

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)

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/DSSs, 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 an 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

Telegraphic Act for adjudication and fixing the compensation. The provisions of the Electricity Act and Telegraph Act in respect of compensation are as follows:

A. The Electricity Act, 2003, Part-VIII, Section 67 & 68

Section 67 (3 & 4):

- (3) A licensee shall, in exercise of any of the powers conferred by or under this section and the rules made thereunder, cause as little damage, detriment and inconvenience as may be, **and shall make full compensation for any damage, detriment or inconvenience** caused by him or by any one employed by him.
- (4) Where any difference or dispute [including amount of compensation under sub-section (3)] arises under this section, the matter shall be determined by the Appropriate Commission.

Section 68 (5 & 6):

- (5) Where any tree standing or lying near an overhead line or where any structure or other object which has been placed or has fallen near an overhead line subsequent to the placing of such line, interrupts or interferes with, or is likely to interrupt or interfere with, the conveyance or transmission of electricity or to interrupt or interfere with, the conveyance or transmission of electricity or the accessibility of any works, an Executive Magistrate or authority specified by the Appropriate Government may, on the application of the licensee, cause the tree, structure or object to be removed or otherwise dealt with as he or it thinks fit.
- (6) When disposing of an application under sub-section (5), an Executive Magistrate or authority specified under that sub-section shall, in the case of any tree in existence before the placing of the overhead line, **award to the person interested in the tree such compensation as he thinks reasonable**, and such person may recover the same from the licensee.

Explanation. - For purposes of this section, the expression tree shall be deemed to include any shrub, hedge, jungle growth or other plant."

B. The Indian Telegraph Act, 1885, Part-III, Section 10 ("C"):

"Section 10 – The telegraph authority may, from time to time, place and maintain a telegraph line under, over, along, or across, and posts in or upon any immovable property, Provided that –

- a) the telegraph authority shall not exercise the powers conferred by this section except for the purposes of a telegraph established or maintained by the [Central Government], or to be so established or maintained;
- b) **the [Central Government] shall not acquire any right other than that of user only** in the property under, over, along, across in or upon which the telegraph authority places any telegraph line or post; and
- c) except as hereinafter provided, the telegraph authority shall not exercise those powers in respect of any property vested in or under the control or management of any local authority, without the permission of that authority; and
- d) **in the exercise of the powers conferred by this section, the telegraph authority shall do as little damage as possible, and, when it has exercised those powers in respect of any property other than that referred to in clause (c), shall pay full compensation to all persons interested for any damage sustained by them by reason of the exercise of those powers."**

1.5 As the "damages" have not been defined in the said Acts, licensees, in past, used to pay compensation for the damages caused to crops/ trees and structures. However, the land owners/farmers are now demanding the cost of land for tower base as well as cost diminution of land value in the corridor area due to laying of transmission

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 these 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.**

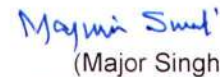
IN WITNESS WHEREOF, the undersigned being duly authorized thereto have signed this Report of the Committee for payment of compensation in regard to Right of Way (RoW) for transmission lines.



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



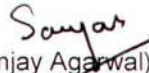
(Jyoti Arora)
Member of the Committee
Joint Secretary (Trans.)
Ministry of Power.



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



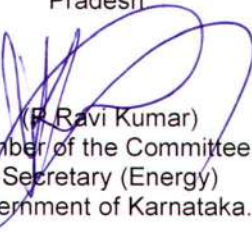
(I.C.P. Keshari)
Member of the Committee
Principal Secretary (Energy)
Government of Madhya
Pradesh.



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



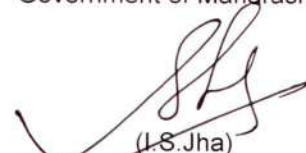
(Mukesh Khullar)
Member of the Committee
Principal Secretary (Energy)
Government of Maharashtra.



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



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



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

F. No. 7-25/ 2012-FC
Government of India
Ministry of Environment and Forests
(FC Division)

Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi - 110 510
Dated: 5th May, 2014

To

The Principal Secretary (Forests),
All State / Union Territory Governments

Sub: Guidelines for diversion of forest land for non-forest purposes under the Forest (Conservation) Act, 1980- Guidelines for laying transmission lines through forest areas - *reg.*

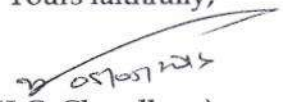
Sir,

I am directed to say that the Hon'ble National Green Tribunal in their Order dated 7th March 2012 in the Appeal No. 10 of 2012 in the matter of Janajagarithi Samiti (Regd.) versus Union of India and Others directed this Ministry to take steps and notify the detailed fresh guidelines for laying transmission lines through forest area, incorporating necessary changes to mitigate the difficulties which arise during granting forest clearance.

Accordingly, this Ministry in consultation with the Central Electricity Authority formulated revised guidelines for laying transmission lines through forest areas. A copy of the same is enclosed.

Encl.: As above.

Yours faithfully,

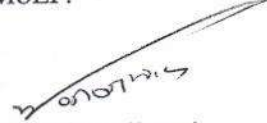

(H.C. Chaudhary)

Assistant Inspector General of Forests

Copy along with a copy of the said guidelines to:-

1. Prime Minister's Office (*Kind attn.:* Shri Santosh D. Vaidya, Director).
2. Secretary, Ministry of Power, Government of India, Shram Shakti Bhawan, New Delhi.
3. Principal Chief Conservator of Forests, all State/UT Governments.
4. Nodal Officer, the Forest (Conservation) Act, 1980, all State/UT Governments.
5. All Regional Offices, Ministry of Environment & Forests (MoEF), Government of India (GoI).
6. Joint Secretary in-charge, Impact Assessment Division, MoEF, GoI
7. All Assistant Inspector General of Forests/ Director in the Forest Conservation Division, MoEF, GoI.

8. Director R.O. (HQ), MoEF, GoI.
9. Sr. Director (Technical), National Informatics Centre (NIC), MoEF with a request to place a copy of the letter on website of this Ministry.
10. Sr. PPS to the Secretary, Environment and Forests.
11. Sr. PPS to the Director General of Forests & Special Secretary, MoEF.
12. Sr. PPS to the Addl. Director General of Forests (Forest Conservation), MoEF.
13. PS to the Inspector General of Forests (Forest Conservation), MoEF.
14. Guard File.


(H.C. Chaudhary)
Assistant Inspector General of Forests

GUIDELINES FOR LAYING TRANSMISSION LINES THROUGH FOREST AREAS

1. Where routing of transmission lines through the forest areas cannot be avoided, these should be aligned in such a way that it involves the least amount of tree cutting
2. As far as possible, the route alignment through forest areas should not have any line deviation.
3. (i) The width of right of way for the transmission lines on forest land shall be as follows:

Transmission Voltage	Width of Right of Way (Meter)
11kV	7
33 kV	15
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

- (ii) In forest areas, only vertical delta configuration of 400 kV S/C and delta configuration of 765 kV S/C shall be permitted.
4. (i) Below each conductor or conductor bundle, following width clearance would be permitted for stringing purpose:

Transmission line with conductor bundle	Width clearance below each conductor or conductor bundle (meter)
Upto 400kV twin bundle	3

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400 kV triple bundle	5
400 kV +/- 500 kV HVDC / 765 kV Quadruple bundle	7
+/- 800 kV HVDC / 765 kV hexagonal bundle	10

- (ii) The trees on such strips would have to be felled but after stringing work is completed, natural regeneration will be allowed to come up. Felling/ pollarding/ pruning of trees will be done with the permission of the local forest officer wherever necessary to maintain the electrical clearance. One outer strip shall be left clear to permit maintenance of the transmission line.
- (iii) During construction of transmission line, pollarding/ pruning of trees located outside the above width of the strips, whose branches/ parts infringe with conductor stringing, shall be permitted to the extent necessary, as may be decided by local forest officer.
- (iv) Pruning of trees for taking construction/stringing equipments through existing approach/access routes in forest areas shall also be permitted to the extent necessary, as may be decided by local forest officer. Construction of new approach/access route will however, require prior approval under the Act.
- (v) In the remaining width of right of way trees will be felled or lopped to the extent required, for preventing electrical hazards by maintaining the following:

Transmission Voltage	Minimum clearance between conductor and trees (Meters)
11 kV	2.6
33 kV	2.8
66 kV	3.4
110 kV	3.7
132 kV	4.0
220 kV	4.6
400 kV	5.5
+/- 500 kV HVDC	7.4
765 kV	9.0
+/- 800 kV HVDC	10.6
1200 kV	13.0

- (vi) The maximum sag and swing of the conductors are to be kept in view while

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working out the minimum clearance mentioned as above.

