



Progress Report - 2010

Public Utilities Commission of Sri Lanka

The purpose of this report is to make key stakeholders including the general public informed of the work carried out by the Public Utilities Commission of Sri Lanka during the year 2010.

Network Regulation

#	Deliverable	Due Date	Remarks
1.	Analysis document on subsidy requirement as per Government policy	30 th April	Completed. Contains: <ul style="list-style-type: none"> • an analysis carried out to quantify the amount of total subsidies provided to the industry and to identify the consumer groups who receive subsidies and provide cross subsidies; • an analysis of the current practices in providing subsidies; and • a discussion of the subsidies payable as per the prevailing policy of the Government
2.	Consultation document on proposed tariff setting and reviewing methodology	4 th May	Completed <ul style="list-style-type: none"> • Describes in detail the proposed tariff methodology • Stakeholders i.e. licensees, Ministry of Power & Energy (MOPE) and Ministry of Finance & Planning (MOFP) were consulted on the proposed methodology
3.	Decision document on tariff setting and reviewing methodology	24 th June	Completed <ul style="list-style-type: none"> • Sets out the methodology for setting and reviewing electricity tariffs • Approved by the Commission and communicated to licensees on 19th July • The first ever revenue filing and approval process (for the period 2011: 2015) was carried out as per such methodology (see item 7 below)
4.	Analysis document on consumer groups	30 th June	Completed Contains: <ul style="list-style-type: none"> • criteria for efficient pricing and definition of tariff categories • an analyses of the present consumer groups & related tariffs and metering devices installed
5.	Decision document on cross subsidization	30 th June	Completed <ul style="list-style-type: none"> • Contains the draft decision of the Commission on 'Road Map for Rebalancing of Subsidies and Cross-subsidies' • Initial proposals for the tariffs for year 2011 were developed in line with the said Road Map

Network Regulation - Contd.

#	Deliverable	Due Date	Remarks
6.	Decision document on allowed charges	30 th June	<p>Completed</p> <ul style="list-style-type: none"> Lays down the basic principles and methodologies to be adopted by the licensees in estimating other charges levied for the provision of electricity service Approved by the Commission and communicated to licensees on 30th September Licensees to obtain approval of the Commission for the charges to be levied estimated based on the approved principles and methodologies above with effect from 01 January 2011
7.	Determination of Tariffs for the year 2011 (as per the approved Tariff Methodology under item 3 above)	31 st Dec	<p>Completed</p> <ul style="list-style-type: none"> Licensees filed revenue requirements on 9th September Revenue filings were analyzed and allowed revenues per each licensee were determined Designed the customer tariff schedule in line with the Government policy guidelines and in consultation with the MOPE and MOFP Consultation document along with the proposed tariff schedule published on 24th November Public hearing held on 15th December Finalized the electricity tariffs for 2011 and published on 30th December - to be effective until 30th June 2011

Sustainable Energy Development

#	Deliverable	Due Date	Remarks
8.	Review of NCRE feed-in tariffs 2010	30 th April	<p>Completed</p> <ul style="list-style-type: none"> Public Consultation process started on 23rd August Public hearing held on 20th October Tariffs approved and effective from 25th November until end of year 2011

Safeguarding Consumer

#	Deliverable	Due Date	Remarks
9.	Establishment of the Consumer Consultative Committee (CCC)	31 st Mar	Completed <ul style="list-style-type: none"> Members appointed CCC represented the consumers at the public consultations held on revision of NCRE purchase tariffs and determination of electricity customer tariffs for 2011
10.	Draft Compensation payment procedure/guideline	31 st Mar	Completed <ul style="list-style-type: none"> Licensees to be consulted and finalized along with regulations on performance standards in Q1/2011
11.	Statement of Consumer Rights and Obligations	30 th June	Ongoing (continued to 2011) <ul style="list-style-type: none"> Pending final approval of the Supply Services Code to finalize relevant sections and publish in Feb 2011
12.	Approval of Supply Services Code	30 th Sep	Ongoing (continued to 2011) <ul style="list-style-type: none"> Received draft from Ceylon Electricity Board (CEB), reviewed and sent observations of PUCSL Pending re-submissions of modified Code incorporating PUCSL observations (within Jan 2011)

