

# Decision on Electricity Tariffs 2013

---

June 2013

## DECISION ON ELECTRICITY TARIFFS 2013

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.

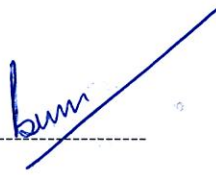
In accordance with the Tariff Methodology the Transmission Licensee filed their forecast generation cost estimate for January-June 2013 on 2nd January 2013. The Commission reviewed generation costs were communicated to DLs on 15th February 2013. Based on the Commission reviewed costs, Ceylon Electricity Board submitted a retail tariff proposal on 7th March 2013. Commission, having published the consultation document on electricity tariffs 2013 on 12th March 2013, accepted written submission till 28th March 2013 and the oral representations were accommodated at the consultation held on 4th April 2013.

After the consultations, Commission obtained Government policy guidelines on the retail tariff proposal and subsequently the Commission communicated the decision on retail tariffs applicable with effect from 20th April 2013 to DLs for publication. The consequent approvals from the Commission are hereby published in this 'DECISION ON ELECTRICITY TARIFFS 2013' for the compliance by the licensees and for the information of the general public.

Signed,



Dr. Jayatissa De Costa PC,  
Chairman of the Commission



Dr. Bandula Perera,  
Deputy Chairman of the Commission



Prof. R. Attalage, Commissioner



Mr. Sanjaya Gamage, Commissioner



Mr. Prasad Galhena, Commissioner

signed in Colombo on this 20<sup>th</sup> day of June, 2013.

## Table of Contents

|     |                                                                                    |    |
|-----|------------------------------------------------------------------------------------|----|
| 1.  | DEMAND FORECAST 2013                                                               | 5  |
| 2.  | CAPITAL EXPENDITURE CLAW BACK                                                      | 6  |
| 2.1 | <i>Adjusted approved variable revenue cap and retail service price cap</i>         | 9  |
| 3.  | APPROVED LOSSES FOR THE PERIOD (As per the Decision on Electricity Tariffs – 2011) | 10 |
| 4.  | SHORT TERM DEBT LEVY                                                               | 10 |
| 5.  | GENERATION COSTS                                                                   | 10 |
| 5.1 | <i>Adjustments made to year 2013 dispatch schedule</i>                             | 10 |
| 5.2 | <i>Adjustments made to Generation Overhead (OH) cost</i>                           | 10 |
| 6.  | ENERGY COSTS IN EACH INTERVAL FOR TOU PRICING                                      | 14 |
| 7.  | COMBINED COSTS OF SINGLE BUYER, AND TRANSMISSION AND BSOB                          | 15 |
| 8.  | TOTAL REVENUE REQUIREMENT FOR YEAR 2013                                            | 16 |
| 9.  | TARIFF AND FUEL ADJUSTMENT CHARGES                                                 | 17 |
| 10. | ESTIMATED REVENUE REALIZED IN 2013 BY DISTRIBUTION LICENSEES                       | 22 |
| 11. | APPROVED BST FROM TL TO EACH DL                                                    | 23 |
| 12. | CONDITIONS IMPOSED ON THE CEYLON ELECTRICITY BOARD                                 | 24 |

## List of Tables

|                                                                                   |    |
|-----------------------------------------------------------------------------------|----|
| Table 1- Detailed Sales Forecast 2013                                             | 5  |
| Table 2- Forecast Number of Customers for 2013                                    | 5  |
| Table 3- Approved Capex or Work-in Progress and Actual Expenditure for TL in 2011 | 6  |
| Table 4- Approved minor Capex and Actual Expenditure for TL in 2011               | 6  |
| Table 5- Approved Capex and Actual Expenditure for DL1 in 2011                    | 7  |
| Table 6- Approved Capex and Actual Expenditure for DL2 in 2011                    | 7  |
| Table 7- Approved Capex and Actual Expenditure for DL3 in 2011                    | 8  |
| Table 8- Approved Capex and Actual Expenditure for DL4 in 2011                    | 8  |
| Table 9- Approved Capex and Actual Expenditure for DL5 in 2011                    | 9  |
| Table 10- Adjusted Approved Variable Revenue Cap                                  | 9  |
| Table 11- Adjusted Approved Retail Service Price Cap For 2013                     | 9  |
| Table 12- Approved Network Loss For 2013                                          | 10 |
| Table 13- Dispatch Approved By the Commission for Jan-June 2013                   | 11 |
| Table 14- Approved Capacity payments to GL by TL for Jan-June 2013                | 12 |
| Table 15- Approved Energy Payments to GL by TL for Jan-June 2013                  | 13 |
| Table 16- Fuel Costs Relevant for the Period Jan-June 2013                        | 14 |
| Table 17- Approved Peak Adjustment Factors                                        | 14 |
| Table 18- Monthly Energy Dispatches and Costs in the TOU Regime for Jan-June 2013 | 14 |
| Table 19- Combined Transfer Price from TL to dLs for Jan-June 2013                | 15 |
| Table 20- Approved Six-month Average Bulk Supply Tariffs for Jan-June 2013        | 16 |
| Table 21- Breakdown of Total Revenue Requirement For 2013                         | 16 |
| Table 22- Tariff Applicable for Domestic Customers                                | 17 |
| Table 23- Tariff Applicable for Religious Customers                               | 18 |
| Table 24- Tariff Applicable for Industrial-1 Customers                            | 18 |
| Table 25- Tariff Applicable for Industrial-2 Customers                            | 18 |
| Table 26- Tariff Applicable for Industrial-3 Customers                            | 19 |
| Table 27- Tariff Applicable for Hotel-1 Customers                                 | 19 |
| Table 28- Tariff Applicable for Hotel-2 Customers                                 | 19 |
| Table 29- Tariff Applicable for Hotel-3 Customers                                 | 19 |
| Table 30- Tariff Applicable for General-1 Customers                               | 20 |
| Table 31- Tariff Applicable for General-2 Customers                               | 20 |
| Table 32- Tariff Applicable for General-3 Customers                               | 20 |
| Table 33- Tariff Applicable for Government-1 Customers                            | 21 |
| Table 34- Tariff Applicable for Government-2 Customers                            | 21 |
| Table 35- Tariff Applicable for Government-3 Customers                            | 21 |
| Table 37- Comparison between Average Revenue and Cost of Supply for Each Category | 22 |
| Table 38- Approved BST from Transmission to each Distribution Licensee            | 23 |

## 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. DEMAND FORECAST 2013

Approved sales demand forecast for year 2013 as filed by each Distribution Licensee is shown in Table 1 below.

