

# **DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS**

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**Effective from 1<sup>st</sup> January 2023**

## **DECISION ON BULK SUPPLY TARIFFS- Jan 2023 – June 2023**

In exercising the powers and functions vested with the Public Utilities Commission of Sri Lanka (“the Commission”) under section 3(d) of the Sri Lanka Electricity Act No 20 of 2009 (the “Act”) “to regulate tariffs and other charges levied by licensees and other electricity undertakings, in order to ensure that the most economical and efficient service possible is provided to consumers”, and, in accordance with Section 30(2)(a) of the Act, the Commission, has approved a cost-reflective Methodology for Tariffs (“the Methodology”) and subsequently issued the Methodology to the Transmission Licensee (TL) and to each Distribution Licensee (DLs). The Methodology has been revised in 2021 and the Methodology is available as a separate document.

In accordance with the methodology, the tariffs levied by the transmission licensee for the transmission and bulk sale of electricity (the transmission and bulk sale tariffs) and tariffs levied by the distribution licensee for the distribution and supply of electricity have been approved by the Commission and requested licensees to implement by issuing the decision document on electricity tariffs. The transmission and bulk sale tariffs were a forecasted tariffs issued to determine the end user customer tariffs. The forecasted transmission and bulk sale tariffs are calculated and filed once every six months by the transmission license following the procedure defined in the methodology.

The Commission reviewed the transmission and bulk supply tariffs filed by the transmission licensee for the period from January 2023 to June 2023, and hereby approved and requested the transmission licensee to implement the bulk supply tariffs effective from 1<sup>st</sup> of January 2023.

## List of Acronyms

BSOB	Bulk Supply and Operations Business
BST	Bulk Supply Tariffs
CAPEX	Capital Expenditure
CEB	Ceylon Electricity Board
DL	Distribution Licensee: Ceylon Electricity Board and Lanka Electricity Company (Pvt) Ltd
DL1	Distribution and Supply Licensee for CEB Distribution Region 1 holding license number EL/D/09-003
DL2	Distribution and Supply Licensee for CEB Distribution Region 2 holding license number EL/D/09-004
DL3	Distribution and Supply Licensee for CEB Distribution Region 3 holding license number EL/D/09-005
DL4	Distribution and Supply Licensee for CEB Distribution Region 4 holding license number EL/D/09-006
DL5	Distribution and Supply Licensee LECO holding license number EL/D/09-052
FSA	Fuel Supply Agreement
CEB GL	CEB Generation Licensee holding License number
GWh	Gigawatt hour
kVA	kilovolt ampere
kW	kilowatt
kWh	kilowatt hour
LECO	Lanka Electricity Company (Pvt) Ltd.
LKR	Sri Lanka Rupee
LV	Low Voltage
MV	Medium Voltage
MWh	Megawatt hour
NCRE	Non-Conventional Renewable Energy
O & M	Operations & Maintenance
OPEX	Operating Expenditure
PPA	Power Purchase Agreement
Single Buyer	A function of the BSOB
SPPs	Small Power Producers
T&D	Transmission and Distribution
TL	Transmission and Bulk Supply Licensee holding License number EL/T/09-002
TOU	Time of Use
WIP	Work-in-Progress

# 1 Sales Forecast

Approved sales forecasts for each Distribution Licensee (DL) and Customer number forecast for year 2023 are shown in Table 1.

**Table 1: Sales forecasts filed by the Distribution Licensees for the year 2023**

	<b>DL1</b>	<b>DL2</b>	<b>DL3</b>	<b>DL4</b>	<b>DL5</b>	<b>Total</b>
Sales to end use customers (GWh)	3,954	4,825	2,572	2,071	1,614	<b>15,036</b>
Customer number	2,102,440	2,425,038	1,424,867	1,208,959	626,205	<b>7,787,510</b>

\*Note : Above sales figures calculated based on the submissions by each DL and to match the total generation requirement for 2023 filed by CEB in January, 2023 for tariff revision, while considering the network losses.

## 2 ALLOWED REVENUE

### 2.1 Allowed revenue for 2023

Transmission allowed revenue and distribution allowed revenues were adjusted as per sections 2.3.2.9 and 3.1.2.8 of the approved *Tariff Methodology* respectively. Approved allowed revenues for 2023 (according to *Decision on Revenue Caps and Bulk Supply Tariffs, 2021-2023*) were adjusted with the CAPEX Claw back of 2021. Adjustment calculations performed using the sales forecast data (Table 2) and relevant indices (Table 3) given below.

