[3504]

IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

(SPECIAL ORIGINAL JURISDICTION)

WEDNESDAY, THE TWENTY NINETH DAY OF APRIL

TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

WRIT PETITION NO: 12006 OF 2026

Between:

M/s Virchow Laboratories Limited, Rep by its Manager P.Ravindra, Authorised Signatory Having plant at Sy.No.451/1, Wadacheepurupalli, (West) village, Dailaipalem Post, NTPC Simhadri, Anakapalli. HT Service Connection No. VSP1059.

Petitioner

AND

1. The State of Andhra Pradesh, Energy Department, A.P. Secretariat, 2nd Block, Room No 141, Ground Floor, Velagapudi, Guntur District, AP - 522 237.
2. The Eastern Power Distribution Company of Andhra Pradesh (APEPDCL), Rep by its Chairman and Managing Director, P & T Colony, Seethammadhara, Visakhapatnam - 530016.
3. The Superintending Officer, Anakapalli operating circle, Anakapalli.531001

Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an appropriate Writ, Order or Direction, more particularly one in the nature of a Writ of Mandamus, declaring the action of Respondent No.3 in issuing the demand notices vide (i) Lr.No. SE/O/ AKP/S AO/AO(FIN)/ AAO(FIN)/ JAO/HT/S A/E.49120 4/D.N0.21594/2025, dated 10.12.2025 and (ii) Lr.No SE/O/AKP/SAO/AO(FIN)/AAO(FIN)/JAO/HT/SA/E.491204/D.N

0.23888/2025, dated 24.12.2025, as being arbitrary, illegaland violative of the Petitioners rights guaranteed under Articles 14, 19(1)(g) of the Constitution of India, and consequently

a) Set aside the demand notices issued vide Lr. No. SE/O/AKP/S AO/AO(FIN)/ AAO(FIN) /JAO/HT/S A/E.491204/D.N O.21594/2025, dated 10.12.2025 and Lr. No. SE/O/AKP/SAO/ AO(FIN)/AAO(FIN)/JAO /HT/SA/E.491204/D.No.23888/2025, dated 24.12.2025, insofar as they levy an amount of Rs.96,86,364/- upon the Petitioner for the period from February, 2024 to November, 2025;

b) direct the Respondents to refund to the Petitioner the amount of Rs.96,86,364/- paid under protest pursuant to the aforesaid demand notices, together with appropriate interest thereon, and further direct the Respondents to recompute the electricity bills from December, 2025 onwards strictly on "Net Metering" basis and refund/adjust the excess amount, if any, collected from the Petitioner;

c) direct the Respondents to continue billing the Petitioners 1000 KWp Rooftop Solar Project attached to HT Service Connection No. VSP1059 strictly in accordance withthe Solar Rooftop Net/ Gross Metering Connection Agreement dated 20.07.2019, by applying the Net Metering system and not "Net Billing".

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Petition under Section 151 CPC is filed praying that in the circumstances stated in the grounds filed in support of the petition, the High Court may be pleased to direct the Respondents to continue calculating the monthly electricity consumption and charges payable by the petitioner company under the Net Metering methodology, in terms of the Solar Rooftop Net/Gross Metering Connection Agreement dated 20.07.2019, Pending disposal of WP 12006 of 2026, on the file of the High Court.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of SRI VIVEK CHANDRA SEKHAR S, Advocate for the Petitioner, learned GP FOR ENERGY for respondent No.1&3, Sri V.V. SATISH, Standing Counsel for the Respondent No.2, the Court made the following;

ORDER:

1. Heard Sri S.Vivek Chandrasekhar, learned counsel for the petitioner, Ms. Iswarya Chowdary, counsel representing Sri V.V.Satish, learned Standing Counsel for APEPDCL and learned Assistant Government Pleader for Energy.

2. Learned counsel for the petitioner submits that the petitioner is a manufacturer of pharmaceutical company situated at Anakapalle of erstwhile Visakhapatnam District.

3. He states that, after due communication between the petitioner and the 2nd respondent Corporation, an agreement was entered into on 20.07.2019 for a period of 25 years.

4. The main subject of the above agreement was the establishment of Solar Rooftop Panels, wherein, both parties specifically agreed to adopt the Net metering methodology for billing purpose, as reflected in Clause 2.1 of the agreement.

5. He further asserts that from 2019 till 10.12.2025, the 2nd respondent authority charged electricity billing charges strictly on the basis of the "Net metering methodology" only, and petitioner company regularly complying the same. However, all of a sudden, the 3rd respondent issued the impugned demand notice dated 10.12.2025, allegedly under the cover of APERC Regulations, altering the billing mechanism from Net metering to Net Billing method .

