



THE SOUTH INDIA SPINNERS ASSOCIATION

"D. Jayavarthanelu Building"

Site No. 17 – 19, Teachers' Colony, Goldwins,

Civil Aerodrome Post, Coimbatore – 641 014

Phone: 87547 39900, Mobile:87547 69900

Email: sispacbe@gmail.com, sispa_cbe@yahoo.co.in, URL: www.sispa.in

07.02.2026

Circular No: 22 / 2025 – 2026

To: All High Tension (HT) Consumer Members

Dear Sir/s,

Subject: Peak Hour Penalty during Restriction & Control (R & C) Measures, 2010 – APTEL and Supreme Court Proceedings – Reg.

- Reference:
1. SISPA Circular No. 05 / 2010–2011 dated 26.05.2010
 2. SISPA Circular No. 06 / 2010–2011 dated 02.06.2010
 3. SISPA Circular No. 09 / 2010–2011 dated 23.11.2010
 4. SISPA Circular No. 26 / 2010–2011 dated 12.01.2011

The Government of Tamil Nadu, Energy Department, by its order dated 22.10.2008, issued restrictions on the consumption of electrical energy under Regulation 38 of the Tamil Nadu Electricity Distribution Code, 2004, and directed the Tamil Nadu Electricity Board (TNEB) to impose a 40% power cut on High Tension (H.T.) industrial and commercial consumers. Pursuant to the said directions, TNEB imposed a 40% demand and energy cut on the base demand and consumption with effect from 01.11.2008.

The Restriction and Control (R & C) measures were introduced with effect from 01.11.2008 after obtaining the approval of the Tamil Nadu Electricity Regulatory Commission (TNERC), as such measures were being introduced for the first time. TNERC permitted a 40% power cut and a 90% power cut during peak hours between 6.00 p.m. and 10.00 p.m., as proposed by the Tamil Nadu Generation and Distribution Corporation Limited. Thereafter, based on the prevailing power situation from time to time, the extent of power cuts was either reduced or increased. At no point of time did TNEB exceed the percentage permitted under M.P. No. 42 of 2008. In view of the above, the order passed by the Commission required review.

Under the R & C measures in force, High Tension (H.T.) consumers were permitted to utilise 5% of the demand energy quota during the evening peak hour period. However, TNEB issued demand notices to H.T. industrial consumers alleging excess usage of demand during peak hours for the period from November 2008 to July 2009. Based on data downloaded from the service meters through CMRI instruments for the period 11.2008 to 07.2009, TNEB alleged that the consumers had exceeded the permitted quota during peak hours (18.00 hrs to 22.00 hrs) and levied excess energy and demand charges in terms of TNERC's order dated 28.11.2008.

Aggrieved by the said demand notices, SISPA members filed individual writ petitions before the Hon'ble High Court of Judicature at Madras seeking to quash the impugned notices issued by TNEB. Subsequently, all the writ petitions were dismissed, and the orders were passed in favour of TNEB.

Thereafter, TNEB, vide its CFC Memo Letter No. CFC / REV / FC / R / D.76-3 / 2010 dated 22.05.2010, permitted H.T. consumers to pay the peak hour penalty charges in six instalments, subject to furnishing necessary undertakings in Form-5 as prescribed under the Supply Code. The BPSC charges were also directed to be collected up to the date of payment.

Accordingly, SISPA members commenced payment of peak hour penalty charges in equal instalments. In the meantime, SISPA preferred an appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL), New Delhi. The appeal was taken up for hearing on 25.05.2010 and was subsequently posted to 31.05.2010. By an interim order, the Hon'ble Appellate Tribunal directed that the appellants shall deposit the excess demand and energy charges relating to peak hours, as billed, in eight equal monthly instalments, with the first instalment payable within 15 days from the date of the order. TNEB was directed to raise bills in accordance with paragraph 12 of the TNERC order dated 04.05.2010.

In compliance with the interim order, SISPA members paid seven installments commencing from 15.06.2010. Upon conclusion of the arguments and examination from both sides, APTEL announced that the judgment would be pronounced at a later date.

The judgment was **pronounced by APTEL on 11.01.2011**. The Hon'ble Tribunal ruled in favour of the appellants, holding that, in accordance with the order of the Tamil Nadu Electricity Regulatory Commission (TNERC), peak hour penalties could be imposed only on electricity consumers who exceeded their quota after 04.05.2010. It was further held that such penalties could not be imposed retrospectively for consumption prior to 04.05.2010.

Aggrieved by the said judgment, TNEB preferred Civil Appeals before the Hon'ble Supreme Court of India and furnished a bank guarantee for **a sum of Rs.75 Crores on 11.02.2011** vide Guarantee No. 0734711BG0000046 in **Civil Appeal Nos. 1090 – 1099 of 2011**.

Subsequently, the matter was not listed before the learned Registrar. SISPA has been closely monitoring the proceedings. We have now been informed by our Supreme Court Senior Advocate, Shri. Senthil Jagadeesan, that the appeals have been included in the weekly list and are likely to be taken up for hearing within a month.

The above matters are being closely followed by our legal team comprising Advocate Shri. M. Kamalanathan, Chennai, and Shri. Senthil Jagadeesan, Senior Advocate, Supreme Court of India, New Delhi.

The above matter was placed before the Executive Committee at its **meeting held on 20.01.2026**, during which detailed deliberations took place. It was noted that a majority of SISPA members had already remitted substantial amounts towards peak hour penalty charges to the Electricity Board pursuant to the earlier proceedings.

As the case relates to events that occurred nearly 15 years ago, several changes have taken place in the members' details, such as Service Connection Numbers, sanctioned load, etc. These updated particulars may be required to be submitted to the Senior Advocate, New Delhi, who, if necessary, will place the same before the Hon'ble Supreme Court of India as and when called for. Accordingly, it has become necessary to prepare and submit a fresh list of members affected in this case.

Considering the significant financial implications involved and the importance of effectively prosecuting the matter before the Hon'ble Supreme Court of India, the Association resolved that the case needs to be pursued with utmost diligence and expedition.

After detailed discussion, **it was unanimously resolved to collect an initial contribution of Rs.10,000/- (Rupees Ten Thousand only)** from each concerned High-Tension consumer member towards legal expenses for the conduct of and effective representation in the above matter before the Hon'ble Supreme Court of India.

Members whose service connections are involved in the Peak Hour Penalty issue are therefore requested to remit the above contribution at the earliest, to enable the Association to proceed with the case without delay.

Members are further requested to furnish the following particulars for record and case documentation purposes, in the event the same are required to be produced before the Hon'ble Supreme Court of India at the time of hearing:

- Name and Address of the Mill
- EB Service Connection Number
- Electricity Distribution Circle

Thanking you,

Yours truly,



S. JAGADESH CHANDRAN
Hon. Secretary