- (vii) To avoid any hazard, felling/cutting/pruning of those trees which because of their height /location may fall on conductors shall also be permitted, as may be decided by local forest office.
 - (viii) In the case of transmission lines to be constructed in hilly areas, where adequate clearance is already available, trees will not be cut except those minimum required to be cut for stringing of conductors.
 - (ix) In case of transmission lines passing through National Parks, Wildlife Sanctuaries and Wildlife Corridors, insulated conductors shall only be used to prevent electrocution of animals.
5. Where the forest growth consists of coconut groves or similar tall trees, widths of right of way greater than those indicated at Sl. No.3 may be permitted in consultation with CEA.

Sl. No. 3

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

Dated, 15th April, 2015

To,

As per distribution list.

Sir,

Subject.- Constitution of the Committee for finalization of compensation in regard to Right of Way for transmission lines.

I am directed to inform that during the Power Ministers' Conference held on 9th and 10th April, 2015 at Guwahati with States/UTs, it has *inter alia* been decided to constitute a Committee under the chairmanship of Shri R.N.Choubey, Special Secretary, Ministry of Power to analyse the issues relating to Right of Way for laying of transmission lines in the country and to suggest a uniform methodology for payment of compensation on this account.

2. Accordingly, a Committee is hereby constituted with the following composition:-

1. Shri R.N. Choubey, Special Secretary, Ministry of Power - Chairman
2. Chairperson, Central Electricity Authority.
3. Principal Secretary/ Secretary (Energy), Madhya Pradesh.
4. Secretary/ Principal Secretary (Energy), U.P.
5. Secretary/Principal Secretary (Energy), Maharashtra
6. Secretary/Principal Secretary (Energy), Karnataka
7. Secretary/Principal Secretary (Energy), Kerala
8. Joint Secretary (Trans), Ministry of Power
9. CMD/Director (Projects), PGCIL.
10. Shri K.K.Arya, Chief Engineer (SP&PA), CEA - Convener & Member Secretary

3. Representative from EPTA (Electric Power Transmission Association) may also be called as a special invitee as and when required.

4. The Committee shall meet once in a week and submit the report within a month. The first meeting of the Committee shall be held at 3.00 pm on 20.4.2015. You are, therefore, requested to attend the meeting in NPMC Room 2nd Floor, Shram Shakti Bhavan, New Delhi.

Jyoti Arora
(Jyoti Arora)

Joint Secretary (Trans)
Tele: 011-2371 0389

To

1. Chairperson, Central Electricity Authority, New Delhi
2. Principal Secretary/ Secretary (Energy), Madhya Pradesh.
3. Principal Secretary/ Secretary (Energy), U.P.
4. Principal Secretary/ Secretary (Energy), Maharashtra
5. Principal Secretary/ Secretary (Energy), Karnataka
6. Principal Secretary/ Secretary (Energy), Kerala
7. CMD/Director (Projects), PGCIL.
8. Shri K.K.Arya, Chief Engineer, Chief Engineer (SP&PA), CEA, New Delhi.

Copy to Sr PPS to SS (RNC)/ JS(Trans) / Director (Trans)/ US (Trans).

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

Dated, 30th April, 2015

Office Memorandum

Sub : Minutes of the meeting held on 20.04.2015 under the chairmanship of Shri R.N. Choubey, Special Secretary, Ministry of Power regarding finalization of compensation in regard to Right of Way for transmission lines.

Ref : Ministry of Power letter of even number dated 15.4.2015 from Joint Secretary(Trans), Ministry of Power, New Delhi.

The undersigned is directed to forward herewith a copy of the minutes of meeting taken by Shri R.N. Choubey, Special Secretary, Ministry of Power on 20.4.2015 on the above mentioned subject, for information and necessary action, if any.

SL

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To

1. Chairperson, Central Electricity Authority, New Delhi
2. Principal Secretary/ Secretary (Energy), Madhya Pradesh.
3. Principal Secretary/ Secretary (Energy), U.P.
4. Principal Secretary/ Secretary (Energy), Maharashtra
5. Principal Secretary/ Secretary (Energy), Karnataka
6. Principal Secretary/ Secretary (Energy), Kerala
7. CMD/Director (Projects), PGCIL.
8. Shri K.K.Arya, Chief Engineer, Chief Engineer (SP&PA), CEA, New Delhi.

Copy to Sr PPS to SS (RNC)/ JS(Trans) / Director (Trans)/ US (Trans).

Minutes of the meeting taken by Shri R.N. Choubey, Special Secretary, Ministry of Power (MoP) on 20.4.2015 regarding finalization of compensation in regard to Right of Ways (RoW) for transmission line

List of participant is given at Annex-I.

2. Special Secretary, MoP welcomed the participants and informed that the issue of Right of Ways and its compensation was recently discussed in Power Ministers' Conference held at Guwahati on 9-10th April, 2015 and it was desired to resolve the issue at the earliest. He requested Director (Projects), PGCIL to present brief on the issue.
3. Director(Projects), PGCIL explained the process followed by POWERGRID and other Licensees in respect of compensation for damages reported during the construction of Transmission Lines. He also explained the difficulties faced by POWERGRID in more or less all the States regarding inadequacy of compensation and severe resistance posed by Land Owners/Farmers which is affecting implementation/ commissioning of many important lines in Maharashtra, U.P, Karnataka, Andhra Pradesh, Kerala etc.
4. He also explained that the problem is aggravated because the provisions of Indian Telegraph Act, 1885 are followed for compensation. The provision of the said Act provides that all damages have to be compensated but there is no specific procedure or definition of damages. This ambiguity have been interpreted differently by various courts and DMs/DCs who has ordered compensation for tower base as well as diminishing land value for Corridor. Such orders of different DMs/DCs are also in variance from each other and the difference in compensation cost also varies greatly.
5. He further stated that due to above referred reasons, POWERGRID has approached Attorney General of India (AG) for his opinion on the definition of damages and possibility of payment of compensation towards corridor.
AG opined the following:
 - "In my view, it is logical to hold that the land underneath the legs of the tower (permanently fixed to the earth) is permanently lost by the owner. Even though those pieces of land are not required for acquisition and the ownership remains with the owner yet all incidence of the ownership, enjoyment and free use of those pieces of land becomes severely

restricted. In such case, compensation ought to be as near as the present value of the land. The compensation of land under the corridor is entirely different. Such land is conveniently usable for agriculture. However, there would be of course diminution of land value due to placing of line over it with certain restriction on land use as brought out in para 9 (In case of Agricultural land, it may have restriction for placing tall trees, pump house and future prospects in corridor area. In case of Residential and Commercial plot, there will be severe restriction to meet the safety guidelines) and also any future prospects for usage other than agriculture. The usage of such land/cost may vary depending upon its location in urban or rural area. The compensation for such diminution in land value for the line corridor is also payable to land owners, quantum of which should commensurate to the damage depending upon the type/location of land and its intended/recorded land use.

- In case of Residential / Industrial area, there is severe restriction on usage for safety of human life & electrical clearance hence compensation need to be commensurate with the damages.
- I am also of the considered view that due to case specific nature of valuation of compensation, State has vested such powers with District Authorities. However, the Authorities have to take a balance view considering intended purpose and reasons mentioned above."

6. Secretary (Energy), Karnataka stated that securing the Right of Way for transmission projects of 66KV and above is getting difficult in recent times. This is more so in the areas which are closer to urban areas and in lands where horticulture and plantation crops are grown. Taking shelter under the Indian Telegraph Act, 1885 may not be correct now when the land prices have become very high. Once a transmission line is drawn across the land, there are number of restrictions in the corridor and additionally the land around would lose its value.

7. In the case of Livisha Vs.KSEB (2007) etc, the Hon'ble Supreme Court has talked about compensating diminution of the value of land and payment of compensation. States like Kerala, Maharashtra and Andhra Pradesh have passed orders for compensation of land for the corridor under the transmission lines. Government of Karnataka is proposing compensation to the extent of 50% of the value for agricultural land in rural areas and 75% of the value for non-agricultural properties in urban areas. In addition, 100% of the cost of the land in the tower footing area is proposed to be paid.

