

PUBLIC UTILITIES COMMISSION OF SRI LANKA



Decision on Electricity Tariffs

Effective from July 16, 2024

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List of Acronyms

| | |
|-------|---|
| CEB | Ceylon Electricity Board |
| CPC | Ceylon Petroleum Corporation |
| CBSL | Central Bank of Sri Lanka |
| MLKR | Million Sri Lankan Rupees |
| GWh | Giga Watt Hours |
| MW | Mega Watt |
| kWh | Kilo Watt Hour |
| LECO | Lanka Electricity Company Private Limited |
| GDP | Gross Domestic Product |
| HFO | Heavy Fuel Oil |
| DL | Distribution Licensee |
| TL | Transmission Licensee |
| OPEX | Operational Expenditure |
| CAPEX | Capital Expenditure |
| PPA | Power Purchase Agreement |
| ROA | Return on Asset |
| ROE | Return on Equity |
| AWPLR | Average Weighted Prime Lending Rate |
| CCPI | Colombo Consumer Price Index |
| PPIUS | Producer Price Index United States of America |
| O&M | Operation and Maintenance |
| BST | Bulk Supply Tariff |
| IPP | Independent Power Producers |
| ToU | Time of Use |
| BSTA | Bulk Supply Transaction Account |
| EV | Electric Vehicle |

1. Introduction

Ceylon Electricity Board filed for a reduction in electricity tariffs, with a forecasted surplus of BLKR. 28 for the year 2024, via its letter dated June 06, 2024, as per the Tariff Methodology and Government policy guidelines. Further, the LECO has also forwarded its concerns over the Commission approved allowed revenue for 2024, through the letter dated May 20, 2024, for the Commission's consideration.

Public Utilities Commission of Sri Lanka (the Commission) declared open the stakeholder consultation for the tariff revision and published a consultation document on June 18, 2024. The stakeholder consultation ended with the oral session held on July 09, 2024. Stakeholders were requested to provide their comments on the following.

1. Proposed forecast costs by CEB for 2024
2. Proposed Tariff Structure by CEB
3. Bulk Supply Transaction Account operational guidelines
4. Prepaid electricity tariff scheme for LECO consumers
5. Wheeling charges for NCRE

This decision, made on July 15, 2024, considered the submissions by CEB and LECO, comments by stakeholders, approved Tariff Methodology, related legal provisions, and General Policy Guidelines. The revised end user tariffs (Annex 01) are effective from July 16, 2024, (for both CEB and LECO consumers), until next tariff revision.

2. Demand Forecast

CEB has submitted a revised generation demand forecast of 16,638 GWh, for the year 2024. This considers the actual demand up to April and a 3% demand increase is considered for the rest of the year as compared to the forecast submitted for the previous tariff revision.

Anyhow, some discrepancies were observed in the LECO sales demand considered for generation forecasting by CEB. Correcting this results in a generation demand of 16,414 GWh. This value is taken as the net generation demand forecast for 2024.

3. Fuel Prices

As per CEB submission dated June 06, 2024, fuel prices vary during the period July - December 2024, as shown in Table 1.

Table 1: Fuel Prices as submitted by CEB on June 06, 2024, for the second half of 2024.

| Power Station & Fuel | Unit | Fuel Prices | | | | | |
|--|-----------|-------------|--------|--------|--------|--------|--------|
| | | Jul | Aug | Sep | Oct | Nov | Dec |
| Kelanitissa Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Kelanitissa Combined Cycle 2 Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Sapugaskanda Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Chunnakkam Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Barge Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Hambantota Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Mathugama Auto Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Norachchole Coal Power Diesel | LKR/Litre | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| Norachchole Coal Power Coal | LKR/kg | 48.73 | 48.73 | 48.73 | 48.73 | 48.73 | 48.73 |
| New Chunnakkam Heavy Fuel | LKR/Litre | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 |
| Sapugaskanda Heavy Fuel | LKR/Litre | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 |
| Kelanitissa Combined Cycle Naphtha | LKR/Litre | 197.06 | 197.06 | 197.06 | 197.06 | 197.06 | 197.06 |

| | | | | | | | |
|-------------------------------|-----------|--------|--------|--------|--------|--------|--------|
| Barge Heavy Fuel | LKR/Litre | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 |
| West Coast Kerawalapitiya HFO | LKR/Litre | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 | 181.00 |
| Sobadhanavi Diesel | LKR/Litre | 333.00 | 333.00 | 333.00 | 333.00 | 333.00 | 333.00 |