Table 1- Detailed Sales Forecast 2013

| Customer category    | Forecast sales to end-use customers (GWh) |              |              |              |              |               | Category Individual Maximum Demand, non-coincident (MVA) |            |            |            |            |              |
|----------------------|-------------------------------------------|--------------|--------------|--------------|--------------|---------------|----------------------------------------------------------|------------|------------|------------|------------|--------------|
|                      | DL1                                       | DL2          | DL3          | DL4          | DL5          | Total         | DL1                                                      | DL2        | DL3        | DL4        | DL5        | Total        |
| <b>LV RETAIL</b>     |                                           |              |              |              |              |               |                                                          |            |            |            |            |              |
| Domestic (D-1)       | 937                                       | 1,181        | 814          | 677          | 552          | 4,161         | -                                                        | -          | -          | -          | -          | -            |
| Religious (R-1)      | 22                                        | 17           | 11           | 8            | 8            | 66            | -                                                        | -          | -          | -          | -          | -            |
| General 1 (G-1)      | 468                                       | 286          | 208          | 166          | 231          | 1,359         | -                                                        | -          | -          | -          | -          | -            |
| Industrial 1 (I-1)   | 126                                       | 81           | 50           | 39           | 24           | 320           | -                                                        | -          | -          | -          | -          | -            |
| Hotel 1 (H-1)        | 0                                         | 0            | 0            | 2            | 0            | 3             | -                                                        | -          | -          | -          | -          | -            |
| Street Lighting      | 44                                        | 38           | 14           | 19           | 31           | 146           | -                                                        | -          | -          | -          | -          | -            |
| <b>Total LV</b>      | <b>1,597</b>                              | <b>1,603</b> | <b>1,097</b> | <b>911</b>   | <b>846</b>   | <b>6,054</b>  | -                                                        | -          | -          | -          | -          | -            |
| <b>LV BULK</b>       |                                           |              |              |              |              |               |                                                          |            |            |            |            |              |
| General 2 (G-2)      | 577                                       | 113          | 90           | 70           | 162          | 1,012         | 163                                                      | 35         | 29         | 24         | 59         | 310          |
| Industrial 2 (I-2)   | 312                                       | 595          | 526          | 334          | 176          | 1,943         | 116                                                      | 232        | 55         | 125        | 58         | 586          |
| Hotel 2 (H-2)        | 47                                        | 35           | 6            | 30           | 34           | 152           | 8                                                        | 7          | 2          | 7          | 7          | 31           |
| <b>Total LV bulk</b> | <b>936</b>                                | <b>743</b>   | <b>622</b>   | <b>434</b>   | <b>372</b>   | <b>3,107</b>  | <b>287</b>                                               | <b>274</b> | <b>86</b>  | <b>156</b> | <b>124</b> | <b>927</b>   |
| <b>MV Bulk</b>       |                                           |              |              |              |              |               |                                                          |            |            |            |            |              |
| General 3 (G-3)      | 195                                       | 65           | 15           | 1            | 5            | 281           | 41                                                       | 12         | 5          | 1          | 1          | 60           |
| Industrial 3 (I-3)   | 320                                       | 711          | 291          | 79           | 27           | 1,428         | 109                                                      | 144        | 48         | 38         | 9          | 348          |
| Hotel 3 (H-3)        | 76                                        | 0            | 0            | 4            | 2            | 82            | 0                                                        | 0          | 0          | 2          | 0          | 2            |
| <b>Total MV</b>      | <b>591</b>                                | <b>776</b>   | <b>306</b>   | <b>84</b>    | <b>34</b>    | <b>1,791</b>  | <b>150</b>                                               | <b>156</b> | <b>53</b>  | <b>41</b>  | <b>10</b>  | <b>410</b>   |
| <b>Total sales</b>   | <b>3,124</b>                              | <b>3,122</b> | <b>2,025</b> | <b>1,429</b> | <b>1,252</b> | <b>10,952</b> | <b>437</b>                                               | <b>430</b> | <b>139</b> | <b>197</b> | <b>134</b> | <b>1,337</b> |

Table 2- Forecast Number of Customers for 2013

| Customer category         | Forecast number of customers |                  |                  |                |                |                  |
|---------------------------|------------------------------|------------------|------------------|----------------|----------------|------------------|
|                           | DL1                          | DL2              | DL3              | DL4            | DL5            | Total            |
| <b>LV RETAIL</b>          |                              |                  |                  |                |                |                  |
| Domestic (D-1)            | 1,229,616                    | 1,439,551        | 1,086,406        | 824,194        | 420,634        | 5,000,401        |
| Religious (R-1)           | 12,068                       | 8,720            | 6,692            | 4,513          | 2,365          | 34,358           |
| General 1 (G-1)           | 166,338                      | 170,489          | 111,744          | 78,046         | 65,631         | 592,248          |
| Industrial 1 (I-1)        | 26,173                       | 11,901           | 7,077            | 5,679          | 2,515          | 53,345           |
| Hotel 1 (H-1)             | 128                          | 52               | 63               | 69             | 1              | 313              |
| <b>Total LV</b>           | <b>1,434,323</b>             | <b>1,630,713</b> | <b>1,211,982</b> | <b>912,501</b> | <b>491,146</b> | <b>5,680,665</b> |
| <b>LV BULK</b>            |                              |                  |                  |                |                |                  |
| General 2 (G-2)           | 2,113                        | 833              | 477              | 411            | 962            | 4,796            |
| Industrial 2 (I-2)        | 1,016                        | 1,619            | 552              | 677            | 471            | 4,335            |
| Hotel 2 (H-2)             | 54                           | 62               | 19               | 52             | 40             | 227              |
| <b>Total LV bulk</b>      | <b>3,183</b>                 | <b>2,514</b>     | <b>1,048</b>     | <b>1,140</b>   | <b>1,473</b>   | <b>9,358</b>     |
| <b>MV Bulk</b>            |                              |                  |                  |                |                |                  |
| General 3 (G-3)           | 59                           | 13               | 18               | 2              | 3              | 95               |
| Industrial 3 (I-3)        | 36                           | 134              | 27               | 110            | 7              | 314              |
| Hotel 3 (H-3)             | 6                            | 0                | 0                | 6              | 1              | 13               |
| <b>Total MV</b>           | <b>101</b>                   | <b>147</b>       | <b>45</b>        | <b>118</b>     | <b>11</b>      | <b>422</b>       |
| <b>Total for each DL*</b> | <b>1,437,607</b>             | <b>1,633,374</b> | <b>1,213,075</b> | <b>913,759</b> | <b>492,630</b> | <b>5,690,445</b> |

Forecast Street lighting demand is to be considered as the allowed maximum consumption for street lighting (public use) and the DLs are hereby directed to invoice the Local Authorities for the measured / estimated street lighting consumption in their authorized areas on monthly basis.

## 2. CAPITAL EXPENDITURE CLAW BACK

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 2011 for each licensee is shown in Tables 3 to 9 and the resulting adjusted allowed revenues for years 2011, 2012 and 2013 are shown in Table 10. The aggregate claw back adjustment is made to year 2013 allowed revenues for all DLs and TL.

Table 3- Approved Capex or Work-in Progress and Actual Expenditure for TL in 2011

| Item                                                              | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|-------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| Trincomalee Coal Power Project                                    | 186                                           | 0                                           |
| Power Sector Development Transmission Project                     | 50                                            | 0                                           |
| Greater Colombo Grid Substation Project:<br>Kotugoda extension    | 16                                            | 0                                           |
| Augmentation of Grid Substations for<br>Absorption of RE Projects | 654                                           | 0                                           |
| Beliatte Grid Substation Project                                  | 219                                           | 0                                           |
| Vavuniya – Killinochchi Transmission Project                      | 1,532                                         | 0                                           |
| Killinochchi – Chunnakum Transmission Project                     | 370                                           | 0                                           |
| North East Power Transmission Development Project                 | 3,252                                         | 0                                           |
| Transmission System Strengthening: Line Project                   | 182                                           | 0                                           |
| Transmission System Strengthening: Eastern Project                | 284                                           | 0                                           |
| New Galle Transmission Development Project                        | 231                                           | 0                                           |
| 220 kV Protection Development Project                             | 117                                           | 1.08                                        |
| Puttalam GS Augmentation Project                                  | -                                             |                                             |
| Transmission System Strengthening: GS Project                     | 321                                           | 0                                           |
| Augmentation of Vavuniya GS Project                               | -                                             |                                             |
| <b>TOTAL Work In Progress</b>                                     | <b>7,304</b>                                  | <b>1.08</b>                                 |

Table 4- Approved minor Capex and Actual Expenditure for TL in 2011

| Item                                                                 | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|----------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| Purchase of new Energy Meters                                        | -                                             | 19.1                                        |
| Replacement CAPEX                                                    |                                               |                                             |
| Purchase of Power Transformers                                       | 150.0                                         | 115.0                                       |
| Trincomalee GS                                                       | 14.3                                          |                                             |
| Kiribathkumbura GS                                                   | 110.2                                         |                                             |
| Old Anuradhapura GS                                                  | 176.4                                         |                                             |
| Reinforcement CAPEX                                                  |                                               |                                             |
| Kotugoda GS                                                          | 38.3                                          | 0.0                                         |
| Transmission construction                                            | 117.0                                         | 0.0                                         |
| Other CAPEX                                                          |                                               |                                             |
| Capital: Vehicles, purchase of lands, buildings, etc. (Tax included) | 362.0                                         | 154.7                                       |
| Customs Duty & VAT for other minor CAPEX                             | 17.7                                          | 0.0                                         |
| <b>Total minor CAPEX</b>                                             | <b>985.9</b>                                  | <b>288.8</b>                                |

