

DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS

Effective from 1st January 2015

DECISION ON BULK SUPPLY TARIFFS- January – June 2015

In exercising the powers and functions vested with the Public Utilities Commission of Sri Lanka (Commission) under section 3 (d) of the Sri Lanka Electricity Act, No. 20 of 2009 (SLEA) to regulate tariffs and other charges levied by licensees and other electricity undertakings, in order to ensure that the most economical and efficient service possible is provided to consumers, and in accordance with section 30 (2) (a) of SLEA, the Commission has approved a Tariff Methodology.

In accordance with the methodology, the tariffs levied by the transmission licensee for the transmission and bulk sale of electricity (the transmission and bulk sale tariffs) and tariffs levied by the distribution licensee for the distribution and supply of electricity were approved by the Commission and requested licensees to implement with effect from 1st January 2011, issuing the decision document on electricity tariffs. The transmission and bulk sale tariffs was a forecasted tariffs issued to determine the end use customer tariffs. The forecasted transmission and bulk sale tariffs are calculated and filed once every six months by the transmission license following the procedure defined in the methodology.

The Commission reviewed the transmission and bulk supply tariffs filed by the transmission licensee for the period from January to June 2015, and hereby approved and requested the transmission licensee to implement the bulk supply tariffs effective from 1st of January 2015.

List of Acronyms

BSOB	Bulk Supply and Operations Business
BST	Bulk Supply Tariffs
CAPEX	Capital Expenditure
CEB	Ceylon Electricity Board
DL	Distribution Licensee: Ceylon Electricity Board and Lanka Electricity Company (Pvt) Ltd
DL1	Distribution and Supply Licensee for CEB Distribution Region 1 holding license number EL/D/09-003
DL2	Distribution and Supply Licensee for CEB Distribution Region 2 holding license number EL/D/09-004
DL3	Distribution and Supply Licensee for CEB Distribution Region 3 holding license number EL/D/09-005
DL4	Distribution and Supply Licensee for CEB Distribution Region 4 holding license number EL/D/09-006
DL5	Distribution and Supply Licensee LECO holding license number EL/D/09-052
FSA	Fuel Supply Agreement
CEB GL	CEB Generation Licensee holding License number
GWh	Gigawatt hour
kVA	kilovolt ampere
kW	kilowatt
kWh	kilowatt hour
LECO	Lanka Electricity Company (Pvt) Ltd.
LKR	Sri Lanka Rupee
LV	Low Voltage
MV	Medium Voltage
MWh	Megawatt hour
NCRE	Non-Conventional Renewable Energy
O & M	Operations & Maintenance
OPEX	Operating Expenditure
PPA	Power Purchase Agreement
Single Buyer	A function of the BSOB
SPPs	Small Power Producers
T&D	Transmission and Distribution
TL	Transmission and Bulk Supply Licensee holding License number EL/T/09-002
TOU	Time of Use
WIP	Work-in-Progress

1. ALLOWED REVENUE

1.1 Allowed revenue for 2015

Transmission allowed revenue and distribution allowed revenues were adjusted as per sections 2.3.2.9 and 3.1.2.8 of the approved *Tariff Methodology* respectively. Approved allowed revenues for 2014 (Table 3, *DECISION ON BULK SUPPLY TARIFFS- JANUARY- JUNE 2014*) were used to arrive at the allowed revenues for year 2015. Sales forecasts (Table 01) and relevant indices (Table 02) used for the calculation are as follows.

Table 1 – Sales forecast used for the revenue control formula

Forecast - Number of Consumers					
year	DL1	DL2	DL3	DL4	DL5
2014	1,387,344	1,877,908	1,113,207	935,728	502,710
2015	1,598,585	1,938,955	1,151,860	943,138	512,162
Forecast - Energy (GWh)					
2014	3,080	3,253	1,835	1,415	1,261
2015	3,021	3,460	2,057	1,446	1,287

Table 2 – Indices used for the revenue control formula

Relevant Indices			
year	LKR/USD	CCPI	PPIUS(capital equipment)
Nov-2013	131	177	165
Nov-2014	131	179	167
percentage change	-0.15%	1.53%	1.34%

Table 3 – Allowed revenue calculated for year 2015

Allowed revenue (LKR Million)						
year	DL1	DL2	DL3	DL4	DL5	TL
2014	8,308	9,280	4,748	4,029	2,755	8,643
2015	8,873	9,772	5,112	4,133	2,837	8,761
Retail service price cap (LKR/Customer)						BSOB Revenue (LKR Million)
2014	520.03	653.12	481.30	522.91	714.51	141.49
2015	527.98	663.11	488.66	530.90	725.44	143.65

BSOB price cap and retail service price cap were adjusted as per sections 2.4.1 and 3.2.1 of the approved *Tariff Methodology* respectively. Same indices shown in Table 2 were used for the adjustment. Adjusted figures are shown in the Table 3.

