

# 2024 Annual Report



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இலங்கை பொதுப் பயன்பாடுகள் ஆணைக்குழு  
Public Utilities Commission of Sri Lanka





Annual Report 2024

Public Utilities Commission of Sri Lanka

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# **1 About the Public Utilities Commission of Sri Lanka**

Established in 2003, the Public Utilities Commission of Sri Lanka (PUCSL) commenced its operations with the appointment of its inaugural group of Commissioners and Director General. A quintet of distinguished members constitutes the Commission, each appointed for a five-year tenure by the Minister responsible for Policy Development, in consultation with the Constitutional Council. Underpinning its authority are the Public Utilities Commission of Sri Lanka Act No.35 of 2002, the Sri Lankan Electricity Act No.20 of 2009, and the Sri Lanka Electricity (Amendment) Act No. 31 of 2013. Chairman and other Members are appointed with the concurrence of the Constitutional Council. The members of the Commission are persons with ability and integrity and have shown capacity in addressing problems relating to engineering, law, economics, business management, accountancy, or administration.

The PUCSL assumes the dual role of the economic, technical and safety regulator of the Electricity Industry and the shadow regulator for the lubricant market. In addition to the electricity industry, the Commission was recognised by the PUCSL Act as the sector regulator for the water services industry and the petroleum industry. The Industrial Acts for the water and petroleum industries are yet to be passed through the Parliament.

At the heart of the Commission's operational prowess are highly skilled professionals proficient in various industries, including electricity, water services, petroleum, and the lubricant market. This adept team facilitates the PUCSL's mission to regulate the electricity industry as the vanguard of economic, safety, and technical oversight, while concurrently undertaking the role of a shadow regulator in the lubricant market.

The PUCSL collaborated with the water services and petroleum industries, offering regulatory insights. This proactive engagement stems from the anticipation of forthcoming industry-specific acts that are awaiting the Parliamentary approval. By providing regulatory guidance, the PUCSL supports these industries in their journey toward enhanced governance and efficiency, reflecting its commitment to a dynamic and regulated landscape.

## 1.1 Corporate Information

**Name of the Commission** - Public Utilities Commission of Sri Lanka

**Legal Status** - Established by the Public Utilities Commission of Sri Lanka Act,  
No. 35 of 2002

### ❖ Registered Office

6<sup>th</sup> Floor,  
BOC Merchant Tower,  
St. Michael's Road,  
Colombo 3,  
Sri Lanka.

### ❖ Banker

Bank of Ceylon  
1<sup>st</sup> & 2<sup>nd</sup> Floor,  
BOC Merchant Tower,  
No. 28, St. Michaels's Road,  
Colombo 03

- ❖ E-mail: [info@pucsl.gov.lk](mailto:info@pucsl.gov.lk)
- ❖ Telephone: +9411 239 2607/8
- ❖ Fax: +9411 239 2641
- ❖ Website: [www.pucsl.gov.lk](http://www.pucsl.gov.lk)

### ❖ Internal Auditor

KPMG  
No: 32A, Sir Mohamed Macan Markar  
Mawatha, Colombo 03.

### ❖ Auditors

Auditor General's Department  
No: 306/72, Polduwa Road,  
Battaramulla.

### 1.1.1 Members of the Public Utilities Commission of Sri Lanka

**The terms of service for the commission members listed below ended in July 2024.**

Chairman of the Commission - Prof. Manjula Fernando

- Deputy Chairman of the Commission - Ms.Chathurika Wijesinghe
- Member of the Commission - Mr. Douglas N Nanayakkara
- Member of the Commission - Mr. Sellampola Gedara Senarathna

**Following Members were appointed with effective from November 2024.**

- Prof. K.P.L. Chandralal
- Eng. Piyal Hennayake
- Dr. M. C. S. Fernando

#### **Chairman**



#### **Prof. K. P. L. Chandralal**

Prof. K.P.L. Chandralal serves as a Professor in the Department of Marketing Management at the University of Sri Jayewardenepura. He holds a Ph.D. in Marketing from the University of New England, Australia, an M.Sc. in Management from the University of Sri Jayewardenepura, and a B.Com. (Special) with First Class Honours from the same university. With expertise in Marketing, Services Marketing, Consumer Behavior, and Marketing Research, he is a dedicated academic committed to fostering innovation and excellence in higher education.

#### **Member of the Commission**



#### **Eng. Piyal Hennayake**

Eng. Piyal Hennayake holds an MBA in Management of Technology from the Asian Institute of Technology, a Postgraduate Diploma in Engineering and a B.Sc. in Civil Engineering from the University of Moratuwa, and a Diploma in International Affairs from the Bandaranaike Centre for International Studies. A Corporate Member of the Institution of Engineers, Sri Lanka, and a Graduate Member of the Sri Lanka Institute of Directors, he brings decades of multidisciplinary expertise in engineering, finance,

management, and policy. An engineer turned banker, he was a DGM at both HNB & Seylan Banks. Eng. Hennayake is a consultant, visiting lecturer, and an Independent Non-Executive Director LB Finance PLC.

### **Member of the Commission**



#### **Dr. M. C. S. Fernando**

A Senior Lecturer in the Department of Mathematics, Faculty of Science, University of Kelaniya, holds a Ph.D. from RPTU Kaiserslautern, Germany, an M.Sc. from LUT, Finland, and a B.Sc. from the University of Ruhuna, Sri Lanka, bringing extensive academic expertise and a global perspective to teaching and research in mathematics.

### 1.1.2 Executive Management of Public Utilities Commission



Mr. Damitha Kumarasinge - Director General



Mr. Kanchana Siriwardane - Deputy Director General - Industrial



Dr. Nilantha Sapumanage - Deputy Director General - Operational



Ms. Nadeeja Warapitiya - Secretary to the Commission

### 1.1.3 Message from Chairman of the PUCSL



This year has been one of significant achievement, resilience, and transformation across the sectors we regulate, particularly within the electricity industry.

In line with our mandate, the Commission undertook two comprehensive end-user electricity tariff reviews, resulting in a historic combined reduction of over 40%, provided essential relief to consumers and contributed meaningfully to national efforts in managing inflation. Rigorous analysis, transparent public consultations, and

an unwavering commitment to consumer welfare shaped these decisions.

Beyond tariff regulation, PUCSL advanced several key initiatives aimed at enhancing regulatory oversight, safety, and sustainability. The Commission made substantial progress in renewable energy regulation, including support for Electric Vehicle Charging Stations, development of microgrid frameworks, and facilitation of NVQ-level training for solar technicians. Our consumer affairs initiatives were strengthened through digital platforms and stakeholder engagement, resulting in the resolution of over 1,000 complaints and improvements in service delivery.

We also prioritised public safety, completing wide-reaching inspections and implementing regulatory responses to reduce electrocution risks and improve electrical safety standards. Meanwhile, our efforts in the water and petroleum sectors continued to lay the groundwork for full regulatory engagement in the future.

I would like to take this opportunity to thank the previous Commission for their service from January to July 2024. It is important to recognise the commitment of the management team in contributing to the success of the Commission.

As we look ahead, PUCSL remains committed to regulatory excellence, consumer protection, and promoting a sustainable, efficient, and safe utility sector in Sri Lanka.

Prof. K. P. L. Chandralal  
Chairman

Public Utilities Commission of Sri Lanka

#### 1.1.4 Message from Director General of the PUCSL



The year 2024 was a landmark period for the Public Utilities Commission of Sri Lanka (PUCSL), as we embraced bold reforms and innovation to advance our mission of ensuring accessible, safe, and sustainable utility services. A major achievement was the implementation of two electricity end-user tariff revisions, resulting in a combined reduction of over 40%. These decisions, grounded in data, transparency, and public consultation, significantly alleviated the burden on

consumers while supporting long-term sector stability.

We intensified our focus on electrical safety by conducting targeted inspections across the country and launching awareness campaigns to reduce electrocution incidents. At the same time, our consumer protection efforts were strengthened through enhanced grievance redress mechanisms and active stakeholder engagement.

In support of Sri Lanka's clean energy transition, we facilitated regulatory frameworks for Electric Vehicle Charging Stations (EVCS), developed technical guidelines for microgrids, and promoted vocational training aligned with NVQ standards for solar technicians and electricians.

Our commitment to digital transformation was evident through improved online platforms that boosted efficiency, transparency, and accessibility. Meanwhile, our preparatory work in the water and petroleum sectors continued, laying the foundation for future regulatory involvement.

I take this opportunity to extend my sincere appreciation to the Commission Members, PUCSL staff, and all stakeholders, government bodies, utilities, industry partners, and the public for their trust and collaboration. Together, we will continue to strengthen Sri Lanka's utility sector through progressive regulation, consumer empowerment, and sustainable development.

Damitha Kumarasinghe

Director General

Public Utilities Commission of Sri Lanka

## 1.2 Our Vision

To create an environment for all inhabitants of Sri Lanka, and the contributors to its development, to have access to essential infrastructure and utility services in the most economical manner, within the boundaries of the sustainable development agenda of the country.

### 1.2.1 Our Mission

To regulate all utilities within the purview of the Public Utilities Commission of Sri Lanka to ensure safe, reliable, and reasonably-priced infrastructure services for existing as well as future consumers in the most equitable and sustainable manner.

### 1.2.2 Objectives

The objectives of the Public Utilities Commission of Sri Lanka (PUCSL) are clearly articulated in Section 14(2) of the PUCSL Act, No. 35 of 2002. Objectives are;

- Protect the interest of all consumers
- Promote competition
- Promote efficiency in both the operations of, and capital investment in, public utilities industries
- Promote an efficient allocation of resources in public utilities industries
- Promote safety and service quality in public utilities industries
- Benchmark, where feasible, the utilities' services as against international standards
- Ensure that price-controlled entities are acting efficiently; do not find it unduly difficult in financing their public utilities industries.

These objectives form the foundation for the Commission's mandate as a multi-sector regulator entrusted with overseeing the electricity, petroleum, and water industries. They provide both the vision and guiding principles for the Commission's regulatory role, ensuring that its activities consistently align with national priorities and the interests of the public. By establishing these objectives in legislation, Parliament has emphasised the importance of transparency, accountability, consumer protection, and efficiency in the governance of public utilities. The objectives also set out the Commission's responsibility to promote competition, encourage sustainable investment, safeguard safety and service quality, and balance the interests of consumers and utility service providers.



### 1.2.3 Functions of Public Utilities Commission of Sri Lanka

The Public Utilities Commission Act, No. 35 of 2002, outline the scope of its regulatory responsibilities and powers. These functions define the Commission's role in overseeing public utilities, ensuring consumer protection, promoting efficiency, fostering fair competition, and safeguarding the quality and safety of services provided. They form the operational framework within which the Commission carries out its mandate as the national multi-sector regulator.

- a) Exercise, perform and discharge the powers, functions and duties conferred on or assigned to the Commission by or under the PUCSL Act or any industry Act
- b) Consult, to the extent the Commission considers appropriate, any person or group who or which may be affected, by the decisions of the Commission
- c) Advise the Government, as the Commission deems appropriate, on all matters concerning any industry falling within the purview of the PUCSL Act
- d) Collect, record, and disseminate information concerning any public utilities industries subject to section 15(4) of PUCSL Act
- e) Prepare within six months of its establishment a regulatory manual
  - f) containing a code of good practice governing the functions of the Commission and revise it as and when required
  - g) Exercise licensing, regulatory and inspection functions in respect of all matters provided for in any industry Act
  - h) Enforce the provisions of licenses, contracts and other instruments issued under the authority of any industry Act
  - i) Regulate tariffs and other charges levied by regulated entities where required by any industry Act
  - j) Determine by mediations disputes arising in any public utilities industry
  - k) Set and enforce technical and other standards relating to the safety, quality, continuity, and reliability of the public utilities industries
  - l) Undertake such other incidental or ancillary activities which the Commission may consider appropriate for the effective discharge of any of its functions

## **2 Corporate Governance Role of the Commission**

### **2.1 Introduction**

The Public Utilities Commission of Sri Lanka (PUCSL) was designated as a multisector regulator by Act 35, 2002. As per the mandate, it is supposed to serve as the regulatory body overseeing the electricity, water, and petroleum sectors in Sri Lanka. Its role encompasses ensuring protection the interests of all consumers, promoting competition, promoting efficiency in both the operations of, and capital investment in, public utility industries, promoting an efficient allocation of resources in public utility industries, promoting safety and service quality in public utility industries, to benchmark, where feasible, the utility services as against international standards, and to ensure that price controlled entities acting efficiently, do not find it unduly difficult in financing their public utilities industries within these vital industries. To effectively carry out its mandate, the PUCSL relies on robust corporate governance strategies that promote transparency, accountability, and efficiency. Regulatory Framework and Mandate

At present PUCSL regulates only the electricity sector as industry acts of water and petroleum yet passed by the parliament. The PUCSL operates within the framework of the Sri Lanka Electricity Act. These legislative instruments delineate its regulatory authority and define its responsibilities in ensuring the provision of reliable, affordable, and environmentally sustainable utility services to the citizens of Sri Lanka.

#### **2.1.1 Regulatory Framework and Mandate**

At present PUCSL regulates only the electricity sector as industry acts of water and petroleum yet passed by the parliament. The PUCSL operates within the framework of the Sri Lanka Electricity Act. These legislative instruments delineate its regulatory authority and define its responsibilities in ensuring the provision of reliable, affordable, and environmentally sustainable utility services to the citizens of Sri Lanka.

#### **2.1.2 Corporate Governance**

The Public Utilities Commission is a Regulatory Body which considers good corporate governance as a key objective of the Commission. This will be implemented through greater accountability and transparency, improved regulatory practices and internal controls. The Commission is committed to complying with all statutory and regulatory requirements across its operations. It is guided by the key principles of transparency, reliability and compliance in directing the Commission to achieve its objectives.

### 2.1.3 Organizational Structure

The organizational structure of the PUCSL reflects its commitment to impartiality and independence. The Commission is led by a chairman and comprises four other commissioners, overseeing specific areas such as engineering, business, administration and legal. This structure facilitates specialisation and ensures comprehensive regulatory oversight across different sectors. (Organization structure is attached herewith as Annexure 01)

### 2.1.4 Corporate Governance Framework

The Commission's governance structure consists of multilayer governance bodies with specific roles and responsibilities,

The Commission members of the PUCSL hold greater responsibility for implementing a sound governance structure and formulating policy frameworks, thereby effectively setting the tone to the top. Governance practices are reviewed and updated regularly to reflect regulatory changes, emerging risks and opportunities, and internal changes.

The Commission's Governance Framework has been developed to comply with several external and internal steering instruments, as listed below:

- PUCSL Act No. 35 of 2002
- Electricity Act No.22 of 2009 and its amendments
- Financial Regulations (Government)
- Public Enterprises Guidelines (Department of Public Enterprises)
  - The Code of Best Practices
  - Code of Best Practice on Corporate Governance issued by CA Sri Lanka which seeks to address how corporates operate while fulfilling the rights of key stakeholder groups
  - Sri Lanka Accounting and Auditing Standard Monitoring Commission Act
  - Human resource and Admin Manual of PUCSL
  - Disciplinary Manual of PUCSL
  - National Procurement Guidelines
  - Shop and Office Employees Act No. 19 of 1954 and amendments thereto addressing the rights and responsibilities of employees
  - Acts, Circulars, Gazettes issued by the Taxation Authorities for collecting agents
  - Relevant Government Circulars (Treasury, Ministry of Public Administration)

### 2.1.5 Composition of the Commission

The commission comprises five members, consisting of the following disciplinary areas.

At least one member shall be qualified and has experience in the field of engineering

At least one member shall be qualified and has experience in the field of Law

At least one member shall be qualified and has experience in the field of Business Management

The members of the Commission possess the required expertise, skills, and experience to effectively manage and direct the institution towards the highest standards of good governance and attain the organizational goals.

They are persons with vision, leadership qualities, proven competence, and integrity.

## 2.2 Chairman of the Commission

The Minister shall appoint one of the members to be the Chairman of the Commission.

The Chairman will be the important link in the entire governance structure who is responsible for leading the team and the Commission towards its strategic direction. He is responsible for the implementation of the policies related to core activities and the preparation of plans and programs, to achieve predetermined targets.

### 2.2.1 Responsibilities of the Chairman

- Setting the strategic tone at the top
- Ensure the Commission's effectiveness in all strategic directions.
- Facilitating effective participation of all Commission members
- Maintaining effective communication with all the stakeholders, including the Government of Sri Lanka
- Ensuring that adequate information is available to all Commission members.
- Setting the ethical tone across the Commission.

The commission is a body corporate with perpetual succession.

## 2.3 Responsibilities of the Commission

The Commission shall exercise, perform, and discharge the powers, functions and duties conferred on or assigned to it by or under the PUCSL Act and any other industry Act, in a manner which it considers is best calculated

- a. to protect the interests of all consumers.
- b. to promote competition.

- c. to promote efficiency in both the operations of, and capital investment in, public utilities industries.
- d. to promote an efficient allocation of resources in public utilities industries.
- e. to promote safety and service quality in public utilities industries.
- f. to benchmark, where feasible, the utilities services as against international standards; and
- g. to ensure that price-controlled entities act efficiently, do not find it unduly difficult in financing their public utilities industries.

The Commission strives to ensure that the Management of the PUCSL act effectively and efficiently in operations and compliance with applicable laws and regulations.

### 2.3.1 Commission Meetings

The Commission usually meets at monthly intervals and whenever it is necessary.

The Commission met 20 times during the year.

### 2.3.2 Activity Plan and Budget

The PUCSL Act governs the objectives, functions and the general powers vested with the Commission and such purview of the Commission is pursued through an annual Activity Plan. Having got approval for the Activity Plan and the budget by the Commission, it is made available for the review of the public and to comment on the same if anybody desires in doing so. Once finalized, the same is gazetted in September every year. The Commission has its own fund, and all such sums of money is recovered as levies from the licensees under the provisions of the Utility Act. Physical and disbursement progress is evaluated on the 10<sup>th</sup> of each month, and the same will be reported to the Auditor General and the line Ministry on a quarterly basis. (Activity Plan and the budget are attached herewith as Annexe 02)

### 2.3.3 Transparency and Accountability:

Transparency and accountability are fundamental principles underpinning the corporate governance strategy of the PUCSL. The Commission regularly publishes reports, decisions, and regulatory guidelines to inform stakeholders about its activities and decisions. Moreover, mechanisms such as public consultations and stakeholder engagements allow for input from industry players, consumer groups, and the public, enhancing the transparency and legitimacy of regulatory processes.

The Commission has a procurement section, and they now operate through the Government e-procurement system. There are two procurement committees, and members of the procurement

committee are appointed by the Line Ministry. The Internal Auditor, who directly reports to the Commission, regularly monitors Commission accounts and the Government Auditor intervenes Regular basis.

#### 2.3.4 Ethical Standards and Conflict of Interest Management

Ethical conduct and conflict of interest management are paramount within the PUCSL. Commissioners and staff are bound by codes of conduct that prohibit the acceptance of gifts, favors, or inducements that may compromise their objectivity. Furthermore, robust conflict of interest policies require disclosure of any potential conflicts and mandate recusal from decision-making processes where conflicts arise, thereby upholding the integrity of regulatory decisions. To ensure above, Commission members are not allowed to do any private practices in area governed by the PUCSL through licenses. Moreover, DG and DDGs are not allowed to engage in sector activities for three years of their retirement. Furthermore, Commission staff are not allowed to divulge sensitive and sector specific information, statements ect without proper approval of the Commission.

#### 2.3.5 Regulatory Decision-Making

The decision-making process of the PUCSL is guided by principles of fairness, consistency, and evidence-based analysis. Decisions regarding tariff adjustments, licensing, and quality of service standards are made following thorough consultations, stakeholder engagements, and technical assessments. Furthermore, decisions are subject to judicial review, ensuring accountability and adherence to legal standards.

#### 2.3.6 Capacity Building and Professional Development

To maintain regulatory effectiveness, the PUCSL invests in capacity building and professional development initiatives for its staff and commissioners. Training programs, workshops, and knowledge-sharing activities enable personnel to stay abreast of emerging industry trends, regulatory best practices, and technological advancements, thereby enhancing the Commission's ability to fulfill its mandate competently.

#### 2.3.7 Performance Evaluation and Continuous Improvement

The PUCSL regularly evaluates its performance and seeks opportunities for continuous improvement. Key performance indicators (KPIs) related to regulatory outcomes, stakeholder satisfaction, and operational efficiency are monitored and reviewed periodically. Feedback mechanisms, including public consultations and stakeholder surveys, inform strategic decision-making and support adaptive regulatory responses to evolving challenges.

## **2.4 Director General of the Commission**

The Director General serves as the important link in the entire governance structure to lead the entire team and the Commission towards the right strategic direction. He is responsible for the implementation of the policies related to core activities and the preparation of strategic plans and initiatives to achieve pre-determined objectives.

### **2.4.1 Responsibilities of the Director General**

- Execution of the strategic vision by setting up the objectives to achieve the vision.
- Achieve the performance goals stipulated in the corporate plan.
- Regular monitoring of targets and notifying the Commission of its achievements.
- Ensuring that the Commission operates within the approved risk appetite and robust internal control.
- Provides operational leadership to the senior management.

## **2.5 Secretary to the Commission**

All members of the Commission have access to the advice and services of the professionally qualified Commission Secretary who is responsible to the Commission for advising the Commission on compliance with Commission procedures, the law and relevant rules and regulations, and for ensuring that reliable and relevant information is provided to the Commission in a timely manner. The following duties are performed by the Secretary to the Commission

- The Commission Secretary ensure that the standard Commission procedures are followed while providing guidance on legal requirements regarding Commission proceedings. In addition, the Secretary's duties involve: -
- Circulating notice of Commission meetings, Minutes of meetings, Commission Papers together with other relevant documents
- Follow up actions on Commission decisions
- Assist Commission members by providing both internal and external information

## **2.6 Financial Reporting**

Commission Financial Statements are prepared and presented in conformity with Sri Lanka Accounting Standards and comply with the Accounting and Auditing Standard Monitoring Commission Act.

### 3 Overview of Activity Plan 2024

The PUCSL Annual Report 2024 highlights the Commission's multifaceted regulatory achievements, focusing on the electricity sector while advancing its shadow roles in the water and petroleum industries. A central accomplishment was the significant reduction of electricity tariffs through two end-user reviews, delivering a combined decrease exceeding 40%, offering relief to consumers and contributing to national inflation control.

PUCSL implemented robust regulatory mechanisms, including tariff methodology reviews, utility cost monitoring, and consumer protection enhancements. A series of technical guidelines, conditions for licensees, and public consultations supported informed decision-making and financial discipline across the sector.

The Commission strengthened its oversight of renewable energy through the regulation of Electric Vehicle Charging Stations (EVCS), the development of microgrid frameworks, and support for NVQ-level training for solar technicians. A pre-feasibility study for microgrids and regulatory advice to reduce rooftop solar curtailment reinforced PUCSL's commitment to green energy integrations

In consumer affairs, PUCSL resolved over 1,000 complaints and enhanced service delivery through digital platforms and stakeholder capacity-building. The Inspectorate Division prioritised public safety with nationwide school inspections, electrocution data analysis, and compliance reviews of substations and apartment complexes.

The report also documents PUCSL's proactive disaster preparedness in the water sector, culminating in a comprehensive Institutional Disaster Management Plan (IDMP) for the NWSDB.

Overall, PUCSL's 2024 efforts reflect a strategic approach to regulatory governance, safety assurance, sustainable energy, and enhanced stakeholder engagement, positioning the Commission as a catalyst for sectoral transformation in Sri Lanka.



### **3.1 Tariff and Economic Affairs Division**

The Sri Lanka Electricity Act No. 20 of 2009 (Act) empowers the Public Utilities Commission of Sri Lanka (PUCSL) to regulate the electricity industry in Sri Lanka in economic, technical and safety aspects. The Tariff and Economic Affairs Division is tasked with the economic regulation of electricity industry. Tariff review is a key component of economic regulation. The Act outlines the process by which the PUCSL conducts tariff reviews in consultation with the stakeholders. The Tariff and Economic Affairs Division formulate tariff methodologies, guidelines, and rules that govern the tariff-setting process. These mechanisms help ensure that the electricity tariffs are set in a manner that is equitable, transparent, and reflective of the reasonable and efficient costs associated with providing electricity services. In addition, Tariff and Economic Affairs Division conducts a number of studies that supports the tariff setting process.

### 3.1.1 Electricity Tariff Revisions in 2024

The Commission reviewed electricity tariffs in two occasions in the year 2024. The CEB proposal for the first review of the year was to reduce tariffs by 3%. However, the Commission, after thorough review of Licensee submissions and providing due consideration to the stakeholder comments, approved a tariff reduction of 21.9%. This revision came after a period where the consumers faced numerous difficulties with high electricity tariffs in Sri Lanka in the year 2023. The second tariff review for the year 2024 resulted in further reduction of electricity tariffs by 22.5%, even though the CEB proposal for the review was to reduce tariffs by only 14%. These revisions provided much needed relief to the consumers and the country's economy. The effect of these revisions in cutting down the inflation significantly, should also be highlighted. Further, details on these tariff reviews are provided below.

### 3.1.2 March Electricity Tariff Revision

The Public Utilities Commission of Sri Lanka has decided on the total cost of CEB and LECO for 2024, after scrutiny and analysis of CEB and LECO submissions and stakeholder comments. The following table (Table 1) shows the tariff reduction percentage as per the above adjustments made by the Commission.

*Table 1 : Cost/revenue tables of the March 2024 tariff revision*

| Description                               |               | Unit        | Amount after the adjustments |
|---|---------------|-------------|------------------------------|
| Generation                                | Capacity Cost | MLKR        | 65,368                       |
|   | Energy Cost   | MLKR        | 361,111                      |
| Transmission Cost                         |               | MLKR        | 22,490                       |
| Finance Cost                              |               | MLKR        | 42,731                       |
| CEB Distribution Cost                     |               | MLKR        | 102,962                      |
| LECO Distribution Cost                    |               | MLKR        | 8,558                        |
| <b>Total Cost</b>                         |               | <b>MLKR</b> | <b>603,219</b>               |
| Revenue for full year                     |               | MLKR        | 736,507                      |
| Surplus Revenue                           |               | MLKR        | 133,288                      |
| <b>Reduction % for rest of the period</b> |               | <b>%</b>    | <b>21.93%</b>                |

The Public Utilities Commission of Sri Lanka (PUCSL) has approved the revision of electricity tariffs with effect from midnight March 4, 2024. The overall tariff reduction is 21.9 percent. The Final decision was reached after studying and reviewing the proposals and cost data submitted by the Ceylon Electricity Board (CEB) and Lanka Electricity Company Private Limited (LECO) in this tariff revision, under the provisions of Section 30 of the Sri Lanka

Electricity Act No. 20 of 2009 and the provisions of the Public Utilities Commission of Sri Lanka.

The CEB had proposed to reduce tariffs by 3.4 percent with the initial proposal for the tariff revision in January and then by 16 percent in a revised proposal presented on February 22. The commission decided to reduce the electricity tariffs by 21.9 per cent, considering suggestions made during the public consultation and reviews carried out by the Public Utilities Commission of Sri Lanka of the cost data submitted by the Ceylon Electricity Board.

According to this tariff revision, which was effective from May 5, 2024, maximum relief has been provided to all consumer categories. Tariffs have been reduced by 33 percent for consumers who consume less than 30 units of electricity in the domestic sector.

The bills of electricity consumers with monthly consumption between 61 and 90 units was reduced by 30 percent. Those who belong to the category between more than 90 units and less than 180 units got a 24 per cent reduction, while 18 per cent reduction was given for those who belong to the category of more than 180 units. The PUCSL decided to reduce the tariffs by 33 per cent for religious places.

*Table 2 Tariff Table for a 30 Day Billing Cycle*

|                                   | Tariff Effective until 4th March 2024 |                          | Approved Tariff, Effective from 5th March 2024 |                          |
|-----------------------------------|---------------------------------------|--------------------------|--|--------------------------|
|                                   | Energy Charge (LKR/kWh)               | Fixed Charge (LKR/month) | Energy Charge (LKR/kWh)                        | Fixed Charge (LKR/month) |
| <b>Domestic</b>                   |                                       |                          |  |                          |
| Consumption 0-60 kWh per month    |                                       |                          |  |                          |
| Block 1 : 0-30 kWh                | 12.00                                 | 180.00                   | 8.00   | 150.00                   |
| Block 2 : 31-60 kWh               | 30.00                                 | 360.00                   | 20.00  | 300.00                   |
| Consumption above 60kWh per month |                                       |                          |  |                          |
| Block 1 : 0-60 kWh                | 38.00                                 | -                        | 25.00  | -                        |
| Block 2 : 61-90 kWh               | 41.00                                 | 480.00                   | 30.00  | 400.00                   |
| Block 3 : 91-120 kWh              | 59.00                                 | 1,180.00                 | 50.00  | 1,000.00                 |
| Block 4 : 121-180 kWh             | 59.00                                 | 1,770.00                 | 50.00  | 1,500.00                 |
| Block 5 : Above 180 kWh           | 89.00                                 | 2,360.00                 | 75.00  | 2,000.00                 |
| <b>Domestic Time Of Use</b>       |                                       |                          |  |                          |
| Peak [18:30 to 22:30]             | 106.00                                | 2,360.00                 | 90.00  | 2,000.00                 |

|   |                                 |                  |          |                            |          |            |          |        |          |                 |          |            |          |
|---|---------------------------------|------------------|----------|----------------------------|----------|------------|----------|--------|----------|-----------------|----------|------------|----------|
| Day [05:30 to 18:30]                                  |                                 | 83.00            |          |                            |          | 70.00      |          |        |          |                 |          |            |          |
| Off Peak [22:30 to 05:30]                             |                                 | 35.00            |          |                            |          | 30.00      |          |        |          |                 |          |            |          |
| Religious   |                                 |                  |          |                            |          |            |          |        |          |                 |          |            |          |
| Block 1 : 0-30 kWh                                    |                                 | 12.00            |          | 180.00                     |          | 8.00       |          |        |          | 150.00          |          |            |          |
| Block 2 : 31-90 kWh                                   |                                 | 24.00            |          | 300.00                     |          | 9.00       |          |        |          | 250.00          |          |            |          |
| Block 3 : 91-120 kWh                                  |                                 | 41.00            |          | 710.00                     |          | 18.00      |          |        |          | 600.00          |          |            |          |
| Block 4 : 121-180 kWh                                 |                                 | 53.00            |          | 1,770.00                   |          | 32.00      |          |        |          | 1,500.00        |          |            |          |
| Block 5 : Above 180 kWh                               |                                 | 59.00            |          | 2,360.00                   |          | 43.00      |          |        |          | 2,000.00        |          |            |          |
| Other Consumers                                       |                                 | Industrial/Hotel |          | General Purpose/Government |          | Industrial |          | Hotel  |          | General Purpose |          | Government |          |
| Volume Differentiated Monthly Consumption (kWh/month) |                                 | <300             | >300     | <180                       | >180     | <300       | >300     | <300   | >300     | <180            | >180     | <180       | >180     |
| Supply at 400/230V & Contract Demand<4 2kVA (1)       | Energy Charge (LKR/kWh)         | 20.00            | 28.00    | 43.00                      | 56.00    | 13.50      | 21.50    | 13.50  | 21.50    | 33.00           | 43.00    | 33.00      | 43.00    |
|   | Fixed Charge (LKR/month)        | 340.00           | 1,120.00 | 750.00                     | 1,860.00 | 300.00     | 1,000.00 | 300.00 | 1,000.00 | 600.00          | 1,500.00 | 600.00     | 1,500.00 |
| Optional Time Of Use                                  | Peak [18:30 to 22:30] (LKR/kWh) | 41.00            |          |                            |          | 37.00      |          |        |          |                 |          |            |          |
|   | Day [05:30 to 18:30] (LKR/kWh)  | 38.00            |          |                            |          | 33.00      |          |        |          |                 |          |            |          |

|   |  |          |          |          |          |          |          |
|---|--|----------|----------|----------|----------|----------|----------|
|   | Off Peak [22:30 to 05:30]<br>(LKR/kWh) | 32.00    |          | 28.00    |          |          |          |
|   | Fixed Charge<br>(LKR/month)            | 1,120.00 |          | 1,000.00 |          |          |          |
| Supply at<br>400/230V<br>&<br>Contract<br>Demand<br>>42kVA<br>(2) | Peak [18:30 to 22:30]<br>(LKR/kWh)     | 41.00    | 68.00    | 37.00    | 37.00    | 55.00    | 55.00    |
|   | Day [05:30 to 18:30]<br>(LKR/kWh)      | 38.00    | 58.00    | 30.50    | 30.50    | 45.00    | 45.00    |
|   | Off Peak [22:30 to 05:30]<br>(LKR/kWh) | 32.00    | 48.00    | 25.50    | 25.50    | 37.00    | 37.00    |
|   | Demand Charge<br>(LKR/kVA)             | 1,800.00 | 2,000.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 |
|   | Fixed Charge<br>(LKR/month)            | 5,600.00 | 6,200.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 |
| Supply at<br>11kV &<br>above (3)                                  | Peak [18:30 to 22:30]<br>(LKR/kWh)     | 40.00    | 67.00    | 36.00    | 36.00    | 54.00    | 54.00    |
|   | Day [05:30 to 18:30]<br>(LKR/kWh)      | 37.00    | 57.00    | 30.00    | 30.00    | 44.00    | 44.00    |
|   | Off Peak [22:30 to 05:30]<br>(LKR/kWh) | 31.00    | 47.00    | 24.50    | 24.50    | 36.00    | 36.00    |
|   | Demand Charge<br>(LKR/kVA)             | 1,680.00 | 1,860.00 | 1,400.00 | 1,400.00 | 1,400.00 | 1,400.00 |
|   | Fixed Charge<br>(LKR/month)            | 5,600.00 | 6,200.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 |
| <b>Street Lighting</b>  |  |          |          |          |          |          |          |
| Energy Charge (LKR/kWh)   |  | 56.00    |          | 45.00    |          |          |          |

| <b>EV Charging Stations</b> | <b>DC Fast Charging</b> | <b>AC Level 2 Charging</b> | <b>DC Fast Charging</b> | <b>AC Level 2 Charging</b> |
|-----------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| Peak (LKR/kWh)              | 139.00                  | 112.00                     | 139.00                  | 112.00                     |
| Day (LKR/kWh)               | 109.00                  | 87.00                      | 109.00                  | 87.00                      |
| Off Peak (LKR/kWh)          | 66.00                   | 50.00                      | 66.00                   | 50.00                      |

The tariff for the general-purpose consumer category was reduced by 23 per cent and by 22 per cent for government institutions. Also, the tariffs were reduced by 18 per cent for the hotel and industry sectors and by 20 per cent for street lamps.(Table 2)

According to this tariff revision, the monthly fixed charge of consumers who use less than 30 units were reduced from 180 to 150 rupees. The unit price they pay was reduced from Rs 12 to Rs 8. The monthly charge of 360 rupees was reduced to 300 rupees for the consumers who are between 31 and 60 units, and the unit price for that category was reduced from 30 to 20 rupees.

How the monthly fee and unit fee have been reduced for domestic categories is given below.

*Table 3 Reduction of tariff for domestic categories*

| <i><u>Domestic Sector Customer Category</u></i>       | <i><u>Unit Price<br/>Before<br/>Tariff<br/>Revision</u></i> | <i><u>Approved<br/>Unit<br/>Price<br/>with the<br/>Tariff<br/>Revision</u></i> | <i><u>Monthly<br/>Charge<br/>Before<br/>Tariff<br/>Revision</u></i> | <i><u>Approved<br/>Monthly<br/>Charge<br/>with the<br/>Tariff<br/>Revision</u></i> |
|---|---|--|---|--|
| <i><u>less than 30 units</u></i>                      | <u>12</u>   | <u>8</u>   | <u>180</u>  | <u>150</u>   |
| <i><u>between 31-60 units</u></i>                     | <u>30</u>   | <u>20</u>  | <u>360</u>  | <u>300</u>   |
| <i><u>Categories over 60 units</u></i>                |   |  |   |  |
| <i><u>First 60 units</u></i>                          | <u>38</u>   | <u>25</u>  |   |  |
| <i><u>Units Above 60 and below 90</u></i>             | <u>41</u>   | <u>30</u>  | <u>480</u>  | <u>400</u>   |
| <i><u>More than 90 units, Less than 120 units</u></i> | <u>59</u>   | <u>50</u>  | <u>1,180</u>  | <u>1,000</u>   |
| <i><u>Above 120 units Below 180 units</u></i>         | <u>59</u>   | <u>50</u>  | <u>1,770</u>  | <u>1,500</u>   |
| <i><u>More than 180 units</u></i>                     | <u>89</u>   | <u>75</u>  | <u>2,360</u>  | <u>2,000</u>   |

The conditions were also imposed on CEB to pay the due payments and arrears of interest to owners of renewable power plants, including roof-mounted solar power plants, before the 31st of March. The PUCSL has also imposed conditions on the CEB to prepare plans to achieve the target renewable electricity generation by 2030 and submit them by 2024 June 30.