Table 5- Approved Capex and Actual Expenditure for DL1 in 2011

| Item                                                         | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|--------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| LV Development Plan (System Augmentation)                    | 826                                           | 793                                         |
| LV ABC Conversion                                            | 814                                           |                                             |
| MV Development Plan                                          | 1,685                                         |                                             |
| E Shops                                                      |                                               |                                             |
| Loss Reduction                                               |                                               |                                             |
| RE8: Iran                                                    | 2,375                                         | 201                                         |
| RE4: SIDA                                                    | 655                                           | 398                                         |
| Lighting NCP                                                 | 3,227                                         | 1,218                                       |
| Lighting: NWP                                                | 600                                           |                                             |
| UthuruWasanthaya                                             | 1,946                                         | 1,003                                       |
| CAARP                                                        |                                               |                                             |
| Augmentation of Primaries, Sub D & Sub J                     | 475                                           | 0                                           |
| Colombo City Electricity<br>Distribution Development Project | 552                                           | 1,446                                       |
| New Buildings (Area Offices, CSCs, etc.)                     | 324                                           | 9                                           |
| New Computers & Other Equipment                              | 46                                            | 33                                          |
| Vehicles                                                     | 102                                           | 30                                          |
| Furniture                                                    | 13                                            | 7                                           |
| Other Capital Expenditure                                    | 38                                            | 48                                          |
| Consumer Contribution                                        |                                               |                                             |
| PCB                                                          | 77                                            |                                             |
| DCB                                                          | 108                                           | 563                                         |
| Service Mains                                                | 1352                                          | 1,313                                       |
| Bulk Supply                                                  | 656                                           | 788                                         |
| Others                                                       | 106                                           | 366                                         |
| <b>TOTAL CAPEX</b>                                           | <b>16,208</b>                                 | <b>8,276</b>                                |

Table 6- Approved Capex and Actual Expenditure for DL2 in 2011

| Item                            | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|---------------------------------|-----------------------------------------------|---------------------------------------------|
| Transfer from WIP(Distribution) | 8,932                                         | 4,287                                       |
| Freehold Land                   | -                                             | 6                                           |
| Freehold Buildings(Constructed) | 250                                           | 24                                          |
| Motor Vehicles                  | 100                                           | 116                                         |
| Office Equipment                | 40                                            | 32                                          |
| Furniture & Fittings            | 3                                             | 15                                          |
| Plant & Machinery               | 23                                            | 58                                          |
| Other Assets (IT Equipment)     | 64                                            |                                             |
| <b>TOTAL CAPEX</b>              | <b>9,412</b>                                  | <b>4,538</b>                                |

Table 7- Approved Capex and Actual Expenditure for DL3 in 2011

| Item                                                                                      | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|-------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| Distribution system augmentation                                                          | 1,180                                         | 374                                         |
| MV distribution network reinforcement<br>(including augmentation of primaries & MV lines) | 1,284                                         | 0                                           |
| Land                                                                                      | 55                                            | 0                                           |
| Buildings                                                                                 | 238                                           | 7                                           |
| Motor vehicles                                                                            | 204                                           | 124                                         |
| Office equipment and tools                                                                | 121                                           | 86                                          |
| Machinery & tools                                                                         | 42                                            | 0                                           |
| Lighting Sri Lanka Ratnapura Project                                                      | 1,180                                         | 603                                         |
| Rural Electrification: Iran                                                               | 1,158                                         | 619                                         |
| UvaUdanaya                                                                                | 2,720                                         | 622                                         |
| Bulk supply                                                                               | 350                                           | 148                                         |
| Service connections                                                                       | 1,000                                         | 987                                         |
| <b>TOTAL CAPEX</b>                                                                        | <b>9,531</b>                                  | <b>3,570</b>                                |

Table 8- Approved Capex and Actual Expenditure for DL4 in 2011

| Item                                                                                                  | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| Distribution system augmentation                                                                      | 885                                           | 480                                         |
| Medium voltage distribution network reinforcement (including<br>augmentation of primaries & MV lines) | 708                                           | 181                                         |
| Distribution Development Project:<br>Dehiwala-Mt. Lavinia                                             | 192                                           | 52                                          |
| Interconnection Dehiwala GS &<br>Dehiwala PS                                                          | 50                                            | 0                                           |
| Computerisation & IT installation                                                                     | 26                                            | 11                                          |
| Land                                                                                                  | 28                                            | 0                                           |
| Buildings                                                                                             | 111                                           | 11                                          |
| Motor vehicles                                                                                        | 90                                            | 82                                          |
| Office equipment                                                                                      | 9                                             | 11                                          |
| Furniture & fittings                                                                                  | 8                                             | 4                                           |
| Machinery & Tools                                                                                     | 93                                            | 53                                          |
| RE4: SIDA Project                                                                                     | -                                             | 117                                         |
| RE:8 Iran Project                                                                                     | 500                                           | 274                                         |
| Lighting Sri Lanka Hambantota Project                                                                 | 1,050                                         | 374                                         |
| Lighting Sri Lanka Galle District                                                                     | 440                                           | 178                                         |
| Lighting Sri Lanka Matara District                                                                    | 700                                           |                                             |
| Lighting Sri Lanka Kalutara District                                                                  | 150                                           | 107                                         |
| <b>Sub Total</b>                                                                                      | <b>5,040</b>                                  | <b>1,936</b>                                |
| <b>Customer Contribution for New Connections</b>                                                      |                                               |                                             |
| Third Party Jobs                                                                                      | 608                                           | 407                                         |
| (a) Bulk Supply                                                                                       |                                               |                                             |
| (b) Service Connections                                                                               | 720                                           | 554                                         |
| (c) DCB RE                                                                                            | 177                                           | 39                                          |
| <b>Sub Total</b>                                                                                      | <b>1,505</b>                                  | <b>1,001</b>                                |
| <b>TOTAL CAPEX</b>                                                                                    | <b>6,545</b>                                  | <b>2,937</b>                                |

Table 9- Approved Capex and Actual Expenditure for DL5 in 2011

| Item                                               | Year 2011<br>Approved Capex<br>(LKR Millions) | Year 2011 actual<br>Capex<br>(LKR Millions) |
|----------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| Vehicles                                           | 65.0                                          |                                             |
| Plant                                              |                                               |                                             |
| Heavy machinery                                    | 35.0                                          |                                             |
| Line construction tools                            | 10.8                                          | 7.6                                         |
| Metering equipment                                 | 4.2                                           |                                             |
| Meter calibration program                          | 4.0                                           |                                             |
| Fault detection and diagnostic program             | 6.0                                           |                                             |
| Computers, software and IT equipment               |                                               |                                             |
| Servers, network hardware, plotters, printers etc. | 9.9                                           | 1.7                                         |
| Software                                           | 6.0                                           | 6.0                                         |
| ERP                                                | 50.0                                          | 12.1                                        |
| Regulatory and customer support (Call Centre)      | 2.0                                           |                                             |
| Office equipment                                   |                                               |                                             |
| Fax machines ,telephone ,photocopy                 | 2.4                                           | 2.4                                         |
| Furniture                                          | 1.2                                           | 1.2                                         |
| Radio Communication                                | 64.0                                          | 0.3                                         |
| VHF sets                                           | 0.8                                           |                                             |
| Buildings                                          |                                               |                                             |
| Customer Service Centres                           |                                               |                                             |
| Panadura, building                                 | 10.5                                          | 3.7                                         |
| Moratuwa South, building                           |                                               |                                             |
| Pita Kotte (Refurbishment ), building              | 10.5                                          | 4.3                                         |
| TOTAL other CAPEX                                  | 282.3                                         | 39.2                                        |
| TOTAL network CAPEX                                | 433.2                                         | 396.0                                       |
| TOTAL CAPEX                                        | 715.5                                         | 435.2                                       |

### 2.1 Adjusted approved variable revenue cap and retail service price cap

Approved revenue caps for Licenses (given Table 10 below) are adjusted from the amounts approved under Sections 2.3 and 3.3 of the Decision on Electricity Tariff 2011, for underutilization of capital expenditure as well as for the annual forecast sales demand variation.

Table 10- Adjusted Approved Variable Revenue Cap

| Licensee | Variable revenue cap (LKR Million) |       |       |
|----------|------------------------------------|-------|-------|
|          | 2011                               | 2012  | 2013  |
| DL 1     | 5,978                              | 6,332 | 7,366 |
| DL 2     | 6,772                              | 6,629 | 7,697 |
| DL 3     | 3,970                              | 4,000 | 4,522 |
| DL 4     | 3,334                              | 3,167 | 3,684 |
| DL 5     | 2,120                              | 2,159 | 2,455 |
| TL       | 6,895                              | 7,239 | 8,046 |

Retail service price cap was adjusted only for the annual sales variation.