**Table 2 – Sales forecast used for the revenue control formula**

<b>Forecast - Number of Consumers</b>					
<b>Year</b>	<b>DL1</b>	<b>DL2</b>	<b>DL3</b>	<b>DL4</b>	<b>DL5</b>
2022	2,082,455	2,478,244	1,464,398	1,176,464	613,115
2023	2,102,440	2,425,038	1,424,867	1,208,959	626,205
<b>Forecast - Energy (GWh)</b>					
2022	4,516	4,723	2,928	2,096	1,759
2023	3,954	4,825	2,572	2,071	1,614

**Table 3 – Indices used for the revenue control formula**

<b>Relevant Indices</b>			
<b>Year</b>	<b>LKR/USD</b>	<b>CCPI</b>	<b>PPIUS (capital equipment)</b>
Nov-2020	202.05	150.70	188.59
Nov-2021	363.19	242.60	203.50
Percentage change	79.75%	60.98%	7.91%

### 2.1.1 Capital expenditure claw back for 2021

Capital expenditure claw back for each licensee was calculated considering the difference between the actual capital expenditure and approved capital expenditure for 2021. The calculated values are given in Table 4 below.

**Table 4 – Capital expenditure claw back for 2021**

capex claw back - 2021	Unit	DL1	DL2	DL3	DL4	DL5	TL
Total Depreciation and ROA	LKR Million	2,184.1	975.1	2,366.2	283.3	794.0	16,326.3

### 2.1.2 Allowed revenue 2023

Allowed revenue for 2023 was adjusted applying the revenue control formula and considering the CAPEX claw back of 2021. The calculated values are given in the Table 5 below.

**Table 5 – Distribution Variable Revenue Cap**

	Unit	DL1	DL2	DL3	DL4	DL5
Revenue cap- 2022	LKR Million	27,715.7	23,201.1	16,227.8	12,246.7	7,873.9
<b>Revenue cap adjusted with revenue control formula</b>	LKR Million	46,053.6	40,414.8	26,585.8	21,462.4	13,378.9
CAPEX Claw back	LKR Million	2,184.1	975.1	2,366.2	283.3	794.0

However as per the tariff proposal of CEB dated January 5, 2023 and subsequent clarifications, CEB has agreed to reduce its Transmission and Distribution costs. The submitted cost breakdown is shown in Table 6 below.

**Table 6 – CEB filed cost breakdown for 2023 tariff revision**

Cost Component	Cost (LKR Mn)
Generation Energy	548,636
Generation Capacity	79,695
Transmission	25,596
Distribution	68,475
Total	722,402

Therefore, the total of CEB Transmission and Distribution costs (Revenue caps and price caps) were capped according to the CEB filed values above. Accordingly the approved distribution revenue caps for 2023 are given in the Table 7 below.

**Table 7 – Approved CEB Distribution Variable Revenue Cap**

	Distribution Revenue Cap (LKR Mn)				
	DL1	DL2	DL3	DL4	Total
Revenue cap-2023 after CAPEX claw back	43,869.5	39,439.7	24,219.6	21,179.0	128,707.8
CEB submitted Distribution cost for 2023 tariff filing (Jan 5, 2023 and subsequent clarifications)					68,475.0
CEB submitted cost allocated to DLs	23,339.4	20,982.7	12,885.3	11,267.6	68,475.0
Total retail service price cap for 2023	6,949.0	10,032.2	3,942.7	3,119.0	24,042.8
<b>Distribution Revenue cap approved for 2023</b>	<b>16,390.5</b>	<b>10,950.4</b>	<b>8,942.6</b>	<b>8,148.7</b>	<b>44,432.2</b>

However, for LECO the same cap cannot be applied. Therefore, Both of CAPEX and OPEX claw back will be applied. The Calculation is shown in the Table 8 below.

**Table 8 – Approved LECO Distribution Variable Revenue Cap**

	Unit	DL5
Revenue cap- 2022	LKR Million	7,873.9
<b>Revenue cap adjusted with revenue control formula</b>	LKR Million	13,378.9
CAPEX Claw back	LKR Million	794.0
OPEX Claw back	LKR Million	1,110.9
<b>Distribution Revenue cap approved for 2023</b>	<b>LKR Million</b>	<b>11,474.0</b>

Approved retail revenue of DLs was adjusted for 2023 as shown in Table 9 below.