Access to Electricity and Affordability

#	Deliverable	Due Date	Remarks
13.	Consultation document (based on a research study) on: Electricity requirements of prospective electricity consumers; and Fuel (electricity) poverty & affordability	30 th Sep	Ongoing (continued to 2011) <ul style="list-style-type: none"> Appointed consultant i.e. Social Policy Analysis & Research Centre of the University of Colombo Completed desk review of related studies and Key Person Interviews Finalized Inception Report including draft questionnaire(s) Conducted workshop on Inception Report and draft questionnaire(s) Commenced survey on 10th August Complete field work by mid October Finalized Interim Report and presented preliminary findings to Key Persons on 6th December Pending the submission of Consultation Document incorporating the comments made by Key Persons Hold public consultation and finalize policy recommendations by end March 2011

Planning Guidelines

#	Deliverable	Due Date	Remarks
14.	Guidelines on Generation Dispatch System	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> Draft finalized on 4th Nov and a workshop was held from 13-14 Dec to present it to stakeholders To be forwarded to and obtain official comments from the Transmission Licensee (TL) in January 2011 To be implemented/enforced through the Grid Code or Operational Rules in stages as specified in the document
15.	Guidelines on transmission licensee's least-cost generation expansion planning	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> Draft finalized on 9th Nov and a workshop was held from 13-14 Dec to present it to and consult the stakeholders To be forwarded to and obtain official comments from the Transmission Licensee (TL) in January 2011
16.	Transmission planning guidelines	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> Draft finalized on 9th Nov and a workshop was held from 13-14 Dec to present it to and consult the stakeholder To be forwarded to and obtain official comments from the Transmission Licensee (TL) in January 2011
17.	Distribution planning guidelines	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> Draft finalized on 4th Nov and a workshop was held from 13-14 Dec to present it to stakeholders To be forwarded to and obtain official comments from the Distribution Licensees (DLs) in January 2011 To be implemented/enforced through the Distribution Code

Safety

#	Deliverable	Due Date	Remarks
18.	Inspect at least 2 schools in each district for electricity safety	31 st Dec	Completed (continued to 2011) <ul style="list-style-type: none"> 100 schools were inspected in 23 districts (there are no schools with electricity in Killinochchi and Mulative districts)
19.	Consultation document on identification of priority areas for inspection	30 th June	Completed <ul style="list-style-type: none"> As per the identified of priority areas: Moneragala General Hospital; two (2) orphanages in Mannar and Jaffna; two (2) child care centers; one (1) temple and one (1) museum were inspected

Safety - Contd.

#	Deliverable	Due Date	Remarks
20.	Electricity safety guidelines for schools	30 th June	Drafting Completed <ul style="list-style-type: none"> to be printed and forwarded to Ministry of Education for enforcement - due in 1Q of 2011
21.	Investigations and reporting on electrocutions	--	Completed (ongoing activity) <ul style="list-style-type: none"> Investigated and prepared reports on 17 incidents (total reported deaths - 24)
22.	Safety Programs	--	Conducted three (3) programs to increase awareness on safety

Licensing

#	Deliverable	Due Date	Remarks
23.	Prepare license registry	28 th Feb	Completed <ul style="list-style-type: none"> Updated quarterly Ready for public reference
24.	Quarterly report on licensing and related matters	31 st Dec	Completed - Q4/2011
25.	Examine the possibility/procedure for exemption of condominiums and industry parks from the requirement of obtaining a licence	30 th April	Completed <ul style="list-style-type: none"> Briefed the Commission on the possibility of the same, based on the consultations held with the Attorney General's Department Accordingly, exemptions are to be granted upon application by such parties
26.	Examine the possibility of exemption from open tender process (NCRE based plants having a capacity up to 10MW and obtained Energy Permit from SEA) under Sec.43 of SLEA	30 th April	Completed <ul style="list-style-type: none"> AG opined such generating plants can be procured outside the open tender process Secretariat to continue the practice of processing of applications and granting of licences for similar generation projects, overseeing the competitive tendering procedure referred to under Sec. 43
27.	Facilitating net metering arrangements	30 th April	Completed <ul style="list-style-type: none"> Commission approved the proposal to exempt all such arrangements based on applications AG opined, each such party has to apply for and obtain an exemption from the requirement of obtaining a licence

Regulations and Rules

#	Deliverable	Due Date	Remarks
28.	Regulations on functions and duties of the Inspectorate	15 th Feb	Completed <ul style="list-style-type: none"> Submitted to MOPE To be issued/published by MOPE
29.	Regulations on Electricity Meters	15 th Feb	Completed <ul style="list-style-type: none"> Submitted to MOPE To be issued/published by MOPE
30.	Sanctioning and prosecution procedure	15 th Mar	Completed <ul style="list-style-type: none"> Briefed the Commission and procedure finalized Sanctions granted, if the forms are forwarded with proper documentation
31.	Regulations on Safety standards	30 th April	Ongoing (continued to 2011) <ul style="list-style-type: none"> Consultations with nominees of licensees commenced in June and ended on 31st December Drafts to be forwarded to licensees and obtain official comments by the end of Q1/2011 - Regulation to be finalized, translated and forwarded to MOPE thereafter
32.	Dispute Resolution Rules	30 th June	Completed <ul style="list-style-type: none"> Final draft received from Legal Draftsman (LD) To be issued/published once the translations are completed by the Dept. of LD