Along with the implementation of this tariff revision, the PUCSL has also imposed 13 of other conditions to be implemented by the CEB and LECO, as applicable. As mentioned. (Table 3)



Table 4 Conditions to the Licensees

| No. | Condition  | Deadline   |
|-----|--|------------|
| 1.  | To Prepare and submit renewable energy development plan up to 2030 with annual milestones (MW values to be absorbed)   | 30/06/2024 |
| 2.  | To submit a plan to reduce network losses over next five-year period   | 31/03/2024 |
| 3.  | To conduct a comprehensive independent audit for fourth quarter of 2023 and to report to the Commission (deadline extended)  | 31/03/2024 |
| 4.  | To submit a plan to encourage energy conservation and efficiency   | 31/03/2024 |
| 5.  | To Establish Power Purchase Agreements (PPA) and Power Sales Agreements (PSA) for complete operation of the Bulk Supply Transaction Account (BSTA)<br><br>Monthly statement of BSTA shall be submitted to the Commission providing details for each transaction of BSTA (from/to which licensee, purpose of transaction, calculation of transfer with reference to PPA/PSA etc.) | 31/03/2024 |
| 6.  | To negotiate and enter into Fuel Supply Agreements with fuel suppliers   | 31/03/2024 |
| 7.  | To negotiate, restructure and reduce finance cost  | 31/03/2024 |
| 8.  | To complete and commission the Kothmale – New Polpitiya 220kV transmission line (deadline extended)  | 31/12/2024 |
| 9.  | CEB and LECO licensees shall each establish a cost accounting unit to enable accurate data submissions   | 30/06/2024 |
| 10. | To eliminate the waste and non-productive expenditure in order to minimize/eliminate such expenditure in the electricity supply cost   | 01/03/2024 |
| 11. | Settle all NCRE outstanding payments (allowed in the tariff)   | 31/03/2024 |
| 12. | Settle all NCRE delay interests (allowed in the tariff)  | 31/03/2024 |

|     |  |            |
|-----|--|------------|
| 13. | Settle all IPP delay interests (allowed in the tariff) | 31/03/2024 |
|-----|--|------------|



*Figure 1 The event of the Public Consultation on the March Electricity Tariff Revision at BMICH*

### 3.1.3 June Electricity Tariff Revision

The Public Utilities Commission of Sri Lanka has announced a reduction in electricity tariffs after the second electricity tariff review for the year 2024. This change took effect on July 16, 2024. After reviewing the proposal submitted by the Ceylon Electricity Board and considering the feedback received during the public consultation, the Commission made its decision on the tariff revision.

*Table 5 cost/revenue tables of the July - 2024 tariff revision*

| Description                       |               | Unit        | Approved Amount for the year 2024, after the adjustment |
|-----------------------------------|---------------|-------------|---|
| Generation                        | Capacity Cost | MLKR        | 397,344   |
|                                   | Energy Cost   | MLKR        |   |
| Transmission Allowed Revenue      |               | MLKR        | 22,490  |
| Finance Cost                      |               | MLKR        | 27,302  |
| CEB Distribution Allowed Revenue  |               | MLKR        | 92,361  |
| LECO Distribution Allowed Revenue |               | MLKR        | 10,206  |
| <b>Total Cost</b>                 |               | <b>MLKR</b> | <b>549,703</b>  |
| <b>Total Revenue</b>              |               | <b>MLKR</b> | <b>609,823</b>  |
| <b>Surplus/Deficit)</b>           |               | <b>MLKR</b> | <b>60,120</b>   |

*Table 6 Tariff Revision Percentage*

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

As a result of the recent tariff revision, electricity charges for all consumer categories, including domestic users, religious institutions, hotels, industries, general purposes, and government institutions, have been reduced. While the Ceylon Electricity Board (CEB) initially proposed a maximum reduction of 10 per cent, the Public Utilities Commission extended the reduction to 22.5 per cent, ensuring greater relief for consumers. The approved tariff structure is presented below. (Table 7)

*Table 7 Tariff Table for a 30-Day Billing Cycle in July*

|                                   | Tariff Effective Until 15 <sup>th</sup> July 2024 |                          | Approved Tariff, Effective from 16th July 2024 |                          |
|-----------------------------------|---|--------------------------|--|--------------------------|
|                                   | 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                | 8.00  | 150.00                   | 6.00   | 100.00                   |
| Block 2 : 31-60 kWh               | 20.00   | 300.00                   | 9.00   | 250.00                   |
| Consumption above 60kWh per month |   |                          |  |                          |
| Block 1 : 0-60 kWh                | 25.00   | -                        | 15.00  | -                        |
| Block 2 : 61-90 kWh               | 30.00   | 400.00                   | 18.00  | 400.00                   |
| Block 3 : 91-120 kWh              | 50.00   | 1,000.00                 | 30.00  | 1,000.00                 |
| Block 4 : 121-180 kWh             | 50.00   | 1,500.00                 | 42.00  | 1,500.00                 |
| Block 5 : Above 180 kWh           | 75.00   | 2,000.00                 | 65.00  | 2,000.00                 |
| Domestic Time Of Use              |   |                          |  |                          |
| Peak [18:30 to 22:30]             | 90.00   | 2,000.00                 | 72.00  | 2,000.00                 |
| Day [05:30 to 18:30]              | 70.00   |                          | 56.00  |                          |
| Off Peak [22:30 to 05:30]         | 30.00   |                          | 24.00  |                          |
| Religious & Charitable            |   |                          |  |                          |
| Block 1 : 0-30 kWh                | 8.00  | 150.00                   | 6.00   | 100.00                   |
| Block 2 : 31-90 kWh               | 9.00  | 250.00                   | 6.00   | 250.00                   |
| Block 3 : 91-120 kWh              | 18.00   | 600.00                   | 10.00  | 300.00                   |
| Block 4 : 121-180 kWh             | 32.00   | 1,500.00                 | 20.00  | 1,200.00                 |

|   |                                     |                         |          |                                   |          |                   |          |              |          |                        |          |                   |          |
|---|-------------------------------------|-------------------------|----------|-----------------------------------|----------|-------------------|----------|--------------|----------|------------------------|----------|-------------------|----------|
| Block 5 : Above 180 kWh                               |                                     | 43.00                   |          | 2,000.00                          |          | 30.00             |          |              |          | 1,600.00               |          |                   |          |
| <b>Other Consumers</b>                                |                                     | <b>Industrial/Hotel</b> |          | <b>General Purpose/Government</b> |          | <b>Industrial</b> |          | <b>Hotel</b> |          | <b>General Purpose</b> |          | <b>Government</b> |          |
| Volume Differentiated Monthly Consumption (kWh/month) |                                     | <300                    | >300     | <180                              | >180     | <300              | >300     | <300         | >300     | <180                   | >180     | <180              | >180     |
| Supply at 400/230V & Contract Demand<42kV A (1)       | Energy Charge (LKR/kWh)             | 13.50                   | 21.50    | 33.00                             | 43.00    | 10.00             | 16.00    | 10.00        | 16.00    | 26.40                  | 34.40    | 26.40             | 34.40    |
|   | Fixed Charge (LKR/month)            | 300.00                  | 1,000.00 | 600.00                            | 1,500.00 | 300.00            | 1,000.00 | 300.00       | 1,000.00 | 600.00                 | 1,500.00 | 600.00            | 1,500.00 |
| Supply at 400/230V & Contract Demand >42kVA (2)       | Peak [18:30 to 22:30] (LKR/kWh)     | 37.00                   |          | 55.00                             |          | 30.50             |          | 30.50        |          | 46.75                  |          | 46.75             |          |
|   | Day [05:30 to 18:30] (LKR/kWh)      | 30.50                   |          | 45.00                             |          | 20.50             |          | 20.50        |          | 38.25                  |          | 38.25             |          |
|   | Off Peak [22:30 to 05:30] (LKR/kWh) | 25.50                   |          | 37.00                             |          | 18.00             |          | 18.00        |          | 31.45                  |          | 31.45             |          |
|   | Demand Charge (LKR/kVA)             | 1,500.00                |          | 1,500.00                          |          | 1,500.00          |          | 1,500.00     |          | 1,500.00               |          | 1,500.00          |          |
|   | Fixed Charge (LKR/month)            | 5,000.00                |          | 5,000.00                          |          | 5,000.00          |          | 5,000.00     |          | 5,000.00               |          | 5,000.00          |          |
| Supply at 11kV & above (3)                            | Peak [18:30 to 22:30] (LKR/kWh)     | 36.00                   |          | 54.00                             |          | 29.50             |          | 29.50        |          | 45.90                  |          | 45.90             |          |

|  |  |                  |                     |                  |          |                     |          |
|--|--|------------------|---------------------|------------------|----------|---------------------|----------|
|  | Day [05:30 to 18:30]<br>(LKR/kWh)      | 30.00            | 44.00               | 19.50            | 19.50    | 37.40               | 37.40    |
|  | Off Peak [22:30 to 05:30]<br>(LKR/kWh) | 24.50            | 36.00               | 17.00            | 17.00    | 30.60               | 30.60    |
|  | Demand Charge<br>(LKR/kVA)             | 1,400.00         | 1,400.00            | 1,400.00         | 1,400.00 | 1,400.00            | 1,400.00 |
|  | Fixed Charge<br>(LKR/month)            | 5,000.00         | 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]<br>(LKR/kWh)     |  | 37.00            |                     | 35.00            |          |                     |          |
| Day [05:30 to 18:30]<br>(LKR/kWh)      |  | 33.00            |                     | 18.00            |          |                     |          |
| Off Peak [22:30 to 05:30]<br>(LKR/kWh) |  | 28.00            |                     | 8.00             |          |                     |          |
| Fixed Charge (LKR/month)               |  | 1,000.00         |                     | 1,000.00         |          |                     |          |
| 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           |          | 90.00               |          |
| Day (LKR/kWh)                          |  | 109.00           | 87.00               | 87.00            |          | 70.00               |          |
| Off Peak (LKR/kWh)                     |  | 66.00            | 50.00               | 53.00            |          | 40.00               |          |

### 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)                        |
| <b>Domestic</b>         | Block 1 : 0-90 kWh/month     |                            | 18.00  |
|                         | Block 2 : Above 90 kWh/month |                            | 68.00  |
| <b>Religious</b>        | Block 1 : 0-90 kWh/month     |                            | 11.00  |
|                         | Block 2 : Above 90 kWh/month |                            | 30.00  |
| <b>General (GP-1)</b>   |                              |                            | 37.00  |
| <b>Industrial (I-1)</b> |                              |                            | 17.00  |
| <b>Hotel (H-1)</b>      |                              |                            | 17.00  |

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

1. The pre-paid tariff rates are subject to the end-user tariff revisions, and hence, the above rates are applicable only until the current end-user tariff is effective. The Commission will also determine the pre-paid rates 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 the post-paid monthly bill.
3. A viewing facility must be provided to the consumers to always see the energy consumption and pre-paid balance.



4. Consumers must be provided with the option of switching back to the post-paid tariffs at any stage (one time without charges), subject to the completion of the ongoing billing cycle. Further, no initial charge shall be applicable for consumers opting for a pre-paid tariff for the first instance.
5. As required under Section 31, of the Sri Lanka Electricity Act No. 20 of 2009, a 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 the 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 and SMS.

Along with the new tariff revision, the Public Utilities Commission of Sri Lanka also imposed 7 conditions on the Ceylon Electricity Board and LECO, as applicable. Among the conditions is that printed electricity bills should be issued when requested by electricity consumers. It has also been imposed to take steps to enter into agreements with the Ceylon Petroleum Corporation for the purchase of fuel for electricity generation.<sup>1</sup>

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<sup>1</sup> Decision Document is available: <https://www.pucsl.gov.lk/wp-content/uploads/2024/07/Decision-Documents-Second-Electricity-Tariff-Revision-for-2024.pdf>



Figure 2 The event of the Public Consultation on the June Electricity Tariff Revision at BMICH

### 3.1.4 Merit Order Dispatch Audit to Ensure The Reasonableness of The Generation Cost

The system operator (System control centre of CEB) must conduct an annual independent audit. Since this has not been done, the Commission will proceed with the audit using an external consultant and external technical assistance. Initial merit order dispatch findings are finalised in-depth, and an analysis is to be done.

In accordance with the approved Dispatch Audit Guidelines and Condition 30(11) of the Transmission License, the system operator (CEB) is required to conduct an independent annual dispatch audit. As this has not been initiated, it is suggested that the Commission proceed with the audit in collaboration with an external consultant. Stage of audit completed. Initial merit order dispatch findings have been finalised. An in-depth analysis will be conducted.

### 3.1.5 Developing And Approving an EV Charging Tariff

The Cabinet has approved the Public Utilities Commission of Sri Lanka to regulate EV charging infrastructure and tariffs. A methodology for tariff calculation and a structured tariff proposal will be developed. Report on EV charging tariffs in other countries with a literature review and finalising the EV tariff methodology document. Final draft has been prepared

The Cabinet of Ministers approved the proposal for PUCSL to regulate and monitor EV charging infrastructure and tariffs, with plans to develop a tariff calculation methodology and propose a tariff structure using internal resources. Final draft has been prepared

### 3.1.6 Tariff Methodology Review

The tariff methodology review will enable biannual revisions, address cost fluctuations, set efficiency targets, and update parameters to reflect demand changes, using internal resources.

The final draft has been prepared. This revision aims to incentivise capital investments, penalise project delays, and enable the recovery of a fair and efficient cost for Licensees.

A review of the methodology to enable envisaged changes has been completed

### 3.1.7 Continuous Utility Cost Monitoring

The activity includes preparing utility cost monitoring templates and generating comparison reports on actual utility costs versus forecasts. Templates have been developed to systematically collect categorised utility actual expense data on a routine basis, enabling effective monitoring against Commission-approved amounts while ensuring financial discipline and supporting informed decision-making in line with the latest policy guidelines on quarterly end-user tariff reviews.

### 3.1.8 Allowed Charges Methodology Review

This activity includes the methodology for calculating allowed electricity charges, incorporating international comparisons and consultations. The milestones and achievements include the development of the Interim Allowed Charges Methodology document, the Draft Final Allowed Charges Methodology, and the Amended Allowed Charges Methodology. The final draft has been prepared and sent to CEB and LECO for their comments. In response to widespread consumer concerns about the high charges allowed for 2023, a thorough re-evaluation of the cost recovery methodology has been conducted. This comprehensive methodology, which addresses consumer concerns and proposes changes for SLEA 2024, has been developed and sent to CEB and LECO for their comments.

### 3.1.9 Developing Bulk Supply Transaction Account (BSTA) Operations Guideline and Monitoring

Bulk Supply Transaction Account (BSTA) is used to monitor the deviations in Transmission Licensees' forecasted cash flows during the tariff revision from actual. Accordingly, this account monitors the Electricity sector's financial sustainability between end-user tariff revisions. This activity was included to develop guidelines on the operation of BSTA and the continuous monitoring of BSTA. Formulation of BSTA operation guidelines and continuous monitoring of BSTA statements against the issued guidelines. BSTA guidelines were formulated and issued to the Transmission Licensee, subsequent to a comprehensive stakeholder consultation. The BSTA statements are monitored on a weekly basis and logs are maintained to identify variations, so as to ensure the financial sustainability of Electricity sector.

### 3.1.10 Small Distributor Tariff Review

Electricity distribution and sales are identified as an activity requiring a license from the Commission. Anyhow, the Commission is also empowered with provisions of exempting certain electricity distributors and sellers, considering their small scale of operation, such as the distribution and sale of electricity within a condominium. The electricity sales tariff by these exempted small distributors is reviewed under this activity. Review of small distributor tariff requests to determine rates and handling consumer complaints with regards to small distributor tariff rates. All small distributor tariff review requests received within the year are completed. Consumer complaints on the matter are also entertained.

### 3.1.11 Bulk Supply Tariff, Uniform National Tariff and End-User Tariff Review

The Commission reviews end-user tariff submissions by CEB/LECO to set consumer electricity prices. The frequency of these reviews is stipulated in the General Policy guideline for the industry. Also, the Commission biannually reviews Bulk Supply Tariffs (BST) (sale tariff from TL to DLs), and quarterly determines ex-post adjustments to ensure the Uniform National Tariff (UNT) recovers the 'Allowed Revenue' of DLs. These tariff determination activities are covered under this activity.

Decision documents on the end-user tariff revisions, Decision documents on the BST and Decisions on UNT adjustment End user tariff was reviewed in March 2024 with a thorough stakeholder consultation and after a comprehensive analysis, to result in an overall reduction by 21.9%. This reduction included about 33% reduction to religious category consumers and around 24% reduction to Domestic category consumers. The next end user tariff review was implemented in July 2024, to reduce electricity tariffs by another 22.5% overall. The standard review process included stakeholder consultation and secretariat analysis on the submissions. The religious category was provided with around 30% reduction under this revision, while Domestic, Industry, Hotel category consumers were granted with 27%, 25% and 26%, reductions respectively. The BST was determined and decision documents issued for the two halves of 2024. Uniform National Tariff Adjustment was calculated considering quarterly periods in 2023 and 2024.

### 3.1.12 Analysis Of Utility Financial Data and Information Dissemination

This activity covers financial and electricity market-related analysis carried out as per the timely requirements, in order to have a better visibility on the Electricity sector performance and to make informed decisions.

Reports on financial data and other electricity market-related analysis, Number of financial and electricity market-related analysis reports prepared within the year 2024, for decision-making and information dissemination. The published consultation documents (in January, February and July) on tariff submissions included a comprehensive analysis of the Licensee forecasts against the actual cost based on financial accounts.

*Table 8 Summary of Activities for the Tariff and Economic Affairs Division*

| Activity Ref      | Activity   | Direct Budget (Rs.) | Output   | Progress     |                          | Remarks  |
|-------------------|--|---------------------|--|--------------|--------------------------|--|
|                   |  |                     |  | Physical (%) | Financial (%)            |  |
| AP24/TEA/01/CP/01 | Electricity generation cost benchmarking in order to set and approve cost parameters those goes into PPAs of CEB owned generation plants | 50,000              | Report on electricity generation cost benchmarking | 50%          | 72%                      | This activity was planned to be carried out with the technical assistance of USAID. Anyhow, the USAID project has discontinued the activity. Further, CEB has not submitted complete PPAs with pricing for approval of the Commission. |
| AP24/TEA/01/CP/02 | Conduct merit order dispatch audit to ensure reasonableness of Generation cost   | -                   | Final report on merit order dispatch               | 70%          | N/A (No funds allocated) | This activity was conducted with the technical assistance of USAID   |
| AP24/TEA/01/CP/03 | Tariff methodology review  | -                   | Revised Tariff Methodology Document                | 80%          | N/A                      |  |
| AP24/TEA/01/CP/04 | Developing and approving an EV charging tariff   | 50,000              | EV Charging Tariff Methodology Document            | 90%          | 0                        |  |
| AP24/TEA/01/CP/05 | Review and approve FSA agreements of thermal generation plants to ensure reasonable fuel prices  | -                   | Approved Fuel Supply Agreements (FSA)              | 50%          | N/A                      | The completed FSA has not been submitted for the Commission's approval by CEB. The Commission has initiated legal action on this matter.   |



|                   |  |           |  |      |      |   |
|-------------------|--|-----------|--|------|------|---|
| AP24/TEA/01/CP/06 | Study on energy poverty and formulate a policy advice on subsidies     | 4,000,000 | Final report on energy poverty in Sri Lanka  | 40%  | 14%  | Delay in procurement has delayed this study. However, as of now the study is completed. |
| AP24/TEA/01/RU/01 | Small Distributor Tariff Review  | -         | Approved small distributor tariffs   | 100% | N/A  |   |
| AP24/TEA/01/RU/02 | Bulk supply tariff, Uniform National Tariff and end-user tariff review | 4,000,000 | Decision documents on Bulk Supply Tariff, Uniform National Tariff Adjustment and End User Tariff | 90%  | 100% |   |
| AP24/TEA/01/RU/03 | Analysis of utility financial data and information dissemination       | -         | Reports on utility financial data  | 100% | N/A  |   |
| AP24/TEA/02/CP/01 | Allowed charges methodology review                                     | -         | Revised Methodology for Construction Costs and Charges   | 90%  | N/A  |   |
| AP24/TEA/02/RU/01 | Review of Allowed Charges filed for 2025                               | -         | Decision documents on Allowed Charges  | 90%  | N/A  |   |



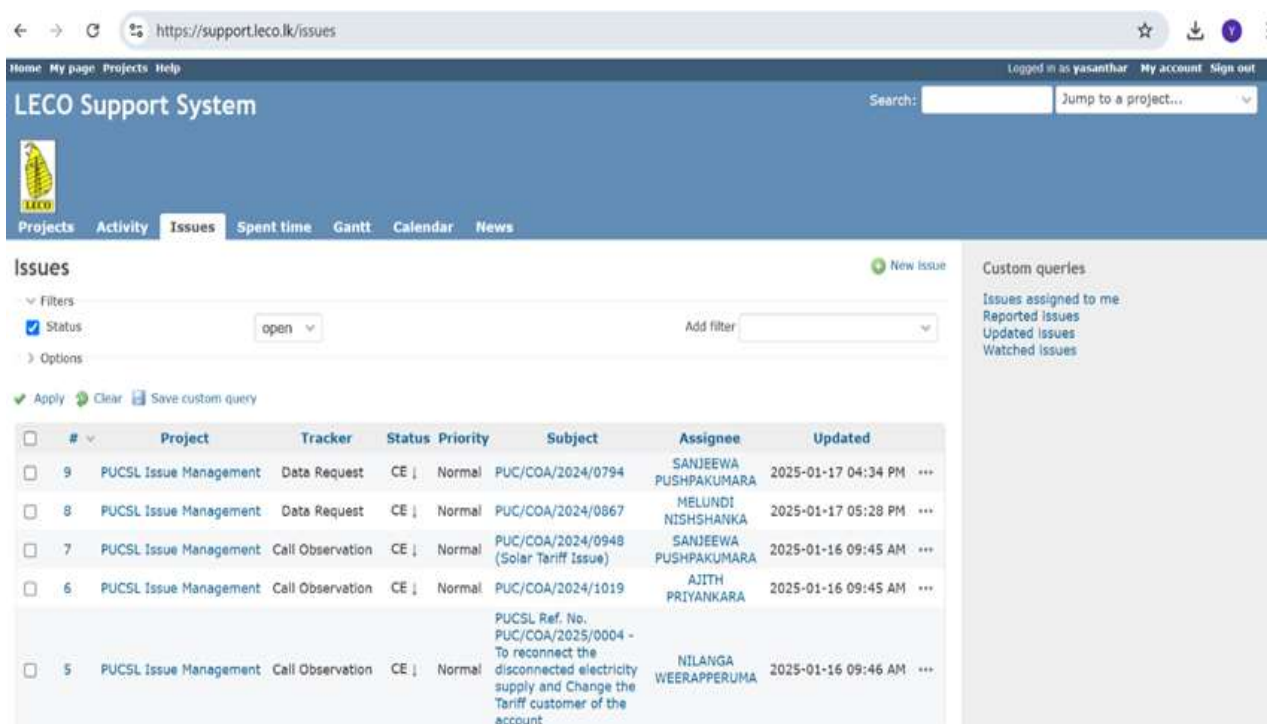
## **3.2 Consumer Affairs Division**

The Consumer Affairs Division of the Public Utilities Commission of Sri Lanka (PUCSL) serves as the primary body responsible for protecting and promoting the interests of utility consumers (electricity and petroleum). This division ensures that utility service providers operate in a fair, transparent, and accountable manner, addressing consumer grievances and enforcing compliance with regulatory standards. It plays a key role in facilitating consumer education, resolving disputes between consumers and service providers, and formulating policies that uphold consumer rights within the electricity and petroleum sectors. Through its regulatory oversight, the division contributes to maintaining the balance between consumer protection and sustainable utility service delivery in Sri Lanka.

### 3.2.1 Digital platform to communicate with DLs in consumer service management

The Public Utilities Commission of Sri Lanka, in collaboration with the Lanka Electricity Co Pvt Ltd, developed a digital system to address complaints and grievances raised by electricity consumers promptly. The goal is to ensure the protection of consumer rights while providing quick resolutions to issues. This system enables the submission of complaints through digital means and facilitates the review of actions taken by the LECO. Additionally, it aims to expedite the final recommendations of the Commission for resolving issues.

After several rounds of discussions and several stages of analysis, the system's requirements were identified by the Commission. The software system was developed by the LECO and the Commission, with the necessary training provided to the officers of both parties. The system was fully implemented and put into use starting in January 2005.



The screenshot displays the LECO Support System web interface. The browser address bar shows <https://support.leco.lk/issues>. The page header includes navigation links (Home, My page, Projects, Help) and user information (Logged in as yasanthar, My account, Sign out). The main header features the LECO logo and a search bar. Below the header, a navigation menu includes Projects, Activity, Issues (selected), Spent time, Gantt, Calendar, and News. The 'Issues' section shows a table of open issues with filters and options. A table of issues is displayed below, with columns for Project, Tracker, Status, Priority, Subject, Assignee, and Updated. The table lists five issues related to PUCSL Issue Management, including data requests and call observations, with assignees like SANJEEWA, MELUNDI, and NILANGA.

| # | Project                | Tracker          | Status | Priority | Subject   | Assignee                 | Updated             |
|---|------------------------|------------------|--------|----------|---|--------------------------|---------------------|
| 9 | PUCSL Issue Management | Data Request     | CE     | Normal   | PUC/COA/2024/0794   | SANJEEWA<br>PUSHPAKUMARA | 2025-01-17 04:34 PM |
| 8 | PUCSL Issue Management | Data Request     | CE     | Normal   | PUC/COA/2024/0867   | MELUNDI<br>NISHSHANKA    | 2025-01-17 05:28 PM |
| 7 | PUCSL Issue Management | Call Observation | CE     | Normal   | PUC/COA/2024/0948<br>(Solar Tariff Issue)   | SANJEEWA<br>PUSHPAKUMARA | 2025-01-16 09:45 AM |
| 6 | PUCSL Issue Management | Call Observation | CE     | Normal   | PUC/COA/2024/1019   | AJITH<br>PRIYANKARA      | 2025-01-16 09:45 AM |
| 5 | PUCSL Issue Management | Call Observation | CE     | Normal   | PUCSL Ref. No.<br>PUC/COA/2025/0004 -<br>To reconnect the<br>disconnected electricity<br>supply and Change the<br>Tariff customer of the<br>account | NILANGA<br>WEERAPPERUMA  | 2025-01-16 09:46 AM |

Figure 3 Screenshot of the LECO Support System

### 3.2.2 Educating Area Engineering Officials of DLs through interactive sessions to increase compliance on electricity acts, rules, regulations and guidelines etc (phase 01)

The Public Utilities Commission of Sri Lanka conducted a series of awareness programs to ensure the effective implementation of the rules, regulations, and guidelines issued by the Commission through all electricity distribution licensees. These programs also focused on guiding the licensees on how to handle requests from consumers in accordance with the established guidelines and legal regulations.

In line with this, 79 of the Area Electrical Engineering Offices in Sri Lanka were covered in 2024. A team of 45 members from one Area Electrical Engineering Office was selected to train and educate us in implementing the rules, regulations, and guidelines in 40 regional electricity engineering offices across the country. These sessions aimed to inform employees on how to provide high-quality service to consumers by ensuring proper implementation of these guidelines and regulations.

As a whole, interactive sessions were conducted for a total of 1,750 engineers and staff from electricity distribution licensees within the 40 regional electricity engineering offices. During these sessions, the guidelines were distributed, and a question-and-answer session was held to address any queries raised by the participants. Finally, responses were provided to open-ended questions regarding the services provided by these teams.



*Figure 4 Interactive sessions on handling requests from consumers in accordance with the established guidelines and legal regulations in Southern Province*

### 3.2.3 Amend the Energy Estimation Methodology to reduce complaints received by DLs

In line with Sri Lanka Electricity Act No. 20 of 2009 and amended Sri Lanka Electricity Act No. 31 of 2013, the Public Utilities Commission of Sri Lanka (the Commission) approved the Methodology for Estimation of Energy Supplied (attached as annex 01) in year 2013 and circulated among distribution licensees to implement to ensure that energy supplied to a premises is estimated fairly. The primary objective of developing a methodology for the estimation of energy supplied was to define the method and procedure to be followed when estimating the consumption of Energy under specified events. Accordingly, estimation of energy is being carried out by distribution licensees under the following four instances namely;

1. Electricity supply with the absence of a meter
2. A meter is proved to be registering incorrectly
3. A malfunctioning of any meter
4. Any person altering the register of any Meter used for measuring the quantity of electricity supplied to any premises or preventing any Meter from duly registering the quantity of electricity supplied through the Meter.

The Commission has noticed that amendments were needed to the methodology prepared for estimation of energy supplied to cater the following matters/issues.

1. Change of electricity consumption pattern
2. Estimation of solar energy generation and imports and exports of energy
3. Issuing of assess bills due to the distribution licensee does not have access to the meter
4. Estimation of energy at illegal electricity consumption

Accordingly, the methodology was amended by making amendments to estimate the energy supplied under following instances such as electricity supply with the absence of a meter, a meter is proved to registering incorrectly, the malfunction of any meter, any person altering the register of any meter used for measuring the quantity of electricity supplied to any premises. Additionally, the following new provisions were added to the methodology.

Issuing of “assess bills” due to the distribution licensee is unable to have access to the meter,

Meter reading faults made by licensee,

Estimation of prosumer solar energy generation

Estimation of energy at an illegal electricity consumption.

The final draft report, which has been completed, is currently in the process of being submitted to the Commission following the final discussions with the Ceylon Electricity Board and the Lanka Electricity (Private) Limited.

#### 3.2.4 Interactive Sessions with Divisional Secretaries to increase compliance on responsibilities coming under wayleave guidelines

When focusing on complaints received by the Commission, a significant number of complaints are related to issues concerning on granting and obtaining of wayleave. According to the Sri Lanka Electricity Act, if the licensee makes every effort to obtain a wayleave but is unsuccessful, and if an agreement cannot be reached regarding compensation to be paid to landowners after the wayleave is granted, the Commission has the authority to intervene in the process of granting the wayleave and the process of compensation payment, in accordance with Item 3 of Schedule 1 of the Electricity Act and Section 17 of the amended Electricity Act. The authority for this action lies with the Divisional Secretary.

While this task is carried out by the Divisional Secretaries, they must be provided with a proper understanding of the electricity sector and its background. Therefore, the Commission decided to educate over 333 Divisional Secretaries in Sri Lanka regarding this matter. Accordingly, the Commission started awareness programs in March 2024, and by June of the same year, programs in five provinces were completed. The provinces covered were the Southern Province, Western Province, Sabaragamuwa Province, Uva Province, and the North Central Province. However, with the amendment to the Electricity Act in June 2024, the powers previously delegated to Divisional Secretaries concerning the granting of wayleave were removed.

By that time, over 700 Divisional Secretaries, along with Assistant Divisional Secretaries and officers working in connection with electricity matters, were made aware of this issue. When a complaint related to wayleave is referred by the Ceylon Electricity Board to the Divisional Secretary, the Divisional Secretary must be informed on how to proceed. The Divisional Secretaries were made aware of the following points: how to handle matters related to wayleave, the final decision regarding tree cutting, compensation related to damage caused to land or immovable or movable property in exchange for the wayleave, and the process for acquiring compensation related to such losses.





*Figure 5 Interactive Sessions with Divisional Secretaries to increase compliance on responsibilities coming under wayleave guidelines*



*Figure 6 Interactive Sessions with Divisional Secretaries to increase compliance on responsibilities coming under wayleave guidelines*

### 3.2.5 Evaluation report on the customer service performance of LECO

According to the Distribution Performance Standards Regulations, the Lanka Electricity Co. (Private) Limited (LECO) is required to report its performance related to 10 customer service indicators to the Commission. These 10 indicators are listed below:

1. Percentage of completed target estimates (LV supply)
2. Provision of new electricity supply - Supply completed within 72 working days (LV supply)
3. Reconnection of the electricity supply after disconnection due to non-payment of dues
4. Income meter inspection
5. Meter replacement
6. Transformer replacement
7. Issuance of mandatory disconnection notices
8. Invoice and payment inquiries

9. Replacement of cut-out fuses

10. Response to customer complaints

The Commission has granted approval to prepare a report regarding how these indicators have been maintained and the level of performance achieved. Accordingly, performance reports have been prepared for each of these indicators. Based on these reports, LECO has provided data on how much time has been taken to issue estimates for providing supply, how much time has passed after the payment of estimates before supply was provided, the time taken for meter changes, how long it took after the submission of the application to obtain wayleave, and how much time they take to address complaints. The Commission has compiled a report containing all this data.

If performance has been satisfied based on data from the year 2024, the Commission expects the Lanka Electricity Co (Private) Limited (LECO) to update their performance targets for the year 2025 accordingly.

Determined decisions for 700 (avg) requests/complaints made by consumers and utility providers.  
Number of complaints received in 2024 – 1006

*Table 9 Response to customer complaints in 2024*

| Mont<br>Category | New<br>Connections | Disconnection<br>and<br>Reconnection | Electricity<br>billing | Electricity<br>meter | Wayleave | Electricity<br>Quality | Change of<br>tariff category | Other |
|------------------|--------------------|--------------------------------------|------------------------|----------------------|----------|------------------------|------------------------------|-------|
| <b>Jan</b>       | 9                  | 3                                    | 11                     | 13                   | 15       | 10                     | 1                            | -     |
| <b>Feb</b>       | 7                  | 1                                    | 15                     | -                    | 14       | 8                      | 1                            | -     |
| <b>Mar</b>       | 12                 | 5                                    | 24                     | 1                    | 15       | 7                      | 2                            | 1     |
| <b>Apr</b>       | 8                  | 9                                    | 11                     | 2                    | 17       | 11                     | 1                            | -     |
| <b>May</b>       | 12                 | 6                                    | 19                     | 4                    | 7        | 11                     | 1                            | -     |
| <b>June</b>      | 6                  | 5                                    | 10                     | 2                    | 11       | 7                      | -                            | -     |
| <b>July</b>      | 65                 | 11                                   | 161                    | 4                    | 13       | 9                      | 1                            | 16    |

|            |    |   |    |   |    |    |   |   |
|------------|----|---|----|---|----|----|---|---|
| <b>Aug</b> | 31 | 3 | 31 | 3 | 16 | 13 | 2 | 4 |
| <b>Sep</b> | 15 | 4 | 20 | 1 | 10 | 4  | 3 | 1 |
| <b>Oct</b> | 25 | 3 | 23 | 3 | 22 | 15 | 1 | 4 |
| <b>Nov</b> | 13 | 2 | 13 | 1 | 6  | 7  | 2 | 2 |
| <b>Dec</b> | 24 | 7 | 16 | 3 | 11 | 4  | 2 | 2 |

*Table 10 Number of communications made in 2024*

| <b>Month</b> | <b>Category</b> | <b>New</b> | <b>Connectio</b> | <b>Disconnect</b> | <b>ion and</b> | <b>Electricity</b> | <b>billing</b> | <b>Electricity</b> | <b>meter</b> | <b>Wayleave</b> | <b>Electricity</b> | <b>Quality</b> | <b>Change of</b> | <b>tariff</b> | <b>Other</b> |
|--------------|-----------------|------------|------------------|-------------------|----------------|--------------------|----------------|--------------------|--------------|-----------------|--------------------|----------------|------------------|---------------|--------------|
| <b>Jan</b>   |                 | 18         |                  | 10                |                | 33                 |                | 13                 |              | 59              |                    | 28             |                  | 2             | 5            |
| <b>Feb</b>   |                 | 27         |                  | 7                 |                | 37                 |                | 5                  |              | 57              |                    | 20             |                  | 3             | 2            |
| <b>Mar</b>   |                 | 30         |                  | 8                 |                | 42                 |                | 6                  |              | 62              |                    | 21             |                  | 3             | 5            |
| <b>Apr</b>   |                 | 27         |                  | 12                |                | 28                 |                | 8                  |              | 58              |                    | 24             |                  | 3             | 2            |
| <b>May</b>   |                 | 27         |                  | 15                |                | 42                 |                | 7                  |              | 43              |                    | 16             |                  | 1             | 5            |
| <b>June</b>  |                 | 19         |                  | 13                |                | 33                 |                | 5                  |              | 48              |                    | 20             |                  | -             | 2            |
| <b>July</b>  |                 | 83         |                  | 25                |                | 190                |                | 9                  |              | 58              |                    | 18             |                  | 3s            | 29           |
| <b>Aug</b>   |                 | 48         |                  | 6                 |                | 51                 |                | 5                  |              | 51              |                    | 35             |                  | 6             | 11           |
| <b>Sep</b>   |                 | 44         |                  | 12                |                | 46                 |                | 6                  |              | 51              |                    | 24             |                  | 5             | 6            |
| <b>Oct</b>   |                 | 55         |                  | 9                 |                | 62                 |                | 5                  |              | 82              |                    | 38             |                  | 1             | 5            |
| <b>Nov</b>   |                 | 54         |                  | 6                 |                | 59                 |                | 10                 |              | 65              |                    | 23             |                  | 4             | 15           |
| <b>Dec</b>   |                 | 66         |                  | 7                 |                | 51                 |                | 5                  |              | 63              |                    | 17             |                  | 5             | 14           |



In relation to complaints received by the Commission that can be directly addressed, responses have been provided following the Electricity Act and its associated laws and regulations. For tasks that require information from service providers, relevant information has been summoned, and after receiving the information, it has been studied. Following field inspections and discussions with stakeholders, the Commission has made final decisions.