6. In nut-shell, learned counsel submits that when the agreement was specifically entered by agreeing both parties to follow Net metering methodology, the respondents cannot unilaterally switch or alter the

same through the impugned demand notice as Net Billing way, as such action is prejudicial to the rights of the petitioner and contrary to the terms of the very agreement executed between the petitioner and the 2nd respondent Corporation.

7. It is also submitted that, in compliance with the demand notice dt:10.12.2025, the petitioner has paid an amount of Rs. 96,86,364/- under protest, but the respondent authorities are now attempting to apply with the altered methodology Net Billing in the ensuing monthly bills which is ex-faice illegal.

8. Learned counsel further elaborates that even the Andhra Pradesh Electricity Regulatory Commission (APERC), Hyderabad, under Regulation dt: 23.02.2024, through Rule 4.2 also supports the petitioner version.

9. Thus, the learned counsel contends that the impugned demand notice is arbitrary, illegal, and contrary to the specific terms of the agreement entered between the parties.

10. Counsel for the petitioner also relied upon the judgment of the Hon"ble Supreme Court in **Gujarat Urja Vikas Nigam Limited v. Renew Wind Energy (Rajkot) Private Limited**, [2023 SCC OnLine SC 411].

11. On the other hand, learned Standing Counsel seeks time to obtain instructions and is not disputed the factum of payment made by the petitioner pursuant to the demand notice dt:10.12.2025 under the protest.

12. In view of the above facts and circumstances, clearly reveals the undisputed position is that, the petitioner and the 2nd respondent entered into an agreement commencing which from 20.07.2019 for the period of 25 years with a specific stipulation for "Net metering methodology" for the billing purpose, which was followed until 10.12.2025, the sudden issuance of the demand notice dt:10.12.2025 under the guise of APERC Regulation, 2023.

13. In this context, it is apt to note relevant Rule in said APSERC Regulation, 2003 Regulation 4 reads as follows:

"4. **Eligibility**

4.1 All consumers of AP Discom(s) are eligible for setting up of the GridInteractive SRTPVS with/without a Battery Energy Storage System with their investment or through third party investment.

4.2 The Consumer(s) are free to choose Net metering or Gross Metering or Net Billing/Net Feed-in option for the sale of power to DISCOM."

In fact, above provision clearly empowers consumers with the right to choose the applicable metering methodology i.e., Net metering or Gross metering or Net Billing/Net Feed, and such choice is not exclusively vested with the respondents corporation alone.

14. Another fact in the lis, the impugned demand notice dt:10.12.2025 issued by the 3rd respondent whereby changing the bill pattern from agreed term to non-agreed term i.e., Net metering to Net billing without prior notice also leads to violation of principles of natural justice as held in the recent judgment of the Hon"ble Supreme Court in **Triveni Engineering and Industries Limited vs. State of Uttar Pradesh and Others** [(2026) 2 SCC 729] and also dictum held in **Gujarat Urja Vikas Nigam Limited v. Renew Wind Engineering (Rajkot) Private Limited** [(2023) SCC OnLine SC 411]. Hence, the matter requires consideration after filing counter-affidavit.

15. Accordingly, there shall be an interim stay as prayed for, for a period of eight (08) weeks.

16. Post after eight (08) weeks.

SD/- T. SRINIVASA RAO
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

For

To,

1. The Principal Secretary, State of Andhra Pradesh, Energy Department, A.P. Secretariat, 2nd Block, Room No 141, Ground Floor, Velagapudi, Guntur District, AP - 522 237. (BY SPECIAL MESSENGER)
2. The Chairman and Managing Director, Eastern Power Distribution Company of Andhra Pradesh (APEPDCL), P & T Colony, Seethammadhara, Visakhapatnam - 530016.
3. The Superintending Officer, Anakapalli operating circle, Anakapalli.531001 (2&3 by RPAD)
4. One CC to SRI. VIVEK CHANDRA SEKHAR S Advocate [OPUC]
5. Two CCs to GP FOR ENERGY, High Court Of Andhra Pradesh. [OUT]
6. One CC to Sri V.V. SATISH, STANDING COUNSEL [OPUC]
7. One spare copy

KJ

HIGH COURT

MRK,J

DATED:29/04/2026

POST AFTER EIGHT (08) WEEKS

ORDER

WP.No.12006 of 2026

INTERIM STAY