Industry Data Collection

#	Deliverable	Due Date	Remarks
33.	Electricity consumer distribution and district wise electrification data - collection and reporting	28 th Feb	Completed - report published on the website
34.	Consumer category wise population and distribution area wise consumption data - collection and reporting	28 th Feb	Completed - report published on the website
35.	Data on village hydro schemes, solar home systems and net metering schemes - collection and reporting	31 st Mar	Completed - report published on the website
36.	Include required questions, to figure out the real electrifications levels (on-grid or off-grid) in the country, in the questionnaire of the national Census of Population & Housing 2011	30 th Sep	Completed <ul style="list-style-type: none"> Justifications were provided to the Dept. of Census for the inclusions of relevant questions in the questionnaire

Compliance

#	Deliverable	Due Date	Remarks
37.	Modification of electricity bills in line with the Act	31 st Mar	Completed <ul style="list-style-type: none"> • Held discussions with licensees (WGTC) • To be enforced through the Supply Services Code • Research study to be conducted in 2011 to obtain views of electricity customers on the proposed bill formats
38.	Develop procedure to confirm Commissions' consent to dispose of any relevant asset	30 th April	Completed <ul style="list-style-type: none"> • Communicated to Licensees on 23rd August - licensees to abide by the procedure approved by the Commission (Licensing Direction to ensure the compliance)

Legal Matters

#	Deliverable	Due Date	Remarks
39.	Resolving issues relating to way-leave clearances	30 th April	Ongoing (continued to 2011) <ul style="list-style-type: none"> • A Cabinet Paper drafted to minimize the burden on the Commission pertaining to way-leaves, since it is a matter that the licensees are expected to sort out by law, unless a acquisition is recommended. • Guidelines amended accordingly • Clarifications to DS's & licensees are drafted • Explanations to staff/Commission provided at the progress review session held on 4th June • Modified guidelines, to be sent to all Divisional Secretaries in January 2011

Petroleum Industry (Shadow) Regulation

#	Deliverable	Due Date	Remarks
40.	Lubricant Market performance in respect of year 2009	30 th April	Completed - Report published on website
41.	Awareness campaign on the lubricant market authorized parties/brands and minimum standards - News Paper Notices	30 th June	Completed
42.	Report on status of implementing the recommendations of the Committee appointed to review the import framework	30 th June	Completed <ul style="list-style-type: none"> • Next action - creation of a new sub-division of HS Classification for Greases, which are currently imported under lubricants classification

Petroleum Industry (Shadow) Regulation - Contd.

#	Deliverable	Due Date	Remarks
43.	Awareness campaign on the lubricant market authorized parties/brands and minimum standards - Pamphlets	30 th Sep	Ongoing (continued to 2011) <ul style="list-style-type: none"> • Draft pamphlet along with the expected cost circulated among the market participants • Awaiting for the response of market participants on funding, to proceed • Draft finalized, and finishing of printing is expected by the end February 2011
44.	Report on the draft Sri Lanka Standard for Four Stroke Motorcycle Engine Oil developed by the Sri Lanka Standards Institute (SLSI)	30 th Sep	Ongoing (continued to 2011) <ul style="list-style-type: none"> • Deliberated on draft Sri Lanka Standard for Four Stroke Motorcycle Engine Oils prepared by SLSI • Draft standard approved by the Technical Advisory Committee (TAC) and circulated for public comments • Draft standard adopted by the TAC after public comments and forwarded to Sectoral Committee of SLSI for final approval • Expected completion date - 30th April 2011
45.	Revise draft amendments to the Act, No.33 of 2002 and Act, No.28 of 1961	31 st Dec	Completed <ul style="list-style-type: none"> • Submitted required revisions to Legal Draftsman's (LD) Department • Cabinet of Ministers authorized LD to draft the proposed amendments • Legal Draftsman's Department sent the final drafts of the Acts. • Forwarded the PUC comments on the final drafts • Revised final drafts received from the Legal Draftsman's Department on 22nd December • Final drafts to be submitted to the Cabinet of Ministers for approval
46.	Renewal of existing Lubricant Agreements (LA)	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> • Prepared the documentation required for the renewal of the LA with certain amendments and sent to the Ministry of Petroleum Industries • Proposed amendments to the LA forwarded to the Attorney General's Department • New LAs are being prepared incorporating the approved amendments • Prevailing authorizations extended by three (3) months, until new LAs are executed • New agreements to be forwarded to respective parties for execution - expected to be completed by 31st March 2011

Petroleum Industry (Shadow) Regulation - Contd.

