

Guideline: Determination of Tariff Category

1. Background:

In terms of the Sri Lanka Electricity Act, No. 20 of 2009, a distribution licensee shall provide a supply of electricity to any premises on the basis of a standard tariff (Section 25(4)) and any person who requires such supply of electricity shall request the distribution licensee with the purposes for which electricity is to be used (Section 25(5b)) and the maximum power which may be required at any time (Section 25(5d)) among others.

The customer categories shall be distinguished by the voltage levels defined by the Commission. However considering the prevailing electricity tariff in Sri Lanka, since the tariff categories vary in terms of the purposes and maximum power required for the use of the electricity supply at any time, there is a tendency to create disputes on the determination of tariff Category. At present tariff category is determined taking into account the purposes that can be recognized as the customer types (Domestic, Religious, Hotel, Industry, General Purpose and Government) while taking into consideration of the maximum power and voltage required at any time as:

- at 400/230 Volt nominal and where the contract demand is less than or equal to 42 kVA.
- at 400/230 Volt nominal and where the contract demand exceeds 42 kVA.
- at 11,000 Volt nominal and above.

2. Definition of Tariffs Categories

CUSTOMER TYPE: DOMESTIC

Customer Category D-1

This rate applies to supply of electricity used for domestic purposes in private residences.

CUSTOMER TYPE: RELIGIOUS AND CHARITABLE

Customer Category R-1

This rate shall apply to supplies of electricity to,

- (a) 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,
- (b) 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.

CUSTOMER TYPE: INDUSTRIAL

Supply of electricity used for 'Agriculture', 'Forestry and Fishing', 'Mining and Quarrying', 'Manufacturing', 'Electricity, Gas, Steam and Air Conditioning Supply', 'Water Supply; Sewerage, Waste Management and Remediation Activities' more fully described under the relevant sections of the detailed classification published in the Government Gazette Notification No. 1904/58 dated 6th March 2015.

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.

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.

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.

Customer Category IP 1-3

The industrial customers falling on to the industrial category classification 01, sub categories of:
011_Growing of non-perennial crops
012 Growing of perennial crops
013 Plant propagation
having a contract demand of less than 42kVA and connected to 400/230V.

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.

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.

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.

CUSTOMER TYPE: GENERAL PURPOSE

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 GP-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.

Customer Category GP-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.

Customer Category GP-3

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

CUSTOMER TYPE: GOVERNMENT

Supply of electricity used in schools, hospitals, vocational training institutions, and universities, which are fully owned by the Government and funded through the national budget and provide services free of charge to the general public.

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.

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.

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.

3. Determination of tariffs category

3.1 Determination of the most appropriate tariff category

In accordance with the definitions given in item 2 above and information provided by the consumer/tariff customer in his/her application, it is the responsibility of the respective Distribution Licensee to determine the appropriate tariff category. Such determined tariff category shall be informed to the respective applicant by a notice issued by the licensee and it will remain unchanged until a request is made by the tariff customer to change it or licensee decides to change it on licensee's own investigation.

3.2 Temporary supply of electricity

a) The owner or occupier of any premises may request for a temporary supply of electricity for a short or long duration depending on the need. Although the electricity supply is of temporary nature, the consumer and the licensee shall enter into an agreement for such purpose, open a billing account, collect required security deposit and account it, and issue monthly bills etc. similar to that of a permanent supply of electricity. The tariff category for such electricity supply shall be '**General Purpose**' irrespective of the purpose for which electricity is used.

On completion of the temporary use of the electricity supply and on the request of the tariff customer, the licensee can convert it to a permanent supply under the same billing account after entering into a fresh agreement with the tariff customer for such purposes. The appropriate tariff category determined for the permanent supply shall be informed to the tariff customer as stated 3.1 above.

The licensee will issue electricity bills to the tariff customer under the same billing account with changes to the electricity charges from the date when the permanent supply was provided by the licensee in accordance with the tariff category determined.

b) However, when any person submitted an application for a permanent supply of electricity or when any tariff customer requested to enhance his/her present capacity of his/her supply and the Distribution Licensee is not in a position to meet such demand, the Distribution Licensee may, on mutual agreement, provide a temporary supply of electricity within the demand available until such time the required demand is made available to the consumer/tariff customer. In such case, the Distribution Licensee shall not treat it as temporary supply and impose a tariff category of '*General Purpose*'. Instead, the appropriate tariff category shall be determined based on the purpose, and maximum demand provided. When the licensee fulfilled the requirements requested in the application submitted by the tariff customer, the new tariff category can be determined accordingly and necessary changes to the billing account can be made with effective from the date of providing such supply.

3.3 Contract demand

For retail customers, contract demand varies below the fixed demand of 42kVA and the categories are determined in terms of Amperes such as 1ph 30A, 1ph 60A, 3ph 30A, 3ph 60A etc. depending on the capacities of the appliances to be used in the premises. The Distribution Licensees are therefore shall rate such supplies with fuses/breakers in order to prevent using the supply exceeding the contract demand. For bulk customers, contract demand is more than 42kVA and it is measured and monitored by the maximum demand meter.

In any event, subsequent to providing a supply of electricity, if the tariff customer requests the licensee to increase/decrease the contract demand of the supply, the licensee may increase/decrease the same, determine the appropriate tariff category, inform the tariff customer and enter into a fresh agreement and effect necessary changes to the billing account with effect from the date of providing such supply.

In the case of licensee observed on his own investigation that the maximum demand is increased from the contract demand, the licensee can determine the appropriate tariff category, inform the tariff customer and enter into a fresh agreement and effect necessary changes required with respect to the billing account with effect from the date of investigation. If any losses incurred to Distribution Licensee due to such deviation, the licensee can recover such losses for not more than past three months from the date of investigation (Methodology for Estimation of Energy Supplied).

3.4 More than one purpose

In any premises, where electricity supply is required for more than one purpose, the licensee may determine the appropriate tariff category based on the purpose for which maximum power is required among other purposes.

However, when the domestic supply is used for domestic/cottage industry/commercial purposes in the same premises, the tariff category remains unchanged as domestic, unless the tariff customer requests for industrial or general purpose category as appropriate.

In any event, subsequent to determination of the tariff category as above and if the tariff customer changed the purpose/purposes and requested the licensee to change the tariff category, the licensee may determine the appropriate tariff category, inform the tariff customer, enter into a

fresh agreement and effect necessary changes to the billing account with effect from the date of changing the tariff category.

In the case of Distribution Licensee observed on his own investigation that the purpose/purposes and maximum power used by a tariff customer is subsequently changed by the consumer or tariff customer, the licensee can determine the appropriate tariff category as 3.1 above, inform the tariff customer, enter into a fresh agreement and effect necessary changes required with respect to the billing account with effect from the date of investigation. If any losses incurred to licensee due to such deviation, the licensee can recover such losses for not more than past three months from the date of investigation. (Methodology for Estimation of Energy Supplied)

4. Dispute Resolution

Any dispute arising under section 3 above can be forwarded to the respective Deputy General Manager of the Ceylon Electricity Board or Head of Operations of the Lanka Electricity Company (Private) Limited as a Dispute Resolution Officer under PART I of the Electricity (Dispute Resolution Procedure) Rules Published in Gazette Extraordinary No. 1951/1 dated 25th January 2016.

Where the parties to a dispute referred fail to reach a settlement which is acceptable to both parties, either party to the dispute may inform the Commission and call upon to resolve the same through mediation under Part-II of the above Rules.