8. In case the transmission lines are drawn in Forest land, the transmission utility has to pay cost of afforestation, cost for environmental protection works in the corridor

and also provide to the Forest Dept. land for compensatory afforestation equal to the land diverted for transmission corridor.

9. Since a number of Transmission projects under the TBCB route are being taken up, it may be better to discuss the issue with private developers and major contractors also. Therefore, this is a strong case for payment of compensation for the Right of Way for laying transmission lines. Necessary legal framework has to be built for the payment of compensation. Amendment to the Indian Telegraph Act/Electricity Act is necessary.

10. Principal Secretary (Power), U.P was of the view that compensation falls under the preview of State and it should be left to the concerned State to formulate the policy. He has informed that as per his experience, 90 to 95% POWERGRID lines are completed without such resistance and it is in the 5% that the problem of farmer resistance and compensation is experienced.

11. Secretary (Power), Kerala stated as under:

- Considering the high land cost, perceived and actual fall in land value consequent to the drawing of transmission lines, and fragmented nature of land holdings with individuals having only 15-20 percent of land, acquiring right of way with the present level of compensation is impractical.
- It is also submitted that RoW sought is almost three times the distance between conductor tips. For Kochi - Edamon line the tip to tip conductor spacing is only 16m, whereas the RoW sought is at a width of 45 m. This needs to be technically reviewed and possibility of adoption of technology to reduce the land requirements need to be seriously explored.
- If this can be done and the total land requirement brought down by 50%, obviously the issues are also reduced by 50%.
- For the reduced land required, tower standing area may be given full compensation as if it is acquired. For the land below the conductors, a reasonable proportion of market value may be provided. Depending on local conditions, any enhancement above this would have to be provided by the state government, but the decision in this regard would have to be taken in a time bound manner.
- Rather than restricting the compensation to a down payment, if an annuity payment can be offered, say by having a 5 to 10 paise as a transmission surcharge per unit of power transmitted and apportioning the same to all the landholders along the RoW, the issue of perceived reduction of land value can be addressed.

- The possibility of setting up solar panel underneath the transmission lines and sharing part of the revenue to landowners may be considered, especially since the evacuation of power through the land under RoW is much easier.
- CEA may compile a list of permissible activities that can be taken up in the land below the conductors and in the buffer area beyond the conductor tips, which can be taken up by other departments/ state governments. For instance can we have roads constructed along the buffer zone, which will invariably increase the land value.

12. MD, MPPTCL stated that as per Indian Electricity Act and Rules in vogue, the cost of keeping dedicated corridor of transmission line along EHV transmission line works out to 100% to 115% of cost of line based on rate of land including irrigated, non-irrigated, barren etc. as per guidelines issued by Collector. Depending on area, where the EHV transmission line is passing and cost of land, this cost shall vary. In case only the area under Transmission line towers is considered for compensation, then the cost of land for area under the towers works out to 1.5% to 2.5% of cost of transmission lines (**Statement –I attached**).

13. Keeping above in view, the compensation of complete corridor along the transmission lines shall result in large increase in cost of transmission line. Keeping separate corridor for EHV transmission line may also result in non-utilization of land in the corridor for fruitful purposes and there could be chances of encroachment in the land of the corridor after construction of the transmission lines. The transmission tariff for Transmission Companies is on cost plus basis and the transmission charges are ultimately payable by the consumer of the state. Additional cost for dedicated corridor along the transmission line shall result in large burden on the consumers.

14. In view of above, MPPTCL proposed that compensation payment for RoW could be given to farmers for installation of tower (i.e. only area for tower base) by the transmission company based on guidelines of the Collector. This shall help the farmer to get cost of land used for erection of tower, as the farmer is not able to utilize the land at tower location for farming and agriculture purposes. The farmers are currently getting compensation for crop during the erection of transmission line, based on estimation by revenue authorities and the crop compensation may be continued.

15. Principal Secretary, Govt of Maharashtra informed that in the state of Maharashtra using powers u/s 67(2) of the Electricity Act, Maharashtra Electricity Work of Licencees Rules, 2012 have been notified. These rules mandate the distribution and the transmission licencees to carry out works to lay down overhead or underground electric supply lines over any land or building. Collector is authorized to remove any obstacles coming in the way of execution of work. Collector has to settle the amount of compensation to be paid by licencees to the land owner. There is power given to State Electricity regulatory commission to revise the order of the Collector in case a representation is made to it by any aggrieved party.

16. MD, Mahatransco informed that it was not possible for Collector to award compensation without any specific directions or formula for working out the amount. State Government had issued an order that guides the settlement of award. But, the farmers were demanding much higher compensation than that fixed in the Government order. He said that a uniform compensation policy should be in place across States. He proposed that full cost of the land coming under the transmission towers should be awarded to the farmers and that for the corridor 10% of the land cost should be awarded. Cost could be determined as per the ready reckoner created for registration purpose.

17. Principal Secretary, Maharashtra suggested that at the Central level a uniform policy should be in place in terms of fixed percentages of market value of the land under Transmission towers and under Corridor. State could set up a Committee to settle the compensation especially in urban areas for which an appropriate mechanism for monetizing the Transfer of Development Rights (TDRs) could be developed for the cost payable by the Licencees to the State Government.

18. Principal Secretary(Power), Maharashtra further stated that progress of many transmission projects in Maharashtra has been affected due to severe FoW issues particularly in Western Maharashtra and land owners have been demanding exorbitant compensation. Therefore, there is a need for review of provision of compensation given in Electricity Act, 2003 as only crop compensation is being paid.

19. Chairperson, CEA stated that there should be uniformity in compensation paid for RoW issues in rural as well as urban area to avoid any dispute.

20. Special Secretary, MoP desired to call private developer separately to discuss the compensation issue and advised PGCIL to prepare a note on policy and practice being followed by each State for paying the compensation towards damages and formulate norms for land compensation alongwith crop compensation. CEA was advised to identify possibility to reduce the transmission corridor width as per international practice.

21. The meeting ended with a vote of thanks to the chair.

STATEMENT-I

RoW Cost for 220 KV Ashta Indore-II line in MP

(A) **ROW cost for dedicated corridor all along Transmission Line :**

Sl. No.	Particular	Quantity
1	Length of line	99.69 Kms
2	Width of line for ROW corridor	35 M
3	Total land in ROW along the line	$(99.69 \times 1000 \times 35) / 10,000$ = 348.9 hectare.
4	Average rate of land including irrigated, non irrigated, barren etc.	Rs. 16 Lacs per hectare
5	Total value of Land for Corridor	348.9×16 Lacs = 55.82 Cr.
6	Estimated cost of Line	56.03 Cr.
7	Percent age of compensation against estimated cost of Line	99.63%

(B) **ROW cost for Tower area for Transmission Line :**

Sl. No.	Particular	Quantity
1	No. of Tower location 320 Location of 150 * sq.mtr area at base of tower	48000 sq.mtr or 4.8 Hectare
2	Cost of Land	16 Lacs/ Hectare
3	Total value of land at tower base	76.8 Lacs
4	Estimated cost of line	Rs. 56.03 Crore
5	Percentage of compensation against estimated cost	1.5%

*based on average base area of different type of towers

Annex-I

Date/time of the meeting: 20.04.2015 at 4.30 pm

Venue: Ministry of Power, NPMC Room, Shram Shakti Bhawan, New Delhi-110001.

