

February 27, 2001

Electric Power Development Co., Ltd.

Consultation Services pertaining to the Rehabilitation Survey for the Electric Facilities in Tanzania

Electric Power Development Co., Ltd. (EPDC) entered into an agreement with the Japan International Cooperation Agency (JICA) for the consultation services pertaining to the rehabilitation survey for the facilities of transmission, distribution, and transformation in three major cities (Dar Es Salaam, Arusha, and Moshi) in Tanzania

Main service of the survey is to establish the stability of electricity supply and improvement of reliability in the major core cities, which are industrial and commercial centers where drastic demand in electricity is expected in Tanzania in the future. For this purpose, present condition in the transmission, distribution, and transformation facilities in the three cities are grasped and rehabilitation and extension plans are prepared. Moreover, design of draft plan, economic evaluation, and environmental impact assessment are implemented so that a maintenance management plan after completion can be formulated.

The study will be implemented for three consecutive fiscal years from February 2000 through the fiscal 2002. The order in this fiscal year has reached a little bit more than 60 million yen.

This is the 181st international consultation service effort of the Company in a total of 56 nations (the 12th in African nations, the 3rd in Tanzania).

1. Background and details of this study

In Tanzania as low as 7 percent of the total population can access electricity energy at the moment.

Most of the Tanzanians still depend on traditional primary energy such as firewood. Under these circumstances, the Government of Tanzania, aiming at reliable improvement of power dispatching along with development of power source, has called on the Japanese government for a master plan and feasibility studies including medium- and long-term national strategy and demand forecast for the power sector.

Responding to this request, the Japanese government conducted a preliminary survey in October 2000 to confirm the validity of implementation of this study and two months later in December the JICA made a public announcement for selection of a consultant concerning the implementation of this study.

EPDC applied for the bid of this study and became the first nominee. EPDC has recently received an order after the agreement in terms and conditions.

2. Outline of the Study

The study areas were narrowed down to three major cities; namely, Dar Es Salaam, Arusha, and Moshi, where a master plan study, a feasibility study, and a model case study would be conducted, specifically in order to establish the stability of electricity supply and improvement of reliability in the major core cities, which are industrial and commercial centers where drastic demands in electricity are expected in the future.

Each study covers the following specific services:

Master Plan Study

- (1) Grasp of present conditions of the transmission, distribution, and transformation facilities in the study areas; and preparations of rehabilitation and extension plans.
- (2) Formulations of supply and demand in electricity for study areas.
- (3) Grasp of present condition of personnel training for power transmission and distribution and formulation of hard-hitting measures for transfer of technology to local areas.
- (4) Study of environment-conscious issue together with implementation of rehabilitation plan
- (5) Concept design of objective facilities.
- (6) Financial Economic Analysis.

Feasibility Study

- (1) Basic design and cost estimation of objective facilities.
- (2) Financial Economic Analysis.
- (3) Environmental Impact Assessment.
- (4) Formulation of implementation plan (including work and financial plans).

Model Case Study

- (1) Grasp of the present condition of the power supply maintenance management center of the Tanzania Electric Supply Co. (TANESCO), and formulation of improvement measures.
- (2) Preparation of the draft of the maintenance management plan including transfer of technology for local power supply maintenance management centers and other facilities and enforcement of functions in order to perform effective maintenance management in

local areas.

3. Service schedule of the study.

The study order EPDC has received this time is scheduled to be implemented for three consecutive fiscal years, from February 2001 through the end of the fiscal 2001. The master plan survey will be implemented in the first year (this year); the feasibility study and model case study will be conducted will cover the master plan survey in the second year (2001) after the compilation of the result of master plan survey; and the final report will be completed after the compilation of all pieces of survey results in the last year of the schedule.

End of announcement