Islamic Republic of Pakistan

In association with

Asian Development Bank (ADB)

Pakistan: Power Distribution Enhancement MFF Project (ADB TA Loan No. 2178-PAK)

ADB MFF Tranche 2 Subproject No. <u>6.1.3</u>

New Kameer 132kV Grid Station and Transmission Line

Due Diligence Report

February 2010

Multan Electric Power Company (MEPCO)

Due Diligence Report

New Kameer 132kV Grid Station and Transmission Line Subproject February 2010

A. Background

- The Government of Pakistan has requested financing from the Asian Development Bank (ADB) for implementing Power Distribution Enhancement Investment Program (the Program), to be executed through a Multi-tranche Financial Facility (MFF) divided into three tranches or groups of subprojects. The Ministry of Water and Power is the Executing Agency (EA) and the Multan Electric Power Company (MEPCO) is the Implementing Agency (IA). Each of the Program's tranches will constitute a project which, in turn, will be divided into several subprojects involving the construction and/or upgrading of the grid stations and transmission lines.
- Y. MEPCO is providing electricity to Arifwala and nearby villages from Arifwala 132 kV grid station. During the last few years, it is being observed that the local domestic, agricultural, commercial and industrial power demand of the area is increasing rapidly. Due to the increased power demand of the area, the power supply system has become insufficient and the existing grid station has become overloaded. So there is a need to improve the power supply system of the area. For the purpose, MEPCO has planned to construct the New Kameer 132kV grid station, near Tiba Sultan village. This grid station will be linked to the existing Yousafwala Arifwala 132 kV transmission line by constructing a 60 m long transmission line. This Due Diligence report has been prepared for the same New Kameer 132 kV Grid Station and Transmission Line Subproject.

B. The Subproject

This subproject will be constructed at Tiba Sultan village in Arifwala *tehsil* of Pakpatan district. This subproject involves the construction of 132kV grid station and a 60 m long 132kV double circuit transmission line. This is one of the subprojects included in Tranche 2 of the Program. MEPCO is in the process of purchasing land for the new grid station. The new grid station will be linked to the existing Yousafwala – Arifwala 132 KV double circuit transmission line. This transmission line is passing exactly over the selected grid station site, so only one new tower and a 60 m long line will need to be constructed. The new tower and the 60 m long transmission line will be constructed totally within the grid station site, without affecting any adjacent productive lands.

C. Subproject Impacts

and 132kV double circuit transmission line. The new 132kV grid station will be constructed on a plot of land measuring 49 *kanals* and 8 *marlas* (6.2 acres or 2.5 ha). MEPCO is in the process of purchasing this land directly from the land owner on a voluntary sale basis. There is one tube-well on this land, which is also included in sale deed, and MEPCO has agreed to pay its replacement value to the owner. So there is no involuntarily land accusation involved in the grid station. The transmission line consisting of only one tower and 60 m long power cables will be constructed within the boundaries ogf the grid station site, without affecting any of the adjacent productive lands with crops and trees. Except one tube-well, which is already included in the voluntary sale deed, there is neither any structure nor any crop or tree being affected by this subproject.

D. Purchase of Land for Grid Station

T. MEPCO is purchasing a plot land measuring 49 *kanals* and 8 *marlas* (6.2 acre or 2.5 ha), on voluntary sale basis, from a landowner, Mr. Haji Akbar Ali son of Mr. Mansabdar Khan of Chak 26 EB,

Tehsil is a sub-division of a District; there can be two to four tehsils in a District.

Kanal is a local land measuring unit (1.0 ha = 19.77 kanals; 1.0 Acre = 8.0 kanals).

in Arifwala *tehsil* of Pakpatan district, for the New Kameer 132kV Grid Station at Tiba Sultan village. The prevailing open market rate of the area is Rs. 975,000 per acre, which has been agreed between MEPCO and the landowner and approved by the District Land Price Assessment Committee. Thus, the total price of the land, amounting at Rs. 5.99 million will be paid to the only landowner. In addition, the replacement cost of the tube-well has been assessed and agreed at open market value of Rs. 150,000. A contingency of 5% of the total compensation has been included in the cost estimate to cover taxes and other unseen costs which are estimated at Rs. 306,988.00 (see Table 1 below for details).

Table 1: Cost of Land Purchased for 132ky Kameer Grid Station Multan

No.	Description of Expenses	Amount (Rs.)		
1	Price of Land (@ Rs. 975,000 per Acre x 6.175 acres)	5,989,750		
2	Replacement Cost of Tube Well	150,000		
3	Total Compensation	6,139,750		
4	Contingency (5 %)	306,988		
	Total Resettlement Cost	6,446,738		

Y. An affidavit of sale deed has been signed by the landowner (see **Appendix 1** for documents). The total land price will be paid to the landowner and the sale deed will be registered with the District Revenue Department before taking over the physical possession of the land by MEPCO.

