

No.3/7/2015-Trans
Government of India
Ministry of Power
Shram Shakti Bhawan
Rafi Marg, New Delhi – 110001

Dated, 15th October, 2015

To

1. Chief Secretaries/Administrators of all the States/UTs
(As per list attached)
2. Chairperson, CEA, New Delhi with the request to disseminate the above guidelines to all the stakeholders.
3. CMD, PGCIL, Gurgaon.
4. CEO, POSOCO, New Delhi.
5. Secretary, CERC, New Delhi.
6. CMD of State Power Utilities/SEBs

Subject: Guidelines for payment of compensation towards damages in regard to Right of Way for transmission lines.

During the Power Ministers Conference held on April 9-10, 2015 at Guwahati with States/UTs, it has, *inter alia*, been decided to constitute a Committee under the chairmanship of Special Secretary, Ministry of Power to analyse the issues related to Right of Way for laying of transmission lines in the country and to suggest a uniform methodology for payment of compensation on this count. Subsequently, this Ministry had constituted a Committee with representatives from various State Governments and others. The Committee held several meetings to obtain the views of State Governments on the issue and submitted its Report along with the recommendations (copy of the Report is at **Annex-1**).

2. The Recommendations made by the Committee are hereby formulated in the form of following guidelines for determining the compensation towards "damages" as stipulated in section 67 and 68 of the Electricity Act, 2003 read with Section 10 and 16 of Indian Telegraph Act, 1885 which will be in addition to the compensation towards normal crop and tree damages. This amount will be payable only for transmission lines supported by a tower base of 66 KV and above, and not for sub-transmission and distribution lines below 66 KV:-

- (i) Compensation @ 85% of land value as determined by District Magistrate or any other authority based on Circle rate/ Guideline value/ Stamp Act rates for tower base area (between four legs) impacted severely due to installation of tower/pylon structure;

- (ii) Compensation towards diminution of land value in the width of Right of Way (RoW) Corridor due to laying of transmission line and imposing certain restriction would be decided by the States as per categorization/type of land in different places of States, subject to a maximum of 15% of land value as determined based on Circle rate/ Guideline value/ Stamp Act rates;
- (iii) In areas where land owner/owners have been offered/ accepted alternate mode of compensation by concerned corporation/ Municipality under Transfer Development Rights (TDR) policy of State, the licensee /Utility shall deposit compensation amount as per (i) & (ii) above with the concerned Corporation/ Municipality/ Local Body or the State Government.
- (iv) For this purpose, the width of RoW corridor shall not be more than that prescribed in the table at **Annex-2** and shall not be less than the width directly below the conductors.

3. Necessary action may kindly be taken accordingly. These guidelines may not only facilitate an early resolution of RoW issues and also facilitate completion of the vital transmission lines through active support of State/ UT administration.

- ✓ 4. All the States/UTs etc. are requested to take suitable decision regarding adoption of the guidelines considering that acquisition of land is a State subject.

Yours faithfully,

Jyoti Arora
(Jyoti Arora)

Joint Secretary (Trans.)

Tele: 011-2371 0389

Copy, along with enclosure, forwarded to the following:

1. Secretaries of Government of India (Infrastructure Ministries/Deptt including MoEF - As per attached list)
2. Prime Minister's Office (Kind Attn: Shri Nripendra Mishra, Principal Secretary to PM).
3. Technical Director, NIC, Ministry of Power with the request to host on the website of Ministry of Power.

Copy to PS to Hon'ble MoSP (IC) / Secretary (Power) / AS (BNS) / AS (BPP) / All Joint Secretaries/EA/ All Directors/DSs, Ministry of Power.

Report of the Committee for payment of compensation in regard to Right of Way (RoW) for transmission lines

1.0 Background:

1.1 The Transmission Projects in the country are implemented by the licensee in accordance with the provisions of the Electricity Act, 2003. The compensation towards "damages" during implementation of such projects is governed by Section 67 & 68 of the Electricity Act read with Section 10 & 16 of the Indian Telegraph Act, 1885. The present stipulations provide for compensation towards all damages without acquisition of land which are assessed/ reviewed by the Revenue Authorities. However, there is no clear definition of the term "damages", nor are there any guidelines in this regard.

