

**Public Utilities Commission of Sri Lanka**  
**Commission Paper**

**Paper No:** PUC/2023/273/TEA/01  
**Subject:** Consultation on CEB Tariff Proposal

**Date :** 12<sup>th</sup> January 2023

**Ref. :**

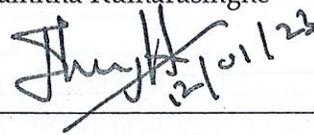
**Prepared by:**

Director-Tariff and Economic Affairs  
Kanchana Siriwardana  
DD – Tariff and Economic Affairs  
Hasanka Kamburugamuwa


**Presented by:**

DG  
Damitha Kumarasinghe

  
21/01/23

**Background**

Ceylon Electricity Board (CEB) has filed the generation cost forecast (Bulk Supply Tariff filing) for the period January – June 2023 on 23<sup>rd</sup> December 2022 and the Commission has already requested clarifications on the assumptions (demand forecast, incorrect fuel prices, incorrect purchase prices, abnormal cost escalations, etc) – **Annex 1**. Afterwards, CEB has submitted a revised Bulk Supply Tariff (Jan-Jun 2023) forecast on 10<sup>th</sup> January 2023. This submission incorporates load shedding (about 2GWh per day or 399 GWh for six months), when forecasting the generation costs to be considered.

Meanwhile, CEB has sent a letter dated 5<sup>th</sup> January 2023, requesting an immediate 66% tariff increase considering the following;

- Accumulated Short-term bank loans, payables to private power generators and fuel suppliers amounting to 658 LKR Bn. as of 30<sup>th</sup> November 2022.
- Accumulated financial losses of 354.9 LKR Bn. since 2013
- Government/ Treasury has communicated its inability to assist CEB any further.
- Budgeted expenditure of 722 LKR Bn., 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 (**Annex 2**) 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 27<sup>th</sup> December 2022 and 5<sup>th</sup> January 2023 respectively. According to those estimates the total sales demand for 2023 is 16,050 GWh (including 188 GWh for streetlighting that generate no/minimal revenues). 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
<b>Total</b>	<b>54.5</b>

The Cabinet of Ministers has taken a decision to make the electricity tariffs cost reflective at its meeting held on 9<sup>th</sup> January 2023, with a view to establish continuous 24/7 electricity supply. In their Decision (**Annex 3**), the Cabinet of Ministers has also indicated the need to revise the tariff (interim) with effect from 1<sup>st</sup> January 2023, until the Commission makes a final determination by 15<sup>th</sup> February 2023.

#### August 2022 Tariff Review Conditions

Vide their letters dated 30<sup>th</sup> December 2022 and 5<sup>th</sup> January 2023 (requesting a tariff hike), CEB has informed the status of the conditions put forward by the Commission, when approving tariff effective from 10<sup>th</sup> August 2022, while stating that there is no legal provision for the Commission to put Conditions when approving tariffs.

Enabling Provision	Requirement	Completion Date	Status
Item 2.4.2 of the Tariff Methodology	Establishment of Bulk Supply Transactions Account	30 <sup>th</sup> November 2022	Not done
Condition 30(11) of Transmission and Bulk Supply License	Independent Dispatch Audit for year 2021	28 <sup>th</sup> February 2023	Claims that PUCSL should do it
Item 2.2.2 of the Tariff Methodology	Power Purchase Agreements (PPA) between CEB Generation plants and the Transmission Licensee	30 <sup>th</sup> November 2022	Not Done, says existing arrangements adequate
Condition 33 of the Transmission and Bulk Supply License	Power Sales Agreements (PSA) between Distribution Licensees and Transmission Licensee	30 <sup>th</sup> November 2022	-do-
Section 28(3) of Sri Lanka Electricity Act No. 20 of 2009	Payment of Interest for the security deposits obtained from the consumers	1 <sup>st</sup> October 2022	Agrees to pay when finances improve
Respective PPAs	Payment of due payments to Renewable Energy based Generation plants	10 <sup>th</sup> November 2022	Agrees to pay when finances improve

## Legal Requirements

In terms Section 3(d) of Sri Lanka Electricity Act, No. 20 of 2009 (SLEA), regulating tariffs and other charges of the electricity licensees is a function of the Commission. In addition, Section 4(a) of SLEA identify the objective to protect the consumers by ensuring that supply of electricity is done economically and efficiently.

Section 30 of SLEA set out the requirements when regulating tariffs;

- Section 30(2)(c) requiring the Commission to approve tariff in **accordance with the policy guidelines of the Cabinet of Ministers.**
- Section 30(2)(a) requiring the Commission to approve a tariff methodology setting out how the **reasonable costs of the Licensees** are recovered when operating on an efficient basis. In order to establish the **reasonableness** of the costs of the Licensees the conditions of the above table were imposed by the Commission in previous tariff revisions.
- Section 30(3) requiring the Commission to prescribe a procedure for tariff review which **shall allow consumers and other interested parties to participate in the process.**
- Section 30(4) allowing the Commission to set tariffs upon being satisfied of the funding from the Treasury for any subsidies, or by incorporating any cross-subsidies as determined by the Commission.

Commission has set out the tariff review procedure through the Rules published on Extraordinary Gazette No. 1978/21 dated 2<sup>nd</sup> August 2016. The Tariff Methodology is approved and revised several times since 2011 and the latest revision was in 2021.

## Approval

The approval of the Commission and the concurrent ratification is sought for following;

1. Timeline for the review of tariffs

#	Description	Date
1	Publication of consultation document for stakeholder comments	16 <sup>th</sup> January 2023
2	Last date of written submissions	6 <sup>th</sup> February 2023
3	Oral consultation session	8 <sup>th</sup> February 2023
4	Direct CEB to resubmit based on results of consultation (if required)	13 <sup>th</sup> February 2023
5	Final decision (provided timely submission of CEB)	20 <sup>th</sup> February 2023

2. Publish the annexed (**Annex 4**) Consultation Document for stakeholder comments
3. Publish all correspondence related to this tariff review in Commissions' website
4. Publish newspaper notices in National newspapers in all three languages for consultation



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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு  
PUBLIC UTILITIES COMMISSION OF SRI LANKA



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Our No. }

PUC/E/Tariff/01

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Date }

Jan 9, 2023 } 3

Authorized Officer for License No. EL/T/09-002  
Additional General Manager – Transmission, Ceylon Electricity Board

**Bulk Supply Tariff Filing for the Period 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023**

Reference is made to the Bulk Supply Tariff filing submitted via the letter of DGM (CS&RA) dated Dec 23, 2022 under the above caption.

The initial list of clarifications and issues of the above submission is attached herewith. You are hereby required to submit all required information/clarifications by Jan 16, 2023. All the soft copies shall be emailed to [hasankak@puosl.gov.lk](mailto:hasankak@puosl.gov.lk)

Please note that the Commission is not in a position to consider any tariff proposal until the above information is submitted.

Damitha Kumarasinghe  
Director General

Copy: DGM (CS&RA), CEB

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Director General }

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## Clarifications/Issues to be addressed – BST submission for 2022 H1

### Information not submitted and not submitted in the correct format

1. Actual CAPEX of DLs and TL of 2021 shall be submitted to the Commission against respective approved amounts (item by item) given in Table 4,5,6,7,9 and 10 of the 'Decision on Revenue Caps and Bulk Supply Tariffs 2021-2023'  
The submission should be in MS Excel/Word format via email. A sample format will be sent to CE (Tariff) of CS&RA division of CEB
2. Sales forecast for 2023 shall be submitted;
  - a) Considering demand reduction due to tariff hike in Aug 2022.
  - b) Including the sales forecasts as per the new (Aug 2022) tariff schedule (Ex- ToU data must be submitted for GY category as per new schedule, some DLs have submitted data as per previous schedule)
  - c) In MS Excel format. The format will be sent to CE (Tariff) of CS&RA division of CEB

### Clarifications

3. Capacity charges of following CEB plants/complexes shows a sharp increase

Plant	Increase MLKR/month	%Increase
Mahawell	301	35%
Samanala	369	115%
DSP1	125	112%
DSP2	128	112%
CCKP	193	145%
CPUT	1,565	95%

Clarify the above given increase (It was observed that material cost of some plants have increased substantially). However, clarifications for above must not be in form of just 'increase of material cost, 'increase in personnel cost' etc. The Commission requires the reasons for 'material cost Increase' etc.

4. Primary fuel of Barge and Sapugaskanda power plants is priced at 419 LKR/Ltr. What is the basis of quoting a higher price?
5. Furnace oil is priced at 320 LKR/Ltr. It is observed that furnace oil price has gone down below 320 LKR/Ltr. Justify the use of 320 LKR/Ltr for January-June 2023.
6. Coal is priced at 124.41 LKR/kg. Submit the estimation (Calculation) for January-June 2023
7. Solar roof top cost estimate is 37 LKR/kWh. That is the price of newer contracts only. Bulk of the contracts are priced at 22 LKR/kWh