### 3.2.6 Mechanism for electricity stakeholders to comply and perform duties related to requests made by consumers on use of electricity (Phase 1)

The following services provided by the Ceylon Electricity Board (CEB) and Lanka Electricity Co (Private) Limited (LECO) to consumers residing on government lands have been hindered due to objections from government institutions holding ownership of these lands. Complaints regarding the inability to provide these services have been reported to the Commission.

1. Provision of new electricity supply
2. Changing the name on the electricity account of a consumer
3. Electricity line permits
4. Payment of compensation for immovable and movable property related to road permits

In this regard, the Commission has made efforts to minimize the objections received from stakeholders when providing electricity supply to consumers. The objective of this activity was, with their agreement, to establish a mechanism for providing electricity services or other related services to consumers. Public consultations were conducted for the 9 provinces. Representatives from the institutions mentioned below participated in the public consultations held in each province. During these consultations, they provided their feedback both in writing (72) and verbally (239) to the Commission. Our goal for 2024 was to complete public consultations across Sri Lanka and, based on the information gathered from these consultations, to develop a mechanism for the year 2025.

Institutions and officials that represented each province and participated:

1. District Secretary
2. Ministry of Lands and Land Development
3. Additional District Secretaries (Lands)
4. Deputy General Manager, Ceylon Electricity Board

5. Provincial Electrical Engineers
6. Land Commissioner's Office (Inter-Provincial)
7. Provincial Road Development Authority
8. Road Development Authority
9. National Housing Development Authority
10. Sri Lanka Railway Department
11. Department of Wildlife Conservation
12. Department of Forest Conservation
13. Department of Archaeology

### 3.2.7 Dissemination of Information Related to Consumer Protection

Information dissemination is one of the functions of the Commission. The Commission categorised complaints received from consumers to the Commission for the year 2024, studying how many complaints were received against each licensee and how many complaints were received in each month. The analysis also includes how the officers of the Consumer Affairs Division of the Commission contributed to resolving these complaints. These analyses were conducted quarterly.

### 3.2.8 Amend the Electricity (Dispute Resolution Procedure) Rule to obtain the determination power for PUCSL to resolve disputes

The Commission observed that finding solutions to disputes raised by complainants can be difficult, as some parties do not follow a flexible approach, making it challenging to resolve disputes. As a result, there have been instances where a non-resolved certificate was issued without resolving the issue. Efforts are being made to amend the Dispute Resolution Procedure to reduce the tendency of issuing non-resolved certificates, and when the resolution process becomes difficult through the mediation process, is there a possibility to find a solution through arbitration.

This is an activity carried out by the legal division of the Commission. Initial discussions were held internally within the Commission, and based on those discussions, a report was prepared and sent to the Attorney General's Department to obtain their views on how to proceed. Additionally, multiple rounds of discussions were held with the Mediation Centre and other consultants about finding solutions through the Arbitration Act. Based on the findings from those discussions, a report is being prepared, which is currently held by the legal division.

### 3.2.9 Determine resolutions for 15 (avg) mediation requests (Electricity)

Under sections 39 (1) and (3) of the Sri Lanka Electricity Act No. 20 of 2009, approximately 25 disputes have been referred under Section I of the "Electricity (Dispute Resolution Procedure) Rules" issued by the Commission. Additionally, 2 disputes referred under Section II of the said rules are being resolved currently. Furthermore, 11 disputes referred under part 1 have been resolved in the year 2024.

### 3.2.10 CCC monthly meeting coordination

The Commission, (1) after consulting with the Minister, establish a Consumer Consultative Committee. (2) The composition of the committee should be as prescribed by the regulations. (3) the Consumer consultative Committee has to guide the Commission regarding the standards that must be prescribed or determined under the PUCSL Act.

Accordingly, the Commission held monthly meetings and the CCC has submitted two advisory documents to the Commission. These include:

1. Guiding on the payment of interest for delayed payments related to solar grid proposals.
2. Providing instructions to the Public Utilities Commission for the implementation of the 2016 Regulation No. 04, gazetted by December 23, 2016, Gazette No. 1998/38, through distribution licensees.

### 3.2.11 Disaster Management plan

The Preparation of the Disaster Management Plan for the National Water Supply and Drainage Board (NWSDB) continued during 2024 and was completed in December 2024. PUCSL, as the designated regulator for the Water Service Industry as per Section 1 (2) of the PUCSL act, must look into the concerns of customers of respective utilities as per Section 14(2) (a) of the PUCSL act to meet the Commission's objectives. Consequently, PUCSL started preparing a Disaster Management Plan for the National Water Supply and Drainage Board to ensure continued water supply during a disaster.

Conducting a risk assessment of water supply schemes was a basic requirement to identify risk levels of infrastructures against four selected hazards and develop mitigation, preparedness, response and recovery plans. Initially, 15 hazards were ranked high to low impacts, 6 were identified mostly affecting the water supply sector. PUCSL in consultation with NWSDB selected four hazards, floods, drought, landslides and chemical hazards for further analysis. Profiles of four

hazards were evaluated based on 8 characteristics and flood ranked highest, followed by drought, chemical hazards and Landslide.

Hazard profiles developed by the Disaster Management Center (DMC), Irrigation Department (ID), the Meteorological Department (MD) and the National Building Research Organization (NBRO) for floods, drought, and landslides were collected. Coordinates of identified elements at risk provided by NWSDB were overlaid with the hazard layers respectively and the exposure level of the critical infrastructure (element at risk) was identified. The exposure level of the proposed water supply schemes was given separately for NWSDB to reconsider the location before taking the final decision. The mitigation plan proposed encompasses risk management-related best practices in design, construction and maintenance measures to optimize their utilization.

If the fully fledged regulatory powers were with the PUCSL the investment required for mitigation measures should have been gradually included in the investment plans allowing to recover cost through water tariffs depending on the level of affordability. This is how a sector will benefit and develop under a regulatory regime. Unfortunately, PUCSL has not been empowered to regulate the water service industry.

The IDMP builds upon the already-implemented Water Safety Plans (WSPs) within NWSDB schemes, expanding from local emergency responses to an institutional-level disaster preparedness framework. The plan prioritizes hazard identification, exposure analysis, risk assessment, mitigation planning, emergency response, and post-disaster recovery.

Following a multi-stage consultation process, four high-priority hazards were selected for in-depth analysis: floods, droughts, landslides, and chemical hazards. These were identified based on their historical frequency, potential consequences, and impact on the continuity of water services.

A nationwide exposure and vulnerability assessment was conducted for critical water infrastructure, including intakes, treatment plants, pump houses, chemical buildings, and main pipelines. Spatial analysis techniques were used to overlay hazard maps (provided by DMC, NBRO, and the Irrigation Department) with the locations of key infrastructure. The findings indicated significant exposure to flood and drought hazards in several districts, requiring immediate attention.

In the absence of sufficient vulnerability data, proxy indicators such as early warning systems, financial preparedness, and structural resilience were used to assess risk levels. The results categorized regions and facilities into low, moderate, high, and very high risk zones, forming the basis for targeted mitigation actions.

To reduce disaster impacts, NWSDB will integrate Disaster Risk Reduction (DRR) concepts into infrastructure design standards and revise operational procedures. Mitigation measures include improving catchment protection, flood-resilient construction, water source diversification, and regular maintenance of assets.

An Emergency Response Plan (ERP) was prepared as part of the IDMP, detailing hazard-specific protocols, communication structures, contingency planning, and damage assessment procedures. The plan outlines responsibilities at four organizational levels—from local scheme operators to the national emergency coordination unit.

The disaster recovery component includes both pre- and post-disaster planning. A structured approach was adopted to facilitate rapid rehabilitation of affected infrastructure, budget estimation, and resumption of services. Damage and loss data collection formats were standardized to support future Post-Disaster Needs Assessments (PDNA).

To institutionalise the IDMP, five tailored training modules were developed to build the capacity of NWSDB personnel across operational levels. These modules cover disaster risk concepts, mainstreaming DRR in development planning, risk financing, emergency response, and recovery planning.

The IDMP significantly enhances the disaster resilience of Sri Lanka's water supply sector. It institutionalises disaster management within the NWSDB framework, facilitates better coordination with national and local authorities, and ensures continuity of water services to over 46% of the population. This initiative represents a critical milestone in achieving climate-resilient, sustainable, and inclusive water infrastructure for the nation.<sup>2</sup>

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<sup>2</sup> *The final report is available at [www.pucsl.gov.lk](http://www.pucsl.gov.lk)*

*Table 11: Summary of Activities for the Consumer Affairs Division*

| Activity Number  | Activity Name   | Budget       | Output (Activity)  | Progress |         | Remarks  |
|------------------|---|--------------|--|----------|---------|--|
|                  |   |              |  | Physical | finance |  |
| AP24/CA/01/CP/01 | 1.1 Establish a digital platform to communicate with DLs in consumer service management   | 3,000,000.00 | Establishment of a digital platform for Distribution Licensee for consumer service management        | 100%     | 0       | Distribution licensee (LECO) agreed to sponsor (bear the cost) the development of the system. Both PUCSL and LECO completed the digital platform |
| AP24/CA/01/CP/02 | 1.2 Educate Area Engineering Officials of DLs through interactive sessions to increase compliancy on electricity acts, rules, regulations and guidelines etc (phase 01) | 6,100,000.00 | Completion of educating Area Engineering Officials of DLs to increase compliancy on regulatory tools | 100%     | 88%     |  |
| AP24/CA/01/CP/03 | 1.3 Amend Energy Estimation Methodology to reduce complaints received by DLs  | -            | Amendments to Energy Estimation Methodology  | 100%     |         | Commission approval to be obtained for implementation  |
| AP24/CA/01/CP/04 | 1.4 Educate Divisional Secretaries through dialogs to increase compliancy on responsibilities   | 2,200,000.00 | Completion of educating Divisional Secretaries to increase compliancy on responsibilities coming     | 100%     | 112%    |  |

|                  |  |              |   |      |      |  |
|------------------|--|--------------|---|------|------|--|
|                  | coming under<br>wayleave guidelines  |              | under wayleave<br>guidelines  |      |      |  |
| AP24/CA/01/RU/01 | 1.5 Evaluation<br>report on cutomer<br>service performance<br>of LECO  | -            | Evaluation report on<br>cutomer service<br>performance of LECO                                    | 100% |      |  |
| AP24/CA/02/RU/01 | 2.1 Determine<br>decesions for 700<br>(avg)<br>requests/complaints<br>made by consumers<br>and utility providers   | 1,140,000.00 | Facilitating for<br>consumer complaints<br>and licensee requests<br>received by the<br>Commission | 100% | 30%  | Less number of site<br>inspections were<br>required. Hence 70% of<br>the forecsted budget<br>saved.                                    |
| AP24/CA/02/CP/01 | 2.2 Mechansim for<br>electricity<br>stakeholders to<br>comply and perform<br>duties related to<br>requests made by<br>consumers on use of<br>electricity | 2,500,000.00 | Completion of<br>conducting islanwide<br>consultation   | 100% | 100% |  |
| AP24/CA/02/RU/02 | 2.3 Dissemination of<br>Information related<br>to Consumer<br>Protection   | -            | Report on information<br>dissemination related<br>to consumer protection                          | 100% |      |  |
| AP24/CA/03/CP/01 | 3.1 Amend<br>Electricity (Dispute<br>Resolution<br>Procedure) Rule to<br>obtain determination<br>power to PUCSL to<br>resolve disputes                   | -            | Amend Electricity<br>(Dispute Resolution<br>Procedure) Rule                                       | 80%  |      | Discussions are being<br>held with Centre for<br>Arbitration and with an<br>external consultant<br>aiming to finalise the<br>document. |

|                  |   |              |   |      |     |  |
|------------------|---|--------------|---|------|-----|--|
| AP24/CA/03/RU/01 | 3.2 Determine resolutions for 15 (avg) mediation requests (Electricity) | 200,000.00   | Determined resolutions for 11 disputes through the provisions of the Dispute Resolution Procedure | 80%  | 0   | With the Commission's initiation, 11 disputes have resolved through part I of the Dispute Resolution Procedure and 2 more disputes are being resolved through part II of the Dispute Resolution Procedure. No payments were made to the panel as disputes reported in part II yet to complete. |
| AP24/CA/03/RU/02 | 3.3. Determine resolutions for 05 (avg) mediation requests (Petroleum)  | -            | No disputes reported but 13 complaints facilitated  | 50%  |     | Lubricant levy received by the Commission was stopped and transferred to the consolidated fund by the government. Hence, the Commission could not carry out petroleum industry related activities effectively due to non availability of funds.  |
| AP24/CA/04/RU/01 | 4.1 CCC monthly meeting   | 1,470,000.00 | Completed - 6 meetings conducted and 2 advices submitted to the Commission                        | 100% | 71% | CCC meetings were not held for 6 months due to no quorum (number of attempts were made to appoint members through interviews)  |



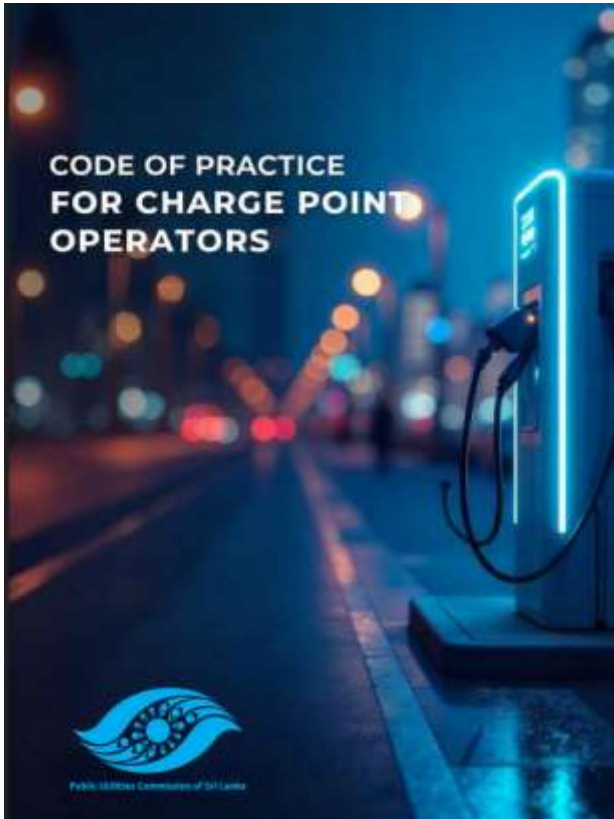
|                  |   |              |  |     |   |   |
|------------------|---|--------------|--|-----|---|---|
| AP24/CA/05/CP/01 | 5.1 Policy Advice to the Government on Petroleum Industry Regulation  | -            | Draft policy advice completed  | 60% |   | Lubricant levy received by the Commission was stopped and transferred to the consolidated fund by the government. Hence, the Commission could not carryout petroleum industry related activities effectively due non availability of funds. |
| AP24/CA/05/RU/01 | 5.2 Fuel Filling Station (FFS) inspection to reduce under-delivery and non-compliances by 40%               | 1,500,000.00 | Drafting of the operational manual for fuel filling stations and an agreement between the Commission and the CPSTL completed | 50% | 0 | Lubricant levy received by the Commision was stopped and transfered to the consolodated fund by the government. Hence, the Commission could not carryout petroleum industry related activities effectively due non availability of funds.   |
| AP24/CA/05/CP/02 | 5.3 Amend Procedure for Complaint Handling & Dispute Resolution in the Petroleum fuels and lubricant sector | -            | Draft amended complaint handling and dispute resolution procedure completed  | 40% |   | Lubricant levy received by the Commission was stopped and transferred to the consolidated fund by the government. Hence, the Commission could not carry out petroleum industry-related activities due to non non-availability of funds.     |

|                  |  |              |  |      |     |   |
|------------------|--|--------------|--|------|-----|---|
| AP24/CA/06/CP/01 | conducting a survey on the electricity consumer complaints resolving process                                   | 1,200,000.00 | Inception Report completed               | 100% | 99% |   |
| AP24/CA/06/CP/02 | Amend regulations, rules and guidelines issued by the Commission in line with the newly passed Electricity Act | -            | Await an order published by the Minister |      |     | This activity is to be initiated after the order is published by the Minister of Energy under the section 1(2) of the Sri Lanka Electricity Act |

### **3.3 Environment, Renewable and Efficiency Division**

The Environment, Efficiency and Renewable Energy Division of the Public Utilities Commission of Sri Lanka (PUCSL) is responsible for safeguarding consumer interests while advancing the nation's energy transition. The Division regulates and promotes energy efficiency, renewable energy integration, and environmental compliance within the electricity sector. Its mandate covers the protection of consumers with respect to price, quality, safety, and continuity of supply; the promotion of efficiency in utility operations, investments, and end-user practices; and the facilitation of renewable energy development. The Division also develops and enforces technical and service quality standards, monitors compliance with statutory and license conditions, and ensures alignment with national environmental regulations. In addition, the Division advises the Government on renewable energy, energy efficiency, and environmental matters, collects and disseminates industry data, and establishes performance benchmarks. Through these functions, the Division plays a central role in driving Sri Lanka's transition towards a secure, sustainable, and environmentally responsible electricity sector.

### 3.3.1 Formulate a Code of Practice for the EVCS

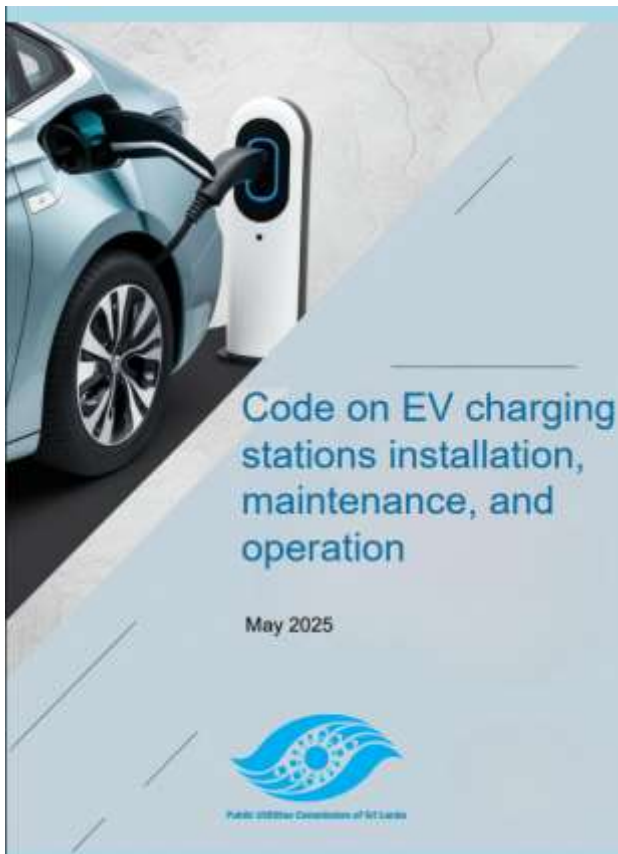


A comprehensive Code of Practice for Electric Vehicle Charging Stations (EVCS) tailored to the Sri Lankan context has been developed to ensure the safety, performance, and long-term reliability of these installations. This code now serves as a foundational guideline for stakeholders across the industry—engineers, contractors, utility providers, and regulators—by standardising best practices in the design, installation, testing, and commissioning of EVCS infrastructure. By aligning with both international standards and local environmental, electrical, and regulatory conditions, it has helped minimise safety risks while optimising operational efficiency. Moreover, the code has enhanced public confidence in the technology by assuring end-users

that charging stations are built to consistent and trustworthy standards. In the long run, this Code of Practice is expected to foster greater acceptance and integration of electric mobility solutions across Sri Lanka, contributing to a more sustainable and modern transport ecosystem

### 3.3.2 Development of a Web-based system to register and monitor Electrical Vehicle Charging Stations (EVCS) and other relevant data

A web-based system is being developed to support the regulation of Electric Vehicle Charging Stations (EVCS) in Sri Lanka, serving as an important step toward modernizing the country's electric mobility ecosystem. This platform is being designed as an add-on to the existing website to facilitate EVCS regulation by enabling stakeholders to apply for exemption certificates, access codes of practice and regulations, and view information about existing charging centers. By providing a central, easily accessible hub for EV charging-related information, the system aims to enhance transparency, streamline regulatory processes, and encourage active participation from all stakeholders. This approach is expected to improve user convenience, support consistent regulatory compliance, and



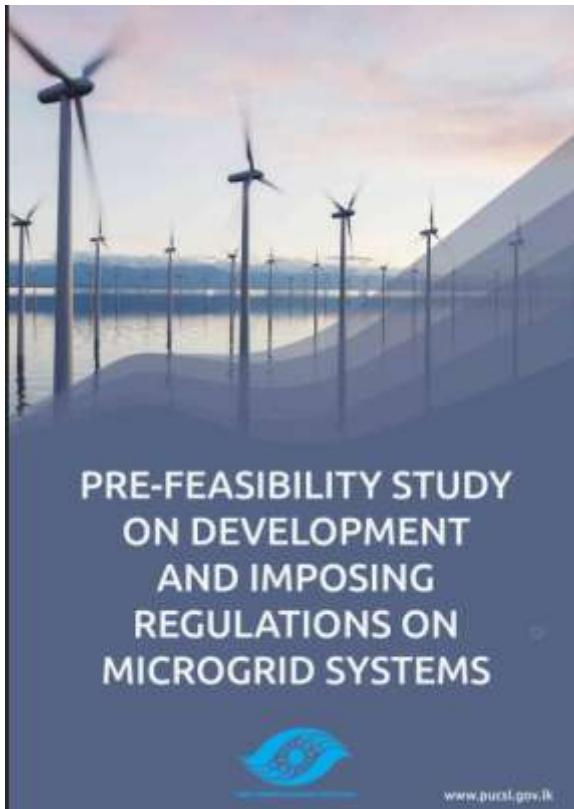
contribute to the sustainable growth of electric mobility in Sri Lanka. Revise the Technical Guidelines and Minimum Standards for EVCS

The first set of guidelines and minimum standards for Electric Vehicle Charging Stations (EVCS) in Sri Lanka was introduced in 2018, marking an important step toward supporting electric mobility. However, with rapid technological advancements, evolving international best practices, and the growing demand for electric vehicles, a comprehensive revision of these standards became necessary. Based on the adopted updated standard, this guideline was revised and enforced to address critical areas such as charging speed classifications, safety protocols, interoperability, user accessibility, and integration with the national grid. Updating

these standards ensured that the country's EVCS infrastructure remained reliable, future-ready, and aligned with global benchmarks, while also promoting investor confidence and consumer trust in the EV sector. Formulation of National Regulation for Electric Vehicles and Charging Systems to ensure the safety of lives & properties

To effectively govern Electric Vehicle Charging Stations (EVCS) in Sri Lanka, it is essential to establish a regulatory framework that mandates the use of standards tailored to the local context. Such regulation would ensure uniformity, safety, and efficiency across all charging infrastructure while addressing country-specific challenges such as grid capacity, climatic conditions, and urban planning constraints. By legally enforcing standardized technical specifications, operational procedures, and quality benchmarks, the regulation can facilitate interoperability among service providers and protect consumer interests. Moreover, it will provide clarity for investors and developers, streamline licensing processes, and promote sustainable growth of the EV sector in line with national energy and transportation goals.

### 3.3.3 Pre-Feasibility Study on the development and imposing regulations on Microgrid systems



Conducting a Pre-Feasibility Study on developing appropriate regulations and frameworks was a critical step for Sri Lanka to effectively facilitate the deployment of microgrids. The study evaluated the technical, economic, environmental, and regulatory aspects of integrating microgrids into the national energy system, helping to identify potential barriers and opportunities. By laying the groundwork for clear and context-specific policies, the study ensured that microgrid deployment could proceed in a manner that was safe, reliable, and aligned with the country's broader energy goals, including enhancing energy security, increasing renewable energy adoption, and improving electricity access in remote or underserved areas. This well-informed regulatory approach also

aimed to attract private investment, support innovation, and contribute to building a more resilient and sustainable energy infrastructure.

### 3.3.4 Advice (regulations) on relaxing the steady state statutory voltage level to reduce rooftop solar PV energy curtailments owing to the grid overvoltage issue

To maintain grid voltage levels within the statutory limits, energy production from rooftop solar systems had to be curtailed or even completely halted at times. As a result, these systems were often unable to supply renewable energy to the grid as consistently as expected. The most cost-effective solution identified was to relax the statutory voltage limit of  $230\text{V} \pm 6\%$  (between phase and neutral conductors) to a broader range that would not negatively impact the existing distribution infrastructure, or the electrical equipment and appliances connected to the low-voltage network. International standards such as IEC and BS EN recommend a voltage variation of  $230\text{V} \pm 10\%$ , which is more flexible than the Sri Lankan standard. Given the significant regulatory implications of such a change, it was deemed necessary to conduct thorough public and stakeholder consultations to ensure transparency, gather input, and build consensus before implementing this adjustment.

### 3.3.5 Establishing training facilities by supplying necessary materials for training Solar technicians on NVQ levels 3 & 4 in 5 training centres

The Public Utilities Commission of Sri Lanka (PUCSL) facilitated the establishment of training centres to conduct National Vocational Qualification (NVQ) Level 3 and 4 programs for solar technicians, recognising the critical need for a skilled workforce in the rapidly growing renewable energy sector. These NVQ-accredited programs ensure that technicians receive standardised, competency-based training aligned with national and industry requirements. The availability of NVQ Level 3 and 4 training enhances the technical capacity of individuals to install, maintain, and troubleshoot solar power systems safely and effectively. It supports the development of a qualified labour pool essential for the sustainable expansion of rooftop solar in Sri Lanka, contributing to energy security, job creation, and the achievement of national renewable energy targets. The Commission has now been able to facilitate three centers: Homagama, Anamaduwa, and Kurunegala Technical Colleges.



*Figure 7 Provided solar equipment for three centres: Homagama, Anamaduwa, and Kurunegala Technical Colleges*



### 3.3.6 Approvals for the procurement of Renewable Energy Power Plants and monitoring the implementation of the Policy target

This activity was designed to ensure that the daily responsibilities of the regulator are carried out efficiently and in full compliance with established mandates. By incorporating strategic planning into routine operations, it aimed to enhance the overall efficiency and effectiveness of regulatory functions. Key objectives included streamlining the processes for regulatory approvals, improving the accuracy and timeliness of data dissemination, and strengthening compliance monitoring mechanisms. The importance of this activity lies in its contribution to good governance and regulatory transparency, enabling more responsive decision-making, better stakeholder engagement, and improved public trust in the regulatory system. It also supports the long-term goal of building a more accountable and performance-driven regulatory environment.

### 3.3.7 Resolving Consumer complaints related to Renewable energy and Environmental issues related to the electricity sector, and attending to information requests

The Public Utilities Commission of Sri Lanka receives numerous annual complaints related to renewable energy, including rooftop solar system issues and tariff disputes. The Energy Efficiency and Renewable division actively engages in resolving these matters, offering fair solutions to both consumers and utilities. Under Sections 39 and 40 of the Sri Lanka Electricity Act, No. 20 of 2009 (as amended), the Commission is legally mandated to ensure consumer protection in the context of environmental and renewable energy developments. Through transparent complaint handling procedures, public consultations, and stakeholder engagement, PUCSL ensures compliance monitoring, regulatory approvals, and data dissemination are carried out effectively. This regulatory oversight not only safeguards consumer rights but also promotes trust in renewable energy systems, supporting the sector's sustainable growth.

### 3.3.8 License/Exemption condition compliance monitoring program

The Public Utilities Commission of Sri Lanka stipulates that under the terms of the Generation License and Exemption; all licensees and exempted parties were obligated to consistently fulfil their daily operational responsibilities. Oversight of these obligations fell under the purview of the License Division, which ensured strict adherence to regulatory conditions. In parallel, the Energy Efficiency and Renewable division collaborated closely with the License Division, conducting joint monitoring programs to detect and address any instances of non-compliance particularly in areas concerning environmental protection and energy efficiency. This coordinated approach not only reinforced



regulatory compliance but also promoted improved performance among Generation Licensees and exempted entities, thereby supporting sustainable and responsible energy generation practices.

### 3.3.9 Dissemination of Information Related to Renewable Power Generation

The collection, analysis, and dissemination of renewable power generation data is a key regulatory function carried out under the statutory authority granted by Section 17(d) of the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002. This activity ensures transparency and informed decision-making in the energy sector by providing accurate and timely information to the public. Data is collected daily from generation licensees through the Licensee Information Submission System (LISS), a standardised digital platform designed for efficient data transmission. Once collected, the data is analysed to identify trends, performance metrics, and potential issues within the renewable energy sector. The analysed information is then published in the form of quarterly reports on the PUCSL website, offering valuable insights for policymakers, industry stakeholders, and the general public. This process not only promotes accountability and efficiency but also supports the broader goals of energy planning, environmental sustainability, and public awareness.

### 3.3.10 Dissemination of information related to the Environmental Performance of the Power plants.

The establishment of an environmental data collection process linked to the annual license renewal aims to strengthen environmental compliance among generation licensees in Sri Lanka. This initiative is grounded in Section 16(c) of the Sri Lanka Electricity Act, No. 20 of 2009, which mandates that all generation licensees comply with prevailing environmental laws. Furthermore, Condition 15 of the generation license issued by the Public Utilities Commission of Sri Lanka (PUCSL) requires licensees to operate their power plants in a manner that ensures environmental protection. Licensees are also obligated to submit relevant environmental data to the Commission upon request. To facilitate this, standardised data submission formats specifically tailored for mini-hydro and biomass power plants need to be developed. These formats will support the efficient collection and dissemination of environmental data through the existing Licensee Information Submission System (LISS) or the upcoming digital Dashboard platform. By integrating environmental reporting into the license renewal process, the Commission enhances regulatory oversight, promotes accountability, and ensures that power generation activities align with national environmental sustainability goals.

*Table 12 Summary of Activities for the Environment Efficiency and Renewable Energy (EER) Division*

| Activity Number   | Activity Name  | Budget (Rs.) | Output (Activity)  | Progress   |         | Remarks   |
|-------------------|--|--------------|--|------------|---------|---|
|                   |  |              |  | Physical % | Finance |   |
| AP24/EER/CP/01/01 | Development of a Web-based system to register and monitor Electrical Vehicle Charging Stations (EVCS) and other relevant data. | 1,000,000.00 | Required website developed within the existing website and applications. | 70%        | 0%      | The revised budget kept to facilitate Website revamping work, and accommodate EV related modifications. |
| AP24/EER/CP/01/02 | Formulate a Code of Practice for the EVCS  | 400,000.00   | Published the Code of Practice for EVCS                                  | 100%       | 26%     | These activities were funded by the USAID   |
| AP24/EER/CP/01/03 | Revise the Technical Guidelines and Minimum Standards for EVCS   | 100,000.00   | Published the Technical Code   | 100%       | 100%    |   |
| AP24/EER/CP/01/04 | Formulation of National Regulation for Electric Vehicles and Charging Systems to ensure the safety of lives & properties       | -            | Formulize a National Regulation for EV and Charging Systems              | 100%       | N/A     |   |
| AP24/CP/EER/02/01 | Pre-Feasibility Study on development and imposing  | -            | Study report for microgrid study   | 100%       | N/A     |   |

|                   |   |            |   |     |     |  |
|-------------------|---|------------|---|-----|-----|--|
|                   | regulations on Microgrid systems.   |            |   |     |     |  |
| AP24/CP/EER/02/02 | Development of RE and EE by establishing a Regional Power Exchange mechanism. (Pre-feasibility Study)   | -          | Pre-Feasibility Study on Development of RE and EE by establishing a Regional Power Exchange mechanism | 50% | N/A | SAREP/ADB has informed that they may carried out similar kind of activity in future. In order to avoid any duplication of same work the activity has not carried out as planned. But literature review was done. |
| AP24/EER/CP/02/03 | Advice (regulations) on relaxing the steady state statutory voltage level to reduce rooftop solar PV energy curtailments owing to grid overvoltage issue. | 550,000.00 | Issued an Advice to the Ministry  | 95% | 63% |  |

|                   |   |            |   |      |     |   |
|-------------------|---|------------|---|------|-----|---|
| AP24/EER/CP/02/04 | Establish training facilities by supplying necessary materials for training Solar technicians on NVQ levels 3 & 4 in 5 training centers                     | 100,000.00 | 03 Training Centers Facilitated                         | 60%  | 39% |   |
| AP24/RU/EER/01/01 | Approvals for procurement of Renewable Energy Power Plants and monitoring the implementation of Policy target.  | -          | Reviewed and Grant the approval                         | 100% | N/A |   |
| AP24/RU/EER/01/02 | Resolving Consumer complaints related to Renewable energy and Environmental issues related to the electricity sector and attending on information requests. | 100,000.00 | Issued a Policy Guidance on NCRE Development            | 100% | 11% | Budget was allocated for expected administrative needs, but lower-than-expected complaints resulted in underutilization |
| AP24/RU/EER/01/03 | License/Exemption condition compliance monitoring program   | 300,000.00 | Monitored 20 Licensees and Exempted Certificate Holders | 100% | 48% | Multiple inspections were conducted within a single program, so the allocated budget was not fully utilized.            |

|                   |  |            |  |      |     |  |
|-------------------|--|------------|--|------|-----|--|
| AP24/RU/EER/02/01 | Dissemination of Information Related to Renewable Power Generation                         | -          | Published 04 Quarter Reports             | 100% | N/A |  |
| AP24/RU/EER/02/02 | Dissemination of information related to the Environmental Performance of the Power plants. | 100,000.00 | Publish the data through PUCSL Dashboard | 100% | 0%  | A budget was allocated for potential administrative expenses; however, no such expenses were incurred. |

### **3.4 Inspectorate Division**

The Inspectorate Division of the Public Utilities Commission of Sri Lanka (PUCSL) is empowered by Section 6 of the Sri Lanka Electricity Act No. 20 of 2009 & entrusted with the critical mandate of safeguarding the lives and assets of electricity consumers through regulatory enforcement, inspections, and monitoring activities. In line with the Sri Lanka Electricity Act, No. 20 of 2009 and its Amendment Act, No. 31 of 2013, the Division ensures compliance with statutory provisions governing the generation, transmission, distribution, supply and use of electricity. Its functions are further anchored in the Electricity (Safety, Quality and Continuity) Regulations of 2016, which empower PUCSL to enforce technical and safety standards across the electricity industry.

