

## **Third Party Evaluator's Opinion on Srisailam Power Transmission System Project (1) (2)**

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### **Relevance**

The project, as planned, was consistent with the national development plan of the Government of India, which sought to increase power supply at the time the project was planned, that is during the 8th FYP. It has remained highly relevant even at the present as it conforms to the State Development Plan Towards 2020 for the electricity sector in AP, which envisages increasing power generation capacity and improving electricity system efficiency.

### **Effectiveness**

The project has been highly effective in alleviating power shortages along with reinforcing power transmission network in the region and reducing T & D losses. The average capacity utilization of over 99 % indicates that all the four sub-stations continue to be in good condition and are maintained well. By increasing supply and improving quality of power, the project 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 as planned by the State government.

### **Efficiency**

The project was executed as planned but with a delay of six years on account of delay in forestland clearance and permission to acquire substitution land at construction site of transmission lines. However, instead of cost escalation, overall cost of project was brought down by efficient contracting by more than 25 % from the initial estimate, despite delays. Though no particular problem was encountered while implementing the project, time delays, caused by external factors, affected to some extent, the efficiency of the project.

### **Impact**

No detrimental or negative impact has been observed either on environment or on residents, as it did not mean any displacement of residential area. Special care was also taken not to disrupt telephone service while constructing transmission lines.

### **Sustainability**

Though the executing agency has been making losses, the amount of loss has been reduced considerably by 2002 as compared to the previous year. This is significant, as the agency did not receive any subsidy from 2002 onwards. Financial situation is expected to improve further due to focus on cost-cutting, improved sales collection and increase in sales due to reduction in transmission loss. Adding more substations as planned for the future would also help in improving transmission and sales and thus finances.

Overall, the project appears viable and relevant for meeting beneficiaries' needs for increased power supply with better quality.