		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	
<b>DOMESTIC</b>					
		Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)
<b>Consumption 0 - 60 kWh per month</b>					
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
<b>Consumption above 60 kWh per month</b>					
Block 1 : 0 - 60 kWh		16.00	N/A	42.00	650.00
Block 2 : 61 - 90 kWh		16.00	360.00		
Block 3 : 91 - 120 kWh		50.00	960.00	50.00	1,500.00
Block 4 : 121 - 180 kWh		50.00	960.00		
Block 5 : 181 kWh and above		75.00	1,500.00	75.00	2,000.00
<b>Optional Time of Use (ToU) Electricity Tariff for Dom. Consumers</b>					
Day (05:30 - 18:30 hrs)		70.00	1,500.00	70.00	2,000.00
Peak (18:30 - 22:30 hrs)		90.00		90.00	
Off Peak (22:30 - 05:30 hrs)		30.00		40.00	
<b>RELIGIOUS &amp; CHARITABLE INSTITUTIONS</b>					
<b>Consumption 0 - 180 kWh per month</b>					
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
<b>Commercial Tariff</b>					
		32.00	1,500.00	50.00*	2,000.00
<b>CATEGORIES</b>		<b>Industrial</b>		<b>General Purpose / Hotel / Government</b>	
Volume differentiated monthly consumption		IP 1-1 (<= 300 kWh/mth)	IP 1-2 (> 300 kWh/mth)	GP/H/GV 1 (<= 180 kWh/mth)	GP/H/GV 2 (> 180 kWh/mth)
Rate 1	Supply at 400/230 V				
	Energy Charge (Rs. /kWh)	20.00	20.00	25.00	32.00
	Contract demand <= 42 kVA	Fixed Charge (Rs./mth)	960.00	1,500.00	360.00
Rate 2	Supply at 400/230 V				
	Energy Charge (Rs./kWh)				
	Day (05:30 - 18:30 hrs)		29.00		37.00
	Peak (18:30 - 22:30 hrs)		34.50		40.00
	Off Peak (22:30 - 05:30 hrs)		15.00		34.00
	Demand Charge (Rs./kVA)		1,500.00		1,600.00
	Fixed Charge (Rs./mth)		4,000.00		5,000.00
Rate 3	Supply at 11 KV & above				
	Energy Charge (Rs./kWh)				
	Day (05:30 - 18:30 hrs)		28.00		36.50
	Peak (18:30 - 22:30 hrs)		34.00		39.50
	Off Peak (22:30 - 05:30 hrs)		14.00		33.50
	Demand Charge (Rs./kVA)		1,400.00		1,500.00
	Fixed Charge (Rs./mth)		4,000.00		5,000.00
<b>STREET LIGHTING</b>					
Street Lighting (Rs./kWh)		22.00		45.00	
<b>EV CHARGING OF CEB CHARGING STATIONS</b>					
		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
<b>AGRICULTURE - Optional Time of Use (ToU) Electricity Tariff</b>					
		Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)
Rate 1 Supply at 400/230V Contract demand <= 42 kVA	Day (05:30 - 18:30 hrs)	20.00	1,500.00	37.00	1,600.00
	Peak (18:30 - 22:30 hrs)	35.00		40.00	
	Off Peak (22:30 - 05:30 hrs)	15.00		34.00	

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



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- (ii) that, there is no alternative, other than increasing the electricity tariff to cover at least the cost incurred by the CEB for the supply of electricity while minimizing the impact caused to the electricity consumers as much as possible, in order to ensure an uninterrupted supply of electricity in the country.

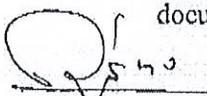
After further discussion, it was decided -

- (a) to grant approval to amend the existing General Policy Guidelines by replacing the Clauses 10, 11, 12 and 13, with the Clauses as indicated in Annex-01 to the Memorandum dated 2023-01-02 and the remaining Clauses of the General Policy Guidelines to be numbered accordingly;
- (b) to request the Public Utilities Commission of Sri Lanka -
- (i) to take necessary action by 2023-02-15 following the relevant procedure, to implement the proposed electricity tariff revision as indicated in Annex-03 to the Memorandum dated 2023-01-02 with effect from 2023-01-01, subject to adjusting any difference between the proposed tariff and the tariff to be decided by the PUCSL, through subsequent electricity bills of consumers;
- (ii) to permit the CEB to implement the proposed electricity tariff revision as indicated in Annex-03 to the Memorandum dated 2023-01-02 with effect from 2023-01-01, as an interim measure until the PUCSL takes a decision as per (b)(i) above; and
- (iii) to take action to review, update and revise the electricity tariff biannually in future in terms of the revised General Policy Guidelines as per the decision at (a) above.

It was also decided to treat this decision as confirmed and to authorize the Secretary to the Cabinet of Ministers to convey the same to the relevant authorities for necessary action accordingly.

Action by: **My/Finance, Economic Stabilization and National Policies** - copy each of the relevant documents annexed.  
**My/Power and Energy**  
**Chairman, Public Utilities Commission of Sri Lanka** - copy each of the relevant documents annexed.  
**Chairman, Ceylon Electricity Board** - copy each of the relevant documents annexed.

Copied to: **Secretary to the President** - copy each of the relevant documents annexed.  
**Attorney General** - copy each of the relevant documents annexed.  
**Secretary to the Prime Minister** - copy each of the relevant documents annexed.  
**Governor of the Central Bank of Sri Lanka** - copy each of the relevant documents annexed.

  
**W.M.D.J. Fernando**  
Secretary to the Cabinet of Ministers

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மின்சக்தி மற்றும் வலுசக்தி அமைச்சு  
MINISTRY OF POWER AND ENERGY

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திகதி  
Date } 09/01/2023

Note to the Cabinet

- 01 This has reference to the joint Cabinet Memorandum No. MOPE/SEC/COM/2022 dated 2023-01-02 presented by the Minister of Finance, Economic Stabilization and National Policies and by the Minister of Power and Energy. In the said Cabinet Memo, it was proposed to revise the existing electricity tariffs effective as of the 1<sup>st</sup> of January 2023.
- 02 Revision of electricity tariffs is based, among others, on the directive given by the Cabinet of Ministers in which uninterrupted electricity supply and with no government subsidies have been proposed. Based on the general policy guidelines to be amended by the Cabinet of Ministers, the revision of electricity tariffs which had been annexed to the said Cabinet Memo No. MOPE/SEC/COM/2022 dated 2023-01-02, has already been submitted to the Public Utilities Commissions of Sri Lanka (PUCSL) by the Ceylon Electricity Board (CEB).
- 03 The tariff revision proposed in the said Cabinet Memorandum stands as an interim measure until the electricity tariffs to be revised on the decision of the PUCSL is taken having gone through its procedure by the 15<sup>th</sup> of February 2023. At that time, any difference between the tariffs being agreed today by the Cabinet of Ministers and the tariffs to be decided by the PUCSL will be adjusted accordingly in the subsequent electricity bills. This procedure will be adopted for allowing any interested party including sector experts on energy and finance to reflect their views on the said tariff adjustments.

Ranil Wickremesinghe  
Minister of Finance, Economic Stabilization  
and National Policies

Kanchana Wijesekera (M.P.)  
Minister of Power and Energy

09.01.2023

23/0010/621/002



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மின்சக்தி மற்றும் வலுசக்தி அமைச்சு  
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எனது இல  
My No

MOPE/SEC/COM/2022

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Your No

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திகதி  
Date

02.01.2023

Cabinet Paper No. 74/2022/PE

## Cabinet Memorandum

### Proposal for the Revision of Electricity Tariff 2023

#### 01. Background

As per the provisions stipulated in Section 5 of the Sri Lanka Electricity Act (SLEA) No. 20 of 2009, the Minister in charge of the subject of "Electricity" shall have the powers to formulate General Policy Guidelines in respect of the Electricity Industry. Accordingly, the Cabinet of Ministers at its meeting held on 01.11.2021 has granted approval to revise the General Policy Guidelines incorporating the new policies introduced at that time by the Government. The General Policy Guidelines approved by the Cabinet of Ministers has been issued on 06.01.2022 by the then Ministry of Power addressed to the Ceylon Electricity Board (CEB) and Public Utilities Commission of Sri Lanka (PUCSL). Clause 10 of the said General Policy Guidelines on the Electricity Industry, states that the tariff chargeable by the relevant licensees should reflect the costs reasonably associated with delivering the services.

#### 02. Justification

The Cabinet of Ministers at its meeting held on 21.11.2022 granted its approval to revise the existing General Policy Guidelines issued by the then Ministry of Power in 2021 with additional policy directives referred in the Cabinet Memorandum dated 21.11.2022 jointly submitted by the Minister of Finance, Economic Stabilization and National Policies and Minister of Power and Energy considering the legal opinions issued by the Attorney General dated on 26.07.2022 and on 04.11.2022 (Copies attached). Accordingly, the policy directives in terms of changes to the fuel price, technology improvements, variation of the cost of spare parts, subsidy policy, effective tariff period, impact on tariff due to structural reforms and regional electricity market should be adequately addressed in it when determining the electricity tariff. In that regard, this Ministry drafted amendments to the existing General Policy Guidelines in reference to price and tariff determination, and the same is attached hereto as Annex - 1.

As per the provisions stipulated in Section 30 of SLEA, and being consistent with the General Policy Guidelines, CEB being a distribution licensee has requested the Public Utilities Commission of Sri Lanka a price revision on 04.03.2022 on a cost-reflective basis. Accordingly, the PUCSL has granted its approval for the licensees to increase the electricity tariff with effect from 10.08.2022. However, it was revealed that the revenue generated under the new tariff is not adequate to meet even the direct generation costs, apart from other corporate and overhead costs. Most importantly,

CEB is facing a huge challenge to generate sufficient cash flows to procure coal to cater to the country's largest baseload power plant at Norochcholai and also to procure fuel and other essential materials to provide continuous power supply to the country.

In the absence of a cost recovery tariff since 2014, CEB has been continuously recording net financial losses annually. In this circumstance, it has been impossible to settle outstanding payments to Independent Power Producers (IPP), Non-Conventional Renewable Energy (NCRE) producers, and Local/Foreign material suppliers. Moreover, this situation has badly affected CPC as it has become a burden to State Banks impacting the importing of fuel needed for CEB. This chain effect is solely because of the inadequate revenue generation in CEB. Therefore, it is imperative to recover CEB from its debt-ridden state by making a financially independent organization. Even at the current tariff level, CEB is expected to incur a loss of approximately 287 Bn LKR excluding other income in 2023 under the scenario given below. The actual status of the CEB debts as of 31.10.2022 is 651.9 Bn. LKR (Table 1, Annex - 02).

Accordingly, the CEB has proposed another tariff revision (Annex - 03) based on the estimated expenditure of CEB for the year 2023 and in compliance with the General Policy Guidelines referred to above. Further, as per the Cabinet Paper dated 21.11.2022, the proposed tariff is formulated under the basis of no government subsidies and without intentional power cuts for 2023. The annual required total generation units are estimated as 16,520 GWh in 2023 without intentional power cuts. In view of the national economic requirements, cross-subsidies shall be maintained to the industrial sector and any identified tariff category as per the General Policy Guidelines until the year 2025.

The estimated revenue of CEB under the current and proposed tariff is summarized in the following table.

Est. Sales 2023	Present Tariff with effect from 10 <sup>th</sup> August 2022				Proposed Tariff	
	Avg. Selling price 2022	Estimated Annual Rev. 2022	Avg. Selling price 2023	Est. Annual Rev. 2023	Avg. Selling price	Est. Annual Rev.
GWh	LKR/kWh	LKRm	LKR/kWh	LKRm	LKR/kWh	LKRm
14,920	21.07	300,420	29.14	455,699	48.74	727,212

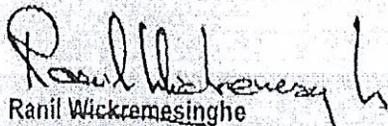
The direct generation cost under the proposed tariff is 86% of the revenue collected and therefore a major portion of revenue collection will contribute towards covering the direct generation costs, which is unavoidable. However, the Ministry is taking concerted action to reduce corporate and overhead costs of the CEB.

