

PUBLIC UTILITIES COMMISSION OF SRI LANKA

DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS

Effective from 1st October 2025

DECISION ON BULK SUPPLY TARIFFS - October to December 2025

In exercising the powers and functions vested with the Public Utilities Commission of Sri Lanka (Commission) under Section 3 (d) of the Sri Lanka Electricity Act, No. 20 of 2009 (SLEA) “to regulate tariffs and other charges levied by licensees and other electricity undertakings, in order to ensure that the most economical and efficient service possible is provided to consumers”, and in accordance with Section 30 (2) (a) of the Act, the Commission, has approved a cost-reflective Methodology for Tariffs (“the Methodology”) and subsequently issued the Methodology to the Transmission Licensee (TL) and to each Distribution Licensee (DLs). The Methodology has been revised in 2021 and the Methodology is available as a separate document.

In accordance with the methodology, the tariffs levied by the transmission licensee for the transmission and bulk sale of electricity (the transmission and bulk sale tariffs) and tariffs levied by the distribution licensee for the distribution and supply of electricity were approved by the Commission and requested licensees to implement, by issuing the Decision on Revenue Caps and Bulk Supply Tariffs. The forecasted transmission and bulk sale tariffs are calculated and filed by the transmission license following the procedure defined in the methodology.

The Commission reviewed the transmission and bulk supply tariffs filed by the transmission licensee for the period from October to December 2025, and hereby approved and directs the transmission licensee to implement the bulk supply tariffs effective from 1st of October 2025.

List of Acronyms

BSOB	Bulk Supply and Operations Business
BST	Bulk Supply Tariffs
CAPEX	Capital Expenditure
CEB	Ceylon Electricity Board
DL	Distribution Licensee: Ceylon Electricity Board and Lanka Electricity Company (Pvt) Ltd
DL1	Distribution and Supply Licensee for CEB Distribution Region 1 holding license number EL/D/09-003
DL2	Distribution and Supply Licensee for CEB Distribution Region 2 holding license number EL/D/09-004
DL3	Distribution and Supply Licensee for CEB Distribution Region 3 holding license number EL/D/09-005
DL4	Distribution and Supply Licensee for CEB Distribution Region 4 holding license number EL/D/09-006
DL5	Distribution and Supply Licensee LECO holding license number EL/D/09-052
FSA	Fuel Supply Agreement
CEB GL	CEB Generation Licensee holding License number
GWh	Gigawatt hour
kVA	kilovolt ampere
kW	kilowatt
kWh	kilowatt hour
LECO	Lanka Electricity Company (Pvt) Ltd.
LKR	Sri Lanka Rupee
LV	Low Voltage
MV	Medium Voltage
MWh	Megawatt hour
NCRE	Non-Conventional Renewable Energy
O & M	Operations & Maintenance
OPEX	Operating Expenditure
PPA	Power Purchase Agreement
Single Buyer	A function of the BSOB
SPPs	Small Power Producers
T&D	Transmission and Distribution
TL	Transmission and Bulk Supply Licensee holding License number EL/T/09-002
TOU	Time of Use
WIP	Work-in-Progress

1 ALLOWED REVENUE

The Distribution Variable Revenue Cap and Retail Services Price Cap of each distribution licensee is determined based on the *DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS*, effective from June 1, 2025, and the *DECISION ON ELECTRICITY TARIFFS*, effective from October 15, 2025.

The following table shows the Distribution Variable Revenue Caps and Retail Services Price Caps approved previously with the *DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS*, effective from June 1, 2025.

Table 1: Approved Distribution Variable Revenue Cap and Retail Services Price Cap with the previous BST decision

Description	Unit	DL1	DL2	DL3	DL4	DL5
Distribution Variable Revenue Cap approved with previous BST decision (Jan-Dec)	MLKR	9,378	21,924	9,621	11,586	5,343
Retail Services price cap approved with previous BST decision (Jan-Dec)	LKR/customer	4,608	2,449	3,541	3,352	3,868

However, the CEB DLs have submitted additional ‘Allowed Revenue’ requirements with the proposal for the third end-user tariff review of the year 2025. The following costs have been approved with the decision on electricity tariffs for October – 2025, from the submitted items.