List of Participants

Ministry of Power

1. Shri R.N. Choubey Special Secretary (Power) - In the chair
2. Shri S. Venkateshwarlu, Under Secretary (Trans)

Central Electricity Authority (CEA)

3. Shri Major Singh, Chairperson
Phone : 011-26102721/Email : memberplanningcea@yahoo.com
4. Shri K.K. Arya, Chief Engineer (SP&PA)
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5. Shri B.K. Arya, Chief Engineer (IC) (PSPM)
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Power Grid Corporation of India Limited (PGCIL)

6. Shri I.S. Jha, Director (Projects)
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7. Dr. R.K. Srivastava, AGM (ESMD)
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Govt. of Karnataka, Bengaluru

8. Shri P. Ravi Kumar, Secretary (Energy)
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Government of Uttar Pradesh, Lucknow

9. Shri Sanjay Agarwal, Principal Secretary (Power)
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Govt. of Maharashtra/MAHATRANSCO

10. Shri Mukesh Khullar, Principal Secretary (Energy)
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11. Shri Rajeev Kumar Mital, CMD
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Government of Kerala

12. Shri Sivasankar. M. Secretary (Power)
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Government of Madhya Pradesh/MPPTCL, Jabalpur

13. Shri Umesh Rautji, MD
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**RoW COMPENSATION
And
DIMINUTION OF LAND VALUE
DUE TO PLACING OF
TRANSMISSION LINE / TOWER
AN OVERVIEW**

LEGAL /REGULATORY FRAMEWORK FOR LAYING OF TRANSMISSION LINES

- The provisions of section 67 & 68 of the **Electricity Act, 2003** followed for laying of transmission lines and compensation thereof; ➡
- MoP vide notification dt. 18.4.2006 notified rules for all licensees for laying of transmission lines and compensation thereof; ➡
- The appropriate Govt. has been given powers under section 164 of the Electricity Act, 2003 to grant/vest powers of The Telegraph Act 1885 to licensees for laying of transmission lines too for proper coordination of works;
- Licensees vested with the powers of telegraph authority under section 164 of the Electricity act use provisions of **The Indian Telegraph Act, 1885** for placing of towers /lines and compensation; ➡
- POWERGRID vested with the powers of Telegraph Authority vide MOP's Gazette Notification dated 24.12.03 under section 164 of the Electricity Act ;
- Other licensees viz. Private Entities engaged in power transmission have also been vested with such powers after complying the laid down procedure

ISSUES AGREVATING THE PROBLEM

- Handsome Compensation by Private Entity (Licensee) for Placing Tower;
 - ✓ Licensees not covered under 164 of EA, 2003 paying mutually settled compensation to the land owner for placing tower and laying of overhead transmission in accordance with MOP notification;
- Damages its extent not defined for calculating compensation;
- Placement of towers/pylon require much larger land area (144 – 400 sq m) and increased Right of way extending from 27 meter to 69 meter for 132 kV to 800 kV HVDC line;
- Substantial increase in No. of Projects
- Restriction imposed for use of land under transmission line affect land value;
- Farmers getting united/forming joint front for enhanced bargaining power

State Policies Regarding Compensation

1. UPPCL:

- ✓ Cash assistance of **10%** (owners having >1 ha) & **20%** (owners having <1 ha.) of the registered value for the area occupied by the tower;
- ✓ In case of loss of standing crop and / trees, compensation will be paid at market value of allowed to harvest the final crop.
- Policy provisions not applied to POWERGRID and were asked to pay for both tower base @ Rs. 5 lakh for ABC type & Rs. 6 lakh for D and for 25 m wide corridor @ actual based on type of crop viz. Rs.26.57/Sq m. for S'cane.

2. APTRANSCO:

- ✓ Exgratia at the rate of Rs 3.25 per sq.mt for the area occupied by the tower;
- ✓ In case of loss of standing crop and or trees, compensation will be paid at market value as determined by the MRO/Dept of Agriculture or allowed to harvest the final crop.
- Policy provisions not applied to POWERGRID and were asked to pay for both tower base @ 60% of market value.

3. Maharashtra:

- ✓ As per classification mentioned below and land used by the tower (by not acquiring the proposed land) and as per prevailing market rate of the proposed land.

Land Classification	Type of land	Compensation to be paid
A	Non Cultivable agricultural land	25%
B	Cultivable agricultural land	50%
C	Fruit bearing agricultural land	60%
D	Non-agricultural land	65%

- Not applied to POWERGRID lines in case of Solapur-Pune, Pune-Parli lines and were asked to pay additional compensation for tower base Rs. 7.5-9 lakhs and corridor Rs. 3-4 lakh to all farmers whose land falls between two towers.

4. Chhattisgarh*:

- ✓ 50% of land cost for tower base;
- ✓ 20% of land value for corridor restricting to outer point of conductor.

* Not applicable to distribution lines.

VARIOUS COURT DIRECTIVES / JUDGMENTS

Kerala High Court in their various orders opined that owner can claim compensation for diminishing of land value subject to certain conditions.

Such judgment / orders were challenged in the Hon'ble Supreme Court (SC) and got stayed.

SC observed that there can be no fix formula or policy to arrive the rate of compensation and is of the view that each case is required to be taken on its own merit on following parameters:

- ✓ situation of land;
- ✓ distance between high voltage electricity line laid there over;
- ✓ extent of the line there on as also the fact whether the high voltage line passes over a small track of land or through the middle of the land and other similar relevant factors;
- ✓ The land value is also a relevant factor and whether the owner of the land losses its substantial right to use the property.

The case still pending with Kerala High Court for final judgment.

RECENT DEVELOPMENTS

- ✓ Government of Kerala addressing similar problem in POWERGRID lines associated with Kudankulam transmission system issued series of Government Order (G.O.) directing POWERGRID to pay compensation towards damages caused at each tower location in addition to normal crop/tree compensation and have framed a criteria for considering some percentage of prevailing land value (5 times of fair value) in the district as a basis for calculating such damages by the District Collector/Revenue Authority.
- ✓ The SC order dated May 8, 2009 in writ petition filed by a Private company against POWERGRID also deals with the issue of compensation and as per this order compensation as per the provision of Section 10'(d)' of Indian Telegraph Act, 1885 are due to land owner on whose land the tower has been placed.
- ✓ District Magistrate of Kutch, Gujarat on representation of affected persons ordered POWERGRID to pay addl. Compensation vide its order dt.25.03.10 @ of Rs. 1 lakh for A type tower, Rs.1.10 lakh for B type tower, Rs. 1.25 lakh for C type of tower and Rs. 1.40 lakh for D type of tower for lines associated with Mundra UMPP.

RECENT DEVELOPMENTS

- ✓ Collector Visakhapatnam, Andhra Pradesh vide its order dt. 21.10.10 has awarded to land owners an additional compensation towards land damages @ 60% of basic land value considering that such damages are covered under damages as contained in the Section 10'(d)' of Indian Telegraph Act, 1885.
- ✓ District Magistrate, Nellore vide order dated 24.08.2013 for 400 KV D/c Vijaywada-Nellore and Nellore-Thiruvallam transmission line fixed compensation amount Rs. 3,50,000 per tower location to farmers in Nellore district for all towers of 400/765 kV lines
- ✓ DC, South District, Sikkim ordered for payment of complete land value and surface damages as compensation and levied 35 years value of yield as compensation towards crop damages and 8 years yield for fruit bearing trees
- ✓ District Magistrate, Tumkur vide order dated 08.07.2014 for tower base:

Category of tower Structure	Compensation Amount Decided
Category A	Rs. 2.25 lakhs
Category B	Rs. 2.50 lakhs
Category C	Rs. 3.00 lakhs
Category D	Rs. 4.00 lakhs

- ✓ The additional compensation of Rs. 2.00 Lakh per acre each to land owners for damages to land during stringing;
- ✓ Different rates for trees with 10% exgratia.

RECENT DEVELOPMENTS

✓ **District Magistrate, Ranga Reddy vide** order dt.08.08.2014 for 400 KV D/C Suryapet - Shankarpally line of TRANSCO with following compensation:

A. For Tower base:

Type of Land	Category-I Area of damage up to 350 sq. yds. (A, B & C Type tower)	Category-II Area of damage above 350 sq. yds. (D Type tower)
a) Land facing to Highways, (up to 0.5 km distance). b) Nearer to the Housing layouts/Indl.Areas/ Commercially developed Areas. c) Land through which more than one transmission line is passing Rate @Rs. 1000/- per sq. yds.	Rs. 3.5 lakh per tower	Rs. 4.5 lakh per tower
Interior Lands (All other lands) Rate@Rs. 700 per sq.yds.	Rs. 2.45 lakh per tower	Rs. 3.15 lakh per tower

B. For line Corridor:

Damage in 20 meter (10 meters on either side from the centre of the line), at Rs. 60 per sq. meter

OPINION OF ATTORNEY GENERAL OF INDIA

- It is logical to hold that the land underneath the legs of the tower (permanently fixed to the earth) is permanently lost by the owner. Even though those pieces of land are not required for acquisition and the ownership remains with the owner yet all incidence of the ownership, enjoyment and free use of those pieces of land becomes severely restricted. In such case, compensation ought to be as near as the present value of the land.
- The compensation of land under the corridor is entirely different. Such land is conveniently usable for agriculture. However, there would be of course diminution of land value due to placing of line over it with certain restriction on land use and also any future prospects for usage other than agriculture. The compensation for such diminution in land value for the line corridor is also payable to land owners, quantum of which should commensurate to the damage depending upon the type/location of land and its intended/recorded land use.
- In case of Residential / Industrial area, there is severe restriction on usage for safety of human life & electrical clearance hence compensation need to be commensurate with the damages.

