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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு
PUBLIC UTILITIES COMMISSION OF SRI LANKA



මගේ අංකය }
உமது இல }
Your No. }

අපේ අංකය }
எமது இல. } PUC/E/Tariff/01
Our No. }

දිනය }
திகதி } Sep 29, 2023
Date }

Dr. N. De Silva
General Manager
Ceylon Electricity Board

Present financial situation of CEB

Reference is made to your letters (Ref-DGM(CS&RA)/TRF/Trf. 2023) dated Sep 4, 2023 and Sep 26, 2023 on the above subject.

The tariff filing submitted via your aforementioned letter is being analyzed by the Commission. In the process the Commission requires following information;

Impact of changes in all variables from May 15, 2023 submission to your recent submission on Jul-Dec 2023 forecasted Income Statement in million Rs. And rationale for revision of the variables for Oct, Nov and Dec as per the given format below;

Variable	Impact on surplus/deficit of forecasted Income Statement for 2023 due to variance from May 15, 2023 values to current values (million Rs.)	Rationale for variance in current forecast from values submitted on May 15, 2023 for the period Oct-Dec 2023
Hydro Generation	Note *	
Net generation		
Coal dispatch		
Coal price		
Oil price		
Etc.		

Note – Sum of values of this column shall approximately match Rs. 32,509 million.

You are required to submit above information to the Commission on or before October 6, 2023.

Kanchana Siriwardena,
Deputy Director General (Industry Services)



Your ref:

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

Date: October 6, 2023

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

Present Financial Situation of CEB

This has reference to your letter no. PUC/E/Tariff/01 dated 2023-10-01 regarding above.

Accordingly, the requested information on the Income Statement forecasts from July to December submitted on May 15, 2023, and September 4, 2023, is attached herewith as Annex I for your necessary actions, please.

Yours faithfully
CEYLON ELECTRICITY BOARD

Eng. (Dr.) Narendra De Silva
Actg. General Manager
Ceylon Electricity Board

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Actg. General Manager
Ceylon Electricity Board

Copy to:

1. Chairman, PUCSL - fi pl.
2. Ms. Chathurika Wijesinghe, Vice Chairperson PUCSL - fi pl.
3. Mr. Douglas N. Nanayakkara, member PUCSL - fi pl.
4. Mr. SG Senaratne, member PUCSL - fi pl.
5. Chairman, CEB - fi pl.
6. AGM (CS) - fi pl.
7. AGM (Generation) - fi pl.
8. AGM (Transmission - NWO) - fi pl.
9. FM, CEB - fi pl.

Present Financial Situation of CEB

Annex I

Description	Net Gen Units (GWh)	Financial Impact (Rs. Mn)		Rationale for Variances
		Incl. Other Income	Excl. Other Income	
Total Comprehensive Income for the year (incl. Other Income) - Submitted on 15 May 2023	15,268	30,554	20,257	Total Other Income is expected to be Rs. 10.3 Bn for year 2023
Variances				
CEB Hydro power	(689)	3,098	3,098	Hydro Units were revised from GWh 4451 in May to GWh 3762 in September, in order to reflect the expected dry weather conditions during the remaining months of 2023. However, total hydro generation cost was increased due to the inclusion of Uma Oya delay charges into hydro capacity cost amounting to appx. Rs. 3 Bn for the 2nd half of 2023.
CEB Thermal power	954	39,379	39,379	With the reduction in the expected hydro generation to GWh 3762 for year 2023, CEB Thermal generation has increased by 954 GWh, increasing the cost by Rs. 39.3 Bn, despite the fuel price reductions from May 2023 over July and Aug 2023, respectively. Price reduction in HFO by 16% and Naptha by 35%
CEB Coal power	(178)	(27,443)	(27,443)	Coal generation units have been dropped as per the revised dispatch forecast in September 2023 due to unexpected breakdowns at LVPS. Coal Power generation cost has decreased by 13% compared to the submission in May, due to the reduction in units as well the decline in coal prices from to Rs. 78.00/kg to Rs. 52.00/kg (on average) during period from Oct - Dec 2023.
IPP	675	27,489	27,489	The requirement of IPP has increased by 675 GWh, due to the expected reduction in hydro generation. As a result, the cost has increased by 36% compared to that submitted in May 2023, irrespective of the fuel price reductions.
NCRE	(387)	(8,517)	(8,517)	Expected reduction in generation units (mainly Mini-hydro) amount to 387 GWh, hence generation cost is reduced by Rs. 8.5 Bn.
CEB Wind power	12	65	65	A minor increase in generation cost is observed due to the increase in generation units
Solar Rooftop	3	(473)	(473)	Despite the minimal increase in units, the generation cost has decreased considerably, as the actual cost/unit accounted for during Jan - July has been appx Rs.21.50 compared to the budgeted of Rs. 23.50/unit.
Impact due to Direct Generation	390	33,597	33,597	Irrespective of the hydro reduction due to the adverse weather conditions, the Revised Dispatch prepared in September has considered an increase in Demand of appx 3% for the year 2023, compared to that submitted in May 2023
Revised Surplus/ Deficit (before Indirect Expenses)	15,659	(3,043)	(13,340)	
Operating & Maintenance Expenses				
- Transmission		(933)	(933)	Operating & Maintenance expenditure (incl. Personnel cost) would continue to be curtailed among the Divisions in CEB, with the the prevailing adverse cashflow position, due to the non-availability of a cost-reflective tariff..
- Distribution		(3,653)	(3,653)	
- Corporate		(50)	(50)	
Finance Cost		(7,096)	(7,096)	The Finance cost has been revised in line with the rescheduled interest rates from July 2023, reflecting a reduction of 12% compared to that submitted in May 2023
Impact due to Indirect Expenses		(11,732)	(11,732)	
Revenue from Electricity sales		(42,975)	(42,975)	Despite the increase in Demand, the Sales revenue has declined by Rs. 43 Bn (7%) compared to the expected, in May 2023, due to the tariff reduction w.e.f. 1st July 2023
Other Income		1,777	-	Increased by Rs. 1.8 Bn
Impact due to Inflows		(41,198)	(42,975)	
Total Revised Surplus / Deficit		(32,509)	(44,583)	

Note: Actual expenses for 2023 may be lower than the predicted figures if in case adequate rainfall is experienced in October, November and December 2023, as declaration by Department of Meteorology.