Table 11- Adjusted Approved Retail Service Price Cap For 2013

| Licensee | Retail service price cap (LKR/ Customer) |        |        |        |        | BSOB Revenue<br>(LKR Million) |
|----------|------------------------------------------|--------|--------|--------|--------|-------------------------------|
|          | DL 1                                     | DL 2   | DL 3   | DL 4   | DL 5   | TL                            |
| 2013     | 496.75                                   | 623.89 | 459.76 | 499.50 | 682.53 | 135.15                        |

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

Approved network loss target as per Decision on Electricity Tariff 2011 for year 2013 are shown in Table 12 below.

Table 12- Approved Network Loss For 2013

| Licensee      | DL 1 | DL 2  | DL 3 | DL 4 | DL 5 | TL   |
|---------------|------|-------|------|------|------|------|
| Approved loss | 8.6% | 11.0% | 8.6% | 9.6% | 5.4% | 3.0% |

### 4. SHORT TERM DEBT LEVY

As per Section 4.2 of the Decision on Electricity Tariffs 2011, repayment of short terms debts of Ceylon Electricity Board that were prevailing at the start of year 2011 were allowed as a cost for year 2013. Hence, the Commission has approved LKR 2193.44 Million of short term debt repayment for the period of January to June 2013.

Therefore the short term debt repayment allowed for a unit supplied to MV system is LKR 0.36 per kWh.

### 5. GENERATION COSTS

Following adjustments were made to the generation dispatch and cost estimates for the period January – June 2013 filed by the Transmission Licensee.

#### *5.1 Adjustments made to year 2013 dispatch schedule*

- Total generation scheduled for already retired ACE power Horana, ACE power Matara and Lakdhanavi power plants were removed and added to hydro generation, since their licenses are expired.
- CEB has forecasted 2,828 GWh generation for the year from large hydro plants, and with the above mentioned adjustment it goes upto 3,681 GWh for year 2013. CEB forecast Hydro generation for January 2013 was 248 GWh, while the actual generation was 541 GWh. Hence an estimated 800 GWh additional generation is expected from Hydro plants. Estimated cost reduction from this favorable hydro condition is LKR 15 Billion for year 2013.

#### *5.2 Adjustments made to Generation Overhead (OH) cost*

Following items were removed from apportioned Head office overhead cost allocated to generation plants.

- Trincomalee coal power plant feasibility costs– since it is for generation investment, it should be recovered as power generation costs in future
- Overdue interest cost – Short term debt is allowed as a special levy
- Short term loan capital repayment - Short term debt is allowed as a special levy

- Internal Cash Generation requirements for CEB projects – Investment/ capital expenditure is not allowed as Overhead cost

Total Overhead cost removed is LKR 6,486 Million. In addition to adjustments following adjustment was done for depreciation included in plant specific Overhead cost.

- Depreciation of plants was removed and Return on Equity (ROE) was added, resulting in a cost reduction of LKR 5,344.15 Million per annum.

The approved generation dispatch for January-June 2013, without the 800 GWh hydro generation adjustment is shown in Table 13 below.

Table 13- Dispatch Approved By the Commission for Jan-June 2013

|                                           |       |      | Month of year 2013 |          |         |       |         |         |         |
|-------------------------------------------|-------|------|--------------------|----------|---------|-------|---------|---------|---------|
| Month                                     | Code  | Unit | January            | February | March   | April | May     | June    | Total   |
| <u>Independent Power Producers (IPPs)</u> |       |      |                    |          |         |       |         |         |         |
| ASIA Power – 45 MW                        | DAPL  | GWh  | 31.0               | 28.0     | 31.0    | 25.0  | 27.0    | 26.0    | 168.0   |
| AES Kelanitissa – 165 MW                  | CAES  | GWh  | 84.5               | 75.1     | 84.5    | 81.4  | 55.6    | 81.4    | 462.5   |
| Barge – 60 MW                             | DCPL  | GWh  | 37.9               | 34.3     | 37.9    | 36.7  | 33.0    | 31.8    | 211.6   |
| Heladhanavi – Put. – 99 MW                | DPUT  | GWh  | 62.6               | 56.5     | 62.6    | 60.6  | 62.6    | 60.6    | 365.5   |
| ACE – Embilipitiya – 99 MW                | DEMB  | GWh  | 57.7               | 51.3     | 57.7    | 47.0  | 49.2    | 47.0    | 309.9   |
| Kerawalapitiya – 270 MW                   | CCKW  | GWh  | 110.8              | 98.5     | 110.8   | 73.4  | 73.9    | 70.7    | 538.1   |
| TOTAL IPP                                 |       | GWh  | 384.5              | 343.7    | 384.5   | 324.1 | 301.3   | 317.5   | 2055.6  |
| <u>CEB GL's Thermal Generation</u>        |       |      |                    |          |         |       |         |         |         |
| Sapu Old 4 x 18 MW                        | DSP1  | GWh  | 32.7               | 29.6     | 32.7    | 31.7  | 32.7    | 31.7    | 191.1   |
| Sapu Ext. 8 x 9 MW                        | DSP2  | GWh  | 40.5               | 36.6     | 40.5    | 39.2  | 40.5    | 39.2    | 236.5   |
| KPS GT 5 x 17 MW                          | GT16  | GWh  | 0.0                | 1.5      | 2.1     | 0.0   | 0.0     | 0.0     | 3.6     |
| KPS GT 1 x 115 MW                         | GT07  | GWh  | 0.0                | 17.3     | 17.3    | 0.0   | 0.0     | 0.0     | 34.6    |
| KPS Combined – 165 MW                     | CCKP  | GWh  | 92.2               | 81.9     | 92.2    | 75.1  | 92.2    | 88.8    | 522.4   |
| Coal – Puttlam 300 MW                     | CPUT  | GWh  | 162.3              | 146.6    | 162.3   | 129.1 | 162.3   | 157.1   | 919.7   |
| Total CEB GL's Thermal Generation         |       | GWh  | 327.7              | 313.5    | 347.1   | 275.1 | 327.7   | 316.8   | 1907.9  |
|                                           |       |      |                    |          |         |       |         |         |         |
| Renewable energy                          | NCRE  | GWh  | 43.4               | 22.4     | 22.4    | 54.1  | 70.5    | 70.5    | 283.3   |
|                                           |       |      |                    |          |         |       |         |         |         |
| Chunnakam                                 | DCHU  | GWh  | 0.5                | 0.4      | 0.5     | 0.5   | 0.5     | 0.5     | 2.9     |
| New Chunnakam                             | DNCHU | GWh  | 15.2               | 13.7     | 15.2    | 14.7  | 15.2    | 14.7    | 88.7    |
| Northern Power                            | DNOR  | GWh  | 10.0               | 9.1      | 10.0    | 9.7   | 10.0    | 9.7     | 58.5    |
| Total Northern generation                 |       | GWh  | 25.7               | 23.2     | 25.7    | 24.9  | 25.7    | 24.9    | 150.1   |
|                                           |       |      |                    |          |         |       |         |         |         |
| CEB GL's Hydropower Generation            |       | GWh  | 254.1              | 265.4    | 301.4   | 319.9 | 344.2   | 322.4   | 1807.4  |
|                                           |       |      |                    |          |         |       |         |         |         |
| Total Generation                          |       | GWh  | 1,035.4            | 968.2    | 1,081.1 | 998.1 | 1,069.3 | 1,052.1 | 6,204.3 |

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 2013

| Item\Month                    | Unit | January | February | March | April | May   | June  |
|-------------------------------|------|---------|----------|-------|-------|-------|-------|
| System Coincident Peak demand | MW   | 2,114   | 2,187    | 2,207 | 2,109 | 2,183 | 2,218 |

