



Your ref:

My ref: DGM(CS&RA)/TRF/Trf. 2026 Q1

Date: December 24, 2025

Director General,
Public Utilities Commission of Sri Lanka,
6th Floor, BOC Merchant Tower,
No.28, St, Michael's Road,
Colombo 3.

DDG (CS) d
21/12/25
31/12/25



Dear Sir,

Proposal for the Quarterly Electricity Tariff Review – 1st Quarter of 2026

This has reference to your letter no. PUC/E/Tariff/01 dated 2025-10-22 (Annex I) regarding the above subject.

Accordingly, the tariff revision proposal for the first quarter of 2026 is submitted herewith as Annex II. It should be noted that this proposal has been prepared without incorporating the provisions of the Sri Lanka Electricity Act No. 36 of 2024 (as amended), as the appointed date for its implementation has not yet been announced. Necessary adjustments will be made once the Act comes into effect.

The Bulk Supply Tariff (BST) relating to the tariff proposal is attached as Annex III. The salient points of the tariff revision proposal are outlined below.

1. Generation Forecast for January to March 2026

The estimated total net energy generation for the first quarter of 2026 is 4,453 GWh. This projection is based on the IMF's forecasted GDP growth for 2026 (Annex IV). Accordingly, an annual demand growth rate of 3.72% has been applied for 2026, derived from the IMF's GDP growth forecast of 3.1%. The monthly net energy generation forecast is outlined below.

Table 1: Net Generation Forecast for January to March 2026

2026	Jan.	Feb.	Mar.	Total
Net Generation Forecast (GWh)	1,475	1,389	1,589	4,453

2. Dispatch

The generation dispatch plan has been updated to reflect the latest hydroelectric reservoir data, ensuring optimal utilization of available water resources. The current hydro storage conditions across the major reservoir systems remain favourable, supported by steady inflows received over the past weeks due to cyclone "Ditwah". Reservoir levels are generally stable and sufficient to sustain ongoing generation requirements while maintaining operational reliability. These healthy storage conditions provide a strong foundation for meeting the projected energy demand in the early part of 2026, subject to the evolution of weather patterns in the coming weeks.

The seasonal forecasts issued by the Department of Meteorology (Annex V) indicate no clear or consistent rainfall signal at the national level for January–March 2026. Accordingly, hydropower inflows are expected to be near normal on average, though subject to considerable uncertainty and short-term variability. La Niña conditions are projected to continue into early 2026, which is generally conducive to rainfall, but the benefits are not expected to be uniform across all hydropower catchments. At the same time, the negative Indian Ocean Dipole is weakening and likely to return to neutral conditions, thereby limiting any strong positive influence on rainfall. Overall, the January–March 2026 period does not point to a strong hydropower advantage, and dispatch was therefore prepared based on near-normal inflows, with a downside risk in major hydropower catchments.

The upcoming maintenance program includes two key outages. New Laxapana Hydro Power Plant will undergo the annual maintenance for 4 weeks from January 2026. The type B maintenance outage of Lakvijaya Unit 2, which began in late 2025, is expected to continue until mid-January 2026.

Accordingly in the first quarter of 2026, approximately 1172 GWh of energy is expected from hydro, while thermal and other renewable energy sources are anticipated to contribute 2,203 GWh and 1,078 GWh, respectively. The expected hydro inflow is estimated as 770 GWh.

3. Sales Forecast

The sales forecast has been prepared based on projected net electricity generation, with due consideration for projected transmission and distribution losses as forwarded by the PUCSL. Accordingly, total electricity sales by CEB for the first quarter of 2026 is estimated as 4,128.6 GWh. Of this, direct CEB sales is projected as 3,573.4 GWh, while sales to LECO, measured at the 33 kV boundary, is projected as 555.2 GWh. These estimates reflect the allocation of energy based on system-level flows and defined operational boundaries. Please refer to Table 2 below.

Table 2: Sales forecast for January to March 2026

2026	CEB End User Customers (Nos.)	CEB End User Sales (GWh)	LECO 33 kV Sales (GWh)	Total Sales (GWh)
January	7,264,909	1,178.4	189.0	1,367.4
February	7,274,762	1,114.2	173.9	1,288.1
March	7,285,939	1,280.8	192.3	1,473.1
Total	-	3,573.4	555.2	4,128.6

4. Expenditure

The existing composite Power Purchase Agreement outlines the pricing for capacity and energy transactions between CEB's Generation and Transmission Divisions, while separate agreements set prices for energy sold by Independent Power Producers (IPPs) and Small Power Producers (SPPs). In CEB Thermal Power Plants, the Energy Price covers startup expenses, variable O&M, and fuel costs based on contractual fuel consumption rates. Energy costs for CEB's hydro and wind generation are considered zero. Capacity costs for CEB-owned power plants include fixed O&M expenses, as well as services provided by both the CEB and the Generation Headquarters. These costs are allocated proportionally based on the installed capacity of each plant. Both Capacity and Energy costs of IPPs and SPPs are recovered through their respective PPAs.

Expenditure projections incorporate actual or forecast fuel prices at CEB's boundary, with liquid fuel prices determined by CPC externally and beyond CEB's control. Coal prices are based on actual/forecast figures.

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Updates to fuel prices, exchange rates and VAT reflect the latest information from CPC and IPP invoices (Table 3).

Table 3: Fuel Prices and the Exchange rate used in the Tariff Proposal January – March 2026

2026	Auto Diesel (Rs./l)	Furnace oil (Rs./l)	Naphtha (Rs./l)	Coal (Rs./kg)			Ex. Rate (Rs./USD)
				Jan.	Feb.	Mar.	
January - March	277.00	177.00	141.00	40.94	42.32	39.86	308.65

For CEB-owned plants, major CAPEX is financed through structured monthly bank loans, mitigating the immediate financial impact of large-scale projects on the electricity tariff. Spreading repayments over time smooths cost fluctuations and supports gradual tariff adjustments, as approved by PUCSL in the 2024 Tariff Decision, thereby enhancing stability and affordability.

The equivalent rupee value of the contractor payment amounting to USD 1.8 million (i.e. LKR 540 million) for the Broadlands Hydro Power Project has been included in the BST by levelizing the amount over six months, in order to minimize its intermittent impact on the final tariff revision percentage. However, the settlement of the full payment is expected to be made in February 2026.