It is to be noted that the electricity demand growth rate has a direct correlation with the growth rate of the country's economy. If the GDP growth rate is dropped by 4%, the electricity growth rate may follow the same pattern, and the required generation units for the year 2023 could be reduced to 16,500 GWh approximately. In such a case 36 Bn LKR cost reduction is envisioned and the required tariff increase would be marginally less and Government can decide on which tariff categories are to be benefited from the cost reduction.

**03. Recommendations**

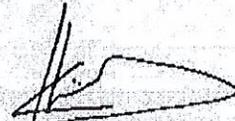
In considering above, the approval of the Cabinet of Ministers is sought to;

- a. amend the existing General Policy Guidelines by replacing the Clauses 10, 11,12 and 13 with the Clauses as indicated in Annex - 01, and the remaining Clauses of the Policy Guideline to be numbered accordingly,
- b. inform the Public Utilities Commission of Sri Lanka to implement the electricity tariff proposals as indicated in Annex - 03 in accordance with the revised General Policy Guidelines, and
- c. inform the Public Utilities Commission of Sri Lanka to review, update and revise the tariff biannually as per the revised General Policy Guidelines hereto.



Ranil Wickremesinghe  
Minister of Finance, Economic Stabilization  
and National Policies

02.01.2023



Kanchana Wijesekera (M. P.)  
Minister of Power & Energy

02.01.2023

## Annexure 01

**AMENDMENT TO THE GENERAL POLICY GUIDELINES FOR THE ELECTRICITY INDUSTRY 2022****Tariff period**

10. Costs and prices of electricity supply will be reviewed at least once in six months (the tariff period), targeting a fixed date preferably 01<sup>st</sup> January and July of each year to make revisions to consumer prices every year. Elements of costs, such as generation, transmission, and distribution costs, shall also be reviewed once a year and in times of high inflation and variations in generation cost due to changes in oil price, exchange rate, and rainfall, with the approval of the Cabinet of Ministers, the ministry will request the Public Utilities Commission of Sri Lanka (PUSCL) and licensees to shorten the duration of the tariff period.
11. PUSCL shall immediately publish in each year fixed dates, on which the reviewed electricity tariffs be effective in each year. Such dates will remain fixed throughout the period until 2030. Licensees shall submit their costs and prices for approval, well in advance of such date, on a schedule published by PUSCL.

**Aggregate Revenue Requirement of Transmission & Distribution Licensees**

12. The transmission licensee is expected to submit the actual cost of power purchase incurred in the preceding tariff period within 30 days of the end of the tariff period and the projected power purchase cost for the next tariff period before 30 days of the start of the tariff period to PUSCL. PUSCL is expected to verify the published power purchase cost and determine the power purchase cost to be allowed to the transmission licensee within 15 days of the receipt of the power purchase cost data from the transmission licensee.
13. The transmission and distribution licensees will submit to PUSCL in every year the cost incurred on maintaining the transmission and distribution network and services including the overhead and financing costs in the preceding year and the projected expenses for the subsequent year by March 31<sup>st</sup> of each year. Based on the power purchase cost data and transmission and distribution cost data submitted by the licensees, PUSCL will determine the aggregate revenue requirement of each licensee by April 30<sup>th</sup> of each year. However, in considering the national importance, if the Cabinet of Ministers grants special approval for a revision of price and tariff based on a transmission and distribution cost, then PUSCL shall take immediate action to effectuate such a decision.
14. A revised methodology to determine allowed aggregate revenue requirement for each transmission and distribution licensee for each tariff period shall be prepared, published, and implemented by the PUSCL, by the end of 2022. To ensure that allowed revenues reflect efficient costs, each transmission and distribution licensee shall define and monitor key performance indices and submit the targets (including references to those for other regional and international electricity utilities) with progressive improvement of efficiency and achievements with each submission of revenue requirements.

15. If the transmission and distribution cost allowed for a tariff period is exceeded, such amount shall not be compensated unless justifiable reasons are presented. The PUSCL shall conduct a study via an expert independent body in consultation with licensees to set the minimum efficiency levels to be met by each licensee and in the event of the licensee is not meeting the stipulated efficiency standards, the aggregate revenue requirement will be calculated at the stipulated minimum efficiency level.

**Cost of supply to each consumer category and cost-reflective tariffs**

16. By the end of 2022, PUSCL shall publish a methodology to determine consumer tariffs, taking into consideration of the policy guidelines.
17. Taking into account the allowed aggregate revenue requirement including electricity purchase prices, forecast customer numbers and sales, based on the assumption that the electricity is supplied to the consumers without interruption throughout the year, a comprehensive cost of supply for each type and category of customer shall be calculated and presented for each tariff period.
18. For consumers availing of smart meters, capable of recording the electricity consumption at different time blocks, the cost of supply shall be calculated for identified time blocks based on a methodology to be published by PUSCL.
19. The consumer tariffs shall be set at a level reflecting the cost of supply calculated for each consumer category. However, the PUSCL shall consult the Ministry of Power and energy in determining the subsidized tariffs targeting low-income groups.
20. PUSCL shall consult with Ministry of Power and Energy and Ministry of Finance regarding the socially acceptable levels of life line tariffs for low-income consumers and the amount of fiscal subsidies and cross subsidies to be provided by other consumer categories to cover the cost of supply and affordable tariff by low-income consumers. (Cross subsidy must be eliminated gradually preferably in few tariff cycles)
21. The cross subsidy to be provided by a particular consumer category to the low-income groups shall be limited to 15% of the cost of supply of the consumer category providing the subsidy to maintain the principle of cost-reflective tariffs.
22. PUSCL shall publish a road map to simplify customer tariffs by merging tariff blocks, removing volume-differentiated tariffs in the household, industrial and general-purpose tariffs, and removing types of customers with unclear definitions, to achieve simplicity and to align with international best practices in metering and pricing by 2025. PUSCL shall ensure such structural reforms to customer tariffs are implemented.
23. Commercial enterprises such as banks, financial institutions, capital investment entities, and real estate entities, shall not be granted any subsidy and shall be charged with at least the actual cost of supply of electricity.

**Subsidies**

24. No government subsidies are provided for the electricity industry in the future. However, the utilities may follow the cross-subsidy policy to facilitate the low-income group and industrial consumers.
25. To ensure transparency in billing and managing subsidies, the cost of supply to a customer, the actual charge under the published tariff, and the subsidy provided to (or surcharge imposed on) the consumer shall be printed on the bill (or provided clearly using digital media in case of electronic billing), commencing from 2023.
26. Possibility shall be explored to provide subsidies to the hotel industry by offsetting the taxes already levied on the hotel industry.

**Interim provision of pricing tariff for 1<sup>st</sup> half of 2023**

27. In line with the revised policy guidelines, the price and tariff for the year 2023 first half shall be implemented from the 1<sup>st</sup> of January 2023 as attached in Annex - 03.

**Market and pricing reforms**

28. The Ministry of Power and Energy will commence further actions on reforms in the electricity industry, including (i) provision of wheeling facilities by distribution and transmission licensees, (ii) open access for smaller producers to sell to distribution or transmission licensees, and (iii) establishing a market for power trade.
29. The reforms will exclude all types of subsidies from 2025 onward, where any subsidies to deserving consumer groups will be provided direct, outside the electricity pricing and billing process.

**Unbundling and structural reforms**

30. The unbundling process of Ceylon Electricity Board (CEB) in accordance shall be completed by 31st March 2024, establishing financial independence of all licensed entities in the electricity industry. For this purpose, all assets and liabilities shall be allocated to the respective licensee entity in the filing for costs for 2023.
31. The present invoicing for sales from generation to transmission and transmission to distribution will be converted to actual transactions from 2023 onward. End-use consumer payments shall be made to separate accounts maintained by each licensee selling electricity to the respective consumer.
32. Each independent licensee shall provide their regulatory accounts and publish their financial accounts from 2022 onward, with responsibility for financial well-being assigned to the respective Chief Executive Officer of each licensed entity.

## Annexure 02

Table 01: Outstanding payables owed to external parties by CEB as at October 31, 2022

Major Creditors	Rs.Mn
CPC - Payables	52,193
- Delayed Interest	4,576
JPP - Payables including Delay Int	77,274
NGRE	36,534
<b>Total - Major Creditors</b>	<b>170,578</b>
<b>Short-term Payables</b>	<b>Rs.Mn</b>
Settlements for Coal purchases	7,500
LCs - LC & IT payments - Outstanding	1,484
LCs yet to be opened	6,810
Solar Rooftop Payables	2,956
Local Supplier Payables	6,146
CMEC - LVPP - O&M expense	6,279
Repayment of Loans	5,500
<b>Total - Short term Payables</b>	<b>36,675</b>
<b>Term Loans to finance Working Capital</b>	<b>Rs.Mn</b>
Peoples Bank	70,674
NSB	5,625
NSB+Sampath+Seylan	4,120
BOC	16,998
Seylan Bank	1,704
NTB	2,766
Peoples Bank Overdraft	26,905
<b>Total - Term Loans</b>	<b>128,791</b>
<b>Senior Unsecured Listed Redeemable Rated Debentures</b>	<b>20,000</b>
<b>Project Loans</b>	<b>Rs.Mn</b>
Treasury Sub Loans	232,734
Broadland Hydro Power Project (HNB)	675
Broadland Hydro Power Project (Peoples Bank)	4,231
Broadland Hydro Power Project (ICB)	4,295
Asian Development Bank	53,957
<b>Total - Project Loans</b>	<b>295,892</b>
<b>Grand Total - Loans &amp; Major Payables</b>	<b>651,936</b>

**Table 02: Cumulative debt burdened on CEB from 2016 to 2022**

Year	2016- Restated	2017- Restated	2018- Restated	2019- Restated	2020- Restated	2021	2022 Oct	Accumulated Total
Deficit (BLKR)	14.46	47.58	31.94	94.42	69.16	21.96	112.96	347.89