The division performs benchmarking & implementation of the international electrical and safety standards, ascertaining the electricity safety through accreditation of the skilled professions, ensures the core inspections of licensed activities and electrical installations, verifies compliance to license conditions, investigates consumer complaints, enforces safety measures, and monitors power quality and continuity of supply. By performing these functions, the Inspectorate Division plays a central role in upholding PUCSL's statutory duty under Section 17 of the PUCSL Act, No. 35 of 2002, to protect the interests of consumers, promote safety, and ensure reliable, efficient, and legally compliant electricity services throughout Sri Lanka.

### 3.4.1 Electrocuting Mitigation and Electrocuting Analysis

The Public Utilities Commission of Sri Lanka (PUCSL), in collaboration with the Sri Lanka Police, analysed nationwide electrocution data for 2024, revealing **persistent risks and emerging trends** in electrical safety. A total of **121 electrocution fatalities** were reported this year an increase compared to recent years, despite long-term efforts to reduce incidents.

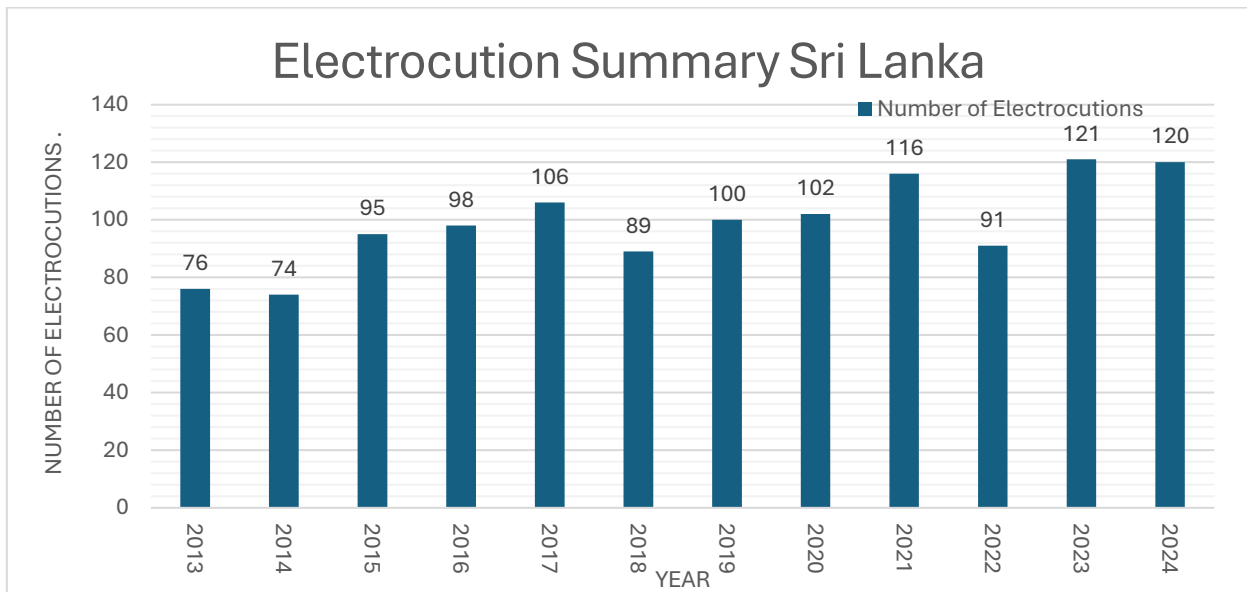


Chart 1 Electrocuting Summary Sri Lanka 2024

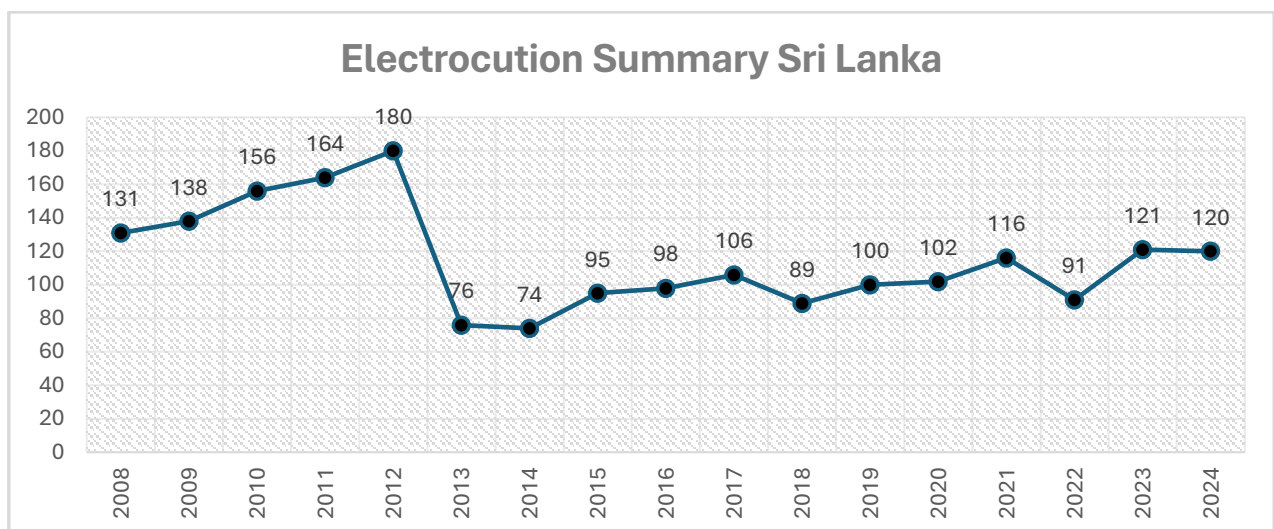


Chart 2 Line map - Electrocuting Summary Sri Lanka 2024

**Introduction and line the paragraph Key findings include:**

- The highest provincial fatalities were recorded in the Central and North Central Provinces.
- Over 70% of victims were aged 21–60, the economically active population, and most were male.
- Illegal tapping of electricity—primarily for protecting cultivation or hunting—was the leading cause of electrocution (36%), followed closely by malfunctioning or absence of Residual Current Devices (RCDs).
- Unsafe extensions to water pumps and wells have emerged as a growing hazard.
- Festive months like January and December saw seasonal spikes in incidents due to illicit electrical traps.

**Root cause analysis highlighted two dominant contributors:** illegal power tapping and non-functional or missing RCDs, together responsible for the majority of fatalities. Additionally, Gampaha, Polonnaruwa, and Kurunegala police divisions reported the highest number of RCD-related fatalities over the past five years.

**The Public Utilities Commission of Sri Lanka (PUCSL) emphasizes the need for:**

- Strengthened enforcement against illegal tapping.
- Mandatory installation and periodic inspection of RCDs.
- Public awareness campaigns, particularly in high-risk and rural areas.

These insights will guide future regulatory actions, awareness programs, and stakeholder collaboration to improve electrical safety across the country.<sup>3</sup>

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<sup>3</sup> *The complete report is available at [www.pucsl.gov.lk](http://www.pucsl.gov.lk)*



### 3.4.2 Electrical Safety Inspections in Schools and Awareness of Students

In 2024, the Commission conducted a focused compliance monitoring program targeting the electrical safety of school environments. The activity aimed to assess adherence to the 2017 Electrical Safety Guideline for Schools, developed by the Commission to minimize electrical hazards and ensure the protection of students and staff. A total of 28 schools across various provinces were inspected under this program, marking a significant step in extending regulatory oversight to educational institutions.

The inspections were carried out by the Inspectorate Division and included visual assessments, verification of protective devices, and direct engagement with school authorities. Emphasis was placed on the presence and functionality of Residual Current Circuit Breakers (RCCBs), condition of wiring systems, consumer unit enclosures, earthing provisions, and the use of standard electrical equipment. In schools where feasible, thermographic imaging and RCD testing were also performed.

The observations revealed widespread non-compliance in critical safety aspects. A significant number of schools lacked RCCBs in consumer units, while in others, the installed RCCBs were either non-functional or deliberately bypassed. In several cases, uncovered or open panel boards exposed live conductors, posing immediate danger to students and staff. Unsafe wiring practices were common, with open-ended wires, disconnected earth conductors, and unsecured cable runs frequently observed. Additionally, non-standard extension cords and multiplugs were found in use, often without overload protection and susceptible to overheating. Power extensions to outdoor areas, such as to pumps or temporary structures, were often implemented without proper earthing or mechanical protection. Low-hanging overhead power lines in school premises further compounded the risk.

Furthermore, schools have been advised to appoint a nominated teacher to oversee electrical maintenance coordination. Schools are also encouraged to conduct regular awareness sessions for both staff and students, maintain detailed records of inspections and electrical work for at least seven years, and develop emergency preparedness protocols for electrical incidents.

Recommendations derived based on the inspections carried out in schools, have communicated to the Ministry of Education.

The inspection program highlighted the urgent need to improve electrical safety in schools, particularly through proper installation and maintenance of RCCBs. Given resource constraints in the education sector, priority should be placed on this single most effective intervention, capable of significantly reducing the risk of electrocution and fire.

In parallel with the inspection activities, the Inspectorate Division conducted awareness presentations on the safe use of electricity for students at each of the inspected schools. Approximately 150 to 200 students from Grades 6 to 12 participated at each location, reaching a total of around 4,000 students. The feedback received from students was excellent, demonstrating strong engagement and a clear interest in electrical safety, thereby contributing to the broader objective of fostering a safety-conscious culture within the school environment.<sup>4</sup>



**Figure 8 Inspection of Unsafe wiring practices was common, with open-ended wires, disconnected earth conductors, and unsecured cable runs frequently observed**

<sup>4</sup> Report is available at: [www.pucsl.gov.lk](http://www.pucsl.gov.lk)

### 3.4.3 Implementation of Safety & Technical Management Plan to maximize electrical safety in Generation, Transmission, Distribution & Supply

As part of its commitment to enhancing electrical safety and technical reliability across the power sector, the organization spearheaded the nationwide implementation of the Safety and Technical Management Plan (STMP). This strategic initiative is designed to institutionalize best practices and standardized procedures in the areas of generation, transmission, distribution, and supply of electricity, thereby minimising risks to personnel, infrastructure, and the general public. Recognizing the critical role of field-level leadership in ensuring effective execution, the implementation process included a series of site visits to Deputy General Manager (DGM) offices across the country. During these visits, focused induction sessions were conducted for DGM-level officers and engineering staff, emphasizing the objectives, components, and practical relevance of the STMP. These sessions highlighted the need for proactive safety planning, rigorous adherence to technical protocols, and the integration of safety measures into daily operational workflows. By engaging directly with regional engineering teams, the initiative not only reinforced the regulatory importance of the STMP but also cultivated a culture of accountability and continuous improvement within the electricity sector.

### 3.4.4 Advise the government on implementing volt-var, volt-watt controls on rooftop solar inverters, and relaxing statutory voltage limits.

To address the issue of inverter tripping and associated curtailment of rooftop solar generation due to grid overvoltage in low-voltage (LV) distribution feeders, the Commission initiated a regulatory intervention to ensure voltage quality while supporting increased renewable energy integration. The initiative aims to facilitate the continued growth of grid-connected rooftop solar PV systems without violating voltage standards or compromising system reliability. A comprehensive review of international standards, regulatory practices, and technical literature was undertaken, followed by structured consultations with key stakeholders including the Ceylon Electricity Board (CEB), Lanka Electricity Company (LECO), Sri Lanka Standards Institution (SLSI), the Sri Lanka Sustainable Energy Authority (SLSEA), and the Solar Industrial Association. Based on these inputs, a consultation paper was developed proposing two potential regulatory measures. The first involves mandating the implementation of voltage quality response modes-specifically volt-var and volt-watt functionalities in rooftop solar inverters connected to LV distribution feeders. The second measure proposes relaxing the statutory voltage limits from  $230\text{V} \pm 6\%$  to  $230\text{V} \pm 10\%$ , to be considered only if the first measure proves insufficient.

The Commission then conducted a public consultation to gather stakeholder views on the proposed interventions. The feedback received demonstrated broad consensus in support of implementing inverter-based voltage quality response modes as the immediate and technically appropriate first step. However, with regard to relaxing statutory voltage limits, stakeholders emphasized the need for a detailed, independent study on the impacts of persistent overvoltage or undervoltage on consumer appliances and the overall network. It was also highlighted that any such regulatory change would require adequate advance notice to ensure system readiness and consumer protection.

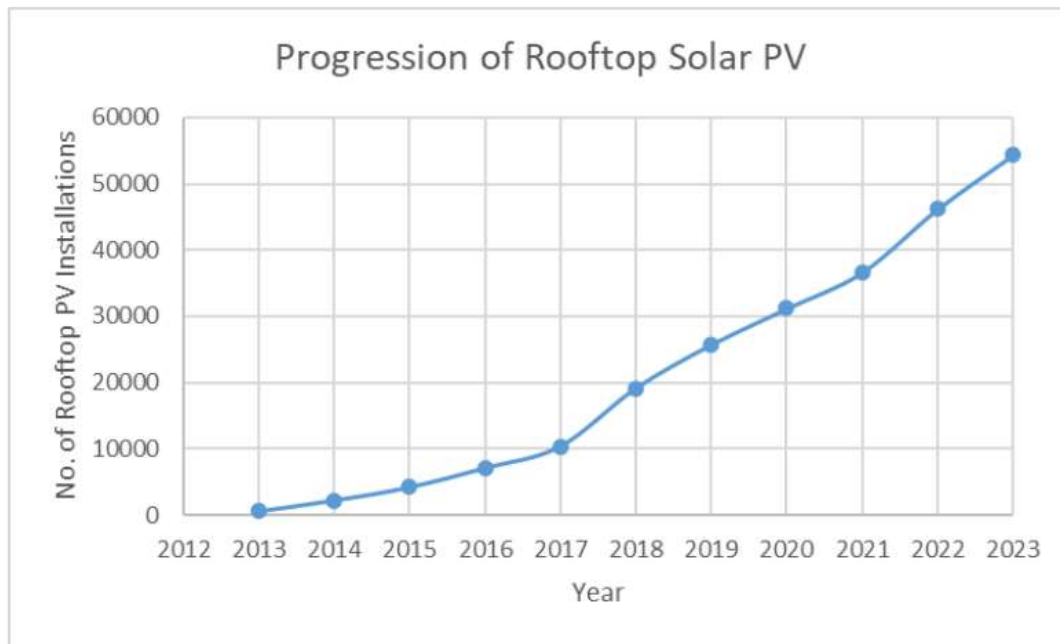
Based on the outcome of the consultation process, the Commission submitted formal advice to the Secretary of the Ministry of Power and Energy in accordance with Section 17(c) of the PUCSL Act, recommending a phased implementation strategy. The advice proposes that the volt-var and volt-watt capability be made a mandatory requirement for inverter imports, and that CEB and LECO be tasked with analyzing and proposing appropriate operational settings for approval by the Commission. These settings, once approved, are to be incorporated into the technical codes, standards, and commissioning procedures of the licensees. System installers are to activate these response modes on capable inverters already connected to LV feeders experiencing curtailment. Additionally, the relevant Sri Lanka standards should be updated to reflect these capabilities, and a joint inspection and awareness program is to be implemented by PUCSL, SLSEA, and the licensees to ensure compliance in the field.

The Commission further recommended that the Ministry initiate a detailed technical assessment on the feasibility of relaxing statutory voltage limits, considering appliance performance and overall system impacts.

This regulatory effort represents a proactive step by the Commission to support rooftop solar growth while maintaining voltage quality, system stability, and regulatory compliance.<sup>5</sup>

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<sup>5</sup> Report is available at: [www.pucsl.gov.lk](http://www.pucsl.gov.lk)



*Chart 3 Progression of Rooftop Solar PV*

### 3.4.5 Ensuring Electrical Safety to the Public from the MV/LV Distribution Substations

During 2023–2024, the Commission conducted a compliance assessment of outdoor distribution substations operated by the Ceylon Electricity Board (CEB) and Lanka Electricity Company (LECO), in accordance with the Electricity (Safety, Quality, and Continuity) Regulations, 2016. Inspections were carried out using visual and thermographic methods, focusing on substations situated in areas accessible to the public. These inspections covered over 35 cities across the country, complemented by discussions with regional engineers to evaluate the practical application of inspection protocols.

Although both licensees maintain detailed checklists and technical manuals, the inspections revealed significant implementation gaps. A key concern was the use of improper fuse arrangements, including substitution of HRC fuses with copper or aluminium wires and weak fuse connections that resulted in overheating and thermal hotspots. In several substations, fuses were installed without enclosures at touchable heights, directly exposing live parts and posing a serious safety risk.

The lack of adequate protective barriers was also noted, especially in plinth-mounted substations where live equipment was installed below three metres without the required fencing. These conditions represent a clear breach of safety regulations intended to prevent accidental contact and ensure public protection. Another major issue identified was the non-availability of proper earthing due to the theft

of neutral and surge arrester earth conductors. In some instances, removed copper conductors were replaced with aluminium without adequate assessment.

To address these deficiencies, the Commission issued several regulatory directions. Distribution licensees are required to conduct random visual inspections through responsible engineers to verify field-level compliance. Awareness programmes should be initiated targeting consumers located near substations to highlight the dangers of copper theft and encourage reporting. Further, licensees must engage local police to assist in the prevention of theft affecting substation earthing systems. Further, the Licensees were informed to review theft prevention techniques adopted by utilities in other countries and consider their applicability to local distribution infrastructure.

The timely implementation of these recommendations is essential to rectify observed non-compliances and to ensure that substations, particularly those located in publicly accessible areas, operate in a manner that upholds safety, reliability, and regulatory standards. <sup>6</sup>

#### 3.4.6 Guideline on improving Electrical Safety at Apartment Complexes not under exemption certificates

In alignment with our commitment to safeguarding residents, a focused safety initiative has been undertaken for apartment complexes that do not benefit from exemption certificates under Section 10 of the Sri Lanka Electricity Act No. 20 of 2009. These non-exempt premises, legally required to hold licenses for the distribution and supply of electricity, were subjected to a comprehensive assessment, beginning with the inspection of 100 individual housing units across multiple complexes.

**Residual Current Circuit Breaker (RCCB) Presence and Functionality:** Ensuring these devices are installed and operational is vital; RCCBs detect earth leakage and quickly disconnect supply during faults, significantly reducing the risk of electric shock or electrocution. This aligns with global best practices, highlighting RCCBs as essential life-saving equipment.

**Adequacy of earthing systems:** Proper earthing ensures that fault currents are safely redirected to ground, helping prevent dangerous potentials on metallic parts. Robust earthing is a standard requirement in residential wiring and a measure repeatedly recommended in safety standards.

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<sup>6</sup> Report is available at <https://www.pucsl.gov.lk/wp-content/uploads/2025/02/Report-on-Compliance-of-Distribution-Substations-with-Electricity-Safety-Quality-and-Continuity-Regulations.pdf>



The inspections revealed notable deficiencies, including missing or non-functional RCCBs and substandard earthing systems, underscoring the need for robust ongoing maintenance, periodic retesting, and immediate rectification strategies.

A draft “Guideline on Electrical Safety for Apartment Complexes” has been prepared. This blueprint outlines mandatory measures such as regular inspection schedules, routine testing protocols, and maintenance checklists for critical components like RCCBs and earthing. It also guides complexes in ensuring compliance with national safety regulations and licensing obligations.

The draft will be further refined through consultations with stakeholders, including utility authorities, licensed electricians, and resident associations, and will be formally implemented to strengthen electrical safety, reduce accident risks, and ensure that apartment complexes meet regulatory and safety standards.<sup>7</sup>

#### 3.4.7 Inspections Related to Safety, Power Quality, Reliability, and Meter Accuracy

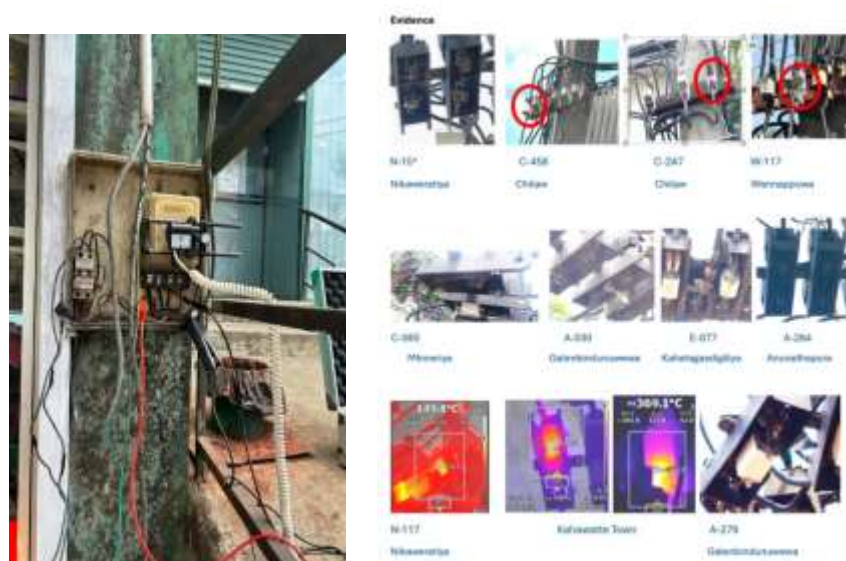
In 2024, the Commission carried out a series of technical inspections under the activity titled “Inspections related to safety, power quality, reliability, and meter accuracy” in accordance with the Electricity (Electrical Inspectors’ Functions, Duties and Procedures) Regulations No. 01 of 2014. These inspections were initiated in response to complaints, incidents, stakeholder requests, and directives issued under the provisions of the Sri Lanka Electricity Act, with the objective of resolving disputes and verifying compliance with applicable regulatory standards.

The scope of inspections undertaken during the year covered a wide range of matters, including electrocution incidents, fire-related electrical assessments, disputes over service disconnections, issues related to metering accuracy, low voltage reliability, and inquiries into solar interconnection and tariff categorisation. Each inspection was conducted jointly with the participation of distribution licensees, affected consumers, and, where applicable, other relevant parties. The inspection process included on-site visual assessments, technical measurements, and verification against applicable regulatory codes and standards. Based on these investigations, the Inspectorate Division issued detailed reports containing technical findings and regulatory recommendations to relevant stakeholders, including directives to the licensees where non-compliances were identified.

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<sup>7</sup> Report is available at: [www.pucsl.gov.lk](http://www.pucsl.gov.lk)

This activity contributed to the fair resolution of consumer grievances, improved enforcement of safety and quality standards, and strengthened regulatory oversight. By addressing critical power quality, safety, and reliability issues, the inspections supported the Commission’s objective of ensuring that the electricity supply system operates in a safe, efficient, and consumer-focused manner.



**Figure 9 Inspections Related to Safety, Power Quality, Reliability, and Meter Accuracy**

### 3.4.8 Evaluation of Sanctions for Prosecution of Electricity Theft

In 2024, the Commission continued its statutory role under Section 48(4) of the Sri Lanka Electricity Act, No. 20 of 2009 (as amended), by evaluating sanction applications submitted by licensees to initiate legal action against persons involved in the illegal extraction or use of electricity. These applications are a prerequisite for prosecution and must demonstrate that investigations were conducted by PUCSL guidelines.

The Inspectorate Division reviewed each application for procedural compliance and evidentiary adequacy. Required documentation includes a detailed investigation report, photographic or video proof of the offence, certification of meter tampering under Section 50 of the Act, and supporting legal references. Common offences evaluated included unauthorised tapping from distribution or service lines, bypassing meters, and meter tampering using internal or external methods.

The evaluation of sanction applications contributes directly to the enforcement of legal provisions governing electricity use. By ensuring that only well-substantiated cases proceed to prosecution, the



Commission upholds due process while supporting licensees in addressing electricity theft. This regulatory function also helps reduce commercial losses and reinforces public confidence in the integrity of the electricity sector.

#### 3.4.9 Compliance Monitoring & Awareness programs on socket & plugs standards to minimize the accidents due to substandard products

In response to the rising incidence of electrical accidents attributed to substandard socket outlets and plugs, the Public Utilities Commission of Sri Lanka (PUCSL) has initiated comprehensive Compliance Monitoring and Public Awareness Programs aligned with the national standard SLS 734. These initiatives are aimed at minimizing hazards stemming from the use of non-compliant and unsafe electrical accessories in households and commercial installations.

The Commission has prioritized the elimination of substandard products from the market through a three-pronged strategy: regulatory enforcement, public education, and stakeholder collaboration. Market surveillance and product compliance monitoring have been intensified in partnership with the Sri Lanka Standards Institution (SLSI), Consumer Affairs Authority (CAA), and Sri Lanka Customs. Random sampling, inspections, and testing of products in circulation are being carried out to identify deviations from the prescribed safety and quality benchmarks.

Simultaneously, PUCSL has launched island-wide awareness campaigns to educate consumers, electricians, traders, and importers on the mandatory requirements under SLS 734. These campaigns involve multilingual media outreach, distribution of educational materials, workshops, school-level safety programs, and direct stakeholder engagement. Special emphasis is placed on discouraging the sale and use of universal or multi-standard sockets that fall outside national safety norms.

To further institutionalize safe practices, PUCSL is working towards integrating socket and plug standardization into the Electrician Licensing Program, ensuring that licensed electricians are equipped with the knowledge to comply with current regulatory provisions and uphold professional integrity.

These efforts reflect PUCSL's continued commitment to consumer safety and the development of a robust regulatory ecosystem that protects lives by preventing electrocutions and fire hazards caused by inferior electrical components.



*Figure 10: Awareness programs on socket & plugs standards to minimize accidents due to substandard products*

*Table 13: Summary of Activities for the Inspectorate Division*

| Sub Activity Ref  | Sub Activity   | Budget       | Outputs   | Progress    |               |
|-------------------|--|--------------|---|-------------|---------------|
|                   |  |              |   | Physical(%) | Financial (%) |
| AP24/INS/CP/01/01 | Compliance Monitoring & Awareness to the Electrical Safety Guideline for Schools to ascertain the learning in an electrically safe environment | 1,750,000.00 | Conduct 20 lectures for education staff & submission of report  | 100%        | 60%           |
|                   |  |              | Compliance Monitoring of 30 schools across 15 districts & submission of report                                  |             |               |
|                   |  |              | Final Report to MOE   |             |               |
| AP24/INS/CP/01/02 | Implementation of Safety & Technical Management Plan to maximize electrical safety in Generation, Transmission, Distribution & Supply          | 2,500,000.00 | Conduct training sessions & discussions at Distribution Licensee premises (CEB & LECO) on STMP & safety indices | 100%        | 37%           |
|                   |  |              | Inculcating the Safety Performance within the Licensees by applying indices                                     |             |               |
|                   |  |              | 1.3.5 Introducing Safety Performance Evaluation Scheme and Reward Schemes                                       |             |               |
| AP24/INS/CP/01/03 | Ensuring 100% electrical safety to the public from the MV/LV Distribution substations  | 800,000.00   | Develop inspection criteria.  | 100%        | 70%           |
|                   |  |              | Complete the onsite inspection program of 15 cities.  |             |               |

|                   |  |              |  |     |     |
|-------------------|--|--------------|--|-----|-----|
|                   |  |              | Prepare the report on non compliance.<br>Consultations with DLs on compliance and rectifying issues & publish the reports<br>Publish a report on non-compliance<br>Preparation of plan to be implemented by DLs on rectifying non-compliance.<br>Review of compliance through inspection.  |     |     |
| AP24/INS/CP/01/04 | Guideline on improving Electrical Safety at Apartment Complexes not under exemption certificates | 1,100,000.00 | Preparation of Inspection Criteria<br>Inspection of 100 Housing Units in Apartment Complexes including assuring the availability & operability of RCCB & availability of earth to minimize the electrocutions & electrical accidents<br>Submission of Final Inspection Report<br>Preparation of Draft Guideline to ensure the compliance of installation | 90% | 77% |

|                   |  |              |  |     |    |
|-------------------|--|--------------|--|-----|----|
|                   |  |              | maintenance to minimize the electrocutions & electrical accidents<br>1.1.5 Implementation & Compliance Monitoring  |     |    |
| AP24/INS/CP/01/05 | Implementation of National Standards for MCB, RCCB & RCBO to ensure the safety of lives & properties                       | 1,000,000.00 | Formulation of National Standards for MCB, RCCB & RCBO<br>Formulation of Steering Committee<br>Preparation of Draft Gazette<br>Implementing Import Inspection Scheme and Setting up Regulatory Framework<br>Implementation and Monitoring<br>Compliance Monitoring and | 90% | 1% |
| AP24/INS/CP/01/06 | Introduction of Electricity Regulation to the Academic curricula of Universities to pass the benefit to the general public | 400,000.00   | Stakeholder Engagement and Establishment of Steering Committee and Preparation of a Concept Paper<br>Curricula Development with the consultation of the Committee,   | 70% | 0% |

|                   |   |              |  |     |     |
|-------------------|---|--------------|--|-----|-----|
|                   |   |              | Submission of Report and Getting Approval  |     |     |
|                   |   |              | Integration of developed curricula to academic curriculum of Universities  |     |     |
|                   |   |              | Actively engaging with the development of curricula and increasing the Brand Value of PUCSL                              |     |     |
| AP24/INS/CP/01/07 | Formulation of National Regulation for Electric Fence Systems to protect people & animal lives  | 1,000,000.00 | Formulation of Steering Committee  | 60% | 5%  |
|                   |   |              | Stakeholder Comments   |     |     |
|                   |   |              | Preparation of Draft Regulation  |     |     |
|                   |   |              | Public Consultation  |     |     |
|                   |   |              | Obtaining legal clearance  |     |     |
| AP24/INS/CP/01/08 | Electricity Safety Awareness Programs for Tri Forces, SL Police, Government Officers & General Public to reduce electricity accidents | 1,500,000.00 | Communication with SL Police & Tri Forces for arrangement of Awareness Programs  | 95% | 50% |
|                   |   |              | Conduct 20 Awareness Sessions for SL Police, Tri Forces, Electrician Clubs & other institutions and submission of Report |     |     |

|                   |  |              |  |      |     |
|-------------------|--|--------------|--|------|-----|
| AP24/INS/CP/01/09 | Compliance Monitoring & Awareness programs on socket & plugs standards to minimize the accidents due to substandard products | 1,000,000.00 | Conduct Market Survey covering 100 shops islandwide      | 100% | 0%  |
|                   |  |              | Conduct Awareness Programs                               |      |     |
|                   |  |              | Submission of final report to Consumer Affairs Authority |      |     |
| AP24/INS/CP/01/10 | Electrocution Mitigation and Electrocution Analysis  | N/A          | Submission of 2023 Annual Report                         | 100% | N/A |
|                   |  |              | Submission of 2024 1st Quarter Report                    |      |     |
|                   |  |              | Submission of 2024 1st half report                       |      |     |
|                   |  |              | Submission of 2024 third quarter report                  |      |     |
| AP24/INS/CP/01/11 | Formulation of National Regulation for Electric Vehicles and Charging Systems to ensure the safety of lives & properties     | N/A          | Formulation of Steering Committee                        | 95%  | N/A |
|                   |  |              | Draft Safety Guideline on EV Charging Stations           |      |     |
|                   |  |              | Stakeholder Comments                                     |      |     |
|                   |  |              | Finalized Safety Guideline/Code of Practise              |      |     |
|                   |  |              | Implementation Mechanism- Draft Exemption Certificate    |      |     |

|                |  |            |   |     |     |
|----------------|--|------------|---|-----|-----|
| AP24/INS/RU/01 | Conducting 25 Inspections related to safety , power quality, reliability and meter accuracy. | 700,000.00 | Preparation of inspection reports.<br>Preparation of guidelines for industrial consumers on monitoring their power quality. | 68% | 79% |
| AP24/INS/RU/02 | Evaluate and provide recommendations to 400 Sanctions received throughout the year.          | N/A        | Completing the evaluation of 400 sanction applications.   | 99% | N/A |



### **3.5 Regulatory Affairs Division**

The division is responsible for establishing regulatory frameworks to enable the reliable, efficient, and sustainable operation of public utility industries. Having established key regulatory instruments (regulations, rules, codes, methodologies, guidelines etc.) needed to regulate the electricity industry, the division is presently engaged with developing regulatory mechanisms pertaining to prosumer generation and electricity market reform, including open access and national electricity market and cross-border electricity trading. In addition, having formulated the legal framework to enable the regulation of the downstream petroleum industry as well as the policy framework for liberalizing the lubricant market, in the interim period until enactment of requisite legislation, the division has been engaged with selected regulatory interventions in the petroleum fuels market and “shadow regulating” the lubricant market, by advising and assisting the Ministry charged with Petroleum on policy and regulatory matters. These regulatory interventions are aimed at addressing issues preventing the efficient functioning of petroleum product markets, which affect the interests of consumers and market participants. They are formulated under the purview of the Ministry for implementation through relevant Government agencies.

### 3.5.1 Revising the contractual structure relating to rooftop solar electricity generation to facilitate third-party investment

There has been investor interest in rooftop solar projects whereby the investor installs and operates its Photovoltaic (PV) facility on a building owned by a tariff customer. However, the Distribution Licensee (DL) used to only recognize the building owner i.e. its tariff customer, as the exporter of electricity and accordingly only contracted with the building owner for the purchase of and payment for electricity.

Since the investor was made to rely on the tariff customer to receive payments for the electricity generated, this arrangement offered little to no protection to the investor whose PV facility generates the electricity. In the absence of a clear, transparent and effective contractual arrangement between the investor, tariff customer and the DL in the generation and supply of electricity to the national grid, numerous investors have faced difficulties.

In view of the above, the Commission procured consulting services to review and revise the contractual structure relating to rooftop solar electricity generation to facilitate third-party investment (Ref: AP/2022/RA/CP/04). After a lengthy consultation process and deliberations with various stakeholders including the Ceylon Electricity Board and Lanka Electricity Company (Private) Limited, the assignment is nearing completion with the final report and associated deliverables expected in the first half of 2025.

The proposed contractual structure is based on a scheme agnostic approach towards contractual arrangements where the contracts are discriminated only based on the technical and financial configurations - accordingly the proposed draft interconnection agreements would be prepared for each technical and financial configuration. A letter of no objection from the tariff customer would accompany the application form when the investor is different from the tariff customer (OPEX model)

The legal framework for the contractual structure would be enabled through a Certificate of Exemption and the generation of electricity would be governed by conditions imposed thereunder. The supply services codes of DLs, tariff agreement and application form would also need to be amended to replace the existing scheme specific contractual structure.

### 3.5.2 Promulgating Open Access and Electricity Market

The recently enacted Sri Lanka Electricity Act, No. 36 of 2024 envisages open access and the wholesale electricity market in the electricity industry of Sri Lanka to be operationalised as prescribed by the Minister vide regulations. In terms of Section 5(3)(e) read together with Sections 13 and 30 of the said Act, No. 36 of 2024, the Regulator (Public Utilities Commission of Sri Lanka) is required to

assist the Minister to formulate relevant regulations to introduce and operationalize open access and the wholesale electricity market.

Therefore, in the capacity as the Regulator of the electricity industry in Sri Lanka and with a view to assist the Minister to formulate relevant regulations, the Commission envisages taking a proactive approach by building capacity within the PUCSL, building consensus amongst relevant agencies, and developing a roadmap for establishing the requisite regulatory framework for operationalising open access and the wholesale electricity market in the electricity industry of Sri Lanka.

### 3.5.3 Preparation of Regulatory Framework/Instruments for Cross-Border Electricity Trade

In the context of renewed interest on electricity network interconnection between Sri Lanka and India promoted by the joint statement issued and subsequent resumption of technical feasibility studies, the need of developing a coherent and cohesive commercial and regulatory framework for power and energy trading became imperative.

In the meantime, a regulatory roadmap for electricity/energy exchange and energy cooperation among South Asian countries proposed in the SAFIR working group includes country wise roadmaps that describe the broader process of adoption of a “common minimum harmonized and standardized template of energy/electricity regulations” for energy cooperation and action plan that specifies additional regulatory amendments or introduction of new regulations, beyond what is specified in that template for each country.