1.2 Capital expenditure claw back for 2013

In terms of Sections 2.1.1 and 3.1.1 of the Decision on Electricity Tariffs 2011, the underutilized capital expenditure is clawed back. The actual vs. approved capital expenditure for year 2013 for each licensee is shown in Tables 4 to 10

Table 4- Approved Capex or Work-in Progress and Actual Expenditure for TL in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Trincomalee Coal Power Project	115	0
Power Sector Development Transmission Project		
Greater Colombo Grid Substation Project: Kotugoda extension		
Augmentation of Grid Substations for Absorption of RE Projects	30	18
Beliatte Grid Substation Project	0	4
Vavuniya – Killinochchi Transmission Project	207	50
Killinochchi – Chunnakum Transmission Project	77	53
North East Power Transmission Development Project	1589	96
Transmission System Strengthening: Line Project	23	50
Transmission System Strengthening: Eastern Project	88	43
New Galle Transmission Development Project	84	74
220 kV Protection Development Project	5	36
Puttalam GS Augmentation Project		
Transmission System Strengthening: GS Project	85	49
Augmentation of Vavuniya GS Project		
TOTAL Work In Progress	2303	473

Table 5- Approved minor Capex and Actual Expenditure for TL in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Purchase of new Energy Meters	0	19
Establishment of Meter Lab in year 2012		
Fixing of Correct CT/PTs at delivery points	200	
Fixing of Correct CT/PTs at receiving points	0	
Replacement CAPEX		
Purchase of Power Transformers	75	
Trincomalee GS	8	
Kiribathkumbura GS	60	
Old Anuradhapura GS	96	
Reinforcement CAPEX		
Kotugoda GS	21	
Transmission construction	0	
Other CAPEX		
Capital: Vehicles, purchase of lands, buildings, etc. (Tax included)	350	77
Customs Duty & VAT for other minor CAPEX	60	
Total minor CAPEX	869	96

Table 6- Approved Capex and Actual Expenditure for DL1 in 2013

Approved Capital Expenditure	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
LV Development Plan (System Augmentation)	826	830
LV ABC Conversion	814	
MV Development Plan	1,519	510
RE8: Iran		1,510
RE4: SIDA		
Lighting NCP	3,227	2,456
Lighting: NWP		162
Uthuru Wasantha	1,946	1,373
CAARP		
Augmentation of Primaries, Sub D & Sub J		
Colombo City Electricity		
New Buildings (Area Offices, CSCs, etc.)	254	156
E Shops	23	
New Computers & Other Equipment	33	93
Loss Reduction	209	
Vehicles	96	39
Furniture	12	
Other Capital Expenditure	36	
Consumer Contribution		
PCB	72	154
DCB	91	110
Service Mains	1435	1556
Bulk Supply	735	871
Others	113	
TOTAL CAPEX	11,441	9,820

Table 7- Approved Capex and Actual Expenditure for DL2 in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Transfer from WIP(Distribution)	10,218	5,459
Freehold Land		
Freehold Buildings(Constructed)	200	
Motor Vehicles	75	282
Office Equipment	40	32.6
Furniture & Fittings	3	2
Plant & Machinery	23	92.3
Other Assets (IT Equipment)	40	8.4
TOTAL CAPEX	10,599	5,876

Table 8- Approved Capex and Actual Expenditure for DL3 in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Distribution system augmentation	920	
MV distribution network reinforcement (including augmentation of primaries & MV lines)	900	3387
Land	0	0
Buildings	218	1
Motor vehicles	117	7
Office equipment and tools	23	18
Furniture & fittings	9	0
Machinery & tools	13	41
Lighting Sri Lanka Ratnapura Project	0	
Rural Electrification: Iran	0	
UvaUdanaya	0	
Bulk supply	209	
Service connections	1,095	837
TOTAL CAPEX	3,504	4,291