**Table 9 – Approved Retail Services Price Cap**

	Unit	DL1	DL2	DL3	DL4	DL5
Retail Services Price Cap – 2022	LKR/customer	2,053.14	2,569.81	1,718.85	1,602.60	2,345.16
<b>Approved Retail Services Price Cap for 2023</b>	<b>LKR/customer</b>	<b>3,305.19</b>	<b>4,136.93</b>	<b>2,767.04</b>	<b>2,579.90</b>	<b>3,587.64</b>

\*Note – OPEX claw back applied to LECO

Approved revenue cap of BSOB was adjusted for 2023 as shown in Table 10 below.

**Table 10 – Approved BSOB Revenue Cap**

	Unit	BSOB
Revenue cap- 2022	LKR Million	3,302.3
<b>Revenue cap approved for 2023</b>	<b>LKR Million</b>	<b>5,316.1</b>

Approved revenue cap of transmission licensee was adjusted for 2023 as shown in Table 10 below.

**Table 11 – Approved Transmission Revenue Cap**

	Unit	TL
CEB submitted Distribution cost for 2023 tariff filing (Jan 5, 2023 and subsequent clarification)	LKR Million	25,596.0
BSOB Revenue cap approved for 2023	LKR Million	5,316.1
<b>Revenue cap approved for TL-2023</b>	<b>LKR Million</b>	<b>20,279.9</b>

### 3 APPROVED LOSSES FOR THE PERIOD

The approved network losses for 2023 are shown in Table 12 below. The allowed losses for the period 2015-2020, were not realized by most of the Licensees, especially during latter part of the tariff period. Thus, the network losses approved for 2022 were allowed for year 2023.

**Table 12- Approved Network Loss for 2023**

Licensee	DL 1	DL 2	DL 3	DL 4	DL 5	TL
Approved loss for 2023	6.45%	9.50%	8.05%	7.26%	3.99%	2.82%

## 4 GENERATION COSTS

The approved generation dispatch for Jan 2023 – Jun 2023 is shown in Table 13 below.

**Table 13- Dispatch Approved by the Commission for Jan 2023 – Jun 2023**

Plant\Month	Code	Unit	Month of the year 2023						Total
			Jan	Feb	Mar	Apr	May	Jun	
<b>Independent Power Producers (IPPs)</b>									
Sojitz Kelanitissa - 165 MW	Sojitz	GWh	6.57	23.72	23.64	20.01	6.70	3.65	84.29
Kerawalapitiya - 270 MW	CCKW	GWh	162.19	146.39	162.21	138.39	136.44	120.38	866.00
<b>TOTAL IPP</b>		<b>GWh</b>	<b>168.76</b>	<b>170.11</b>	<b>185.85</b>	<b>158.40</b>	<b>143.14</b>	<b>124.03</b>	<b>950.29</b>
<b>CEB GL's Thermal Generation</b>									
Sapu Old 4 x 18 MW	DSP1	GWh	30.36	27.42	30.36	29.38	27.32	26.50	171.33
Sapu Ext. 8 x 9 MW	DSP2	GWh	38.17	34.47	38.17	36.94	36.03	36.94	220.71
KPS GT 1 x 115 MW	GT07	GWh	0.00	0.00	0.00	0.68	0.00	0.00	0.68
KPS GT 5 x 17 MW	GT16	GWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KPS Combined - 165 MW	CCKP	GWh	72.18	71.62	79.74	78.17	77.15	67.66	446.52
Coal - Puttlam 300 MW	CPUT	GWh	531.54	480.09	531.54	430.40	354.36	346.42	2674.35
<b>Total CEB GL's Thermal Generation</b>		<b>GWh</b>	<b>672.240</b>	<b>613.600</b>	<b>679.800</b>	<b>575.563</b>	<b>494.858</b>	<b>477.525</b>	<b>3,513.59</b>
<b>Renewable energy</b>									
Rooftop Solar PV		GWh	63.076	62.148	66.783	57.963	55.515	51.746	357.23
Renewable energy	NCRE	GWh	94.15	85.10	134.06	106.14	176.13	236.70	832.27
Mannar Wind		GWh	17.69	18.26	10.59	5.00	37.37	51.20	140.11
<b>Total Renewable energy</b>		<b>GWh</b>	<b>174.916</b>	<b>165.508</b>	<b>211.433</b>	<b>169.103</b>	<b>269.015</b>	<b>339.646</b>	<b>1329.61</b>
<b>Other generation</b>									
Chunnakam	DCHU	GWh	0.2	0.2	0.2	0.2	0.2	0.2	1.2
<b>Total Northern generation</b>		<b>GWh</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>1.2</b>
<b>CEB GL's Hydropower Generation</b>									
		<b>GWh</b>	<b>345.89</b>	<b>309.72</b>	<b>386.67</b>	<b>442.31</b>	<b>465.70</b>	<b>409.93</b>	<b>2360.23</b>
<b>Self-generation</b>									
		<b>GWh</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Generation</b>		<b>GWh</b>	<b>1,362.00</b>	<b>1,259.14</b>	<b>1,463.96</b>	<b>1,345.57</b>	<b>1,372.91</b>	<b>1,351.33</b>	<b>8,154.92</b>