Similarly, the loan instalment relating to the Thambapawani Wind Power Plant, amounting to LKR 2,725 million, is to be settled in March 2026. This amount has also been levelized over the period from January to June 2026 for tariff calculation purposes.

In line with the Cabinet Decision dated 2025-08-25 on the Voluntary Retirement Scheme (VRS) for CEB employees, the compensation payments are to be funded through the first tariff revision of 2026 (Annex VI), subject to the appointed date falling within the first quarter of the year. The total estimated VRS compensation amounts to LKR 11,554 million, relating to 2,158 employees. The same has been converted to 5-year loan facility and the loan instalments for the 1st quarter of LKR 874.23 million is included to the finance cost.

The approved Tariff Methodology specifies that the claw-back mechanism applies solely to CAPEX. However, during the January 2025 tariff revision, the PUCSL extended the application of the claw-back to include both CAPEX and OPEX, which is not consistent with the provisions of the approved methodology applicable to the Transmission Licensee (TL) and Distribution Licensees (DLs).

The application of claw-back to OPEX is therefore not in line with the approved Tariff Methodology, and it is expected that the PUCSL will refrain from applying OPEX claw-backs when determining the Allowed Revenues (AR) of the TL and DLs for 2026, based on the actual cost submissions for 2024.

CEB has informed the PUCSL of errors identified in the transmission revenue filing templates used in previous tariff submissions. Despite several communications, these issues remain unresolved to date. The total Transmission AR, including the contribution to Insurance Reserve Fund amounts to LKR 5,819 million for the period from January to March 2025.

Similarly, the revised ARs of CEB DLs for the first quarter of 2026 are presented in Table 4 below.

Table 4: DL Allowed Revenues for January to March 2026

In LKR million

Description	DL1	DL2	DL3	DL4	Total
Total indexed AR for 2026 without claw-back	26,898.44	29,611.99	18,881.91	16,313.93	91,706.28

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AR for Q1 of 2026 (for 90 days)	6,632.49	7,301.59	4,655.81	4,022.61	22,612.51
Addl. AR req. for Insurance reserve fund for DLs	19.38	45.23	32.89	26.93	124.43
Addl. AR req. for Insurance reserve fund for Common Divisions	0.21	0.22	0.12	0.10	0.65
Total AR req. for Q1 of 2026	6,652.08	7,347.04	4,688.82	4,049.64	22,737.58

It is to be noted that the electricity tariffs remained unchanged from 2014 to 2022, despite rising costs in Generation, Transmission, and Distribution. To maintain uninterrupted power supply during this period, the CEB relied on heavy borrowing and deferred payments to suppliers, leading to significant legacy debt over the nine years. Under the IMF's EFF program, the Cabinet (Decision No. 25/0235/825/012, dated 9 Feb 2025) approved a debt-settlement plan involving extended repayment terms on treasury loans, a debt swap, restructuring and issuing debentures, and syndication financing to address the balance. The finance cost has been updated as per the latest AWPLR of 8.15%. The finance cost (excluding VRS loan) from January to March 2026 has been estimated as LKR 6,764 million.

Cyclone "Ditwah" caused extensive damages to CEB assets leading to significant unplanned expenditure for emergency restoration, repairs, and rehabilitation. Damage to substations, transmission towers, distribution lines, transformers, and access infrastructure necessitated immediate mobilization of crews, large-scale replacement of materials, and prolonged restoration work. These costs were not anticipated at the time of tariff setting and have substantially increased both operational and maintenance expenditure as well as capital repair requirements. Accordingly, the total financial impact of cyclone-related damages to the CEB is estimated at approximately LKR 20 billion, with the portion attributable to first quarter of 2026 amounting to LKR 7,016.52 million which has a direct implication on the electricity tariff. Recovery of these unavoidable and exceptional costs is necessary to safeguard the financial viability of the utility and to ensure the continuity of electricity supply to consumers.

At present, CEB is exploring external concessionary financial assistance options to fund the rehabilitation costs, with the objective of minimising the impact on electricity tariffs. Accordingly, the costs related to Cyclone "Ditwah" have not been included in this tariff submission. However, if external funding support is not secured, the expenditure incurred due to Cyclone "Ditwah" damages will need to be recovered through the electricity tariff in the second quarter tariff revision of 2026.

5. Revenue

The forecast revenue for both CEB and LECO has been calculated, giving due consideration to the transfer price for bulk sales from CEB to LECO. The LECO transfer price excluding solar payments is taken as 24.28 LKR/kWh for the first quarter of 2026. The total estimated CEB revenue for the first quarter of 2026 from the existing tariff is LKR 113,161.3 million.

As per the Sri Lanka Electricity Act No. 36 of 2024 (as amended), a quarterly timetable has been mandated for the review of bulk sale, bulk purchase, and supply tariffs. Under the previously established tariff methodology and long-standing practice, tariff filings were carried out on a six-month basis. However, following the enactment of the amended law CEB received a directive from PUCSL, vide letter No. PUC/E/Tariff/01 dated 2025-08-11, instructing that cost and revenue forecasts be prepared and submitted on a quarterly basis for tariff revisions.

Accordingly, in order to align with the approved Tariff Methodology for the current tariff revision, the revenue surplus/(deficit) of the third quarter of 2025 should be incorporated. However, due to the unavailability of complete and verified data, this adjustment has not been included. The challenges

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associated with the non-availability of finalized data for immediate past quarters, as well as the practical difficulties in implementing quarterly tariff reviews, have already been communicated to the Ministry of Energy vide letter No. DGM (CS&RA)/TRF/Trf 2025 dated 2025-07-01 (Annex VII), with a request to convey the same to the Ministry of Finance for necessary policy-level consideration and action.

Moreover, as per my letter No. DGM (CS&RA)/TRF/Trf.2025 dated 2025-11-06 (Annex VIII), the brought-forward TL revenue surplus/(deficit) arising from the reconciliation of 2024 and the first half of 2025, amounting to a positive revenue adjustment of LKR 10,761 million, has been included in this tariff proposal.