Table 2: Approved additional Distribution Allowed Revenue for CEB DLs

Approved Additional Cost Item	Unit	DL1	DL2	DL3	DL4	Total
Additional Allowed Revenue required for the Licensee own works	MLKR	-	-	874.00	-	874.00
Additional Allowed Revenue required for Insurance Reserve Fund	MLKR	211.65	181.00	126.00	102.70	621.35
Additional Allowed Revenue required for SESRIP WIP	MLKR	-	-	-	-	-
Additional Allowed Revenue required for SESRIP loan repayment due in Nov-2025	MLKR	287.06	305.68	195.43	100.21	888.38
Additional Allowed Revenue required for Insurance Reserve Fund for Common Divisions	MLKR	0.11	0.84	0.54	0.05	1.54
Additional Allowed Revenue required for Vidulakpaya apportionment	MLKR	-	-	-	-	-
Total Additional Allowed Revenue for Quarter 4 of 2025	MLKR	498.82	487.52	1,195.97	202.96	2,385.27

Incorporating the above additional ‘Allowed Revenue’ approved, the overall Distribution Variable Revenue Cap and Retail Services Price Cap of each distribution licensee, approved for the year 2025, is given in Table 3 below.

Table 3: Approved Distribution Variable Revenue Cap and Retail Services Price Cap for the year 2025

Description	Unit	DL1	DL2	DL3	DL4	DL5
Approved Distribution Variable Revenue Cap (Jan-Dec)	MLKR	9,877	22,412	10,817	11,789	5,343
Approved Retail Services price cap (Jan-Dec)	LKR/customer	4,608	2,449	3,541	3,352	3,868

The Transmission and BSOB Revenue Caps are the same as previously approved with the *DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS*, effective from June 1, 2025. These approved revenue caps are shown in Table 4 below.

Table 4: Transmission and BSOB Revenue Cap for the year 2025

Description	Unit	Approved for 2025
Transmission Revenue Cap	MLKR	19,740
BSOB Revenue Cap	MLKR	2,072
Total allowed revenue	MLKR	21,812

2 APPROVED LOSSES FOR THE PERIOD

The approved network losses for the year 2025 are shown in Table 5 below.

Table 5- Approved Network Loss For 2025

Licensee	DL 1	DL 2	DL 3	DL 4	DL 5	TL
Approved Network Loss	6.30%	7.80%	6.19%	6.60%	3.99%	3.31%

3 GENERATION COSTS

The approved generation dispatch forecast for October - December 2025 is shown in Table 6 below.

Table 6- Dispatch Forecast Approved by the Commission for October - December 2025

Month	Unit	25-Oct	25-Nov	25-Dec	Total
CEB GL's Thermal Generation					
Sapugaskanda Old – Furnace Oil	GWh	13.09	26.78	8.50	48.37
Sapugaskanda Ext. – Furnace Oil	GWh	24.13	36.94	27.21	88.28
Kelanitissa Small GT – Diesel	GWh	-	-	-	-
Kelanitissa GT7 – Diesel	GWh	-	-	-	-
Kelanitissa Combined Cycle 1	GWh	67.10	84.53	68.47	220.09
Naphtha	GWh	67.10	84.53	68.47	220.09
Diesel	GWh	-	-	-	-
Kelanitissa Combined Cycle 2 – Diesel	GWh	-	-	-	-
Lakvijaya – Coal	GWh	346.84	335.65	520.26	1,202.75
Barge – Furnace Oil	GWh	18.49	33.05	14.95	66.49
CEB Emergency 50MW	GWh	-	-	-	-
Hambantota – Diesel	GWh	-	-	-	-
Mathugama – Diesel	GWh	-	-	-	-