Forecast system coincident peak generation demand and the approved monthly capacity costs of each generation plant/ hydro scheme are shown in Table 14 and Table 15 below.

**Table 14- Forecast system coincident peak demand for Jan 2023 – Jun 2023**

Item\Month	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
<b>System Coincidental Peak demand</b>	<b>MW</b>	<b>2553</b>	<b>2618</b>	<b>2678</b>	<b>2579</b>	<b>2410</b>	<b>2320</b>

**Table 15- Approved Capacity payments to GL by TL for Jan 2022 – June 2022**

Plant\Month	Unit	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Mahaweli	LKR Million	756.2	756.2	756.2	756.2	756.2	756.2
Laxapana	LKR Million	330.3	330.3	330.3	330.3	330.3	330.3
Other Hydro	LKR Million	251.3	251.3	251.3	251.3	251.3	251.3
Mannar Wind	LKR Million	185.2	185.2	185.2	185.2	185.2	185.2
DSP1	LKR Million	136.0	136.0	136.0	136.0	136.0	136.0
DSP2	LKR Million	139.9	139.9	139.9	139.9	139.9	139.9
GTSM	LKR Million	139.2	139.2	139.2	139.2	139.2	139.2
GT7	LKR Million	235.3	235.3	235.3	216.2	235.3	235.3
CCKP	LKR Million	167.8	167.8	167.8	167.8	167.8	167.8
CPUT	LKR Million	2,059.7	2,059.7	2,059.7	2,059.7	2,059.7	2,059.7
BARGE*	LKR Million	-	-	-	-	-	-
DCHU	LKR Million	8.0	8.0	8.0	8.0	8.0	8.0
DNCHU*	LKR Million	-	-	-	-	-	-
Sojitz	LKR Million	128.5	116.1	128.5	124.4	128.5	124.4
CCKW	LKR Million	1,143.9	1,033.2	1,143.9	1,107.0	1,192.5	1,154.0
RENW	LKR Million	-	-	-	-	-	-
50MW Thulhiriya*	LKR Million	-	-	-	-	-	-
50MW Kolonnawa*	LKR Million	-	-	-	-	-	-
50MW Mathugama*	LKR Million	-	-	-	-	-	-
<b>Total</b>	<b>LKR Million</b>	<b>5,681</b>	<b>5,558</b>	<b>5,681</b>	<b>5,621</b>	<b>5,730</b>	<b>5,687</b>
Depreciation Provision	LKR Million	1,113	1,113	1,113	1,113	1,113	1,113
Excluded from CEB GL							
Return of Equity allowed for CEB GL	LKR Million	<b>223</b>	<b>223</b>	<b>223</b>	<b>223</b>	<b>223</b>	<b>223</b>

	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
<b>Generation Capacity cost</b>	<b>LKR /MW</b>	<b>1,876,157.76</b>	<b>1,782,974.44</b>	<b>1,788,636.26</b>	<b>1,833,938.29</b>	<b>2,007,744.03</b>	<b>2,067,800.75</b>

\* Notes:

- The Capacity cost of Barge, Uthurujanani, Supplementary Generation Plants for Southern and 50MW Diesel power (Thulhiriya, Kolonnawa, and Mathugama) can't be allowed as the Licenses have not been issued.
- Depreciation on CEB generation plants was removed and a Return on Equity was allowed.