CEB is yet to sign the Fuel Supply Agreements (FSA) with a fuel supplier, as a result some of the cost items such as, retail distribution costs and dealer margins, are included in these prices. CEB shall negotiate and sign FSA before next tariff review. Fuel retail distribution costs and dealer margins will not be allowed from next tariff review.

4. Dispatch Forecast

Generation dispatch forecast submitted by CEB on June 06, 2024, for the second half of 2024 is shown below.

Table 2: Dispatch forecast submitted for the second half of 2024

| Month | Unit | 24-Jul | 24-Aug | 24-Sep | 24-Oct | 24-Nov | 24-Dec | Total |
|---------------------------------------|------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| CEB GL's Thermal Generation | | | | | | | | |
| Sapugaskanda Old 4 x 18 MW | GWh | 25.08 | 24.60 | 20.42 | 30.36 | 29.38 | 30.36 | 160.19 |
| Sapugaskanda Ext. 8 x 9 MW | GWh | 37.92 | 37.10 | 32.26 | 38.17 | 36.94 | 38.17 | 220.56 |
| Kelanitissa GT 4 x 17 MW (small GT) | GWh | - | - | - | - | - | - | - |
| Kelanitissa GT 1 x 115 MW (GT7) | GWh | - | - | - | - | - | - | - |
| Kelanitissa Combined Cycle 1 | GWh | 66.96 | - | 19.81 | 91.66 | 92.13 | 91.59 | 362.14 |
| Naptha | GWh | 66.96 | - | 19.81 | 69.47 | 69.47 | 69.47 | 295.19 |
| Diesel | GWh | - | - | - | 22.18 | 22.66 | 22.11 | 66.96 |
| Kelanitissa Combined Cycle 2 | GWh | 15.00 | - | - | 66.31 | 93.37 | 92.48 | 267.16 |
| Coal – Puttlam | GWh | 349.53 | 524.30 | 451.57 | 349.53 | 338.26 | 349.53 | 2,362.72 |
| Barge | GWh | 34.15 | 36.16 | 31.97 | 34.15 | 33.05 | 34.15 | 203.63 |
| CEB Emergency 50MW | GWh | 2.79 | 0.15 | - | 0.64 | 7.73 | 7.82 | 19.12 |
| Hambantota 30MW | GWh | 1.65 | 0.03 | - | 0.27 | 4.54 | 4.65 | 11.14 |
| Mathugama 20MW | GWh | 1.14 | 0.12 | - | 0.37 | 3.18 | 3.17 | 7.98 |
| Total Northern CEB generation | GWh | 9.53 | 10.65 | 8.10 | 10.65 | 11.66 | 12.04 | 62.62 |
| Chunnakam & Islands | GWh | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 1.20 |
| New Chunnakam | GWh | 9.33 | 10.45 | 7.90 | 10.45 | 11.46 | 11.84 | 61.42 |
| Total CEB Thermal Generation | GWh | 540.96 | 632.95 | 564.13 | 621.47 | 642.50 | 656.13 | 3,658.14 |
| IPP Thermal Generation | | | | | | | | |
| Kerawalapitiya - IPP (Westcoast) | GWh | 116.98 | 93.05 | 84.04 | 158.12 | 128.24 | 156.95 | 737.38 |
| Sobadhanavi | GWh | - | 3.78 | 0.93 | 17.08 | 81.76 | 73.99 | 177.53 |
| Total IPP Thermal Generation | GWh | 116.98 | 96.83 | 84.97 | 175.21 | 210.00 | 230.94 | 914.91 |
| CEB GL's Hydropower Generation | GWh | 485.75 | 367.72 | 367.85 | 296.36 | 229.82 | 211.47 | 1,958.97 |
| CEB GL's Wind power Generation | GWh | 45.60 | 44.40 | 42.21 | 18.61 | 12.46 | 18.19 | 181.47 |
| Solar Rooftop Generation | GWh | 73.48 | 73.37 | 77.17 | 73.77 | 65.26 | 67.61 | 430.66 |
| Other Renewable | GWh | 181.06 | 232.12 | 240.62 | 221.42 | 181.51 | 193.14 | 1,249.88 |
| Total Generation | GWh | 1,443.83 | 1,447.39 | 1,376.95 | 1,406.84 | 1,341.54 | 1,377.48 | 8,394.03 |

