

PUBLIC UTILITIES COMMISSION OF SRI LANKA



Decision on Electricity Tariffs

Effective from January 18, 2025

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List of Acronyms

PUCSL	Public Utilities Commission of Sri Lanka
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
BSOB	Bulk Supply Operations Business
BST	Bulk Supply Tariff
BSTA	Bulk Supply Transaction Account
NCRE	Non-Conventional Renewable Energy
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 Assets
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
UNT	Uniform National Tariff
IPP	Independent Power Producers
ToU	Time of Use
2024H1	Period of January to June in the year 2024
2025H1	Period of January to June in the year 2025

1. Introduction

In terms of the Section 30 of Sri Lanka Electricity Act No. 20 of 2009 and Commission approved “Tariff Methodology - 2021”, the CEB was directed to submit the tariff proposal for the first tariff revision of 2025, by November 01, 2024, via Commission’s letter dated October 18, 2024. Accordingly, the end user and bulk supply tariff proposals by CEB were received by the Commission on December 06, 2024. This proposal has forecasted a marginal revenue surplus for the period of January to June 2025, with a possibility of a 1.02% tariff reduction. Nevertheless, CEB has proposed to continue with the existing tariff for the subjected period, stating that the forecasted surplus is within the error margin.

In terms of Section 17(b) of PUCSL Act, No. 35 of 2002, and Section 30(3)(b) of Sri Lanka Electricity Act, No. 20 of 2009, the Commission declared open the stakeholder consultation on the tariff revision, from December 17, 2024. The consultation document published on the same day includes detailed evaluation on the CEB submission. The consultation sessions were conducted covering all 9 provinces, with over 300 stakeholders representing various sectors, participating to voice their opinion on the matter. The stakeholder consultation concluded on January 10, 2025, with the Western Province session held in Colombo. Summary of comments (oral and written) from stakeholder consultation is given in Annex – 1.

This decision, made on January 17, 2025, 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 - 2) are effective from January 18, 2025, (for both CEB and LECO consumers), until next tariff revision.

2. Demand Forecast

2.1. CEB Submission

CEB has submitted a net generation demand forecast of 17,553 GWh, for the year 2025. The breakdown of the forecast is as follows.

Table 1: CEB net generation demand forecast

	2025H1	2025H2	Total
Net Generation Demand (GWh)	8,638	8,915	17,553

2.2. The Commission’s comment on submission

Net generation demand forecasted by CEB for the year 2025, in comparison to the actual value for 2024 (considering data available as of January 10, 2025) is shown in the table below.

Table 2: Comparison of CEB net generation forecast for 2025 with actuals of 2024

	2024 (Actuals)	2025	Percentage Increase
Net Generation Demand (GWh)	16,723	17,553	5.0%

Accordingly, the forecasted demand considers about 5% demand increase compared to 2024. This is seen to be in line with the projected GDP growth rate for 2025.

2.3. The Commission’s decision on demand forecast

Commissions find CEB demand forecasts for the year 2025 to be reasonable and therefore, the same demand is considered in arriving at this tariff decision.

3. Fuel Prices

3.1. CEB Submission

As per CEB submission dated December 06, 2024, the following fuel prices are considered for the period of January - June 2025.

Table 3: Fuel Prices as submitted by CEB

Fuel Type	Unit	Price for 2025H1
Coal	LKR/kg	47.57
Diesel	LKR/Ltr	275.00
Naptha	LKR/Ltr	146.00
Fuel Oil	LKR/Ltr	179.00

3.2. The Commission's comment on submission

The liquid fuel prices included are based on the forecast provided by the CPC. The prices of Naphtha and Furnace Oil needed further clarifications, as the prices did not align with cost calculated by the Commission using the information available on the Sapugaskanda Refinery operation. Accordingly, a series of clarification requests were made to CPC. The CPC clarifications have not sufficiently justified the forecasted prices, as the prices are inconsistent with the information provided by CPC in 2022, when adjusted for Exchange rate and crude oil price.

It should be noted that CEB has not signed fuel supply agreements with CPC or any other party for liquid fuel supply, despite several directives issued by the Commission. The draft agreement submitted by CEB had several shortcomings; all fuel types not covered, did not have indexation formulae, did not differentiate between refined products and direct imports. The fuel supply agreements would establish transparent pricing for fuel.

3.3. The Commission's decision on fuel prices

The Commission re-emphasizes the necessity to have fuel supply agreements for power generation. Section 30 of the Sri Lanka Electricity Act No. 20 of 2009, also specifically states that the Licensees are only allowed to recover the reasonable costs.

Anyhow, to ensure the timely implementation of tariff revision, the Commission has decided to proceed with the CPC forecasted fuel prices for this tariff revision. If the fuel supply agreements are not signed by March 31, 2025, the Commission will be compelled to use independently calculated fuel prices from next tariff revision onwards.

4. Dispatch Forecast

4.1. CEB Submission

The CEB dispatch forecast considers the following fuel source wise electricity generation for the period of January to June 2025.

Table 4: Fuel source wise electricity generation planned by CEB

Fuel Source	Unit	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	Total
Major Hydro	GWh	353.29	275.25	305.84	356.60	454.21	471.70	2,216.88
Coal	GWh	518.87	489.89	542.38	524.88	526.10	367.42	2,969.54
Furnace Oil	GWh	236.56	237.88	284.92	204.36	126.92	137.75	1,228.40
Naphtha	GWh	78.33	84.57	84.94	84.98	72.25	72.02	477.09
Diesel	GWh	1.15	11.84	30.47	5.64	0.55	21.56	71.19
NCRE	GWh	228.95	221.65	269.97	221.99	327.55	404.60	1,674.71
Total	GWh	1,417.15	1,321.07	1,518.51	1,398.45	1,507.58	1,475.05	8,637.81

4.2. The Commission's comment on submission

It is observed that CEB hydro forecasts were significantly lower than actual generation when considering submissions at recent tariff revisions, despite the use of SDDP software for inflow forecasting. CEB stated that 100 inflow scenarios are generated from SDDP and subsequently, inflow scenarios are selected manually, considering multiple factors. The comparison below shows the variation in CEB hydro forecasts with the actual hydro generation for that period.

Table 5: Comparison of historical CEB Major hydro generation forecasts with actuals

Tariff Revision	Period Under Consideration	CEB Major Hydro Dispatch Forecast (GWh)	Actual Major Hydro Dispatch (GWh)	Percentage variation from the forecast (%)
First Tariff Revision of 2022	Jul – Dec 2022	1,986	3,321	67%
First Tariff Revision of 2023	Jan – Dec 2023	4,459	4,573	3%
Second Tariff Revision of 2023	Jul – Dec 2023	2,479	2,847	15%
Third Tariff Revision of 2023	Jan – Dec 2023	3,750	4,573	22%
First Tariff Revision of 2024	Jan – Dec 2024	4,513	5,429	20%
Second Tariff Revision of 2024	Jul – Dec 2024	1,959	2,927	49%

Further, a similar observation is made on the NCRE generation forecasts as well. The comparison of CEB NCRE forecasts for recent tariff revisions along with actual NCRE generation are shown in the table below.

Table 6: Comparison of historical CEB NCRE generation forecasts with actuals

Tariff Revision	Period Under Consideration	CEB NCRE Generation Forecast (GWh)	Actual NCRE Generation (GWh)	Percentage variation from the forecast (%)
First Tariff Revision of 2022	Jul – Dec 2022	1,410	1,629	16%
First Tariff Revision of 2023	Jan – Dec 2023	3,148	3,235	3%
Second Tariff Revision of 2023	Jul – Dec 2023	1,819	1,862	2%
Third Tariff Revision of 2023	Jan – Dec 2023	2,689	3,235	20%
First Tariff Revision of 2024	Jan – Dec 2024	3,219	3,471	8%
Second Tariff Revision of 2024	Jul – Dec 2024	1,862	1,976	6%

4.3. The Commission's decision on dispatch forecast

The Major Hydro and NCRE generation forecasts are revised upon analysis of these parameters. The hydro forecast is revised with a time trend analysis carried out using actual data from the past. The NCRE generation forecast is revised to account for increase in generation from the new plant additions. The CEB dispatch forecast is further adjusted to negate the changes to total net generation demand, resulting from the above revisions. The plant dispatches are cut down in the descending order of unit cost of generation, until the approved value of net generation demand is obtained for each month. Accordingly, the resulting approved dispatch forecast for the period of January to June 2025 is shown below.