**Table 03: Estimated Expenditure of CEB Vs. revenue under existing tariff for 2022**

Description	CEB Budget Estimate 2022 (Revised in end September 2022)
Estimated Expenditure (Rs. Mn.)	463,394
Estimated Income from Electricity Sales (Rs. Mn.)	300,420
Surplus/ (deficit) (Rs. Mn.)	(151,937)
Surplus/ (deficit) as a % of Rev.	(51%)

Annex - 03

Existing and Proposed Electricity Tariff

Budget Scenario 'P'

EFFECTIVE FROM (for each 30 - day billing period)	EXISTING TARIFF				TARIFF PROPOSAL 2023				
	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				
<b>DOMESTIC</b>									
	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./mth)	
<i>Consumption 0 - 60 kWh per month</i>									
Block 1 : 0 - 30 kWh	8.00	120.00	30.00	400.00	30.00	550.00	30.00	400.00	
Block 2 : 31 - 60 kWh	20.00	240.00	37.00	550.00	37.00	550.00	37.00	550.00	
<i>Consumption above 60 kWh per month</i>									
Block 1 : 0 - 60 kWh	16.00	N/A	42.00	650.00	42.00	650.00	42.00	650.00	
Block 2 : 61 - 90 kWh	16.00	360.00	50.00	1,500.00	50.00	1,500.00	50.00	1,500.00	
Block 3 : 91 - 120 kWh	50.00	960.00	50.00	1,500.00	50.00	1,500.00	50.00	1,500.00	
Block 4 : 121 - 180 kWh	50.00	960.00	75.00	2,000.00	75.00	2,000.00	75.00	2,000.00	
Block 5 : 181 kWh and above	75.00	1,500.00	75.00	2,000.00	75.00	2,000.00	75.00	2,000.00	
<i>Optional Time of Use (ToU) Electricity Tariff for Dom. Consumers</i>									
Day (05:30 - 18:30 hrs)	70.00	1,500.00	70.00	2,000.00	30.00	2,000.00	30.00	2,000.00	
Peak (18:30 - 22:30 hrs)	90.00		40.00						
Off Peak (22:30 - 05:30 hrs)	30.00		40.00						
<b>RELIGIOUS &amp; CHARITABLE INSTITUTIONS</b>									
<i>Consumption 0 - 180 kWh per month</i>									
Block 1 : 0 - 30 kWh	8.00	90.00	30.00	400.00	30.00	550.00	30.00	400.00	
Block 2 : 31 - 90 kWh	15.00	120.00	37.00	550.00	37.00	550.00	37.00	550.00	
Block 3 : 91 - 120 kWh	20.00	120.00	42.00	650.00	42.00	650.00	42.00	650.00	
Block 4 : 121 - 180 kWh	30.00	450.00	45.00	1,500.00	45.00	1,500.00	45.00	1,500.00	
<i>Consumption above 180 kWh per month (present tariff)</i>									
Block 5 : 181 kWh and above	32.00	1,500.00	50.00	2,000.00	50.00	2,000.00	50.00	2,000.00	
<i>Block wise tariff proposed for consumption above 180 kWh</i>									
<b>OTHER CONSUMER CATEGORIES</b>									
Volume differentiated monthly consumption		Industrial		General Purpose / Hotel / Government		Industrial		General Purpose / Hotel / Government	
		IP 1-1 (<= 300 kWh/mth)	IP 1-2 (> 300 kWh/mth)	GP/H/GV 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	Energy Charge (Rs./kWh)	20.00	20.00	25.00	32.00	26.00	26.00	40.00	47.00
Supply at 400/230 V	Fixed Charge (Rs./mth)	960.00	1,500.00	360.00	1,500.00	1,200.00	1,600.00	1,000.00	1,600.00
Contract demand <= 42 kVA									
Rate 2	Energy Charge (Rs./kWh)			29.00		37.00		47.00	
Supply at 400/230 V	Peak (18:30 - 22:30 hrs)			34.50		40.00		55.00	
Contract demand > 42 kVA	Off Peak (22:30 - 05:30 hrs)			15.00		24.00		39.00	
	Demand Charge (Rs./kVA)			1,500.00		1,600.00		5,000.00	
	Fixed Charge (Rs./mth)			4,000.00		4,000.00		4,000.00	
Rate 3	Energy Charge (Rs./kWh)			28.00		36.50		46.00	
Supply at 11 kV & above	Peak (18:30 - 22:30 hrs)			34.00		39.50		54.00	
	Off Peak (22:30 - 05:30 hrs)			14.00		33.50		38.00	
	Demand Charge (Rs./kVA)			1,400.00		1,500.00		5,000.00	
	Fixed Charge (Rs./mth)			4,000.00		4,000.00		4,000.00	
<b>STREET LIGHTING</b>									
Street Lighting (Rs./kWh)			22.00				45.00		
<b>EV CHARGING OF CEB CHARGING STATIONS</b>									
	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	
<b>AGRICULTURE - Optional Time of Use (ToU)</b>									
Electricity Tariff	Energy Charge (Rs./kWh)			Fixed Charge (Rs./mth)		Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)	
Rate 1 Supply at 400/230V Contract demand <= 42 kVA	Day (05:30 - 18:30 hrs)	20.00		1,500.00		37.00		1,600.00	
	Peak (18:30 - 22:30 hrs)	35.00			40.00				
	Off Peak (22:30 - 05:30 hrs)	15.00			34.00				



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My Ref: E/196/2022  
Yr. Ref: PE/01/46 (Vol 11)

26<sup>th</sup> July, 2022

Mr. M.P.D.U.K. Mapa Patirana,  
Secretary,  
Ministry of Power and Energy,  
437, Galle Road,  
Colombo 03.

**REQUEST FOR CLARIFICATIONS ON THE POWERS VESTED WITH THE MINISTER IN CHARGE OF THE ELECTRICITY INDUSTRY ON REVISION OF ELECTRICITY TARIFF**

Reference is made to your letter dated 2022 in respect of the above matter.

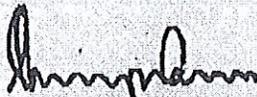
In terms of section 5(1) of the Sri Lanka Electricity Act No. 20 of 2009 (as amended), the Hon. Minister is empowered to formulate general policy guidelines in respect of the electricity industry, and, the matters that may be taken into consideration in formulating such policy guidelines are set out in sub-section (2) thereof. In terms of section 5(3) of the Act, the Minister is thereafter required to obtain the approval of the Cabinet of Ministers for such policy guidelines.

Furthermore, in terms of section 30 (1) of the Public Utilities Commission of Sri Lanka Act No. 35 of 2002 ("the PUCSL Act"), empowers the Cabinet of Ministers,

in consultation with the Minister in charge of a public utilities industry, to formulate where it sees fit, general policy guidelines and issue such guidelines through the Minister in respect of the matters referred to therein.

It is observed that the electricity sector constitutes a "public utilities industry" and the Sri Lanka Electricity Act constitutes an "industry Act," for purposes of the PUCSL Act, as per the definitions set out in section 44 of the said Act.

As such policy guidelines are issued with the approval of the Cabinet of Ministers in the exercise of the aforementioned statutory powers, I am the opinion that the Public Utilities Commission ("the Commission") shall be duty-bound and obliged to give effect to same in terms of Sections 14 and 17 of the PUCSL Act.



Sanjay Rajaratnam, P.C.  
Attorney General

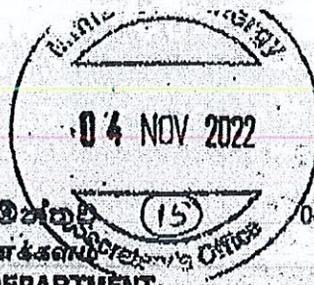
Sanjay Rajaratnam, P.C.  
Attorney General

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My No.

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SMRE/DEV/02/31/021

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04<sup>th</sup> November, 2022

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சட்டமர் அதிகாரகனம்

ATTORNEY - GENERAL'S DEPARTMENT

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Mr. M. P. D. U. K. Mapa Pathirana  
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Ministry of Power and Energy,  
437, Gallé Road,  
Colombo 03.

**REQUEST FOR CLARIFICATIONS ON THE POWERS VESTED WITH THE MINISTER IN CHARGE OF THE ELECTRICITY INDUSTRY ON REVISION OF ELECTRICITY TARIFF.**

Reference is made to your letter dated 02.11.2022 in respect of the above matter.

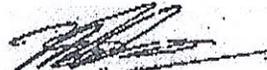
It is observed that, in terms of section 5(1) of the Sri Lanka Electricity Act No. 20 of 2009 (as amended), the Hon. Minister is empowered to formulate general policy guidelines in respect of the electricity industry. In formulating such guidelines, one of the matters that the Hon. Ministers is required to consider under section 5(2)(d) of the Act is *pricing policy in respect of the supply of electricity to facilitate the sustainable economic growth*. Such guidelines formulated by the Hon. Minister, and amendments thereto, are required to be submitted for approval to the Cabinet of Ministers (vide section 5(3)).

Furthermore, section 30 of the Act, which relates to tariffs, *inter alia*, provides that transmission, bulk sale, distribution and supply tariffs should be set by the relevant licensee in accordance with a cost reflective methodology approved by the Public Utilities Commission ("the PUCSL") in accordance with the policy guideline approved by the Cabinet of Ministers under section 5 (vide section 30(2)(c)).

It is evident from the aforementioned provisions in the Sri Lanka Electricity Act, which is the Industry Act for the electricity industry, general policy guidelines of pricing could be issued by the Hon. Minister and that such policy may be framed in the form of a tariff structure formula or by any other method. In terms of section 30(2)(c) of the Act, as aforesaid, the PUCSL would be statutorily obliged to give effect to such policy. It is observed that neither the Sri Lanka Electricity Act nor the Public Utilities Commission of Sri Lanka Act No. 35 of 2002 contain any provision that empower the PUCSL to vary or act in variance of such policy guidelines.

The authority of the Hon. Minister to formulate general policy guidelines on pricing/tariffs is also recognized in section 30(1) of the Public Utilities Commission of Sri Lanka Act, and, as pricing/tariffs is one of the matters in respect of which general policy guidelines may be issued under the applicable Industry Act.

I further re-iterate the contents of my letter dated 26.07.2022 on this issue.

