


COST BENEFIT ANALYSIS

PROJECT COST		:	Rs.63.25.00 Crore Approx.		
ENVIRONMENTAL and SOCIAL COST			The cost particulars are as follows:		
			Item of Description	Estimated Cost in Rs.Crore	Remarks
			Evaluations of loss Timber Fuel Minor Forests Produce Mandays Expectation or Potential Value of Soil for Forest in Revenue Land	5.00	The timber extracted will be retained by FD. The loss is estimated based on the incremental yield
			Loss Value of Fodder (Grass)	0.50	
			Cost of Human Re-Settlement	Nil	
			Loss of Public Facilities and Administrative Infrastructure	Nil	
			Valuation of Environmental Losses	10.00	
			Suffering to Oustees	Nil	
			Total	15.50	
			BENEFITS FROM PROJECT		
	a) Capacity of Line (Power transfer capacity) (500MW per circuit of 400KV Transmission Line)	:	800 MW		
	b) Load Factor	:	80%		
	c) Line Loss	:	2.5%		
	d) Line Availability	:	97.5%		
	e) Average cost of energy transfer per unit	:	Rs. 0.2 per KWH		
	f) KWH per year	:	800 x 1000 x 0.80 x 24 x 365 x 0.975 x 0.975 = 5329584000 KWH/Year		
	g) Transmission Charges/cost of supply per year	:	0.20 x6661980000 = Rs. 1065916800		
	h) Transmission charges against power transfer in 50 years	:	6661.98 Cr.		
	Net benefit from Transmission system in 50 years	:	5329.584 Cr		
COST BENEFIT RATIO (CB RATIO)		:	63.25/5329.584 = 0.0118		

The benefit from these Transmission line is more than Rs. 106.59168 Cr per year to the Nation or Rs. 5329.584 Cr. in fifty years if flow of power is continued through this transmission system whereas the cost of project including the compensation against forest area involved and also interest during construction and other misc. expenditure is Rs.63.25 Cr which is very less as compared to profit from this Transmission Line Project. So pay back to period of the project is 8 months. The rest of the period is the profit which is added to the national income.


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