Total Northern CEB generation	GWh	6.77	10.31	5.27	22.35
Chunnakam & Islands – Diesel	GWh	0.20	0.20	0.20	0.60
New Chunnakam – Furnace Oil	GWh	6.57	10.11	5.07	21.75
Total CEB Thermal Generation	GWh	476.42	527.25	644.66	1,648.34
IPP Thermal Generation					
Westcoast IPP – Furnace Oil	GWh	36.72	51.18	10.41	98.32
Sobadhanavi – Diesel/LNG	GWh	-	-	-	-
Total IPP Thermal Generation	GWh	36.72	51.18	10.41	98.32
CEB GL's Hydropower Generation	GWh	575.68	472.74	444.85	1,493.26
CEB GL's Wind power Generation	GWh	21.40	14.33	20.92	56.65
Solar Rooftop Generation	GWh	162.41	145.96	153.53	461.89
Other Renewable	GWh	226.64	211.88	192.21	630.73
Total Generation	GWh	1,499.28	1,423.34	1,466.57	4,389.18

Forecast system coincident peak generation demand and the approved monthly capacity costs of each generation plant/ hydro scheme are shown in Table 7 and Table 8 respectively.

Table 7- Forecast system coincident peak demand for October - December 2025

Month	Unit	25-Oct	25-Nov	25-Dec
System Coincidental Peak demand	MW	2,563	2,521	2,567

Table 8- Approved Capacity payments to GL by TL for October - December 2025

Plant/Complex	Unit	25-Oct	25-Nov	25-Dec
Mahaweli – Hydro	MLKR	435.60	435.60	446.86
Laxapana – Hydro	MLKR	550.20	558.52	558.52
Samanala – Hydro	MLKR	312.81	312.89	313.09
Thambapawani – Wind	MLKR	560.19	560.19	560.19
Sapugaskanda Old – Furnace Oil	MLKR	61.48	61.48	61.48
Sapugaskanda Ext. – Furnace Oil	MLKR	67.72	67.72	72.19
Kelanitissa Small GT – Diesel	MLKR	45.53	45.53	45.53
Kelanitissa GT7 – Diesel	MLKR	81.82	81.82	81.82
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	MLKR	92.11	92.11	92.11
Kelanitissa Combined Cycle 2 – Diesel	MLKR	84.98	84.98	84.98
Lakvijaya – Coal	MLKR	1,127.83	1,141.58	1,159.00
New Chunnakam – Furnace Oil	MLKR	51.44	51.44	51.44
Chunnakam & Islands – Diesel	MLKR	8.84	8.84	8.84
Barge – Furnace Oil	MLKR	50.86	50.86	53.42
30MW Hambantota – Diesel	MLKR	27.12	27.12	27.12
20MW Mathugama – Diesel	MLKR	18.08	18.08	18.08
Westcoast IPP – Furnace Oil	MLKR	1,448.91	1,406.52	1,448.91
Sobadhanavi IPP – Diesel/LNG	MLKR	1,219.13	1,180.61	1,219.13
Rooftop solar	MLKR	-	-	-
Other renewables	MLKR	-	-	-
TOTAL	MLKR	6,244.6	6,185.9	6,302.7

Item	Unit	25-Oct	25-Nov	25-Dec
Generation Capacity cost	LKR/MW	2,436,354.66	2,453,536.51	2,455,681.35

Forecast monthly generation from each generation plant along with approved average energy cost is shown in Table 9 below.

Table 9- Approved Forecast Energy Payments to GL by TL for October - December 2025