#### Capacity Payment

| Plant\Month                                 | Unit    | January  | February | March    | April    | May      | June     |
|---------------------------------------------|---------|----------|----------|----------|----------|----------|----------|
| Mahaweli                                    | Mn. LKR | 615.43   | 617.20   | 617.20   | 617.20   | 617.20   | 617.20   |
| Laxapana                                    | Mn. LKR | 210.88   | 210.88   | 210.88   | 210.88   | 210.88   | 210.88   |
| Other Hydro                                 | Mn. LKR | 202.76   | 202.76   | 202.76   | 202.76   | 202.76   | 202.76   |
| GTSM                                        | Mn. LKR | 26.94    | 20.36    | 20.36    | 26.94    | 26.94    | 26.94    |
| DSP                                         | Mn. LKR | 77.41    | 77.41    | 77.41    | 77.41    | 77.41    | 77.41    |
| DSPX                                        | Mn. LKR | 87.09    | 87.09    | 87.09    | 87.09    | 87.09    | 87.09    |
| DAPL                                        | Mn. LKR | 145.31   | 145.31   | 145.31   | 145.31   | 145.31   | 145.31   |
| CCKP                                        | Mn. LKR | 150.01   | 150.01   | 150.01   | 150.01   | 150.01   | 150.01   |
| CAES                                        | Mn. LKR | 271.89   | 245.58   | 271.89   | 263.12   | 271.89   | 263.12   |
| DCPL                                        | Mn. LKR | 88.19    | 79.81    | 88.19    | 85.39    | 76.79    | 73.99    |
| DPUT                                        | Mn. LKR | 116.78   | 116.78   | 116.78   | 116.78   | 116.78   | 116.78   |
| DEMB                                        | Mn. LKR | 77.58    | 77.58    | 77.58    | 83.62    | 83.62    | 83.62    |
| CCKW                                        | Mn. LKR | 631.35   | 570.26   | 631.35   | 610.99   | 639.91   | 619.27   |
| CPUT                                        | Mn. LKR | 173.14   | 173.14   | 173.14   | 173.14   | 173.14   | 173.14   |
| RENV                                        | Mn. LKR | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
| GT7                                         | Mn. LKR | 27.55    | 27.55    | 27.55    | 27.55    | 27.55    | 27.55    |
| DCHU                                        | Mn. LKR | 10.66    | 10.68    | 10.68    | 10.68    | 10.68    | 10.68    |
| DNOR                                        | Mn. LKR | 47.52    | 42.92    | 47.52    | 45.99    | 47.52    | 45.99    |
| DNCHU                                       | Mn. LKR | 23.75    | 23.75    | 23.75    | 23.75    | 23.75    | 23.75    |
| TOTAL                                       | Mn. LKR | 2,984.25 | 2,879.07 | 2,979.46 | 2,958.61 | 2,989.23 | 2,955.49 |
| Depreciation Provision Excluded from CEB GL | Mn. LKR | 556.74   | 556.74   | 556.74   | 556.74   | 556.74   | 556.74   |
| Return of Equity allowed for CEB GL         | Mn. LKR | 111.35   | 111.35   | 111.35   | 111.35   | 111.35   | 111.35   |

#### Generation Capacity cost

|                                  | Unit   | January   | February  | March     | April     | May       | June      |
|----------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average Generation Capacity cost | LKR/MW | 1,201,171 | 1,112,795 | 1,148,083 | 1,191,725 | 1,165,096 | 1,131,501 |

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 2013

| Plant\Month   | Unit    | January | February | March | April | May   | June  |
|---------------|---------|---------|----------|-------|-------|-------|-------|
| Hydro         | GWh     | 254.1   | 265.4    | 301.4 | 319.9 | 344.2 | 322.4 |
|               | LKR/kWh | 0.0     | 0.0      | 0.0   | 0.0   | 0.0   | 0.0   |
| GTSM          | GWh     | 0.0     | 1.5      | 2.1   | 0.0   | 0.0   | 0.0   |
|               | LKR/kWh | -       | 69.9     | 69.7  | -     | -     | -     |
| DSP           | GWh     | 32.7    | 29.6     | 32.7  | 31.7  | 32.7  | 31.7  |
|               | LKR/kWh | 19.1    | 19.5     | 19.1  | 25.1  | 25.0  | 25.1  |
| DSPX          | GWh     | 40.5    | 36.6     | 40.5  | 39.2  | 40.5  | 39.2  |
|               | LKR/kWh | 17.7    | 18.0     | 17.7  | 23.5  | 23.4  | 23.5  |
| DAPL          | GWh     | 31.0    | 28.0     | 31.0  | 25.0  | 27.0  | 26.0  |
|               | LKR/kWh | 15.1    | 15.1     | 15.1  | 26.3  | 26.2  | 26.2  |
| CCKP          | GWh     | 92.2    | 81.9     | 92.2  | 75.1  | 92.2  | 88.8  |
|               | LKR/kWh | 24.9    | 25.4     | 26.3  | 24.9  | 26.7  | 31.9  |
| CAES          | GWh     | 84.5    | 75.1     | 84.5  | 81.4  | 55.6  | 81.4  |
|               | LKR/kWh | 25.7    | 26.2     | 27.1  | 27.2  | 27.8  | 27.1  |
| DCPL          | GWh     | 37.9    | 34.3     | 37.9  | 36.7  | 33.0  | 31.8  |
|               | LKR/kWh | 16.9    | 16.9     | 16.9  | 24.5  | 24.5  | 24.5  |
| DPUT          | GWh     | 62.6    | 56.5     | 62.6  | 60.6  | 62.6  | 60.6  |
|               | LKR/kWh | 17.0    | 17.1     | 17.0  | 21.3  | 21.3  | 21.3  |
| DEMB          | GWh     | 57.7    | 51.3     | 57.7  | 47.0  | 49.2  | 47.0  |
|               | LKR/kWh | 17.4    | 17.5     | 17.4  | 23.4  | 23.4  | 23.4  |
| CCKW          | GWh     | 110.8   | 98.5     | 110.8 | 73.4  | 73.9  | 70.7  |
|               | LKR/kWh | 18.6    | 18.7     | 18.6  | 24.3  | 24.3  | 24.4  |
| CPUT          | GWh     | 162.3   | 146.6    | 162.3 | 129.1 | 162.3 | 157.1 |
|               | LKR/kWh | 8.3     | 8.3      | 8.3   | 8.3   | 8.3   | 8.3   |
| RENEW         | GWh     | 43.4    | 22.4     | 22.4  | 54.1  | 70.5  | 70.5  |
|               | LKR/kWh | 16.6    | 18.6     | 18.6  | 18.4  | 17.0  | 18.2  |
| GT7           | GWh     | 0.0     | 17.3     | 17.3  | 0.0   | 0.0   | 0.0   |
|               | LKR/kWh | -       | 39.4     | 41.1  | -     | -     | -     |
| DCHU          | GWh     | 0.5     | 0.4      | 0.5   | 0.5   | 0.5   | 0.5   |
|               | LKR/kWh | 27.5    | 27.6     | 27.5  | 27.5  | 27.5  | 27.5  |
| DNOR          | GWh     | 10.0    | 9.1      | 10.0  | 9.7   | 10.0  | 9.7   |
|               | LKR/kWh | 19.2    | 19.2     | 19.2  | 19.2  | 19.2  | 19.2  |
| DNCHU(Jaffna) | GWh     | 15.2    | 13.7     | 15.2  | 14.7  | 15.2  | 14.7  |
|               | LKR/kWh | 15.2    | 15.2     | 15.2  | 21.0  | 21.0  | 21.0  |

|                        |     |         |       |         |       |         |         |
|------------------------|-----|---------|-------|---------|-------|---------|---------|
| TOTAL generated energy | GWh | 1,035.4 | 968.2 | 1,081.1 | 998.1 | 1,069.3 | 1,052.1 |
|------------------------|-----|---------|-------|---------|-------|---------|---------|

|                                                   |             |        |        |        |        |        |        |
|---------------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|
| Monthly Energy Cost                               | LKR Million | 13,565 | 12,803 | 14,357 | 14,126 | 14,644 | 15,426 |
| Cost Reduction in lieu of hydro dispatch increase | LKR Million | 5,323  | 2,018  | 930    | 748    | 748    | 748    |
| Adjusted Monthly Energy Cost                      | LKR Million | 8,242  | 10,785 | 13,427 | 13,378 | 13,896 | 14,679 |
| Total Energy cost for six-months                  | LKR Million | 74,407 |        |        |        |        |        |
| Total energy dispatch for six-months              | GWh         | 6,204  |        |        |        |        |        |
| Six-month average energy cost                     | LKR/kWh     | 11.99  |        |        |        |        |        |

Above mentioned Generation Costs are based on the assumption of following fuel costs for electricity generation

Table 16- Fuel Costs Relevant for the Period Jan-June 2013

| Fuel                      | Unit     | Cost (January-March) | Cost (April-June) |
|---------------------------|----------|----------------------|-------------------|
| Coal                      | LKR / kg | 18.23                | 18.23             |
| Diesel                    | LKR / L  | 115.00*              | 121.00            |
| Furnace Oil               | LKR / L  | 65.00                | 90.00             |
| Heavy Fuel                | LKR / L  | 65.00                | 90.00             |
| Furnace Oil (low Sulphur) | LKR / L  | 75.00                | 100.00            |
| Naphtha                   | LKR / L  | 90.00                | 90.00             |

\*Diesel price was changed on 22<sup>nd</sup> Feb 2013, to LKR 121.00 per Liter.

