IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 02.02.2026

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THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No. 24150 of 2025
&
W.M.P.Nos. 27164 & 27175 of 2025
&
W.M.P.No.2730 of 2026

KAS Onsite Power Solutions LLP,
Kuber Building, 1st Floor,
Old No. 425, New No. 42,
Pantheon Road,
Egmore, Chennai - 600 008. ...Petitioner

Vs.

1. Tamil Nadu Power Distribution Corporation
Limited (TNPDCL)
Represented by its Chairman and Managing Director,
144, Anna Salai, Chennai - 600 002.

2. Tamil Nadu Green Energy Corporation
Limited (TNGECL)
Represented by its Chairman and Managing Director,
144, Anna Salai, Chennai - 600 002

3. The Chief Financial Controller Revenue,
TNGECL, 144, Anna Salai,
Chennai - 600 002.

4. The Superintending Engineer,
Dindigul Electricity Distribution Circle,
Dindigul - 624002 ...Respondents

Prayer: Writ Petition is filed under Section 226 of the Constitution of India for issue of Writ of Certiorarified Mandamus, calling for the records relating to the impugned demand dated 31.05,2025, issued by the 4th respondent, bearing reference Lr.No.SE/DEDC/DGL/DFC/AO/REV/AS/W&S/F.Solar line loss/D.No.210/ 25, levying Rs.1,84,96,079/- towards alleged excess units availed on account of variation in line loss computation for the period from November 2023 to March 2025, and quash the same as arbitrary, illegal and in violation of the judgment dated 17.07.2019 in W.A.No. 1241 of 2019 passed by this Hon'ble Court, which restrained TANGEDCO (now TNPDCL/TNGECL) from enforcing recovery of line loss dues based on the TNERC order dated 13.03.2018, pending disposal of Appeal No.356 of 2017 before the Hon'ble Appellate

Tribunal for Electricity and consequently direct the Respondent TNGECL to refrain from making any claims or pursuing recovery action on account of line loss based on the TNERC order dated 13.03.2018, until the disposal of Appeal No. 356 of 2017 by the APTEL and upon such terms as the appeal would determine.

For Petitioner	:	Mr. Rahul Balaji
For Respondents	:	Mr. S.Madhusuthanan Standing Counsel

ORDER

This writ petition is filed for the following relief:

"To call for the records relating to the impugned demand dated 31.05,2025, issued by the 4th respondent, bearing reference Lr.No.SE/DEDC/DGL/DFC/AO/REV/AS/W&S/F.Solar line loss/D.No.210/ 25, levying Rs.1,84,96,079/- towards alleged excess units availed on account of variation in line loss computation for the period from November 2023 to

March 2025, and quash the same as arbitrary, illegal and in violation of the judgment dated 17.07.2019 in W.A.No. 1241 of 2019 passed by this Hon'ble Court, which restrained TANGEDCO (now TNPDCL/TNGECL) from enforcing recovery of line loss dues based on the TNERC order dated 13.03.2018, pending disposal of Appeal No.356 of 2017 before the Hon'ble Appellate Tribunal for Electricity and consequently direct the Respondent TNGECL to refrain from making any claims or pursuing recovery action on account of line loss based on the TNERC order dated 13.03.2018, until the disposal of Appeal No. 356 of 2017 by the APTEL and upon such terms as the appeal would determine."

2. The petitioner is engaged in providing clean and sustainable energy solutions. The petitioner owns and operates a 30 MW solar power plant at Eluvanampatti Village, Nilakottai Taluk, Dindigul District, for wheeling power for captive use.

3. On 11.08.2017, by its Tariff Order in T.P. No.1 of 2017, the TNERC mandated open access consumers to bear normative distribution losses. It introduced a revised distribution system loss framework for open access consumers. Earlier, the losses were calculated based on variable or actual readings. However, the TNERC replaced the same by fixing normative percentage losses. These losses had to be borne by the consumers "in kind", i.e, by adjusting energy units and not through monetary payments. As per this revised system, TNERC prescribed line loss at 0.5% for consumers at 110 KV and above, 1.0% at 33 KV, and 3.0% at 22 KV and below. However, several users contended that the normative losses were excessive and arbitrary, resulting in undue energy adjustments. One such user, The Tamil Nadu Spinning Mills Association (TASMA) filed an Appeal No.356 of 2017, before the Appellate Tribunal for Electricity (APTEL), inter alia challenging the enhanced line loss percentage and the calculation methodology. The said appeal in Appeal No. 356 of 2017 is still pending adjudication before APTEL.