Furthermore, CEB licensees are presently undergoing a structural reform process aimed at transitioning into fully segregated licensees. Under the pre-transition structure, when CEB functioned as a single integrated utility operating under six licenses, electricity consumers benefited from a voluntary reduction in the legitimate Return on Assets (ROA), amounting to LKR 10,600 million within the total AR of the DLs in the July 2024 tariff revision. This benefit was made possible through economies of scale and shared operational efficiencies of the consolidated structure. With the ongoing transition, this advantage will no longer be available. In this context, the curtailed ROA should be restored duly to all DLs.

6. Conclusion

As per Clause 5.2 of PUCSL's Tariff Methodology, end-user tariffs are determined based on CEB's revenue requirements. CEB analysed factors such as current tariffs, fuel availability and prices, hydro inflows, plant maintenance schedules, energy demand, interest rates, economic recovery, transmission and distribution AR adjustments, reconciliation of actual BST in previous periods, and government policies to develop the tariff proposal. The summary of expenditure for January to March 2026 considered for the tariff revision is tabulated below.

Table 5: Summary of Expenditures considered for January – March 2026

Description	Unit	January – March 2026	Source
Generation - Energy Cost	MLKR	83,504	BST 2026 H1
Generation - Capacity Cost	MLKR	17,318	-do-
Transmission Allowed Revenue	MLKR	5,819	-do-
Finance Cost	MLKR	7,638	-do-
Distribution Allowed Revenue	MLKR	22,738	Derived as per Table 4
Total Cost	MLKR	137,016	-
Estimated Revenue at present tariffs	MLKR	113,161	Derived as per item 5
B/F Revenue Surplus/(Deficit)	MLKR	10,761	-do-
Surplus/(Deficit)	MLKR	(13,094)	-
as a % of Revenue	%	-11.57%	-

Based on the above analysis, a deficit of LKR 13,094 million has been estimated for the period from January to March 2026 requiring a tariff increase of 11.57%. Any variations in the estimate, whether an excess or a shortfall, will be accounted for in the BSTA and considered in the next tariff revision.

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Accordingly, to ensure financial and operational stability and to mitigate potential risks to the reliability of electricity supply, CEB proposes a revision to the current tariff structure, as presented in Annex II. The Board-approved tariff proposal for the first quarter of 2026 is hereby submitted to the Commission for its approval and subsequent implementation please.

Yours faithfully

CEYLON ELECTRICITY BOARD


Eng. K.S.I. Kumara

General Manager

Ceylon Electricity Board

Eng.K.S.I.Kumara

General Manager

Ceylon Electricity Board

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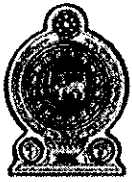
1. Secretary to the Treasury
2. Chairman, CEB
3. Addl. GM (CS)
4. FM, CEB

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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு
PUBLIC UTILITIES COMMISSION OF SRI LANKA



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Your No. }

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எமது இல.
Our No. }

PUC/E/Tariff/01

දිනය
திகதி
Date } October 22, 2025

Eng. W. Edussuriya,
General Manager,
Ceylon Electricity Board,
No. 50, Sir Chittampalam A. Gardinar Mw.,
Colombo – 02.

Proposal for the Quarterly Electricity Tariff Review – 1st Quarter of 2026

Reference is made to the amended general policy guidelines for the electricity industry and Section 30 of Sri Lanka Electricity Act No. 30 of 2009.

As outlined in the general policy guidelines for the electricity industry, the electricity tariffs are to be reviewed quarterly. Accordingly, a tariff revision has to be implemented with effect from January 01, 2026. Therefore, you are hereby directed to submit the proposal for this tariff review by November 14, 2025, considering the three-month period from January to March 2026, to ensure the timely implementation.

It should be noted that any delay in submission would inevitably result in a delay in the issuance of the tariff decision.

Kanchana Siriwardena
Deputy Director General (Industry Services)

Sgd. Damitha Kumarasinghe
Director General

06. වන මහල, ලංකා බැංකු වෙළඳ කුර්ථ,
28. නාන්ත මයිකල් පාර, කොළඹ 03.