## 6. 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 17 below.

Table 17- 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 18- Monthly Energy Dispatches and Costs in the TOU Regime for Jan-June 2013

Average Generation Energy cost in each month

|                        | Unit    | January | February | March | April | May   | June  |
|------------------------|---------|---------|----------|-------|-------|-------|-------|
| Generation Energy cost | LKR/kWh | 7.96    | 11.14    | 12.42 | 13.40 | 13.00 | 13.95 |

| Month 1 - TOU tariffs |                         |              |                       |                  |
|-----------------------|-------------------------|--------------|-----------------------|------------------|
| Interval              | Energy dispatched (GWh) | k Factor (#) | Adjusted k Factor (#) | Charge (LKR/kWh) |
| B1 (day)              | 588                     | 1            | 0.99                  | 7.92             |
| B2 (peak)             | 235                     | 1.25         | 1.24                  | 9.90             |
| B3 (off-peak)         | 212                     | 0.75         | 0.75                  | 5.94             |

| Month 2 - TOU tariffs |                         |              |                       |                  |
|-----------------------|-------------------------|--------------|-----------------------|------------------|
| Interval              | Energy dispatched (GWh) | k Factor (#) | Adjusted k Factor (#) | Charge (LKR/kWh) |
| B1 (day)              | 550                     | 1            | 0.99                  | 11.08            |
| B2 (peak)             | 220                     | 1.25         | 1.24                  | 13.85            |
| B3 (off-peak)         | 198                     | 0.75         | 0.75                  | 8.31             |

| Month 3 - TOU tariffs |                         |              |                       |                  |
|-----------------------|-------------------------|--------------|-----------------------|------------------|
| Interval              | Energy dispatched (GWh) | k Factor (#) | Adjusted k Factor (#) | Charge (LKR/kWh) |
| B1 (day)              | 614                     | 1            | 0.99                  | 12.35            |
| B2 (peak)             | 245                     | 1.25         | 1.24                  | 15.44            |
| B3 (off-peak)         | 222                     | 0.75         | 0.75                  | 9.26             |

| Month 4 - TOU tariffs |                            |                 |                          |                     |
|-----------------------|----------------------------|-----------------|--------------------------|---------------------|
| Interval              | Energy dispatched<br>(GWh) | k Factor<br>(#) | Adjusted k Factor<br>(#) | Charge<br>(LKR/kWh) |
| B1 (day)              | 567                        | 1               | 0.99                     | 13.33               |
| B2 (peak)             | 227                        | 1.25            | 1.24                     | 16.66               |
| B3 (off-peak)         | 205                        | 0.75            | 0.75                     | 10.00               |

| Month 5 - TOU tariffs |                            |                 |                          |                     |
|-----------------------|----------------------------|-----------------|--------------------------|---------------------|
| Interval              | Energy dispatched<br>(GWh) | k Factor<br>(#) | Adjusted k Factor<br>(#) | Charge<br>(LKR/kWh) |
| B1 (day)              | 607                        | 1               | 0.99                     | 12.92               |
| B2 (peak)             | 243                        | 1.25            | 1.24                     | 16.16               |
| B3 (off-peak)         | 219                        | 0.75            | 0.75                     | 9.69                |

| Month 6 - TOU tariffs |                            |                 |                          |                     |
|-----------------------|----------------------------|-----------------|--------------------------|---------------------|
| Interval              | Energy dispatched<br>(GWh) | k Factor<br>(#) | Adjusted k Factor<br>(#) | Charge<br>(LKR/kWh) |
| B1 (day)              | 598                        | 1               | 0.99                     | 13.88               |
| B2 (peak)             | 239                        | 1.25            | 1.24                     | 17.34               |
| B3 (off-peak)         | 216                        | 0.75            | 0.75                     | 10.41               |

## 7. 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 19- Combined Transfer Price from TL to DLs for Jan-June 2013

### Capacity Charge

|                                     | Unit             | Month        |              |              |              |              |              |
|-------------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                     |                  | January      | February     | March        | April        | May          | June         |
| <b>Capacity Charge</b>              |                  |              |              |              |              |              |              |
| Generation capacity                 | LKR/MW           | 1,201,171.24 | 1,112,794.85 | 1,148,082.58 | 1,191,725.05 | 1,165,095.50 | 1,131,501.00 |
| Transmission                        | LKR/MW           | 300,053.98   | 289,990.75   | 287,334.39   | 300,731.59   | 290,472.58   | 285,888.74   |
| Bulk Supply and Operations Business | LKR/MW           | 5,328.64     | 5,149.93     | 5,102.76     | 5,340.68     | 5,158.49     | 5,077.08     |
| BST (C)                             | LKR/MW           | 1,506,553.86 | 1,407,935.53 | 1,440,519.73 | 1,497,797.32 | 1,460,726.57 | 1,422,466.82 |
| BST (C)<br>6-Month Weighted average | LKR/MW.<br>month | 1,455,358.18 |              |              |              |              |              |

### Energy Charge

|  | Unit | Month   |          |       |       |     |      |
|--|------|---------|----------|-------|-------|-----|------|
|  |      | January | February | March | April | May | June |

### Interval 1 (day)

|                             |         |       |       |       |       |       |       |
|-----------------------------|---------|-------|-------|-------|-------|-------|-------|
| Transmission Loss Factor B1 | %       | 2.67% | 2.67% | 2.67% | 2.67% | 2.67% | 2.67% |
| Generation energy Cost B1   | LKR/kWh | 7.92  | 11.08 | 12.35 | 13.33 | 12.92 | 13.88 |
| BST (E1)                    | LKR/kWh | 8.13  | 11.37 | 12.68 | 13.69 | 13.27 | 14.25 |

**Interval 2 (peak)**

|                             |                |              |              |              |              |              |              |
|-----------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Transmission Loss Factor B2 | %              | 3.41%        | 3.41%        | 3.41%        | 3.41%        | 3.41%        | 3.41%        |
| Generation energy Cost B2   | LKR/kWh        | 9.90         | 13.85        | 15.44        | 16.66        | 16.16        | 17.34        |
| <b>BST (E2)</b>             | <b>LKR/kWh</b> | <b>10.23</b> | <b>14.32</b> | <b>15.97</b> | <b>17.23</b> | <b>16.71</b> | <b>17.94</b> |

**Interval 3 (off-peak)**

|                             |                |             |             |             |              |             |              |
|-----------------------------|----------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Transmission Loss Factor B3 | %              | 1.89%       | 1.89%       | 1.89%       | 1.89%        | 1.89%       | 1.89%        |
| Generation energy Cost B3   | LKR/kWh        | 5.94        | 8.31        | 9.26        | 10.00        | 9.69        | 10.41        |
| <b>BST (E3)</b>             | <b>LKR/kWh</b> | <b>6.05</b> | <b>8.47</b> | <b>9.44</b> | <b>10.19</b> | <b>9.88</b> | <b>10.60</b> |

Table 20- Approved Six-month Average Bulk Supply Tariffs for Jan-June 2013

|                                               | Unit    | Economic dispatch | Short-term debt recovery | Total BST (E) |
|-----------------------------------------------|---------|-------------------|--------------------------|---------------|
| BST day (E1)<br>6-Month weighted average      | LKR/kWh | 12.25             | 0.36                     | 12.61         |
| BST peak (E2)<br>6-Month weighted average     | LKR/kWh | 15.42             | 0.36                     | 15.78         |
| BST off-peak (E3)<br>6-Month weighted average | LKR/kWh | 9.12              | 0.36                     | 9.48          |

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.

**8. TOTAL REVENUE REQUIREMENT FOR YEAR 2013**

The resulting total revenue requirement for year 2013 is shown below.

Table 21- Breakdown of Total Revenue Requirement For 2013

| Cost Item                              | 2013 Cost (LKR Million) |
|----------------------------------------|-------------------------|
| DL1                                    | 8,080                   |
| DL2                                    | 8,714                   |
| DL3                                    | 5,080                   |
| DL4                                    | 4,140                   |
| DL5                                    | 2,800                   |
| TL (Transmission and BSOB)             | 7,611                   |
| TL (Single Buyer)- Generation Capacity | 30,150                  |
| - Generation Energy                    | 156,582                 |
| Short Term Debt                        | 2,193                   |
| <b>Total</b>                           | <b>225,350</b>          |

## 9. TARIFF AND FUEL ADJUSTMENT CHARGES

Approved retail tariff effective from 20<sup>th</sup> April 2013 are shown below will applicable until further notice.