1.2 For laying electricity transmission lines, licensee erects towers at intervals of about 400 m. and conductors are strung on these towers maintaining a safe height depending on the voltage and other geographical parameters. Thus, typical transmission lines have following two kinds of impact:

- (i) Tower base area which is more or less completely lost or loses its productivity due to severe restriction in access;
- (ii) Corridor of land underneath strung conductor between two towers may be adversely affected by imposition of restriction on its usage.

1.3 The maximum width of RoW corridor is calculated on the basis of tower design, span, and wind speed, maximum sag of conductor and its swing plus other requirement of electric safety. The requirement of ROW for different voltage types under standard conditions is as follows:

ROW width for different voltage line*

Transmission Voltage	Width of Right of Way (in Meters)
66 kV	18
110 kV	22
132 kV	27
220 kV	35
400 kV S/C	46
400 kV D/C	46
+/-500 kV HVDC	52
765 kV S/C (with delta configuration)	64
765 kV D/C	67
+/-800 kV HVDC	69
1200 kV	89

* Width of Right of Way is as per the MoEF guidelines dated 5.5.2014 (Annex-A)

1.4 The Telegraph Act provides for compensation towards damages (without acquisition) while placing the tower and stringing the conductor. The local authorities/ District Magistrates have been provided Power under Section 16 (1) of the

line on their land. The present provisions of the Act/ Rules do not provide for any set procedure for calculation of such compensation. In the absence of clarity and notified procedures, the provisions of existing Acts are being differently interpreted by concerned DC/ Revenue Authorities that are also at variance with each other even among neighboring districts which is resulting in the resistance by the farmers causing unwarranted delay in the project implementation. Presently many lines in the States of Maharashtra, Western U.P., Karnataka, Kerala, Andhra, Jharkhand etc. are held up due to resistance by land owners demanding enhanced compensation.

2.0 Constitution of the Committee:

2.1 The matter was deliberated during the Power Ministers' Conference on 9-10 April 2015 at Guwahati and a Committee under the chairmanship of Special Secretary, Ministry of Power was constituted vide order No. 3/7/2015-Trans dated 15th April 2015 to analyse the issues relating to Right of Way for laying transmission lines in the country and to suggest a uniform methodology for payment of compensation on this account. The composition of the Committee is given below:

- i. Shri R. N. Choubey, Special Secretary, Ministry of Power – Chairman
- ii. Chairperson, Central Electricity Authority
- iii. Principal Secretary/Secretary (Energy), Madhya Pradesh
- iv. Principal Secretary/Secretary (Energy), U.P.
- v. Principal Secretary/Secretary (Energy), Maharashtra,
- vi. Principal Secretary/Secretary (Energy), Karnataka,
- vii. Principal Secretary/Secretary (Energy), Kerala,
- viii. Jt. Secretary (Trans.), Ministry of Power
- ix. CMD/Dir(Projects), POWERGRID
- x. Shri K. K. Arya, CE (SP&PA), CEA – Convener & Member Secretary.

The notification of the Committee is at **Annex-I**.

3. Proceedings of the Committee:

3.1 The first meeting of the Committee was held on 20.04.2015. During the meeting Powergrid and States mentioned that the difficulties were being faced in construction of transmission lines in more or less all the states due to severe resistance being posed by the land owners/ farmers with the demand of higher compensation including demand for compensation for the diminution value of the land below towers and under

the line corridor. Powergrid also informed about the opinion of Attorney General of India taken by them, which states that the land underneath the legs of the tower is permanently lost by the owner and that the land under the corridor can be conveniently used but with certain restrictions and compensation for such diminution in land value for the line corridor is also payable to land owners. All the states were also of the view that compensation against the land diminution should be paid to the land owners. Most of the participants suggested that a uniform policy should be in place at the central level in terms of fixed percentages of market value of the land under transmission towers and under corridor, however, some of the states were of the view that this should be left to the concerned state to formulate the policy.

3.2 During the meeting, two views were emerged as under;

- (i) 100 % compensation for land should be paid for tower footing and 10% for corridor under the line.
- (ii) Policy should not be changed as state authorities are solving the compensation issues and it will also affect the financial viability of transmission projects.

The minutes of the meeting are at **Annex-II**.