PROPOSAL OF POWERGRID

- Provisions of act provides compensation only towards damages and there is no mention for compensation towards diminution of land value explicitly though it is a reality;
 - In absence of clarity and notified procedures, the provisions of existing acts are being differently interpreted by concerned DC/Revenue Authorities that too varies/fluctuate heavily thus causing unrest and delay in resolving RoW issue resulting in delay;
 - POWERGRID in order to resolve this issue in line with AG's opinion proposes that MoP by amending rules framed under section 67 of EA act may provide for a following standard minimum compensation to be paid by all licensee
 - shall pay 100% cost of land for tower base area as compensation based on the market rate as ascertain by the local Revenue Authorities;
 - shall also pay 10% land value* (of ascertained rate) for line corridor (RoW) towards land value diminution;
 - The respective DC/DM or their authorized representatives shall complete above evaluation of compensation within 30 days.
- * In case enhanced demand by land owners the respective State may review it and if found justified may pay from own resources directly as has been agreed by the State of Kerala.

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10% Compensation @ 15 Lakhs/ acre (Mostly agricultural land in rural setting)

Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comp'tion cost for tower base/ km (Rs. in Lakh)	Compensati on cost for RoW Corridor (Rs. in Lakh)	Total addl. Comp'tion for 1 km (T base & Corridor) (Rs. in Lakh)	Additional Compensati on for 100 km line (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tariff
400 KV D/c Twin	140	25.2	15 X 0.172 = 2.58	11.19 X 1.5 = 16.785	2.58 + 16.785 = 19.365	1936.5	159.36	28.68	13.8%
400 KV D/c Quad	250	45	15 X 0.172 = 2.58	11.19 X 1.5 = 16.785	2.58 + 16.785 = 19.365	1936.5	269.36	48.48	7.7%
400 KV D/c HTLS	340	61.2	15 X 0.172 = 2.58	11.19 X 1.5 = 16.785	2.58 + 16.785 = 19.365	1936.5	359.36	64.68	5.68%
765 KV D/c	458	82.44	15 X 0.414 = 6.21	16.135 X 1.5 = 24.2025	6.21 + 24.2025 = 30.4125	3041.25	488.41	87.91	6.63%
Voltage		Land area for tower base per km (1 Acre = 4047 Sq. m.)			Total RoW Corridor: area required for 1 km line (1 ha. = 2.47 Acres)				
400 KV D/c		2.5 X 278.89 = 697.225 Sq. m. = 0.172 Acres			4.6 X 1 = 4.6 ha = 11.362 Acres				
765 KV D/c		2.5 X 670.81 = 1677.025 Sq. m. = 0.414 Acres			6.7 X 1 = 6.7 ha = 16.549 Acres				

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10%									
Compensation @ 25 Lakhs/ acre (Mostly Urban/Semi-urban land near Cities/Towns)									
Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comp'tion cost for tower base/ km (Rs. in Lakh)	Compensati on cost for RoW Corridor (Rs. in Lakh)	Total addl. Comp'tion for 1 km (T base & Corridor) (Rs. in Lakh)	Additional Compensati on for 100 km line (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tariff
400 KV D/c Twin	140	25.2	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	$4.3 + 27.975 = 32.275$	3227.5	172.28	31.01	23.1%
400 KV D/c Quad	250	45	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	$4.3 + 27.975 = 32.275$	3227.5	282.28	50.81	12.9%
400 KV D/c HTLS	340	61.2	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	$4.3 + 27.975 = 32.275$	3227.5	372.28	67.01	9.49%
765 KV D/c	458	82.44	$25 \times 0.414 = 10.35$	$16.135 \times 2.5 = 40.337$	$10.35 + 40.337 = 50.6875$	5068.75	508.69	91.56	11.06%

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10%									
Compensation @ 50 Lakhs/ acre (Mostly Urban land near Big Cities/Metro Towns)									
Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comp'tion cost for tower base/ km (Rs. in Lakh)	Compensati on cost for RoW Corridor (Rs. in Lakh)	Total addl. Comp'tion for 1 km (T base & Corridor) (Rs. in Lakh)	Additional Compensati on for 100 km line (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tariff
400 KV D/c Twin	140	25.2	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	6455	3227.5	204.55	36.82	46.1%
400 KV D/c Quad	250	45	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	6455	3227.5	314.55	56.62	25.8%
400 KV D/c HTLS	340	61.2	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	6455	3227.5	404.55	72.82	18.99%
765 KV D/c	458	82.44	$16.135 \times 5 = 80.675$	$20.7 + 80.675 = 101.375$	10137.5	5068.75	559.39	100.68	22.12%

THANKS

**PROVISIONS OF ELECTRICITY ACT, 2003 Part-VIII,
SECTION 67 & 68**

Section 67 (3-5):

Quote:

- (3) A licensee shall, in exercise of any of the powers conferred by or under this section and the rules made thereunder, **cause as little damage, detriment and inconvenience as may be, and shall make full compensation** for any damage, detriment or inconvenience caused by him or by any one employed by him.
- (4) Where any difference or dispute [including amount of compensation under sub-section (3)] arises under this section, the matter shall be determined by the Appropriate Commission.
- (5) The Appropriate Commission, while determining any difference or dispute arising under this section in addition to any compensation under sub-section (3), may impose a penalty not exceeding the amount of compensation payable under that sub-section.

Section 68 (5 & 6):

(5) Where any tree standing or lying near an overhead line or where any structure or other object which has been placed or has fallen near an overhead line subsequent to the placing of such line, interrupts or interferes with, or is likely to interrupt or interfere with, the conveyance or transmission of electricity or the accessibility of any works, **an Executive Magistrate or authority specified by the Appropriate Government may, on the application of the licensee, cause the tree, structure or object to be removed or otherwise dealt with as he or it thinks fit.**

(6) When disposing of an application under sub-section (5), an Executive Magistrate or authority specified under that sub-section shall, in the case of any tree in existence before the placing of the overhead line, award to the person interested in the tree **such compensation as he thinks reasonable, and such person may recover the same from the licensee.**

Explanation. - For purposes of this section, the expression "tree" shall be deemed to include any shrub, hedge, jungle growth or other plant.

Unquote.



**GOVERNMENT OF INDIA
MINISTRY OF POWER**

New Delhi, the 18th April 2006.

NOTIFICATION

G.S.R 217(E). - In exercise of the powers conferred by clause (e) of sub-section (2) of section 176 read with sub-section (2) of section 67 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules regarding the works of licensees, namely :-

1. Short title and commencement- (1) These rules may be called the Works of Licensees Rules, 2006.

2. Definitions- (1) In these rules unless the context otherwise requires-

- (a) "The Act" means the Electricity Act, 2003;
- (b) "occupier" of any building or land means a person in lawful occupation of that building or land.

(2) All other words and expression used herein and not defined in these rules, shall have the meanings respectively assigned to them in the Act.

3. Licensee to carry out works.- (1) A licensee may -

- (a) carry out works, lay down or place any electric supply line or other works in, through, or against, any building, or on, over or under any land whereon, wherever or whereunder any electric supply-line or works has not already been lawfully laid down or placed by such licensee, with the prior consent of the owner or occupier of any building or land;

(b) fix any support of overhead line or any stay or strut required for the purpose of securing in position any support of an overhead line on any building or land or having been so fixed, may alter such support:

(2) When making an order under sub-rule (1), the District Magistrate or the Commissioner of Police or the officer so authorised, as the case may be, shall fix, after considering the representations of the concerned persons, if any, **the amount of compensation or of annual rent, or of both, which should in his opinion be paid by the licensee to the owner or occupier.**

(3) Every order made by a District Magistrate or a Commissioner of Police or an authorised officer under sub-rule (1) shall be subject to revision by the Appropriate Commission.