Table 9- Approved Capex and Actual Expenditure for DL4 in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Distribution system augmentation	767	492
Medium voltage distribution network reinforcement (including augmentation of primaries & MV lines)	1,175	-
Distribution Development Project: Dehiwala-Mt. Lavinia	-	-
Interconnection Dehiwala GS & Dehiwala PS	-	-
Computerisation & IT installation	20	10
Land	9	
Buildings	56	20
Motor vehicles	115	-
Office equipment	11	
Furniture & fittings	11	7
Machinery & Tools	83	57
RE4: SIDA Project	-	
RE:8 Iran Project	-	
Lighting Sri Lanka Hambantota Project	-	
Lighting Sri Lanka Galle District	-	1,063
Lighting Sri Lanka Matara District	-	
Lighting Sri Lanka Kalutara District	-	
Sub Total	2,247	1,650
Customer Contribution for New Connections		
Third Party Jobs	735	365
(a) Bulk Supply		
(b) Service Connections	325	518
(c) DCB RE	271	4
Sub Total	1,331	887
TOTAL CAPEX	3,578	2,537

Table 10- Approved Capex and Actual Expenditure for DL5 in 2013

Item	Year 2013 Approved Capex (LKR Millions)	Year 2013 actual Capex (LKR Millions)
Vehicles	65	56
Plant		
Heavy machinery	35	
Line construction tools	11	
Metering equipment	4	
Meter calibration program	4	
Loss control program	24	
Computers, software and IT equipment		
Computers	10	10
Servers, network hardware, plotters, printers etc.	6	6
Software		
ERP		3
Billing	20	
Regulatory and customer support (Call Centre)		
Office equipment		2
Fax machines ,telephone ,photocopy	2	1
Furniture	1	
Radio Communication	64	38
VHF sets	1	
Antenna towers	3	
Repeater Equipment	1	
Customer Service Centres		
Keselwatte		27
Moratuwa South, building	11	
Pita Kotte (Refurbishment), building		2
Kotikawatte, land	40	25
Jaela, land	60	42
TOTAL other CAPEX	363	212
TOTAL network CAPEX	482	605
TOTAL CAPEX	846	817

1.3 Allowed revenue and capital claw back for the year 2015

Capital claw back for the year 2015 was done in the same manner that was adopted in 2014. Inflated revenue caps were calculated without any capital claw back, starting from those figures, two percent of not utilized capital as the Return on Assets (ROA) and relevant depreciation of not utilized assets were removed.

Table 11 – Approved revenue caps for the year 2015

Adjustment for underutilized capex of year 2011 (LKR Million) for year 2015						
Licensee	DL1	DL2	DL3	DL4	DL5	TL
Depreciation	291	153	190	116	44	223
ROA (2%)	196	99	115	64	6	163
Adjustment for underutilized capex of year 2012 (LKR Million) for year 2015						
Licensee	DL1	DL2	DL3	DL4	DL5	TL
Depreciation	46	224	121	74	32	194
ROA (2%)	14	148	77	32	4	143
Adjustment for underutilized capex of year 2013 (LKR Million) for year 2015						
Licensee	DL1	DL2	DL3	DL4	DL5	TL
Depreciation	74	106	0	46	24	65
ROA (2%)	37	94	0	12	1	48
Adjustment from 2013 and 2014 allowed revenues for DLs¹	149	294	0	70	25	-
Adjustment from 2013 and 2014 allowed revenues for TL²	-	-	-	-	-	119
Total that should be removed from the revenue caps for year 2015	807	1,118	503	414	135	955
Adjusting the revenue cap for underutilized capex						
Inflated revenue caps for 2015 without capital claw back	8,873	9,772	5,112	4,133	2,837	8,761
Total deduction due to capital claw back for year 2015	(807)	(1,118)	(503)	(414)	(135)	(955)
Approved revenue caps for 2015	8,066	8,654	4,609	3,719	2,703	7,806

1 APPROVED LOSSES FOR THE PERIOD (As per the Decision on Electricity Tariffs – 2011)

Approved network loss target as per *DECISION ON ELECTRICITY TARRFF 2011* for year 2015 are shown in Table 12 below.