5. Generation – Energy Cost

Generation – Energy costs submitted by CEB on June 06, 2024, for the second half of 2024 is shown below.

Table 3: Generation – Energy costs submitted for the second half of 2024

| Plant/Complex | Unit | 24-Jul | 24-Aug | 24-Sep | 24-Oct | 24-Nov | 24-Dec |
|--------------------------------------|---------|--------|--------|--------|--------|--------|--------|
| Mahaweli/Laxapana/Samanala | GWh | 485.75 | 367.72 | 367.85 | 296.36 | 229.82 | 211.47 |
| | LKR/kWh | - | - | - | - | - | - |
| Mananr wind | GWh | 45.60 | 44.40 | 42.21 | 18.61 | 12.46 | 18.19 |
| | LKR/kWh | - | - | - | - | - | - |
| Sapugaskanda Old 4 x 18 MW | GWh | 25.08 | 24.60 | 20.42 | 30.36 | 29.38 | 30.36 |
| | LKR/kWh | 49.36 | 49.49 | 50.85 | 48.22 | 48.40 | 48.22 |
| Sapugaskanda Ext. 8 x 9 MW | GWh | 37.92 | 37.10 | 32.26 | 38.17 | 36.94 | 38.17 |
| | LKR/kWh | 43.41 | 43.50 | 44.13 | 43.39 | 43.52 | 43.39 |
| Kelanitissa GT 4 x 17 MW (small GT) | GWh | - | - | - | - | - | - |
| | LKR/kWh | - | - | - | - | - | - |
| Kelanitissa GT 1 x 115 MW (GT7) | GWh | - | - | - | - | - | - |
| | LKR/kWh | - | - | - | - | - | - |
| Kelanitissa Combined Cycle 1 | GWh | 66.96 | - | 19.81 | 91.66 | 92.13 | 91.59 |
| | LKR/kWh | 55.76 | - | 58.03 | 60.24 | 60.31 | 60.23 |
| Kelanitissa Combined Cycle 2 | GWh | 15.00 | - | - | 66.31 | 93.37 | 92.48 |
| | LKR/kWh | 76.27 | - | - | 71.73 | 70.82 | 70.83 |
| Coal – Puttlam | GWh | 349.53 | 524.30 | 451.57 | 349.53 | 338.26 | 349.53 |
| | LKR/kWh | 22.44 | 21.74 | 21.89 | 22.44 | 22.52 | 22.44 |
| New Chunnakam | GWh | 9.33 | 10.45 | 7.90 | 10.45 | 11.46 | 11.84 |
| | LKR/kWh | 43.56 | 43.27 | 44.05 | 43.27 | 43.06 | 42.98 |
| Chunnakam & Islands | GWh | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | LKR/kWh | 103.05 | 103.05 | 103.05 | 103.05 | 103.05 | 103.05 |
| BARGE | GWh | 34.15 | 36.16 | 31.97 | 34.15 | 33.05 | 34.15 |
| | LKR/kWh | 44.31 | 44.08 | 44.60 | 44.31 | 44.45 | 44.31 |
| 30MW Hambantota | GWh | 1.65 | 0.03 | - | 0.27 | 4.54 | 4.65 |
| | LKR/kWh | 89.83 | 211.74 | - | 99.51 | 88.61 | 88.59 |
| 20MW Mathugama | GWh | 1.14 | 0.12 | - | 0.37 | 3.18 | 3.17 |
| | LKR/kWh | 91.03 | 107.05 | - | 94.96 | 89.87 | 89.87 |
| Kerawalapitiya - IPP (Westcoast) | GWh | 116.98 | 93.05 | 84.04 | 158.12 | 128.24 | 156.95 |
| | LKR/kWh | 46.64 | 46.75 | 46.80 | 46.53 | 46.60 | 46.53 |
| Sobadhanavi | GWh | - | 3.78 | 0.93 | 17.08 | 81.76 | 73.99 |
| | LKR/kWh | - | 110.69 | 171.48 | 95.29 | 91.83 | 91.93 |
| Other renewable (Excluding solar RT) | GWh | 181.06 | 232.12 | 240.62 | 221.42 | 181.51 | 193.14 |
| | LKR/kWh | 20.78 | 20.30 | 20.12 | 20.01 | 19.97 | 19.99 |
| Solar Rooftop Generation | GWh | 73.48 | 73.37 | 77.17 | 73.77 | 65.26 | 67.61 |
| | LKR/kWh | 24.92 | 24.92 | 24.92 | 24.92 | 24.92 | 24.92 |