Forecast monthly generation from each generation plant along with approved average cost (LKR/kWh) is shown in Table 16 below.



**Table 16- Approved Energy Payments to GL by TL for Jan 2023 – June 2023**

<b>Plant\Month</b>	<b>Unit</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>
Mahaweli, Laxapana and Other Hydro	GWh	345.9	309.7	385.2	437.1	461.2	409.9
	LKR /kWh	-	-	-	-	-	-
Mannar Wind	GWh	17.69	18.26	10.59	5.00	37.37	51.20
	LKR /kWh	-	-	-	-	-	-
DSP1	GWh	30.4	27.4	30.4	29.4	27.3	26.5
	LKR /kWh	66.62	66.86	66.62	66.69	66.86	66.94
DSP2	GWh	38.2	34.5	38.2	36.9	36.0	36.9
	LKR /kWh	61.31	61.49	61.31	61.37	61.41	61.37
GTSM	GWh	0.0	0.0	0.0	0.0	0.0	0.0
	LKR /kWh	0.00	0.00	0.00	0.00	0.00	0.00
GT7	GWh	0.0	0.0	0.0	0.7	0.0	0.0
	LKR /kWh	0.00	0.00	0.00	215.57	0.00	0.00
CCKP	GWh	72.2	71.6	79.7	78.2	77.1	67.7
	LKR /kWh	63.42	62.99	66.12	65.68	65.30	61.93
CPUT	GWh	531.5	480.1	531.5	430.4	354.4	346.4
	LKR /kWh	43.50	43.55	43.42	43.54	43.66	43.86
BARGE*	GWh	-	-	-	-	-	-
	LKR /kWh	-	-	-	-	-	-
DCHU	GWh	0.20	0.20	0.2	0.2	0.2	0.2
	LKR /kWh	134.99	134.99	134.99	134.99	134.99	134.99
DNCHU*	GWh	-	-	-	-	-	-
	LKR /kWh	-	-	-	-	-	-
Sojitz	GWh	6.6	23.7	23.6	20.0	6.7	3.7
	LKR /kWh	114.53	98.95	97.73	100.24	110.65	116.87
CCKW	GWh	162.2	146.4	162.2	138.4	136.4	120.4
	LKR /kWh	60.45	60.87	60.61	60.83	61.05	61.28
RENEW	GWh	94.1	85.1	134.1	106.1	176.1	236.7
	LKR /kWh	20.18	20.49	20.13	20.53	19.19	18.88
50MW Thulhiriya*	GWh	-	-	-	-	-	-
	LKR /kWh	-	-	-	-	-	-
50MW Kolonnawa*	GWh	-	-	-	-	-	-
	LKR /kWh	-	-	-	-	-	-
50MW Mathugama*	GWh	-	-	-	-	-	-
	LKR /kWh	-	-	-	-	-	-
Rooftop Solar PV	GWh	63.1	62.1	66.8	58.0	55.5	51.7
	LKR /kWh	23.46	23.46	23.46	23.46	23.46	23.46
Self-generation	GWh	0.0	0.0	0.0	0.0	0.0	0.0
	LKR /kWh	42.00	42.00	42.00	42.00	42.00	42.00

<b>Total generated energy</b>	<b>GWh</b>	<b>1,362.0</b>	<b>1,259.1</b>	<b>1,464.0</b>	<b>1,345.6</b>	<b>1,372.9</b>	<b>1,351.3</b>
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<b>Monthly energy cost</b>	<b>LKR Million</b>	46,024.39	43,859.20	49,151.07	42,234.65	38,330.19	36,936.30
<b>Total Energy cost for six-months</b>	<b>LKR Million</b>	<b>256,535.79</b>					
<b>Total energy dispatch for six-months</b>	<b>GWh</b>	<b>8,154.92</b>					
<b>Six-month average energy cost</b>	<b>LKR/kWh</b>	<b>31.46</b>					
<b>Six-month average loss adjusted energy cost</b>	<b>LKR/kWh</b>	<b>32.37</b>					

\* Notes:

- Due to the absence of the license, energy generation of Barge, Uthurujanani, Supplementary Generation Plants for Southern and 50MW Diesel power (Thulhiriya, Kolonnawa, and Mathugama), were removed and added to Hydro.

## 5 ENERGY COSTS IN EACH INTERVAL FOR TOU PRICING

Using the approved Methodology, the Commission has determined that the peak adjustment factors to be as given in Table 17 below.