06. ஆலது மாடி, இலங்கை வங்கி வர்த்தகக் கோபுரம்,
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EFFECTIVE FROM (for each 30 - day billing period)			Existing Tariff			2026-01-01				
DOMESTIC										
			Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)		
Consumption 0 - 60 kWh per month										
Block 1 : 0 - 30 kWh			4.50		80.00	5.29		94.11		
Block 2 : 31 - 60 kWh			8.00		210.00	9.41		247.03		
Consumption above 60 kWh per month										
Block 1 : 0 – 60 kWh			12.75		N/A	15.00		N/A		
Block 2 : 61 – 90 kWh			18.50		400.00	21.76		470.54		
Block 3 : 91 – 120 kWh			24.00		1,000.00	28.23		1,176.35		
Block 4 : 121 – 180 kWh			41.00		1,500.00	48.23		1,764.53		
Block 5 : 181 and above			61.00		2,100.00	71.76		2,470.34		
Optional Time of Use (ToU) Electricity Tariff for Dom. Consumers										
Day (05:30 – 18:30 hrs)			35.00		2,100.00	41.17		2,470.34		
Peak (18:30 – 22:30 hrs)			67.00			78.82				
Off Peak (22:30 – 05:30 hrs)			21.00			24.70				
RELIGIOUS & CHARITABLE INSTITUTIONS										
Consumption 0 - 180 kWh per month										
Block 1 : 0 – 30 kWh			4.50		75.00	5.29		88.23		
Block 2 : 31 – 90 kWh			4.50		200.00	5.29		235.27		
Block 3 : 91 – 120 kWh			8.00		350.00	9.41		411.72		
Block 4 : 121 – 180 kWh			19.00		1,300.00	22.35		1,529.26		
Block 5 : 181 kWh and above			26.00		1,700.00	30.59		1,999.80		
OTHER CONSUMER CATEGORIES			Industrial / Hotel		General Purpose / Government		Industrial / Hotel		General Purpose / Government	
Volume differentiated monthly consumption			IP/H 1-1 (≤ 300 kWh/mth)	IP/H 1-2 (> 300 kWh/mth)	GP/GV 1-1 (≤ 180 kWh/mth)	GP/GV 1-2 (> 180 kWh/mth)	IP/H 1-1 (≤ 300 kWh/mth)	IP/H 1-2 (> 300 kWh/mth)	GP/GV 1-1 (≤ 180 kWh/mth)	GP/GV 1-2 (> 180 kWh/mth)
Rate 1 Supply at 400/230 V Contract demand ≤ 42 kVA	Energy Charge (Rs. /kWh)		8.00	17.00	25.00	34.00	9.41	20.00	29.41	40.00
	Fixed Charge (Rs./mth)		300.00	800.00	500.00	1,600.00	352.91	941.08	588.18	1,882.17
Rate 2 Supply at 400/230 V Contract demand > 42 kVA	Energy Charge (Rs./kW)	Day (05:30 – 18:30 hrs)	15.00		41.00		17.65		48.23	
		Peak (18:30 – 22:30 hrs)	28.00		47.00		32.94		55.29	
		Off Peak (22:30 – 05:30 hrs)	12.00		31.00		14.12		36.47	
	Demand Charge (Rs./kVA)		1,400.00		1,500.00		1,646.90		1,764.53	
	Fixed Charge (Rs./mth)		5,000.00		5,000.00		5,881.77		5,881.77	
Rate 3 Supply at 11 kV & above	Energy Charge (Rs./kW)	Day (05:30 – 18:30 hrs)	14.00		39.50		16.47		46.47	
		Peak (18:30 – 22:30 hrs)	27.00		46.00		31.76		54.11	
		Off Peak (22:30 – 05:30 hrs)	11.00		30.00		12.94		35.29	
	Demand Charge (Rs./kVA)		1,350.00		1,450.00		1,588.08		1,705.71	
	Fixed Charge (Rs./mth)		5,000.00		5,000.00		5,881.77		5,881.77	
STREET LIGHTING										
Street Lighting (Rs./kWh)			50.00			58.82				
EV CHARGING OF CEB CHARGING STATIONS			DC Fast Charging (Rs./kWh)		Level 2 AC Ch. (Rs./kWh)	DC Fast Charging (Rs./kWh)		Level 2 AC Ch. (Rs./kWh)		
Day (05:30 – 18:30 hrs)			87.00		70.00	87.00		70.00		
Peak (18:30 – 22:30 hrs)			111.00		90.00	111.00		90.00		
Off Peak (22:30 – 05:30 hrs)			53.00		40.00	53.00		40.00		
AGRICULTURE - Optional Time of Use (ToU) Electricity Tariff			Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)	Energy Charge (Rs./kWh)		Fixed Charge (Rs./mth)		
Rate 1 Supply at 400/230V Contract demand ≤ 42 kVA	Day (05:30 – 18:30 hrs)		13.00		750.00	15.29		882.27		
	Peak (18:30 – 22:30 hrs)		23.00							
	Off Peak (22:30 – 05:30 hrs)		7.00							
						8.23				

Bulk Supply Tariff

Jan - June 2026

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Capacity Charge

Month	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Capacity Charge	Generation capacity						
	Transmission	2,143,168.63	2,056,798.97	1,962,492.98	2,066,626.53	2,196,759.46	2,233,308.75
	Bulk Supply Service	771,049.87	727,374.45	695,674.82	740,962.36	769,610.21	793,695.23
BST (C)		717,486.37	964,477.40	899,270.54	901,583.56	935,706.24	964,372.32
		3,631,704.86	3,748,650.82	3,557,438.34	3,709,172.45	3,902,075.91	3,991,376.31

BST (C)	SLR/MW	3,751,655.60
6-Month Weighed average		

Energy Charge

Month	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Block1	Transmission Loss Factor B1						
	Generation energy Cost B1	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
		16.40	20.22	21.27	19.80	14.39	18.55
BST (E1)	SLR/kWh	16.96	20.90	21.99	20.47	14.88	19.18
Block 2	Transmission Loss Factor B2						
	Generation energy Cost B2	4.34%	4.34%	4.34%	4.34%	4.34%	4.34%
		21.33	26.28	27.65	25.74	18.71	24.11
BST (E2)	SLR/kWh	22.25	27.42	28.85	26.86	19.52	25.16
Block 3	Transmission Loss Factor B3						
	Generation energy Cost B3	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%
		9.84	12.13	12.76	11.88	8.64	11.13
BST (E3)	SLR/kWh	10.08	12.42	13.07	12.17	8.84	11.40

BST (E1)	SLR/kWh	19.04
6-Month Weighed average		
BST (E2)	SLR/kWh	24.98
6-Month Weighed average		
BST (E3)	SLR/kWh	11.31
6-Month Weighed average		

E1 - Day
E2 -peak
E3 -off peak

Capacity Payment

Plant\Month	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Mahaweli	Mn. SLR	302.82	388.73	330.50	331.24	333.10	333.10
Laxapana	Mn. SLR	431.93	469.86	436.68	439.72	440.85	444.45
Samanala	Mn. SLR	363.23	401.90	384.97	384.97	384.97	384.97
Mannar Wind	Mn. SLR	530.46	540.26	530.46	530.46	530.46	530.46
DSP1	Mn. SLR	41.89	48.52	41.89	41.89	46.74	46.74
DSP2	Mn. SLR	43.09	49.90	43.09	43.09	43.09	43.09
GT16	Mn. SLR	17.82	28.57	22.51	22.51	22.51	22.51
GT07	Mn. SLR	32.01	42.90	32.01	32.01	32.01	32.25
CCKP	Mn. SLR	57.27	72.88	57.27	58.50	69.54	59.98
CCKP 02	Mn. SLR	52.00	61.96	47.09	47.09	52.00	47.09
CPUT	Mn. SLR	1,038.07	1,128.90	1,058.67	1,064.31	1,069.94	1,072.86
DNCHU	Mn. SLR	25.69	27.96	25.69	25.69	25.69	25.69
Island Gen	Mn. SLR	11.36	11.56	11.36	11.36	11.36	11.36
BARGE	Mn. SLR	27.60	33.28	28.84	28.84	28.84	28.84
30MW Hambantota	Mn. SLR	30.79	33.63	30.79	30.79	30.79	30.94
20MW Mathugama	Mn. SLR	20.52	22.42	20.52	20.52	20.52	20.62
CCKW	Mn. SLR	1,450.86	1,323.52	1,450.86	1,408.42	1,469.77	1,426.71
SGPS (100MW)	Mn. SLR	0.00	0.00	0.00	0.00	0.00	0.00
DEMB	Mn. SLR	0.00	0.00	0.00	0.00	0.00	0.00
DMAT	Mn. SLR	0.00	0.00	0.00	0.00	0.00	0.00
Sobadhanavi	Mn. SLR	1,238.7	1,123.6	1,238.7	1,200.3	1,238.7	1,200.3
RENW	Mn. SLR	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	Mn. SLR	5,716.1	5,810.4	5,791.9	5,721.7	5,850.8	5,763.0
Depreciation	Mn. SLR						
ROE	Mn. SLR						
Generation Capacity cost	Mn. SLR	5,716.1	5,810.4	5,791.9	5,721.7	5,850.8	5,763.0