**Customer Type: Domestic**

**Customer Category D-1**

This rate applies to supply of electricity used for domestic purposes in private residences. The tariff will be charged on Incremental Block Tariff basis and Fuel Adjustment Charge (FAC) will be charged on basis that respective FAC percentage will be applicable for the entire monetary value of the unit charge.

Table 22- Tariff Applicable for Domestic Customers

A "30 day period" consumption is between 0-60 kWh:

| Consumption per month (kWh) | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Fuel Adjustment Charge (% of Energy Charge) |
|-----------------------------|-------------------------|--------------------------|---------------------------------------------|
| 0-30                        | 3.00                    | 30.00                    | 25%                                         |
| 31-60                       | 4.70                    | 60.00                    | 35%                                         |

A "30<sup>1</sup> day period" consumption is above 60 kWh:

| Consumption per month (kWh) | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Fuel Adjustment Charge (% of Energy Charge) |
|-----------------------------|-------------------------|--------------------------|---------------------------------------------|
| 0-60                        | 10.00                   |                          |                                             |
| 61-90                       | 12.00                   | 90.00                    | 10%                                         |
| 91-120                      | 26.50                   | 315.00                   | 40%                                         |
| 121- 180                    | 30.50                   | 315.00                   | 40%                                         |
| >180                        | 42.00                   | 420.00                   | 40%                                         |

**Customer Type: Religious and Charitable**

**Customer Category R-1**

The tariff will be charged on Incremental Block Tariff basis

This rate shall apply to supplies of electricity to,

- places of public religious worship including private residences of priests where such residences are associated with or are within the place of public religious worship,
- Homes for aged, orphanages and homes for the handicapped, which are specifically certified by the Director of Social Services as charitable institutions, and the installation should not include any building used for commercial purposes.

Tariff and Fuel Adjustment Charge effective from 01<sup>st</sup> Jan. 2011 to date

<sup>1</sup> Consumption blocks are based on a 30 day billing period and the number units in a block would be prorated according to the number of dates in each billing period

Table 23- Tariff Applicable for Religious Customers

| Consumption <sup>2</sup> per month (kWh) | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) |
|------------------------------------------|-------------------------|--------------------------|
| 0-30                                     | 1.90                    | 30                       |
| 31-90                                    | 2.80                    | 60                       |
| 91-120                                   | 6.75                    | 180                      |
| 121-180                                  | 7.50                    | 180                      |
| >180                                     | 9.40                    | 240                      |

**Customer Type: Industrial**

Supply of electricity used wholly or mainly for motive power or for electro-chemical process in factories, workshops, foundries, oil mills, spinning and weaving mills, water supply and irrigation pumping stations, port and dock installations and other similar industrial installations.

**Customer Category I-1**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand is less than or equal to 42 kVA.

Table 24- Tariff Applicable for Industrial-1 Customers

| Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge(% of Energy Charge) |
|-------------------------|--------------------------|-------------------------------------------|--------------------------------------------|
| 12.50                   | 600                      | -                                         | 15%                                        |

**Customer Category I-2**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand exceeds 42 kVA.

Table 25- Tariff Applicable for Industrial-2 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge(LKR/month) | Maximum Demand Charge per month(LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|-------------------------|------------------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 11.30                   | 3,000                   | 1,100                                    | 15%                                         |
| Peak (18.30-22.30)     | 21.00                   |                         |                                          |                                             |
| Off-peak (22.30-05.30) | 7.00                    |                         |                                          |                                             |

**Customer Category I-3**

This rate shall apply to supplies at each individual point of supply delivered and metered at 11,000 Volt nominal and above.

<sup>2</sup> Consumption blocks are based on a 30 day billing period and the number units in a block would be prorated according to the number of dates in each billing period

Table 26- Tariff Applicable for Industrial-3 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|--------------------------|---------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 10.50                   | 3,000                    | 1,000                           | 15%                                         |
| Peak (18.30-22.30)     | 24.00                   |                          |                                 |                                             |
| Off-peak (22.30-05.30) | 6.00                    |                          |                                 |                                             |

**Customer Type: Hotel**

Supply of electricity used for hotels approved by the Sri Lanka Tourism Development Authority.

**Customer Category H-1**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand is less than or equal to 42 kVA.

Table 27- Tariff Applicable for Hotel-1 Customers

| Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| 22.00                   | 600                      | -                                         | 15%                                         |

**Customer Category H-2**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand exceeds 42kVA.

Table 28- Tariff Applicable for Hotel-2 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 15.00                   | 3,000                    | 1,100                                     | 15%                                         |
| Peak (18.30-22.30)     | 24.00                   |                          |                                           |                                             |
| Off-peak (22.30-05.30) | 10.00                   |                          |                                           |                                             |

**Customer Category H-3**

This rate shall apply to supplies at each individual point of supply delivered and metered at 11,000 Volt nominal and above.

Table 29- Tariff Applicable for Hotel-3 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 14.00                   | 3,000                    | 1,000                                     | 15%                                         |
| Peak (18.30-22.30)     | 23.00                   |                          |                                           |                                             |
| Off-peak (22.30-05.30) | 9.00                    |                          |                                           |                                             |

**Customer Type: General**

Supply of electricity to be used in shops, offices, banks, warehouses, public buildings, hospitals, educational establishments, places of entertainment and other premises not covered under any other tariffs.

**Customer Category G-1**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand is less than or equal to 42 kVA.

Table 30- Tariff Applicable for General-1 Customers

| Consumption per month (kWh) | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|-----------------------------|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| <211                        | 19.50                   | 240                      | -                                         | 25%                                         |
| >210                        | 21.50                   | 240                      |                                           | 25%                                         |

**Customer Category G-2**

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand exceeds 42 kVA.

Table 31- Tariff Applicable for General-2 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 20.50                   | 3,000                    | 1,100                                     | 25%                                         |
| Peak (18.30-22.30)     | 25.00                   |                          |                                           |                                             |
| Off-peak (22.30-05.30) | 14.50                   |                          |                                           |                                             |

**Customer Category G-3**

This rate shall apply to supplies at each individual point of supply delivered and metered at 11,000 Volt nominal and above.

Table 32- Tariff Applicable for General-3 Customers

| Time Intervals         | Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|------------------------|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| Day (5.30-18.30)       | 19.50                   | 3,000                    | 1,000                                     | 25%                                         |
| Peak (18.30-22.30)     | 24.00                   |                          |                                           |                                             |
| Off-peak (22.30-05.30) | 13.50                   |                          |                                           |                                             |

**Government Category**

Supply of electricity to be used in schools, hospitals, vocational training institutions, and universities, which are fully owned by the Government and funded through the national budget and provide their services free of charge to the general public. These customers shall be of categories GP-1, GP-2 or GP-3. Existing and new customers of the type described above may make an application in writing to

the relevant distribution licensee to obtain the government Category. Fuel Adjustment Charge (FAC) shall not be applied for Government owned hospitals and schools.

#### Customer Category GV-1

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand is less than or equal to 42 kVA.

Table 33- Tariff Applicable for Government-1 Customers

| Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| 14.65                   | .600                     | -                                         | 0 or 25%                                    |

#### Customer Category GV-2

This rate shall apply to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand exceeds 42 kVA.

Table 34- Tariff Applicable for Government-2 Customers

| Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| 14.55                   | 3,000                    | 1,100                                     | 0 or 25%                                    |

#### Customer Category GV-3

This rate shall apply to supplies at each individual point of supply delivered and metered at 11,000 Volt nominal and above.

Table 35- Tariff Applicable for Government-3 Customers

| Energy Charge (LKR/kWh) | Fixed Charge (LKR/month) | Maximum Demand Charge per month (LKR/kVA) | Fuel Adjustment Charge (% of Energy Charge) |
|-------------------------|--------------------------|-------------------------------------------|---------------------------------------------|
| 14.35                   | 3,000                    | 1,000                                     | 0 or 25%                                    |

#### Street Lighting

There shall be two types of street lighting customers, public and private:

- Street lighting for public use, where the street lights are fixed along public roads, and where the road belongs to or is maintained by a Local Authority or a Provincial Authority or the Road Development Authority, and where the road users do not pay a fee for the use of such roadways and have unhindered access
- Street lighting for private use along roadways belonging to any individual or institution other than the Authorities listed in (a) above. Roadways in which ownership is not specifically defined and

any other premises other than a roadway belonging to the authorities listed in (a) including areas designated for recreation (such as parks including roads leading to such parks) or other services (such as offices and depots, and roads leading to such offices and depots), shall be considered as private.