6. Generation – Capacity Cost

Generation – Capacity costs submitted by CEB on June 06, 2024, for the second half of 2024 is shown below.

Table 4: Generation – Capacity costs submitted for the second half of 2024

| Plant/Complex | Unit | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 |
|---------------|------|--------|--------|--------|--------|--------|--------|
| Mahaweli | MLKR | 463.46 | 465.30 | 475.87 | 488.89 | 492.21 | 493.24 |
| Laxapana | MLKR | 434.88 | 434.88 | 434.88 | 436.48 | 439.15 | 449.35 |

| | | | | | | | |
|-------------------------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Samanala | MLKR | 227.83 | 227.83 | 227.83 | 239.93 | 240.47 | 241.53 |
| Mannar Wind | MLKR | 645.65 | 645.86 | 646.16 | 646.48 | 646.83 | 647.23 |
| Sapugaskanda Old 4 x 18 MW | MLKR | 110.25 | 110.25 | 113.64 | 116.97 | 116.97 | 120.57 |
| Sapugaskanda Ext. 8 x 9 MW | MLKR | 97.65 | 97.65 | 97.65 | 101.03 | 101.03 | 101.03 |
| Kelanitissa GT 4 x 17 MW (small GT) | MLKR | 52.88 | 52.88 | 52.88 | 52.88 | 52.88 | 52.88 |
| Kelanitissa GT 1 x 115 MW (GT7) | MLKR | 94.99 | 98.32 | 98.32 | 98.32 | 98.32 | 98.32 |
| Kelanitissa Combined Cycle 1 | MLKR | 98.98 | 158.48 | 98.98 | 98.98 | 98.98 | 101.15 |
| Kelanitissa Combined Cycle 2 | MLKR | 91.34 | 131.86 | 131.86 | 92.43 | 92.43 | 92.43 |
| Coal – Puttalam | MLKR | 1,262.87 | 1,297.19 | 1,335.43 | 1,380.84 | 1,390.33 | 1,396.51 |
| New Chunnakam | MLKR | 32.14 | 32.17 | 35.82 | 35.82 | 35.83 | 39.73 |
| Chunnakam & Islands | MLKR | 11.16 | 11.16 | 11.16 | 11.16 | 11.16 | 11.16 |
| BARGE | MLKR | 59.39 | 63.03 | 63.03 | 63.03 | 66.66 | 66.66 |
| 30MW Hambantota | MLKR | 27.70 | 28.43 | 31.58 | 28.43 | 29.16 | 29.16 |
| 20MW Mathugama | MLKR | 18.46 | 18.95 | 21.05 | 18.95 | 19.44 | 19.44 |
| Kerawalapitiya - IPP (Westcoast) | MLKR | 1,380.38 | 1,380.38 | 1,340.21 | 1,380.38 | 1,340.21 | 1,380.38 |
| Sobadhanavi | MLKR | 506.27 | 506.27 | 493.04 | 506.27 | 493.04 | 506.27 |
| Other renewables | MLKR | - | - | - | - | - | - |
| TOTAL | MLKR | 5,616.28 | 5,760.89 | 5,709.39 | 5,797.28 | 5,765.10 | 5,847.06 |

7. Total Cost Submission

Overall cost submission by the CEB for this tariff revision is provided in the table below.