**Table 17- Approved Peak Adjustment Factors**

Time interval for TOU pricing	Factor	Value
0530-1830	k1	1.0
1830-2230	k2	1.3
2230-0530	k3	0.6

The energy dispatches and costs in each interval are provided in Table 18 below. The Commission has assessed the energy dispatches in each interval using historic information on the load profile on typical weekdays, week-ends and holidays.

**Table 18- Monthly Energy Dispatches and Costs in the TOU Regime for Jan 2023 – Jun 2023**

	Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Generation Energy cost	LKR/kWh	<b>33.79</b>	<b>34.83</b>	<b>33.57</b>	<b>31.39</b>	<b>27.92</b>	<b>27.33</b>

Month 1 - Block tariffs				
Block	Energy generated (GWh)	Block Factor (#)	Adjusted Factor (#)	Charge (LKR/kWh)
B1 (Day)	743	1	1.03	34.84
B2 (Peak)	252	1.3	1.34	45.29
B3 (Off peak)	286	0.6	0.62	20.90

Month 2 - Block tariffs				
Block	Energy generated (GWh)	Block Factor (#)	Adjusted Factor (#)	Charge (LKR/kWh)
B1 (Day)	686	1	1.03	35.91
B2 (Peak)	233	1.3	1.34	46.69
B3 (Off peak)	264	0.6	0.62	21.55

Month 3 - Block tariffs				
Block	Energy generated (GWh)	Block Factor (#)	Adjusted Factor (#)	Charge (LKR/kWh)
B1 (Day)	798	1	1.03	34.62
B2 (Peak)	271	1.3	1.34	45.00
B3 (Off peak)	307	0.6	0.62	20.77

Month 4 - Block tariffs				
Block	Energy generated (GWh)	Block Factor (#)	Adjusted Factor (#)	Charge (LKR/kWh)
B1 (Day)	733.61	1	1.03	32.36
B2 (Peak)	249.17	1.3	1.34	42.07
B3 (Off peak)	282.06	0.6	0.62	19.42

<b>Month 5- Block tariffs</b>				
<b>Block</b>	<b>Energy generated (GWh)</b>	<b>Block Factor (#)</b>	<b>Adjusted Factor (#)</b>	<b>Charge (LKR/kWh)</b>
B1 (Day)	749	1	1.03	28.79
B2 (Peak)	254	1.3	1.34	37.42
B3 (Off peak)	288	0.6	0.62	17.27

<b>Month 6 - Block tariffs</b>				
<b>Block</b>	<b>Energy generated (GWh)</b>	<b>Block Factor (#)</b>	<b>Adjusted Factor (#)</b>	<b>Charge (LKR/kWh)</b>
B1 (Day)	737	1	1.03	28.18
B2 (Peak)	250	1.3	1.34	36.64
B3 (Off peak)	283	0.6	0.62	16.91

## 6 COMBINED COSTS OF SINGLE BUYER, AND TRANSMISSION AND BSOB

The allowed capacity costs of generation and energy costs of generation have been combined with the allowed transmission and BSOB costs to calculate the Bulk Supply Tariffs (BST) for sales by the TL to DLs. The approved average BST in each month in each TOU interval is given in Table 19 below and Table 20 provides the six-month average.

**Table 19- Combined Transfer Price from TL to DLs for Jan 2023 – Jun 2023**

<b>Capacity Charge</b>							
	<b>Unit</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>
Generation capacity	LKR /MW	1,876,157.76	1,782,974.44	1,788,636.26	1,833,938.29	2,007,744.03	2,067,800.75
Transmission	LKR /MW	835,331.19	814,785.32	796,363.55	826,923.19	884,940.66	919,508.36
Bulk Supply and Operation Business	LKR /MW	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)	LKR /MW	<b>4,042,199.97</b>	<b>3,895,740.51</b>	<b>3,853,634.06</b>	<b>3,978,178.27</b>	<b>4,302,425.29</b>	<b>4,452,117.22</b>

<b>BST (C)6-Month Weighted average</b>	<b>LKR/MW</b>	<b>4,076,799.96</b>
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<b>Energy Charge</b>							
<b>Month</b>	<b>Unit</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>