17318.30

Generation Capacity cost

Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Generation Capacity cost	SLR/MW	2,143,168.63	2,056,798.97	1,962,492.98	2,066,626.53	2,233,308.75

Energy price and Energy generated in each plant

Plant/Month	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Mahaweli	GWh	487.875	319.807	364.610	355.527	483.974	375.146
Laxapana	SLR/kWh						
Samanala	GWh						
Mannar wind	SLR/kWh	20.345	20.999	12.183	5.748	42.976	58.877
DSP1	GWh	20.152	27.418	30.355	27.095	7.135	26.236
DSP2	SLR/kWh	45.69	44.78	44.54	44.81	51.96	44.90
GT16	GWh	33.451	34.474	38.167	35.210	17.897	36.755
GT17	SLR/kWh	42.03	41.97	41.79	41.93	43.73	41.85
GT07	GWh	0.000	0.000	0.000	0.000	FALSE	0.000
CCKP	SLR/kWh	0.00	0.00	0.00	0.00	0.00	0.00
CCKP 02	GWh	0.00	0.00	0.00	0.00	0.00	0.00
CPUT	SLR/kWh	441.6	233.29	88.91	85.62	0.00	70.51
DNCHU	GWh	17.42	17.84	16.78	16.79	525.3	375.4
Island Gen	SLR/kWh	8.1	9.4	10.4	9.6	4.1	9.0
BARGE	GWh	43.78	43.44	43.24	43.42	46.17	43.55
30MW Hambantota	GWh	0.20	0.20	0.2	0.2	0.2	0.2
20MW Mathugama	SLR/kWh	92.76	92.76	92.76	92.76	92.76	92.76
CCKW	GWh	25.0	32.7	36.2	32.7	14.0	30.6
SGPS (100MW)	SLR/kWh	42.5	41.9	41.7	41.9	44.4	42.0
DEMB	GWh	0.000	0.000	0.000	0.000	0.000	0.000
DMAT	SLR/kWh	0.000	0.000	0.000	0.000	0.000	0.000
Sobadhanavi	GWh	0.000	0.000	0.000	0.000	0.000	0.000
RENN	SLR/kWh	0.00	0.00	0.00	0.00	0.00	0.00
Solar Rooftop Generation	GWh	151.121	122.087	124.768	137.408	250.330	297.057
TOTAL generated energy	SLR/kWh	18.27	19.06	19.52	18.95	17.54	17.12
Energy Cost	GWh	201.487	202.799	222.516	197.120	192.612	183.096
Energy Cost	SLR/kWh	28.70	28.70	28.70	28.70	28.70	28.70
Loss factor %		1,475.401	1,389.000	1,589.641	1,467.749	1,572.765	1,536.982
Energy Cost	SLR	23,475,377.503	27,235,835.175	32,792,413.794	28,185,387.492	21,955,494.917	27,646,121.305
Energy Cost	SLR Million	23,475	27,236	32,792	28,185	21,955	27,646
Energy Cost	SLR Million	23,475	27,236	32,792	28,185	21,955	27,646
Total Energy cost for six-months	LKR Million	161,290.59					
Total energy dispatch for six-months	GWh	9,031.538					
Six-month average energy cost	LKR/kWh	17.86					
loss adjusted six-month average energy cost	LKR/kWh	18.47					
Loss factor %		96.69					
		97.18					
		83,504					
		4,454					
		46					

Loss Calculation Prepared by CS as at April 27, 2024

Notes
TOU energy ratio is charged as follows. These ratios were calculated using actual sales to DLs from May 2018 to April 2019 considering a consistent period of 12 months.

TOU Factors	Day	Peak	Offpeak
	58.0%	19.7%	22.3%

7.788,46
5.568

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Specific Transmission Tariff (R)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
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Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.477	2.505	2.534	2.563	2.592	2.621	2.650
Sub-Supply and Operations Business Tariff (R55)	1.813	1.816	1.828	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Sub-Supply and Operations Business Tariff (R55)	2.056	2.077	2.094	2.112	2.131	2.151	2.172	2.194	2.217	2.241	2.265	2.290	2.315	2.341	2.367	2.394	2.421	2.449	2.						

[illegible]

and, if confirmed by respective divisions : Additional operational expenses pertaining to the Insurance Investment Fund (Escrow Fund) with relevant to Gross assets as at 2025.12.31(0.001) which were not included in FY 2024-2026 is added and detailed

	June 2006 Amount (LKR)
a	259,181,781.10
b	-
c	2,118,082.63
d	47,556.33
e	670,528.30
f	1,000,000.00