Plant/Complex	Unit	Oct-25	Nov-25	Dec-25
Mahaweli/Laxapana/Samanala - Hydro	GWh	575.68	472.74	444.85
	LKR/kWh	-	-	-
Thambapawani – Wind	GWh	21.40	14.33	20.92
	LKR/kWh	-	-	-
Sapugaskanda Old – Furnace Oil	GWh	13.09	26.78	8.50
	LKR/kWh	47.94	45.20	50.37
Sapugaskanda Ext. – Furnace Oil	GWh	24.13	36.94	27.21
	LKR/kWh	42.63	41.65	42.31
Kelanitissa Small GT – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa GT7 – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	GWh	67.10	84.53	68.47
	LKR/kWh	39.02	38.85	38.88
Kelanitissa Combined Cycle 2 – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Lakvijaya – Coal	GWh	346.84	335.65	520.26
	LKR/kWh	17.93	17.56	17.81
New Chunnakam – Furnace Oil	GWh	6.57	10.11	5.07
	LKR/kWh	41.94	41.19	42.57
Chunnakam & Islands – Diesel	GWh	0.20	0.20	0.20
	LKR/kWh	92.89	92.89	92.89
Barge – Furnace Oil	GWh	18.49	33.05	14.95
	LKR/kWh	43.69	41.87	44.67
30MW Hambantota – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
20MW Mathugama – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Westcoast IPP – Furnace Oil	GWh	36.72	51.18	10.41
	LKR/kWh	49.77	49.33	53.70
Sobadhanavi IPP – Diesel/LNG	GWh	-	-	-
	LKR/kWh	-	-	-
Solar Rooftop Generation	GWh	162.41	145.96	153.53
	LKR/kWh	28.23	28.23	28.23
Other renewable	GWh	226.64	211.88	192.21
	LKR/kWh	17.06	16.92	17.28
Total Generated Energy	GWh	1,499.28	1,423.34	1,466.57
Monthly Energy Cost	MLKR	21,874	23,973	22,623

Total forecast Energy cost for three-months	MLKR	68,469
Total forecast energy dispatch for three-months	GWh	4,389
Three-month average energy cost	LKR/kWh	15.60
Loss adjusted three-month average energy cost	LKR/kWh	16.13

4 ENERGY COSTS IN EACH INTERVAL FOR TOU PRICING

Using the approved Methodology, the Commission has determined that the peak adjustment factors to be as given in Table 10 below.

Table 10- Approved Peak Adjustment Factors

Time interval for TOU pricing	Factor	Value
0530-1830	k1	1
1830-2230	k2	1.3
2230-0530	k3	0.6

The energy dispatches and costs in each interval are provided in the table below. The Commission has assessed the energy dispatches in each interval using historic information.

Table 11- Monthly Energy Dispatches and Costs in the TOU Regime for October- December 2025

Average Generation Energy cost				
Item	Unit	25-Oct	25-Nov	25-Dec
Generation energy cost	LKR /kWh	14.59	16.84	15.43

Month 1 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	870	1	1.03	15.04
B2 (Peak)	295	1.3	1.34	19.56
B3 (Off peak)	334	0.6	0.62	9.03

Month 2 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	826	1	1.03	17.37
B2 (Peak)	280	1.3	1.34	22.57
B3 (Off peak)	317	0.6	0.62	10.42

Month 3 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	851	1	1.03	15.90
B2 (Peak)	289	1.3	1.34	20.68
B3 (Off peak)	327	0.6	0.62	9.54

5 COMBINED COSTS OF TRANSMISSION AND BSOB

The allowed capacity costs, energy costs of Generation Licensees have been combined with the allowed Transmission and BSOB costs to calculate the Bulk Supply Tariffs (BST) for sales by the TL to DLs. The approved average BST in each month in each TOU interval is given below and provides the three-month average.

Table 12- Combined Transfer Price from TL to DLs for October - December 2025

Capacity Charge				
Item	Unit	25-Oct	25-Nov	25-Dec
Generation capacity	LKR /MW	2,436,354.66	2,453,536.51	2,455,681.35
Transmission	LKR/MW	656,639.78	667,550.74	655,750.04
Bulk Supply and Operation Business	LKR /MW	1,020,591.28	1,002,689.34	1,248,381.91
BST (C)	LKR/MW	4,113,585.73	4,123,776.59	4,359,813.30
BST (C) 3-Month Weighted average	LKR/MW	4,199,543.82		

*Note: Any expenditure included pertaining to *Vidulakpaya* project, within the above Generation and Transmission/BSOB capacity costs, will not be considered as an actual expenditure in the claw-back calculations, which will be effective for the period of April to June 2026.

