

Consultation Document for Revision of Electricity Tariffs 2023

The Ceylon Electricity Board has applied for a tariff revision through their submission dated 5th January 2023 (**Annex 1**). Accordingly, CEBs' budgeted expenditure is 722 LKR Bn., its revenue 434 LKR Bn. at prevailing tariff, and a forecast revenue increase requirement of 287 LKR Bn. (66%).

The said letter also annexes a proposed tariff table that is expected to achieve this 66% revenue enhancement for CEB, for the estimated 14,920 GWh sales demand for 2023 (16,520 GWh gross generation requirement).

In terms of Section 30 (3) of Sri Lanka Electricity Act, No. 20 of 2009, the Public Utilities Commission of Sri Lanka has decided to consider the views of the consumers and other affected parties whom would be affected by the proposed tariff revision, in addition to the views received since the last tariff revision effected from 10th August 2022. The Commission seeks views on the following areas;

- CEB Proposed tariff structure (**Annex 1**)
- Fuel prices used to arrive at the Generation mix and forecast revenue requirement
- Sales and generation demand forecasts used by CEB to estimate costs and revenues

Fuel Prices and Generation Mix

CEB has revised the fuel prices in the resubmission of Bulk Supply Tariff Jan-Jun 2023 as shown in the table below;

Fuel	23 rd December 2022	10 th January 2023
Diesel Oil (LKR/Ltr.)	430.00	405.00
Furnace Oil (LKR/Ltr.)	419.00	270.00
Furnace Oil (LKR/Ltr.) - supplementary power	N/A	320.00
Furnace Oil _low sulphur -WCP	320.00	320.00
Naphtha (LKR/Ltr.)	164.00	220.00
Coal (LKR/kg)	124.41	104.61

Generation mix as per resubmitted Bulk Supply Tariff Jan-Jun 2023 is given in table below. The total forecast generation demand is 8,553.7 GWh (for January to June 2023) which corresponds to approximately 17,250 GWh for the year 2023. However, the resubmitted dispatch forecast contains a 399.6 GWh deficit (load shedding) for the six-month period. The forecast dispatch also contain use of 100 MW furnace oil fired power plants (217.4 GWh for six months) which are yet to be contracted.

Source	GWh (for six months)
Hydro	1,870.5
NCRE	1,329.6
Coal	2,674.4
CEB – Oil	1,100.2
IPP – Oil	961.6

Supplementary- Oil	217.4
Deficit	399.6
Total generation demand	8,553.3

Sales Forecast

CEB request for tariff revision (**Annex 1**) annexes a proposed tariff table that is expected to achieve this 66% revenue enhancement for CEB, for the estimated 14,920 GWh sales demand for 2023 (16,520 GWh gross generation requirement).

CEB distribution licensees and LECO has also filed their detailed sales forecasts for 2023 on 27th December 2022 and 5th January 2023 respectively. According to those estimates the total sales demand for 2023 is 16,050 GWh (including 188 GWh for streetlighting)- **Annex 3**. The said demand (including LECO) would generate 794 LKR Bn. revenue per annum with the proposed tariff, which is a 54.5% increase as the existing tariff would generate 514 LKR Bn. revenue for 2023.

The category wise tariff increases as proposed by CEB (based on detailed demand forecasts) is shown in the table below.

Category	% Revenue Increase
Domestic	75
General Purpose	55
Industrial	31
Hotel	62
Government	57
Religious	3
Total	54.5

Actual sales during Jan – Nov 2022 was 13,301.12 GWh (excluding estimated 250 GWh streetlighting demand) – **Annex 7**

List of Annexed Documents/ Models

1. CEB request for tariff revision dated 5th January 2023
2. Resubmission Bulk Supply Tariff Submission for the period Jan-Jun 2023 dated 10th January 2023
3. Demand forecast as submitted by CEB (dated 27th December 2022) and LECO (5th January 2023)
4. Resubmitted Bulk Supply Tariff Model as submitted by CEB for the period Jan-Jun 2023
5. PUCSL request for clarifications on the Bulk Supply Tariff submission dated 23rd December 2022
6. PUCSL request for clarifications on the Bulk Supply Tariff resubmission dated 10th January 2023
7. Table; Actual monthly electricity sales for year 2022 as submitted by the Distribution Licensees