Table 7: Approved fuel source wise electricity generation forecast

Fuel Source	Unit	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	Total
Major Hydro	GWh	356.00	307.00	309.00	352.00	474.00	569.00	2,367.00
Coal	GWh	518.87	489.89	542.38	524.88	526.10	367.42	2,969.54
Furnace Oil	GWh	171.95	170.61	284.92	145.59	42.23	31.61	846.91
Naphtha	GWh	78.33	84.57	84.94	84.98	72.25	72.02	477.09

Diesel	GWh	-	-	4.27	-	-	-	4.27
NCRE	GWh	292.00	269.00	293.00	291.00	393.00	435.00	1,973.00
Total	GWh	1,417.15	1,321.07	1,518.51	1,398.45	1,507.58	1,475.05	8,637.81

The Generation – Energy cost for the approved dispatch forecast is provided in the table below.

Table 8: Generation – Energy cost for the approved electricity generation forecast

	Unit	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	Total
Generation – Energy Cost	MLKR	27,460	26,772	34,189	26,972	22,699	19,332	157,424

5. Generation Capacity Costs

5.1. CEB submission

CEB submitted Generation - Capacity cost for the period of January to June 2025 is shown in the table below;

Table 9: Generation – Capacity cost submitted by CEB

	Unit	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	Total
Generation – Capacity Cost	MLKR	4,602.6	4,488.4	4,634.7	5,792.1	5,974.1	5,916.2	31,408

5.2. The Commission's comment on submission

The Commission does not observe any significant issues with the CEB submitted generation capacity cost and decided to approve the generation capacity costs as submitted.

5.3. The Commission's decision on generation capacity cost

The Commission approved generation capacity cost is shown in the table below;

Table 10: Generation – Capacity cost approved

	Unit	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	Total
Generation – Capacity Cost	MLKR	4,602.6	4,488.4	4,634.7	5,792.1	5,974.1	5,916.2	31,408

6. Transmission and Distribution Allowed Revenue

6.1. CEB submission

CEB submitted transmission and distribution 'Allowed Revenues' for the period of January to June 2025, is shown in the table below;

Table 11: Submitted transmission and distribution Allowed Revenues for January to June 2025

	Unit	DL1	DL2	DL3	DL4	TL
Requested Allowed Revenue	MLKR	13,009	13,989	8,937	7,783	12,181

6.2. The Commission's comment on submission

CEB submitted distribution and transmission costs as well as distribution cost of LECO for the period of January to June 2025 are subjected to Ex-post adjustment based on actual expenditures of year 2023, as per the Tariff Methodology.

6.3. The Commission's decision on Transmission and Distribution Allowed Revenue

The Commission decided to claw-back, OPEX and CAPEX allowed for year 2023 and not expensed in 2023. The OPEX and CAPEX are filed by Licensees and approved by the Commission once in three years (Tariff Period). The OPEX and CAPEX for 2023 was filed and approved at the beginning of 2021 for the tariff period of 2021-2023. As clearly mentioned in the allowed revenue filing template (Revenue Model), the OPEX and CAPEX for year 1, year 2 and year 3 (of the Tariff Period) must be submitted on year 1 rupees (i.e. real values, not nominal (adjusted for inflation) values). Inflation adjustments are provided annually at the end of the respective years as per the revenue control formula of the Tariff Methodology. Accordingly, Licensee submitted OPEX and CAPEX for 2023 are in 2021 rupees. Therefore, the Commission decided to apply an inflation adjustment on approved OPEX and CAPEX for 2023 before comparing those with actual expenditure of 2023. To calculate the inflation adjustment factor, the Revenue Control Formula in the Tariff Methodology is applied from 2021 to 2022 and 2022 to 2023. Increase in customer number and sales demand is not considered to calculate inflation adjustment factor. However, the increase in CCPI, PPIUS and LKR/USD were considered. The detailed calculation of OPEX and CAPEX claw-back is given in Annex - 3 of this document.

Subsequent to the claw-back, approved distribution and transmission Allowed Revenues for year 2025 is shown in the table below.

Table 12: Approved transmission and distribution Allowed Revenues for January to June 2025

Licensee	Unit	2025 Allowed Revenue (Before Claw-back)	Claw-back on 2025 Allowed Revenue	2025 Allowed Revenue (After Claw-back)	2025H1 Allowed Revenue (After Claw-back)
DL1	MLKR	26,018	6,450	19,568	9,784
DL2	MLKR	27,976	-	27,976	13,988
DL3	MLKR	17,874	2,947	14,927	7,463
DL4	MLKR	15,566	-	15,566	7,783
DL5	MLKR	12,578	6,266	6,312	3,156
TL	MLKR	24,362	3,189	21,173	10,586

7. Finance Cost

7.1. CEB submission

CEB submitted a finance cost of MLKR 7,728 for the period of January to June 2025.

7.2. The Commission's comment on submission

The Commission does not observe any significant issues with the CEB submitted finance cost.

7.3. The Commission's decision on finance cost

The Commission approved the finance cost of CEB amounting to MLKR 7,728 for the period of January to June 2025.

8. Electricity Sales Revenue

8.1. CEB submission

The electricity sales revenue of CEB for the period of January to June 2025, is submitted as MLKR. 229,776 with the existing tariff.

8.2. The Commission's comment on submission

The Commission calculated the electricity sales revenue using the end-user sales forecasts submitted by the five DLs. Accordingly, the total end-user electricity sales revenue is estimated at the existing

tariff to be MLKR. 242,297 for the period of January to June 2025. The average monthly end-user electricity sales forecast considered for revenue calculation is given in Annex – 4.

8.3. The Commission’s decision on electricity sales revenue

The Commission considers a forecasted revenue of MLKR. 242,297 for the period of January to June 2025, at the existing tariff.

9. Revenue Difference of the Period January to June 2024

*Note: Revenue difference means the profits earned by the Transmission Licensee, for the content under this section (Only for the Section 9).

9.1. CEB Submission

CEB submitted value for the revenue difference of Transmission Licensee is MLKR 41,234 for the period of January to September 2024. According to CEB clarifications submitted subsequently, revenue difference of Transmission Licensee is MLKR 33,755 for the period of January to June 2024.

9.2. The Commission’s comment on submission

CEB has followed a simple formula (see below), without fully adhering to clauses 2.5.3 and 2.5.4 of the Tariff Methodology in calculating the revenue difference for January to June 2024.

$$\text{Revenue difference} = \text{Approved cost} - \text{Actual cost}$$

Thus, CEB calculation has ignored the actual amount of energy and capacity demand being higher than the approved amount of energy and capacity demand for that period. Further, the above formula, overlooks the additional revenue earned by Transmission Licensee by selling the actual energy and capacity demand over and above the approved values. Thereby CEB had estimated only a difference in cost rather than a difference in profit.

9.3. The Commission’s decision on revenue difference

The Commission calculated the revenue difference of Transmission Licensee as per clauses 2.5.3 and 2.5.4 of the Tariff Methodology, which permits only the revenue difference for the period of January to June 2024 to be considered in January 2025 tariff revision. The detailed calculation is given in the Tables below;

Table 13: 2024H1 BST energy rate related revenue difference

2024H1 Actual Generation, Adjusted for Approved Transmission Loss (GWh) [A]	Approved Forecasted Average BST Energy Rate for 2024H1 (LKR/kWh) [B]	Actual Average BST Energy Rate for 2024H1 (LKR/kWh) [C]	Revenue Difference from Energy Rate for 2024H1 (MLKR) [A x (B-C)]
8,008.72	21.75	19.71	16,337.80

Table 14: 2024H1 BST capacity rate related revenue difference

Actual Average Monthly Peak Demand for 2024H1 (MW) [C]	Approved Forecasted BST Capacity Rate for 2024H1 (LKR/MW/Month) [D]	Actual BST Capacity Rate for 2024H1 (LKR/MW/Month) [E]	Revenue Difference from Capacity Rate for 2024H1 (MLKR) [6C x (D-E)/10^6]
2,659	4,737,913.25	3,267,001.00	23,466.93