(4) **Nothing contained in this rule shall effect the powers conferred upon any licensee under section 164 of the Act.**



PROVISIONS OF TELGRAPH ACT FOR COMPENSATION:

The Indian Telegraph Act, 1885, Part-III, Section 10:

Quote:

10. Power for telegraph authority to place and maintain telegraph lines and posts –
The telegraph authority may, from time to time, place and maintain a telegraph line under, over, along, or across, and posts in or upon any immovable property:
Provided that –

(a) the telegraph authority shall not exercise the powers conferred by this section except for the purposes of a telegraph established or maintained by the [Central Government], or to be so established or maintained;

(b) the [Central Government] **shall not acquire any right other than that of user only** in the property under, over, along, across in or upon which the telegraph authority places any telegraph line or post; and

(c) except as hereinafter provided, the telegraph authority shall not exercise those powers in respect of any property vested in or **under the control or management of any local authority, without the permission of that authority;** and

(d) in the exercise of the powers conferred by this section, the telegraph authority shall do as little damage as possible, and, when it has exercised those powers in respect of any property other than that referred to in clause (c), **shall pay full compensation to all persons interested for any damage sustained** by them by reason of the exercise of those powers.

Section 16:

- (1) If the exercise of the powers mentioned in section 10 in respect of property referred to in clause (d) of that section is resisted or obstructed, the **District Magistrate may, in his discretion, order that the telegraph authority shall be permitted to exercise them;**
- (2) If, after the making of an order under sub section (1), any person resists the exercise of those powers, or, having control over the property, does not give all facilities for this being exercised, he shall be **deemed to have committed an offence under section 188 of the Indian Penal Code (45 of 1860).**

Unquote.



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

Dated, 8th May, 2015

Office Memorandum

Sub : Minutes of the meeting held on 30.04.2015 under the chairmanship of Shri R.N. Choubey, Special Secretary, Ministry of Power regarding finalization of compensation in regard to Right of Way for transmission lines.

The undersigned is directed to forward herewith a copy of the minutes of meeting taken by Shri R.N. Choubey, Special Secretary, Ministry of Power on 30.4.2015 on the above mentioned subject, for information and necessary action.



(S. Venkateshwarlu)
Under Secretary (Trans)
E-mail: transdesk-rnop@nic.in
Telefax: 011-2332 5242

To

1. Chairperson, Central Electricity Authority, New Delhi
2. Principal Secretary/ Secretary (Energy), Madhya Pradesh.
3. Principal Secretary/ Secretary (Energy), U.P.
4. Principal Secretary/ Secretary (Energy), Maharashtra
5. Principal Secretary/ Secretary (Energy), Karnataka
6. Principal Secretary/ Secretary (Energy), Kerala
7. CMD/Director (Projects), PGCIL.
8. Shri K.K.Arya, Chief Engineer, Chief Engineer (SP&PA), CEA, New Delhi.

Copy to Sr PPS to SS (RNC)/ JS(Trans) / Director (Trans)/ US (Trans).

Minutes of the meeting taken by Shri R.N. Choubey, Special Secretary, Ministry of Power (MoP) on 30.4.2015 regarding finalization of compensation in regard to Right of Ways (RoW) for transmission line

List of participant is given at Annex-I.

2. Special Secretary, MoP welcomed the participants and informed that in the last meeting held on 20.04.2015 two views were immersed 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 authority is solving the compensation issues and it will also affect the financial viability of transmission projects.

2.1 Special Secretary, MoP has requested Director (Projects), PGCIL to present brief on policy and practice being followed by the State for paying the compensation towards damages as discussed in last meeting.

3. Director (Projects), PGCIL presented a detailed presentation including Legal & Regulatory framework about the compensation, policies of various States as well as the brief on the Supreme Court order on compensation issues and various other orders of different DMs/DCs regarding compensation and interpretation of present clause(copy of presentation **attached**).

4. 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.

5. Members also discussed about the requirement of prior approval of appropriate government under Section 68(1) of Electricity Act as in their opinion all due diligence is applied during the process of grant of License.

6. PGCIL's proposal regarding full compensation for tower base and at least 10% for RoW Corridor was also discussed in detail.

7. The private entities, M/s. Sterlite and M/s.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 rate may be fixed based on voltage of line.

8. 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.

9. The Committee also 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.

.....2/-

10 Principal Secretary (Power), U.P, however, expressed his reservation and stated that payment of 100% compensation for the tower base without acquisition of land may be a difficult proposition due to ongoing complication regarding compensation under new Land Acquisition Act.

11 Principal Secretary (Power), U.P and Principal Secretary (Power), M.F 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.

12. Due to sensitivity of the proposal and its implementation by the different State Govt., it was decided that this issue may also be discussed during the forthcoming Power Secretaries meetings for wider consultation and acceptance and PCWERGRID was advised to prepare a detailed agenda note in this regard.

Date/time of the meeting: 30.04.2015 at 3.00 pm
Venue: Ministry of Power, NPMC Room, Shram Shakti Bhawan, New Delhi-110001.

List of Participants

Ministry of Power

1. Shri R.N. Choubey Special Secretary (Power) - In the chair
2. Smt. Jyoti Arora, Joint Secretary (Trans)
3. Shri Ghanshyam Prasad, Director (Trans)
4. Shri S. Venkateshwarlu, Under Secretary (Trans)

Central Electricity Authority (CEA)

5. Shri Major Singh, Chairperson
Phone : 011-26102721/Email : memberplanningcea@yahoo.com
6. Shri K.K. Arya, Chief Engineer (SP&PA)
Phone : 26102045/Email : kkarya_2003@rediffmail.com
7. Shri B.K. Arya, Chief Engineer (IC) (PSPM)
Mobile: 9868438594/Email: bkarya1664@gmail.com

Power Grid Corporation of India Limited (PGCIL)

8. Shri I.S. Jha, Director (Projects)
Phone : 0124-2571930/Email : isjha@powergridindia.com
9. Dr. R.K. Srivastava, AGM (ESMD)
Mobile : 9910378134/Email : rks@powergridindia.com

Govt. of Karnataka, Bengaluru

10. Shri P. Ravi Kumar, Secretary (Energy)
Mobile : 09448124242/Email : prs-energy@karnataka.gov.in

Government of Uttar Pradesh, Lucknow

11. Shri Sanjay Agarwal, Principal Secretary (Power)
Mobile : 09651789119/Email : sagsal50@yahoo.com
12. Shri Shrikrishna, CE(TW), Meerut
Mob:09412749801/Email : cetw@upptcl.org

Govt. of Maharashtra/MAHATRANSCO

13. Shri Rajeev Kumar Mital, CMD
Phone : 022-26591253/26595000/Fax : 022-26598595
Email :md@mahatransco.in

Government of Kerala

14. Shri Sivasankar. M., Secretary (Power)
Mobile : 09847797000/Email : sivasankar@kseb.in

Government of Madhya Pradesh/MPPTCL, Jabalpur

15. Shri I.C.P. Keshari, Principal Secretary (Energy)
Mobile : 09425234600
16. Shri R. Sethi, C.E. (Planning & Design)
Mobile : 09425805228/Email : cepts321@yahoo.com
17. Shri M.M. Dhoke, SE (PSS)
Mobile : 09425805237/Email : cepts321@yahoo.com

Sterlite Grid Limited (SGL)

18. Shri Ajay Bhardwaj, Business Head
Mobile : 9810446758
19. Shri T.A. Reddy, V.P.
Mobile: 9310490976/Email: tan.reddy@sterlite.com

Essel Infra (DMTCL)

20. Shri Sudip Dutta
Mobile : 9650516244/Email : sudipdutta@esselinfraproject.com
21. Shri Rajnish Mahajan, Essel Infra (NRSS-XXXI (B)
Mobile : 8558889504/Email : rajnish.mahajan@infra.esselgroup.com

RoW COMPENSATION And DIMINUTION OF LAND VALUE DUE TO PLACING OF TRANSMISSION LINE / TOWER AN OVERVIEW

LEGAL AND REGULATORY FRAMEWORK FOR IMPLEMENTATION OF TRANSMISSION PROJECT AND COMPENSATION.