E. Due Diligence

According to the design whole activity of construction of the grid station and transmission line will be completed within the purchased site. There is no claim of any person on the land of this grid station. This grid will be fed by Yousafwala – Arifwala 132kV transmission line. This line is passing over the grid station site. To connect this grid station with the transmission line only one tower and a 60 meter line will be required and this line will be traversed within the grid site so this line will have no effect on any person at all. As there is no involuntary resettlement involved in this subproject and the preparation of a LARP for this subproject is not required, hence this brief Due Diligence Report has been prepared for the documentary requirements of both the MEPCO and ADB.

F. Community Consultations

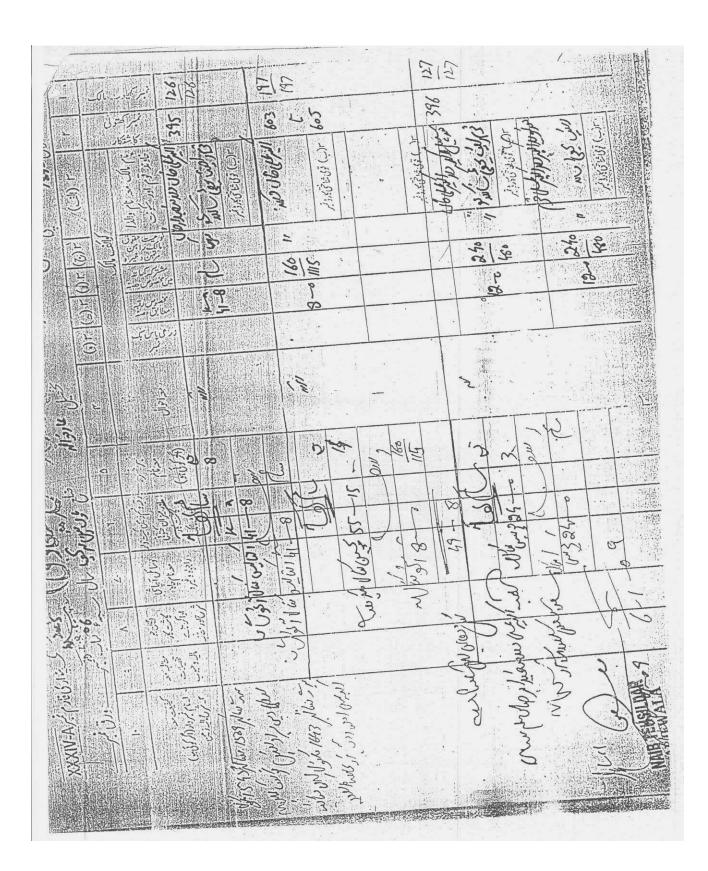
- 1. Two community consultation meetings were held at the subproject site. Both the meetings were held at Tiba Sultan village adjacent village to the grid station. One meeting was held with male group and one with female group. Total participants in these two meetings were fifteen and all the participants were of the view that this subproject was important and much needed under the current circumstances. People are pleased by the project and they supported this subproject (see **Appendix 2** for the list of participants). None of the community members opposed the subproject.
- 1. The local communities' response (awareness, perceptions and preferences) for the Kameer grid station subproject and resettlement related matters are summarized as follows:
 - This subproject is necessary under the current local conditions keeping in view the power shortage of the area;
 - Constructor should hire local labour if needed.
 - Contractor should respect the local norms; and,
 - Construction work should be completed in time.

Appendix 1: Documents of Purchase of Land for New Kameer 132kV Grid Station

There are twenty Marlas in a Kanal (1.0 ha = 395.4 Marlas).

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Appendix 2: List of Participants in Consultation Sessions (New Kameer 132kV GS)

Men's Groups					Women's Groups				
No.	Name	Status	AH	No.	Name	Status	AH		
Group 1					Group 1				
Tiba Sultan				Tiba Sultan					
01	Haji Akbar	Land Owner	AH	01	Fauzia Bibi	Housewife	AH		
02	Zaheer Asghar	Land Owner	AH	02	Naseem	Housewife	AH		
03	Zia ul Haq	Land Owner	AH	03	Zahida Bibi	Housewife	AH		
04	Muhammad Aslam	Land Owner	-	04	Kalsoom	Housewife	-		
05	Waseem Asghar	Shopkeeper	-	05	Fatema	Student	-		
06	Naveed Akbar	Busniss	-	06	Nasreen	Student	-		
07	Mumtaz Ahmad	Police Man	-						
08	Khalid Ahmad	Labour	-						
09	Mukhtar Ahmad	Labour	-						