Table 15: 2024H1 total revenue difference related to BST

Revenue Difference from Energy Rate for 2024H1 (MLKR)	16,337.80
Revenue Difference from Capacity Rate for 2024H1 (MLKR)	23,466.93
Total Revenue Difference for 2024H1 (MLKR)	39,804.73

In addition to the revenue (profit) difference of Transmission Licensee, the Commission decided to consider the additional revenue accumulated with the Distribution Licensees (DL) for the period of Jan – June 2024, which will be eventually transferred to Transmission Licensee, in the form of UNT adjustment. The following table shows the calculation;

Table 16: Revenue surplus accumulated with DLs for 2024H1

Description of amounts of all DLs for the period of January to June 2024	Actuals for Jan-Jun 2024 for all DLs (MLKR)
(+) Total revenue of distribution licensees (as per LISS submissions)	321,231.21
(-) payment made to transmission for energy purchase (as per LISS submissions and BSOB data received)	(186,769.70)
(-) payment made to transmission for max. demand (as per LISS submissions and BSOB data received)	(65,879.71)
(-) Allowed Revenue of distribution licensees	(57,288.30)
Additional revenue accumulated with DLs	11,293.49

Therefore, by adding the accumulated additional revenue of Distribution Licensees, which will be eventually transferred to the Transmission Licensee, the total revenue (profit) difference of Transmission Licensee, for the period of January to June 2024 is MLKR 51,098.

In order to verify the above calculation, the Commission conducted a reverse calculation starting from CEB revenue (as per financial accounts) for the period of January to June 2024. The following table shows the calculation;

Table 17: CEB Revenue surplus calculated as per financial accounts

Description of amounts for the period of January to June 2024	Amount for Jan-Jun 2024 (MLKR)
(+) Actual CEB revenue from electricity sales (as per financial accounts)	314,387.00
Actual generation cost as submitted with tariff proposal	180,676.00
Transmission allowed revenue (Transmission cost)	11,245.00
CEB distribution allowed revenue (Distribution cost)	51,798.00
Actual finance cost	13,268.00
(-) Total cost for Jan-June 2024	(256,987.00)
CEB revenue surplus for Jan-June 2024	57,400.00

It is observed that 'CEB revenue surplus for January to June 2024' is in the similar range as the 'total revenue (profit) difference of Transmission Licensee'. Any mismatch is due to the differences between LISS submissions and financial accounts. In addition to this, the CEB financial accounts does not recognize the UNT adjustment from LECO and this also has a minimal effect on the mismatch.

Accordingly, the above calculated total revenue (profit) difference of Transmission Licensee, for the period of Jan-June 2024 is verified in comparison with CEB revenue surplus. Further, it should be noted

that the CEB has earned financial profits of about BLKR. 61 in 2023 which has not been considered in the previous tariff revisions.

10. Tariff revision percentage and Tariff structure

10.1. CEB submission

As a summary of CEB cost and revenue forecasts, the following surplus is forecasted for the period of January to June 2025.

Table 18: Revenue surplus forecasted by CEB

Description		Unit	Amount
Generation	Energy cost	MLKR	173,658
	Capacity cost	MLKR	31,408
Transmission Allowed Revenue		MLKR	12,181
Distribution Allowed Revenue - CEB		MLKR	43,718
Finance Cost		MLKR	7,728
Total Cost		MLKR	268,693
Estimated Revenue at present tariff		MLKR	229,776
Jan - Sept 2024 period revenue difference		MLKR	41,251
Surplus/ (Deficit)		MLKR	2,334

Accordingly, CEB has proposed to continue with the same tariff structure, as only about 1% of surplus is anticipated.

10.2. The Commission's comment on submission

The Commission forecasts the surplus for the period based on the adjustments made to the Generation Cost, Claw-backs to Transmission and Distribution Allowed Revenues, Electricity sales revenue and Revenue difference from 2024H1.

10.3. The Commission's decision on tariff revision percentage and tariff structure

The following table shows the surplus forecasted by the Commission for the period of January to June 2025.

Table 18: Revenue surplus forecasted by the Commission

Description		Unit	Amount Relevant to 2025H1
Generation	Energy cost	MLKR	157,424
	Capacity cost	MLKR	31,408
Transmission Allowed Revenue		MLKR	10,586
Distribution Allowed Revenue	CEB	MLKR	39,018
	LECO	MLKR	3,156
Finance Cost		MLKR	7,728
Total Cost		MLKR	249,321
Total Revenue		MLKR	242,297
Revenue Surplus/(Deficit)		MLKR	(7,024)
Revenue Difference for January - June 2024		MLKR	51,098
Revenue Surplus/(Deficit) for Tariff Revision		MLKR	44,075

Considering the forecasted revenue surplus for 2025H1, the following tariff revision percentage is calculated for the new tariff to be effective from January 18, 2025.

Table 19: Tariff revision percentage calculation

Forecasted revenue surplus for 2025H1	MLKR	44,075
Forecasted electricity sales revenue from January 18 to June 30, 2025, with existing tariff	MLKR	219,540
Tariff reduction percentage (Effective from January 18, 2025)	%	20.08

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 - 2. The average revenue impact to each consumer category with the approved tariff is shown in the table below.

Table 20: Consumer category wise revenue impact

Category		% Change in Revenue
Domestic Overall		-19.82%
Domestic	0-30	-28.79%
	31-60	-27.84%
	61-90	-19.30%
	91-180	-18.49%
	180<	-18.86%
	D-TOU	-31.08%
General Purpose		-11.91%
Government		-11.03%
Hotel Purpose		-30.82%
Industrial Purpose		-29.97%
Religious & Charitable Purpose		-20.67%
Streetlamp		-11.11%
Overall		-19.90%

Summary of Comments – Stakeholder consultation on electricity tariff revision, January 2025

1. Forecasted generation mix and costs for the period of January to June 2025
 - NCRE shall be promoted rather than expensive oil-based power generation
 - Oil based power generation exposes the Sri Lankan electricity sector to geopolitical and exchange rate risks
 - Sri Lanka is rich with renewable energy sources such as solar, hydro etc.
 - Roof top solar is constrained due to transformer overloading. Transformer (t/f) overloading as claimed by CEB is not transparent. Capacity availability of each distribution t/f shall be made transparent to every electricity consumer.
 - New electricity procurement (specially NCRE) shall be made transparent. Information with respect to; application for the power plant, progress of the approval process, any reasons for delays in approval shall be made public.
 - CEB costs are not efficient and reasonable, specially in the areas of; personnel cost, procurement of capital equipment/maintenance, outsourcing maintenance work.
 - Reduction of electricity tariff by efficient operation of CEB is required
 - Generation dispatch of CEB is not properly done
 - Major power plant maintenance is scheduled by CEB in dry period, it will cause running more oil-fired power plants
2. Revenue difference from January to June 2024
 - CEB earned profits shall be passed to the consumers
 - CEB has not adhered to Tariff Methodology
3. Forecasted fuel cost
 - CPC price Furnace, Naptha and Diesel to CEB above the cost of refining these oil products. Therefore, CPC earns undue profits.
 - CEB should enter into fuel supply agreements.
4. Forecasted hydro generation for the period of January to June 2025
 - CEB under forecast hydro generation
 - Proper management of hydro resources for electricity generation is required
 - Hydro generation forecast of CEB is flawed throughout previous tariff revisions
5. Forecasted NCRE generation for the period of January to June 2025

- CEB under forecast NCRE generation
 - Proper management of NCRE resources for electricity generation is required
6. Forecasted transmission and distribution costs for the period of January to June 2025
- CEB costs are not efficient and reasonable, especially in the areas of; personnel cost, procurement of capital equipment/maintenance, outsourcing maintenance work.
 - Reduction of electricity tariff by efficient operation of CEB is required
 - CEB over-forecast transmission and distribution costs
 - Electricity billing cycle could be increased to 2 months to cut down billing related overheads
7. Proposed Tariff Structure
- SMEs shall be given subsidies
 - Benefit of low-cost generation such as hydro, shall be passed to low consuming electricity consumers
 - Reduce tariff for domestic and religious consumers
 - Cost reflective tariff is required
 - kVA charge shall be reduced to small and medium scale industries
 - Demand charge shall be charged on average demand during the month instead of peak demand
 - Off-peak charge shall be reduced to incentivise moving operations to off-peak time
 - For domestic consumers jump in bill at 60-61 unit shall be smoothened
 - Domestic tariff block size should be increased
 - Tariff for agriculture should be further reduced. A flat rate instead of ToU rates is preferred as the current off-peak times are not aligning with consumption patterns of agricultural consumers.
 - Difference between I1 and I2 rates should be reduced to encourage small industries to expand their operations.
 - Rates for high consumption blocks should be increased to eliminate wastages
 - Street light tariff rates should be reduced
 - Fixed charge for Agriculture tariff should be reduced
 - New tariff category should be introduced for disabled people and people below poverty line
 - Hospitals should get electricity at a subsidized rate
8. Summary of Commission's analysis on the tariff submission

- CPC price Furnace, Naptha and Diesel to CEB above the cost of refining these oil products, therefore, CPC earns undue profits. Therefore, price electricity at a fair fuel price, rather than allowing CPC to earn exorbitant profits on sales to CEB.
- CEB commented that hydro and NCRE forecasts are unrealistic and revenue difference for Jan-June 2024 is overestimated.