- Prior Permission of Appropriate Govt. under **Section-68 (1)**;
- Obtain License** from Appropriate Commission under **Section 14**;
- Central Transmission Utility (CTU)** and **State Transmission Utility (STU)** are deemed to be a transmission licensee under this Act;
- The appropriate Govt. has powers under **Section 164** to grant/vest powers of The Telegraph Act 1885 to licensees for laying of transmission lines too for proper coordination of works;
- Licensees vested with the powers of telegraph authority under **Section 164** of the Electricity act use provisions of **The Indian Telegraph Act, 1885** for placing of towers /lines and compensation;
- Other licensees viz. Private Entities engaged in power transmission have also been vested with such powers after complying the laid down procedure;
- The Central Government may, by notification, make rules under **Section 176{1 & 2 (e)}** for carrying out the provisions of this Act;
 - (e) the works of licensees affecting the property of owner or occupier under sub-section (2) of section 67;


PROVISIONS OF ELECTRICITY ACT, 2003 Part-VIII, SECTION 67 & 68

Section 67 (2-5):

Quote:

(2) The Appropriate Government may, by rules made by it in this behalf, specify:

- (a) the cases and circumstances in which the consent in writing of the Appropriate Government, local authority, owner or occupier, as the case may be, shall be required for carrying out works;
- (b) the authority which may grant permission in the circumstances where the owner or occupier objects to the carrying out of works;
- (c) the nature and period of notice to be given by the licensee before carrying out works;
- (d) the procedure and manner of consideration of objections and suggestion received in accordance with the notice referred to in clause (c);
- (e) the determination and payment of compensation or rent to the persons affected by works under this section;

MoP vide notification dt. 18.4.2006 notified rules for all licensees for laying of transmission lines and compensation thereof; 

(3) A licensee shall, in exercise of any of the powers conferred by or under this section and the rules made thereunder, cause as little damage, detriment and inconvenience as may be, and shall make full compensation for any damage, detriment or inconvenience caused by him or by any one employed by him.

(4) Where any difference or dispute [including amount of compensation under sub-section (3)] arises under this section, the matter shall be determined by the Appropriate Commission

The Appropriate Commission, while determining any difference or dispute arising under this section in addition to any compensation under sub-section (3), may impose a penalty not exceeding the amount of compensation payable under that sub-section.

Section 68 (5 & 6):

(5) Where any tree standing or lying near an overhead line or where any structure or other object which has been placed or has fallen near an overhead line subsequent to the placing of such line, interrupts or interferes with, or is likely to interrupt or interfere with, the conveyance or transmission of electricity or the 36 to interrupt or interfere with, the conveyance or transmission of electricity or the accessibility of any works, an Executive Magistrate or authority specified by the Appropriate Government may, on the application of the licensee, cause the tree, structure or object to be removed or otherwise dealt with as he or it thinks fit.

- (6) When disposing of an application under sub-section (5), an Executive Magistrate or authority specified under that sub-section shall, in the case of any tree in existence before the placing of the overhead line, award to the person interested in the tree such compensation as he thinks reasonable. *and such person may recover the same from the licensee.*

Explanation. - For purposes of this section, the expression 'tree' shall be deemed to include any shrub, hedge, jungle growth or other plant.

PROVISIONS OF TELGRAPH ACT FOR COMPENSATION: COMPENSATION ISSUES ARE DEALT IN SECTION-10 OF THE ACT

The Indian Telegraph Act, 1885, Part-III, Section 10:

10. Power for telegraph authority to place and maintain telegraph lines and posts –
The telegraph authority may, from time to time, place and maintain a telegraph line under, over, along, or across, and posts in or upon any immovable property:
Provided that –
- (a) the telegraph authority shall not exercise the powers conferred by this section except for the purposes of a telegraph established or maintained by the [Central Government], or to be so established or maintained;

- (b) the [Central Government] shall not acquire any right other than that of user only in the property under, over, along, across in or upon which the telegraph authority places any telegraph line or post; and
- (c) except as hereinafter provided, the telegraph authority shall not exercise those powers in respect of any property vested in or under the control or management of any local authority, without the permission of that authority, and
- (d) in the exercise of the powers conferred by this section, the telegraph authority shall do as little damage as possible, and, when it has exercised those powers in respect of any property other than that referred to in clause (c), shall pay full compensation to all persons interested for any damage sustained by them by reason of the exercise of those powers.

Section 16:

- (1) If the exercise of the powers mentioned in section 10 in respect of property referred to in clause (d) of that section is resisted or obstructed, the **District Magistrate may, in his discretion, order that the telegraph authority shall be permitted to exercise them;**
- (2) If, after the making of an order under sub section (1), any person resists the exercise of those powers, or, having control over the property, does not give all facilities for this being exercised, he shall be **deemed to have committed an offence under section 188 of the Indian Penal Code (45 of 1860).**

ISSUES AGREVATING THE PROBLEM

- Damages its extent not defined for calculating compensation;
- Substantial increase in No. of Projects;
- Placement of towers/pylon require much larger land area (144 – 400 sq m) and increased Right of way extending from 27 meter to 69 meter for 132 kV to 800 kV HVDC line;
- Restriction imposed for use of land under transmission line affect land value;
- Farmers getting united/forming joint front for enhanced bargaining power ;
- Activist and NGOs intervention.

State Policies Regarding Compensation

1. UPPCL:

- ✓ Cash assistance of 10% (owners having >1 ha) & 20% (owners having <1 ha.) of the registered value for the area occupied by the tower;
- ✓ In case of loss of standing crop and / trees, compensation will be paid at market value of allowed to harvest the final crop.
- POWERGRID in western UP asked to pay for both tower base @ Rs. 5 lakh for ABC type & Rs. 6 lakh for D and for 25 m wide corridor still work heldup.

2. APTRANSCO:

- ✓ Exgratia at the rate of Rs 3.25 per sq.mt for the area occupied by the tower.
- ✓ In case of loss of standing crop and or trees, compensation will be paid at market value as determined by the MRO/Dept of Agriculture or allowed to harvest the final crop.
- POWERGRID asked by DM V'patnam to pay for tower base @ 60% of market value and for Vijayawada-Nellore line asked to pay huge compensation for corridor too in Vijayawada area.

3. Maharashtra:

- ✓ As per classification mentioned below and land used by the tower (by not acquiring the proposed land) and as per prevailing market rate of the proposed land.

Land Classification	Type of land	Compensation to be paid
A	Non Cultivable agricultural land	25%
B	Cultivable agricultural land	50%
C	Fruit bearing agricultural land	60%
D	Non-agricultural land	65%

- In case of Solapur-Pune, Pune-Parli lines and were asked to pay additional compensation for tower base Rs. 7.5-9 lakhs and corridor Rs. 3-4 lakh to all farmers whose land falls between two towers.

4. Chhattisgarh*:

- ✓ 50% of land cost for tower base;
- ✓ 20% of land value for corridor restricting to outer point of conductor.

* Not applicable to distribution lines.

VARIOUS COURT DIRECTIVES / JUDGMENTS

Kerala High Court in their various orders opined that owner can claim compensation for diminishing of land value subject to certain conditions.

Such judgment / orders were challenged in the Hon'ble Supreme Court (SC) and got stayed.

SC observed that there can be no fix formula or policy to arrive the rate of compensation and is of the view that each case is required to be taken on its own merit on following parameters:

- ✓ situation of land;
- ✓ distance between high voltage electricity line laid there over;
- ✓ extent of the line there on as also the fact whether the high voltage line passes over a small track of land or through the middle of the land and other similar relevant factors;
- ✓ The land value is also a relevant factor and whether the owner of the land losses its substantial right to use the property.

The case still pending with Kerala High Court for final judgment.

RECENT DEVELOPMENTS

- ✓ Government of Kerala addressing similar problem in POWERGRID lines associated with Kudankulam transmission system issued series of Government Order (G.O.) directing POWERGRID to pay compensation towards damages caused at each tower location in addition to normal crop/tree compensation and have framed a criteria for considering some percentage of prevailing land value (5 times of fair value) in the district as a basis for calculating such damages by the District Collector/Revenue Authority.
- ✓ The SC order dated May 8, 2009 in writ petition filed by a Private company against POWERGRID also deals with the issue of compensation and as per this order compensation as per the provision of Section 10'(d)' of Indian Telegraph Act, 1885 are due to land owner on whose land the tower has been placed.
- ✓ District Magistrate of Kutch, Gujarat on representation of affected persons ordered POWERGRID to pay addl. Compensation vide its order dt.25.03.10 @ of Rs. 1 lakh for A type tower, Rs.1.10 lakh for B type tower, Rs. 1.25 lakh for C type of tower and Rs. 1.40 lakh for D type of tower for lines associated with Mundra UMPP.