Street lighting for public use shall continue to be metered, invoiced at the rate of Rs. 17.00 kWh, and approved by the relevant Local, Provincial or Road authority.

#### 10. ESTIMATED REVENUE REALIZED IN 2013 BY DISTRIBUTION LICENSEES

Estimated total annual (2013) revenue at the approved tariff effective from 20<sup>th</sup> April 2013 is shown in Table 36 below.

Table 36: Revenue Realized In 2013

|           | DL1<br>(LKR Million) | DL2<br>(LKR Million) | DL3<br>(LKR Million) | DL4<br>(LKR Million) | DL5<br>(LKR Million) | Total<br>(LKR Million) |
|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Domestic  | 15,285               | 18,578               | 13,007               | 13,156               | 12,971               | 72,997                 |
| Religious | 154                  | 112                  | 65                   | 55                   | 65                   | 451                    |
| GP        | 27,507               | 10,310               | 7,017                | 5,280                | 8,900                | 59,013                 |
| GV        | 4,446                | 1,658                | 1,127                | 845                  | 1,429                | 9,505                  |
| HP        | 2,132                | 690                  | 140                  | 739                  | 661                  | 4,363                  |
| IP        | 12,433               | 22,020               | 12,228               | 7,780                | 3,298                | 57,759                 |
| Total     | 61,957               | 53,368               | 33,586               | 27,854               | 27,325               | 204,089                |

Consumer category wise cost of supply estimate shown in table below is based on losses approved as per Decision on Electricity Tariffs 2011 and typical load factors for each category, since the actual loss levels reported for 2011 and 2012 vary substantially to the allowed losses for each licensee; the resulting cost of supply for each category are only indicative figures. Also Government category is amalgamated with General category due to lack of data. The Cost supply data is based on 2013 January to June Generation cost data.

Table 37- Comparison between Average Revenue and Cost of Supply for Each Category

| Customer Category      | Sales forecast 2013<br>(GWh) | Total Revenue 2013<br>(LKR Million) | Average Revenue<br>(LKR/kWh) | Cost of Supply<br>(LKR/kWh) |
|------------------------|------------------------------|-------------------------------------|------------------------------|-----------------------------|
| <b>LV RETAIL</b>       |                              |                                     |                              |                             |
| Domestic (D-1)         | 4,161                        | 72,997                              | 17.54                        | 26.02                       |
| Religious (R-1)        | 66                           | 451                                 | 6.83                         | 24.61                       |
| General 1 (G-1)        | 1,359                        | 33,957                              | 24.99                        | 22.30                       |
| Industrial 1 (I-1)     | 320                          | 4,550                               | 14.22                        | 19.55                       |
| Hotel 1 (H-1)          | 3                            | 82                                  | 22.48                        | 21.65                       |
| Street Lighting        | 146                          | 0                                   | 0                            | 22.14                       |
| <b>Total LV Retail</b> | <b>6,054</b>                 | <b>112,037</b>                      | <b>18.51</b>                 | <b>20.35</b>                |
| <b>LV BULK</b>         |                              |                                     |                              |                             |

|                      |               |                |              |              |
|----------------------|---------------|----------------|--------------|--------------|
| General 2 (G-2)      | 1,012         | 27,603         | 27.28        | 18.50        |
| Industrial 2 (I-2)   | 1,943         | 31,787         | 16.36        | 18.05        |
| Hotel 2 (H-2)        | 152           | 2,947          | 19.39        | 16.69        |
| <b>Total LV bulk</b> | <b>3,107</b>  | <b>62,338</b>  | <b>20.06</b> | <b>17.82</b> |
| <b>MV Bulk</b>       |               |                |              |              |
| General 3 (G-3)      | 281           | 6,959          | 24.76        | 17.25        |
| Industrial 3 (I-3)   | 1,428         | 21,422         | 15.00        | 14.98        |
| Hotel 3 (H-3)        | 82            | 1,334          | 16.27        | 14.09        |
| <b>Total MV</b>      | <b>1,791</b>  | <b>29,715</b>  | <b>16.59</b> | <b>15.75</b> |
| <b>Total</b>         | <b>10,952</b> | <b>204,089</b> | <b>18.63</b> | <b>20.19</b> |

## 11. 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 38

The Transmission Licensee is hereby directed to invoice each Distribution Licensee at the rates shown in Table 38 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 38- Approved BST from Transmission to each Distribution Licensee

| Description                                                                               | Units        | DL1: CEB<br>Region 1 | DL2: CEB<br>Region 2 | DL3: CEB<br>Region 3 | DL4: CEB<br>Region 4 | DL5: LECO | Total  |
|-------------------------------------------------------------------------------------------|--------------|----------------------|----------------------|----------------------|----------------------|-----------|--------|
| Sales to end-use customers                                                                | GWh          | 3,124                | 3,121                | 2,026                | 1,428                | 1,250     | 10,950 |
| Revenue based on approved customer tariffs (Jan-June), (excluding Fuel Adjustment Charge) | LKR Million  | 24,811               | 20,803               | 13,294               | 10,534               | 10,346    | 79,788 |
| Coincident peak demand for purchases from Transmission                                    | MW           | 575                  | 629                  | 423                  | 303                  | 240       |        |
| Approved BST for payment on Coincident Maximum Demand                                     | LKR/MW/month | 1,455,358            | 1,455,358            | 1,455,358            | 1,455,358            | 1,455,358 |        |
| Amount payable to Transmission on account of Demand (Jan-June)                            | LKR Million  | 5,022                | 5,490                | 3,693                | 2,647                | 2,095     | 18,947 |

|                                                                |             |        |        |       |       |       |        |
|----------------------------------------------------------------|-------------|--------|--------|-------|-------|-------|--------|
| Revenue to be recovered by Transmission through energy charges | LKR Million | 16,267 | 11,318 | 7,318 | 5,912 | 6,991 | 47,806 |
| Energy sold from Transmission at MV                            | GWh         | 1,684  | 1,724  | 1,087 | 773   | 664   | 5,932  |
| <b>Approved BST for energy in each TOU interval</b>            |             |        |        |       |       |       |        |
| <b>Day (0530-1830)</b>                                         | LKR/kWh     | 9.56   | 6.50   | 6.66  | 7.57  | 10.42 |        |
| <b>Peak (1830-2230)</b>                                        | LKR/kWh     | 11.97  | 8.13   | 8.34  | 9.48  | 13.04 |        |
| <b>Off Peak (2230-0530)</b>                                    | LKR/kWh     | 7.19   | 4.88   | 5.01  | 5.69  | 7.83  |        |

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 2013 to June 2013, 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.

## 12. CONDITIONS IMPOSED ON THE CEYLON ELECTRICITY BOARD

The Commission hereby directs the Licensees to fulfill the following set of conditions/ tasks prior to the next tariff revision;

|          | <b>Task</b>                                                                      | <b>Completion Date</b> | <b>Action By</b>                 |
|----------|----------------------------------------------------------------------------------|------------------------|----------------------------------|
| <b>1</b> | Implementation of Dispatch Planning software with monitoring facilities to PUCSL | 31/10/2013             | TL                               |
| <b>2</b> | Bulk Supply Transaction Account                                                  | 30/06/2013             | TL                               |
| <b>3</b> | Power Purchase Agreements between TL and GL (for all CEB plants)                 | 31/12/2013             | GL, TL                           |
| <b>4</b> | Power Sales Agreements between TL and DLs                                        | 31/12/2013             | DL1,DL2,DL3, DL4, DL5, TL        |
| <b>5</b> | Long / medium term coal supply agreement (Fuel Supply Agreement)                 | 31/10/2013             | GL                               |
| <b>6</b> | Revenue Separation and Audited Accounts of each Licensee for 2011 & 2012         | 30/09/2013             | All CEB Licensees                |
| <b>7</b> | Independent heat rate tests of thermal plants                                    | 31/12/2013             | All thermal generation licensees |
| <b>8</b> | Submit Long term Generation and Transmission Plans (2013) for Approval           | 30/09/2013             | TL                               |