9. Other comments

- Requested to provide RT solar systems on easy payment methods to domestic and SMSE consumers
- New connection charges are high
- Interest for late payments are charged for the whole month
- Industries require stable pricing at least for 6 months
- Responsibility of maintaining streetlights should be fully transferred to CEB from local government
- SMS billing is inconvenient and should be only for those consumers who prefer it. Others should be provided with a paper bill.
- Transparency must be established in the process of connecting solar rooftop systems to the grid
- Solar feed in tariff should be maintained at a level where it encourages consumers to connect these systems
- Delays in bill reading increases the bill amount as the consumption moves into higher blocks and this is not fair
- Power wheeling should be introduced
- Disconnection due to non-payment of bills should be carried out only after properly communicating the matter
- Subsidy amounts on each consumer category should be made public
- Programs to provide awareness on electricity conservation should be carried out
- Competitive electricity markets should be introduced
- Industrial start-ups should be able to get a new electricity connection at a subsidized rates

		Tariff effective until 17th January 2025		Approved Tariff, Effective from 18th January 2025							
		Energy Charge (LKR/kWh)		Fixed Charge (LKR/month)		Energy Charge (LKR/kWh)				Fixed Charge (LKR/month)	
Domestic											
Consumption 0-60 kWh per month											
Block 1 : 0-30 kWh		6.00		100.00		4.00		75.00			
Block 2 : 31-60 kWh		9.00		250.00		6.00		200.00			
Consumption above 60kWh per month											
Block 1 : 0-60 kWh		15.00				11.00					
Block 2 : 61-90 kWh		18.00		400.00		14.00		400.00			
Block 3 : 91-120 kWh		30.00		1,000.00		20.00		1,000.00			
Block 4 : 121-180 kWh		42.00		1,500.00		33.00		1,500.00			
Block 5 : Above 180 kWh		65.00		2,000.00		52.00		2,000.00			
Domestic Time Of Use											
Peak [18:30 to 22:30]		72.00				55.00					
Day [05:30 to 18:30]		56.00		2,000.00		35.00		2,000.00			
Off Peak [22:30 to 05:30]		24.00				15.00		2,000.00			
Religious & Charitable											
Block 1 : 0-30 kWh		6.00		100.00		4.50		75.00			
Block 2 : 31-90 kWh		6.00		250.00		4.50		200.00			
Block 3 : 91-120 kWh		10.00		300.00		6.50		300.00			
Block 4 : 121-180 kWh		20.00		1,200.00		15.00		1,200.00			
Block 5 : Above 180 kWh		30.00		1,600.00		23.00		1,600.00			
Other Consumers											
Volume Differentiated		Industrial/Hotel		General Purpose/Government		Industrial		Hotel		General Purpose Government	
Monthly Consumption (kWh/month)		<300	>300	<180	>180	<300	>300	<180	>180	<180	>180
Supply at 400/230V & Contract Demand<42kVA (1)		10.00	16.00	26.40	34.40	7.00	13.00	7.00	13.00	22.00	30.00
		300.00	1,000.00	600.00	1,500.00	250.00	750.00	250.00	750.00	500.00	1,500.00
Peak [18:30 to 22:30] (LKR/kWh)			30.50		46.75		23.00		23.00		42.00
Day [05:30 to 18:30] (LKR/kWh)			20.50		38.25		13.00		13.00		34.00
Off Peak [22:30 to 05:30] (LKR/kWh)			18.00		31.45		11.00		11.00		27.00
Demand Charge (LKR/kVA)			1,500.00		1,500.00		1,300.00		1,300.00		1,400.00
Fixed Charge (LKR/month)			5,000.00		5,000.00		5,000.00		5,000.00		5,000.00
Supply at 400/230V & Contract Demand >42kVA (2)			29.50		45.90		22.00		22.00		41.00
Peak [18:30 to 22:30] (LKR/kWh)			29.50		45.90		22.00		22.00		41.00
Day [05:30 to 18:30] (LKR/kWh)			19.50		37.40		12.00		12.00		33.00
Off Peak [22:30 to 05:30] (LKR/kWh)			17.00		30.60		10.00		10.00		26.00
Demand Charge (LKR/kVA)			1,400.00		1,400.00		1,250.00		1,250.00		1,350.00
Fixed Charge (LKR/month)			5,000.00		5,000.00		5,000.00		5,000.00		5,000.00
Street Lighting											
Energy Charge (LKR/kWh)				45.00						45.00	
Agriculture: Optional Time of Use											
Peak [18:30 to 22:30] (LKR/kWh)				35.00						23.00	
Day [05:30 to 18:30] (LKR/kWh)				18.00						13.00	
Off Peak [22:30 to 05:30] (LKR/kWh)				8.00						8.00	
Fixed Charge (LKR/month)				1,000.00						750.00	
EV Charging Stations											
DC Fast Charging		AC Level 2 Charging				DC Fast Charging				AC Level 2 Charging	
Peak (LKR/kWh)		139.00		112.00		111.00		87.00		90.00	
Day (LKR/kWh)		109.00		87.00		70.00		53.00		70.00	
Off Peak (LKR/kWh)		66.00		50.00		40.00				40.00	

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

Tariff effective until 17th January 2025		Approved Tariff, Effective from 18th January 2025	
Energy Charge (LKR/kWh)		Energy Charge (LKR/kWh)	
Domestic	Block 1 : 0-90 kWh/month	18.00	14.00
	Block 2 : Above 90 kWh/month	68.00	52.00
Religious	Block 1 : 0-90 kWh /month	11.00	8.00
	Block 2 : Above 90 kWh/month	30.00	25.00
General (Gp-1)		37.00	32.00
Industrial (I-1)		17.00	14.00
Hotel (H-1)		17.00	14.00

Conditions to the Licensees

1. CEB shall enter into a fuel supply agreement by March 31, 2025.
2. SMS or E-billing shall be carried out only with a written consent of the consumer for the same.
3. Fixed charges for solar prosumers shall be based on the net consumption.

OPEX and CAPEX Claw-back Calculations for the year 2023

Claw-back calculations for all the Licensees are performed considering the allowed revenue for 2023, obtained with the revenue control formula. The resulting claw-back amounts are then adjusted, if the approved allowed revenue for any Licensee for 2023, is different to the revenue control formula-based value.

Further, the approved OPEX and CAPEX for 2023, in 2021, are corrected for inflation before comparing with the actual expenditure. The inflation correction made considering the revenue control formula of tariff methodology, keeping consumer numbers and energy sales at constant levels. The parameters used with the revenue control formula is given in the table below.