Energy Charge

Month	Unit	25-Oct	25-Nov	25-Dec
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Interval 1 (day)

Transmission Loss Factor B1	%	3.40%	3.40%	3.40%
Generation energy Cost B1	LKR/kWh	15.04	17.37	15.90
BST (E1)	LKR/kWh	15.55	17.96	16.44

Interval 2 (peak)

Transmission Loss Factor B2	%	4.34%	4.34%	4.34%
Generation energy Cost B2	LKR/kWh	19.56	22.57	20.68
BST (E2)	LKR/kWh	20.40	23.55	21.57

Interval 3 (off peak)

Transmission Loss Factor B3	%	2.41%	2.41%	2.41%
Generation energy Cost B3	LKR/kWh	9.03	10.42	9.54
BST (E3)	LKR/kWh	9.24	10.67	9.77

Table 13- Approved Three-month Average Bulk Supply Tariffs for October - December 2025

Item	Unit	BST (E)
BST day (E1) 3-Month weighted average	LKR/kWh	16.63
BST peak (E2) 3-Month weighted average	LKR/kWh	21.82
BST off-peak (E3) 3-Month weighted average	LKR/kWh	9.88

BST = Bulk Supply Tariff, means the average transfer price from Transmission to Distribution Licensees

E1, E2, E3 refer to the energy delivered in the three-time intervals in the time-of-use tariffs regime. i.e. 0530-1830, 1830-2230 and 2230-0530, respectively.

6 APPROVED BST FROM TL TO EACH DL

Owing to the requirement to maintain a Uniform National Tariff (UNT) and owing to the varying customer mix among Distribution Licensees, the BST to each DL was adjusted, to enable each Distribution Licensee to recover their full allowed revenues. The summary calculation as per section 5.2.1 of the tariff methodology, and the approved BSTs are shown in Table 14.

The Transmission Licensee is hereby directed to invoice each Distribution Licensee at the rates shown in Table 12 as (i) Approved BST for payment on Coincident Maximum, and (ii) Approved BST for energy in each TOU interval. In addition, adjustment of sales to DL5 by DL2, DL3 and DL4 shall be done as per Section 11 of the “Decision on Revenue Caps and Bulk Supply Tariffs, effective from 1st of January 2024”.

Table 14 - Approved BST from Transmission to each Distribution Licensee

Description	Units	DL1: CEB Region 1	DL2: CEB Region 2	DL3: CEB Region 3	DL4: CEB Region 4	DL5: LECO	Total
Sales to end-use customers (Oct-Dec)	GWh	1,148	1,220	682	538	434	4,023
Revenue based on approved customer tariffs (Oct-Dec)	MLKR	32,689.71	34,732.82	19,409.52	15,323.30	14,482.74	116,638.10
Coincident peak demand for purchases from Transmission	MW	670	753	415	345	281	2,466
Approved BST for payment on Coincident Maximum Demand	LKR/MW/month	4,199,543.822	4,199,543.822	4,199,543.822	4,199,543.822	4,199,543.822	N/A
Amount payable to Transmission on account of Demand (Oct-Dec)	MLKR	8,445.32	9,490.75	5,230.72	4,351.51	3,544.82	31,063.12
Allowed losses	%	6.30%	7.80%	6.19%	6.60%	3.99%	N/A
Revenue to be recovered by Transmission through energy charges (Oct-Dec)	MLKR	18,687.98	17,707.34	9,328.72	6,929.98	8,753.20	61,407.22
Energy sold from Transmission at	GWh	1,226	1,321	724	573	461	4,305

MV level (Oct-Dec)							
Approved BST for energy in each TOU interval							
Peak (1830-2230)	LKR/kWh	20.62	18.12	17.43	16.36	25.65	
Off Peak (2230-0530)	LKR/kWh	9.34	8.21	7.89	7.41	11.62	
Day (0530-1830)	LKR/kWh	15.72	13.81	13.29	12.47	19.55	