Final OPR	(44.4)	301,299,863.73
BOB OPR	-	-
Total		301,299,863.73

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Total Net Generation	1466	1475	1389	1589	1468	1573	1537	1604	1609	1531	1566	1487	1532	18359.4
Total Net Generation/day	47.3	47.6	49.6	51.3	48.9	50.7	51.2	51.7	51.9	51.0	50.5	49.6	49.4	603.5
Generation Red. due to SPP	353.5	373.0	345.9	359.0	340.3	485.9	539.0	526.7	534.6	531.9	490.5	429.2	424.9	5380.9
No. of days	31.0	31.0	28.0	31.0	30.0	31.0	30.0	31.0	31.0	30.0	31.0	30.0	31.0	365.0
Generation (Centrally dispatch)	1112.9	1102.2	1042.9	1230.5	1127.3	1086.6	997.8	1077.3	1074.1	999.2	1075.8	1057.7	1107.1	12978.4
Reqd. Generation/day(Centrally)	35.9	35.6	37.2	39.7	37.6	35.1	33.3	34.8	34.6	33.3	34.7	35.3	35.7	426.8
IPP/CEB emergency														
Sobadanavi	8.1	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	1.1	1.8	0.0	2.2	5.8
WCPP	28.5	7.0	54.7	130.5	70.8	24.3	68.8	90.7	30.6	7.0	23.6	58.8	58.4	625.2
TOTAL IPP	36.7	7.0	54.7	131.2	70.8	24.3	68.8	90.7	30.6	8.2	25.4	58.8	60.6	631.1
CEB Thermal Generation														
LAKVIJAYA1	173.4	173.4	156.6	173.4	172.7	175.6	29.4	178.8	178.8	167.4	178.8	173.0	177.4	177.4
LAKVIJAYA2	0.0	89.4	161.5	178.8	173.0	175.1	173.0	30.4	178.8	169.2	177.9	173.0	176.5	176.5
LAKVIJAYA3	107.3	178.8	161.5	178.8	172.7	174.5	173.0	178.8	178.8	165.4	0.0	0.0	176.5	176.5
SAPU B	32.3	33.5	34.5	38.2	35.2	17.9	36.8	38.2	22.9	6.9	28.1	25.1	30.2	347.4
SAPU A	18.2	20.2	27.4	30.4	27.1	7.1	26.2	30.4	14.1	1.5	10.6	17.9	19.6	232.4
BARGE	19.5	25.0	32.7	36.2	32.7	14.0	30.6	34.1	17.1	2.1	17.8	22.5	18.5	283.2
Uthuru Jannanee	7.3	8.1	9.4	10.4	9.6	4.1	9.0	9.3	5.2	0.9	6.4	6.1	7.4	86.1
KCCP_Naptha	84.1	79.1	84.5	84.5	73.3	0.0	74.8	84.5	69.1	19.7	71.1	58.5	72.2	771.3
KCCP_Diesel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GT7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SMALL_GT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KCCPS 2	5.4	0.0	0.3	4.1	4.7	0.0	0.9	12.5	0.2	3.7	3.9	1.5	4.2	35.9
Hambanthota-CEB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Matugama-CEB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Total CEB Thermal Generation	447.5	607.4	668.4	734.7	700.9	568.4	553.8	596.9	664.9	537.0	495.0	477.6	682.5	7287.6
Prospective Gen. / Energy shortfall														
Total Thermal Generation	484.2	614.4	723.1	865.9	771.7	592.7	622.6	687.6	695.5	545.2	520.4	536.4	743.1	7918.6
Hydro Gen Req'd.	628.7	487.9	319.8	364.6	355.5	494.0	375.1	389.7	378.6	454.0	555.4	521.3	364.0	5059.8
Deficit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Power cut saving	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Actual hydro req'd.	628.7	487.9	319.8	364.6	355.5	494.0	375.1	389.7	378.6	454.0	555.4	521.3	364.0	5059.8
Inflow	575.4	415.1	183.7	171.2	211.4	463.5	423.7	427.0	365.1	398.9	574.3	588.1	449.8	4671.8
Drawdown from reservoirs	-53.4	-72.8	-136.1	-193.4	-144.1	-30.5	48.5	37.3	-13.4	-55.1	18.9	66.8	85.8	
STARTING STORAGE	1219	1165	1093	956	763	619	589	637	674	661	606	625	692	
Month End Storage	1165	1093	956	763	619	589	637	674	661	606	625	692	777	
% Storage	0.91	0.85	0.75	0.60	0.48	0.46	0.50	0.53	0.52	0.47	0.49	0.54	0.61	

1. This Estimated Energy Dispatch Forecast is purely depend on the weather condition and has been formulated incorporating the "Seasonal outlook for December to February" which was provided by the Also it has been incorporated the latest weather forecast for January-2026, which has been provided by Department of Meteorology, at the Water Management Secretariat-monthly meeting which was held on 12.12.2025 at Mahaweli Authority, Colombo, Sri Lanka.

2. Please note that this Estimated Energy Dispatch Forecast has been prepared considering latest fuel prices (Naptha- 141 Rs/l, Furnace Oil- 177 Rs/l, Diesel 277 Rs/l, Coal- 39.34 Rs/kg).
Meanwhile, the estimated NCRE generation has been considered for October & November 2025 figures since actual NCRE generation is not yet fully available.

3. Furthermore, the annual demand growth of 3.72% has been considered for the year 2026 based on IMF GDP growth of 3.1%.

4. Also, It should be emphasized that the forecasted hydro generation stated here shall strictly depend on the directives issued by the Water Management Secretariat at the monthly meeting held on the first Friday of each month, as well as the weekly meetings conducted on every Friday.

NCRE Forecast December 2025 to December 2026

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Mini Hydro	121.7	82.9	51.9	43.3	68.0	123.4	125.7	108.9	108.8	112.6	143.6	150.1	121.7
CEB Wind	20.9	20.3	21.0	12.2	5.7	43.0	58.9	52.4	51.1	48.4	21.4	14.3	20.9
IPP Wind	21.2	23.5	22.4	25.0	13.9	66.1	110.3	90.8	96.0	79.2	43.2	22.1	32.9
Bulk Solar	21.68	31.29	35.62	42.55	42.49	47.39	48.08	53.34	56.98	60.68	57.43	41.91	40.70
Bio mass W2E	13.4	13.4	12.1	13.4	13.0	13.4	13.0	13.4	13.4	12.9	13.4	13.0	13.4
CEB Roof Top Solar	130.8	170.7	171.9	188.7	167.2	163.4	155.4	176.4	177.0	185.7	179.6	159.5	166.0
LECO Roof Top	23.6	30.8	30.9	33.8	29.9	29.2	27.7	31.4	31.4	32.4	31.8	28.2	29.3
Total NCRE	353.5	373.0	345.9	359.0	340.3	485.9	539.0	526.7	534.6	531.9	490.5	429.2	424.9

Monday, 30 October 2023

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IMF trims SL's 2026 growth forecast to 3.1% as rebound normalises

Thursday, 30 October 2023 05:53  -  - 278

The International Monetary Fund (IMF) has revised Sri Lanka's 2026 growth forecast down to 3.1% from 3.5%, citing the economy's return to its long-term trend following a sharp post-crisis rebound.