3.3 The second meeting was held on 30.04.2015. Director (Projects), POWERGRID presented a detailed presentation including Legal & Regulatory framework about the compensation, policies of various States as well as the brief on the order of various Courts on compensation issues and various other order of different DM/DC regarding compensation and interpretation of present provisions. Copy of the presentation is at **Annex-III**. The summary of AG's opinion on legal position and coverage/inclusions of various aspects while deciding compensation including land value diminution was also informed by POWERGRID.

3.4 POWERGRID proposal regarding full compensation for tower base and at least 10% for RoW Corridor was also discussed in detail. The private entities M/s. Sterlite and Essel Infra also emphasized that there should be a standard norms for calculating compensation for transmission line and it should also be revised, reviewed periodically for its regular updation keeping in mind the market rate. M/s Sterlite also suggested that instead of land cost, corridor compensation per km may be fixed based on voltage of

line. Chairperson, CEA informed that possibility of reduction in RoW width is minimal as it has already been fixed based on the required Electricity Safety norms.

3.5 The Committee opined that payment of full value of land cost, tower base seems justified due to severe restriction put in by placing of tower which heavily impact the productivity/use of land area falling below tower base. Principal Secretary (Power), U.P however expressed his reservation on 100% cost without acquisition may be a difficult proposition due to ongoing complication regarding compensation under new Land Acquisition Act. Principal Secretary (Power), U.P and Principal Secretary (Power), M.P expressed their apprehension about the proposal of RoW Corridor payment as in their view such payment may also hamper the implementation of distribution lines and may also put additional financial burden on distribution company. Moreover, they were also of the opinion that we may not be able to resolve compensation issue by paying 10% as in all probabilities the farmers/land owners will demand more as has already been stipulated in the different State policies and DCs orders.

3.6 Due to sensitivity of the proposal and its implementation by the different State Governments, it was decided that this issue may also be discussed during the forthcoming Power Secretaries meetings for wider consultation and acceptance. Minutes of the meeting are at Annex-IV.

3.7 The Committee further consulted many States to obtain their views on the issue during the Review, Planning and Monitoring (RPM) meeting held on 11.5.2015 at Delhi, which was attended by Principle Secretaries/ Secretaries (Energy) of various States. The issues related to compensation and deliberations held during last 2 meetings were informed to the participants and they were asked to give their opinion on whether Committee should recommend a minimum uniform standard compensation norm for transmission line RoW for whole country or not. The different States present in the meeting suggested following:

- i. **West Bengal:** The state was not very keen on providing compensation for ROW corridor however they suggested for tower base 50 % of the land cost due to restriction and 20 % for corridor. However it should be left to state for final decision.

- ii. **Jammu & Kashmir:** It informed that because of the special provision in the state they were already acquiring tower base land by paying full compensation as per the land acquisition norm and accordingly state be granted power on such issue.
- iii. **Madhya Pradesh:** It also suggested that such decision be left to state government to decide.
- iv. **Uttar Pradesh:** The state was ready to pay the compensation as decided by the district authority and hence suggested there should be a mechanism so that such compensation be pass through as project cost.
- v. **Kerala:** Kerala was in favour of uniform compensation norms. It also suggested that beyond such uniform rate, it should be left to state who would also bear the cost if additional compensation is paid.
- vi. **Bihar:** The State was also in favor of compensation for tower base and corridor. However, it suggested that decision on deciding percentage be left on state for finalization.
- vii. **Karnataka:** It was also in favor of such compensation, however it also suggested that the finalization of percentage cost may be left at the discretion of the state.
- viii. **Andhra Pradesh:** The State was of the view that compensation for 100 % land value for tower base be paid to the landowner but no compensation for corridor should be given. It also suggested that such compensation should not be made applicable to line below 33 KV.
- ix. **Jharkhand:** The State was also in favor of uniform standard rate at generic level but suggested that state must be authorized for finalizing the quantum of such compensation.
- x. **Odisha:** The State was also in favor of uniform standard rate. However, it suggested that district authority must be authorized for finalizing such compensation.
- xi. **Uttarakhand:** It also wanted a uniform rate for such compensation considering revenue rate as basis and suggested 80% land value for tower base but no compensation for corridor as agricultural practices take place without any hindrance. However, they suggested that 5% cost of land for corridor for lines below 33 KV be included as these lines put severe restriction on agricultural practices.
- xii. **Meghalaya:** it suggested that they will come back after consulting other stakeholders and senior officials.
- xiii. **Gujarat:** it favors that certain minimum standard should be defined and state be given power to decide its detailing and there should not be any compensation for corridor. Such compensation should not be applicable for distribution line.