RECENT DEVELOPMENTS

- ✓ Collector Visakhapatnam, Andhra Pradesh vide its order dt. 21.10.10 has awarded to land owners an additional compensation towards land damages @ 60% of basic land value considering that such damages are covered under damages as contained in the Section 10'(d)' of Indian Telegraph Act, 1885.
- ✓ District Magistrate, Nellore vide order dated 24.08.2013 for 400 KV D/c Vijaywada-Nellore and Nellore-Thiruvallam transmission line fixed compensation amount Rs. 3,50,000 per tower location to farmers in Nellore district for all towers of 400/765 kV lines
- ✓ DC, South District, Sikkim ordered for payment of complete land value and surface damages as compensation and levied 35 years value of yield as compensation towards crop damages and 8 years yield for fruit bearing trees.
- ✓ District Magistrate, Tumkur vide order dated 08.07.2014 for tower base:

Category of tower Structure	Compensation Amount Decided
Category A	Rs. 2.25 lakhs
Category B	Rs. 2.50 lakhs
Category C	Rs. 3.00 lakhs
Category D	Rs. 4.00 lakhs

- ✓ The additional compensation of Rs. 2.00 Lakh per acre each to land owners for damages to land during stringing.
- ✓ Different rates for trees with 10% exgratia.

RECENT DEVELOPMENTS

- ✓ **District Magistrate, Ranga Reddy vide order dt.08.08.2014 for 400 KV D/C Suryapet - Shankarpally line of TRANSCO with following compensation:**

A. For Tower base:

Type of Land	Category-I Area of damage up to 350 sq. yds. (A, B & C Type tower)	Category-II Area of damage above 350 sq. yds. (D Type tower)
a) Land facing to Highways, (up to 0.5 km distance).	Rs. 3.5 lakh per tower	Rs. 4.5 lakh per tower
b) Nearer to the Housing layouts/Indl Areas/ Commercially developed Areas		
c) Land through which more than one transmission line is passing Rate @Rs. 1000/- per sq. yds.		
Interior Lands (All other lands) Rate@Rs. 700 per sq yds	Rs. 2.45 lakh per tower	Rs. 3.15 lakh per tower

B. For line Corridor:

Damage in 20 meter (10 meters on either side from the centre of the line), at Rs. 60 per sq. meter

OPINION OF ATTORNEY GENERAL OF INDIA

- It is logical to hold that the land underneath the legs of the tower (permanently fixed to the earth) is permanently lost by the owner. Even though those pieces of land are not required for acquisition and the ownership remains with the owner yet all incidence of the ownership, enjoyment and free use of those pieces of land becomes severely restricted. In such case, compensation ought to be as near as the present value of the land.
- The compensation of land under the corridor is entirely different. Such land is conveniently usable for agriculture. However, there would be of course diminution of land value due to placing of line over it with certain restriction on land use and also any future prospects for usage other than agriculture. The compensation for such diminution in land value for the line corridor is also payable to land owners, quantum of which should commensurate to the damage depending upon the type/location of land and its intended/recorded land use.
- In case of Residential / Industrial area, there is severe restriction on usage for safety of human life & electrical clearance hence compensation need to be commensurate with the damages.

PROPOSAL OF POWERGRID

- ❑ Provisions of act provides compensation only towards damages and there is no mention for compensation towards diminution of land value explicitly though it is a reality;
 - ❑ In absence of clarity and notified procedures, the provisions of existing acts are being differently interpreted by concerned DC/Revenue Authorities that too varies/fluctuate heavily thus causing unrest and delay in resolving RoW issue resulting in delay;
 - ❑ POWERGRID in order to resolve this issue in line with AG's opinion proposes that MoP by amending rules framed under section 67 of EA act may provide for a following standard minimum compensation to be paid by all licensee
 - 100% cost of land for tower base area as compensation based on the market rate as ascertain by the local Revenue Authorities;
 - Certain % say 10% land value* (of ascertained rate) for line corridor (RoW) towards land value diminution;
 - The respective DC/DM or their authorized representatives shall complete above evaluation of compensation within 30 days.
- * In case enhanced demand by land owners the respective State may review it and if found justified may pay from own resources directly as has been agreed by the State of Kerala.

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10% Compensation @ 15 Lakhs/ acre (Mostly agricultural land in rural setting)

Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comp'n cost for tower base/ km (Rs. in Lakh)	Compensation cost for RoW Corridor (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tariff
400 KV D/c Twin	140	25.2	$15 \times 0.172 = 2.58$	$11.19 \times 1.5 = 16.785$	159.36	28.66	13.8%
400 KV D/c Quad	250	45	$15 \times 0.172 = 2.58$	$11.19 \times 1.5 = 16.785$	269.36	48.48	7.7%
400 KV D/c HTLS	340	61.2	$15 \times 0.172 = 2.58$	$11.19 \times 1.5 = 16.785$	359.36	64.68	5.68%
765 KV D/c	458	82.44	$15 \times 0.414 = 6.21$	$16.135 \times 1.5 = 24.2025$	488.41	87.91	6.63%
Voltage	Land area for tower base per km (1 Acre = 4047 Sq. m.)		Total RoW Corridor area required for 1 km line (1 ha. = 2.47 Acres)				
400 KV D/c	$2.5 \times 278.89 = 697.225$ Sq. m = 0.172 Acres.		$4.6 \times 1 = 4.6$ ha = 11.362 Acres.				
765 KV D/c	$2.3 \times 670.81 = 1677.023$ Sq. m = 0.414 Acres.		$6.7 \times 1 = 6.7$ ha = 16.549 Acres.				

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10%
Compensation @ 25 Lakhs/ acre (Mostly Urban/Semi-urban land near Cities/Towns)

Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comption cost for tower base/ km (Rs. in Lakh)	Compensation cost for RoW Corridor (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tar ff
400 KV D/c Twin	140	25.2	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	172.28	31.01	23.1%
400 KV D/c Quad	250	45	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	282.28	50.81	12.9%
400 KV D/c HTLS	340	61.2	$25 \times 0.172 = 4.3$	$11.19 \times 2.5 = 27.975$	372.28	67.01	9.49%
765 KV D/c	458	82.44	$25 \times 0.414 = 10.35$	$16.135 \times 2.5 = 40.337$	508.69	91.56	11.06%

Impact on tariff due to Tower Base & RoW Corridor Compensation @ 10%
Compensation @ 50 Lakhs/ acre (Mostly Urban land near Big Cities/Metro Towns)

Voltage	Cost/km (Rs. in Lakh)	Tariff on capital cost (Rs. in Cr) @ average 18%	Comption cost for tower base/ km (Rs. in Lakh)	Compensation cost for RoW Corridor (Rs. in Lakh)	Revised Capital Cost of 100 km Line (Rs. in Cr)	Tariff on revised capital cost (Rs. in Cr)	% Increase in Tariff
400 KV D/c Twin	140	25.2	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	204.55	36.82	46.1%
400 KV D/c Quad	250	45	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	314.55	56.62	25.8%
400 KV D/c HTLS	340	61.2	$11.19 \times 5 = 55.95$	$8.6 + 55.95 = 64.55$	404.55	72.82	18.99%
765 KV D/c	458	82.44	$16.135 \times 5 = 80.675$	$20.7 + 80.675 = 101.375$	559.39	100.68	22.12%

THANKS

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 18th April 2006.

NOTIFICATION

G.S.R 217(E) - In exercise of the powers conferred by clause (e) of sub-section (2) of section 176 read with sub-section (2) of section 67 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules regarding the works of licensees, namely -

1. Short title and commencement- (1) These rules may be called the Works of Licensees Rules, 2006.
2. Definitions- (1) In these rules unless the context otherwise requires-
 - (a) "The Act" means the Electricity Act, 2003.
 - (b) "occupier" of any building or land means a person in lawful occupation of that building or land.

(2) All other words and expression used herein and not defined in these rules, shall have the meanings respectively assigned to them in the Act.
3. Licensee to carry out works - (1) A licensee may -
 - (a) carry out works, lay down or place any electric supply line or other works in, through, or against, any building, or on, over or under any land whereon, wherever or whereunder any electric supply-line or works has not already been lawfully laid down or placed by such licensee, with the prior consent of the owner or occupier of any building or land.

(b) fix any support of overhead line or any stay or strut required for the purpose of securing in position any support of an overhead line on any building or land or having been so fixed, may alter such support:

(2) When making an order under sub-rule (1), the District Magistrate or the Commissioner of Police or the officer so authorised, as the case may be, shall fix, after considering the representations of the concerned persons, if any, **the amount of compensation or of annual rent, or of both, which should in his opinion be paid by the licensee to the owner or occupier.**

(3) Every order made by a District Magistrate or a Commissioner of Police or an authorised officer under sub-rule (1) shall be subject to revision by the Appropriate Commission.

(4) Nothing contained in this rule shall effect the powers conferred upon any licensee under section 164 of the Act.



Extract of para 1.3 of the Report

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.