IMF Asia and Pacific Department Deputy Director Thomas Helbling said the downgrade does not indicate renewed weakness but rather a normalisation after an exceptional recovery.

"Sri Lanka had a deep recession in 2022-2023 during the balance of payments crisis," he said. "With reforms supported by the IMF, there was a strong rebound—growth was about 5% last year and 4.8% in the first half of this year.

Some of that rebound was temporary, reflecting normalisation in activity. We now see the economy moving back to its trend growth of 3.1%, and that return is happening a bit sooner than expected."

Helbling said the IMF staff mission that visited Sri Lanka earlier this month to conduct the Fifth Review of the Extended Fund Facility (EFF) reached a staff-level agreement around 9 or 10 October. "That signals that the IMF has been satisfied," he noted, adding that the Government has continued to meet key performance criteria.

He highlighted progress on electricity pricing reforms—a continuous structural benchmark under the EFF arrangement, designed to reduce fiscal risks from State-owned utilities.

"The principle of cost recovery is a core principle enshrined in the program reforms, and the Government has continued to meet those benchmarks," Helbling said, noting that the early October assessment was positive.

On fiscal projections, Helbling said the IMF's focus remains on the current and following year. "Reforms are progressing. It is important for Sri Lanka to stay the course and complete its own home-grown reform program to bring the economy back on track and fully stabilise the economy," he said.

He added that concerns about fiscal outcomes beyond 2028 should be kept in perspective, emphasising that consistent implementation of the reform program will be key to sustaining macroeconomic stability and growth.

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வளிமண்டலவியல் திணைக்களம்
DEPARTMENT OF METEOROLOGY
ශ්‍රී ලංකාවේ இலங்கை SRI LANKA

Consensus Seasonal Weather Outlook
December, January and February (DJF)2025/26
Seasonal Rainfall and Temperature for Sri Lanka

These forecasts are prepared using

- The prevailing global climate conditions.
- Forecasts from different climate models from around the world.
- Statistical downscaling of GCM output using CPT

Issued by Centre for Climate Change Studies (CCCS)

and

Research Division

1. Prevailing global climate conditions

During the last 4 weeks, below average SSTs expanded and extended from the central to the eastern equatorial Pacific Ocean. Above average SSTs weakened in the far western Pacific. (source-CPC-NOAA)

1.1 El Nino and La Nina update

La Niña is favored to continue into the Northern Hemisphere winter, with a transition to ENSO-neutral most likely in January-March 2026 (61% chance) (source-CPC-NOAA)

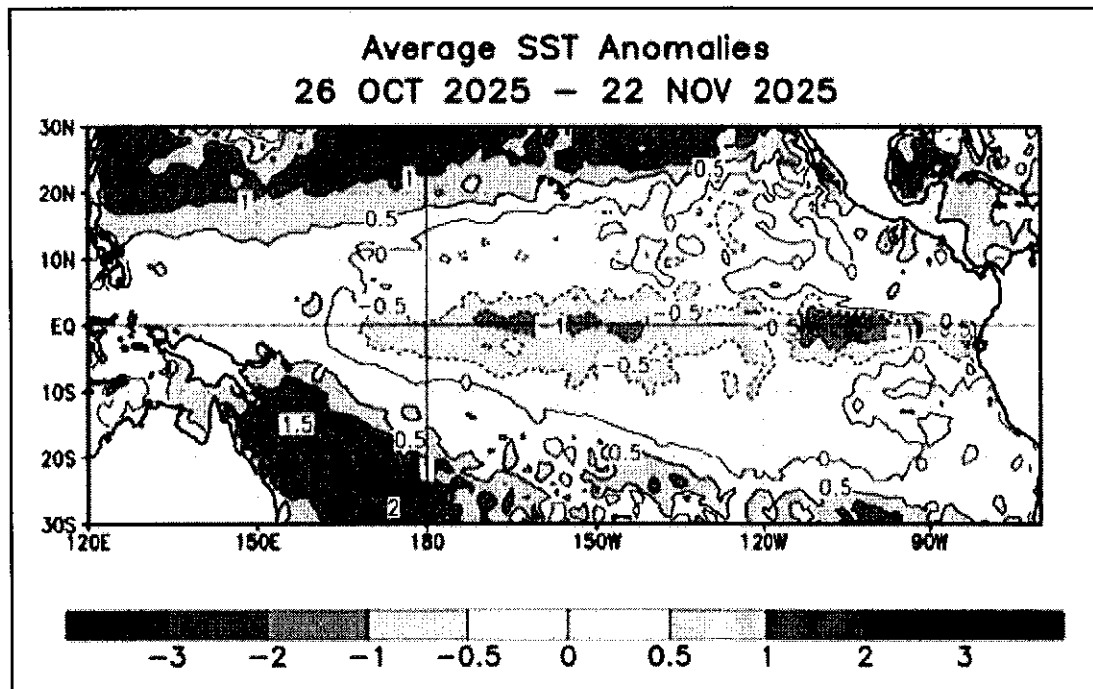


Fig 1: Observed Average Sea surface temperature (SST) anomalies (°C)