	LKR/USD	CCPI	PPIUS
December 2020	186.41	138.00	180.30
December 2021	200.43	154.70	192.05
November 2021	202.05	150.70	188.59
December 2022	363.19	242.60	203.50

The resulting inflation correction factors from 2021 to 2023, for DLs is as follows;

Inflation factor from 2021 to 2023 for Distribution Revenue Cap	1.969451
Inflation factor from 2021 to 2023 for Retail Service Revenue Cap	1.804632

The resulting inflation correction factors from 2021 to 2023, for TL is as follows;

Inflation factor from 2021 to 2023 for Transmission Revenue Cap	2.011056
Inflation factor from 2021 to 2023 for BSOB Revenue Cap	1.804632

1. Distribution Licensee 1

CAPEX Claw-back – DL1

Description	In MLKR					
	Approved CAPEX for 2023 in 2021	Inflation corrected approved CAPEX for 2023	Actual	Over Forecast	Required Adjustments	
					Depreciation	ROA
LV Development Plan (SYA)	2,072.00	4,080.70	6,775.00	(2,694.30)	-	(150.88)
MV Development Plan	1,139.00	2,243.20	680.00	1,563.20	-	87.54
LV ABC Conversion	3,302.00	6,503.13	-	6,503.13	-	364.18
Augmentation of Primary Substations	128.00	252.09	-	252.09	-	14.12
Loss Reduction	483.00	951.24	58.00	893.24	-	50.02
SESRIIP Project/Port City/ Other	-	-	352.00	(352.00)	-	(19.71)
Capital cost requirement for implementing digital transformation road map	240.00	472.67	-	472.67	-	26.47
Capital cost requirement for implementing power quality	66.80	131.56	-	131.56	-	7.37
Capital cost requirement for implementing customer service performance standards	-	-	-	-	-	-
Buildings	931.50	1,834.54	34.00	1,800.54	-	100.83
Lands	100.00	196.95	-	196.95	-	11.03
Motor Vehicle	230.00	452.97	3.00	449.97	-	25.20
Office Equipment	45.90	90.40	-	90.40	-	5.06
Computer & IT related equipment	5.30	10.44	4.00	6.44	-	0.36
Office Furniture, Machinery & Tools	205.00	403.74	58.00	345.74	-	19.36
Total CAPEX	8,948.50	17,623.63	7,964.00	9,659.63	-	540.94
Consumer Contribution						
Bulk Supply	2,240.00	4,411.57	2,430.00	5,772.76	-	
Service Connection	1,925.00	3,791.19				
Subtotal	4,165.00	8,202.76	2,430.00	5,772.76	-	-
Net CAPEX	4,783.50	9,420.87	5,534.00	3,886.87	-	540.94
Total CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)					571.23	

OPEX Claw-back – DL1

Description	Unit	Approved OPEX for 2023 in 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Distribution OPEX	MLKR	19,577.30	38,556.53	15,930.73	29,913.81
Retail Service OPEX	MLKR	4,038.50	7,288.01		
Total	MLKR	23,615.80	45,844.54		

OPEX Clawback after time value adjustment at 5.6% (MLKR)	33,357.96
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Summary of Claw-backs – DL1

Description	Amount (MLKR)
OPEX Claw back for 2023, from Rev. control formula-based amount	33,357.96
CAPEX Claw back for 2023, from Rev. control formula-based amount	571.23
Total Claw-back for 2023, from Rev. control formula-based amount	33,929.19

2. Distribution Licensee 2

CAPEX Claw-back – DL2

Description	In MLKR					
	Approved CAPEX for 2023 in 2021	Inflation corrected approved CAPEX for 2023	Actual	Over Forecast	Required Adjustments	
Overhead HT	1,620.00	3,190.51	3,140.60	49.91	-	2.79
Overhead LT	202.00	397.83	2,100.19	(1,702.36)	-	(95.33)
Overhead Service connection	1,840.10	3,623.99	1,832.28	1,791.70	-	100.34

Annex - 3

Underground 33kV	-	-	23.59	(23.59)	-	(1.32)
Underground 11kV/HT	230.40	453.76	-	453.76	-	25.41
Underground LT	20.00	39.39	-	39.39	-	2.21
Underground Service Connection	10.60	20.88	-	20.88	-	1.17
LT Feeder Pillar	5.00	9.85	-	9.85	-	0.55
Concrete Dams Tunnels/ Spillways	-	-	-	-	-	-
Switchyards & Switch gears	165.00	324.96	145.88	179.08	-	10.03
Sub/s 33kV down	2,074.40	4,085.43	24.63	4,060.80	-	227.40
Sub/s 11kV down	85.00	167.40	1,199.42	(1,032.02)	-	(57.79)
Gantry	135.50	266.86	291.56	(24.70)	-	(1.38)
Primary Substation	-	-	8.70	(8.70)	-	(0.49)
Boundary Metering	14.00	27.57	-	27.57	-	1.54
Lands	348.00	685.37	0	685.37	-	38.38
Buildings	500.00	984.73	188.8824	795.84	-	44.57
Vehicles	564.00	1,110.77	26.28736	1,084.48	-	60.73
Leasehold Vehicles	52.00	102.41	0	102.41	-	5.74
Radio Telephones	-	-	0	-	-	-
Office Equipment	70.60	139.04	43.3722	95.67	-	5.36
Computers and IT Related Equipment	149.00	293.45	0	293.45	-	16.43
Other Sundry Assets	1,250.00	2,461.81	7.714518	2,454.10	-	137.43
Furniture & Fittings	62.40	122.89	2.410007	120.48	-	6.75
Machinery & Tools	80.00	157.56	147.3175	10.24	-	0.57
Total CAPEX	9,478.00	18,666.45	9,182.84	9,483.62	-	531.08
Consumer Contribution						
Overhead HT	324.00	638.10	2,441.60	(1,723.93)	-	
Overhead LT	40.40	79.57	-	3,341.17	-	
Overhead Service connection	1,656.10	3,261.61	-	3,352.40	-	
Underground 11kV/HT	46.10	90.79	-	98.67	-	
Underground LT	4.00	7.88	-	26.78	-	
Underground Service Connection	9.60	18.91	-	4,115.76	-	

Annex - 3

Subtotal	2,080.20	4,096.85	2,441.60	1,655.25	-	-
Net CAPEX	7,397.80	14,569.60	6,741.24	7,828.37	-	531.08
Total CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)						
					560.82	

OPEX Claw-back – DL2

Description	Unit	Approved OPEX for 2023 In 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Distribution OPEX	MLKR	13,025.50	25,653.08	19,844.07	16,378.38
Retail Service OPEX	MLKR	5,856.80	10,569.37		
Total	MLKR	18,882.30	36,222.45		

OPEX Clawback after time value adjustment at 5.6% (MLKR)	18,264.12
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Summary of Claw-backs – DL2

Description	Amount (MLKR)
OPEX Claw back for 2023, from Rev. control formula-based amount	18,264.12
CAPEX Claw back for 2023, from Rev. control formula-based amount	560.82
Total Claw-back for 2023, from Rev. control formula-based amount	18,824.95

3. Distribution Licensee 3

CAPEX Claw-back – DL3

Description	In MLKR					
	Approved CAPEX for 2023 in 2021	Inflation corrected approved CAPEX for 2023	Actual	Over Forecast	Required Adjustments	
					Depreciation	ROA
LV Development Plan (System Augmentation)	2,006.00	3,950.72	2,584.00	1,366.72	-	76.54
MV Development Plan and Other Dev.	1,122.00	2,209.72	721.00	1,488.72	-	83.37
LV ABC Conversion	2,485.00	4,894.09	-	4,894.09	-	274.07
Augmentation Of Primary Substations	1,319.00	2,597.71	-	2,597.71	-	145.47
Loss Reduction	146.00	287.54	-	287.54	-	16.10
Buildings	487.50	960.11	3.00	957.11	-	53.60
Lands	193.00	380.10	-	380.10	-	21.29
Motor Vehicles	855.60	1,685.06	-	1,685.06	-	94.36
E- Shops & Carder System	35.00	68.93	-	68.93	-	3.86
Office Equipment	57.20	112.65	6.00	106.65	-	5.97
Other , Fun. M&T	128.40	252.88	138.00	114.88	-	6.43
Total CAPEX	8,834.70	17,399.51	3,452.00	13,947.51	-	781.06
Consumer Contribution						
Bulk Supply	1,749.00	3,444.57	1,169.00	6,114.03	-	
Service Connections	1,949.00	3,838.46	1,420.00	2,418.46	-	
Subtotal	3,698.00	7,283.03	2,589.00	4,694.03	-	-
Net CAPEX	5,136.70	10,116.48	863.00	9,253.48	-	781.06
Total CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)						824.80

