



Your ref:

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

Date: October 17, 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 Situation of CEB

As per my letter dated 2023-09-04 a tariff revision was requested to compensate the anticipated financial loss of Rs. 32.5 billion for the year 2023.

However, the actual energy consumption of September 2023 was considerably less than the expected energy consumption. Because of that the use of IPP thermal power was less than the predicted generated and hence the financial gain due to this reason is about Rs. 17.8 billion.

Therefore, the reviewed anticipated financial loss for the year 2023 will be around Rs. 18.7 billion, including other income. A detailed calculation of the income statements comparison submitted in May, September and October 2023 is given as Annex I.

It is also expected that there will be a financial loss of Rs. 48.2 billion during the first half of the year 2024, including other income. The detailed breakdown of budgeted income statements for the first half of the year 2024 is attached herewith as Annex II.

Therefore, the approval of the commission is sought to increase the end-user electricity tariff by 18% with immediate effect, till 30th June 2024. The two tariff proposals which are formulated to accommodate the proposed 18% tariff revision are attached herewith as Annex III and Annex IV.

Kindly note that the above calculations are exclusively based on recovering the respective cost involvements for the period from October 2023 to June 2024. No provisions in the above calculations have been included to settle the prevailing long outstanding dues. A summary of those dues is tabulated below, and the detailed breakdown of all outstanding dues is attached as Annex IV.

Provisional Dues as of 2023-09-30	MLKR
CPC - Payables incl. Delay Int	809
IPP - Payables including Delay Int	52,346
NCRE	27,152
Short Term Payables	53,565
Peoples Bank Overdraft	22,179
Total	156,051

OFFICE OF THE GENERAL MANAGER

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We also propose to introduce a suitable methodology to settle these dues. The CEB is of the view that imposing of 10% tariff increase over a period of the next 2 years, over and above the tariff increase recommended to balance the P&L, is necessary to settle these dues.

Yours faithfully

CEYLON ELECTRICITY BOARD



Eng. (Dr.) Narendra De Silva

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. AGM (CS) | - fi pl. |
| 6. FM, CEB | - fi pl. |

Ceylon Electricity Board
Income Statement for the year 2023
Submitted in May-23 & Sept-23 and Proposed Oct-23

Annex 4

Annex

Description	TOTAL 2023					
	Submitted on 15-May-2023 Actuals (Jan-Mar), Estimated (Apr), Forecast (May - Dec) Dispatch - May'23		Submitted on 4-Sept-2023 Actuals (Jan-Jun), Estimated (Jul), Forecast (Aug - Dec) Dispatch - Sept'23		Proposed on 13-Oct-2023 Actuals (Jan-Aug), Estimated (Jul), Forecast (Oct-Dec) Dispatch - 12-Oct-23	
	GWh	Rs. Mn	GWh	Rs. Mn	GWh	Rs. Mn
CEB - Hydro	4,451	12,401	3,762	15,499	3,783	12,776
CEB Thermal - Oil	1,433	108,822	2,384	148,201	2,276	145,705
CEB Thermal - Coal	5,371	211,459	5,193	184,016	5,254	184,760
CEB - Wind	340	1,853	352	1,919	383	1,697
IPP - Thermal	946	75,518	1,621	103,007	1,322	85,186
NCRE	2,094	37,593	1,759	29,076	1,754	31,575
Solar Rooftop - Net Accr / Net Plus	633	14,287	637	13,814	606	12,650
Cost at Generation Point	15,268	461,934	15,707	495,531	15,377	474,349
Approximate Unit Sold	13,957		14,275		14,036	
Transmission Cost - Rs. Mn		24,116		23,183		21,466
Distribution Cost - Rs. Mn		69,466		65,813		64,494
Corporate Cost - Rs. Mn		8,983		8,933		9,084
Finance Cost - Rs. Mn		58,886		51,790		53,085
Total Cost at Selling Point		623,385		645,250		622,478
Revenue		643,642		600,666		590,477
Other Income		10,297		12,074		13,259
Total Revenue		653,939		612,740		603,736
Approximate Surplus/ (Deficit) Rs.Mn		30,554		(32,509)		(18,742)

Fuel Prices		
Type	Aug - 23 Rs./ ltr/ kg	Oct - Dec 2023 Rs./ ltr/ kg
Lanka Auto Diesel	306.00	348.00
Naptha	174.00	161.00
Heavy Fuel	201.00	240.00
Coal (Rs./kg)	93.00	52.00

Notes (For the period from Oct - Dec 2023)

The reduction in Hydro, Coal and NCRE (Mini-hydro) generation has expected during Oct - Dec 2023, will be compensated by CEB Thermal and IPP.