- xiv. **Punjab:** The State was in agreement for compensation towards tower base and line corridor and wanted that certain standard uniform norms be made for such compensation.
- xv. **Nagaland:** It informed that they will come back later on after consulting all concerned.
- xvi. **Maharashtra:** It also favors that it should be left to the discretion of the state and such compensation be made part of project cost.
- xvii. **Telangana:** It stated that they are in favor of 85% land value for tower base but no compensation for corridor.

3.8 The views of various states have been classified in four categories and are indicated below:

Category	Name of States
Category-I: States agreeing for payment of compensation for tower base and part compensation for RoW corridor	Odisha(#), Maharashtra(#), Uttarakhand, Punjab West Bengal, Bihar, Karnataka, Kerala, Jharkhand,
Category-II: States agreeing for payment of compensation for tower base and no compensation for RoW corridor	Telangana, Andhra Pradesh
Category-III: States suggesting that decision should be left with State Govt to decide	Madhya Pradesh, Gujarat, Uttar Pradesh,
Category-IV: States to inform later	Meghalaya, Nagaland

(#) States agreed in-principle but want final decision to be left on them.

3.9 The third meeting of the Committee was held on 1st June 2015 and the issue & opinions of various states were deliberated in detail. Based on detailed deliberations, AG's Opinion and views of the states on the issue of RoW compensation and its modalities the committee finalized its recommendations.

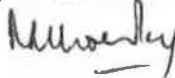
4.0 Recommendations:

The GoI may issue following guidelines for determining the compensation payable towards "damages" as stipulated in Indian Telegraph Act which will be in addition to the compensation towards normal crop and tree damages. This amount will be payable only


for transmission Lines of 66 kV and above, and not for sub-transmission and distribution lines below 66 kV:

- i. **Compensation @ 85% of land value as determined by District Magistrate or any other authority based on Circle rate/ Guideline value/ Stamp Act rates for tower base area (between four legs) impacted severely due to installation of tower/pylon structure;**
- ii. **Compensation towards diminution of land value in the width of RoW Corridor due to laying of transmission line and imposing certain restriction would be decided by the States as per categorization/type of land in different places of States, subject to a maximum of 15% of land value as determined based on Circle rate/ Guideline value/ Stamp Act rates;**
- iii. **In areas where land owner/owners have been offered/accepted alternate mode of compensation by concerned corporation/ Municipality under Transfer Development Rights (TDR) policy of State, the licensee /Utility shall deposit compensation amount as per (i) & (ii) above with the concerned Corporation/ Municipality/ Local Body or the State Government.**
- iv. **For this purpose, the width of RoW corridor shall not be more than that prescribed in para 1.3 above, and shall not be less than the width directly below the conductors.**

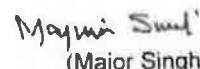
IN WITNESS WHEREOF, the undersigned being duly authorized thereto have signed this Report of the Committee for payment of compensation in regard to Right of Way (RoW) for transmission lines.



(R.N. Choubey)
Chairman of the Committee
Former Special Secretary,
Ministry of Power.



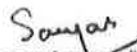
(Jyoti Arora)
Member of the Committee
Joint Secretary (Trans.)
Ministry of Power.



(Major Singh)
Member of the Committee
Chairperson, Central Electricity
Authority.



(I.C.P. Keshari)
Member of the Committee
Principal Secretary (Energy)
Government of Madhya
Pradesh



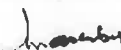
(Sanjay Agarwal)
Member of the Committee
Principal Secretary (Energy)
Government of Uttar
Pradesh.



(Mukesh Khullar)
Member of the Committee
Principal Secretary (Energy)
Government of Maharashtra.



(R. Ravi Kumar)
Member of the Committee
Secretary (Energy)
Government of Karnataka.



(Shivasankar)
Member of the Committee
Secretary (Power)
Government of Kerala.



(I.S. Jha)
Member of the Committee
Director (Projects)
Power Grid Corporation of India Limited.