		EXISTING TARIFF				TARIFF PROPOSAL 2023			
EFFECTIVE FROM (for each 30 - day billing period)		2022-08-10 (All categories except Hotel/EV Ch.) 2022-08-10 (50% of increase for Hotel category) 2022-11-10 (Remaining 50% increase for Hotels) 2022-10-01 (EV Charging at CEB Ch. Stations)				2023-01-01			
DOMESTIC									
		Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)		Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)	
Consumption 0 - 60 kWh per month									
Block 1 : 0 - 30 kWh		8.00		120.00		30.00		400.00	
Block 2 : 31 - 60 kWh		10.00		240.00		37.00		550.00	
Consumption above 60 kWh per month									
Block 1 : 0 - 60 kWh		16.00		N/A		42.00		650.00	
Block 2 : 61 - 90 kWh		16.00		360.00		50.00		1,500.00	
Block 3 : 91 - 120 kWh		50.00		960.00		75.00		2,000.00	
Block 4 : 121 - 180 kWh		50.00		960.00		75.00		2,000.00	
Block 5 : 181 kWh and above		75.00		1,500.00		75.00		2,000.00	
Optional Time of Use (ToU) Electricity Tariff for Dom. Consumers									
Day (05:30 - 18:30 hrs)		70.00		1,500.00		70.00		2,000.00	
Peak (18:30 - 22:30 hrs)		90.00		1,500.00		90.00		2,000.00	
Off Peak (22:30 - 05:30 hrs)		30.00		1,500.00		40.00		2,000.00	
RELIGIOUS & CHARITABLE INSTITUTIONS									
Consumption 0 - 180 kWh per month									
Block 1 : 0 - 30 kWh		8.00		90.00		30.00		400.00	
Block 2 : 31 - 90 kWh		15.00		120.00		37.00		550.00	
Block 3 : 91 - 120 kWh		20.00		120.00		42.00		650.00	
Block 4 : 121 - 180 kWh		30.00		450.00		45.00		1,500.00	
Consumption above 180 kWh per month (present tariff)									
Block 5 : 181 kWh and above		32.00		1,500.00		50.00*		2,000.00	
OTHER CONSUMER CATEGORIES									
		Industrial		General Purpose / Hotel / Government		Industrial		General Purpose / Hotel / Government	
Volume differentiated monthly consumption		IP 1-1 (<= 300 kWh/mth)	IP 1-2 (> 300 kWh/mth)	GP/H/GV 1-1 (<= 180 kWh/mth)	GP/H/GV 1-2 (> 180 kWh/mth)	IP 1-1 (<= 300 kWh/mth)	IP 1-2 (> 300 kWh/mth)	GP/H/GV 1-1 (<= 180 kWh/mth)	GP/H/GV 1-2 (> 180 kWh/mth)
Rate 1									
Supply at 400/230 V		Energy Charge (Rs. /kWh)		20.00 20.00		25.00 32.00		26.00 26.00	
Contract demand <= 42 kVA		Fixed Charge (Rs./mth)		960.00 1,500.00		360.00 1,500.00		1,200.00 1,600.00	
Rate 2									
Supply at 400/230 V		Energy Charge (Rs./kW)		Day (05:30 - 18:30 hrs) 29.00		Peak (18:30 - 22:30 hrs) 34.50		Off Peak (22:30 - 05:30 hrs) 15.00	
Contract demand > 42 kVA		Demand Charge (Rs./kVA)		1,500.00		1,600.00		5,000.00	
Fixed Charge (Rs./mth)		4,000.00		5,000.00		36.50 46.00		39.50 54.00	
Rate 3									
Supply at 11 kV & above		Energy Charge (Rs./kW)		Day (05:30 - 18:30 hrs) 28.00		Peak (18:30 - 22:30 hrs) 34.00		Off Peak (22:30 - 05:30 hrs) 14.00	
Contract demand > 42 kVA		Demand Charge (Rs./kVA)		1,400.00		1,500.00		5,000.00	
Fixed Charge (Rs./mth)		4,000.00		5,000.00		33.50 38.00		38.00	
STREET LIGHTING									
Street Lighting (Rs./kWh)		22.00				45.00			
		DC Fast Charging (Rs./kWh)		Level 2 AC Ch. (Rs./kWh)		DC Fast Charging (Rs./kWh)		Level 2 AC Ch. (Rs./kWh)	
Day (05:30 - 18:30 hrs)		81.00		70.00		88.00		70.00	
Peak (18:30 - 22:30 hrs)		105.00		90.00		112.00		90.00	
Off Peak (22:30 - 05:30 hrs)		50.00		30.00		53.00		40.00	
AGRICULTURE - Optional Time of Use (ToU) Electricity Tariff									
Rate 1 Supply at 400/230V Contract demand <= 42 kVA		Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)		Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)	
Day (05:30 - 18:30 hrs)		20.00		1,500.00		37.00		1,600.00	
Peak (18:30 - 22:30 hrs)		35.00		1,500.00		40.00		1,600.00	
Off Peak (22:30 - 05:30 hrs)		15.00		1,500.00		34.00		1,600.00	

Note: * - In the Religious tariff category, for the customers whose monthly consumption is more than 180 kWh, block wise tariff is proposed.