  
M. Gopallawa  
Senior Deputy Solicitor General

Sgd/ Sanjay Rajaratnam, PC  
Attorney General

## Consultation Document for Revision of Electricity Tariffs 2023

The Ceylon Electricity Board has applied for a tariff revision through their submission dated 5<sup>th</sup> 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 10<sup>th</sup> 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 <sup>rd</sup> December 2022	10 <sup>th</sup> 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
<b>Total generation demand</b>	<b>8,553.3</b>

### 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 27<sup>th</sup> December 2022 and 5<sup>th</sup> 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
<b>Total</b>	<b>54.5</b>

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



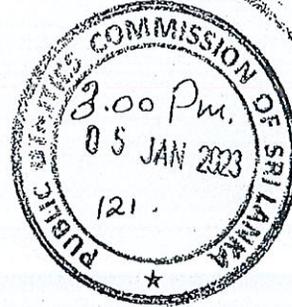
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இலங்கை மின்சார சபை  
CEYLON ELECTRICITY BOARD

Your ref:

My ref: DGM(CS&RA)/TRF/Trf. 2023

Date: January 5, 2023

Director General,  
Public Utilities Commission of Sri Lanka,  
6th Floor, BOC Merchant Tower,  
No.28, St, Michael's Road,  
Colombo 3.



Dear Sir,

**Present Financial Position of CEB and the Urgent Requirement of a Tariff Revision for 2023**

As you are aware, the last electricity tariff revision effected on 2022-08-10 has eased the cash flows of CEB to a certain extent but it is not sufficient to achieve a full cost recovery level. It is to be noted that CEB has submitted four tariff proposals to PUCSL during the last tariff revision based on local currency floating and fuel price fluctuations. However, PUCSL approved the 2<sup>nd</sup> proposal which was a 75% increase and due to insufficient cashflow generation, the estimated loss in CEB is 152 BLKR at the end of 2022.

Due to absence of a cost reflective tariff for more than 9 years has made CEB to operate with recurrent financial losses. As per the CEB Statutory Accounts, the accumulated financial loss incurred between the period 2013 – 2022 October is LKR 354.9 million as detailed below.

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	Actual 2022 up to Oct.	Total
Net Profit/ (Loss) after Tax BLKR	22.3	-15.0	19.4	-13.2	-46.0	-30.3	-97.3	-60.4	-21.5	-112.9	-354.9

The negative operating net cash flows over this period has made CEB unable to find capital for core business activities unless external financial assistance is provided. This critical financial situation often enforces CEB to obtain short term finances for its working capital requirements mainly for the procurement of oil, Coal and spares.

It is noteworthy to see that CEB is in an extremely difficult position to honour the payments to procure Coal and other fuels for the coming months. Currently, CEB is purchasing fuel for thermal power plants from CPC on day-to-day basis in small quantities without resorting for power interruptions. However, it often leads to situations of insufficient fuel quantities preventing continuous operation of thermal power plants. The situation of fuel supply is reported to PUCSL through Generation Summary report sent daily by the National System Control Center of CEB. At the same time, due to prevailing insufficient fuel quantities, power plants are operated violating economic merit order in many a times. Also, the ultimate objective of introducing the Time of Use Tariff is being violated especially since off peak is not run by

**OFFICE OF THE GENERAL MANAGER**

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cheapest power plants due to unavailability of fuel. This has incurred a huge cost to CEB and for the country. In the circumstance it is necessary that CEB be ready with cash upfront as a topmost priority in order to enable CEB for timely ordering of fuel without accumulation of fuel bills.

The accumulated total of major payable balances stands at LKR 658 billion as at November 30, 2022 as follows.

<b>Major Creditors</b>	
CPC - Payables including Delay Interest	59,194
IPP - Payables including Delay Interest	78,011
NCRE	36,393
<b>Total - Major Creditors</b>	<b>173,598</b>
<b>Short-term Payables</b>	
Settlements for Coal purchases	9,700
LCs - LC & TT payments - Outstanding	1,520
LCs yet to be opened	14,332
Solar Rooftop Payables	2,839
Local Supplier Payables	3,908
CMEC - LVPP - O&M expense	5,694
Loans Instalments Dues	1,500
<b>Total - Short term Payables</b>	<b>39,493</b>
<b>Term Loans to finance Working Capital (Peoples incl. overdraft+ NSB + Sampath+ Seylan+ BOC+ NTB)</b>	<b>129,641</b>
<b>Senior Unsecured Listed Redeemable Rated Debentures</b>	<b>20,000</b>
<b>Project Loans</b>	
Treasury Sub Loans	233,901
Broadland Hydro Power Project (HNB+Peoples+ICB)	9,201
Asian Development Bank	52,276
<b>Total - Project Loans</b>	<b>295,378</b>
<b>Grand Total - Loans &amp; Major Payables</b>	<b>658,110</b>

In the context of present financial situation, it is impossible to settle the outstanding payments of major fuel Suppliers CPC and Lanka Coal, IPP, NCRE suppliers and Material Suppliers on time, which in turn has affected the financial independence of those external entities and the present renewable power policy of the Government. Further, CEB has been operating without due subsidies as per the SLEA even though the amount of subsidy has been communicated to PUCSL for more than 10 years on monthly basis.

I wish to state that CEB's true costs have not been reflected in the "Consultation Document for revision of Electricity Tariffs 2022" dated 2022-06-28. Our comments for the same dated 2022-07-18 (Annex I), comments for the Decision on Electricity Tariffs – 2022 dated 2022-08-10 (Annex II) and comments for the Decisions on BST 1H and 2H of 2022 (Annex III) are attached herewith.

The Board has been informed to operate without Government subsidy and to eliminate intentional power cuts in 2023 through a policy direction taken by a Joint Cabinet Memorandum No.22/1877/604/077 by Hon. Minister of Finance, Economic Stabilization and National Policies and Hon. Minister of Power and Energy dated 2022-11-22. Accordingly, the tariff proposal has been formulated to achieve a full cost recovery and supply of electricity to customers on 24x7 basis. In addition, costs were estimated considering average hydro conditions, oil/coal availability, plant scheduled maintenance, transmission network constraints, financial situation and ability to purchase spares for maintenance and external factors

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such as current economic crisis and its effect to electricity growth. The estimated gross Generation is 16,520 GWh and estimated sales after generation auxiliary and T&D losses is 14,920 GWh for 2023.

In the circumstance, to overcome the adverse economic situation of CEB, the Board has approved a tariff revision proposal for 2023 aiming to recover the following deficit.

	CEB Budget 2023
Expenditure (Rs. Mn.)	722,402
Income excl. other incomes (Rs. Mn.)	434,756
Surplus (Rs. Mn.)	(287,646)
Surplus as a % of Rev.	-66.2 %

It is to be noted that this tariff revision solely considers the recovery of the forecasted total expenditure for year 2023 thus the accumulated loss for past years have not been considered in formulating the tariff proposal. Also, PUCSL's recommendations are sought on how the accumulated debts which cannot be passed to customers are to be served.

Accordingly, the tariff proposal prepared for 2023 (Annex-IV) which is approved by the Board and prepared considering the above criteria is submitted herewith to the Commission for approval, please.

Yours faithfully  
CEYLON ELECTRICITY BOARD

  
Eng. Rohan Seneviratne  
General Manager  
Ceylon Electricity Board

Copy:

1. Secretary to the Treasury - fi & na pl.
2. Secretary, MOPE - fi & na pl.
3. Chairman, PUCSL - fi & na pl.
4. Chairman, CEB - fi pl.
5. Addl. GM (CS) - fi pl.
6. FM, CEB - fi pl.

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இலங்கை மின்சார சபை  
CEYLON ELECTRICITY BOARD



Your ref:

My ref: DGM (CS & RA) TRF/BST-Vol.II

Date: January 10, 2023

Director General  
Public Utilities Commission of Sri Lanka  
6<sup>th</sup> Floor, BOC Merchant Tower  
No.28, St. Michael's Road,  
Colombo 3.

Dear Sir,

**Resubmission - Bulk Supply Tariff Filing for the Period 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023**

This is further to our BST submission Ref No. DGM (CS & RA)/ TRF/BST-Vol II dated 2022-12-23.

Accordingly, we are re-submitting the BST submission corresponding to the first six-month interval of 2023 containing the following attachments as received from the Transmission Licensee. The Tariff has been prepared as per approved Tariff Methodology and based on the (MS EXCEL) BST templates provided by the Commission.

1. Annex I - Revised BST for 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023.
2. Annex II - Revised Energy Dispatch Forecast 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023 as per approved CEB budget 2023.
3. Annex III - Revised Generation Capacity payment Schedule.
4. Annex IV - Revised Generation Energy Cost schedule.
5. Annex V - Revised Transmission and BS&OB capacity costs.
6. Annex VI - Term Loan schedule (same as 1<sup>st</sup> submission).

When compared with the already submitted BST dated 2022-12-23, following are to be noted.

- a) Energy Dispatch Forecast has been revised as per the approved CEB budget for 2023 of which considering the reducing the growth rate of electricity demand in par with the downgrade of GDP growth by 4%.
- b) Cost of CEB Generation and charges for IPP and NCREs have been revised as per the Agreed Values based on CEB Approved Budget for 2023.
- c) Transmission & BSOB allowed revenues arrived at, by adjusting the respective revenues for 2021 in the "Decision on Revenue Caps and Bulk Supply Tariffs 2021-2023" published by PUCSL on November 19, 2021, using relevant indices (exchange rate, CCPI, PPIUS etc.) as of November 2022.
- d) Term Loan of TR & BSS, TLF sheet is extracted from the Loan Schedule - 2023 as at 2022-11-16 (same as previous submission).
- e) Roof top solar generation as provided by the aforesaid Energy Dispatch plan.

OFFICE OF THE DEPUTY GENERAL MANAGER – CORPORATE STRATEGY & REGULATORY AFFAIRS

No. 100-2/2, 2nd Floor, Lady Lochore Loan Fund Building, Sir Chittampalam A Gardiner Mawatha, Colombo 00200, Sri Lanka  
Tel: +94 11 24 33 467, 24 33 767, 24 32 388 / Fax: +94 11 24 33 867/e-mail: dgmsra@ceb.lk |www.ceb.lk Page 1 of 2

Please refer the table below for comparison of BST.

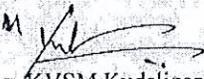
BST	Capacity Charge SLR/MW	Energy Charge SLR/kWh		
		Day	Peak	Off Peak
BST submission dated 2022-12-23	5,551,062.16	45.76	60.12	27.15
BST resubmission Jan-June 2023 (Based on CEB Approved Budget 2023)	4,895,667.36	39.63	52.07	23.51

It is to be noted that Fuel prices and Exchange rates are varying frequently in the country due to current economic situation and the resubmission has been prepared for the best available fuel prices.