Table 12- Approved Network Loss For 2015

Licensee	DL 1	DL 2	DL 3	DL 4	DL 5	TL
Approved loss	8.2%	10.0%	8.2%	8.6%	5.0%	3.0%

¹ Given adjustment is the sum of the Depreciation of underutilized capex of year 2013 (Since the same depreciation figure that was not adjusted in 2014 has to be deducted from 2014 allowed revenue) and two times the ROA of underutilized capex of year 2013 (Since the same ROA figure that was not adjusted in 2013 and 2014 has to be deducted from 2013 and 2014)

² Given adjustment is the sum of Depreciation of underutilized capex of year 2013 for 2014 (LKR 23 Million)(since the depreciation that was not adjusted in 2014 has to be deducted from 2014 allowed revenue) and two times the ROA of underutilized capex of year 2013 (Since the same ROA figure that was not adjusted in 2013 and 2014 has to be deducted from 2013 and 2014)

2 SHORT TERM DEBT LEVY

Repayment of short terms debts of Ceylon Electricity Board that were budgeted for the period Jan – June 2015 was allowed in this decision. The Commission has approved LKR 8,622.50 Million of short term debt repayment to be added to the capacity charge for the period.

3 GENERATION COSTS

The approved generation dispatch for Jan – June 2015 is shown in Table 13 below.

Table 13- Dispatch Approved By the Commission for Jan-June 2015

Month	Code	Unit	Month of year 2015						Total
			January	February	March	April	May	June	
Independent Power Producers (IPPs)									
ASIA Power – 45 MW	DAPL	GWh	23.2	24.1	30.9	28.5	30.5	29.0	166.1
AES Kelanitissa – 165 MW	CAES	GWh	0.0	0.0	1.5	39.2	46.7	78.8	166.3
Barge – 60 MW	DCPL	GWh	43.3	39.1	43.3	41.9	43.3	41.9	252.8
Heladhanavi – Put. – 99 MW	DPUT	GWh	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACE – Embilipitiya – 99 MW	DEMB	GWh	22.3	20.2	22.3	0.0	0.0	0.0	64.8
Kerawalapitiya – 270 MW	CCKW	GWh	0.0	18.1	124.3	132.3	156.2	80.8	511.7
TOTAL IPP		GWh	88.8	101.5	222.4	241.8	276.7	230.6	1161.7
CEB GL's Thermal Generation									
Sapu Old 4 x 18 MW	DSP1	GWh	0.0	0.0	0.0	32.8	33.9	32.7	99.4
Sapu Ext. 8 x 9 MW	DSP2	GWh	0.0	0.0	0.0	0.0	0.0	36.9	36.9
KPS GT 5 x 17 MW	GT16	GWh	0.0	0.0	0.0	0.0	0.0	5.4	5.4
KPS GT 1 x 115 MW	GT07	GWh	0.0	0.0	0.0	0.8	4.9	32.5	38.2
KPS Combined – 165 MW	CCKP	GWh	55.2	86.2	97.3	89.4	100.0	29.1	457.1
Coal – Puttlam 300 MW	CPUT	GWh	479.7	433.3	479.7	311.0	321.4	311.0	2336.2
Total CEB GL's Thermal Generation		GWh	535.0	519.5	577.0	434.0	460.2	447.6	2973.2
Renewable energy	NCRE	GWh	53.4	43.4	46.4	73.4	82.4	109.4	74.4
Chunnakam									
New Chunnakam	DCHU	GWh	0.2	0.2	0.2	0.2	0.2	0.2	1.2
Northern Power	DNCHU	GWh	17.0	15.3	17.0	16.4	17.0	11.0	93.6
	DNOR	GWh	10.2	9.3	13.0	11.9	13.3	11.9	69.6
Total Northern generation		GWh	27.4	24.8	30.1	28.5	30.5	23.1	164.4
CEB GL's Hydropower Generation									
		GWh	316.4	258.6	196.9	237.6	250.1	282.0	1541.6
Total Generation		GWh	1021.0	947.7	1072.8	1015.3	1099.9	1092.6	6249.3

Forecast system coincident peak generation demand and the approved monthly capacity costs of each generation plant/ hydro scheme are shown in Table 14 below.