#	Deliverable	Due Date	Remarks
47.	Guidelines (RFQ) for selection of suitable parties to import, export, sell, supply or distribute as well as blend and produce grease	30 th June	Ongoing (continued to 2011) <ul style="list-style-type: none"> Finalized interim standard for grease at SLSI, TAC meeting held on 15th June Guidelines submitted to the Commission RFQ is being prepared as a part of the RFQ for granting new licenses for the lubricants (see item 48 below)
48.	Calling for Requests for Qualifications (RFQs) to enter into the Lubricant Market - 2 nd round	31 st Dec	Ongoing (continued to 2011) <ul style="list-style-type: none"> Submitted the draft RFQ for comments at the 1st meeting of the CAPC Complete RFQ to be submitted to TEC for approval and Cabinet Paper to be prepared seeking approval for entry criteria for import/blending of greases.

Public/Stakeholder Relations

#	Deliverable	Due Date	Remarks
49.	Inception workshop of ADB TA:7265 SRI	11 th Feb	Completed
50.	Preparation of Public Awareness Plan 2010	28 th Feb	Completed
51.	Creating awareness among general public - Banner campaign at all CEB and Lanka Electricity Company (Private) Limited (LECO) regional offices	31 st Mar	Completed
52.	Poster Campaign at Grama Niladhari, Govijana Seva and Samurdhi Niladhari offices	31 st Mar	Completed
53.	Awareness program on PUCSL in line with World Consumer Rights Day (15 th March) on Print and Electronic Media	31 st Mar	Completed <ul style="list-style-type: none"> 2 paper articles published 4 television interview/discussions conducted
54.	Preparation of PUCSL Outlook 2010	23 rd April	Completed
55.	Stakeholder consultation on tariff methodology	1 st June	Completed - participated by officials of MOFP, MOPE, CEB and LECO
56.	Workshop with stakeholders to present Reports 3, 4, 5, 6 and 10 of ADB TA: 7265 SRI	25 th June	Completed - participated by officials of MOFP, MOPE, CEB and LECO
57.	Designing a LOGO for PUCSL	30 th June	Completed and adopted

Public/Stakeholder Relations - Contd.

#	Deliverable	Due Date	Remarks
58.	PUCSL image building	30 th June	Docu-drama <ul style="list-style-type: none"> • Completed • Being played/showed at awareness programs Commercials <ul style="list-style-type: none"> • Completed - Two draft commercials ready and not yet telecasted • Funding being sought to broadcast the commercials (from MOPE, etc.)
59.	Public Consultation/Hearing Procedure	30 th June	Ongoing (continued to 2011) <ul style="list-style-type: none"> • Draft procedure received from the consultants, being reviewed - to be completed within 1Q/2011
60.	Creating awareness among opinion leaders/ pressure groups (Regional Chambers, CEB officers, Consumers and Other Government Officers)	31 st Dec	Completed: <ul style="list-style-type: none"> • 5 programs at regional chambers (Moneragala, Ampara, Trincomalee, Puttalam and Ratnapura) • 5 programs for CEB officers (Sabaragamuwa, Southern, Central, North Central and Wayamba) • 3 programs for Government officers (Colombo Samurdhi officers, Seethawaka GN officers, Officers of Ministry of Plan Implementation) • 1 program for Consumers (Ratnapura)
61.	Public hearing/consultation on electricity tariff setting for 2011	31 st Dec	Completed - held on 15 th December
62.	Workshop on Planning (generation dispatch system, least cost generation expansion planning, transmission planning and distribution planning)	31 st Dec	Completed - held on 13 th and 14 th December

Corporate Governance/Reporting

#	Deliverable	Due Date	Remarks
63.	Corporate strategy and plan(2010 - 2012)	15 th Feb	Completed
64.	Annual Report 2009 (Content and formatting)	15 th Mar	Completed
65.	Printing of the Annual Report 2009	31 st July	Completed
66.	Consultation document on Corporate Strategy and Plan (2011 - 2013)	31 st Sep	Completed <ul style="list-style-type: none"> • To be approved by the Commission in January 2011 and implemented
67.	Decision document on Corporate Strategy and Plan (2011 - 2013)	31 st Dec	Completed <ul style="list-style-type: none"> • Pending approval of the Commission