We wish to bring to your attention that the attached Bulk Supply Tariff submission is based on forecasts made as per approved Tariff Methodology and is intended only for the purpose of calculating Bulk Supply Tariff and other associated tariffs and adjustments as required thereunder.

Yours faithfully

CEYLON ELECTRICITY BOARD

  
Eng. KVSM Kudaligama  
**Actg. Deputy General Manager**  
**(Corporate Strategy & Regulatory Affairs)**

Copy to:

1. AGM (CS) : f.i. pls.
2. AGM (Transmission - NWO) : f.i. pls.

## 2023 Demand Forecast - Sri Lanka

Domestic	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
0-30	1,535,205	204.34	
31-60	1,689,431	975.08	
61-90	1,636,004	1,548.09	
91-180	1,489,207	2,422.57	
180<	299,384	1,124.71	
Sub total	6,649,232	6,274.80	
Domestic (TOU)	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
	532	2.96	
Peak		0.46	
Day		1.31	
Offpeak		1.19	
Sub total	532.16	2.96	
GENERAL PURPOSE	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
GP1	913,171	2,165.11557	
0-180	731,002	439.51	
180<	182,169	1,725.61	
GP2	7,536	1,071.67	424,525.50
Peak		593.03	
Day		289.56	
Offpeak		189.08	
GP3	199	425.67	108,954.64
Peak		227.52	
Day		110.32	
Offpeak		87.83	
GP Sub total	920,906	3,662.45	533,480.14
GOVERNMENT	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
GV1	9,540	19.91	
0-180	2,898	2.72	
180<	6,643	17.19	
GV2	489	174.53	59,248.56
Peak	-	62.33	
Day	-	87.06	
Offpeak	-	25.15	
GV3	6	34.64	5,468.93
Peak	-	4.89	
Day	-	25.75	
Offpeak	-	4.00	
GV sub total	10,035	229.09	64,717.49
HOTEL PURPOSE	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
H1	2,871	7.55	
0-180	24	0.01	
180<	2,846	7.54	
H2 (TOU)	452	202.47	55,643.55
Peak	-	102.61	
Day	-	59.85	
Off-peak	-	40.02	
H3 (TOU)	22	105.98	21,813.14
Peak	-	46.78	
Day	-	34.28	
Off-peak	-	24.92	
H Sub total	3,345	316.01	77,456.69
INDUSTRIAL PURPOSE	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
IP1	68,326	423.30	
0-300	47,838	46.45	
300<	20,487	376.85	
IP1(Optional - TOU)	2,223	2.35	
Peak		0.24	
Day		1.67	
Off-peak		0.43	
IP2(TOU)	6,265	2,593.76	844,093.90
Peak		1,152.95	
Day		812.42	
Off-peak		628.38	
IP3(TOU)	364	2,259.83	622,572.79
Peak		1,045.82	
Day		596.59	
Off-peak		617.43	
IP Sub total	77,178	5,279.23	1,466,666.68
RELIGIOUS PURPOSE	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
0-30	15,863	1.94	13.71
31-90	10,871	7.70	19.50
91-120	3,900	4.90	7.13
121-180	6,118	10.55	10.24
>180	11,803	72.76	47.27
sub total	48,556	97.85	97.85
Street Lamp	Consumers (Nos.)	Sales (GWh)	Max. Demand (kVA)
	24,678	188.40	
Grand Total	7,734,462	16,050.80	2,142,418.85

Annex I

**Bulk Supply Tariff**      **Jan June 2023**



Capacity Charge		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Month	Unit						
Capacity Charge	Generation capacity	2,374,966.13	2,269,514.08	2,262,128.34	2,324,182.95	2,532,384.57	2,616,874.54
	Transmission	1,148,303.51	1,120,059.75	1,094,735.92	1,136,745.30	1,216,500.09	1,264,019.22
	Bulk Supply Service	1,330,711.02	1,297,980.75	1,268,634.25	1,317,316.79	1,409,740.60	1,464,808.12
BST (C)	SLR/MW	4,853,980.66	4,687,554.58	4,625,498.51	4,778,245.04	5,158,625.27	5,345,701.88

BST (C)	SLR/MW	4,895,667.36
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Energy Charge		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Month	Unit						
Block 1	Transmission Loss Factor B1	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%
	Generation energy Cost B1	41.10	41.88	40.65	38.61	34.35	32.13
	BST (E1)	SLR/KWh	42.74	43.56	42.27	40.15	35.72
Block 2	Transmission Loss Factor B2	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
	Generation energy Cost B2	53.43	54.45	52.84	50.19	44.66	41.77
	BST (E2)	SLR/KWh	56.16	57.23	55.54	52.75	46.93
Block 3	Transmission Loss Factor B3	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
	Generation energy Cost B3	24.66	25.13	24.39	23.17	20.61	19.28
	BST (E3)	SLR/KWh	25.36	25.84	25.08	23.82	21.19

E1 - Day  
E2 - peak  
E3 - off peak

BST (E1)	SLR/KWh	39.63
6-Month Weighed average		
BST (E2)	SLR/KWh	52.07
6-Month Weighed average		
BST (E3)	SLR/KWh	23.51
6-Month Weighed average		

## Annex II

ESTIMATED ENERGY DISPATCH FORECAST - Avg 2023 - GWh

	Jan	Feb	Mar	Apr	May	Jun	
<b>Total Generation</b>	1430.3	1320.7	1532.2	1411.5	1441.3	1417.3	8553.3
Total Generation/day	46.1	47.2	49.4	47.1	46.5	47.2	
Generation Red. due to SPP	174.9	165.5	211.4	169.1	269.0	339.6	1329.6
Self Generation	0.0	0.0	0.0	0.0	0.0	0.0	
No. of days	31.0	28.0	31.0	30.0	31.0	30.0	
Generation (Centrally dispatch)	1255.4	1155.2	1320.7	1242.4	1172.2	1077.6	
Reqd. Generation/day(Centrally)	40.5	41.3	42.6	41.4	37.8	35.9	
<b>IPP/CEB emergency</b>							
FO 100 MW	43.7	37.1	45.2	39.6	35.9	15.9	
WCPP	162.2	146.4	162.2	138.4	136.4	120.4	
Sojitz	6.6	23.7	23.6	20.0	6.7	3.7	
Kolonnawa-CEB	0.0	0.0	1.0	2.2	2.2	0.0	
Matugama-CEB	0.0	0.0	0.0	2.0	1.2	0.0	
Thulhiriya-CEB	0.0	0.0	0.5	1.1	1.1	0.0	
<b>TOTAL IPP</b>	<b>212.5</b>	<b>207.2</b>	<b>232.5</b>	<b>203.2</b>	<b>183.5</b>	<b>140.0</b>	<b>1179.0</b>
<b>CEB Thermal Generation</b>							
LAKVIJAYA1	177.2	160.0	177.2	87.5	0.0	87.5	
LAKVIJAYA2	177.2	160.0	177.2	171.5	177.2	87.5	
LAKVIJAYA3	177.2	160.0	177.2	171.5	177.2	171.5	2674.4
SAPU B	38.2	34.5	38.2	36.9	36.0	36.9	
SAPU A	30.4	27.4	30.4	29.4	27.3	26.5	
BARGE	36.2	32.7	36.2	35.0	31.0	33.0	
Uthuru Jannanee	10.4	9.4	10.4	10.1	8.4	8.2	
KCCP_Naptha	66.9	67.4	66.9	66.7	66.8	66.1	
KCCP_Diesel	5.3	4.2	12.8	11.5	10.3	1.6	
GT7	0.0	0.0	0.0	0.7	0.0	0.0	
SMALL_GT	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total CEB Thermal Generation</b>	<b>718.8</b>	<b>655.7</b>	<b>726.4</b>	<b>620.7</b>	<b>534.3</b>	<b>518.7</b>	<b>3774.6</b>
<b>Prospective Gen. / Energy shortfall</b>							
<b>Total Thermal Generation</b>	<b>931.3</b>	<b>862.9</b>	<b>958.9</b>	<b>823.9</b>	<b>717.8</b>	<b>658.7</b>	<b>4953.6</b>
<b>Hydro Gen Req'd.</b>	<b>255.6</b>	<b>230.5</b>	<b>293.4</b>	<b>352.4</b>	<b>385.9</b>	<b>352.8</b>	<b>1870.5</b>
Deficit	68.6	61.8	68.4	66.2	68.6	66.2	399.6
Power cut saving	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Actual hydro req'd.</b>	<b>255.6</b>	<b>230.5</b>	<b>293.4</b>	<b>352.4</b>	<b>385.9</b>	<b>352.8</b>	<b>1870.5</b>
<b>Inflow</b>	<b>208.6</b>	<b>146.9</b>	<b>152.6</b>	<b>292.7</b>	<b>380.3</b>	<b>473.4</b>	<b>1654.4</b>
Drawdown from reservoirs	-47.0	-83.6	-140.8	-59.7	-5.6	120.6	
<b>STARTING STORAGE</b>	<b>850.0</b>	<b>803.0</b>	<b>719.4</b>	<b>578.5</b>	<b>518.8</b>	<b>513.2</b>	
Month End Storage	803.0	719.4	578.5	518.8	513.2	633.8	
% Storage	0.7	0.6	0.5	0.4	0.4	0.5	

