

Annex 1

All exempted parties are hereby directed to use a common fuel surcharge calculated in the following manner to be charged in addition to the approved tariff, to recover additional expenditure incurred due to increased running hours of backup generator, and fuel price increase.

The following method of calculation for fuel surcharge is approved as an interim measure to recover the additional expenses of exempted party due to fuel price increase and the increased running cost of generators.

The fuel surcharge shall be calculated for each month for each tenant as per the Equation 1 and allowed to be charged in addition to the existing tariff rate approved by the Commission.

$$\text{Monthly Fuel Surcharge applicable for a tenant} = \text{Rs.} \left(\frac{b}{a+b} \right) \times c \times \left(\frac{P}{3.3} + \frac{0.82 \times M}{12 \times b} - R \right)$$

Equation 1

where,

a = Total kWh purchased from CEB as per CEB bill

b = Total kWh generated from generator

c = Total kWh consumed by the tenant

P = Price of liter of auto diesel in LKR for respective month

M = Annual Generator Maintenance agreement amount in LKR as at 1st Jan 2022

R = Present tariff rate approved by PUCSL for the exempted party in (LKR/kWh)

Based on the past information at our disposal, fuel consumption of these generators ranges from 0.24 liters/kWh to 0.3 liters/kWh. A conservative value of 0.3 liters/kWh was selected as the fuel energy rate of a generator.

Increase in variable O&M cost of the generator is accounted by considering the estimated hours of load shedding expected to be carried out in 2022 in consideration of current fuel supply situation, and proportionally escalating the LKR amount of annual generator maintenance agreement (value 'M' in the equation) that the exempted parties have previously provided to the commission for tariff approval.

Lanka Auto Diesel price revisions that happened since rolling power cuts started in February 2022 are as follows.

Date	Price LKR
11.03.2022	176.00
18.04.2022	289.00

24.05.2022	400.00
26.06.2022	460.00

Hence value of 'P' in the equation shall be LKR 176.00 for the month of March, LKR 289.00 for the month of April and May, LKR 400.00 for the month of June, and LKR 460 for the month of July onwards, until next price revision.

It is assumed that the fuel cost and variable O&M cost embedded in the present tariff approved by PUCSL R is negligible compared to the increase of fuel price and running hours that happened during the last few months.

29th July 2022