OPEX Claw-back – DL3

Description	Unit	Approved OPEX for 2023 in 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Distribution OPEX	MLKR	12,540.60	24,698.09	13,186.80	15,602.76
Retail Service OPEX	MLKR	2,267.20	4,091.46		
Total	MLKR	14,807.80	28,789.56		

OPEX Clawback after time value adjustment at 5.6% (MLKR)	17,399.20
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Summary of Claw-backs – DL3

Description	Amount (MLKR)
OPEX Claw back for 2023, from Rev. control formula-based amount	17,399.20
CAPEX Claw back for 2023, from Rev. control formula-based amount	824.80
Total Claw-back for 2023, from Rev. control formula-based amount	18,224.00

4. Distribution Licensee 4

CAPEX Claw-back – DL4

Description	In MLKR					
	Approved CAPEX for 2023 in 2021	Inflation corrected approved CAPEX for 2023	Actual	Over Forecast	Required Adjustments	
					Depreciation	ROA
LV Development Plan (System Augmentation)	439.50	865.57	830.81	34.76	-	1.95
MV Development Plan	984.80	1,939.52	2,541.30	(601.78)	-	(33.70)
LV ABC Conversion	939.10	1,849.51	-	1,849.51	-	103.57
Augmentation of Primary Substations	100.00	196.95	-	196.95	-	11.03

Annex - 3

Loss Reduction	532.90	1,049.52	-	1,049.52	-	58.77
Service Main Overhead Cost	57.90	114.03	1,134.44	(1,020.41)	-	(57.14)
Re Schemes - CEB Own Funded	91.50	180.20	-	180.20	-	10.09
System Augmentation (PHM)	-	-	-	-	-	-
SCADA Project	-	-	-	-	-	-
MVNEIP	-	-	-	-	-	-
Dehiwala Smart Metering Project	150.00	295.42	-	295.42	-	16.54
LSSEP	-	-	-	-	-	-
NTDND&EIP	42.00	82.72	-	82.72	-	4.63
OPISQ	30.00	59.08	-	59.08	-	3.31
VMPPQ	32.00	63.02	-	63.02	-	3.53
CSPSCQ	-	-	-	-	-	-
Buildings	175.00	344.65	50.86	293.79	-	16.45
Lands	75.00	147.71	0.22	147.49	-	8.26
Motor Vehicles	470.00	925.64	0	925.64	-	51.84
E-shops & Carder System	-	-	0	-	-	-
Office Equipment	26.90	52.98	4.76	48.22	-	2.70
Computers & IT related Equipment Account	24.70	48.65	7.92	40.73	-	2.28
Other, Fun. M&T	148.30	292.07	63.62	228.45	-	12.79
Net CAPEX	4,319.60	8,507.24	4,633.93	3,873.31	-	216.91
Consumer Contribution						
Bulk supply	800.60	1,576.74	4,633.94	(1,651.01)		(92.46)
Service connections	714.00	1,406.19	-	1,406.19		78.75
Subtotal	1,514.60	2,982.93	4,633.94	(1,651.01)	-	(13.71)
Total CAPEX	5,834.20	11,490.17	9,267.87	2,222.30	-	230.62
Total CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)					243.53	

OPEX Claw-back – DL4

Description	Unit	Approved OPEX for 2023 in 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Distribution OPEX	MLKR	9,374.00	18,461.63	11,107.80	10,440.84
Retail Service OPEX	MLKR	1,710.60	3,087.00		
Total	MLKR	11,084.60	21,548.64		

OPEX Clawback after time value adjustment at 5.6% (MLKR)	11,642.95
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Summary of Claw-backs – DL4

Description	Amount (MLKR)
OPEX Claw back for 2023, from Rev. control formula-based amount	11,642.95
CAPEX Claw back for 2023, from Rev. control formula-based amount	243.53
Total Claw-back for 2023, from Rev. control formula-based amount	11,886.48

5. Adjustment for CEB DL Claw-backs considering the Allowed Revenue Curtailment in 2023

Calculation of curtailed OPEX and CAPEX of CEB DLs in 2023 is shown in the table below.

Licensee	As per the Revenue Control Formula for 2023				As per the Approved Amounts in 2023			Curtailed OPEX & CAPEX in approving Allowed Revenue for 2023 (MLKR) [A - B]
	Distribution Rev. Cap (MLKR)	Retail Service Cap (LKR/Cons.)	Consumer Number	Total Allowed Revenue (MLKR) [A]	Approved Total Allowed Revenue in 2023 (MLKR)	Claw-back performed in 2023 (MLKR)	Approved Total Allowed Revenue in 2023, before Claw-back (MLKR) [B]	
DL1	46,054	3,305	2,102,440	53,003	23,339	2,184	25,524	27,479
DL2	40,415	4,137	2,425,038	50,447	20,983	975	21,958	28,489
DL3	26,586	2,767	1,424,867	30,528	12,885	2,366	15,252	15,277
DL4	21,462	2,580	1,208,959	24,581	11,268	283	11,551	13,030
Total	134,517		7,161,305	158,559	68,475	5,809	74,284	84,276

Calculation of Clawbacks adjusted considering above curtailment is shown in the table below.

Licensee	OPEX & CAPEX Claw-back for 2023, from Rev. control formula-based amount (MLKR) [C]	Curtailed OPEX & CAPEX in approving Allowed Revenue for 2023 (MLKR) [D]	OPEX & CAPEX Claw-back for 2023 from approved amount (MLKR) [MAX (C - D, 0)]
DL1	33,929	27,479	6,450
DL2	18,825	28,489	-
DL3	18,224	15,277	2,947
DL4	11,886	13,030	-
Total	82,865	84,276	9,397

6. Distribution Licensee 5

CAPEX Claw-back – DL5

Description	In MLKR					
	Approved CAPEX for 2023 in 2021	Inflation corrected approved CAPEX for 2023	Actual	Over Forecast	Required Adjustments	
					Depreciation	ROA
Supply of Infrastructure -11 kV UG Distribution System	53.10	104.58	6.43	98.15	-	5.50
Supply of Infrastructure -OH Distribution System	162.20	319.44	67.55	251.89	-	14.11
Supply of Infrastructure -11 kV Switches	49.30	97.09	207.29	(110.20)	-	(6.17)
Supply of Infrastructure -11 kV Distribution Sub Stations	339.90	669.42	128.42	540.99	-	30.30
Supply of Infrastructure -11 kV Bulk Sub Stations	7.40	14.57	122.25	(107.68)	-	(6.03)
Supply of Infrastructure -LV OH Distribution System	162.20	319.44	256.72	62.73	-	3.51
Supply of Infrastructure -LV UGLines	-	-	-	-	-	-
Supply of Infrastructure	7.70	15.16	1.20	13.97	-	0.78
Supply of Infrastructure -11 kV UG Distribution System ADB	1,832.00	3,608.03	-	3,608.03	-	202.05
Supply of Infrastructure -33 kV UG Distribution System ADB	1,039.80	2,047.83	-	2,047.83	-	114.68
Freehold Land	63.00	124.08	210.66	(86.58)	-	(4.85)
Land Improvements	5.60	11.03	-	11.03	-	0.62
Freehold Buildings	995.80	1,961.18	229.34	1,731.84	-	96.98
Other Plant & equipment	46.90	92.37	447.68	(355.31)	-	(19.90)

Annex - 3

Motor Vehicles	177.00	348.59	-	348.59	-	19.52
Tools & Equipment	80.10	157.75	29.93	127.82	-	7.16
Furniture and Fittings	16.10	31.71	41.44	(9.73)	-	(0.54)
Office Equipment	16.00	31.51	66.55	(35.04)	-	(1.96)
Communication Equipment	6.50	12.80	-	12.80	-	0.72
Computer Equipment	120.10	236.53	75.08	161.45	-	9.04
CWIP Building	25.00	49.24		49.24	-	2.76
Net CAPEX	5,205.70	10,252.37	1,890.54	8,361.83	-	468.26
Consumer Contribution						
Supply of Infrastructure -11 kV UG Distribution System	31.20	61.45	3.44	58.01		3.25
Supply of Infrastructure -OH Distribution System	43.70	86.06	9.96	76.10		4.26
Supply of Infrastructure -11 kV Switches	1.40	2.76	-	2.76		0.15
Supply of Infrastructure -11 kV Switches	6.40	12.60	-	12.60		0.71
Supply of Infrastructure -11 kV Distribution Sub Stations	21.90	43.13	65.47	(22.34)		(1.25)
Supply of Infrastructure -11 kV Bulk Sub Stations	185.50	365.33	169.78	195.55		10.95
Supply of Infrastructure -LV OH Distribution System	9.30	18.32	15.93	2.39		0.13
Supply of Infrastructure -Consumer Service line	359.20	707.43	884.62	(177.19)		(9.92)
Subtotal	658.60	1,297.08	1,149.20	147.88	-	8.28
Grand Total	5,864.30	11,549.45	3,039.74	8,509.71	-	459.98
Total CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)					485.74	