Furthermore, the Sri Lanka Electricity Act No. 36 of 2024 Bill that intended to introduce a new round of reforms in the electricity industry envisaged unbundling of the largest vertically integrated utility (Ceylon Electricity Board) and also introduce relevant provisions to provide overarching legal framework for Cross Border Energy Trade (CBET).

In this context, with technical assistance from USAID -SAFIR, the PUCSL embarked on preparing a preliminary regulatory framework and the requisite regulatory instruments in line with the proposed roadmap and action plan while complying with proposed reforms.

The exercise included analyzing the potential need for new regulations and amendments to existing regulations, duly considering the proposed India-Sri Lanka power interconnection. This include new regulations such as Open Access Regulations, Trading License Regulations, and changes identified for Tariff Methodology and Grid Code

The following regulatory instruments are being prepared under this activity.

- ❖ CBET Guidelines (2024) –The objective of these Guidelines is to provide guidance on the basic regulatory framework for CBET and related aspects to be addressed by PUCSL.
- ❖ *CBET Transaction regulations* - Roles and responsibilities of each party are identified. Harmonisation, dispute resolution and various aspects are discussed.
- ❖ *Open access and trading license regulations* - The way open access related to CBET is proposed to be handled in the context of NSO monopoly of participating in power trade, is by applying entity entering back-to-back commercial agreements with NSO of Sri Lanka and the relevant entities in other side of the border (India).
- ❖ *Rules on approval and facilitating import/export* – This is an attempt to frame a preliminary form of procedural document. Until it shall be superseded by actual Policy/Guideline at a later date. It lays out procedures in the form of rules, which are more flexible to change, hence more prescriptive and descriptive.
- ❖ Grid Code Amendments – The requisite changes to Grid Code with respect to cross-border energy trading in line with the Common Minimum Grid Code adopted by SAFIR are identified.
- ❖ Tariff Methodology Revisions – Basic aspects of transmission pricing and deviation settlement are identified.

These needs to be supplemented in future by ensuring alignment with SAFIR’s Grid Code and Regulatory Template in adaptation and implementation stages, strengthening of domestic regulatory architecture, and enhanced coordination with MoPE, CEB, NLDC India, SAFIR, SAREP all of which are aimed at participating in the regional power market in a manner that is economically beneficial to Sri Lanka.

*Table 14: Summary of Activities for the Regulatory Affairs Division*

| Activity Number  | Activity Name  | Budget       | Output (Activity)   | Progress   |             |
|------------------|--|--------------|---|------------|-------------|
|                  |  |              |   | Physical % | Financial % |
| AP24/RA/CP/01/01 | Review of Grid Code  | -            | Review of Grid Code   | 80%        | NA          |
| AP24/RA/CP/02/01 | Identification of changes to the regulatory framework requisite for cross-border energy trading                          | -            | The exercise included analysing the potential need for new regulations and amendments to existing regulations, duly considering the proposed India-Sri Lanka power interconnection. This includes new regulations such as Open Access Regulations, Trading License Regulations, and changes identified for Tariff Methodology and Grid Code | 100%       | NA          |
| AP24/RA/CP/02/02 |  | -            |   | 100%       | NA          |
| AP24/RA/CP/02/03 |  | -            |   | 100%       | NA          |
| AP24/RA/CP/02/04 |  | -            |   | 100%       | NA          |
| AP24/RA/CP/02/05 |  | -            |   | 100%       | NA          |
| AP24/RA/RU/01    | Ensure that lubricants and greases are supplied at quality standards   |              | Ensure that lubricants and greases are supplied at quality standards  | 100%       | NA          |
| AP24/RA/RU/02    | Collect, record, and disseminate information   |              | Collect, record, and disseminate information  | 100%       | NA          |
| AP24/RA/RU/03    | Regulate Market Entry  |              | Regulate Market Entry   | 100%       | NA          |
| AP/2022/RA/CP/04 | Revising the contractual structure relating to rooftop solar electricity generation to facilitate third-party investment | 3,950,000.00 | Reviewing and revising the contractual structure pertaining to Rooftop Solar PV Schemes in order to protect the interests of investors in rooftop solar projects where the investor constructs, installs and operates its PV facility on a building owned by a tariff customer.   | 100%       | 100%        |
| AP/2021/RA/CP/01 | Preparation of Disaster Management Plans for petroleum utilities.  | 2,000,000.00 | Preparation of Disaster Management Plans for petroleum utilities, including the Ceylon Petroleum Corporation, Lanka IOC PLC and Ceylon Petroleum Storage Terminals Limited, in order to ensure continuity of supply of petroleum fuels in disaster situations.  | 55%        | 10%         |

|                  |  |              |   |      |      |
|------------------|--|--------------|---|------|------|
| AP/2020/RA/CP/03 | Updating of the Supply Services Codes of Distribution Licensees  | 4,457,400.00 | Updating of the Supply Services Codes of Distribution Licensees, enabling consumers to better avail themselves of services provided by electricity distribution licensees.          | 100% | 100% |
| AP/2020/RA/CP/04 | Formulation of advice to the Government on the optimal duty structure for imported and locally blended lubricants. | 4,171,000.00 | Formulation of advice to the Government on the optimal duty structure for imported and locally blended lubricants in order to promote competition and fair pricing of lubricants.   | 50%  | 30%  |
| AP22/RA/CP/05    | Formulate a mechanism for the collection, refining and disposal of used lubricants.                                | 4,796,000.00 | Formulation a mechanism for the collection, re-refining and disposal of used lubricants in order to protect the environment and the interests of consumers and market participants. | 75%  | 40%  |

### **3.6 Licensing Division**

The Licensing division of PUCSL is responsible for regulating and overseeing the issuance of licenses and exemptions under the Sri Lanka Electricity Act. It evaluates applications from electricity generators, distributors, and other sector participants to ensure compliance with legal, technical, and safety standards. The division develops and updates licensing frameworks, monitors licensee performance, and enforces regulatory obligations. Ensuring the security of electricity supply is also a key mandate, requiring continuous monitoring to maintain 24×7 energy security. Key functions include approving generation expansion plans, transmission plans, power procurement, and monitoring the implementation of approved plans. The division also analyzes licensee performance and publishes reports on power quality, supply reliability, and energy security. By facilitating orderly sector participation, maintaining compliance, and supporting policy implementation, the Licensing Division plays a critical role in promoting a reliable, efficient, and sustainable electricity sector in Sri Lanka.

### 3.6.1 Determination and publication of performance standards (Supply Quality) of the Distribution Licensees by 2024

Consumers naturally expect a reliable electricity supply—safe, uninterrupted, and consistent. However, unforeseen breakdowns, planned maintenance, and network limitations occasionally disrupt this expectation. To evaluate and enhance service reliability, the PUCSL Licensing Division has adopted two internationally recognized performance metrics: SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index). SAIDI measures the average duration (in minutes or hours) that customers are without power annually, while SAIFI quantifies the average number of outages experienced per customer per year. For 2024, the Licensing Division will collect outage data from all distribution licensees—including the Ceylon Electricity Board’s DD1 to DD4 regions and LECO—to calculate and publish SAIDI and SAIFI figures. Also, the Licensing Division started to publish these SAIDI and SAIFI values in the PUCSL website on a quarterly basis. These values will be used to benchmark performance, drive improvements in supply continuity, and reinforce the Commission’s commitment to transparent, consumer-focused regulation.


Once the above indexes are calculated, the licensing division plans to direct each distribution licensee (as a directive of the Commission) to improve their SAIDI and SAIFI. Each distribution licensee is required to provide an implementation plan to the Commission indicating how they plan to achieve the said target. Then the licensing division can monitor the implementation of the said plan. By implementing the said plan, SAIDI and SAIFI values will be improved, and that means the consumer will receive better supply quality.

### 3.6.2 Streamlining Licensing and Exemption Processes under the Electricity Act

In accordance with the provisions of the Sri Lanka Electricity Act, any entity intending to engage in electricity generation, transmission, or distribution must obtain a license or an exemption from the Public Utilities Commission of Sri Lanka (PUCSL). The Licensing Division is responsible for processing these applications by adhering to the statutory procedures laid out in the Act. Granting such licenses or exemptions ensures that all operators function within a defined regulatory framework, thereby upholding energy security, supply reliability, power quality, safety, and fairness to consumers.

Given the complexity and documentation-heavy nature of the licensing process, PUCSL has taken a progressive step by developing an online application system to digitize the licensing and exemption workflow. Accordingly, the Licensing Division successfully transitioned from the traditional manual license application submission system of the licensing division to a state-of-the-art digital





## Welcome to PUCSL License Management System Sign In

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platform (LMS – License Management System). With this advancement, applicants can conveniently submit their license applications online from anywhere, using their own devices. This online application submission system covers 22 different types of license applications and 300+ different process templates, and it is now live and ready to revolutionize the way PUCSL serve its stakeholders with the following features.

- Enhanced efficiency - Applicants can now submit and review their applications

electronically, significantly reducing processing times and paperwork.

- Improved transparency - Clear tracking of progress and an automated progress communication system will optimize the applicant experience.
- Increased accessibility - Applications can now be submitted 24/7 from anywhere with an internet connection.
- Empowering stakeholders - By offering an ICT based convenient, modernized and user-friendly application process, PUCSL demonstrates its dedication to supporting the enhancement of ease of doing business.
- Reduced dependency on the developer - Flexibility for divisional customization, tailored to specific needs and preferences
- Optimizing internal processes - The system improves internal operational efficiency.

### 3.6.3 Licensing Statistics

In the year 2024, a total of eleven generation licenses were granted by the Licensing division, representing a combined installed capacity of 37.25 megawatts. Notably, all these licenses were issued for projects utilizing mini-hydro power technology, reflecting a continued interest in small-scale renewable energy development. These licensed projects are expected to contribute to the expansion of the country's renewable energy portfolio and enhance energy security through sustainable means. Furthermore, during the same year, the Licensing division granted five exemptions from the requirement to obtain a distribution license

### 3.6.4 Implementation of the Distribution Code

The current Distribution Code, which governs the technical and operational standards of the electricity distribution sector, was originally developed and published in 2012. Given the significant developments in the electricity industry over the past decade—including the integration of renewable energy, the emergence of distributed energy resources, and advancements in smart grid technologies—there is a need to revise the Code to align with the present and future requirements of the sector.

In this context, the Commission has already commenced the process of amending the Distribution Code to reflect current industry needs and emerging developments. A draft version of the revised Code has been developed through a comprehensive consultation process involving distribution licensees, technical experts. The updated Code is currently in its final stage of development, with one remaining round of discussions to be held with the distribution licensees before it can be finalized and formally adopted.

### 3.6.5 Reviewing and Approval of Long-Term Generation Expansion Plan 2025-2044

In terms of Section 43 of the Sri Lanka Electricity Act No. 20 of 2009, the Long-Term Generation Expansion Plan (LTGEP) prepared by the transmission licensee prerequisites approval of the Commission. Accordingly, CEB Transmission Licensee submitted the draft Long-Term Generation Expansion Plan for the period of 2025-2044 on 18th September 2024, seeking the approval of the Commission. The Commission conducted a stakeholder consultation in terms of Section 17(b) of the PUCSL Act No.35 of 2002, providing the opportunity to the interested parties to submit their comments/ views on the draft LTGEP.

After scrutinizing the submitted LTGEP, and carefully considering the concerns raised by the stakeholders, the Commission decided to inform Transmission Licensee to review and revise the Long Term Generation Expansion Plan 2025-2044 by incorporating/including some adjustments and

resubmit the plan for the approval of the Commission. CEB submitted supplementary Information to the Draft Long Term Generation Expansion Plan (LTGEP) 2025-2044 in response to the above, clarifying the matters raised by PUCSL. Accordingly, the Commission granted its approval for the Long-Term Generation Expansion Plan 2025-2044, subject to the several conditions.

### 3.6.6 Implementation of Transmission Performance Standards Regulations

As per the Transmission Performance Standards Regulations, made under Section 54 of Sri Lanka Electricity Act, No. 20 of 2009, the Transmission Licensee submitted the transmission system performance data concerning supply availability and supply reliability to the Commission on a monthly basis. Through the implementation of these regulations, it is expected to improve the reliability of the transmission network, and the Transmission System performance is expected to grow by achieving the performance targets, which are updated over time. Accordingly, in order to determine the appropriate values for the performance indices and prepare a Methodology for implementation the same, PUCSL prepared the quarter reports on “Transmission Performance Measurement”, which includes the following performance indices calculated based on the interruption data submitted by the Transmission Licensee.

- System Average Interruption Frequency Per Transmission Line
- System Average Interruption Frequency Per Substation Transformer
- Transmission Line Interruption Duration Index
- Substation Transformer Interruption Duration Index
- Transmission Line Availability Index
- Substation Transformer Availability Index

*Table 15: Summary of Activities for the Licensing Division*

| Activity Number   | Activity Name   | Budget  | Output (Activity)   | Progress   |             | Remarks   |
|-------------------|---|---------|---|------------|-------------|---|
|                   |   |         |   | Physical % | Financial % |   |
| AP24/LIC/CP/01/01 | Development of Dispatch Database and Visualization Dashboard                      | NA      | Dispatch Data Dissemination through Dispatch Data Dashboard             | 100%       | NA          |   |
| AP24/LIC/CP/01/02 | Implementation of online metering facilities for Minihydro, Solar and Wind plants | 500,000 | Instructed CEB to implement remote metering facilities at remote plants | 80%        | 57%         | When this activity was initially planned in 2023, real-time visibility of generation data was limited, as only 31 out of 329 NCRE plants were equipped with remote metering facilities. However, through a separate project carried out in 2024, CEB has implemented metering facilities in over 280 NCRE plants. |
| AP24/LIC/CP/01/03 | Study on the change of Load Curve over last five years.                           | NA      | Study Report  | 100%       | NA          |   |
| AP24/LIC/RA/01/04 | Generation Performance Reports  | NA      | Daily and Monthly Reports, Annual Report - 2023                         | 100%       | NA          |   |
| AP24/LIC/RA/01/05 | Transmission Performance Report   |         |   |            |             |   |

|                   |  |           |  |      |    |   |
|-------------------|--|-----------|--|------|----|---|
| AP24/LIC/CP/01/06 | Development of developer independent Data Submission System for Licensees to submit information (daily and monthly) to the PUCSL | 2,000,000 | Set up a Data Submission System for Licensees    | 50%  | 0% | The initial tender aimed to implement a data submission system for the electricity sector but was later expanded to all prospective sectors, allowing licensees to submit data via Excel and achieving significant cost savings. Initial delays arose from exploring low-code/no-code public cloud solutions, which were later dropped due to technological immaturity. The system was redesigned to leverage AI capabilities, including API-based information retrieval and greater developer independence, requiring major revisions to the tender documents. Despite delays, procurement is now in its final stages. |
| AP24/LIC/RA/01/07 | Licensee Information Submission System Developments  | NA        | Ensuring updated and optimized software solution | 100% | NA |   |

|                   |   |              |   |      |      |  |
|-------------------|---|--------------|---|------|------|--|
| AP24/LIC/CP/01/08 | Promotion of Dispatch Data Dashboard through Social Media   | 250,000      | Youtube Promotional Campaign                              | 100% | 20%  | The promotional campaign was initially planned to be carried out using several YouTube influencers within the allocated budget. However, only one bid was received in response to the invitation, amounting to just 20% of the total budget.   |
| AP24/LIC/CP/02/01 | Determination and publication of performance standards (Supply Quality) of the Distribution Licensees by 2024 | 1,000,000    | Publication of SAIDI/SAIFI data                           | 100% | 80%  |  |
| AP24/LIC/CP/03/01 | Review and approval of Long Term Generation Expansion Plan  | 1,500,000.00 | Approval of Long Term Generation Expansion Plan 2025-2044 | 11%  | 100% | It was decided to hold a stakeholder consultation on the submitted draft Generation Plan by inviting written comments. However, due to delays in the appointment of the Chairman and Commission Members, the planned consultation event was not conducted, and as a result, the allocated budget for the event was not utilized. Nevertheless, the decision to approve the Generation Plan was made on 10/02/2025, |

|                   |   |    |                           |      |    |  |
|-------------------|---|----|---------------------------|------|----|--|
|                   |   |    |                           |      |    | achieving 100% physical progress for the activity. |
| AP24/LIC/RA/03/02 | Review of New Power Plant Proposals/Extension of existing power plant contracts/PPAs  | NA | Approval of RFPs and PPAs | 100% | NA |  |
| AP24/LIC/CP/03/03 | Study Report on Implementing Battery Storage Facilities in Sri Lanka  | NA | Study Report              | 100% | NA |  |
| AP24/LIC/CP/03/04 | Study report on possibilities for developing regulations to procure Independent Power Producer (IPP) ancillary services to the national system and the existing ancillary services in the national system | NA | Study Report              | 100% | NA |  |
| AP24/LIC/RA/03/05 | Reports on Risk of Power Cuts   | NA | Monthly Reports           | 100% | NA |  |

|                   |   |              |  |      |      |  |
|-------------------|---|--------------|--|------|------|--|
| AP24/LIC/RA/04/01 | License/Exemption condition compliance monitoring program (inspect 12 generation licensees and 12 Exempted parties) | 2,000,000    | Monitored 12 Licensees and 12 Exempted Certificate Holders | 100% | 80%  | All inspections were completed. As the Inspectorate and Renewable Energy Divisions had their own inspection activities, the Licensing Division joined them for certain inspections, with the budget for those activities covered by the respective divisions |
| AP24/LIC/RA/04/02 | Electricity Sector Licensing and Exemption (new licenses/renewals)  | 1,200,000.00 | Granting licenses/exemptions as per the Electricity Act    | 100% | 100% |  |
| AP24/LIC/CP/04/03 | Setting up Online License Application System  | NA           | Deployment of ditalized onlne application submission sysem | 100% | NA   |  |
| AP24/LIC/RA/04/04 | Lubricant Sector Licensing (new licenses/renewals)  | NA           | Granting and renewing of lubricant agreements              | 100% | NA   |  |
| AP24/LIC/RA/04/05 | Implementation of Transmission Performance Standards Regulations  | NA           | Quarter Reports  | 100% | NA   |  |
| AP24/LIC/RA/04/06 | Implementation of Distribution Code   | 125,000.00   | Report on the amendment for the Distribution Code          | 90%  | 10%  | This budget is allocated for sitting allowances and refreshments for DCERP members. This allowance was not paid due to an administrative issue   |



|                   |  |    |  |     |    |  |
|-------------------|--|----|--|-----|----|--|
| AP24/LIC/CP/04/07 | Implementation of Distribution Performance Standards Regulation (Voltage Monitoring Program) | NA | Submission of voltage measurement data as per the regulation | 75% | NA |  |
|-------------------|--|----|--|-----|----|--|

### **3.7 Corporate Communication Division**

The Communications Division is central to the PUCSL's commitment to transparency, stakeholder trust, and public accountability. Tasked with handling all external-facing functions, the division ensures the Commission's decisions, regulatory updates, and key information are communicated accurately, promptly, and accessibly. The Corporate Division manages press releases, media inquiries, and public statements to foster accurate coverage and maintain the Commission's credibility also division organises Public Hearings & Consultations. Planning and facilitating inclusive forums - including workshops and stakeholder roundtables. These initiatives are structured to encourage two-way dialogue, giving voice to diverse community and sectoral perspectives. It also ensures transparency by reporting back to participants through summaries, updates, and follow-up communications. This reinforces trust, demonstrates the impact of stakeholder input, and nurtures long-term engagement. By integrating these practices, PUCSL's Communications Division actively builds and maintains an open platform for stakeholder involvement, fosters a responsive and inclusive regulatory culture, and ensures public awareness of its mandate and decisions.

### 3.7.1 Electricians Licensing Program

In 2024, the Public Utilities Commission of Sri Lanka (PUCSL) launched a large-scale initiative to bridge the skills gap in the electrical sector by offering 2,000 National Vocational Qualification (NVQ) Level 3 certifications for electricians completely free of charge. The NVQ Level 3 is a nationally recognized, work-based qualification that validates an individual's practical skills and theoretical knowledge in specific trades, including domestic electrical installation. This qualification serves as a crucial milestone toward becoming a fully qualified professional in the field.

Recognizing the growing need for a competent and certified workforce to support the evolving energy landscape, including renewable energy integration, smart grid development, and major infrastructure projects, PUCSL partnered with institutions such as NAITA, VTA, and regional training centres to deliver a program that combines classroom instruction with hands-on training. Open to unemployed individuals, apprentices, and existing workers seeking formal recognition of their skills, this initiative reflects PUCSL's commitment to workforce development, safety, and consumer protection.

By certifying 2,000 electricians in a single year, PUCSL has made a significant contribution to building a reliable, qualified labour force capable of supporting Sri Lanka's energy transition and ensuring the long-term safety and quality of electrical services.





*Figure 11 Awareness and the Final Assessment Picture on Free NVQ 3 for Electricians*

### 3.7.2 Free NVQ Level 3 Certification for Plumbers

The Public Utilities Commission of Sri Lanka (PUCSL) scaled up its workforce development program by offering 250 plumbers the opportunity to earn a National Vocational Qualification (NVQ) Level 3, entirely free of charge in 2024. This initiative builds on prior successes, expanding beyond electricians and solar technicians to address the skills gap in the plumbing sector. NVQ Level 3 is a nationally recognized, work-based certification that validates individuals’ practical expertise and theoretical knowledge in plumbing, an essential step toward professional accreditation and service quality in the water services industry. To ensure accessibility across user segments and regions, PUCSL partnered with national institutions—such as the Vocational Training Authority, NAITA, and TVEC—as well as district secretariats and technical colleges. The program adopts a Recognition of Prior Learning (RPL) approach, which assesses and recognizes existing skills while filling any knowledge gaps through targeted training and final assessments. Successful plumbers receive NVQ Level 3 credentials, covering all costs related to training, examination, and certification.

During 2024, PUCSL conducted several NVQ Level 3 assessment sessions in key districts, holding both pre-assessments and “gap-filling” classes to support candidate success. These efforts culminated in 250 plumbers achieving certification, signalling meaningful progress in standardizing professional competencies and raising safety benchmarks within the plumbing trade.

By investing in a formally trained plumbing workforce, PUCSL is strengthening the broader goal of improving water service reliability, conservation, and consumer protection. This initiative also aligns with the Commission’s mission—mandated under the PUCSL Act—to regulate water service quality, reduce waste, and safeguard consumer interests. As Sri Lanka continues to modernize its utilities infrastructure, PUCSL’s NVQ 3 certification program plays a pivotal role in equipping a skilled, certified workforce capable of meeting the sector’s evolving challenges.

In 2024, the Public Utilities Commission of Sri Lanka (PUCSL), in collaboration with S-lon Lanka (Pvt) Ltd., successfully conducted NVQ Level 3 assessment sessions and certification award ceremonies in Anuradhapura and Kandy. These events were part of a wider initiative to professionalize the plumbing industry through comprehensive qualification assessments that recognize both existing expertise and required technical knowledge. The partnership with S-lon Lanka facilitated workshops specifically designed for members of the S-lon Plumbers Club, integrating tailored skills training alongside formal NVQ evaluations. By deploying a Recognition of Prior Learning (RPL) approach, the sessions blended pre-assessments and targeted “gap-filling” instruction with formal testing empowering candidates to earn their NVQ Level 3 credentials efficiently and without cost. These



strategically planned sessions reflect PUCSL's ongoing commitment to enhancing trade standards, bolstering workforce competence, and ensuring consumer safety in water and utility services across Sri Lanka.



*Figure 12 Awarding Program on Free NVQ 3 for Plumbers*

### 3.7.3 Empowering 600 RAC & MAC Technicians Through NVQ Level 3 Certification

Sri Lanka, a party to the Montreal Protocol since 1989, successfully phased out chlorofluorocarbons (CFCs) and set a national goal to eliminate hydrochlorofluorocarbons (HCFCs) by 2030. Following the Kigali Amendment in 2016, the country shifted its focus to reducing hydrofluorocarbons (HFCs), with the target of phasing them down by 80% by 2045. In line with this global commitment, Sri Lanka initiated a transition to eco-friendly refrigerants such as hydrocarbons, ammonia, and carbon dioxide, which require specialized handling due to their flammable or toxic nature. In response to these emerging challenges, the Air Resource Management and National Ozone Unit (ARM & NOU) of the Ministry of Environment (MOE), in collaboration with the Public Utilities Commission of Sri Lanka (PUCSL), launched a nationwide program in early 2024 to standardize and certify informal Refrigeration and Air Conditioning (RAC) and Mobile Air Conditioning (MAC) technicians. A major milestone in this partnership was the signing of a Memorandum of Understanding (MoU) on January 23, 2023, to implement a national licensing framework and offer free NVQ Level 3 certification to technicians through a structured Recognition of Prior Learning (RPL) program.

The initiative was executed in two phases. In the first phase, uncertified but experienced technicians were assessed and provided targeted training to obtain the NVQ Level 3 certification. The Ministry of Environment covered the costs of assessments, training, and examination materials, while PUCSL managed training delivery and operational logistics. By the end of 2024, 300 technicians had successfully obtained NVQ Level 3 certification, while an additional 300 applications were under processing, reaching the program's target of engaging 600 technicians. As part of the second phase, plans were set in motion to issue professional identification cards—through the Engineering Council of Sri Lanka to qualified technicians, and to introduce a National Licensing Framework once enough technicians are certified.

To recognize this achievement, a formal awarding ceremony was held on October 24, 2024, at the Main Auditorium of the Ministry of Environment. The event was attended by the Secretary of the Ministry of Environment, the Director General of PUCSL, senior officials, and the newly certified technicians. During the ceremony, NVQ certificates and professional identification cards were distributed, and the event served to promote the value of certification and encourage broader participation in the program. The initiative not only strengthened technical capacity within the RAC and MAC sectors but also supported national efforts to meet international environmental obligations, promote public safety, and formalize the technical workforce.





*Figure 13 Free NVQ 3 for RAC technicians*



*Table 16: Summary of Activities for the Corporate Communication Division*

| Activity Number   | Activity Name   | Budget        | Output (Activity)   | Progress   |             |
|-------------------|---|---------------|---|------------|-------------|
|                   |   |               |   | Physical % | Financial % |
| AP24/CCO/CP/01/01 | Qualifying Electricians with NVQ3                       | 10,000,000.00 | In 2024, 2,000 electricians were trained and awarded the NVQ Level 3 qualification.   | 100%       | 102%        |
| AP24/CCO/CP/01/02 | Qualifying Plumbers with NVQ3                           | 5,000,000.00  | 250 Plumbers were trained and awarded the NVQ Level 3 qualification in 2024.  | 80%        | 118%        |
| AP24/CCO/CP/01/03 | Qualifying AC and Refrigerator Technicians with NVQ 3/4 | 5,000,000.00  | 471 Automobile A/C, Refrigeration, and Air Conditioning technicians were trained and awarded NVQ Level 3 qualification free of charge in 2024.  | 70%        | 8%          |
| AP24/CCO/CP/01/04 | Qualifying Other related technicians with NVQ           | 5,000,000.00  | The majority of the work was completed this year.   | 30%        | 30%         |
| AP24/CCO/CP/01/06 | EUIT ID Issuance and Database Mgt                       | 1,500,000.00  | Over 2,500 applicants applied for the Electrician ID card, and about 1,200 ID cards were issued to qualified applicants. In addition, the website <a href="http://tis.pucsl.gov.lk">tis.pucsl.gov.lk</a> was launched to enable third parties to verify the authenticity of the ID cards. | 80%        | 31%         |
| AP24/CCO/RU/01/01 | Annual Report writing and submission                    | 300,000.00    | Annual Report finalised   | 100%       | 73%         |

|                   |   |            |  |      |     |
|-------------------|---|------------|--|------|-----|
| AP24/CCO/RU/01/02 | 2024 Activity Plan Writing and Submission   | 200,000.00 | Activity Plan Published and Send it to the Ministry  | 100% | 23% |
| AP24/CCO/RU/02/06 | Manage Social media and Website platforms of PUCSL to feed and update relevant information/ reports | 250,000.00 | Regularly updated PUCSL social media profiles, including Facebook, YouTube, X, and LinkedIn. The PUCSL official website was also updated promptly, ensuring stakeholders had timely access to the latest commission decisions and updates. | 100% | 0%  |

### **3.8 Human Resources and Administration Division**

The Human Resource Management (HRM) practices at the Public Utilities Commission of Sri Lanka (PUCSL) are designed to attract, develop, and retain talented professionals committed to regulatory excellence in the utilities sector. With a focus on fostering a supportive and inclusive work environment, HRM initiatives aim to optimise employee performance and promote continuous learning and growth. PUCSL's HRM strategies encompass recruitment and selection processes that prioritize meritocracy and diversity, ensuring a workforce reflective of the nation's demographics. Employee development programs, including training and mentorship opportunities, nurture individual skills and competencies essential for regulatory governance. HRM at PUCSL emphasises employee well-being through initiatives promoting work-life balance, health, and safety. These efforts contribute to a motivated and engaged workforce, dedicated to fulfilling the organization's mission of ensuring efficient and reliable public utility services for all Sri Lankans. In alignment with best practices, HRM at PUCSL operates transparently and ethically, fostering a culture of integrity and accountability throughout the organization. Through these endeavours, PUCSL continues to cultivate a high-performing workforce equipped to address the evolving challenges and opportunities in the utilities sector. PUCSL has 49 professional employees working under different grades.

## Composition of staff

In the Public Utilities Commission of Sri Lanka (PUCSL), our dedicated team comprises 10 Senior Staff members, 22 Tertiary Staff, 11 Secondary Staff, and 4 Primary Staff. This diverse composition ensures a well-rounded approach to fulfilling our mandate of regulating the country's utilities sector. Our Senior Staff, with their wealth of experience, provide strategic direction and leadership. The Tertiary Staff, consisting of mid-level managers and professionals, bring specialized expertise to drive our initiatives forward. Supporting them are the Secondary Staff, who handle administrative functions crucial to our daily operations. Lastly, our Primary Staff, the backbone of our organization, delivers essential frontline services and operational support. Together, we work tirelessly to promote efficiency, fairness, and sustainability in Sri Lanka's utilities landscape.

*Table 17: Composition of Staff*

|     | <b>Designation</b>          | <b>Approved<br/>cadre (76)</b> | <b>Existing<br/>cadre (47)</b> |
|-----|-----------------------------|--------------------------------|--------------------------------|
| 1.  | Director General            | 1                              | 1                              |
| 2.  | Deputy Director General     | 2                              | 2                              |
| 3.  | Secretary to the Commission | 1                              | 1                              |
| 4.  | Internal Auditor            | 1                              | -                              |
| 5.  | Director                    | 10                             | 6                              |
| 6.  | Deputy Director             | 14                             | 10                             |
| 7.  | Assistant Director          | 21                             | 12                             |
| 8.  | Management Executive        | 6                              | -                              |
| 9.  | Management Assistant        | 15                             | 11                             |
| 10. | Office Assistant            | 1                              | 1                              |
| 11. | Drivers                     | 4                              | 3                              |

*Table 18: Summary of Activities for the Human Resources and Administration Division*

| Activity Number | Activity Name  | Budget        | Output (Activity)  | Progress   |             |
|-----------------|--|---------------|--|------------|-------------|
|                 |  |               |  | Physical % | Financial % |
| AP24/HR/CP/02   | Improve the Satisfaction of employees                | 17,000,000.00 | Completed the report on Salary Survey and employee satisfaction was achieved by implementing the recommendations of the salary survey report | 90%        | 5.5%        |
| AP24/HR/CP/03   | Employees' Group Surgical & Medical Insurance Scheme | 12,000,000.00 |  | 100%       | 65%         |

### **3.9 Legal Division**

The Legal Division plays a pivotal role in safeguarding the interests of the Commission, its members, and officials by managing all legal aspects of its operations. This includes handling litigation by representing the Commission before courts and initiating legal action in cases of non-compliance. The Division also oversees the management of contracts, agreements, and Memoranda of Understanding (MOUs) in line with the Commission's Contract Management Policy, ensuring that all such instruments comply with applicable laws, stipulated terms, and defined scopes. Additionally, the Legal Division provides accurate and timely legal opinions and advice to support the routine and annual activities of the Commission's various divisions. It also ensures that the sub activities assigned to it from other divisions are executed in full legal compliance. Through these functions, the Legal Division ensures that the Commission's actions are legally sound and aligned with its regulatory framework.

### 3.9.1 Upholding the Commission's Integrity

The Legal Division plays a pivotal role in safeguarding the interests of the Commission, its members, and officials by managing all legal aspects of its operations. This includes handling litigation by representing the Commission before courts and initiating legal action in cases of non-compliance. The Division also oversees the management of contracts, agreements, and Memoranda of Understanding (MOUs) in line with the Commission's Contract Management Policy, ensuring that all such instruments comply with applicable laws, stipulated terms, and defined scopes.

Additionally, the Legal Division provides accurate and timely legal opinions and advice to support the routine and annual activities of the Commission's various divisions. It also ensures that the sub-activities assigned to it from other divisions are executed in full legal compliance. Through these functions, the Legal Division ensures that the Commission's actions are legally sound and aligned with its regulatory framework.

Beyond safeguarding the Commission in litigation, the Legal Division is equally committed to protecting the rights and obligations of consumers. Even in contentious proceedings, the Division emphasizes the necessity of compliance with laws, regulations, and guidelines, while also offering clear guidance to licensees. For instance, in the judgment of Case No. CA WRT 2020/22, the Court ordered the licensee, Ceylon Electricity Board (CEB), to comply with the regulations governing the electricity industry. In that matter, the petitioner had observed that the electricity line at its closest point was only 125 cm and at its furthest point 165 cm away from the petitioner's house, with the height of the wires corresponding to the level of the second floor of the residence. Consequently, the petitioner objected to the laying of the electricity line over their property. It is noteworthy that there was no finding of fault or liability against the Public Utilities Commission of Sri Lanka (PUCSL) in this case. As in all such matters, the Legal Division ensured that appropriate legal guidance was provided in line with applicable laws, regulations, and guidelines, thereby safeguarding the Commission's position while upholding the rights of consumers and ensuring licensee compliance.

### 3.9.2 Managing Contracts/Agreements/MOUs of the Commission following the Contract Management Policy

Ensuring legal compliance with the terms and conditions, scope, and other requirements of the contracts, agreements, and MOUs.

Legal awareness program and discussion forum on legal matters for the staff

Legal opinions and advice are required by the divisions of the Commission while completing their routine activities on a day-to-day basis and during annual activities. In such circumstances, legal opinions and advice are provided by the Legal Division accurately and promptly in compliance with applicable laws and other regulatory tools. Management of the sub-activities of other divisions assigned to the Legal Division involves ensuring legal compliance in the process of carrying out divisional activities and sub-activities.

### 3.9.3 Handling litigation and public hearing procedures

Safeguarding the interests of the Commission, members, and officials in the litigation process, representing the Commission before courts, and taking legal action on non-compliance.