Table 5: Costs submissions and approvals for 2024

| Description | | Unit | Amount for 2024H1 | Amount for 2024H2 | Total |
|--------------------|---------------|------|-------------------|-------------------|---------|
| Generation | Energy cost | MLKR | 161,712 | 210,803 | 372,515 |
| | Capacity cost | MLKR | 28,408 | 34,497 | 62,905 |
| Transmission Cost | | MLKR | | | 22,490 |
| Finance Cost | | MLKR | | | 27,302 |
| Distribution Cost | CEB | MLKR | | | 92,361 |
| Total Cost | | MLKR | | | 577,573 |
| Total Revenue | | MLKR | | | 605,611 |
| Surplus/ (Deficit) | | MLKR | | | 28,038 |

8. Issues identified in CEB Cost Submission

1. CEB estimated sales revenue for 2024 is MLKR. 2,247 understated considering the sales forecast submitted by CEB and approved tariff rates.
2. CEB has submitted monthly breakdown of generation costs considered for the tariff submission. However, comparing these to the CEB submitted account on July 12, 2024, generation cost from January to May has to be reduced by MLKR. 9,827.
3. Generation cost for June 2024 has been estimated by CEB before June 06, 2024. However, with actual generation dispatch of June – 2024, the Commission has estimated Generation – Energy cost for June – 2024, to be MLKR. 16,193. Therefore, the generation cost must be reduced by another MLKR. 5,291. (However, MLKR. 1,735 of reduction in sales revenue is also estimated with the actual demand)
4. Initial lower hydro storage considered by CEB.
As per corrected BST submission made by CEB on July 11, 2024, the generation cost reduces by another MLKR. 8,566, due to the consideration of actual hydro storage and latest Met. Department rainfall forecast. (As per CEB revised BST submission of CEB)
5. Over estimation of sales demand by CEB to LECO.

CEB over estimated CEB sales for July to December – 2024, by 124 GWh. Adjusting this results in reducing the generation cost by MLKR. 8,976. (However, MLKR. 4,858 of reduction in sales revenue is also estimated due to this reduction.)

6. Dispatch of non-licensed power plants by CEB.

The Commission has directed CEB on several occasions, to obtain license for unlicensed plants by getting PPAs approved for these plants. However, CEB has not yet completed the task. Accordingly, Capacity costs of power plants, Kelanitissa Combined Cycle 2, New Chunnakam, BARGE, 30MW Hambantota, and 20MW Mathugama were removed due to non-licensed operation. However, energy costs of those plants were allowed. This reduces generation cost by MLKR. 1,516.

7. CEB submitted generation cost for the month of July is MLKR 5,400 overestimated as per the actual dispatch up to July 14, 2024.

In addition to the above Commission has allocated an additional allowance of MLKR. 1,500 to accommodate generation cost variations.

9. LECO Allowed Revenue

LECO re-submitted the allowed revenue requirement for 2024, to be considered in the second tariff revision for 2024. Accordingly, the Commission has assessed the adequacy of the approved LECO OPEX for 2024, with the actual OPEX re-submitted by LECO (These values are observed to be different from the values submitted during the first tariff revision for 2024) for years from 2021 to 2023. The comparison is shown in the table below.

Table 6: LECO OPEX Comparison

| OPEX Submission | Unit | 2021 OPEX | 2022 OPEX | 2023 OPEX | Approved Amount in First Tariff Revision - 2024 |
|--|------|-----------|-----------|-----------|---|
| LECO OPEX information submitted for first tariff revision of 2024 | MLKR | 4,706 | 8,056 | 7,739 | 8,032 |
| LECO OPEX information submitted for second tariff revision of 2024 | MLKR | 5,028 | 8,718 | 9,250 | |

Accordingly, the Commission has decided to allow the MLKR. 1,583.60 of additional OPEX, which was disallowed in the previous tariff revision.