OPEX Claw-back – DL5

Description	Unit	Approved OPEX for 2023 in 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Distribution OPEX	MLKR	6,020.11	11,856.31	9,249.78	5,183.13
Retail Service OPEX	MLKR	1,427.77	2,576.60		
Total	MLKR	7,447.88	14,432.91		
OPEX Clawback after time value adjustment at 5.6% (MLKR)			5,779.90		

Summary of Claw-backs – DL5

Description	Amount (MLKR)
OPEX Claw back for 2023, from Rev. control formula-based amount	5,779.90
CAPEX Claw back for 2023, from Rev. control formula-based amount	485.74
Total Claw-back for 2023, from Rev. control formula-based amount	6,265.64

7. Transmission Licensee

Major CAPEX Claw-back - TL

Description	In MLKR					
	Approved CAPEX WIP for 2023 in 2021	Initiation corrected approved CAPEX WIP for 2023	Actual	Over Forecast	Required Adjustments	
					Depreciation	ROA
Comitted Projects						
Augmentation of 132/33KV/GSS At Kiribathkumbura	-	-	-	-	-	-
Renewable Energy Absorption Transmission Development	-	-	-	-	-	-
Habarana - veyangoda 220 Kv Transmission Line (GOSL/JICA)	-	-	91.17	(91.17)	-	(5.11)
CE & NEIP P2-Clean Energy & Net work Efficiency Improvement Project -Package 2-Constuvion 132kv Transmission Infrastructure (GOSL/ADB)	-	-	0.86	(0.86)	-	(0.05)
Colombo City Transmission Development and Loss Reduction Project(GOSL/JICA)	3,808.00	7,658.10	-	7,658.10	-	428.85
Green Power Development and energy efficiency improvement Investment Transmission Tr.01	-	-	23.61	(23.61)	-	(1.32)
Green Power Development and energy efficiency improvement Investment Project - Tranch 11	-	-	8,200.28	(8,200.28)	-	(459.22)
SESRIIP	241.70	486.07	208.10	277.97	-	15.57
National Transmission and Distribution network Development and Efficiency Improvement Project	100.00	201.11	3,155.00	(2,953.89)	-	(165.42)
New Kelani Bridge Project	-	-	-	-	-	-
Power System Reliability Strengthening Project	21,314.90	42,865.46	168.91	42,696.55	-	2,391.01
Transmission Construction Project						
Installation of 2 x 50 MVAr Reactors at New Anuradhapura GS and 1 x 50 MVAr Reactor at Mannar GS	-	-	-	-	-	-

Annex - 3

Construct Two additional 33kV GIS feeder base at Rathmalana GS	-	-	3.14	(3.14)	-	(0.18)
Extension of Kelanitissa 132kV GIS	-	-	5.97	(5.97)	-	(0.33)
Construction of Two Nos of 220kV Double busbars Transmission Line Bay at New Polpitiya Switching Station	-	-	1.74	(1.74)	-	(0.10)
Construction of Stores Building for GSCP	-	-	1.67	(1.67)	-	(0.09)
Construction of Two 33kV Feeder Bays at Kalutara GS	-	-	-	-	-	-
Construction of 220/132/33kV Transformer Bank 02 at Kotugoda GSS	-	-	42.32	(42.32)	-	(2.37)
Construction of 02 nos. of 33 kV Feeder Bays at Balangoda Grid Substation	-	-	5.57	(5.57)	-	(0.31)
Reconstruction of Badulla-Madagama 132kV Transmission Line	-	-	0.51	(0.51)	-	(0.03)
Medagama Ampara 132kV TL reconstruction	350.00	703.87	724.33	(20.46)	-	(1.15)
Athurugiriya Padukka 132kV TL	-	-	0.41	(0.41)	-	(0.02)
Augmentation of Athurugiriya - Kolonnawa 132kV Transmission	-	-	9.31	(9.31)	-	(0.52)
Victoria Rantembe 220kV TL	63.10	126.90	0.16	126.74	-	7.10
132kV Interconnection Transmission Line for Seethawaka Ganga Hydro Power Project	33.00	66.36	-	66.36	-	3.72
Installation of 33 kV CTs & VTs at GSS to feed LECO PSS at 33kV level	35.60	71.59	-	71.59	-	4.01
Developing Electrical system for phase I of CPCDP	-	-	-	-	-	-
Uncommitted projects						
Construction of Kerawalapitiya - Port 2nd 220kV Cable	1,041.50	2,094.51	-	2,094.51	-	117.29
Construction of Colombo K 220/132/11 kV Grid substation (Proposal revised as Colombo G 220/132 kV GS and Colombo K 132/11 kV GS	3,752.60	7,546.69	-	7,546.69	-	422.61
Construction of Victoria-Rantambe 220kV Transmission Line	191.00	384.11	-	384.11	-	21.51
Augmentation of Embilipitiya 132/33kV Grid Substation	498.50	1,002.51	-	1,002.51	-	56.14
Vavuniya Grid Substation 220kV Development	14,021.50	28,198.02	-	28,198.02	-	1,579.09
Construction of Colombo K 220/132/11 kV Grid substation (Proposal revised as Colombo G 220/132 kV GS and Colombo K 132/11 kV GS	7,762.30	15,610.42	-	15,610.42	-	874.18
Lakviya-Wariyapola south transmission line (with 4th Coal Unit)	4,692.40	9,436.68	-	9,436.68	-	528.45
Construction of Kotadeniyawa 220/33 kV grid substation (Mirigama GS is included in PSRSP Project)	8,717.10	17,530.58	-	17,530.58	-	981.71
Construction of Ethimale Solar Collector Grid Substation	10,788.90	21,697.08	-	21,697.08	-	1,215.04

Annex - 3

Leasing and development of land required for future development of natural gas power plants at Muthurajawela for year 2024 - 2039	1,000.00	2,011.06	-	2,011.06	-	112.62
Installation of 50 MW grid scale battery storage units by 2025 including initial pilot level installation	2,700.00	5,429.85	-	5,429.85	-	304.07
Backup control center for NSCC	160.60	322.98	-	322.98	-	18.09
Construction of Transmission Division Head Quarters Building	900.00	1,809.95	-	1,809.95	-	101.36
Construction of Two 33kV Gantry Bays at Kalutara Grid Substation	-	-	11.64	(11.64)	-	(0.65)
Clean Energy and Network Efficiency Improvement Project Package 3 : Construction of 220kV Transmission Infrastructure - Lot A	-	-	-	-	-	-
Broadland Hydro Power Project	-	-	1,649.66	(1,649.66)	-	(92.38)
Uma Oya Hydro Power Plant	-	-	65.71	(65.71)	-	(3.68)
Moragolla Hydro Power Project	-	-	4,563.56	(4,563.56)	-	(255.56)
Mannar Wind Power Project	-	-	954.36	(954.36)	-	(53.44)
Greater Colombo Transmission & Distribution Loss Reduction Project	-	-	-	-	-	-
Tincomalee GS	-	-	0.14	(0.14)	-	(0.01)
Construction of 1 No. of 132kV Line Bays at Ampara Grid	-	-	0.25	(0.25)	-	(0.01)
Construction of 1 No of 220kV 1 1/2 Breaker Bays at Victoria Power Station	-	-	32.85	(32.85)	-	(1.84)
Installation of 8 Nos.of Disconnectors with Earth Switches for 33kV Feeders at Kirindiwela Grid Substation	-	-	2.20	(2.20)	-	(0.12)
Replacement of Old Static Relay with New Numerical Protection Relays	-	-	18.42	(18.42)	-	(1.03)
Development of road network and drainage system at Southern Power Plant, Hambantota	-	-	31.13	(31.13)	-	(1.74)
Installation of 11kV Energy Meter Panels (Transco & Disco) at Grid Substation L,M, and N	-	-	7.31	(7.31)	-	(0.41)
Augmentation of Chunnakam Grid Substation with third TF & 4*33kV Feeder Bays	-	-	10.40	(10.40)	-	(0.58)
Augmentation of Aniyakanda Grid Substation with third TF	-	-	9.88	(9.88)	-	(0.55)
Reconstruction of Kolonnawa - Pannipitiya 132kV DC Transmission Line	-	-	3.56	(3.56)	-	(0.20)
Clearing of ROW for Construction of Siyambalanduwa (Ethimale) - Monaragala 132 kV DC Transmission Line	-	-	1,280.36	(1,280.36)	-	(71.70)
Clearing of ROW for Construction of Punaryn - Kilinochchi 220kV DC Transmission Line	-	-	6.87	(6.87)	-	(0.38)
Construction of new Tower replacing Tower of Athurugiriya - Pipitiya - Thulhiriya 132kV DC Transmission Line , affected by Landslide at Rattegala	-	-	15.51	(15.51)	-	(0.87)