*Table 19: Summary of Activities for the Legal Division*

| Activity Number | Activity Name  | Budget        | Output  | Progress |           |
|-----------------|--|---------------|---|----------|-----------|
|                 |  |               |   | Physical | Financial |
| AP24/LEG//RU/1  | Providing Legal Opinions/Advices   | 500,000.00    | Increased compliance with legal provisions  | 100%     | 0%        |
| AP24/LEG/RU/2   | Managing Contracts/Agreements/MOUs of the Commission in accordance with the Contract Management Policy | -             |   | 100%     | -         |
| AP24/LEG//RU/3  | Legal Awareness programe and Discussion forum on Legal Matters for the Staff                           | 20,000.00     | Ensure legal compliance with the terms and conditions, scope, and other requirements of the contracts, agreements, and MOUs   | 95%      | 0%        |
| AP24/LEG/RU/4   | Handling Litigation and Public Hearing procedure   | 12,500,000.00 | Safeguard the interests of the Commission, members, and officials in the litigation process, representing the Commission before courts, and taking legal action on non-compliance | 100%     | 95%       |
| AP24/LEG/RU/5   | Management of the Sub Activities assigned by the other divisions                                       |               | Increased compliance with legal provisions  | 100%     | -         |

### **3.10 IT & MIS Division**

Activities of the IT&MIS Division have been geared for expanding the digitalization of the utility regulation and it has taken meaningful steps in 2024 as far as the automation of business processes of PUCSL is concerned. Activity Plan of 2024 was mainly consisting of setting up of a hybrid cloud involving the existing internal private cloud and a new external public cloud set up by Sri Lanka Telecom (SLT). IT&MIS Division has launched a three-year project to set up a fully fledged hybrid cloud that would be continued in 2025 and 2026, in order to enhance the high availability, scalability, security, etc. of the PUCSL systems. 2024 activities have now enabled the smooth transition of PUCSL systems to and from the external cloud and use internal cloud as a DR site. Under the 2024 project of migrating to cloud, the email system of PUCSL previously based on in-house email system has been migrated to Office 365 cloud. Licensee Information Submission System, which is used by the stakeholder to submit data to PUCSL and was based on an in-house system is being migrated to a public cloud. Enhancement of the existing digital systems have been updated to ensure that the systems continue to evolve to meet the changing requirements. Both server-side and client-side hardware infrastructure have also been upgraded to make sure they can facilitate the necessary digital services. Incident Reporting System was launched in 2024, which is expected to mitigate electrocutions and improve electrical safety in Sri Lanka. Procurement workflow system has also been launched which automates the procurement process. Dependability of the connectivity of PUCSL systems to the external world has been increased by adding a new data link.

### 3.10.1 Automate business processes

Automation of business processes offers significant advantages by streamlining repetitive tasks, reducing human error, and ensuring greater accuracy across operations. It saves both time and costs by allowing employees to focus on more strategic, value-driven work rather than routine manual activities. Automated workflows also boost efficiency and productivity, as they can run continuously without delays, while providing scalability that enables businesses to grow without proportionally increasing resources. Additionally, automation generates valuable data and insights, empowering organizations to make smarter, evidence-based decisions that drive long-term success. Under this activity, continuous evolution of systems is ensured to meet changing requirements, thereby maintaining relevance and preserving the value of our initial investment. Additionally, dissemination of information pertaining to electric vehicle charging centres is also facilitated for the benefit of the stakeholders.

### 3.10.2 Provide Infrastructure Services

Providing the necessary infrastructure services for the digitalization of business processes delivers substantial benefits by creating a reliable foundation for innovation and efficiency. Robust infrastructure—such as secure networks, cloud platforms, and data management systems—ensures seamless connectivity and scalability, enabling businesses to adapt quickly to changing demands. It also enhances collaboration by supporting integrated digital tools, while safeguarding data and other digital assets through advanced security measures. Ultimately, strong infrastructure empowers organizations to optimize workflows, reduce operational costs, and unlock new opportunities for growth in the digital economy. Shifting the email system to a public cloud platform, improved availability, enhanced security, and superior spam control. Expansion of the CCTV system has improved physical security. Equipping staff with reliable technology tools (like laptops, mobile phones, and printers) streamlines workflows, enhances productivity, and enables seamless communication across the organization. Maintenance activities ensure that all the systems are kept in working order.

*Table 20: Summary of Activities for the Legal Division*

| Activity Number  | Activity Name   | Budget | Output  | Progress   |             | Remarks   |
|------------------|---|--------|---|------------|-------------|---|
|                  |   |        |   | Physical % | Financial % |   |
| AP24/IT/RU/01/01 | Enhancing the existing business applications (such as LISS, DRS, Lubricant System, SAP, Payroll, HR system, Website, etc.) to make sure they continue to evolve to meet the changing requirements | 2M     | Ensuring continuous system evolution to meet changing requirements, thereby maintaining relevance and preserving the value of our initial investment. | 100%       | 40%         | Necessary changes in the existing business applications have been implemented as per the requests received from the respective users of the applications and they are continued to be used,. (Cetain required modifications have been implemented under maintenance agreements pertaining to those applications without utilizing budget) Work pertaining to License Management |

|                  |  |      |  |  |  |   |
|------------------|--|------|--|--|--|---|
|                  |  |      |  |  |  | System, Incident Reporting System, etc. were carried out during 2024  |
| AP24/IT/RU/01/02 | Collecting operational and financial data from lubricant market players (including report generation & publishing in the web) - requested by the Regulatory Affairs Division | 0.5M |  |  |  | The project rationale become invalid after planning these three projects (which were relevant for the lubricant industry) and therefore the budget and man-hours allocated for this project were transferred to other projects. |
| AP24/IT/RU/01/03 | An information system for sample testing results (including reports) - requested by the Regulatory Affairs Division  | 0.5M |  |  |  |   |

|                  |   |  |  |      |   |
|------------------|---|--|--|------|---|
| AP24/IT/RU/01/04 | An information system for lubricants meeting standards (including report generation and publishing in the web) - requested by the Regulatory Affairs Division | 0.5M                                   |  |      |   |
| AP24/IT/RU/01/05 | An information system for electric vehicle charging centres - requested by the ERE Division   | Budget allocated by ERE Division       | Dissemination of information pertaining to electric vehicle charging centres   | 100% | A map depicting the charging stations has been linked to the PUCSL website  |
| AP24/IT/RU/01/06 | Developing a cloud-based & developer-independent licensee data submission and analysis system - requested by Licensing Division                               | Budget allocated by Licensing Division | To replace the existing Licensee Information Submission System (LISS) with a dynamic and public-cloud based system, which allows modifying data submission templates without having to depend on the developer | 50%  | The system which was initially planned for the electricity industry was later explained to accommodate all the utility industries that PUCSL currently regulates and will regulate in future so that one information system is sufficient for all the utility industries and a separate |

|                  |   |      |   |      |     |   |
|------------------|---|------|---|------|-----|---|
|                  |   |      |   |      |     | information system is not required for each industry that PUCSL regulates and this expanded system is being implemented in 2025 |
| AP24/IT/RU/01/07 | Email solution (for moving the in-house email system to the cloud)  | 1.5M | Transitioning to a public cloud platform for email, offering improved availability, enhanced security, and superior spam control                  | 100% |     | Done  |
| AP24/IT/RU/02/01 | Moving the in-house operations to cloud by setting up a hybrid data centre (consisting of private cloud and public cloud) along with support services | 4M   | Moving the business applications hosted in the in-house data centre of PUCSL to a public cloud platform for increased up-time and better security | 100% | 90% | Done  |
| AP24/IT/RU/02/02 | Expanding the CCTV solution (Increasing the coverage of the system deployed)  | 0.5M | Improving physical security   | 100% |     | Done  |

|                  |  |       |  |      |  |      |
|------------------|--|-------|--|------|--|------|
| AP24/IT/RU/02/03 | Infrastructure development (Purchasing hard disk and memory for existing server / SAN, wireless access point, server UPS.) | 2M    | Enhancing the reliability, performance, and efficiency of the data center infrastructure by upgrading critical hardware components like servers, SAN storage, and UPS units, ensuring optimal availability and longevity of essential business services. | 100% |  | Done |
| AP24/IT/RU/02/04 | Office Automation (purchasing and deploying laptop computers, mobile phones, UPS for desktop machines)                     | 2.9M  | Equipping staff with reliable technology tools (like laptops, mobile phones, and printers) that streamline workflows, enhance productivity, and enable seamless communication across the organization  | 100% |  | Done |
| AP24/IT/RU/02/05 | BCP/DR + Security (Upgrading data link capacity by adding a new data link)   | 1.5M  | Improving connectivity and facilitating failover   | 100% |  | Done |
| AP24/IT/RU/02/06 | Maintenance (Ensuring that both hardware and software systems are kept in working condition)                               | 13.9M | Ensuring that all the systems are working order  | 100% |  | Done |



### **3.11 Finance Division**

The Finance Division of the Public Utilities Commission of Sri Lanka (PUCSL) plays a critical role in ensuring the Commission's financial integrity, stability, and sustainability. It is primarily responsible for managing all financial activities, including budgeting, financial planning, fund management, and regulatory compliance. The Division ensures effective cash flow management, oversees investments, and ensures compliance with all applicable financial regulations, tax laws, and government financial policies. In line with statutory obligations and good governance practices, the Finance Division prepares and presents comprehensive financial reports—including income statements, balance sheets, and cash flow statements. These reports provide an accurate and transparent view of PUCSL's financial position and performance, serving both internal decision-making and external accountability. All reporting is conducted under relevant public sector accounting standards, regulatory requirements, and internal control procedures, ensuring reliability and consistency in financial disclosures.

### 3.11.1 Revenue and Statutory Powers

PUCSL derives its authority to manage and utilize its financial resources under the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002. Section 31 of the Act empowers the Commission to maintain its own Fund and outlines the permissible sources and uses of such funds. The Commission is authorized to receive financial contributions necessary for executing its statutory duties under the PUCSL Act and other related industry legislation.

#### Primary Revenue Sources

The Commission's primary revenue sources during the year under review included:

- **License Application Fees:**

In accordance with the Electricity Act, entities engaging in electricity generation, transmission, or distribution must obtain licenses from PUCSL. An application fee is charged to cover the administrative costs associated with the license issuance process.

- **Annual Regulatory Levies:**

Licensed electricity service providers are required to pay an annual regulatory levy determined by the Commission. These levies contribute to funding the Commission's ongoing regulatory and oversight responsibilities.

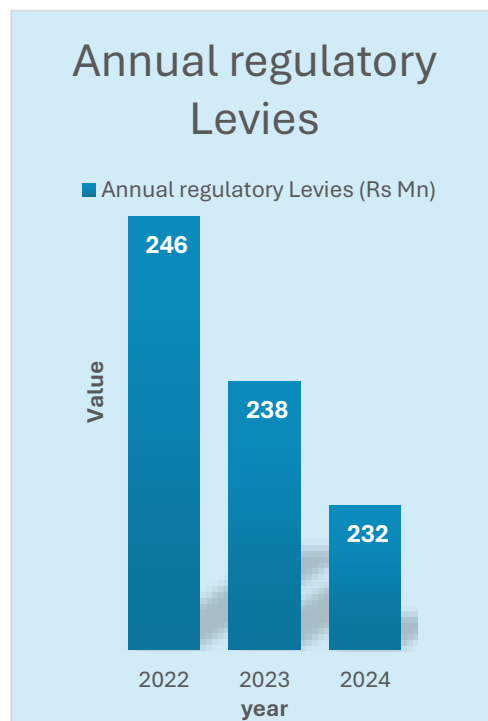


Chart 4 Annual Levies from 2022 -2024

There were no significant changes in the structure or volume of these revenue streams compared to the previous financial year. The stability of these income sources has enabled the PUCSL to continue fulfilling its mandate effectively and maintain financial discipline.

#### Other Income

In accordance with the powers vested under the Public Utilities Commission of Sri Lanka Act, the Commission is authorized—subject to the approval of the Minister of Finance—to invest surplus funds that are not immediately required for its operational purposes. These investments are made in approved securities to generate additional income.

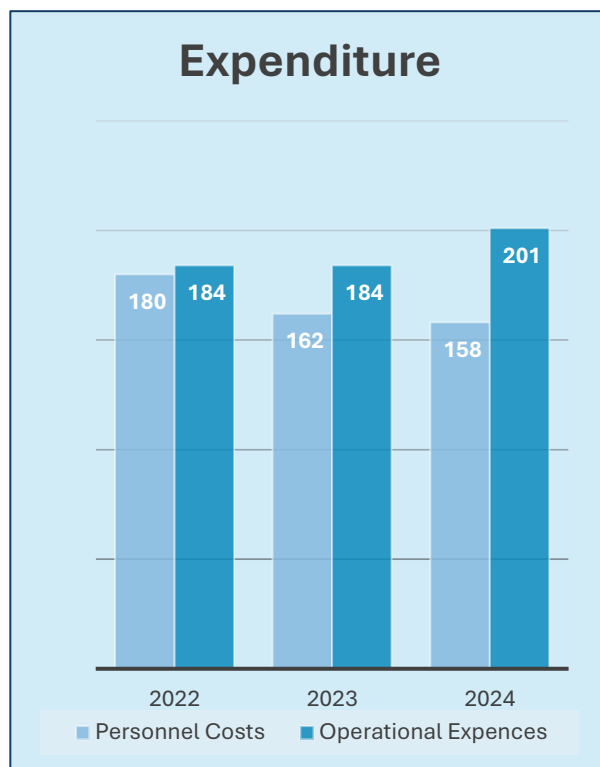
During the year 2024, the Commission earned approximately Rs. 83 million in interest income from such investments. However, this represents a 36% decrease compared to the previous year, primarily due to declining market interest rates that affected returns on fixed-income securities and deposits.

## Expenditure

As mandated by the PUCSL Act, the Commission is required to prepare and publish its expenditure estimates for the upcoming financial year in the Government Gazette by 30<sup>th</sup> September of the preceding year. This ensures transparency, accountability, and adherence to public sector financial management standards.

The Commission's expenditure for the year comprised two main categories: operational costs related to regulatory and administrative activities, and personnel expenses. In comparison to the previous year, total expenses recorded a moderate increase of 3.8%, with no significant changes in the overall spending structure.

This prudent financial management reflects the Commission's commitment to maintaining cost efficiency while delivering on its mandate to regulate public utilities in the best interest of consumers and stakeholders.



*Chart 5 PUCSL Expenditure - 2024*

## Procurement and Asset Management

The Procurement Division, operating under the Finance Division, is responsible for managing all procurement activities of the Commission under the National Procurement Guidelines. This includes planning, sourcing, evaluating, and contracting for goods, works, and services required to support the Commission's operations. The division ensures that all procurement processes are conducted transparently, competitively, and with due regard to efficiency and value for money.

In addition to its procurement responsibilities, the Finance Division also oversees the Asset Management Function. This involves the accurate recording, monitoring, and safeguarding of all non-financial assets of the Commission, ensuring compliance with applicable regulations and internal controls. Effective asset management supports operational continuity, accountability, and optimal use of public resources.

*Table 21: Summary of Activities for the Finance Division*

| Activity Number   | Activity Name                                 | Budget     | Output<br>(Activity) | Progress      |         |
|-------------------|---|------------|----------------------|---------------|---------|
|                   |   |            |                      | Physical<br>% | finance |
| AP24/FIN/RU /01   | Routing reporting<br>Budgeting and monitoring | -          |                      | 95%           | -       |
| AP24/FIN/RU /02   | Asset Management                              | 200,000.00 |                      | 95%           | 9%      |
| AP24/FIN/RU /03   | Procurement Management                        | 200,000.00 |                      | 90%           | 43%     |
| AP2024/FIN/RU /04 | Fund Management and<br>revenue collection     | -          |                      | 95%           | -       |

### 3.11.2 Audit Committee Report

#### AUDIT COMMITTEE REPORT

The Audit Committee has performed its duties independently and objectively in accordance with the Guidelines on Corporate Governance for State Owned Entities issued by the Department of Public Enterprises and in line with the financial manual approved by the Commission. The Audit Committee is committed to seeing a strong culture of good governance, integrity, ethics, accountability and transparency for a sustainable operation of the Regulatory Commission.

##### Composition

The Audit Committee was comprised of three members of the Commission. Mr S.G. Senarathne, a commission member who is a financial professional, chairs the Committee, whilst the other two members are also experienced professionals in their respective disciplines identified in the Public Utilities Commission Act. Representatives were invited from the Ministry of Finance, the General Treasury and the National Audit Office. The secretary to the Audit Committee was the Secretary to the Commission in line with the provisions given under the circular issued by the Ministry of Finance.

##### Regular Participants

- Director General
- Deputy Director General (Industry)
- Deputy Director General (Operation)
- Director of Finance
- Internal Auditor

##### Committee Meetings

The Audit Committee functioned from January to July 2024, conducting two meetings on 21<sup>st</sup> February 2024 and 11<sup>th</sup> July 2024. From July onwards, the members of the commission did not exist and formal meetings were not held during this period. The tenure of the Chairman and other members of the Audit Committee concludes in July 2024, marking the end of their term of office as members of the Commission. The attendance at the Audit Committee Meetings held up to July 2024 was as follows:

| Name                    | Capacity in the Audit Committee | Capacity in the PUCSL             | Meeting held on 21 <sup>st</sup> February 24 | Meeting held on 11 <sup>th</sup> July 2024 |
|-------------------------|---------------------------------|-----------------------------------|--|--|
| Mr. S. G. Senaratne     | Chairman: Audit Committee       | Member of the Commission          | Presence                                     | Presence                                   |
| Ms. L. S. C. Wijesinghe | Member: Audit Committee         | Deputy Chairman of the Commission | Excused                                      | Presence (joined Via. Zoom)                |
| Mr. D. N. Nanayakkara   | Member: Audit Committee         | Member of the Commission          | Presence (joined Via. Zoom)                  | Presence (joined Via. Zoom)                |

The quorum for the Audit Committee is a majority of members.

##### Role of the Audit Committee

The role of the Audit Committee was to ensure the systematic oversight of the financial reporting system of the Public Utilities Commission of Sri Lanka with a view to safeguarding the interests of all the

stakeholders. The Audit Committee focused on internal control and compliance, especially in the areas of preparation of, Annual Financial Statements, Investment Plan, and Internal Audit.

#### **Summary of the Key Focus Area during Year 2024**

During the period under review (Jan-July), due consideration has been made for the matters relating to:

- Improving the internal controls of the payment systems of the PUCSL,
- Recover the long-outstanding license fee from CEB, financial reporting, manuals, and the other matters highlighted in the external audit report.
- Reviewed the annual financial statements, ensuring that the financial statements are prepared, presented and the information is adequately disclosed in accordance with the Sri Lanka Accounting Standards.
- Reviewed and assessed the adequacy and effectiveness of the internal controls in line with the applicable circulars and highlighted the areas that require special attention in terms of safeguarding public resources
- Reviewed and evaluated the requirement of recruiting/hiring an Internal Auditor to ensure independence, an effective and competent Internal Auditor, and resource requirements and made recommendations for improving the internal audit tasks.
- Ensured the coordination between the Internal Audit Division and the External Auditors.
- Reviewed and approved the Annual Internal Audit Plan as well as significant internal audit findings.
- Reviewed and approved risk analysis done by the internal auditors, and approved the annual internal audit plan
- Made appropriate communications with the representative of the Auditor General regarding audit findings and made required recommendations to the Commission to rectify deviations identified.
- Reviewed progress of answering external audit queries and information requests

On behalf of the Audit Committee



S.G. Senarathne.

*Chairman- Audit Committee  
(From January- July 2024)*

09 May 2025

### 3.11.3 Financial Statement



## PUBLIC UTILITIES COMMISSION OF SRI LANKA

## ***FINANCIAL STATEMENTS*** ***2024***

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| Notes to the Financial Statements | 12-17 |



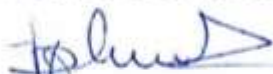



**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**Statement of Financial Position**  
**As At 31<sup>st</sup> December 2024**

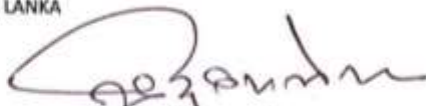
|                                  | Notes | 2024<br>Rs           | 2023<br>Rs           |
|----------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                    |       |                      |                      |
| <b>Non-Current Assets</b>        |       |                      |                      |
| Property Plants & Equipment      | 3     | 81,918,155           | 42,308,705           |
| Capital work in progress         | 3.1   | 4,078,322            | 7,300,238            |
| Intangible Assets -Software      | 3.2   | 9,876,347            | 188,000              |
| Distress Loan                    | 7.1   | 3,093,756            | 4,205,169            |
| <b>Total Non-Current Assets</b>  |       | <b>98,966,580</b>    | <b>54,002,112</b>    |
| <b>Current Assets:</b>           |       |                      |                      |
| Investment                       | 4     | 1,019,505,002        | 1,056,050,654        |
| Inventories                      | 5     | -                    | 649,144              |
| Receivables                      | 6     | 96,108,960           | 99,622,460           |
| Deposit, Advances & Pre Payments | 7     | 8,377,492            | 2,685,404            |
| Distress Loan                    | 7.1   | 1,827,793            | 1,702,602            |
| Cash & Cash Equivalents          | 8     | 1,614,380            | 880,700              |
| <b>Total Current Assets</b>      |       | <b>1,127,433,628</b> | <b>1,161,590,963</b> |
| <b>Total Assets</b>              |       | <b>1,226,400,208</b> | <b>1,215,593,075</b> |
| <b>Funds &amp; Liabilities</b>   |       |                      |                      |
| <b>Funds</b>                     |       |                      |                      |
| Accumulated Fund                 | 9     | 1,012,555,789        | 1,095,020,888        |
| Revaluation Reserves             |       | 111,205,277          | 57,063,763           |
|                                  |       | <b>1,123,761,066</b> | <b>1,152,084,651</b> |
| <b>Non-Current Liabilities</b>   |       |                      |                      |
| Provision for Gratuity           | 10    | 28,751,490           | 26,908,309           |
|                                  |       | <b>28,751,490</b>    | <b>26,908,309</b>    |
| <b>Current Liabilities</b>       |       |                      |                      |
| Payable Accounts                 | 11    | 43,497,112           | 35,509,795           |
| Income tax payable               | 12    | 29,300,220           | -                    |
| Auditor General's Fees           | 13    | 1,090,320            | 1,090,320            |
|                                  |       | <b>73,887,652</b>    | <b>36,600,115</b>    |
| <b>Total Liabilities</b>         |       | <b>1,226,400,208</b> | <b>1,215,593,075</b> |

The Accounting Policies and Notes appearing on pages 05 to 17 form an integral part of the Financial Statements. The Members of the Public Utilities Commission of Sri Lanka are responsible for the preparation and presentation of these Financial Statements.

FOR AND ON BEHALF OF THE PUBLIC UTILITIES COMMISSION OF SRI LANKA

  
Prof. K.P.L. Chandralal  
Chairman

  
Damitha Kumarasinghe  
Director General

  
Eng. Piya Hennayake  
Deputy Chairman

  
G.A.S. Sumanasena  
Director -Finance

**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**Statement of Comprehensive Income**  
**For the Year Ended 31<sup>st</sup> December 2024**

|   | Notes | 2024<br>Rs.         | 2023<br>Rs.        |
|---|-------|---------------------|--------------------|
| <b>Revenue</b>                                      |       |                     |                    |
| Annual Regulatory Levies                            | 14    | 231,954,574         | 237,736,618        |
| Licenses Application Fees                           | 15    | 425,000             | 488,000            |
| Other Income  | 16    | 86,633,125          | 130,523,839        |
| <b>Total Revenue</b>                                |       | <b>319,012,699</b>  | <b>368,748,457</b> |
| <b>Expenses</b>                                     |       |                     |                    |
| Personnel costs                                     | 17    | 158,267,564         | 162,324,261        |
| Consultancy Services                                |       | 13,872,376          | 5,234,693          |
| Operational Expenses                                | 18    | 202,134,810         | 178,832,962        |
| Finance Cost  | 19    | 74,583              | 302                |
| <b>Total Expenditure</b>                            |       | <b>374,349,333</b>  | <b>346,392,219</b> |
| Operating Surplus/(Deficit) Before Tax for the Year |       | <b>(55,336,634)</b> | <b>22,356,238</b>  |
| Income Tax Expenses                                 | 20    | (29,300,220)        | -                  |
| Operating Surplus/(Deficit) After Tax for the Year  |       | <b>(84,636,855)</b> | <b>22,356,238</b>  |
| <b>Other Comprehensive Income</b>                   |       |                     |                    |
| Actuarial Gain                                      |       | 2,171,756           | 580,300            |
| Revaluation Gain                                    |       | 54,141,514          | -                  |
| <b>Total Surplus/(Deficit) for the Year</b>         |       | <b>(28,323,585)</b> | <b>22,936,538</b>  |

The Accounting Policies and Notes appearing on pages 05 to 17 form an integral part of the Financial Statements.



**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**Cash Flow Statement**  
**For the Year Ended 31<sup>st</sup> December 2024**

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
|  | <b>Rs</b>            | <b>Rs</b>            |
| <b>Cash Generated from Operating Activities</b>              |                      |                      |
| Operational Surplus / (Deficit) in the Year                  | (55,336,634)         | 22,356,238           |
| <b>Adjusted for</b>  |                      |                      |
| Depreciation   | 18,838,088           | 13,781,278           |
| Provision for Gratuity                                       | 6,062,208            | 6,251,335            |
| Provision for Impairment                                     | 14,644,800           | -                    |
| Gratuity Payments  | (2,047,270)          | (2,354,063)          |
| Income on disposal of fixed assets                           | (95,015)             | -                    |
| Interest income  | (83,436,755)         | (130,421,483)        |
|  | <b>(101,370,579)</b> | <b>(90,386,695)</b>  |
| <b>Changes Working Capital</b>                               |                      |                      |
| (Increase) / Decrease in Inventories                         | 649,139              | (183,796)            |
| (Increase) / Decrease in Deposits                            | -                    | (8,000)              |
| (Increase) / Decrease in Receivables                         | (11,131,300)         | 340,346,696          |
| Increase / (Decrease) in Payables                            | 7,987,317            | (2,246,762)          |
| (Increase) / Decrease Advance, Pre Payments                  | (4,705,865)          | 5,722,196            |
| <b>Net Changes in Working Capital</b>                        | <b>(7,200,710)</b>   | <b>343,630,335</b>   |
| <b>Cash Generated from / (Used in ) Operating Activities</b> | <b>(108,571,289)</b> | <b>253,243,640</b>   |
| <b>Cash Flow from the Investing Activities</b>               |                      |                      |
| Fixed Assets Disposal Income Received                        | 95,015               | -                    |
| Purchase/Capitalized of Fixed Asset                          | (10,772,454)         | (2,276,250)          |
| Interest Received  | 83,436,755           | 130,421,483          |
| Withdrawal of Investments (FD's, TB's & REPO)                | 772,322,474          | 375,000,052          |
| Increase in Investment of Gratuity                           | (2,889,709)          | (1,258,987)          |
| Invested in Fixed Deposits/TBS & Call Deposits               | (732,887,111)        | (754,412,999)        |
| <b>Net Cash Flow from (Used in ) Investing Activities</b>    | <b>109,304,970</b>   | <b>(252,526,701)</b> |
| <b>Net cash flows during the Year</b>                        | <b>733,681</b>       | <b>716,939</b>       |
| Cash and Cash Equivalent at the Beginning of the Year        | <b>880,699</b>       | <b>163,760</b>       |
| <b>Cash and Cash Equivalent at the End of the Year</b>       | <b>1,614,380</b>     | <b>880,699</b>       |
| <b>Cash and Cash Equivalents,</b>                            |                      |                      |
| Cash in Hand & at Bank                                       | <b>1,614,380</b>     | <b>880,699</b>       |

**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**Statement of Changes in Equity**

**For the Year Ended 31<sup>st</sup> December 2024**

|  | Accumulated<br>Fund<br>Rs. | Revaluation<br>Reserves<br>Rs. | Total<br>Rs.  |
|--|----------------------------|--------------------------------|---------------|
| Balance as at 1 <sup>st</sup> January 2024   | 1,095,020,888              | 57,063,763                     | 1,152,084,651 |
| Surplus/(Deficit) in the Income Statement    | (84,636,855)               | -                              | (84,636,855)  |
| Revaluation Reserves                         |                            | 54,141,514                     | 54,141,514    |
| Other Comprehensive Income                   | 2,171,756                  |                                | 2,171,756     |
| Balance as at 31 <sup>st</sup> December 2024 | 1,012,555,789              | 111,205,277                    | 1,123,761,066 |





**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

**1.1 Reporting Entity**

The Public Utilities Commission of Sri Lanka (PUCSL) is an independent Body established under the Public Utilities Commission Act No. 35 of 2002.

**1.2 Principal Activities and Nature of Operations**

The Public Utilities Commission of Sri Lanka (PUCSL) was established to regulate certain utility industries pursuant to a coherent national policy.

In line with the above policy, with the enactment of Sri Lanka Electricity Act No: 20 of 2009 PUCSL was fully empowered to regulate the electricity industry in Sri Lanka.

**1.3 Responsibility for Financial Statements**

The members of the Commission are responsible for the preparation and presentation of the Financial Statements of the Commission as per the provisions of the PUCSL Act and Sri Lanka Accounting Standards. (LKAS/SLFRS)

**1.4 Date of Authorization for Issue**

The Financial Statements of the Public Utilities Commission of Sri Lanka for the year ended 31<sup>st</sup> December 2024 were authorized for issue in accordance with a resolution of the commission on 06<sup>th</sup> of March 2025.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1.1 Basis of Preparation**

The financial statements which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, have been prepared on a historical cost convention. No adjustments have been made to inflationary factors affecting the financial statements.

**2.1.2 Statement of compliance**

The financial statements of the commission (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows together with accounting policies and notes) as at 31st December 2024 are prepared in accordance with the

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Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants Sri Lanka, the requirements of Public Utilities Commission of Sri Lanka Act No: 35 of 2002 and the Sri Lanka Accounting and Auditing Standards' Act No: 15 of 1995.

**2.1.3 Comparative Information**

The accounting policies have been consistently applied by the commission and are consistent with those used in the previous year. Prior year figures and phrases have been re-arranged where necessary to confirm the current year presentation.

**2.1.4 Functional Currency and Presentation Currency**

The financial statements are presented in Sri Lankan Rupees (Rs.), which is the commission's functional currency. All the financial information presented in rupees has been rounded to the nearest rupee.

**2.1.5 Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The commission based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the commission. Such changes are reflected in the assumptions when they occur.

**(a) Defined Benefit Plans**

The cost as well as the present value of the defined benefit plan: gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long-term nature of employee benefits, such estimates are subject to significant uncertainty.

**(b) Useful Lives of Property and Equipment**

The company reviews the assets' residual values, useful lives and methods of depreciation or amortization at each reporting date; judgment by management is exercised in the estimation of these values, rates and methods.



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(b) Useful lives of intangible assets.

The association reviews the residual values, useful lives and methods of amortization of assets at each reporting date. Judgement by the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

**2.2 Summary of Significant Accounting Policies**

**2.2.1 Property and Equipment**

Property and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the entity and cost of the asset can be reliably measured. Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Such costs include the cost of replacing parts of the equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on straight-line basis over the useful life of the assets. The estimated useful lives of the assets are as follows:

|   |         |
|---|---------|
| 1. Furniture and Fixtures               | 5 Years |
| 2. Computer and Office Equipment        |         |
| (a) Multimedia Projector/SAN storage    | 4 Years |
| (b) Desktop computers                   | 4 Years |
| (c) Laptop computers                    | 4 Years |
| (d) Mobile phones                       | 3 Years |
| (e) Portable hard disk/server hard disk | 3 Years |
| (f) LTO Tape drive                      | 3 Years |
| (g) LTO Tape                            | 3 Years |
| (h) UPS                                 | 2 Years |
| (i) Others                              | 5 Years |
| 3. Vehicles                             | 5 Years |
| 4. Office equipment                     | 5 Years |

The calculation of depreciation is applied from the date of purchase of property plant and equipment in the current year. The revaluation model is applied to Motor Vehicles, which are revalued once in every three years.

**2.2.2. Intangible Assets**

Acquired Computer software /licenses are capitalized in the basis of the cost incurred to acquire and bring to use the specific software. Those costs are amortized over the period of three years.

### **2.2.3. Capital Work in progress.**

Capital Work in progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings and system development awaiting capitalization.

### **2.2.4 De-recognition**

An item of property & equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the assets are determined by comparing the proceeds from disposal with the carrying amount of the property & equipment and recognized in the statement of comprehensive income.

### **2.2.5 Restoration Costs**

Expenditure incurred on repairs or maintenance of property and equipment in order to restore or maintain future economic benefits expected from the originally assessed standard of performance is recognized as an expense when incurred.

### **2.2.6 Financial Assets**

The PUCSL classifies fixed deposits as financial assets measured at amortized cost under SLFRS 9 – Financial Instruments, as they meet both of the following conditions:

- The financial asset is held collect contractual cash flows rather than for trading purposes.
- The contractual cash flow consists solely of payments of principal and interest.

### **2.2.7 Trade and Other Receivables**

Receivables are stated at the amounts that they are estimated to realize net of allowances for impairment. Other receivables are also recognized at cost less allowances for impairment. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

Accordingly, Impairment provision has been made for identified balances include in License fee receivables at the end of the year which meets the criteria defined in Sri Lanka Accounting Standards.

### **2.2.8 Cash and Cash Equivalents**

Cash and Bank balances are defined as cash at the bank and in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities, i.e. three months or less from the date of acquisition are also treated as cash equivalents.



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**2.2.9 Accumulated Fund**

Accumulated funds include the surpluses and deficits of general funds accumulated over the years which are available for use in the furtherance of the general objectives of the Commission.

**2.2.10 Provisions**

Provisions are recognized when the Commission has a present legal or constructive obligation, as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of the obligation. All known provisions have been accounted for in preparing these Financial Statements.

**2.2.11 Trade and Other Payables**

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables are classified as current liabilities if payment is due within one year or less.

**2.2.12 Defined Benefit Plan**

According to payment of Gratuity Act No.12 of 1983, the liability for gratuity to an employee arises only on completion of five years of continued service with the Commission. The PUCSL has adopted actuarial valuation to record gratuity liabilities to conform with LKAS 19. The actuarial valuation was carried out by the professional actuarial valuers, Actuarial and Management Consultant (Pvt) Ltd.

The defined benefit obligation for retiring gratuity payable under the Payment of Gratuity Act No.12 of 1983 recognised in the Statement of Financial Position, represents the present value of the defined benefit obligation. All actuarial gains and losses are recognised immediately in the Statement of Financial Performance and Other Comprehensive Income.

The gratuity is payable to employees on the basis of half month salary for each completed year of service as at the date of "exit" is 5 years or more. The provision for liability is externally invested at the Balance sheet date.

**2.2.13 Defined Contribution Plans**

Employees' Trust Fund and Employees' Provident Fund A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution

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to Employee Provident and Employee Trust Funds are recognized as an expense in profit or loss as incurred.

Employees are eligible for the Employees' Provident Fund and Employees' Trust Fund in accordance with respective statutes and regulations. The Commission contributes 15% and 3% of the gross emoluments of employees to the Employees' Provident Fund and Employees' Trust Fund respectively.

**2.2.14 Capital Commitments and Contingent Liabilities**

All material capital commitments and contingent liabilities are considered, and necessary adjustments or disclosures are made in these financial statements.

**2.3 Statement of Comprehensive Income**

**2.3.1 Income Recognition**

Income from rendering services is measured at the fair value of the consideration received or receivable and to the extent that it is probable that the economic benefits will flow to the Association and that it can be measured reliably.

**a) Annual Regulatory Levy**

According to Section 46 of Sri Lanka Electricity Act, No.20 of 2009, Commission empowered to impose an annual regulatory levy and it's to be recovered from every licensee before the 30<sup>th</sup> day of June of that year. This Act was certified on 8<sup>th</sup> April 2009 and implemented by the Commission from that date.

**b) License Application Fee**

In addition to the imposed the levies, according to Section 11 of the Sri Lanka Electricity Act, the Commission is empowered to collect the application processing fee with the license applications for licenses generate, transmit or distribute the electricity.

**c) Other Income**

Other income comprises of interest income and is recognized as it accrues, using the effective interest method.

**2.3.2 Surplus / Deficit from operation**

The operating surplus/deficit of the Commission measures by net of operating income and operating expenses.



### **2.3.3 Expenditure Recognition**

#### **2.3.3.1 Revenue Expenditure**

Expenses are recognized in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in running of the commission and in maintaining the property and equipment in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

#### **2.3.3.2 Income Tax Expenses**

Commission's tax expense is made up of current taxation provisions on the interest income earned by the commission on investment of surplus fund.

#### **2.3.3.3 Capital Expenditure**

All expenditure incurred in the acquisition, extension or improvement of the property and equipment of a permanent nature, in order to carry on or increase the earning capacity of the association have been treated as capital expenditure.

### **2.3.4 EVENTS AFTER THE REPORTING PERIOD**

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the financial statements.

### **2.3.5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

There were no capital commitments and contingent liabilities as at the date of the Statements of Financial Position which require adjustments to or disclosures in the Financial Statements.