The revised LECO allowed revenue as provided by the cash flow model with the above adjustment is shown below.

Table 7: LECO allowed revenue

| | | |
|---|------|--------|
| Revised LECO Allowed Revenue for 2024 (After claw-back) | MLKR | 10,206 |
| LECO Allowed Revenue for 2024 approved in the first tariff for 2024 (After claw-back) | MLKR | 8,558 |
| Adjustment to LECO Allowed Revenue for 2024 | MLKR | 1,648 |

10. Overall Adjustments to the Submissions

Approved cost and revenue adjustments beyond the surplus estimated (MLKR. 28,038) by CEB.

Table 8: Costs and revenue adjustments

| No. | Adjustment Description | Adjustment | |
|-----|---|-------------|----------------|
| | | Cost (MLKR) | Revenue (MLKR) |
| 1. | Revenue estimation error for 2024 | - | 2,247 |
| 2. | Generation cost forecast error for months from January to May | (9,827) | - |
| 3. | Demand and dispatch forecast error for month June | (5,291) | (1,735) |
| 4. | Hydro storage and rainfall forecast error | (8,566) | - |
| 5. | LECO demand over forecast by CEB | (8,976) | (4,858) |
| 6. | Capacity cost of non-licensed plants | (1,516) | - |

| | | | |
|-----------------------------------|---|---------|--------|
| 7. | Additional Cost allocation for generation dispatch variations | 1,500 | - |
| 8. | Estimated generation cost surplus for the month July | (5,400) | - |
| 9. | LECO allowed revenue adjustment | 1,648 | - |
| Overall change in the surplus | | | 32,082 |
| Total surplus for tariff revision | | | 60,120 |

11. Revenue Estimate

The sector revenue from electricity sales at the existing tariff for the period from July 16, 2024, to December 31, 2024, is estimated to be MLKR. 267,403. This has been calculated based on the sales forecasts submitted by the DLs for the second half of 2024.

12. Tariff Revision Percentage and Impact to Consumer Categories

Considering the forecasted revenue surplus for 2024 with all the necessary adjustments mentioned above, the following tariff revision percentage is calculated for the new tariff to be effective from July 16, 2024.

Table 9: Tariff revision percentage calculation

| | | |
|--|------|---------|
| Forecasted revenue surplus for 2024 | MLKR | 60,120 |
| Forecasted electricity sales revenue from July 16 to December 31, 2024, with existing tariff | MLKR | 267,403 |
| Tariff reduction percentage (Effective from July 16, 2024) | % | 22.5 |

Accordingly, this average tariff reduction is distributed across consumer categories. The approved tariff table along with the applicable conditions for the licensees are provided in the Annex 1. The average revenue impact to each consumer category with the approved tariff is shown in the table below.

Table 10: Consumer category wise revenue impact

| Category | | % Change in Revenue |
|---|----------------|---------------------|
| Domestic Overall | | -26.8% |
| Domestic | 0-30 | -30.3% |
| | 31-60 | -32.7% |
| | 61-90 | -32.9% |
| | 91-180 | -28.3% |
| | 180< | -18.4% |
| | D-TOU | -18.6% |
| General Purpose | | -15.9% |
| Government | | -13.6% |
| Hotel Purpose | | -26.0% |
| Industrial Purpose | | -25.3% |
| Religious & Charitable Purpose | | -30.1% |
| Streetlamp | | 0.0% |
| Overall | | -22.49% |

13. Summary of Approved Costs and Revenue

The following table represents the costs and revenue approved under this tariff revision for the year of 2024.

