



Your ref: PUC/E/Tariff/01

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

Date: January 18, 2023

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

Dear Sir,

Bulk Supply Tariff Filling for the period 1st January 2021 to 30th June 2023

With reference to your letter No. PUC/E/Tariff/01 dated 2023-01-11, the requested information and clarifications forwarded by Transmission Licensee is attached as Annexure 1, please.

Yours faithfully
CEYLON ELECTRICITY BOARD

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

Copy to: AGM (CS): fi pl.

No.	PUCSL Clarifications/issues to be addressed	CEB Comments										
1.	BST Submission for 2022 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	<ul style="list-style-type: none"> Submitted dated 2023-01-16. Considering the frequent changes in fuel price, exchange rate, inflation etc. of the country, it is required to continue BST filing in 6 months interval and CEB will continue to do so as done earlier. Hence treat the submitted BST 2H 2023 dated 2023-01-16 as a submission done only on the request of PUCSL for the purpose of evaluating the end user tariff proposal submitted in 2023-01-05. Please note that CEB will be submitting a BST 2H 2023 towards mid 2023 as usual based on the best available data including latest fuel prices. 										
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	No need to resubmit Resubmitted BST filing for January to July 2023 dated 2023-01-10 has considered 24X7 supply. Relevant dispatch in excel file has been emailed to PUCSL on 2023-01-12 and also submitted through BST 2H July - December 2023.										
c)	Naphtha price of 220 LKR/Ltr is used in the latest BST submission. Justify the use of the rate	This is the price informed to CEB by CPC. Pricing of fuel is beyond control of CEB since CEB is not importing any fuel. It is the responsibility of the PUCSL to mediate to make CPC fuel available at a reasonable cost. Until such time CEB will do all tariff calculations for the prices that CPC sell to CEB.										
2.	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	<table border="1" data-bbox="786 1518 1366 1720"> <tbody> <tr> <td>Generation Energy Cost</td> <td>MLKR 548,636</td> </tr> <tr> <td>Generation Capacity Cost</td> <td>MLKR 79,695</td> </tr> <tr> <td>Transmission Cost</td> <td>MLKR 25,596</td> </tr> <tr> <td>Distribution Cost</td> <td>MLKR 68,475</td> </tr> <tr> <td>Total Expenditure 2023</td> <td>MLKR 722,402</td> </tr> </tbody> </table>	Generation Energy Cost	MLKR 548,636	Generation Capacity Cost	MLKR 79,695	Transmission Cost	MLKR 25,596	Distribution Cost	MLKR 68,475	Total Expenditure 2023	MLKR 722,402
Generation Energy Cost	MLKR 548,636											
Generation Capacity Cost	MLKR 79,695											
Transmission Cost	MLKR 25,596											
Distribution Cost	MLKR 68,475											
Total Expenditure 2023	MLKR 722,402											
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	<ul style="list-style-type: none"> Annexes I, II and III of the above letter required to confirm the reasonableness and fairness has been omitted in the published Consultation paper. It is to be noted that divisional sales forecasts are done by the licensees themselves individually. It is not possible for a distribution Licensee to foresee external factors affecting sales forecast such as econometric 										

	<p>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</p>	<p>input changes, present economic crisis, Government policies, estimated power cuts etc. Hence, Divisional sales forecasts are further refined by the Transmission Licensee.</p> <ul style="list-style-type: none"> • If PUCSL decided to go by the divisional sales forecasts you may recalculate the expenditure based on the costs filed by Licensees with appropriate dispatch. • As per the Clause 5.2 of the Tariff Methodology published by PUCSL, UNT is to be filed considering CEB revenue requirements. LECO data is not available to CEB and it is regulator’s responsibility to compile sales data and prepare a proper Tariff. Also, CEB is not aware of the LECO assumptions taken for forecasting such as factors relating to current crisis. • Data considered for the divisional sales forecast is same as data considered for tariff filing 2021-2023.
3.	Other information required (not yet submitted appropriately) – Reminder to our letter dated Jan 9, 2023	
a)	<p>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</p>	<p>Please refer Annex 1, emailed to you dated 2023-01-18.</p>
b)	<p>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</p>	<p>Please refer Annex 2, emailed to you dated 2023-01-18.</p>
c)	<p>Following issues were observed in submitted sales forecast.</p> <ol style="list-style-type: none"> DL2 and DL3 – submission is not according to current tariff schedule (Ex- TOU data is missing of GV bulk consumers) DL4 – kVA forecast is missing 	<p>Sales forecasts of four Distribution Licensees emailed to you dated 2023-01-18 as Annex 3 considering demand drop due to Easter attack, Covid-19 pandemic, economic crisis in Sri Lanka from 2022 and considering the past data from 2010 as done for tariff filing 2021-2023. Pl. inform whether you need this past data.</p>