**Interval 1 (day)**

Transmission Loss Factor B1	%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Generation energy Cost B1	LKR /kWh	34.84	35.91	34.62	32.36	28.79	28.18
<b>BST (E1)</b>	<b>LKR/kWh</b>	<b>35.85</b>	<b>36.95</b>	<b>35.62</b>	<b>33.30</b>	<b>29.62</b>	<b>29.00</b>

**Interval 2 (peak)**

Transmission Loss Factor B2	%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
Generation energy Cost B2	LKR /kWh	45.29	46.69	45.00	42.07	37.42	36.64
<b>BST (E2)</b>	<b>LKR/kWh</b>	<b>46.97</b>	<b>48.41</b>	<b>46.67</b>	<b>43.63</b>	<b>38.80</b>	<b>37.99</b>

**Interval 3 (off peak)**

Transmission Loss Factor B3	%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Generation energy Cost B3	LKR /kWh	20.90	21.55	20.77	19.42	17.27	16.91
<b>BST (E3)</b>	<b>LKR/kWh</b>	<b>21.33</b>	<b>21.99</b>	<b>21.20</b>	<b>19.82</b>	<b>17.63</b>	<b>17.26</b>

*Table 20- Approved Six-month Average Bulk Supply Tariffs for Jan 2023 – Jun 2023*

	Unit	BST (E)
<b>BST day (E1)</b>		
<b>6-Month weighted average</b>	<b>LKR/kWh</b>	<b>33.37</b>
<b>BST peak (E2)</b>		
<b>6-Month weighted average</b>	<b>LKR/kWh</b>	<b>43.72</b>
<b>BST off-peak (E3)</b>		
<b>6-Month weighted average</b>	<b>LKR/kWh</b>	<b>19.86</b>

BST = Bulk Supply Tariff, means the average transfer price from Transmission to Distribution Licensees

E1, E2, E3 refer to the energy delivered in the three-time intervals in the time-of-use tariffs regime. ie 0530-1830, 1830-2230 and 2230-0530, respectively.

## 7 APPROVED BST FROM TL TO EACH DL

Owing to the requirement to maintain a Uniform National Tariff (UNT) and owing to the varying customer mix among Distribution Licensees, the BST to each DL was adjusted, to enable each Distribution Licensee to recover their full allowed revenues. The summary calculation and the approved BSTs are shown in Table 21.

The Transmission Licensee is hereby directed to invoice each Distribution Licensee at the rates shown in Table 21 as (i) Approved BST for payment on Coincident Maximum, and (ii) Approved BST for energy in each TOU interval.

**Table 21- Approved BST from Transmission to each Distribution Licensee for Jan 2023 – Jun 2023**

Description	Units	DL1: CEB Region 1	DL2: CEB Region 2	DL3: CEB Region 3	DL4: CEB Region 4	DL5: LECO	Total
Sales to end-use customers – 2023 (Jan-Dec)	GWh	3,954	4,825	2,572	2,071	1,614	15,036
Revenue based on approved customer tariffs – 2023 (Jan-Dec)	LKR Million	187,967.17	225,096.89	118,159.95	97,270.35	81,660.95	710,155.3
Coincident peak demand for purchases from Transmission	MW	710	776	522	374	296	-
Approved BST for payment on Coincident Maximum Demand	LKR/MW /month	4,076,799.96	4,076,799.96	4,076,799.96	4,076,799.96	4,076,799.96	-
Amount payable to Transmission on account of Demand (Jan – Jun 2023)	LKR Million	17,365.0	18,985.0	12,769.7	9,153.9	7,242.8	65,516.4
Allowed losses (2023)		6.45%	9.50%	8.05%	7.26%	3.99%	-
Revenue to be recovered by Transmission through energy charges (Jan – Jun 2023)	LKR Million	64,272.3	82,233.3	39,435.0	33,494.0	26,448.2	245,882.8
Energy sold from Transmission at MV (Jan – Jun 2023)	GWh	2,086	2,627	1,375	1,095	846	8,030
<b>Approved BST for energy in each TOU interval</b>							
<b>Peak (1830-2230)</b>	<b>LKR/kWh</b>	41.62	42.28	38.75	41.31	42.20	-
<b>Off Peak (2230-0530)</b>	<b>LKR/kWh</b>	18.90	19.20	17.60	18.76	19.17	-
<b>Day (0530-1830)</b>	<b>LKR/kWh</b>	31.77	32.27	29.57	31.53	32.21	-