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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு
PUBLIC UTILITIES COMMISSION OF SRI LANKA



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உமது இல. }
Your No. }

අපේ අංකය }
எமது இல. }
Our No. }

PUC/E/Tariff/01

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திகதி }
Date }

Sep 15, 2023

Eng. Rohan Seneviratne
General Manager,
Ceylon Electricity Board.

Present financial situation of CEB

Reference is made to your letter (DGM(CS&RA)/TRF/Trf. 2023) dated Sep 4, 2023 on the above subject, Commission letter (Ref: PUC/E/Tariff/01) dated July 28, 2023 on Electricity Tariff Revision July to December 2023 and the Section 30 of Sri Lanka Electricity Act No. 20 of 2009 (SLEA)
Commission notes following issues pertaining to the above letter of CEB;

1. As per the Section 30(2)(a) of SLEA the tariff shall 'be **set by the relevant licensee** in accordance with a cost reflective methodology approved by the Commission'.
However, CEB has not set the tariff but only forecasted a financial deficit of 2023. Therefore, the request above cannot be considered as a tariff submission in accordance with Section 30 of SLEA
2. The approved tariff methodology includes provisions for CEB to recover any deficit due to forecasting errors. Any prudent/audited deficit of current period can be recovered through the tariff of July-December 2024.

Observations of the Commission on forecast financial situation of CEB dated Sep 4, 2023

1. Hydro Condition

For its submission dated Sep 4, 2023, CEB has used the report of 'Seasonal, Monthly and weekly Rainfall Forecasts' of Department of Meteorology issued on August 7, 2023. The latest report issued on September 5, 2023 by Department of Meteorology forecasts higher rainfall (compared to previous report) over catchment areas in September and above average rainfall over catchment areas in October and November.

Further a daily average hydro inflow of 20.72 GWh has been reported in daily submission of CEB (of September 2023) which is 42% higher than September SDDP inflow value of 3,750 GWh hydro scenario submitted by CEB on Sep 4, 2023.

2. Reduction in coal dispatch

The coal dispatch of July-Dec 2023 compared to that of May 15, 2023 submission of CEB is reduced by 183.3 GWh (mainly in October) in both scenarios.

The reason for reduction in coal dispatch shall be explained.

3. Increased electricity demand

CEB submission dated Sep 4, 2023 has upward shifted electricity demand compared to May 15, 2023 submission. The forecasts value with actuals up to date is shown below;

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28. லாந்த் மிகைல் பார், கொழும்பு 03.

06 ஆவது மாடி, இலங்கை வங்கி வர்த்தகக் கோபுரம்,
28, சென் மைக்கல் வீதி, கொழும்பு 03.

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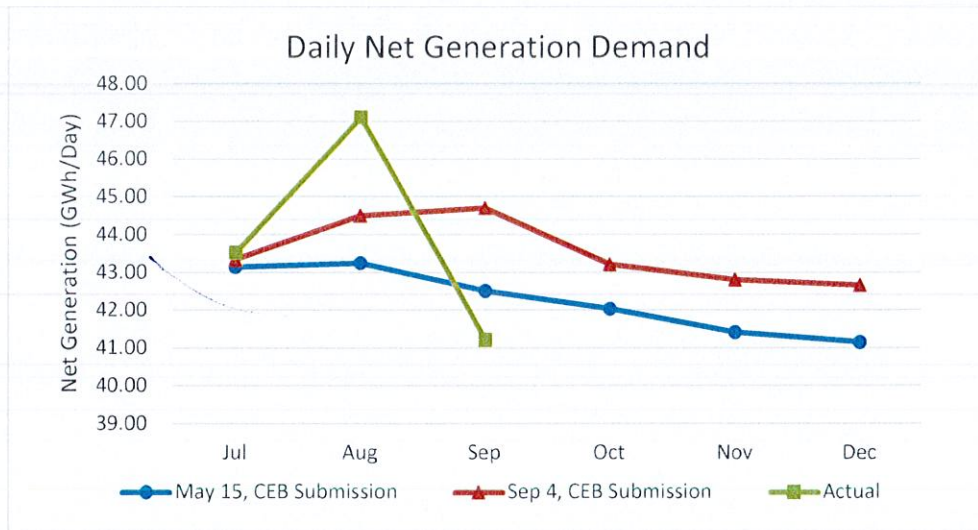
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Actual generation of the month of August is overestimated due to high assumption of mini-hydro generation irrespective of drought condition prevailed in August 2023. Falling electricity demand is expected due to shift of weather condition from drought condition to wet condition. With the above average rainfall expected (as predicted by Department of Meteorology) for almost all districts of the Island the electricity demand is expected to reduce. Therefore, May 15, 2023 demand forecast is more relevant.

4. Emergency power dispatch

Emergency power plant of Embilipitiya (ACE Power) which was started on Sep 5, 2023 has been dispatched in August in the said forecast (BST filing)

5. Observed lower dispatch of emergency plant, ACE Matara

Although ACE Power Matara plant was purchased with a minimum guaranteed energy amount of 92.1% of plant capacity, the actual plant factor of the plant was 64.3% for the period from Aug 23 – Sep 07, 2023. Further, the Samanalawewa power plant has not been dispatched at all since Aug 29 – Sep 07, 2023 and the plant factor of the ACE Power Matara plant is 47.5% during the same period.

6. Other revenue of CEB

Due to the fact that the cost incurred to earn other revenue of CEB is not separated from total cost, other revenue will be considered to assess the financial situation of CEB.

Considering above points CEB may submit a revised and complete tariff submission under Section 30 of Sri Lanka Electricity Act No. 20 of 2009 (SLEA) as suggested in Commission letter (Ref: PUC/E/Tariff/01) dated July 28, 2023 on Electricity Tariff Revision July to December 2023.

Damitha Kumarasinghe
Director General