Sales Revenue has been adjusted to reflect the revised LECO sales from Oct - Dec 2023.

Income Statement for the month of Oct-23 has been prepared considering estimated figures for the period from 1st-15th of Oct and projected financials from 16th-31st Oct 2023.

Finance cost on the New Coal loan facility (Rs. 21 Bn and Rs. 8.1 Bn) has been considered during Oct - Dec 2023

Pending LCs & TTs under Generation, Transmission and Distribution Divisions have also been incorporated to the Generation Capacity and O&M expenditure.

Ceylon Electricity Board

Budgeted Income Statement for the First Half

Jan - June 2024

Description	Total - First Half 2024					
	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)
CEB - Hydro	2,065	25%	-	17,692	17,692	8.57
CEB Thermal - Oil	852	10%	50,178	13,756	63,933	75.07
CEB Thermal - Coal	2,889	36%	66,911	24,511	91,421	31.65
CEB - Wind	140	2%	-	3,236	3,236	23.10
IPP - Thermal	969	12%	60,516	9,181	69,697	71.91
NCRE	785	10%	15,132	-	15,132	19.27
Solar Rooftop -Net Acct / Net Plus	432	5%	10,758	-	10,758	24.92
Cost at Generation Point	8,131	100%	203,493	68,376	271,869	33.44
Approximate Unit Sold	7,412					
Transmission Cost - Rs. Mn					8,015	1.08
Distribution Cost - Rs. Mn					44,460	6.00
Corporate Cost - Rs. Mn					9,521	1.28
Finance Cost - Rs. Mn					34,334	4.63
Total Cost at Selling Point					368,200	49.68
Revenue					313,508	42.30
Other Income					6,500	
Total Revenue					320,008	43.18
Approximate Surplus/ (Deficit) Rs.Mn					(48,192)	(6.50)
Approximate Surplus/ (Deficit) excl. Other Income (Rs. Mn)					(54,692)	

Fuel Prices (Rs. / ltr/ kg)	
Type	1st Half 2024
Lanka Auto Diesel	351.00
Naptha	161.00
Heavy Fuel	240.00
Coal (Rs./kg)	52.15

Budgeted Income Statement for the First Half

Jan - June 2024

Description	Apr-24						May-24						Jun-24					
	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)
CEB - Hydro	368	26%	-	2,949	2,949	8.02	388	27%	-	2,949	2,949	7.60	328	23%	-	2,949	2,949	8.99
CEB Thermal - Oil	126	9%	7,253	2,325	9,579	76.20	157	11%	9,257	2,285	11,542	73.49	160	11%	9,295	2,287	11,582	72.35
CEB Thermal - Coal	507	36%	11,732	4,085	15,817	31.17	521	37%	11,986	4,085	16,071	30.84	338	24%	8,073	4,085	12,158	35.94
CEB - Wind	5	0%	-	539	539	107.91	37	3%	-	539	539	14.43	51	4%	-	539	539	10.53
IPP - Thermal	134	9%	8,405	1,418	9,823	73.40	73	5%	4,721	1,768	6,489	89.38	214	15%	13,334	1,704	15,039	70.36
NCRE	98	7%	2,007	-	2,007	20.42	168	12%	3,128	-	3,128	18.61	227	16%	4,121	-	4,121	18.16
Solar Rooftop - Net Acct / Net Plus	71	5%	1,762	-	1,762	24.92	69	5%	1,713	-	1,713	24.92	65	5%	1,621	-	1,621	24.92
Cost at Generation Point	1,309	92%	31,160	11,317	42,477	32.46	1,413	100%	30,806	11,626	42,432	30.03	1,383	97%	36,443	11,564	48,008	34.71
Approximate Unit Sold	1,193						1,288											
Transmission Cost - Rs. Mn					1,336	1.12					1,336	1.04					1,336	1.06
Distribution Cost - Rs. Mn					7,410	6.21					7,410	5.75					7,410	5.88
Corporate Cost - Rs. Mn					1,587	1.33					1,587	1.23					1,587	1.26
Finance Cost - Rs. Mn					6,901	5.78					5,040	3.91					5,414	4.29
Total Cost at Selling Point					59,710	50.06					57,804	44.88					63,755	50.57
Revenue					50,459	42.30					54,475	42.30					53,328	42.30
Other Income					2,167						2,167						2,167	
Total Revenue					52,626	44.12					56,642	43.98					55,495	44.02
Approximate Surplus/ (Deficit) Rs. Mn					(7,084)	(5.94)					(1,162)	(0.90)					(8,260)	(6.55)
Approximate Surplus/ (Deficit) Rs. Mn					(7,084)	(5.94)					(1,162)	(0.90)					(8,260)	(6.55)