### **2.3.6. RELATED PARTY DISCLOSURES**

The association carries out transactions in the ordinary course of business on an arm's length basis at commercial rate with related parties.

#### **a) Transactions with Key Management Personnel (KMP)**

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the association directly or indirectly. Accordingly, members of the commission, Director General and Deputy Director Generals have been classified as KMPs.

# PUBLIC UTILITIES COMMISSION OF SRI LANKA

## Notes to the Financial Statements

As at 31<sup>st</sup> December 2024

### Note 03

|   | Furniture & Fixtures<br>Rs | Computer & Office<br>Equipment<br>Rs | Office Equipment | Vehicles<br>Rs    | Total<br>Rs         |
|---|----------------------------|--------------------------------------|------------------|-------------------|---------------------|
| As at Beginning of the Year                               | 30,586,077                 | 63,035,150                           | 580,919          | 37,965,000        | 132,167,146         |
| Cost of revalued Assets                                   | (30,586,077)               | (63,035,150)                         | (580,919)        | (32,165,000)      | (126,367,146)       |
| Revaluation   | 17,056,733                 | 31,502,266                           | 240,500          | 33,355,000        | 82,154,499          |
| Additions During the year                                 | -                          | 8,971,634                            | 158,992          | -                 | 9,130,626           |
| <b>As at End of the Year</b>                              | <b>17,056,733</b>          | <b>40,473,900</b>                    | <b>399,492</b>   | <b>39,155,000</b> | <b>97,085,125.4</b> |
| <b>Depreciation</b>                                       |                            |                                      |                  |                   |                     |
| As at Beginning of the Year                               | 24,946,019                 | 51,076,267                           | 553,107          | 13,283,048        | 89,858,441          |
| Charge for the year                                       | 3,417,088                  | 8,577,368                            | 61,520           | 6,006,000         | 18,061,976          |
| Acc. Dep revalued Assets                                  | (24,946,019)               | (51,076,267)                         | (553,107)        | (16,178,054)      | (92,753,447)        |
| <b>As at the End of the Year</b>                          | <b>3,417,088</b>           | <b>8,577,368</b>                     | <b>61,520</b>    | <b>3,110,994</b>  | <b>15,166,970</b>   |
| <b>Net Book Value as at 31<sup>st</sup> December 2024</b> | <b>13,639,645</b>          | <b>31,896,532</b>                    | <b>337,972</b>   | <b>36,044,006</b> | <b>81,918,155</b>   |

### Note :3.1 Capital working progress

|                               | 2024             | 2023             |
|-------------------------------|------------------|------------------|
| License Management system     | -                | 1,873,408        |
| Incident reporting system     | -                | 1,258,928        |
| SAP Modification              | -                | 525,000          |
| PUCSL Intranet                | 586,000          | 586,000          |
| Technician Information System | 1,067,502        | 1,067,502        |
| Modifying HRD System          | 140,000          | 140,000          |
| Business Intelligence system  | 1,103,400        | 1,103,400        |
| Modifying DRS System          | 26,000           | 26,000           |
| Procurement Work Flow System  | 1,155,420        | 720,000          |
|                               | <b>4,078,322</b> | <b>7,300,238</b> |

### 3.2 Intangible Assets -Software

|   |                  |
|---|------------------|
| At the Beginning of the Year                    | 19,022,500       |
| Additions During the year with transfers In WIP | 4,863,745        |
| Cost of revalued - Software                     | (21,364,260)     |
| Revaluation                                     | 7,354,362        |
| <b>As at the End of the Year</b>                | <b>9,876,347</b> |

### Less: Amortisation

|                             |              |
|-----------------------------|--------------|
| As at Beginning of the Year | 18,834,500   |
| Charge for the Year         | 776,112      |
| Acc. Dep revalued Assets    | (19,610,612) |
| As at the End of the year   | -            |

**Net Book Value as at 31<sup>st</sup> December 2024**

**9,876,347**

The Company carried out a revaluation of its all class of assets in use and taken in to accounts on 01.01.2024 in accordance with LKAS16 Property, Plant, and Equipment. The revaluation was performed by the team of professional staff for the assets classes of Furniture & Fittings, Computer & Office Equipment and office Equipment. The Asset class of vehicles were revalued (except for one damaged vehicle not in usable condition as at the valuation date) as per the Accounting policy by the Automobile Association of Ceylon.

The valuation techniques used for Motor Vehicles at the market value and others replacement cost adjusted for depreciation.

Property Plant and Equipment does not include any fully depreciated assets as at the balance sheet date.

There were no items of PPE pledged as security as at 31 December 2024.

Financial Statements 2024

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**Notes to the Financial Statements**

**As at 31<sup>st</sup> December 2024**

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
|  | <b>Rs</b>            | <b>Rs</b>            |
| <b>04. Investments at Amortised cost</b> |                      |                      |
| Fixed Deposit                            | 855,893,417          | 1,015,923,410        |
| Gratuity Fund Investment                 | 24,016,953           | 21,127,244           |
| Treasury Bills                           | 134,593,788          | -                    |
| Repurchase Agreements                    | 5,000,845            | 19,000,000           |
|  | <b>1,019,505,002</b> | <b>1,056,050,654</b> |

Investment is valued at amortised cost in year 2024.(It was valued at cost and the Interest receivable is separately shown under interest receivable in 2023)

|                        |          |                |
|------------------------|----------|----------------|
| <b>05. Inventories</b> | -        | 649,144        |
|                        | <b>-</b> | <b>649,144</b> |

Inventories includes stationery and other consumable items previously valued at cost and taken in to the Financial Statements. Those are charged to income statement in current year as per the LKAS 02.

**06. Receivables**

|  |                   |                   |
|--|-------------------|-------------------|
| Annual regulatory levies                 | 105,983,477       | 85,561,098        |
| Less Provision for Impairment (06.1)     | (14,644,800)      | -                 |
| Interest receivable                      | -                 | 13,960,915        |
| Other-receivables                        | 212,460           | 100,447           |
| Withholding Tax (WHT) receivables (Note) | 4,557,823         | -                 |
|  | <b>96,108,960</b> | <b>99,622,460</b> |

**06.1 Provision for Impairment**

|                                      |                   |          |
|--------------------------------------|-------------------|----------|
| Balance at the beginning of the year | -                 | -        |
| Provisions made during the year      | 14,644,800        | -        |
| Balance at the end of the year       | <b>14,644,800</b> | <b>-</b> |

In year 2023 WHT receivable is not accounted as there were no income tax liability was accounted to recover .

**07. Deposit ,Advances and Prepayments**

**Deposit**

|   |                  |                  |
|---|------------------|------------------|
| Dialog Axiata PLC                             | 1,500            | 1,500            |
| BOC Property Development Ltd                  | 826,571          | 826,571          |
| S W R D Bandaranaike Memorial Foundation Fund | 252,000          | 252,000          |
| Girl Friendly Association                     | 65,500           | 65,500           |
| National Youth Services Council               | 15,000           | 15,000           |
|   | <b>1,160,571</b> | <b>1,160,571</b> |

**Advance & Pre Payments**

|                  |                  |                  |
|------------------|------------------|------------------|
| Advances         | 243,000          | 27,744           |
| Pre Payments     | 6,635,190        | 1,298,957        |
| Festival advance | 183,732          | 106,132          |
| Fuel Vouchers    | 155,000          | 92,000           |
|                  | <b>7,216,922</b> | <b>1,524,833</b> |
|                  | <b>8,377,492</b> | <b>2,685,404</b> |



**PUBLIC UTILITIES COMMISSION OF SRI LANKA**

**Notes to the Financial Statements**

**As at 31<sup>st</sup> December 2024**

|   | <b>2024<br/>Rs</b>                    | <b>2023<br/>Rs</b>                    |
|---|---------------------------------------|---------------------------------------|
| <b>07.1 Distress Loan</b>                                     |                                       |                                       |
| Distress Loan-Receiveable after one year                      | 3,093,756                             | 4,205,169                             |
| Distress Loan-Receiveable within one year                     | 1,827,793                             | 1,702,602                             |
|   | <b>4,921,549</b>                      | <b>5,907,772</b>                      |
| <b>08.Cash &amp; Cash Equivalents</b>                         |                                       |                                       |
| Bank of Ceylon A/C.no. 1630806                                | 1,614,380                             | 880,700                               |
| Petty Cash  | -                                     | -                                     |
|   | <b>1,614,380</b>                      | <b>880,700</b>                        |
| <b>09. Accumulated Fund</b>                                   |                                       |                                       |
| Surplus / (Deficit) balance at 1st January 2024               | 1,095,020,888                         | 1,072,084,350                         |
| Surplus /(Deficit) for the year                               | (84,636,855)                          | 22,356,238                            |
| Other Comprehensive Income                                    | 2,171,756                             | 580,300                               |
|   | <b>1,012,555,789</b>                  | <b>1,095,020,888</b>                  |
| <b>10. Provision for Gratuity</b>                             |                                       |                                       |
| Provision for PV-DBO as at 1st January 2024                   | 26,908,309                            | 23,591,337                            |
| Interest cost for the period                                  | 3,498,080                             | 4,246,440                             |
| Current service cost for the period                           | 2,564,128                             | 2,004,895                             |
| Gratuity paid during the year                                 | (2,047,270)                           | (2,354,063)                           |
| Actuarial Gain/Loss on PV- DBO                                | (2,171,756)                           | (580,300)                             |
| Provision for PV-DBO as at 31st December 2024                 | <b>28,751,490</b>                     | <b>26,908,309</b>                     |
| <b>10.1 Assumptions</b>                                       |                                       |                                       |
|   | 10% Up to age 54<br>& thereafter zero | 10% Up to age 54<br>& thereafter zero |
| Staff turnover  |                                       |                                       |
| Retirement age  | 60                                    | 60                                    |
| Rate of discount  | 10.5%                                 | 13%                                   |
| Salary escalation rate  | 800%                                  | 10%                                   |
| <b>10.2 Sensitivity</b>                                       |                                       |                                       |
| Variable changed while all other assumptions remain unchanged |                                       |                                       |
| 1% increase in discount rate                                  | 27,312,507                            | 25,543,985                            |
| 1% decrease in discount rate                                  | 30,333,992                            | 28,405,679                            |
| 1% increase in salary escalation rate                         | 30,479,153                            | 28,553,207                            |
| 1% decrease in salary escalation rate                         | 27,156,594                            | 25,388,274                            |
| <b>11. Accounts Payable</b>                                   |                                       |                                       |
| Printing & Advertising  | 451,976                               | 1,591,401                             |
| Communication   | 322,862                               | 409,330                               |
| Floral arrangements   | -                                     | 3,500                                 |
| Other allowances  | 4,155,850                             | 4,041,178                             |
| EPF & ETF Payable   | 1,821,723                             | 1,922,851                             |
| Overtime  | 231,590                               | 277,289                               |

**PUBLIC UTILITIES COMMISSION OF SRI LANKA**

**Notes to the Financial Statements**

**As at 31<sup>st</sup> December 2024**

|                                       | <b>2024</b>       | <b>2023</b>       |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>Rs</b>         | <b>Rs</b>         |
| Transport                             | 138,038           | 258,876           |
| Local Training & Travelling           | 19,174            | 1,673,650         |
| Other Contractual                     | 86,594            | 3,198,140         |
| Maintenance of Office Vehicles        | 125,153           | 41,554            |
| Water                                 | 55,571            | 37,237            |
| Electricity                           | 202,826           | 337,723           |
| Consultancy                           | 7,612,500         | 4,435,458         |
| Stamp Duty Payables                   | 4,025             | 4,975             |
| Janitorial Services                   | 294,552           | 302,886           |
| WHT Payable                           | 249,000           | 241,410           |
| APIT Payable                          | 1,411,161         | 1,193,220         |
| Interest Reimbursements               | 458,778           | 518,861           |
| Retention money                       | 199,952           | 199,952           |
| Computer & Equipment                  | 423,325           | 1,575,000         |
| Maintenance of Software               | 2,312,281         | -                 |
| Maintenance of Computer and Equipment | 7,059,367.10      | 1,479,001         |
| Stationary Payables                   | 34,160            | 151,800           |
| Research and Survey                   | 358,000           | -                 |
| Consumable Materials                  | -                 | 27,160            |
| Welfare & Public Relations            | 26,940            | -                 |
| Professional fees                     | 1,057,579         | -                 |
| Insurance                             | 561,377           | -                 |
| Other Payables                        | 21,510            | 56,323            |
| Legal Fees                            | 5,441,749         | 4,396,666         |
| Safety Awareness                      | 5,974,256         | 356,846           |
| Consumer Awareness                    | -                 | 127,475           |
| Stakeholder consultations             | 2,307,244         | 694,050           |
| Technical and Other payables          | -                 | 5,448,265         |
| Energy Efficiency                     | 78,000            | 507,720           |
|                                       | <b>43,497,112</b> | <b>35,509,795</b> |

**12. Income Tax Payable**

29,300,220

**29,300,220**

-

-

**13. Auditor General's Fees**

Balance B/F

1,090,320.00

1,782,400

payments during the year

(991,200)

(1,748,400)

Provision for year

1,090,320

1,090,320

Over/Under provision for Prior Year

(99,120)

(34,000)

**1,090,320**

**1,090,320**

**14. Annual Regulatory Levies**

Generation

73,507,870

72,207,418

Transmission

27,772,403

31,153,500

Distribution

130,674,300

134,375,700

**231,954,574**

**237,736,618**

**15. Licenses Application Fees**

License application Fee

425,000

488,000

**425,000**

**488,000**

**PUBLIC UTILITIES COMMISSION OF SRI LANKA**

**Notes to the Financial Statements**

**As at 31<sup>st</sup> December 2024**

|   | <b>2024<br/>Rs</b> | <b>2023<br/>Rs</b> |
|---|--------------------|--------------------|
| <b>16. Other Income</b>                                       |                    |                    |
| Interest  | 83,436,755         | 130,421,483        |
| Exemption fee   | 8,000              | 16,000             |
| Sundry Income   | 3,093,355          | 86,356             |
| Fixed Asset Disposal  | 95,015             | -                  |
|   | <b>86,633,125</b>  | <b>130,523,839</b> |
| <b>17 Personnel Emoluments</b>                                |                    |                    |
| Commissioners Remuneration                                    | 1,506,000          | 1,644,725          |
| Salaries  | 78,484,264         | 82,591,998         |
| Other Allowances  | 56,019,129         | 52,366,255         |
| Over-time   | 2,050,940          | 4,603,388          |
| Contribution for Employee Provident Fund                      | 11,787,520         | 12,388,800         |
| Contribution for Employee Trust Fund                          | 2,357,504          | 2,477,760          |
| Gratuity Expense  | 6,062,208          | 6,251,335          |
|   | <b>158,267,564</b> | <b>162,324,261</b> |
| <b>18. Operational costs</b>                                  |                    |                    |
| Overseas & Local Training                                     | 2,061,358          | 2,895,149          |
| Foreign Travelling Expenses                                   | 107,100            | 27,018             |
| Travelling (Local)  | 214,852            | 143,513            |
| Provision for impairment -Annual regulatory levies receivable | 14,644,800         | -                  |
|   | <b>17,028,110</b>  | <b>3,065,680</b>   |
| <b>Consumable Materials</b>                                   |                    |                    |
| Stationery  | 2,628,100          | 1,558,388          |
| Fuel & Parking  | 12,967,832         | 13,090,023         |
| Consumable Material   | 921,719            | 734,401            |
| Entertainment   | 1,114,820          | 1,373,152          |
|   | <b>17,632,471</b>  | <b>16,755,964</b>  |
| <b>Contractual Services</b>                                   |                    |                    |
| Transport & Hiring of Vehicle                                 | 15,773,574         | 17,401,288         |
| Communication including Newspapers & Postal                   | 5,498,404          | 4,622,959          |
| Printing & Advertising  | 2,409,438          | 6,132,475          |
| Survey  | 568,000            | (2,000,000)        |
| Rents and Rates for Building                                  | 37,643,640         | 29,103,936         |
| Electricity   | 2,999,931          | 3,482,282          |
| Medical Insurance   | 10,229,847         | 11,564,045         |
| Water   | 489,927            | 545,351            |
| Insurance   | 309,792            | 608,512            |
| Janitorial Services   | 3,926,326          | 3,904,200          |
| Legal & Investigation Fees                                    | 12,597,592         | 8,174,666          |
| Other Contractual   | 2,231,236          | 3,971,573          |
|   | <b>94,677,707</b>  | <b>87,511,286</b>  |
| <b>Other Services</b>   |                    |                    |
| Information Dissemination                                     | -                  | 1,705,852          |
| Safety Awareness  | 21,295,273         | 16,242,852         |
| Consumer Awareness  | 43,702             | 5,930,519          |
| Stake Holder Consultations & Public Hearing                   | 14,568,668         | 4,777,408          |



**PUBLIC UTILITIES COMMISSION OF SRI LANKA**  
**Notes to the Financial Statements**  
**As at 31<sup>st</sup> December 2024**

|  | 2024<br>Rs         | 2023<br>Rs         |
|--|--------------------|--------------------|
| Technical and Other Standards Awareness                | (96,205)           | 11,606,332         |
| Energy Efficiency and Conservation Awareness           | 705,780            | 3,399,708          |
| Auditor General's Fees                                 | 991,200            | 1,056,320          |
| Welfare & Public Relations                             | -                  | 17,225             |
| Floral Arrangements                                    | -                  | 166,005            |
| Employee Engagement                                    | 9,744              | 306,596            |
| Miscellaneous & Others                                 | 771,239            | 395,370            |
|  | <b>38,289,402</b>  | <b>45,604,188</b>  |
| Repair & Maintenance and depreciation of Capital asset |                    |                    |
| Maintenance of vehicles                                | 2,460,741          | 3,408,980          |
| Maintenance of Office Building                         | 247,179            | 217,915            |
| Maintenance of Computer, Equipment & Software          | 12,961,111         | 8,487,672          |
| Depreciation Charges                                   | 18,838,088         | 13,781,278         |
|  | <b>34,507,120</b>  | <b>25,895,845</b>  |
| <b>Total Operational Cost</b>                          | <b>202,134,810</b> | <b>178,832,962</b> |
| <b>19. Finance Cost</b>                                |                    |                    |
| Bank Charges   | 56,949             | 302                |
| Miscellaneous Expenses                                 | 17,634             | -                  |
|  | <b>74,583</b>      | <b>302</b>         |
| <b>20. INCOME TAX EXPENSES</b>                         |                    |                    |
| Investment Income                                      | 96,886,961         | -                  |
| Other Income   | 780,441            | -                  |
| Assessable Income                                      | 97,667,402         | -                  |
| Gross Income tax Expense @ 30%                         | <b>29,300,220</b>  | <b>-</b>           |

The Commission has started account for Income Taxes on other sources of Income from year 2024 onwards.

**21. Transactions with key Management Persons (KMP)**

**21.1 Remuneration to Key Management Personnel (KMPs)**

**Members of the Commission**

|  |           |           |
|--|-----------|-----------|
| Aggregate remuneration & Sitting Allowance | 1,576,000 | 1,644,725 |
|--|-----------|-----------|

**Director General and the Members of the Senior Management**

|                        |            |            |
|------------------------|------------|------------|
| Aggregate remuneration | 26,953,404 | 23,377,432 |
| Non cash benefits      | 360,000    | 375,000.00 |

### 3.11.4 Ten-Year Financial Position

|                                      | 2024                 | 2023                 | 2022                 | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               |
|--------------------------------------|----------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | Rs.                  | Rs.                  | Rs.                  | Rs.                | Rs.                | Rs.                | Rs.                | Rs.                | Rs.                | Rs.                |
| <b>Assets</b>                        |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| <b>Non-Current Assets</b>            |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| Property Plants & Equipment          | 81,918,155           | 42,308,705           | 53,505,233           | 59,993,214         | 31,917,717         | 43,367,460         | 54,387,467         | 28,237,012         | 29,475,844         | 30,755,494         |
| Capital work in progress             | 4,078,322            | 7,300,238            | 7,300,238            | 7,376,322          | -                  | 5,330,495          | 3,014,350          | 10,110,684         | 3,234,750          | 900,382            |
| Intangible Asset-Software            | 9,876,347            | 188,000              | 496,501              | 1,414,883          | -                  | -                  | -                  | -                  | -                  | -                  |
| Distress Loan                        | 3,093,756            | 4,205,169            | 5,651,504            | 5,052,626          | 6,263,793          | 2,968,831          | 2,848,266          | 2,519,949          | 3,151,618          | 2,402,453          |
| <b>Total Non-Current Assets</b>      | <b>98,966,579</b>    | <b>54,002,112</b>    | <b>66,953,476</b>    | <b>73,837,046</b>  | <b>38,181,510</b>  | <b>51,666,786</b>  | <b>60,250,083</b>  | <b>40,867,645</b>  | <b>35,862,212</b>  | <b>34,058,329</b>  |
| <b>Current Assets:</b>               |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| Investment                           | 1,019,505,002        | 1,056,050,654        | 675,378,719          | 589,707,190        | 514,868,339        | 288,549,964        | 267,348,309        | 152,076,267        | 94,090,625         | 68,586,020         |
| Inventories                          | -                    | 649,144              | 465,348              | 797,006            | 76,303             | 205,783            | 419,981            | 558,211            | 431,740            | 60,212             |
| Receivable                           | 110,753,760          | 99,622,460           | 439,969,156          | 222,974,991        | 167,222,062        | 273,918,132        | 165,634,010        | 163,412,727        | 112,603,999        | 106,916,490        |
| Deposit, Advances & Pre Payments     | 8,377,492            | 2,685,404            | 6,178,204            | 10,842,082         | 7,739,100          | 8,950,207          | 6,491,044          | 9,699,826          | 7,187,935          | 6,108,048          |
| Cash & Cash Equivalents              | 1,827,793            | 880,700              | 163,760              | 6,897,984          | 4,460,627          | 1,192,028          | 3,275,337          | 8,617,950          | 8,384,737          | 50,194,831         |
| Distress Loan                        | 1,614,380            | 1,702,602            | 2,477,665            | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Total Current Assets</b>          | <b>1,142,078,428</b> | <b>1,161,590,963</b> | <b>1,124,632,851</b> | <b>831,219,254</b> | <b>694,366,431</b> | <b>572,816,114</b> | <b>443,168,681</b> | <b>334,364,981</b> | <b>222,699,036</b> | <b>231,865,601</b> |
| <b>Total Assets</b>                  | <b>1,241,045,007</b> | <b>1,215,593,075</b> | <b>1,191,586,327</b> | <b>905,056,300</b> | <b>732,547,942</b> | <b>624,482,901</b> | <b>503,418,764</b> | <b>375,237,626</b> | <b>258,561,248</b> | <b>265,923,930</b> |
| <b>Funds &amp; Liabilities</b>       |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| <b>Funds</b>                         |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| Accumulated Fund                     | 1,027,200,589        | 1,095,020,888        | 1,072,084,350        | 784,517,162        | 675,027,631        | 528,251,661        | 426,945,054        | 317,343,957        | 205,943,678        | 207,128,049        |
| Revaluation Reserves                 | 111,205,277          | 57,063,763           | 57,063,763           | 57,063,763         | 24,849,786         | 24,849,786         | 27,444,698         | 3,027,878          | 3,027,878          | 3,027,878          |
| ADB- TA Assistance                   | -                    | -                    | -                    | -                  | -                  | -                  | -                  | -                  | -                  | 2,227,880          |
| <b>Total Funds</b>                   | <b>1,138,405,866</b> | <b>1,152,084,651</b> | <b>1,129,148,113</b> | <b>841,580,925</b> | <b>699,877,417</b> | <b>553,101,447</b> | <b>454,389,752</b> | <b>320,371,835</b> | <b>208,971,556</b> | <b>212,383,807</b> |
| <b>Non-Current Liabilities</b>       |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| Provision for Gratuity               | 28,751,490           | 26,908,309           | 23,591,337           | 19,768,528         | 16,973,374         | 14,888,341         | 12,803,688         | 14,576,749         | 11,674,734         | 9,492,922          |
| <b>Total Non-Current Liabilities</b> | <b>28,751,490</b>    | <b>26,908,309</b>    | <b>23,591,337</b>    | <b>19,768,528</b>  | <b>16,973,374</b>  | <b>14,888,341</b>  | <b>12,803,688</b>  | <b>14,576,749</b>  | <b>11,674,734</b>  | <b>9,492,922</b>   |
| <b>Current Liabilities</b>           |                      |                      |                      |                    |                    |                    |                    |                    |                    |                    |
| Payable Accounts                     | 43,497,112           | 35,509,795           | 37,064,477           | 41,906,846         | 14,897,151         | 44,265,513         | 23,761,624         | 27,930,742         | 26,530,908         | 32,707,201         |
| Auditor General's Fees               | 29,300,220           | 1,090,320            | 1,782,400            | 1,800,000          | 800,000            | 1,627,600          | 1,863,700          | 1,753,300          | 784,050            | 740,000            |
| Security Deposit - CEB               | 1,090,320            | -                    | -                    | -                  | -                  | 10,600,000         | 10,600,000         | 10,600,000         | 10,600,000         | 10,600,000         |
| <b>Total Current Liabilities</b>     | <b>73,887,652</b>    | <b>36,600,115</b>    | <b>38,846,877</b>    | <b>43,706,846</b>  | <b>15,697,151</b>  | <b>56,493,113</b>  | <b>36,225,324</b>  | <b>40,284,042</b>  | <b>37,914,958</b>  | <b>44,047,201</b>  |
| <b>Total Liabilities</b>             | <b>1,241,045,008</b> | <b>1,215,593,075</b> | <b>1,191,586,327</b> | <b>905,056,300</b> | <b>732,547,942</b> | <b>624,482,901</b> | <b>503,418,764</b> | <b>375,237,626</b> | <b>258,561,248</b> | <b>265,923,930</b> |

## 3.12 Auditor General Report 2024

Translated into English from the Sinhala report.

My No. PWR/E/PUCSL/1/2024/04

Date: 30 May 2025

**Chairman**

**Public Utilities Commission of Sri Lanka**

**Auditor General's Report in terms of Section 12 of the National Audit Act, No. 19 of 2018 on the Financial Statements and Other Legal and Regulatory Requirements of the Public Utilities Commission of Sri Lanka for the Year Ended 31st December 2024**

### **1. Financial statements**

#### **1.1.opinion**

The financial statements of the Public Utilities Commission of Sri Lanka for the year ended 31 December 2024, which comprise the statement of financial position as at 31 December 2024 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including information on significant accounting policies, were audited under my direction in accordance with the provisions of the National Audit Act, No. 19 of 2018, read in conjunction with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka, and the Finance Act, No. 38 of 1971. My report will be tabled in Parliament in due course, in accordance with Article 154(6) of the Constitution.

In my opinion, the financial statements of the Public Utilities Commission of Sri Lanka present a true and fair view of the financial position of the company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

## **1.2. Basis for opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAS). My responsibilities under those auditing standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **1.3. Other information included in the Commission's 2024 Annual Report**

Other information means information included in the Commission's 2024 Annual Report, which is expected to be provided to me after the date of this audit report, but not included in the financial statements and my audit report thereon. Management is responsible for this other information.

My opinion on the financial statements does not cover the other information and I do not express any assurance or opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above, when available, and in doing so, consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained in the audit or otherwise.

If, on reading the Commission's 2024 Annual Report, I conclude that there are material misstatements, I shall communicate those matters to those in control for correction. If there are further uncorrected misstatements, they will be included in the MDD which I will table in Parliament in due course in accordance with Article 154(6) of the Constitution.

## **1.4. Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for determining such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern and for disclosing any matters related to the Commission's continued existence unless management either intends to liquidate the Commission or, in the absence of any other appropriate alternative, to cease operations.

The responsibility for auditing the Commission's financial reporting process lies with those charged with governance.

In terms of subsection 16 (1) of the National Audit Act, No. 19 of 2018, the Commission shall maintain proper books and records of its income, expenditure, assets and liabilities to enable it to prepare its annual and interim financial statements.

### **1.5.Auditor's responsibility for the audit of financial statements**

My objectives are to provide reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lankan Auditing Standards will always detect material misstatements. Fraud and error, individually or in the aggregate, can cause material misstatements, the significance of which depends on the economic decisions that users make on the basis of these financial statements.

I exercised professional judgment and professional uncertainty as part of my audit in accordance with Sri Lanka Auditing Standards. I further,

- In providing a basis for the audit opinion expressed, we designed and performed audit procedures that were appropriate to the circumstances to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. The impact of fraud is greater than the impact of material misstatements due to misrepresentation because they arise from collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Although not for the purpose of expressing an opinion on the effectiveness of internal control, an understanding of internal control was obtained in order to design audit procedures that are appropriate when the circumstances warrant.
- The appropriateness of the accounting policies used. The reasonableness of the accounting estimates and the related disclosures made by management were evaluated.
- The appropriateness of using the going concern basis of accounting was determined based on the audit evidence obtained regarding whether events or conditions have cast significant uncertainty on the going concern basis of accounting. If I conclude that there is a material uncertainty, I draw attention in my audit report to the related disclosures in the financial statements.

- should be made, and if those disclosures are inadequate, my opinion must be modified. However, going concern may cease to exist depending on future events or circumstances.
- Evaluate the overall presentation of the financial statements, including the disclosures, and the appropriate and fair representation of the underlying transactions and events in the financial statements.
- I inform the parties concerned about significant audit findings, major internal control weaknesses, and other matters identified during my audit.

## **2. Report on other legal and regulatory requirements**

2.1. Special provisions regarding the following requirements of the National Audit Act No. 19 of 2018 are included.

2.1.1. In accordance with the requirements of Section 12 (a) of the National Audit Act, No. 19 of 2018, I have obtained all the necessary information and explanations for the audit, and as appears from my examination, proper financial management has been maintained.

2.1.2. The financial statements of the Commission are consistent with the previous year as required by Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3. The financial statements presented include the findings made by the Board of Directors in the previous year as required by section 6 (1) (m) (iv) of the National Audit Act, No. 19 of 2018.

2.2. Based on the procedures followed and the evidence obtained and limited to the quantitative aspects, nothing came to my attention that warrants the following statement.

2.2.1 In accordance with the requirement set out in Section 12 (d) of the National Audit Act, No. 19 of 2018, any member of the Governing Body of the Commission shall be deemed to have been directly or indirectly involved in any contract entered into by the Commission, outside the ordinary course of business.

2.2.2 That, in accordance with the requirement set out in Section 12 (e) of the National Audit Act No. 19 of 2018, there has been no action taken in accordance with any relevant written law or other general or special directions issued by the Governing Body of the Commission, except for the following observations:

| Reference to rules/<br>regulations   | Non-compliance   |
|--|--|
| (a) Public Utilities<br>Commission of<br>Sri Lanka Act No. 35 of<br>2002<br><br>(i). Section 3 (1)   | The Commission should consist of five members appointed by the Minister with the concurrence of the Constitutional Council, and among them, one member should be qualified and experienced in the field of engineering, one member in the field of law, and one member in the field of business management. However, as of the date of issuance of this report, the Commission consisted of only three members and no member with qualifications and experience in the field of law was included among the above members.  |
| (ii) Section 3 (2)   | Any vacancy in the membership of the Commission shall be filled within 03 months of its occurrence. In July 2024, the term of office of the then existing Commission had expired and five new Commission members were appointed on 26 November 2024. However, as two of the members had not yet taken up their respective appointments, the vacancies had not been filled by the date of issue of this report.   |
| (b) The Code of Financial<br>Regulations of the<br>Democratic<br>Socialist Republic of Sri<br>Lanka<br><br>(i) Financial Regulation<br>103(1).<br>and 104(4) | The car worth Rs. 5,500,000 that was given to the then Chairman of the Commission in the year 2023 had met with an accident due to the driver driving recklessly under the influence of alcohol, according to the preliminary investigation report on 11 December 2023, and the full report had not been submitted by the end of March 2025. Furthermore, the insurance company had refused to reimburse the loss incurred to the vehicle due to this accident, which was Rs. 2,185,052, and action had not been taken to recover Rs. 22,000 from the loss and the cost of bringing the vehicle back to Colombo as of the date of issuance of this report. |
| (ii) Financial Regulations<br>1645 (b) (c), 1646 and<br>Public Administration  | Although the daily driving records and monthly summary driving records should be submitted to the Auditor General before the 15th day of the following month after the end of each month, the  |

|   |  |
|---|--|
| Circular No. 30/2016 dated 29th December 2016, paragraph 5.1  | Commission had not fulfilled the above requirement. Furthermore, although the fuel quantity of the vehicle and the distance driven should be recorded and reconciled in the daily driving record sheet as per the circular, the fuel quantity consumed in relation to the vehicles owned by the Commission had not been reconciled.  |
| (c). 2006 Government Procurement Guidelines Supplement 38 Guidelines 9.3.1 (b)  | Although the guidelines state that the approval of the Secretary of the relevant Ministry should be obtained for motor vehicle repairs exceeding Rs. 500,000, the repairs of Rs. 633,639 carried out in March 2024 on the Peugeot 408 car owned by the Commission were carried out without the approval of the Secretary of the Ministry of Interior and were carried out only with the approval of the Commission.  |
| (d) Public Enterprises Circular No. (i) 01/2021 dated 16th November 2021 - Operational Manual for Public Enterprises, paragraphs 3.1 and 3.2 and Public Finance Management Act No. 44 of 2024, section 63 | <ul style="list-style-type: none"> <li>i. The necessary approvals had not been obtained from the Department of Management Services regarding the staff, recruitment and promotion procedures and salary structure of the Commission. Accordingly, a total of Rs. 42,084,105 had been paid to the staff of the institution for 08 types of allowances during the year under review without obtaining prior approvals from the General Treasury.</li> <li>ii. The Commission had not taken steps to obtain Treasury approval for the Housing and Property Loan Scheme subject to a maximum limit of Rs. 8 million and a repayment period of 15 years for permanent employees of the Commission, as well as the Vehicle Loan Scheme subject to a maximum limit of Rs. 5 million and a repayment period of 5 years. Accordingly, the Commission had reimbursed Rs. 4,112,065 in interest for the Housing and Property Loans taken by 17 officers and Rs. 77,352 in interest for the Vehicle Loans taken by two officers during the year under review.</li> </ul> |



|  |  |
|--|--|
| (e) Business Circular No. PED 1/2015(ii) 61 201 dated 14th January 2022  | The fuel allowance was paid only with the approval of the Commission in excess of the fuel allowance payable to officers owning official vehicles as per the circular and accordingly, during the year under review, Rs. 1,724,310 was paid for 4980 liters of fuel in excess of the official fuel allowance payable to 10 officers holding the posts of Director General, Deputy Director General and Director of the Commission in accordance with the circular. |
| (f) Paragraph 3.3 of the State Enterprise Circular No. 1/2015 dated 25th May 2015 and Paragraph 2 of the State Enterprise Circular No. 01/2015 (1) 500 dated 27th October 2016 | Although the vehicle allowance as per the circular is Rs. 50,000, during the year under review, the official vehicle allowance paid to 19 officers of the Commission at the rate of Rs. 60,000 each per month was Rs. 2,245,000. In addition, the Commission had provided Rs. 20,000 each per month to 09 officers receiving vehicle allowances, and the total driving allowance thus provided was Rs. 2,090,000.  |

2.2.3. That the Commission has acted in a manner inconsistent with the powers, functions and duties of the Commission, except for the following observations, as required by Section 12 (g) of the National Audit Act, No. 19 of 2018.

Although the infrastructure industries of Sri Lanka, namely electricity, petroleum, fuel and water, were to be regulated in terms of the provisions of the Public Utilities Commission of Sri Lanka Act No. 35 of 2002, the relevant Acts were not amended to supervise the Petroleum Corporation and the National Water Supply and Drainage Board, and therefore, for more than 22 years, the petroleum and water industries could not be brought under the regulation of the Commission. Therefore, in fulfilling the objectives set out in Section 14(2) of the Commission Act, only the electricity industry could be regulated among the public utilities industries.