Table 14- Approved Capacity payments to GL by TL for Jan-June 2015

Item\Month	Unit	January	February	March	April	May	June
System Coincident Peak demand	MW	1,949	1,821	2,136	1,897	2,118	1,980

Capacity Payment

Plant\Month	Unit	January	February	March	April	May	June
Mahaweli	Mn. LKR	797.08	797.08	797.08	797.08	797.08	797.08
Laxapana	Mn. LKR	273.51	273.51	273.51	273.51	273.51	273.51
Other Hydro	Mn. LKR	264.51	264.51	264.51	264.51	264.51	264.51
GTSM	Mn. LKR	82.81	82.81	82.81	82.81	82.81	81.39
DSP	Mn. LKR	177.15	177.15	177.15	177.15	177.15	177.15
DSPX	Mn. LKR	199.29	199.29	199.29	199.29	199.29	199.29
DAPL	Mn. LKR	147.27	147.27	147.27	147.27	147.27	147.27
CCKP	Mn. LKR	300.82	300.82	300.82	300.82	300.82	300.82
CAES	Mn. LKR	42.52	38.41	42.52	41.15	42.52	41.15
DCPL	Mn. LKR	96.98	87.60	96.98	93.85	96.98	93.85
DPUT	Mn. LKR	0.00	0.00	0.00	0.00	0.00	0.00
DEMB	Mn. LKR	66.63	66.63	66.63	0.00	0.00	0.00
CCKW	Mn. LKR	617.47	683.63	661.58	683.63	661.58	683.50
CPUT	Mn. LKR	997.68	997.68	997.68	997.68	997.68	997.68
RENEW	Mn. LKR	0.00	0.00	0.00	0.00	0.00	0.00
GT7	Mn. LKR	112.04	112.04	112.04	110.12	110.12	110.12
DCHU	Mn. LKR	10.28	10.28	10.28	10.28	10.28	10.28
DNOR	Mn. LKR	66.92	60.44	66.92	64.76	66.92	64.76
DNCHU	Mn. LKR	75.40	75.40	75.40	75.40	75.40	75.40
TOTAL	Mn. LKR	4,328.36	4,374.54	4,372.47	4,319.31	4,303.92	4,317.76
Depreciation Provision Excluded from CEB GL	Mn. LKR	947.44	947.44	947.44	947.44	947.44	947.44
Return of Equity allowed for CEB GL	Mn. LKR	189.49	189.49	189.49	189.49	189.49	189.49
CEB HQ cost removed ³	Mn. LKR	254.75	254.75	254.75	254.75	254.75	254.75

Generation Capacity cost

	Unit	January	February	March	April	May	June
Average Generation Capacity cost	LKR/MW	1,701,439	1,845,795	1,572,905	1,743,075	1,554,294	1,669,006

³ Sum of short term loan allocation to the Generation (added to transmission licensee cost) and finance cost on OPEX allocation to the Generation.

Forecast monthly generation from each generation plant along with approved average cost LKR/kWh is shown in Table 15 below.

Table 15- Approved Energy Payments to GL by TL for Jan-June 2015

Plant\Month	Unit	January	February	March	April	May	June
Hydro	GWh	316.4	258.6	196.9	237.6	250.1	282.0
	LKR/kWh	0.0	0.0	0.0	0.0	0.0	0.0
GTSM	GWh	0.0	0.0	0.0	0.0	0.0	5.4
	LKR/kWh	0.0	0.0	0.0	0.0	0.0	48.8
DSP	GWh	0.0	0.0	0.0	32.8	33.9	32.7
	LKR/kWh	0.0	0.0	0.0	20.5	20.4	20.5
DSPX	GWh	0.0	0.0	0.0	0.0	0.0	36.9
	LKR/kWh	0.0	0.0	0.0	0.0	0.0	19.6
DAPL	GWh	23.2	24.1	30.9	28.5	30.5	29.0
	LKR/kWh	24.6	24.6	24.5	24.6	24.5	24.6
CCKP	GWh	55.2	86.2	97.3	89.4	100.0	29.1
	LKR/kWh	21.1	21.0	21.0	21.0	20.2	20.0
CAES	GWh	0.0	0.0	1.5	39.2	46.7	78.8
	LKR/kWh	0.0	0.0	53.9	27.2	27.0	26.6
DCPL	GWh	43.3	39.1	43.3	41.9	43.3	41.9
	LKR/kWh	23.0	23.0	23.0	23.0	23.0	23.0
DPUT	GWh	0.0	0.0	0.0	0.0	0.0	0.0
	LKR/kWh	0.0	0.0	0.0	0.0	0.0	0.0
DEMB	GWh	22.3	20.2	22.3	0.0	0.0	0.0
	LKR/kWh	25.4	25.5	25.4	0.0	0.0	0.0
CCKW	GWh	0.0	18.1	124.3	132.3	156.2	80.8
	LKR/kWh	0.0	29.3	24.3	24.2	24.9	24.7
CPUT	GWh	479.7	433.3	479.7	311.0	321.4	311.0
	LKR/kWh	6.0	6.1	6.0	6.2	6.2	6.2
RENEW	GWh	53.4	43.4	46.4	73.4	82.4	109.4
	LKR/kWh	15.0	15.5	17.0	16.5	16.8	16.6
GT7	GWh	0.0	0.0	0.0	0.8	4.9	32.5
	LKR/kWh	0.0	0.0	0.0	34.1	32.0	31.6
DCHU	GWh	0.2	0.2	0.2	0.2	0.2	0.2
	LKR/kWh	46.5	46.5	46.5	46.5	46.5	46.5
DNOR	GWh	10.2	9.3	13.0	11.9	13.3	11.9
	LKR/kWh	25.8	26.0	25.5	25.6	25.5	25.6
DNCHU(Jaffna)	GWh	17.0	15.3	17.0	16.4	17.0	11.0
	LKR/kWh	20.8	21.0	20.8	20.9	20.8	22.0