Fuel Prices (Rs. / ltr/ kg)	
Type	1st Half 2024
Lanka Auto Diesel	351.00
Naphtha	161.00
Heavy Fuel	240.00
Coal (Rs./kg)	52.15

Ceylon Electricity Board

Budgeted Income Statement for the First Half

Jan - June 2024

Description	Jan-24						Feb-24						Mar-24					
	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)	Net Gen Units (GWh)	Mix (%)	Energy Charge (Rs. Mn)	Capacity Charge (Rs. Mn)	Total Cost (Rs. Mn)	Cost/Unit (Rs./kWh)
CEB - Hydro	328	25%	-	2,949	2,949	8.98	330	26%	-	2,949	2,949	8.93	322	23%	-	2,949	2,949	9.16
CEB Thermal - Oil	131	10%	7,748	2,290	10,038	76.55	126	10%	7,671	2,285	9,956	79.33	152	11%	8,952	2,285	11,237	73.81
CEB Thermal - Coal	524	40%	12,056	4,085	16,141	30.79	474	37%	11,008	4,085	15,093	31.87	524	37%	12,056	4,085	16,141	30.79
CEB - Wind	18	1%	-	539	539	30.49	18	1%	-	539	539	29.54	11	1%	-	539	539	50.91
JPP - Thermal	162	12%	10,083	1,437	11,521	71.01	180	14%	11,193	1,377	12,569	69.68	206	15%	12,779	1,476	14,255	69.07
NCRE	88	7%	1,781	-	1,781	20.17	79	6%	1,638	-	1,638	20.60	124	9%	2,458	-	2,458	19.80
Solar Rooftop -Net Acct / Net Plus	73	6%	1,830	-	1,830	24.92	74	6%	1,832	-	1,832	24.92	80	6%	1,999	-	1,999	24.92
Cost at Generation Point	1,325	100%	33,499	11,301	44,799	33.80	1,281	100%	33,342	11,235	44,576	34.80	1,420	100%	38,244	11,334	49,578	34.91
Approximate Unit Sold	1,208						1,168						1,294					
Transmission Cost - Rs. Mn					1,336	1.11					1,336	1.14					1,336	1.03
Distribution Cost - Rs. Mn					7,410	6.13					7,410	6.35					7,410	5.73
Corporate Cost - Rs. Mn					1,587	1.31					1,587	1.36					1,587	1.23
Finance Cost - Rs. Mn					5,369	4.44					5,209	4.46					6,401	4.95
Total Cost at Selling Point					60,501	50.08					60,118	51.48					66,312	51.23
Revenue					51,103	42.30					49,394	42.30					54,748	42.30
Other Income					2,167						2,167						2,167	
Total Revenue					53,270	44.09					51,561	44.16					56,915	43.97
Approximate Surplus/ (Deficit) Rs. Mn					(7,232)	(5.99)					(8,558)	(7.33)					(9,397)	(7.26)
Approximate Surplus/ (Deficit) Rs. Mn					(9,397)						(10,711)						(11,561)	

Fuel Prices (Rs. /ltr/ kg)	
Type	1st Half 2024
Lanka Auto Diesel	351.00
Naptha	161.00
Heavy Fuel	240.00
Coal (Rs./kg)	52.15

