TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION
Regd. No. 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524
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TECA:2026-27/28

07 November 2026

To All Members

CIRCULAR

Dear Members,

Sub: MEETING WITH TNPDCL ON DEEMED DEMAND CHARGE ARREARS – HELD ON 05.11.2026

In continuation of our earlier communications, a meeting to discuss the recovery of Deemed Demand Charge arrears was held on 05.11.2026 at 3.00 PM at the TANTRANSCO Conference Hall, under the chairmanship of Mrs. I.S. Mercy Ramya, IAS, Joint Managing Director, TNPDCL. The Director (Finance), CFC (Revenue), DFC (Revenue) and other TNPDCL officials participated.

The following Associations represented the consumers:

1. Tamil Nadu Electricity Consumers' Association (TECA)
2. Tamil Nadu Spinning Mills Association (TASMA)
3. Southern India Mills' Association (SIMA)
4. Madras Steel Re-Rollers Association (MSRA)

A few individual consumers with substantial stakes in the matter also participated.

1. Brief Background

TECA Secretary, Sri. R. Vijay Sekhar, and other Association representatives have explained the history of the Deemed Demand Charge issue from the TNERC Order dated 15.05.2006, which extended the benefit to Open Access consumers.

He highlighted that:

- The original TNERC Order stipulated that withdrawal of the benefit required a detailed and reasoned order.
- Although the benefit was withdrawn for Renewable Energy Open Access Power, no specific order expressly withdrawing it for Thermal Open Access Power was issued.
- TANGEDCO, and subsequently TNPDCL, independently extended the withdrawal to Thermal Open Access Power and issued instructions for recovery of normal Demand Charges.

- Affected consumers challenged the circular before the Madras High Court. The Single Judge ruled in their favour in 2018 and directed TNPDCL to obtain specific clarification from TNERC.
- TNPDCL instead preferred Writ Appeals. The interim arrangement permitting collection of 50% of the disputed charges continued until the Division Bench passed its Common Order dated 12.12.2025 in favour of TNPDCL.

Aggrieved by the order, TECA, TASMA, MSRA and India Cements Limited pursued legal remedies before the appropriate forums.

TASMA's Civil Appeals C.A. Nos. 8435–8438 of 2026 are pending before the Hon'ble Supreme Court. The matter was last heard on 04.11.2026 and adjourned to 23.11.2026.

2. Withholding of Routine Services

The Associations strongly objected to TNPDCL withholding routine electricity-related services from HT consumers on account of the disputed arrears, particularly while the matter is pending before the Hon'ble Supreme Court.

The following restrictions were highlighted:

1. Refusal to issue IEX Standing Clearance / NOC.
2. Non-processing of Contract Demand enhancement and reduction applications.
3. Refusal of CGP Utility Changes and captive user approvals.
4. Withholding Name Transfer / Change of Name approvals.
5. Withholding Rooftop Solar connectivity approvals.
6. Non-processing of other routine electricity-related services.

The Associations requested immediate restoration of all such services without linking them to payment of the disputed arrears.

3. Proposals Submitted to TNPDCL

After detailed deliberations, the Associations placed the following proposals before TNPDCL:

3.1 Instalment Facility

Consumers expressed willingness to pay the Principal Amount and BPSC separately, under protest, subject to an instalment facility extending up to 36 months. No further BPSC should accrue during the approved instalment period.

3.2 Two-Phase Payment

- Phase I: Payment of the Principal Amount through approved instalments.
- Phase II: Payment of accumulated BPSC through separate instalments after completion of the Principal Amount.

3.3 Restoration of Services

All withheld electricity-related services and approvals should be restored immediately upon commencement of the first instalment towards the Principal Amount.

3.4 Payment under Protest

All payments should be treated as made under protest and without prejudice to consumers' legal rights and contentions, without constituting acceptance of the disputed demands.

3.5 Continuation of Legal Proceedings by TASMA

TASMA stated that it would continue pursuing appropriate legal remedies to protect the interests of its members.

3.6 Withdrawal of Legal Proceedings

TASMA expressed willingness to withdraw its pending Supreme Court proceedings, subject to TNPDCL withdrawing the entire Deemed Demand Charge demand, including BPSC.

In such an event, TECA, TASMA and other Association would furnish an appropriate undertaking that its members would not claim a refund of the 50% of charges already paid.

3.7 Adjustment against Refunds Due

It was proposed that the disputed arrears be adjusted against refunds payable to eligible TECA members pursuant to favourable judicial and regulatory orders.

A detailed Representation, together with a hard copy, was handed over to the JMD, Director (Finance), CFC (Revenue) and DFC (Revenue) for consideration and necessary action.

4. Response from TNPDCL

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TNPDCL informed the meeting that all proposals would be examined in consultation with the Top-Level Management and that its decision would be communicated shortly.

5. Restoration of Services to Instalment-Paying Consumers

The Associations also highlighted cases where routine services, including Rooftop Solar connectivity approvals, continued to be withheld despite consumers commencing instalment payments.

TNPDCL requested the Associations to furnish details of such cases for issuing necessary instructions to the concerned officials.

6. Conclusion

The meeting concluded after detailed discussions on the proposed settlement arrangements, adjustment of refunds and restoration of routine services to HT consumers.

The meeting ended at 5.15 PM, with a vote of thanks proposed by Dr.K. Venkatachalam, Chief Advisor-TASMA

TECA will continue to pursue the matter with TNPDCL to safeguard the interests of its members and secure restoration of all normal electricity-related services.

With Warm Regards

L. Santhosh
President