TOTAL generated energy	GWh	1,021.0	947.7	1,072.8	1,015.3	1,099.9	1,092.6
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Monthly Energy Cost	LKR Million	7,626	8,227	11,841	12,308	13,848	13,353
Total Energy cost for six-months	LKR Million	67,204					
Total energy dispatch for six-months	GWh	6,249					
Six-month average energy cost	LKR/kWh	10.75					

4 ENERGY COSTS IN EACH INTERVAL FOR TOU PRICING

Using the approved Methodology, the Commission has determined that the peak adjustment factors to be as given in Table 16 below.

Table 16- Approved Peak Adjustment Factors

Time interval for TOU pricing	Factor	Value
0530-1830	k1	1
1830-2230	k2	1.25
2230-0530	k3	0.75

The energy dispatches and costs in each interval are provided in table below. The Commission has assessed the energy dispatches in each interval using historic information on the load profile on typical weekdays, week-ends and holidays.

Table 17- Monthly Energy Dispatches and Costs in the TOU Regime for Jan-June 2015

Average Generation Energy cost in each month

	Unit	January	February	March	April	May	June
Generation Energy cost	LKR/kWh	7.47	8.68	11.04	12.12	12.59	12.22

Month 1 - TOU tariffs

Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	580	1	0.99	7.43
B2 (peak)	232	1.25	1.24	9.29
B3 (off-peak)	209	0.75	0.75	5.57

Month 2 - TOU tariffs

Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	538	1	0.99	8.63
B2 (peak)	215	1.25	1.24	10.79
B3 (off-peak)	194	0.75	0.75	6.47

Month 3 - TOU tariffs

Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	609	1	0.99	10.98
B2 (peak)	244	1.25	1.24	13.72
B3 (off-peak)	220	0.75	0.75	8.23

Month 4 - TOU tariffs

Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	577	1	0.99	12.06
B2 (peak)	230	1.25	1.24	15.07
B3 (off-peak)	208	0.75	0.75	9.04

Month 5 - TOU tariffs				
Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	625	1	0.99	12.52
B2 (peak)	250	1.25	1.24	15.65
B3 (off-peak)	225	0.75	0.75	9.39

Month 6 - TOU tariffs				
Interval	Energy dispatched (GWh)	k Factor (#)	Adjusted k Factor (#)	Charge (LKR/kWh)
B1 (day)	581	1	0.99	8.30
B2 (peak)	232	1.25	1.24	10.37
B3 (off-peak)	210	0.75	0.75	6.22

5 COMBINED COSTS OF SINGLE BUYER, AND TRANSMISSION AND BSOB

The allowed capacity costs of generation and energy costs of generation have been combined with the allowed transmission and BSOB costs to calculate the Bulk Supply Tariffs (BST) for sales by the TL to DLs. The approved average BST in each month in each TOU interval is given below and provides the six-month average.