Annex III

Generation Capacity Cost

Index

Item\Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
System Coincidental Peak demand	MW	2553	2618	2678	2579	2410	2320
Capacity Payment							
Plant\Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Mahaweli	Mn. SLR	756.2	756.2	756.2	756.2	756.2	756.2
Laxapana	Mn. SLR	330.3	330.3	330.3	330.3	330.3	330.3
Samanala	Mn. SLR	251.3	251.3	251.3	251.3	251.3	251.3
Mannar Wind	Mn. SLR	185.2	185.2	185.2	185.2	185.2	185.2
DSP1	Mn. SLR	136.0	136.0	136.0	136.0	136.0	136.0
DSP2	Mn. SLR	139.9	139.9	139.9	139.9	139.9	139.9
GT16	Mn. SLR	139.2	139.2	139.2	139.2	139.2	139.2
GT07	Mn. SLR	235.3	235.3	235.3	235.3	235.3	235.3
CCKP	Mn. SLR	167.8	167.8	167.8	167.8	167.8	167.8
CPUT	Mn. SLR	2,059.7	2,059.7	2,059.7	2,059.7	2,059.7	2,059.7
DNCHU	Mn. SLR	41.6	41.6	41.6	41.6	41.6	41.6
Island Gen	Mn. SLR	8.0	8.0	8.0	8.0	8.0	8.0
BARGE	Mn. SLR	73.6	73.6	73.6	73.6	73.6	73.6
50MW Thulhiriya	Mn. SLR	9.5	9.5	9.5	9.5	9.5	9.5
50MW Kolonnawa	Mn. SLR	19.0	19.0	19.0	19.0	19.0	19.0
50MW Mathugama	Mn. SLR	19.0	19.0	19.0	19.0	19.0	19.0
SGPS-01	Mn. SLR	102.2	102.2	102.2	102.2	102.2	102.2
SGPS-02	Mn. SLR	118.1	118.1	118.1	118.1	118.1	118.1
CCKW	Mn. SLR	1,143.9	1,033.2	1,143.9	1,107.0	1,192.5	1,154.0
Sojitz	Mn. SLR	128.5	116.1	128.5	124.4	128.5	124.4
RENW	Mn. SLR	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	Mn. SLR	6,064.4	5,941.3	6,058.9	5,995.1	6,103.9	6,070.4
Depreciation	Mn. SLR						
ROE	Mn. SLR						
Generation Capacity cost	Mn. SLR	6,064.4	5,941.3	6,058.9	5,995.1	6,103.9	6,070.4

Generation Capacity cost

	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Generation Capacity cost	SLR/MW	2,374,966.13	2,269,514.08	2,262,128.34	2,324,182.95	2,532,384.57	2,616,874.54

Annex IV

Plant/Month	Energy price and Energy generated in each plant					
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Mahaweli	255.6	230.5	293.4	352.4	385.9	352.8
	SLR/kWh					
Laxapana						
	GWh					
Samanala		18.26	10.59	5.00	37.37	51.20
	SLR/kWh					
Mananr wind	17.69					
	GWh					
DSP1	30.4	27.4	30.4	29.4	27.3	26.5
	SLR/kWh					
DSP2	66.62	66.86	66.62	66.69	66.86	66.94
	GWh					
GT16	38.2	34.5	38.2	36.9	36.0	36.9
	SLR/kWh					
GT07	61.31	61.49	61.31	61.37	61.41	61.37
	GWh					
CCKP	0.0	0.0	0.0	0.0	0.0	0.0
	SLR/kWh					
CPUT	0.0	0.0	0.0	0.0	0.0	0.0
	GWh					
DNCHU	0.0	0.0	0.0	0.7	0.0	0.0
	SLR/kWh					
Island Gen	0.0	0.0	0.0	215.57	0.0	0.0
	GWh					
BARGE	72.2	71.6	79.7	78.2	77.1	67.7
	SLR/kWh					
50MW Thulhiriya	63.42	62.99	66.12	65.68	65.30	61.93
	GWh					
50MW Kolonnawa	480.1	480.1	430.4	430.4	436.6	346.4
	SLR/kWh					
50MW Mathugama	43.50	43.55	43.42	43.54	43.66	43.86
	GWh					
SGPS 01	10.4	9.4	10.4	10.1	8.4	8.2
	SLR/kWh					
SGPS 02	58.47	58.61	58.47	58.51	58.80	58.85
	GWh					
CCKW	0.20	0.20	0.2	0.2	0.2	0.2
	SLR/kWh					
Sojitz	134.99	134.99	134.99	134.99	134.99	134.99
	GWh					
RENEW	36.2	32.7	36.2	35.0	31.0	33.0
	SLR/kWh					
Solar Rooftop Generation	62.6	62.9	62.6	62.7	63.1	62.9
	GWh					
Self generation	0.0	0.0	0.5	1.1	1.1	0.0
	SLR/kWh					
TOTAL generated energy	0.0	0.0	108.98	106.18	106.09	0.0
	GWh					
	0.0	0.0	1.0	2.2	2.2	0.0
	SLR/kWh					
	0.0	0.0	109.36	106.35	106.27	0.0
	GWh					
	0.0	0.0	0.0	2.0	1.2	0.0
	SLR/kWh					
	0.0	0.0	0.0	106.80	108.53	0.0
	GWh					
	0.0	0.0	9.0	7.9	7.2	3.2
	SLR/kWh					
	87.22	87.36	87.19	87.30	87.39	88.56
	GWh					
	35.0	29.7	36.2	31.7	28.7	12.8
	SLR/kWh					
	85.78	85.94	85.75	85.87	85.98	87.31
	GWh					
	162.2	146.4	162.2	138.4	136.4	120.4
	SLR/kWh					
	70.52	71.00	70.71	70.94	71.19	71.44
	GWh					
	6.6	23.7	23.6	20.0	6.7	3.7
	SLR/kWh					
	114.53	98.95	97.73	100.24	110.65	116.87
	GWh					
	94.1	85.1	134.1	106.1	176.1	236.7
	SLR/kWh					
	20.18	20.49	20.13	20.53	19.19	18.88
	GWh					
	63.1	62.8	66.8	58.0	55.5	51.7
	SLR/kWh					
	23.46	23.46	23.46	23.46	23.46	23.46
	GWh					
	0.0	0.0	0.0	0.0	0.0	0.0
	SLR/kWh					
	42.00	42.00	42.00	42.00	42.00	42.00
	GWh					
	1,362.0	1,259.1	1,464.0	1,345.6	1,372.9	1,351.3
	SLR/kWh					
	GWh					

Capacity Transmission tariff (TR) & Bulk Supply and Operations Business Tariff (BSS)



Item	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Transmission system allowed revenue	Mn. SLR	2,932	2,932	2,932	2,932	2,932	2,932
B500 allowed revenue	Mn. SLR	443	443	443	443	443	443
Term Loan	Mn. SLR	2,955	2,955	2,955	2,955	2,955	2,955
System_Coincident Peak demand	MW	2553	2618	2678	2579	2410	2320

Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Capacity Transmission tariff (TR)	SLR/MW	1,148,304	1,120,060	1,094,736	1,136,745	1,216,500	1,264,019
Bulk Supply and Operations Business Tariff (BSS)	SLR/MW	1,330,711	1,297,981	1,268,634	1,317,317	1,409,741	1,464,808

Transmission Losses Factor

Block 1	Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Block 1	Forecasted transmission losses	GWh	32	29	34	31	32	31
		Total forecasted energy supplied	790	730	849	780	796	784
		%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%

Block 2

Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Block 2	Forecasted transmission losses	GWh	14	13	15	14	14	
		Total forecasted energy supplied	268	248	288	265	270	266
		%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%

Block 3

Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Block 3	Forecasted transmission losses	GWh	9	8	9	8	9	
		Total forecasted energy supplied	304	281	326	300	306	301
		%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%

Capacity Transmission tariff (TR)	SLR	2,932,168,009.15	2,932,168,009.15	2,932,168,009.15	2,932,168,009.15	2,932,168,009.15	2,932,168,009.15
Bulk Supply and Operations Business Tariff (BSS)	SLR	3,397,941,610.87	3,397,941,610.87	3,397,941,610.87	3,397,941,610.87	3,397,941,610.87	3,397,941,610.87
avg. tx loss factor	%	3.975%					

Notes

Transmission Loss is taken as 3.89% according to CEB Monthly Review Report: August 2022 by System Control Branch

# Annex VI

Loan Repayment Schedule - January to June 2023

Bank & Loan Number	Outstanding At: 31/10/2022	Outstanding At: 31/10/2022	Jan 2023 (RS, M)		Feb 2023 (RS, M)		March 2023 (RS, M)		April 2023 (RS, M)		May 2023 (RS, M)		June 2023 (RS, M)		Total Repayment For 2023	
			Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
PEOPLE'S BANK	39.5	32,382.95	1,230	385	1,230	338	1,230	307	1,230	277	1,230	246	1,230	215	7,200	1,732
PEOPLE'S BANK	34	2,683.00	140	46	140	42	140	41	140	38	140	34	140	31	640	237
PEOPLE'S BANK	35	3,575.00	87	31	87	30	87	28	87	25	87	24	87	22	322	151
PEOPLE'S BANK	36.1	29,904.00	450	683	400	674	400	684	400	684	400	684	400	684	2,000	3,933
PEOPLE'S BANK	36.2	843.29	10	10	10	10	10	10	10	10	10	10	10	10	423	42
PEOPLE'S BANK	37.1	9,433.34	73	223	73	223	73	221	73	219	130	217	130	213	600	1,312
PEOPLE'S BANK	38.23	622.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PEOPLE'S BANK	39	3,632.00	265	145	280	101	280	91	280	67	280	80	280	73	1,600	565
PEOPLE'S BANK	39.5	12,256.00	214	285	214	283	214	277	214	272	214	267	214	262	1,284	1,844
PEOPLE'S BANK	39.5	4,900.00	20	117	20	117	20	116	20	115	20	113	20	115	130	897
PEOPLE'S BANK	39.5	1,777.00	28	41	30	40	30	38	30	38	30	38	31	37	141	232
PEOPLE'S BANK	39.5	145.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PEOPLE'S BANK	39.5	440.00	28	8	28	7	28	7	28	6	25	3	28	3	148	316
PEOPLE'S BANK	39.5	3,000.00	300	123	-	111	-	111	-	111	-	111	-	111	500	676
PEOPLE'S BANK	39.5	2,623.00	61	98	63	97	63	95	63	94	63	93	63	92	373	526
PEOPLE'S BANK	39.5	17,000.00	416	616	333	618	409	618	333	409	333	409	333	409	1,600	2,437
PEOPLE'S BANK	39.5	27,906.00	300	639	500	627	500	613	500	602	500	602	500	600	1,778	2,621
TOTAL		107,974.32	3,583	3,167	3,887	3,073	3,442	3,000	3,384	2,949	3,517	2,804	3,500	2,797	11,033	17,798

Division wise interest allocation

	Jan	Feb	Mar	Apr	May	June	Total
187	67	127	64	626	369	614	3,823
Transmission	337	217	123	300	482	465	2,604
Generation	1,829	1,829	1,829	1,718	1,718	1,625	9,878
Total	3,167	3,073	3,000	2,939	2,824	2,797	17,798



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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு  
PUBLIC UTILITIES COMMISSION OF SRI LANKA



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உமது இல. }  
Your No. }

අපේ අංකය }  
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Our No. }

PUC/E/Tariff/01

දිනය }  
திகதி }  
Date }

Jan 9, 2021<sup>3</sup>

Authorized Officer for License No. EL/T/09-002  
Additional General Manager – Transmission, Ceylon Electricity Board

**Bulk Supply Tariff Filing for the Period 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023**

Reference is made to the Bulk Supply Tariff filing submitted via the letter of DGM (CS&RA) dated Dec 23, 2022 under the above caption.