Capacity Building

#	Deliverable	Due Date	Remarks
68.	Report on Intranet and Centralized Filing System	31 st Mar	Completed <ul style="list-style-type: none"> Recommendations contained in the report to be considered for implementation upon the recruitment of Senior Manager IT (scheduled for January 2011)
69.	Skills and Resources Audit of PUCSL	31 st Mar	Completed <ul style="list-style-type: none"> Reports on the organization structure and training needs (items 70 and 73 below) were developed considering the results of the Audit
70.	Report on organization structure & staffing	31 st Mar	Completed <ul style="list-style-type: none"> New staff being recruited and old staff re-positioned in line with the organization structure (as proposed in the Report) approved by the Commission
71.	Implementation of the document referencing system and storage of physical documents	31 st May	Completed - full implementation with the functioning of new organization structure in 2011
72.	Improvement of the office environment	30 th June	Completed
73.	Report on training needs, implementation strategies and plans	30 th Sep	Completed <ul style="list-style-type: none"> Direction Operations (HRM) to consider the recommendations indicated in the Report, in developing capacity building plans for the staff
74.	Acquiring of the whole floor (level 06) and finalize the floor plan	30 th Sep	Completed
75.	Finalize partitioning and acquire furniture- New wing	30 th Sep	Ongoing (continued to 2011) <ul style="list-style-type: none"> Published Requests for Proposals (RFP) for partitioning and refurbishment work of the new wing Bids are being evaluated - contract expected to be awarded and work completed by end April 2011

Deliverables continuing from 2010 to the year 2011 (extracted from above)

#	Deliverable	Expected Date of Completion ¹
1.	Statement of Consumer Rights and Obligations (#11)	31 st August
2.	Approval of Supply Services Code (#12)	30 th June
3.	Consultation document on: Electricity requirements of prospective electricity consumers; and Fuel (electricity) poverty & affordability (#13)	31 st March
4.	Planning Guidelines: - Guidelines on Generation Dispatch System (#14) - Guidelines on transmission licensee's least-cost generation expansion planning (#15) - Transmission planning guidelines (#16) - Distribution planning guidelines (#17)	31 st March
5.	Regulations on Safety standards (#31)	30 th April
6.	Resolving issues relating to way-leave clearances (#39)	31 st January
7.	Awareness campaign on the lubricant market authorized parties/brands and minimum standards - Pamphlets (#43)	30 th April
8.	Report on the draft Sri Lanka Standard for Four Stroke Motorcycle Engine Oil (#44)	30 th April
9.	Renewal of existing Lubricant Agreements (#46)	31 st March
10.	Guidelines for selection of suitable parties to the Greases market (#47)	30 th June
11.	Calling for Requests for Qualifications to enter into the Lubricant Market - 2 nd round (#48)	30 th June
12.	Public Consultation/Hearing Procedure (#59)	30 th April
13.	Finalize partitioning and acquire furniture - New wing (#75)	30 th April

¹ As per Corporate Plan 2011 (subject to change)

Staff who were responsible for carrying out the tasks/deliverables

#	Name	Designation	Profession
1.	Damitha Kumarasinghe	Director General	Electrical Engineer
2.	Janaki Vithanagama	Secretary to the Commission	Attorney-at-Law
3.	Chamath Goonewardena	Director - Regulatory Affairs	Business Administration
4.	Kanchana Siriwardena	Director - Tariffs and Economic Affairs	Electrical Engineer
5.	Lumbini Kulasekara	Senior Manager - Legal	Attorney-at-Law
6.	Raja Amaratunga	Head of Petroleum	Chemical Engineer
7.	Yasantha Rathuvithana	Senior Manager - Consumer Affairs	Economist
8.	Sudheera Senaratne	Dep. Director - Mkt. Dev. & Tariffs Regulation	Management Accountant
9.	Sanchala Arangala	Manager - Institutional Relationships	Attorney-at-Law
10.	Amali Galappatthi	Manager - Support to the Commission	Attorney-at-Law
11.	H. S. Soysa	Head of Consumer Affairs	Electrical Engineer
12.	D. G. A. Abeygunawardena	Head of Inspectorate	Electrical Engineer
13.	L. W. Chandrasekera	Electrical Inspector	Electrical Engineer
14.	I. Dayaratne	Electrical Inspector	Engineer
15.	R. P. Tilakeratne	Electrical Inspector	Electrical Engineer
16.	K. K. Jayathilaka	Accountant	Accountant