Table 18- Combined Transfer Price from TL to DLs for Jan-June 2015

Capacity Charge

	Unit	Month					
		January	February	March	April	May	June
Capacity Charge							
Generation capacity	LKR/MW	1,701,439.35	1,845,794.73	1,572,904.65	1,743,074.54	1,554,293.76	1,669,005.55
Transmission	LKR/MW	333,787.12	357,132.37	304,520.52	342,891.05	307,184.22	328,474.31
Bulk Supply and Operations Business (Including short term loans)	LKR/MW	743,587.07	795,593.93	678,389.02	763,868.15	684,323.02	731,751.57
BST (C)	LKR/MW	2,778,813.54	2,998,521.02	2,555,814.19	2,849,833.75	2,545,801.00	2,729,231.43
BST (C) 6-Month Weighted average	LKR/MW. month	2,734,024.16					

Energy Charge

	Unit	Month					
		January	February	March	April	May	June

Interval 1 (day)

Transmission Loss Factor B1	%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%
Generation energy Cost B1	LKR/kWh	7.43	8.63	10.98	12.06	12.52	12.15
BST (E1)	LKR/kWh	7.66	8.90	11.32	12.43	12.91	12.53

Interval 2 (peak)

Transmission Loss Factor B2	%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
Generation energy Cost B2	LKR/kWh	9.29	10.79	13.72	15.07	15.65	15.19
BST (E2)	LKR/kWh	9.65	11.22	14.26	15.66	16.27	15.79

Interval 3 (off-peak)

Transmission Loss Factor B3	%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
Generation energy Cost B3	LKR/kWh	5.57	6.47	8.23	9.04	9.39	9.12
BST (E3)	LKR/kWh	5.69	6.62	8.41	9.24	9.60	9.31

Table 19- Approved Six-month Average Bulk Supply Tariffs for Jan-June 2015

	Unit	BST (E)
BST day (E1) 6-Month weighted average	LKR/kWh	11.02
BST peak (E2) 6-Month weighted average	LKR/kWh	13.89
BST off-peak (E3) 6-Month weighted average	LKR/kWh	8.20

BST = Bulk Supply Tariff, means the average transfer price from Transmission to Distribution Licensees

E1, E2, E3 refer to the energy delivered in the three time intervals in the time-of-use tariffs regime. ie 0530-1830, 1830-2230 and 2230-0530, respectively.

6 APPROVED BST FROM TL TO EACH DL

Owing to the requirement to maintain a Uniform National Tariff (UNT) and owing to the varying customer mix among Distribution Licensees, the BST to each DL was adjusted, to enable each Distribution Licensee to recover their full allowed revenues. The summary calculation as per section 5.2.1 of the tariff methodology, and the approved BSTs are shown in Table 20

The Transmission Licensee is hereby directed to invoice each Distribution Licensee at the rates shown in Table 20 as (i) Approved BST for payment on Coincident Maximum, and (ii) Approved BST for energy in each TOU interval. In addition, adjustment of sales to DL5 by DL2, DL3 and DL4 shall be done as per section 8.3 of the Decision on electricity Tariffs 2011.

Approved BST from Transmission to each Distribution Licensee

Table 20- Approved BST from Transmission to each Distribution Licensee

Description	Units	DL1: CEB Region 1	DL2: CEB Region 2	DL3: CEB Region 3	DL4: CEB Region 4	DL5: LECO	Total
Sales to end-use customers	GWh	3,021	3,460	2,057	1,446	1,287	11,271
Revenue based on approved customer tariffs (Jan-Dec),(excluding Fuel Adjustment Charge)	LKR Million	54,722	53,141	30,634	23,239	25,104	186,840
Coincident peak demand for purchases from Transmission	MW	526	575	387	277	219	
Approved BST for payment on Coincident Maximum Demand	LKR/MW/ month	2,734,024	2,734,024	2,734,024	2,734,024	2,734,024	
Amount payable to Transmission on account of Demand (Jan-June)	LKR Million	8,624	9,428	6,342	4,546	3,597	32,537

Revenue to be recovered by Transmission through energy charges (Jan-June)	LKR Million	14,094	11,995	6,285	4,885	7,322	44,580
Energy sold from Transmission at MV	GWh	1,616	1,885	1,095	772	679	6,046
Approved BST for energy in each TOU interval							
Day (0530-1830)	LKR/kWh	8.67	6.33	5.71	6.30	10.73	
Peak (1830-2230)	LKR/kWh	10.93	7.98	7.19	7.94	13.52	
Off Peak (2230-0530)	LKR/kWh	6.45	4.71	4.24	4.68	7.98	

Notes:

1. Loss adjustment for energy delivered to LECO is continue to done as per the section 8.3 of Decision on Electricity Tariffs - 2011
2. The generation prices from the Single Buyer are applicable only for the period January 2015 to June 2015, after which the correction mechanisms stated in the Methodology shall be applicable. Similarly, other corrections would be effective at the time intervals stated in the Methodology.