The initial list of clarifications and issues of the above submission is attached herewith. You are hereby required to submit all required information/clarifications by Jan 16, 2021. All the soft copies shall be emailed to [hasankak@puosl.gov.lk](mailto:hasankak@puosl.gov.lk)

Please note that the Commission is not in a position to consider any tariff proposal until the above information is submitted.

Damitha Kumarasinghe  
Director General

Copy: DGM (CS&RA), CEB

06. වන මහල, ලංකා මහලු පවුලේ කුටිය,  
28. මානේ මයිකල් පාර, කොළඹ 03.

06 ஆவது மாறு, இலங்கை வங்கி வந்தகக் கோபுரம்,  
28. சென் மைக்கல் வீதி, கொழும்பு 03.

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Director General

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## Clarifications/Issues to be addressed – BST submission for 2022 H1

### Information not submitted and not submitted in the correct format

1. Actual CAPEX of DLs and TL of 2021 shall be submitted to the Commission against respective approved amounts (item by item) given in Table 4,5,6,7,9 and 10 of the 'Decision on Revenue Caps and Bulk Supply Tariffs 2021-2023'  
The submission should be in MS Excel/Word format via email. A sample format will be sent to CE (Tariff) of CS&RA division of CEB
2. Sales forecast for 2023 shall be submitted;
  - a) Considering demand reduction due to tariff hike in Aug 2022.
  - b) Including the sales forecasts as per the new (Aug 2022) tariff schedule (Ex- ToU data must be submitted for GV category as per new schedule, some DLs have submitted data as per previous schedule)
  - c) In MS Excel format. The format will be sent to CE (Tariff) of CS&RA division of CEB

### Clarifications

3. Capacity charges of following CEB plants/complexes shows a sharp increase

Plant	Increase MLKR/month	%Increase
Mahaweli	301	35%
Samanala	369	115%
DSP1	125	112%
DSP2	128	112%
CCKP	193	145%
CPUT	1,565	95%

Clarify the above given increase (It was observed that material cost of some plants have increased substantially). However, clarifications for above must not be in form of just 'increase of material cost, 'increase in personnel cost' etc. The Commission requires the reasons for 'material cost increase' etc.

4. Primary fuel of Barge and Sapugaskanda power plants is priced at 419 LKR/Ltr. What is the basis of quoting a higher price?
5. Furnace oil is priced at 320 LKR/Ltr. It is observed that furnace oil price has gone down below 320 LKR/Ltr. Justify the use of 320 LKR/Ltr for January-June 2023.
6. Coal is priced at 124.41 LKR/kg. Submit the estimation (Calculation) for January-June 2023
7. Solar roof top cost estimate is 37 LKR/kWh. That is the price of newer contracts only. Bulk of the contracts are priced at 22 LKR/kWh



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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு  
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உமது இல.  
Your No.

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Our No.

PUC/E/Tariff/01

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திகதி  
Date

Jan 11, 2023

Authorized Officer for License No. EL/T/09-002  
Additional General Manager – Transmission, Ceylon Electricity Board

**Bulk Supply Tariff Filing for the Period 1<sup>st</sup> January 2023 to 31<sup>st</sup> June 2023**

Reference is made to the Bulk Supply Tariff filing submitted via the letter of DGM (CS&RA), CEB dated Jan 10, 2023 under the above caption and letter of GM, CEB under the caption 'present financial position of CEB and the urgent requirement of a tariff revision for 2023' dated Jan 5, 2023

The public consultation is scheduled to commence on Jan 16, 2023. Therefore, you are required to submit all required information/clarifications of the attached list before Jan 16, 2023. Failing which the Commission is compelled to proceed with available information submitted by CEB. All the soft copies shall be emailed to [hasankak@pucsl.gov.lk](mailto:hasankak@pucsl.gov.lk)

Damitha Kumarasinghe  
Director General

Copy:

1. GM, CEB
2. DGM (CS&RA), CEB

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06 වන මහල, ලංකා විද්‍යුත් විදුලි කුළුණ,  
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**1. Clarifications/Issues to be addressed – BST submission for 2023 H1**

- a) As per the Section 2.5.2.1.2 of the approved Tariff Methodology the BST submission shall be for 12 months. Therefore, submit the BST filing for July to December 2023 as well – **Excel file required**
- b) The Government policy is to supply uninterrupted power (24X7), therefore resubmit the BST filing for January to July 2023 considering 24X7 supply – **Excel file required**
- c) Naptha price of 220 LKR/Ltr is used in the latest BST submission. Justify the use of the rate

**2. Clarifications/Issues to be addressed – Letter under the caption ‘present financial position of CEB and the urgent requirement of a tariff revision for 2023’ dated Jan 5, 2023**

- a) As per the table of page 3 of above letter 2023 expenditure is MLKR 722,402. Submit a breakdown divided into Generation energy, Generation capacity, Transmission and Distribution costs of the above expenditure – **Excel file required**
- b) As per the table of page 3 of above letter 2023 expenditure is MLKR 722,402. Accordingly, a tariff proposal is submitted (Annex-IV) to recover the expenditure. However, a revenue calculation is not submitted. Therefore, submit a revenue calculation using sales forecast and the proposed tariff. (Please note that the divisional sales forecast submitted does not match the total sales figure of 14,920 GWh) – **Excel file required**

**3. Other information required (not yet submitted appropriately) – Reminder to our letter dated Jan 9, 2023**

- a) Actual CAPEX of DLs and TL of 2021 shall be submitted to the Commission against respective approved amounts (item by item) given in Table 4,5,6,7,9 and 10 of the ‘Decision on Revenue Caps and Bulk Supply Tariffs 2021-2023’ – **Excel file required**
- b) Actual OPEX of DLs and TL of 2021 shall be submitted to the Commission against respective amounts submitted to the Commission (item by item) – **Excel file required**
- c) Following issues were observed in submitted sales forecast
  - I. DL2 and DL3 – submission is not according to current tariff schedule (Ex- TOU data is missing of GV bulk consumers)
  - II. DL4 – kVA forecast is missing

Therefore, Sales forecast (of each DL) for 2023 shall be submitted;

- I. Considering demand reduction due to tariff hike in Aug 2022.
- II. Including the sales forecasts as per the new (Aug 2022) tariff schedule (Ex- TOU data must be submitted for GV category as per new schedule)
- III. In line with the calculation of above 2(b)
- IV. In Excel format

Electricity Sales (GWh) - 2022													
	JAN	Feb	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
D													
0-30	15.72	15.11	17.25	15.88	16.92	16.13	15.05						112.06
0-60	90.17	86.19	95.49	86.56	92.66	89.87	83.14						624.08
0-90	212.61	201.90	215.53	193.64	217.65	211.75	193.08						1,446.18
0-120	307.03	289.89	303.47	271.73	315.85	306.75	278.56						2,073.27
0-180	408.37	383.25	396.25	353.78	421.09	412.18	374.93						2,749.85
More than 180	499.31	463.98	488.08	432.90	517.38	509.13	468.55						3,379.32
D TOU	0.22	0.19	0.22	0.20	0.24	0.22	0.21						1.51
Total	499.53	464.17	488.30	433.10	517.62	509.34	468.76	536.89	475.18	457.74	454.42		5,305.06
R													
0-30	0.15	0.15	0.16	0.15	0.17	0.16	0.15						1.08
0-60													
0-90	0.78	0.74	0.80	0.71	0.81	0.79	0.72						5.35
0-120	1.18	1.12	1.19	1.06	1.21	1.20	1.06						8.02
0-180	2.03	1.92	2.03	1.79	2.07	2.04	1.83						13.71
More than 180	8.23	7.51	7.92	6.78	7.97	7.95	7.20						53.56
Total	8.23	7.51	7.92	6.78	7.97	7.95	7.20	8.08	7.45	7.04	7.09		83.22
1	32.95	32.88	34.59	29.70	29.87	31.86	27.81	33.17	31.57	31.67	30.02		346.08
2	213.07	190.80	216.15	158.62	190.36	187.48	173.38	182.34	184.97	182.88	177.57		2,057.62
3	189.91	176.76	194.88	152.08	168.25	166.55	158.66	161.06	159.45	162.32	154.14		1,844.04
H1													
H2	0.26	0.26	0.24	0.23	0.22	0.17	0.15	0.18	0.19	0.17	0.20		2.27
H3	17.41	15.17	15.96	14.83	15.20	13.87	13.34	14.75	14.87	14.99	14.62		165.01
	10.39	9.06	9.95	8.87	9.20	8.48	8.62	9.27	9.28	9.54	9.30		101.94
GPI													
GP1	187.18	177.98	181.13	160.42	172.69	170.67	157.32	175.53	171.99	171.72	169.61		1,896.25
GP2	95.16	83.78	93.63	80.01	83.60	83.86	77.06	82.41	85.94	85.45	84.65		935.55
GP3	34.85	29.87	35.57	29.81	31.96	31.75	31.01	31.83	32.67	33.12	33.25		355.69
GV1													
GV2	1.73	1.48	1.49	1.40	1.48	1.44	1.27	1.54	1.85	1.97	1.84		17.49
GV3	16.19	14.25	17.00	15.08	16.36	16.00	15.26	16.64	16.33	16.14	15.57		174.83
	1.61	1.39	1.54	1.42	1.46	1.44	1.43	1.40	1.43	1.50	1.43		16.07
Total	1,308.46	1,205.35	1,298.34	1,092.36	1,246.26	1,230.87	1,141.27	1,255.08	1,193.17	1,176.26	1,153.71		13,301.12

Notes  
 January to July data are based on the LISS submissions of CEB and LECO  
 August, September and November data – PUCSL received them separately from CEB and LECO  
 No adjustment made for the power cuts  
 No street light sale is included (estimated 188GWh for 2023)