2.2.4. In accordance with the requirement of Section 12 (h) of the National Audit Act No. 19 of 2018, the resources of the Commission have not been procured and utilized economically, efficiently and effectively within the time limits in accordance with the relevant laws, except for the following observations:

- a) The PEOGEOT 408 car, which was purchased on 15th December 2014 for a value of Rs. 5,750,000 and had a book value of Rs. 7,200,000 as on 31st December 2024, remained unused and idle for a period of almost 2 years from the year 2023 to the end of the year under review.
- b) The Commission had provided 09 services for the development and upgrading of computer systems to 04 institutions in the years 2021 and 2022 without entering into a formal agreement and all of those systems were to be completed by the end of the year 2022. However, 2 system development procurements worth Rs. 1,129,400 had been stopped midway and the management had failed to complete and use the 4 systems worth Rs. 2,513,502 for the intended purposes by the end of the year under review.
- c) The Commission's Action Plan for the year 2024 consisted of 100 activities worth Rs. 169,584,508 under 12 components and according to the information submitted to the audit, the following observations were made during the inspection of the progress of the implementation of the tasks as of 31 December 2024 in relation to 92 activities related to 09 components.
  - i. The task of establishing a fair price for water consumers, which was expected to be implemented in the year 2024, had not achieved the expected progress by the end of the year under review. Management had informed the audit that since the legal framework for the regulation of water services was not prepared in the year 2024, the opportunity to provide a fair tariff system to the public by preparing these tariffs and market mechanisms was lost.
  - ii. Under Task No. AP24/TEA/01/CP/01, Electricity generation cost benchmarking in order to set and approve cost parameters that go into PPAs of CEB generation plants. 10 16 11 Development of independent Data Submission System for Licensees to submit information to the PUCSL under Task No. AP24/LIC/CP/01/06. Although the tasks were expected to be completed in the year 2024, only 20 percent and 25 percent progress had been achieved by the end of the year under review.

- iii. The activities identified in the Action Plan for 2020, 2021 and 2023 and planned to be completed within the respective years, namely, providing advice to the government on the structure of taxation on imported and domestic lubricants (AP20/RA/CP/04), preparing an institutional disaster management plan for the petroleum sector (AP21/RA/CP/01), and preparing a disaster management plan for the power sector (AP23/LIC/CP/LIC/16), had failed to be completed by the end of the year under review and their progress was less than 50 percent. Management had informed the audit that the delay was due to the failure of market participants to provide the required data.

(a) The Commission had obtained consultancy services in some cases in the performance of its functions and tasks and in the following cases, long delays were observed in completing the relevant work compared to the contractual period.

- i. Formulation of procedure for detecting adulteration of petroleum fuels The Commission had entered into an agreement with the University of Colombo School of Computing in August 2021 for a value of Rs. 4,051,750. Although the work was to be completed within 30 weeks of the award of the contract, i.e. by April 2022, the final report was submitted in December 2024 after a delay of 02 years and 07 months, which is the end of the year under review.
- ii. Since a large amount of used lubricants in the country are being released into the environment carelessly, causing environmental pollution, the Commission had planned to prepare a mechanism for the collection, recycling and disposal of used lubricants in Sri Lanka under Action No. AP20/CP/LIC/08 of the 2020 Action Plan, with the primary objective of contributing to environmental conservation by disposing of used lubricants following accepted methods.

For this work, the Commission had entered into an agreement with a private consulting firm on 25th February 2022 for a value of Rs. 4,796,000 and had agreed to complete the relevant work within 08 months from the date of the agreement,

but by the end of the year under review, more than 02 years had passed, and the above

The work had not been completed. However, the Management had informed the Audit that the draft final report for the above work had been submitted to the Commission as of the date of this report.

- iii. Review and revise the contractual structure relating to rooftop solar electricity generation to facilitate third party investments. The Commission had entered into an agreement with a private entity on 01 December 2022 for a value of 3,900,000 0 and although it had been agreed to complete the relevant work 20 weeks from the date of the agreement, i.e. by 01 May 2023, the relevant work had not been completed even though more than 1 1/2 years had elapsed from the date of the agreement by the end of the year under review. However, the management had informed the audit that the above work had been completed as at the date of this report.

### **2.3. Other matters**

- a) The Commission had introduced the Guidelines for the Preparation of Regulatory Accounts in May 2016 with 06 objectives including establishing an efficient and transparent pricing process and improving regulatory efficiency and the said Guidelines had been revised in January 2018. As per paragraph 2.4 of the said revised Guidelines, licensees are required to submit the audited regulatory financial statements and audit report to the Commission before the end of 5 months of the relevant accounting year.

However, according to the information received by the audit, the Ceylon Electricity Board, the licensee of generation, transmission and distribution, had submitted the regulatory financial statements for the years 2021, 2022, 2023 to the Commission on 14 August 2023, 26 January 2024 and 13 December 2024 respectively, i.e. with a delay of 08 months and 06 months, while the distribution licensee, Lanka Electricity Private Limited, had not submitted the above regulatory financial statements to date. However, the management had informed the audit that in cases where regulatory accounts are not available or are delayed, the data of the licensees would be brought into the required format to fulfill the objectives of the Commission.

- b) The Independent Power Producers (IPPs) Ace Power Embilipitiya (Private) Ltd., Rus Power Generation Matara (Private) Ltd. and Asia Power (Private) Ltd., whose power purchase agreements had expired, have been awarded a preliminary payment of 5, 4 and 2 instalments from 2016 to 2023 respectively. The Ceylon Electricity Board had purchased 3,290 Gigawatt hours of electricity worth Rs. 95,557 million on a short-term basis by extending the power purchase agreements.

Although a valid license for electricity generation was required in terms of Section 07 of the Sri Lanka Electricity Act, No. 30 of 2009, as amended, the above companies did not have a valid license at that time. Also, the Public Utilities Commission of Sri Lanka had not granted a license to those companies for electricity generation in relation to the above period in terms of Section 13 of the Act. However, the Commission had not taken action against those companies in terms of Section 7 of the said Act up to the end of the year under review.

- c) It was observed during the audit that recruitment had been made for only 47 employees out of the 76 staff members of the Commission as of the last day of the year under review, and 29 employees were vacant in respect of 28 posts out of the approved number of posts, and the institution had not taken steps to fill those vacancies by obtaining special approval or to timely evaluate the requirement of the posts and revise the approved number of employees.

GHC / Dharmapala

Auditor General (Acting)

## 4 Activities Plan and the Budget 2025

The Public Utilities Commission of Sri Lanka (PUCSL) is set to implement a series of key measures aimed at strengthening regulation, enhancing consumer protection, and promoting sustainable energy practices. The following section outlines the planned activities along with the corresponding fund allocations, providing a clear view of the Commission's priorities and commitments for the year ahead.

|   | <b>Divisions<br/>Code</b> | <b>Activity Number</b> | <b>Activity Description</b>  | <b>Activity Total Cost</b> |
|---|---------------------------|------------------------|--|----------------------------|
| 1 | TEA                       | AP25/TEA/01/RU/01      | Bulk supply tariff (Transmission to Distribution transfer price) and end-user tariff review                                | 15,054,377.75              |
| 2 | TEA                       | AP25/TEA/01/RU/02      | Ex-post adjustment calculation for variances in sales forecasts of distribution licensees                                  | 1,466,693.84               |
| 3 | TEA                       | AP25/TEA/01/RU/03      | Generation, Transmission & Distribution expense monitoring, true-up and information dissemination                          | 1,953,757.68               |
| 4 | TEA                       | AP25/TEA/01/RU/04      | Merit order dispatch audit   | 1,814,596.58               |
| 5 | TEA                       | AP25/TEA/01/RU/05      | Administration of Bulk Supply Transaction Account  | 1,988,547.95               |
| 6 | TEA                       | AP25/TEA/01/RU/06      | Review of sales tariff of parties exempted from obtaining a distribution license (Condominiums, malls etc.) and monitoring | 1,466,693.84               |
| 7 | TEA                       | AP25/TEA/01/CP/01      | Electricity Generation, Transmission and Distribution cost benchmarking  | 1,518,879.25               |
| 8 | TEA                       | AP25/TEA/01/CP/02      | Calculation of network charges and other associated tariffs for open access  | 1,866,781.99               |

|    |     |                   |   |                      |
|----|-----|-------------------|---|----------------------|
| 9  | TEA | AP25/TEA/01/CP/03 | Tariff methodology review   | 1,866,781.99         |
| 10 | TEA | AP25/TEA/01/CP/04 | Review of Fuel Supply Agreements and heat rates of CEB owned power plants   | 2,488,547.95         |
| 11 | TEA | AP25/TEA/02/RU/01 | Review of Allowed Charges (charges other than tariff) filed for 2026  | 1,466,693.84         |
| 12 | TEA | AP24/TEA/01/CP/06 | Study on energy poverty and formulate a policy advice on subsidies (Continuing from 2024)   | 4,186,484.12         |
| 13 | TEA | AP24/TEA/01/CP/07 | Network loss target study (Continuing from 2024)  | 2,509,557.39         |
|    |     |                   |   | <b>39,648,394.19</b> |
| 14 | LIC | AP25/LIC/CP/01/01 | Transmission System Analysis  | 5,827,698.14         |
| 15 | LIC | AP25/LIC/RU/01/02 | Providing Recommendations to formulate the Long-Term Power System Development Plan under Section 5(3)(k) of SLEA 2024                       | 2,189,882.84         |
| 16 | LIC | AP25/LIC/RU/01/03 | Reviewing and approving the commercial terms of new generation, transmission and energy storage capacity under Section 5(3)(n) of SLEA 2024 | 1,707,109.75         |
| 17 | LIC | AP25/LIC/RU/01/04 | Reviewing and approving the annual power procurement plan under Section 5(3)(o) of SLEA 2024  | 1,345,344.59         |
| 18 | LIC | AP25/LIC/RU/01/05 | Monitoring the implementation of the approved annual power procurement plan   | 1,431,479.15         |
| 19 | LIC | AP25/LIC/RU/01/06 | Reports on Risk of Compromising Continuous Power Supply   | 1,827,698.14         |
| 20 | LIC | AP25/LIC/CP/02/01 | Benchmarking report on the SAIDI and SAIFI of the Distribution Licensees  | 1,517,613.72         |

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|----|-----|--------------------|--|--------------|
| 21 | LIC | AP25/LIC/CP/03/01  | Revision of the licensing process and related procedures/regulatory tools based on the provisions of the new Act   | 1,655,429.01 |
| 22 | LIC | AP25/LIC/RU/03/02  | Development of License/Exemption Compliance Monitoring Framework   | 2,689,882.84 |
| 23 | LIC | AP25/LIC/RU/03/03  | Electricity Sector Licensing and Exemption   | 6,259,215.15 |
| 24 | LIC | AP25/LIC/RU/04/01  | Execution of the Distribution Code   | 1,647,025.33 |
| 25 | LIC | AP25/LIC/RU/04/02  | Voltage Monitoring Program Under Distribution Performance Standards Regulation   | 1,397,025.33 |
| 26 | LIC | AP25/LIC/RU/04/03  | Setting Benchmarks for the transmission performance indices for supply availability and supply reliability   | 1,655,429.01 |
| 27 | LIC | AP25/LIC/CP/05/01  | Development of developer independent Data Submission System for Licensees to submit information to the PUCSL (Developing a license data submission and analysing system) | 7,810,471.22 |
| 28 | LIC | AP25/LIC/RU/05/02  | Administration of the dispatch data dashboard  | 1,741,563.57 |
| 29 | LIC | AP25/LIC/RU/05/03  | Generation Performance Reports   | 1,827,698.14 |
| 30 | LIC | AP25/LIC/RU/05/04  | Transmission Performance Reports   | 1,310,890.77 |
| 31 | LIC | AP25/LIC/RU/05/05  | Dispatch Analysis Reports  | 1,810,471.22 |
| 32 | LIC | AP25/LIC/CP/01/07  | Analysis of Electricity Demand and Supply Situation in Sri Lanka for 2026  | 1,999,967.26 |
| 33 | LIC | AP23/LIC/CP/LIC/16 | Disaster Management Plans- Electricity Sector  | 1,792,164.51 |
|    |     |                    | <b>General</b>   | 1,722,691.23 |



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|----|-----|----------------|---|----------------------|
|    |     |                |   | <b>51,166,750.93</b> |
| 34 | INS | AP25/INS/CP/01 | Reducing the no of electrocutions caused by non-availability or malfunctioning RCDs in domestic installations                         | 8,202,226.12         |
| 35 | INS | AP25/INS/CP/02 | Minimizing the number of electrocutions caused by illegal tapping of electricity for protecting cultivation.                          | 5,558,811.08         |
| 36 | INS | AP25/INS/CP/03 | Establishment of monitoring mechanism to ensure that safety measures remain effective in the vicinity of grid substations.            | 2,165,166.50         |
| 37 | INS | AP25/INS/CP/04 | Guideline on improving electrical safety at apartment complexes not under exemption certificates                                      | 2,151,690.18         |
| 38 | INS | AP25/INS/CP/05 | Implementation of power quality response modes in LV connected rooftop solar inverters.   | 1,588,520.26         |
| 39 | INS | AP25/INS/CP/06 | Regulatory Impact Assessment on relaxing statutory voltage limits upto +/-10% of the nominal voltage.                                 | 1,649,837.25         |
| 40 | INS | AP25/INS/RU/01 | Routine awareness programs to improve safe use of electricity   | 2,443,665.67         |
| 41 | INS | AP25/INS/RU/02 | Data analysis of electrocutions in Sri Lanka.   | 1,615,166.50         |
| 42 | INS | AP25/INS/RU/03 | Implementation of Safety & Technical Management Plan to maximize electrical safety in Generation, Transmission, Distribution & Supply | 2,214,446.72         |
| 43 | INS | AP25/INS/RU/04 | Implementation of Incident Reporting System (IRS) for all the stakeholders (public, police, health & licensees)                       | 2,122,471.24         |
| 44 | INS | AP25/INS/RU/05 | Routine market inspection in respect of plugs and sockets   | 2,198,397.70         |

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|----|-----|------------------|--|----------------------|
| 45 | INS | AP25/INS/RU/06   | Specific Inspection Activities to resolve consumer complaints and disputes.  | 2,091,812.74         |
| 46 | INS | AP25/INS/RU/07   | Routine Inspection Activities on licensee premises in respect of safety.   | 1,691,812.74         |
| 47 | INS | AP25/INS/RU/08   | Inspection on compliance of rooftop solar generators with voltage quality regulations.   | 1,753,129.73         |
| 48 | INS | AP25/INS/RU/09   | Inspection on Compliance of Overhead-Line Clearance  | 1,538,520.26         |
| 49 | INS | AP25/INS/RU/10   | Evaluation of Sanctions applications to institute proceedings against illegal extraction of electricity and improper use of electricity  | 2,167,019.43         |
|    |     |                  | <b>General</b>   | 965,742.63           |
|    |     |                  |  | <b>42,118,436.75</b> |
| 50 | FIN | AP25/FIN/CP/01   | Asset management solution with the ability to conduct annual asset audits by the board of survey (with 2 number of QR / barcode scanners & 1 number of QR / barcode printer, printing papers and software for printing and other accessories) and asset management system integration with SAP asset management module | 3,409,127.07         |
| 51 | FIN | AP25/FIN/CP/02   | Update the Financial manual incorporating all the circulars and procedures issued subsequent to the original publication and include the detailed procedure for payments /receipts/debtors collection .  | 1,909,127.07         |
| 52 | FIN | AP2025/FIN/RU /1 | Ensure completeness and accuracy of accounting modules in Accounting information system  | 1,909,127.07         |

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| 53 | FIN | AP2025/FIN/RU /2  | Arranging payments & receipts on timely manner with adequate controls while ensuring compliance with regulations         | 1,909,127.07 |
| 54 | FIN | AP2025/FIN/RU /3  | Preparation of monthly accounts.   | 1,909,127.07 |
| 55 | FIN | AP2025/FIN/RU /4  | Timely account for the Regulatory levy and ensure the recovery of the same.  | 1,909,127.07 |
| 56 | FIN | AP2025/FIN/RU /5  | Cash Flow Management   | 1,909,127.07 |
| 57 | FIN | AP2025/FIN/RU /6  | Maintain the investment portfolio with maximum returns.  | 1,909,127.07 |
| 58 | FIN | AP2025/FIN/RU /7  | Maintain required schedules & reconciliations for final Accounts.  | 1,909,127.07 |
| 59 | FIN | AP2025/FIN/RU /8  | Preparation of Annual Financial statements by 15 th of February 2024.  | 1,909,127.07 |
| 60 | FIN | AP2025/FIN/RU /9  | Preparation of Procurement plan in coordination with other Division heads,   | 2,109,127.07 |
| 61 | FIN | AP2025/FIN/RU /10 | Implementation of procurement plan on timely manner.   | 1,909,127.07 |
| 62 | FIN | AP2025/FIN/RU /11 | Monthly /quarterly updating of the progress of the procurement plan and do the changes if necessary                      | 1,909,127.07 |
| 63 | FIN | AP2025/FIN/RU /12 | Ensure compliances with the relevant financial, statutory and other relevant rules and regulations                       | 1,909,127.07 |
| 64 | FIN | AP2025/FIN/RU /13 | Preparation of Annual Budget in coordination with other divisions.   | 1,909,127.07 |
| 65 | FIN | AP2025/FIN/RU /14 | Update any budget revisions /transfers and Preparation of Budget utilisation report on or before the 10th of Next month. | 1,909,127.07 |

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| 66 | FIN | AP2025/FIN/RU /16 | Board of survey & disposal of unusable items   | 2,159,127.07         |
| 67 | FIN | AP2025/FIN/RU /17 | Coordinate with government auditors facilitating the audit and timely submission of answers for Audit quarries.  | 1,909,127.07         |
|    |     |                   |  | <b>36,314,287.21</b> |
| 68 | EER | AP24/EER/CP/01/01 | Development of a Web-based system to register and monitor Electrical Vehicle Charging Stations (EVCS) and other relevant data.                           | 1,579,407.66         |
| 69 | EER | AP24/EER/CP/01/02 | Implementation of mechanism for Verification and Compliance of Imported EVSE to Sri Lankan Standards.  | 1,579,407.66         |
| 70 | EER | AP24/EER/CP/02/01 | Enabling the submission of Technical and Economic Potential Evaluation Report by DL as per the UDSM regulation.  | 1,740,254.35         |
| 71 | EER | AP24/EER/CP/02/02 | Comprehensive analysis on Rooftop Integration and Rooftop industry.  | 1,457,961.44         |
| 72 | EER | AP24/EER/CP/02/03 | Analyses report on the global Renewable Energy trends.   | 1,579,407.66         |
| 73 | EER | AP24/EER/CP/02/04 | Conducting the TOT program to educate 50 instructors and establishing training facilities to conduct NVQ 3 level solar courses in government institutes. | 4,140,254.35         |
| 74 | EER | AP24/EER/RU/01/01 | Approvals for procurement of Renewable Energy Power Plants and monitoring the implementation of Policy target  | 1,693,869.92         |
| 75 | EER | AP24/EER/RU/01/02 | Resolving Consumer complaints related to Renewable energy and Environmental issues related to the electricity sector.                                    | 1,686,638.79         |

|    |     |                   |   |                      |
|----|-----|-------------------|---|----------------------|
| 76 | EER | AP24/EER/RU/01/03 | License/Exemption condition compliance monitoring program   | 1,725,792.10         |
| 77 | EER | AP24/EER/RU/02/01 | Dissemination of Information Related to Renewable Power Generation  | 1,661,700.58         |
| 78 | EER | AP24/EER/RU/02/02 | Dissemination of information related to the EV charging stations.   | 1,597,361.90         |
| 79 | EER | AP24/EER/RU/02/03 | Dissemination of information related to the Environmental Performance of the Power plants Maintaining the Dispatch Database and Visualization Dashboard                       | 1,683,146.80         |
|    |     |                   | <b>General</b>  | 450,370.73           |
|    |     |                   |   | <b>22,575,573.95</b> |
| 80 | CR  | AP25/CR/CP/01     | Draft a procedure on approving the annual power procurement plan submitted by the National System Operator and draft a procedure to monitor any deviations from approved plan | 2,203,695.61         |
| 81 | CR  | AP25/CR/CP/02     | Draft a procedure on make recommendation to the National System Operator to formulate the Long-Term Power System Development Plan after conducting stakeholder consultation   | 2,203,695.61         |
| 82 | CR  | AP25/CR/CP/03     | Draft a procedure on reviewing and approving the commercial terms of new generation, transmission and energy storage capacity undertaken by the National System Operator      | 2,203,695.61         |
| 83 | CR  | AP25/CR/CP/04     | Draft a procedure on granting licences  | 2,203,695.61         |
| 84 | CR  | AP25/CR/CP/05     | Draft a procedure on approving End-user Tariffs   | 2,174,213.58         |

|    |       |                   |  |                      |
|----|-------|-------------------|--|----------------------|
| 85 | CR    | AP25/CR/CP/06     | Draft a consumer guideline on dispute resolution   | 1,024,414.51         |
| 86 | CR    | AP25/CR/CP/07     | Internship   | 1,474,414.51         |
| 87 | Water | AP25/CR/CP/08     | Water Services Regulation  | 1,874,414.51         |
|    |       |                   | <b>General</b>   | 589,640.55           |
|    |       |                   |  | <b>15,951,880.11</b> |
| 88 | CCO   | AP25/CCO/CP/01/01 | Qualifying Electricians with NVQ3  | 10,239,560.70        |
| 89 | CCO   | AP25/CCO/CP/01/02 | Qualifying Plumbers with NVQ3  | 4,903,938.27         |
| 90 | CCO   | AP25/CCO/CP/01/03 | Qualifying AC and Refrigerator Technicians with NVQ3/4   | 4,359,732.32         |
| 91 | CCO   | AP25/CCO/CP/01/04 | Qualifying Other related technicians with NVQ (Welders/Painters/Roof Technicians/ Solar PV Technicians & other related Tech) | 3,030,547.73         |
| 92 | CCO   | AP25/CCO/CP/01/05 | MoU with respective Private/ Public partners.  | 1,270,890.97         |
| 93 | CCO   | AP25/CCO/CP/01/06 | EUIT ID Issuance and Database Mgt  | 3,362,951.24         |
| 94 | CCO   | AP25/CCO/CP/01/07 | TIS Mobile App - Promotion   | 2,229,903.94         |
| 95 | CCO   | AP25/CCO/RU/01/01 | 2024 Annual Report writing and Submission  | 2,836,985.56         |
| 96 | CCO   | AP25/CCO/RU/01/02 | 2025 Activity Plan writing and Submission  | 1,624,109.89         |
| 97 | CCO   | AP25/CCO/RU/02/01 | Dissemination of Information (Commission Decisions, Regulatory Tools and Tariff related data) to stakeholders                | 2,283,766.64         |

|     |     |                                     |   |                      |
|-----|-----|-------------------------------------|---|----------------------|
| 98  | CCO | AP25/CCO/RU/02/02                   | Efficient Digital Reporting and Data Management   | 2,283,766.64         |
| 99  | CCO | AP25/CCO/RU/02/03                   | Facilitation of publishing Statutory Notices, Publications and translations   | 1,726,685.02         |
| 100 | CCO | AP25/CCO/RU/02/04                   | RTI facilitation/RTI Reports  | 1,245,569.08         |
| 101 | CCO | AP25/CCO/RU/02/05                   | Social Media Content Development  | 1,979,903.94         |
| 102 | CCO | AP25/CCO/RU/02/06                   | Develop of the new PUCSL website  | 6,233,122.86         |
| 103 | CCO | AP25/CCO/RU/02/07                   | Ensuring active and effective stakeholder participation in decision making through public consultation/public hearing                                   | 1,897,500.43         |
|     |     |                                     |   | <b>51,508,935.23</b> |
| 104 | CA  | AP25/CA/01/CP/01                    | Procedure for distribution licensees on removal of its asset after the disconnection of electricity supply  | 2,951,647.04         |
| 105 | CA  | AP25/CA/01/CP/02                    | Procedure for distribution licensees on disconnection of electricity supply   | 2,809,245.70         |
| 106 | CA  | AP25/CA/01/CP/03                    | Interactive sessions for Area Engineering Officials of DLs to increase compliance on electricity acts, rules, regulations and guidelines etc (phase II) | 7,448,456.37         |
| 107 | CA  | AP24/CA/02/CP/01<br>(Continuation ) | The mechanism for electricity stakeholders to comply and perform duties related to requests made by consumers on use of electricity                     | 1,625,068.07         |
| 108 | CA  | AP25/CA/02/CP/01                    | Development of Dispute Resolution and Management Software System (DRMSS)  | 5,609,870.74         |
| 109 | CA  | AP25/CA/02/RU/01                    | Determine decisions for requests/complaints made by consumers and utility providers   | 14,842,701.29        |

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|-----|-----|------------------------------------|--|----------------------|
| 110 | CA  | AP25/CA/02/RU/02                   | Dissemination of Information related to Consumer Protection in the Electricity Industry                    | 1,340,890.44         |
| 111 | CA  | AP24/CA/06/CP/01<br>(continuation) | Conducting Survey on Electricity Consumer Complaint Resolving Process                                      | 4,109,245.70         |
| 112 | CA  | AP25/CA/03/RU/01                   | Determine resolutions for mediation requests in the Electricity and Petroleum Industries                   | 1,805,693.11         |
| 113 | CA  | AP25/CA/04/CP/01                   | Establish a data (generation, transmission and distribution) acquisition system                            | 1,820,002.30         |
| 114 | CA  | AP25/CA/04/RU/01                   | Establish a mechanism to implement the functions of the Commission and the Consumer Consultative Committee | 14,283,851.34        |
| 115 | CA  | AP25/CA/04/RU/02                   | Regional Public Consultation on End User Tariff Setting  | 2,385,166.89         |
| 116 | CA  | AP25/CA/05/CP/01                   | Implementation of Disposal Mechanism and Interim Measures  | 2,119,377.26         |
| 117 | CA  | AP25/CA/05/CP/02                   | Quarterly Stakeholder progress review  | 2,414,311.48         |
| 118 | CA  | AP25/CA/05/RU/01                   | Market Monitoring Program to protect Petroleum Consumer and Stakeholder Rights are protected               | 3,359,870.74         |
| 119 | CA  | AP25/CA/05/RU/02                   | Stakeholder and Public Consultation in the Lubricant Market 2025   | 1,887,732.52         |
| 120 | CA  | AP25/CA/06/CP/01                   | Revised customer services guidelines   | 1,578,226.00         |
|     |     |                                    | <b>General</b>   | 632,894.82           |
|     |     |                                    |  | <b>73,024,251.81</b> |
| 121 | LEG | AP25/LEG/RA/01                     | Providing Legal Opinions/Advice for the Divisions of the Commission  | 1,945,884.29         |



|     |        |                  |  |                      |
|-----|--------|------------------|--|----------------------|
| 122 | LEG    | AP25/LEG/RA/02   | Managing Contracts/Agreements/MOUs of the Commission in accordance with the Contract Management Policy                       | 1,845,884.29         |
| 123 | LEG    | AP25/LEG/RA/03   | Handling Litigation  | 11,856,395.42        |
| 124 | LEG    | AP25/LEG/CP/04   | Making rules for section 12 C,D and E of PUCSL Act No.22.2002  | 2,045,884.29         |
| 125 | LEG    | AP25/LEG/CP/05   | Management of the Sub activities of the other divisions which are assigned to legal division                                 | 1,845,884.29         |
|     |        |                  |  | <b>19,539,932.57</b> |
| 126 | IT&MIS | AP25/IT/CP/01    | Data centre solution with public cloud infrastructure with DR site (2025 - 2026) moving to the latest technologies with BCP. | 8,131,306.65         |
|     | IT&MIS | AP25/IT/CP/02    | Projects to be implemented in collaboration with other divisions (budget to be provided by the respective divisions)         | -                    |
| 127 | IT&MIS | AP25/IT/CP/02/01 | Continuation of licensee data submission and analysing system solution.  | 1,564,757.99         |
| 128 | IT&MIS | AP25/IT/CP/02/02 | Replacing the existing PUCSL website with a new website (budget from Corporate Communication Division - Rs. 5M)              | 1,538,206.32         |
| 129 | IT&MIS | AP25/IT/CP/02/03 | Introducing new HR modules (recruitment, training, etc.) (budget from HR Division - Rs. 2M)                                  | 1,431,999.63         |

|     |        |                  |   |              |
|-----|--------|------------------|---|--------------|
| 130 | IT&MIS | AP25/IT/CP/02/04 | <u>Asset Management Solution</u><br>Asset management solution with the ability to conduct annual asset audits by the board of survey  | 1,989,584.74 |
| 131 | IT&MIS | AP25/IT/CP/02/05 | <u>Re-engineer and modifying cloud-based DRS solution</u>   | 1,299,241.27 |
| 132 | IT&MIS | AP25/IT/CP/02/06 | <u>ICT Solution for Connecting EV Charging Centres to obtain information</u>  | 1,139,931.24 |
| 133 | IT&MIS | AP25/IT/RU/01    | Enhancing existing business apps<br>Enhancing, modifying, upgrading existing business apps such as LMS, IRS, TIS, DMS, SAP, HR, Website, and any public cloud-based solution, including email system, etc.) | 3,755,101.47 |
|     | IT&MIS | AP25/IT/RU/02    | Office automation and enhancement   |              |
| 134 | IT&MIS | AP25/IT/RU/02/01 | 01 number of laptop computers for PUCSL staff   | 1,486,827.89 |
| 135 | IT&MIS | AP25/IT/RU/02/02 | 12 number mobile phones for Commission Members and PUCSL staff for replacing old items and new items (if no phone is issued before)   | 2,260,276.22 |
| 136 | IT&MIS | AP25/IT/RU/02/03 | UPS   | 1,083,724.55 |
|     | IT&MIS | AP25/IT/RU/03    | BCP/Security / ICT Policies / Wireless / DLP / IDR  |              |
| 137 | IT&MIS | AP25/IT/RU/03/01 | Cloud based spam wall license for cloud email - 1 number of licenses  | 2,552,344.61 |
| 138 | IT&MIS | AP25/IT/RU/03/02 | New security and cloud-based firewall - 1 number of licenses  | 2,352,344.61 |

|     |        |                  |   |              |
|-----|--------|------------------|---|--------------|
| 139 | IT&MIS | AP25/IT/RU/03/03 | New security and cloud based WAF licenses - 1 number of licenses                              | 2,552,344.61 |
| 140 | IT&MIS | AP25/IT/RU/03/04 | DLP/IRD - Data Leak Protection - 30 numbers of licenses for client computers                  | 2,736,481.40 |
| 141 | IT&MIS | AP25/IT/RU/04    | Wireless Access Points  | 1,385,276.22 |
| 142 | IT&MIS | AP25/IT/RU/05    | Accessories for existing servers: hard disks, memory, power supply and other accessories, etc | 1,419,586.25 |
|     | IT&MIS | AP25/IT/RU/06    | Software licenses and cloud subscription licenses   |              |
| 143 | IT&MIS | AP25/IT/RU/06/01 | 1 number of Windows Server operating system license   | 1,746,137.92 |
| 144 | IT&MIS | AP25/IT/RU/06/02 | 1 number of SQL Server database license   | 2,272,689.60 |
|     | IT&MIS | AP25/IT/RU/07    | Maintenance   |              |
| 145 | IT&MIS | AP25/IT/RU/07/01 | PABX - maintenance agreement & Avaya PABX Principal agreement                                 | 1,807,172.88 |
| 146 | IT&MIS | AP25/IT/RU/07/02 | AC repair and maintenance agreement   | 1,343,034.58 |
| 147 | IT&MIS | AP25/IT/RU/07/03 | FAX maintenance agreement   | 1,213,034.58 |
| 148 | IT&MIS | AP25/IT/RU/07/04 | Firewall subscription - for PUCSL data centre   | 2,246,137.92 |
| 149 | IT&MIS | AP25/IT/RU/07/05 | Firewall support and maintenance agreement  | 1,546,137.92 |
| 150 | IT&MIS | AP25/IT/RU/07/06 | Photocopiers & Printers repairs and service and maintenance agreement                         | 1,419,586.25 |
| 151 | IT&MIS | AP25/IT/RU/07/07 | Replacing or repairing existing UPS   | 977,517.86   |
| 152 | IT&MIS | AP25/IT/RU/07/08 | CCTV maintenance agreement  | 1,027,517.86 |

|     |        |                  |   |              |
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| 153 | IT&MIS | AP25/IT/RU/07/09 | WAF support & maintenance agreement   | 1,357,172.88 |
| 154 | IT&MIS | AP25/IT/RU/07/10 | Repairs and maintenance agreements (Servers / switches / SAN Storage / NAS Storage and other data centre equipment, etc.) | 1,449,586.25 |
| 155 | IT&MIS | AP25/IT/RU/07/11 | Repairs of ICT equipment (laptops, phones, etc.)  | 1,077,517.86 |
| 156 | IT&MIS | AP25/IT/RU/07/12 | HR & Payroll  | 1,522,689.60 |
| 157 | IT&MIS | AP25/IT/RU/07/13 | MacAfee   | 1,754,069.53 |
| 158 | IT&MIS | AP25/IT/RU/07/14 | Veeam Backup  | 1,830,621.20 |
| 159 | IT&MIS | AP25/IT/RU/07/15 | VMWare ESXi hypervisor  | 2,480,621.20 |
| 160 | IT&MIS | AP25/IT/RU/07/16 | Office365 (for 50 licenses) + Email (for 80 licenses)   | 4,007,172.88 |
| 161 | IT&MIS | AP25/IT/RU/07/17 | SAP licenses  | 1,280,621.20 |
| 162 | IT&MIS | AP25/IT/RU/07/18 | SSL certificate   | 1,507,172.88 |
| 163 | IT&MIS | AP25/IT/RU/07/19 | Zoom 1 license  | 1,077,517.86 |
| 164 | IT&MIS | AP25/IT/RU/07/20 | LMS maintenance agreement   | 1,507,172.88 |
| 165 | IT&MIS | AP25/IT/RU/07/21 | IRS maintenance agreement   | 1,507,172.88 |
| 166 | IT&MIS | AP25/IT/RU/07/22 | Intranet maintenance agreement  | 1,180,621.20 |
| 167 | IT&MIS | AP25/IT/RU/07/23 | Procurement workflow maintenance agreement  | 1,155,621.20 |
| 168 | IT&MIS | AP25/IT/RU/07/24 | Tonnors & developers (for printers, photocopiers, fax, etc.)  | 1,586,827.89 |

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| 169 | IT&MIS | AP25/IT/RU/07/25 | Miscellaneous maintenance activities   | 1,030,621.20         |
|     |        |                  |  | <b>81,591,103.63</b> |
| 170 | HR     | AP24/CP/HR/01/01 | Updating HR & Admin Manual   | 3,179,904.94         |
| 171 | HR     | AP24/CP/HR/01/02 | Succession Plan Implementation (Phase II)  | 9,299,728.36         |
| 172 | HR     | AP24/CP/HR/01/03 | Capacity Building Training Programs & Change Management                            | 4,064,203.26         |
| 173 | HR     | AP24/CP/HR/01/04 | Progress Review Meeting - Quarterly Basis  | 4,142,711.63         |
| 174 | HR     | AP24/CP/HR/01/05 | Out Bound Training   | 4,948,501.59         |
|     |        |                  | <b>HR &amp; Admin Routine Activities<br/>AP25/CP/HR/01/06</b>                      | 7,104,082.74         |
|     |        |                  |  | <b>32,739,132.53</b> |
| 175 | RA     | AP/2024/RA/CP/02 | Identify requisite changes to regulatory framework for Cross Border Energy Trading | 2,607,772.25         |
| 176 | RA     | AP/2025/RA/CP/01 | Promulgate Open Access   | 6,274,663.16         |
| 177 | RA     | AP/2025/RA/CP/02 | Promulgate Wholesale Market  | 2,974,461.34         |
| 178 | RA     | AP/2025/RA/CP/03 | Facilitate of consumer generation and investments                                  | 6,174,442.99         |
| 179 | RA     | AP25/RA/RU/01    | Regulate market participation  | 2,974,461.34         |
| 180 | RA     | AP25/RA/RU/02    | Collect, record, and disseminate information                                       | 1,674,381.83         |
| 181 | RA     | AP25/RA/RU/03    | Regulate standards   | 3,141,138.20         |

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|  |  |  | <b>25,821,321.10</b> |
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**TOTAL BUDGET** **492,000,000.00**

## Annextur 01

### Organizational Structure

## Appendix I