Table 11: Approved costs and Revenue

| Description | | Unit | Submission for Second Tariff Revision of 2024 | Adjustments to the submission | Approved Amount after the adjustment |
|-------------|---------------|------|---|-------------------------------|--------------------------------------|
| Generation | Capacity Cost | MLKR | 62,905 | (38,076) | 397,344 |
| | Energy Cost | MLKR | 372,515 | | |

| | | | | |
|-----------------------------------|-------------|----------------|-----------------|----------------|
| Transmission Allowed Revenue | MLKR | 22,490 | - | 22,490 |
| Finance Cost | MLKR | 27,302 | - | 27,302 |
| CEB Distribution Allowed Revenue | MLKR | 92,361 | - | 92,361 |
| LECO Distribution Allowed Revenue | MLKR | 8,558* | 1,648 | 10,206 |
| Total Cost | MLKR | 586,131 | (36,428) | 549,703 |
| Total Revenue | MLKR | 614,169 | (4,346) | 609,823 |
| Surplus/(Deficit) | MLKR | 28,038 | 32,082 | 60,120 |

*Note: LECO did not resubmit a specific overall allowed revenue value. But the concerns on approved allowed revenue was filed. Therefore, the approved value in the 2024 first tariff revision is considered in the table.

Optional Pre-paid Tariff Scheme (LECO) for Retail Consumers

| | | Currently Effective Tariff | Approved Tariff, effective from 16th July 2024 |
|------------------|------------------------------|----------------------------|--|
| | | Energy Charge (LKR/kWh) | Energy Charge (LKR/kWh) |
| Domestic | Block 1 : 0-90 kWh/month | | 18.00 |
| | Block 2 : Above 90 kWh/month | | 68.00 |
| Religious | Block 1 : 0-90 kWh /month | | 11.00 |
| | Block 2 : Above 90 kWh/month | | 30.00 |
| General (GP-1) | | | 37.00 |
| Industrial (I-1) | | | 17.00 |
| Hotel (H-1) | | | 17.00 |

Conditions related to the implementation of the retail pre-paid tariff scheme:

1. The pre-paid tariff rates are subjected to the end user tariff revisions and hence the above rates are applicable only until the current end user tariff is effective. The pre-paid rates will also be determined by the Commission during the end user tariff revisions.
2. At the time of signing the pre-paid tariff agreement, the consumer must be made aware of the anticipated difference in the bill compared to post-paid monthly bill.
3. A viewing facility must be provided to the consumers to see the energy consumption and pre-paid balance at all times.
4. Consumers must be provided with the option of switching back to the post-paid tariffs at any stage (one time without charges), subjected to the completion of the ongoing billing cycle. Further no initial charge shall be applicable for consumers opting for pre-paid tariff for first instance.
5. As required under the Section 31, of the Sri Lanka Electricity Act No. 20 of 2009, disconnection notice shall be sent to the pre-paid consumers 10 days in advance. This shall be initiated by considering the average 10-day consumption during the previous billing cycle and pre-paid balance at a given time. (i.e : Disconnection notice sent, if the pre-paid balance at any given time is insufficient to supply the average 10-day consumption from the previous billing cycle). Notice shall be sent by email as well as SMS.

Conditions to the Licensees

| No. | Condition | Deadline |
|-----|--|--------------------------|
| 1. | To conduct a comprehensive independent cost audit for fourth quarter of 2023 and to report to the Commission | 30/09/2024 (Extended) |
| 2. | To Establish Power Purchase Agreements (PPA) and Power Sales Agreements (PSA) for complete operation of the Bulk Supply Transaction Account (BSTA) | 30/09/2024 (Extended) |
| 3. | To negotiate and enter into Fuel Supply Agreements with fuel suppliers | 30/09/2024 (Extended) |
| 4. | To complete and commission the Kothmale – New Polpitiya 220kV transmission line | 31/12/2024 |
| 5. | To submit a plan to encourage energy conservation and efficiency | 30/09/2024 (Extended) |
| 6. | To Prepare and submit renewable energy development plan up to 2030 with annual milestones (MW values to be absorbed) | 30/09/2024 (Extended) |
| 7. | Ensure that all the bills issued to the consumers are readable and hardcopies are issued if and when demanded by the consumer. | |