Annex - 3

Construction of new Tower Replacing Tower of Kegalle - Thuthiriya 132kV DC Transmission Line, affected by Landslide at Kandegeedara	-	-	-	9.58	(9.58)	-	(0.54)
Construction of Kotmale - New Polpitiya 220/132kV FC Transmission Line	-	-	-	150.27	(150.27)	-	(8.42)
Refurbishment of Mannar - Nadukuda 220kV Transmission Line	-	-	-	0.13	(0.13)	-	(0.01)
Mannar Wind Power Phase I Extension	-	-	-	69.76	(69.76)	-	(3.91)
Mannar Wind Power Phase III	-	-	-	114.33	(114.33)	-	(6.40)
OPGW Network Project (380.00)	-	-	-	1.75	(1.75)	-	(0.10)
Pumped Storage Hydropower Project (360.50)	-	-	-	52.15	(52.15)	-	(2.92)
Total CAPEX	82,172.70	165,253.90	21,704.84	143,549.06	-	8,038.75	
Total Major CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)							8,488.92

Minor CAPEX Claw-back - TL

Description	In MLKR						
	Approved Minor CAPEX for 2023 in 2021	Inflation corrected approved Minor CAPEX for 2023	Actual	Over Forecast	Required Adjustments		
					Depreciation	ROA	
- Quality driven CAPEX							
OPG Network, New System Control, MMS	153.00	307.69	-	307.69	-	17.23	
- Replacement CAPEX	-	-	-	-	-	-	
- Reinforcement CAPEX	4,025.25	8,095.00	5,990.19	2,104.81	-	117.87	
- Other CAPEX							
Land	-	-	854.99	(854.99)	-	(47.88)	
Buildings	21.03	42.28	40.72	1.56	-	0.09	
Free hold Motor Vehicles	-	-		-	-	-	
Leasehold Motor Vehicles	120.00	241.33		241.33	-	13.51	
Office and Other Equipment	11.58	23.29	6.03	17.26	-	0.97	
Furniture and Fitting	2.39	4.81	1.16	3.65	-	0.20	
Machinery And Tools	42.80	86.07	55.92	30.16	-	1.69	
Com & IT Equipment	78.20	157.26	51.00	106.26	-	5.95	
Radio Communication set	4.90	9.85	128.05	(118.19)	-	(6.62)	
Software	24.40	49.07	58.83	(9.76)	-	(0.55)	

Annex - 3

Project Division Minor CAPEX		158.98	319.72	-	319.72	-	17.90
Total CAPEX		4,642.53	9,336.38	7,186.88	2,149.50	-	120.37
Total Minor CAPEX Clawback (After adjusting for time value of over recovery at 5.6%)							
		120.37					

OPEX Claw-back - TL

Description	Unit	Approved OPEX for 2023 in 2021	Inflation corrected approved OPEX for 2023	Actual expenditure for 2023	Over Forecast for 2023
Transmission OPEX	MLKR	4,858.20	9,770.11	7,207.00	8,193.38
BSOB OPEX	MLKR	3,119.90	5,630.27		
Total	MLKR	7,978.10	15,400.38		

OPEX Clawback after time value adjustment at 5.6% (MLKR)	9,136.74
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Summary of Claw-backs - TL

OPEX Claw-back for 2023, from Rev. control formula-based amount (MLKR)	9,136.74
Major CAPEX Claw-back for 2023, from Rev. control formula-based amount (MLKR)	8,488.92
Minor CAPEX Claw-back for 2023, from Rev. control formula-based amount (MLKR)	127.11
Total Claw-back for 2023, from Rev. control formula-based amount (MLKR)	17,752.77

Adjustment for TL Clawbacks considering the Allowed Revenue Curtailment in 2023

Calculation of curtailed OPEX and CAPEX of TL in the year 2023 is shown in the table below.

Description	Amount (MLKR)
Transmission Allowed Revenue for 2023 from Rev. control formula	34,844
BSOB Allowed Revenue for 2023 from Rev. control formula	5,316
Total Transmission & BSOB allowed revenue for 2023 from Rev. control formula	40,160
Total Transmission & BSOB allowed revenue approved for 2023	25,596
Curtailed OPEX & CAPEX in approving Allowed Revenue for 2023 (MLKR)	14,564

Accordingly, the total clawback applicable for year 2023 from the approved allowed revenue is calculated to be MLKR. 3,189.07.

End User Sales Forecast - January to June 2025 (Total of all DLs)

Category	Consumers	Monthly Max Demand (kVA)	Monthly Sales (kWh)
Domestic			
0-30	1,642,189		22,812,196
31-60	1,849,929		91,835,260
61-90	1,437,660		115,863,125
91-120	714,138		79,783,457
121-180	536,389		82,608,596
180<	262,581		80,264,190
Sub total	6,442,886		473,166,824
Domestic (TOU)	442		
Peak			32,754
Day			87,759
Offpeak			87,495
Sub total	442		208,008
GENERAL PURPOSE			
GP1	1,003,046		
0-180	799,566		32,853,316
180<	203,480		168,975,419
GP2	8,113	488,218	
Peak			16,894,783
Day			72,357,504
Offpeak			18,231,612
GP3	227	130,968	
Peak			6,807,873
Day			28,400,273
Offpeak			9,158,237
GP Sub total	1,011,385	619,186	353,679,015
GOVERNMENT			
GV1	9,360		
0-180	6,927		399,009.74
180<	2,434		1,631,654.99
GV2	542	72,742	
Peak	-		3,045,521.46
Day	-		12,785,517.58
Offpeak	-		4,113,474.37
GV3	7	3,623	
Peak	-		309,671.94
Day	-		1,212,181.62
Offpeak	-		422,899.55
GV sub total	9,909	76,365	23,919,931.25
HOTEL PURPOSE			
H1	251		
0-180	73		6,321
180<	178		437,935
H2 (TOU)	521	69,286	
Peak	-		4,288,947
day	-		13,492,425
Off-peak	-		5,093,243
H3 (TOU)	30	30,545	
Peak	-		2,847,023
day	-		8,079,967
Off-peak	-		3,256,748
H Sub total	802	99,831	37,502,610
INDUSTRIAL PURPOSE			
IP1	70,287		
0-300	49,293		3,899,629
300<	20,993		31,851,411
IP1(Optional TOU)	3,217		
Peak			30,430
Day			221,175
Off-peak			35,717
IP2(TOU)	6,640	920,831	
Peak			30,155,711
Day			133,778,238
Off-peak			46,330,455
IP3(TOU)	390	550,888	
Peak			30,041,380
day			110,668,445
Off-peak			52,359,746
IP Sub total	80,533	1,471,719	439,372,336
RELIGIOUS PURPOSE			
0-30	16,509		178,764
31-90	11,811		713,541
91-120	4,120		448,630
121-180	5,893		887,413
>180	9,871		5,249,341
Religious sub total	48,203		7,477,690
Street Lamp			
	70		11,914
Total	7,594,230	2,267,101	1,335,338,328