domestic Product) of AP State between the Fiscal Year 1998 and the Fiscal Year 2001 was approximately 6.7%, exceeding the national average of 5.7%. Companies in Hyderabad, the capital of the state that is drawing worldwide attention as a fast-growing center for development and integration of the IT industry, comment that

they have rarely had an outage or sudden voltage drop since the completion of the project, indicating that the investment environment in the city has improved. The executing agency Transmission Corporation of Andhra Pradesh Limited (APTRANSCO), which was formed as a result of the unbundling of the Andhra Pradesh State Electricity Board in the Fiscal Year 1999, has sufficient technical staff in terms of both quality and quantity. It has no problem with the technical capacity, operation and maintenance system, and financial status is in favorable condition.

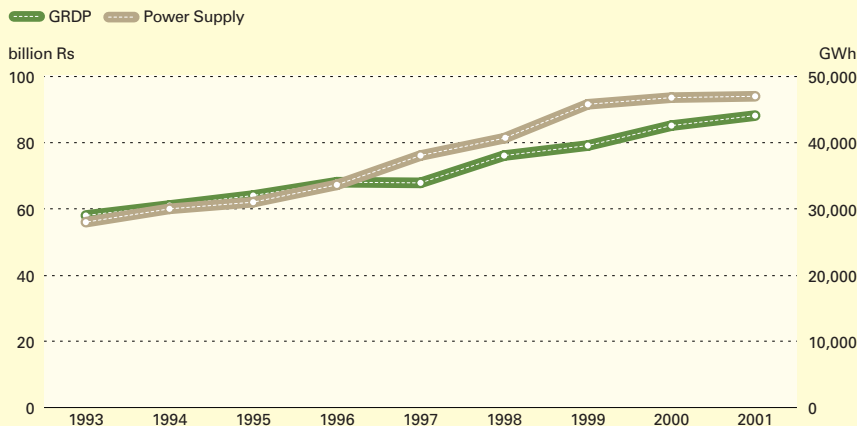
Third-Party Evaluator's Opinion

The project has been highly effective in alleviation of power shortages and it has helped the State of AP to become a favoured investment destination, especially by the international IT companies. It also helped the city of Hyderabad to become a high-tech city.

Third-Party Evaluator: Mr. S. Narayan

Obtained a doctorate in energy management from Indian Institute of Technology. Formerly served as Finance & Economic Affairs Secretary. Presently holds the post of Economic Adviser to the Prime Minister. Specializes in public finance.

Changes in GRDP and Power Consumption in AP State



GRDP is steadily increasing with the increase in power supply. Investment by world-known IT-related companies is also increasing in the high-tech city Hyderabad.

Source: AP State Economic Survey 2002-2003, APTRANSCO