4. Thereafter, the 1st respondent had filed RP.No.4 of 2017, seeking clarification from TNERC regarding interpretation and implementation of the fixed line loss percentages introduced on 11.08.2017. The 1st respondent sought a clarification as to whether the 2017 order had to be applied uniformly to all open access transactions and whether the difference in units arising from earlier incorrect or lower loss calculations could be recovered. In response on 13.03.2018, TNERC revised the applicable line loss percentage for open access consumers as follows:

> *"The revision on the applicable line loss for open access transactions as stated in para 5.7 supra are rendered by the Commission subject to the outcome of said Appeal No. 356 of 2017 filed by TASMA pending before the Hon'ble APTEL"*

5. By this TNERC made it abundantly clear that no enforceable rights or obligations arise from its 2018 order until APTEL finally adjudicates the challenge to the 2017 Tarriff order in Appeal No.356 of

2017.

6. Relying on this clarification, the 1st respondent had issued bills to several industries and challenging the same, the Industrial Units had filed WP.Nos.20954 of 2018 etc., By order dated 03.01.2019, the writ petitions were allowed holding that the 1st respondent should await the outcome of appeal No.356 of 2017.

7. Challenging this order, the 1st respondent had filed WA.No.1241 of 2019 etc., By judgement dated 17.07.2019, the appeals were disposed of by the Division Bench by observing that since the core issue regarding applicability and enforceability of the revised line loss percentages was already pending adjudication before the APTEL in Appeal No.356 of 2017, it was not appropriate for the 1st respondent to insist upon recovery based on the clarification dated 13.03.2018. Despite this order, the petitioner has been issued with show cause notice dated 31.05.2025. Therefore, the petitioner is before this Court.

8. Heard the learned counsels on the either side and perused the records.

9. The TNERC on 13.03.2018 had set out a table revising applicable loss for open access transaction depending on the injection voltage and drawal voltage. The commission also observed that this revision was subject to the outcome of Appeal No.356 of 2017.

10. The said order was challenged by the Industries in WP.No.21304 of 2018 and others, wherein the learned Single Judge had allowed the writ petitions and set aside the impugned orders. This order was challenged by the board in WA.Nos.1241 of 2019 etc., The Division Bench had made the following observation:

"7. We make it clear, that, in the meanwhile, the AppellantTANGEDCO will not insist upon the Respondents-Industrial Units for any recovery of the dues on account of the alleged Clarification issued by TNERC on 13.03.2018, nor the Respondents-Industrial Units shall

be entitled to any refund or adjustment in this regard of the amounts already paid by them in pursuance ofthe order, dated 13.03.2018. All these inter se Billing and Recovery or Refund will abide by the final orders, to be passed by APTEL within six mouths, as indicated above.

On the above line the writ appeals stood disposed of.

11. The Division Bench had categorically stated that the hands of TANGEDCO were tied in as much as they could not recover dues by reason of the clarification dated 13.03.2018 and had gone on to state that they would be entitled to refund or adjustment in respect of the amount already paid by them pursuant to the order dated 13.03.2018.

12. It is after such order that the petitioner has been served with the impugned order directing them to pay due amount in line loss for the period November 2023 till March 2025. The Division Bench having clearly held that the respondent board cannot insist upon industrial units to pay dues on account of clarification issued on 13.03.2018, the demand is arbitrary and non – est.

13. Therefore, this writ petition is allowed and the impugned order is quashed. Though the writ petition has been allowed the learned counsel for the petitioner on instructions would submit that they are ready to pay actual line loss as per meter reading.

14. With the above observations, this writ petition is allowed. Consequently, the connected miscellaneous petitions are closed. No costs.

02.02.2026

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P.T. ASHA, J

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