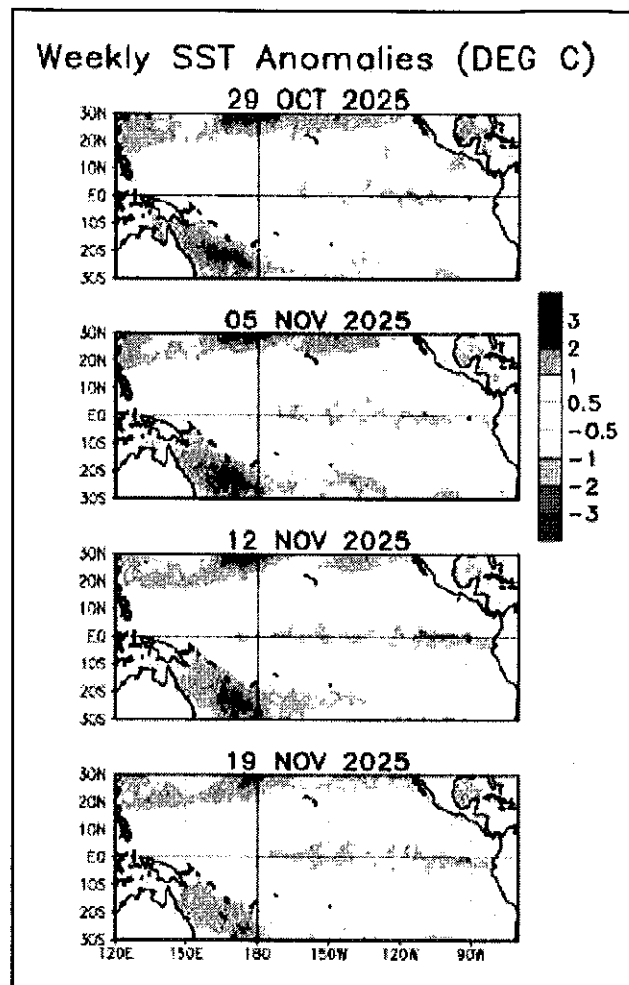


Fig 2: Weekly Observed Average Sea surface temperature (SST) anomalies (°C)

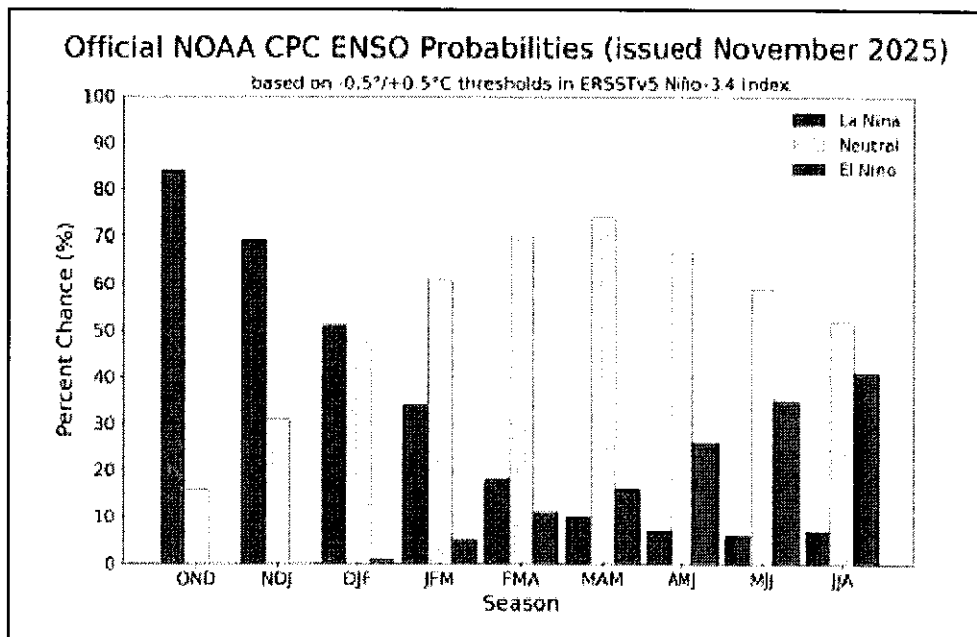


Fig 3a: ENSO forecast from Climate Prediction Center (CPC)/ IRI Forecast

1.1.1 Impacts of La Nina on monthly rainfall anomaly during December, January and February

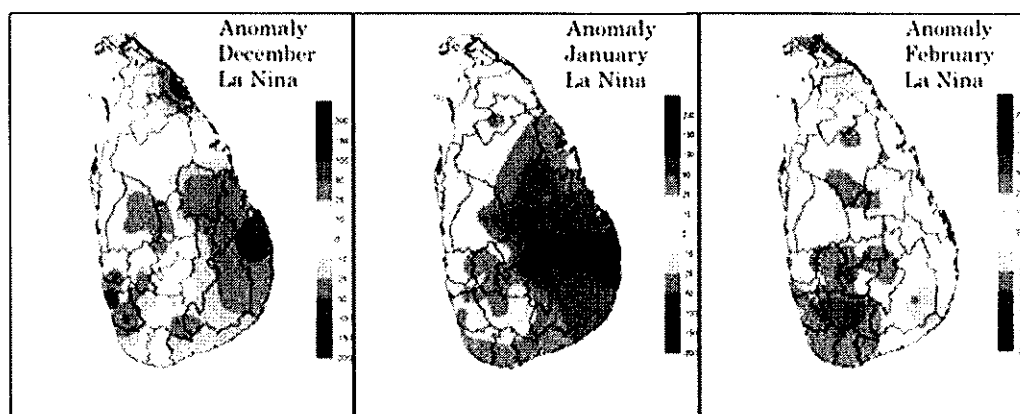


Fig 3b: Monthly Rainfall Anomaly maps of the months of December(A), January (B) and February (C) during La Nina years (Hapuarachchi et al 2016)

Research conducted by the Department of Meteorology, it has been found that, below normal rainfalls are possible over Western, Southern, Northern and Uva provinces and some areas in Sabaragamuwa and Eastern provinces and Polonnaruwa and Nuwara Eliya districts and above or near normal rainfalls are possible over remaining areas of the country during the month of December. During the month of January, above normal rainfalls are likely over most parts of the country and also during the month of February above normal rainfalls are likely over most parts of the country except some areas in Northern province and Monaragala, Hambantota and Ampara districts, where below normal rainfalls are possible, while the La Nina conditions were prevailed. (Fig 3b).

1.2 The Indian Ocean Dipole (IOD) update

The negative Indian Ocean Dipole (IOD) event remains active but has been weakening steadily over the past three weeks. The latest index value is -0.60°C for the week ending 23 November. The most global model predicts a return to a neutral IOD in December. (source- BOM, Australia).

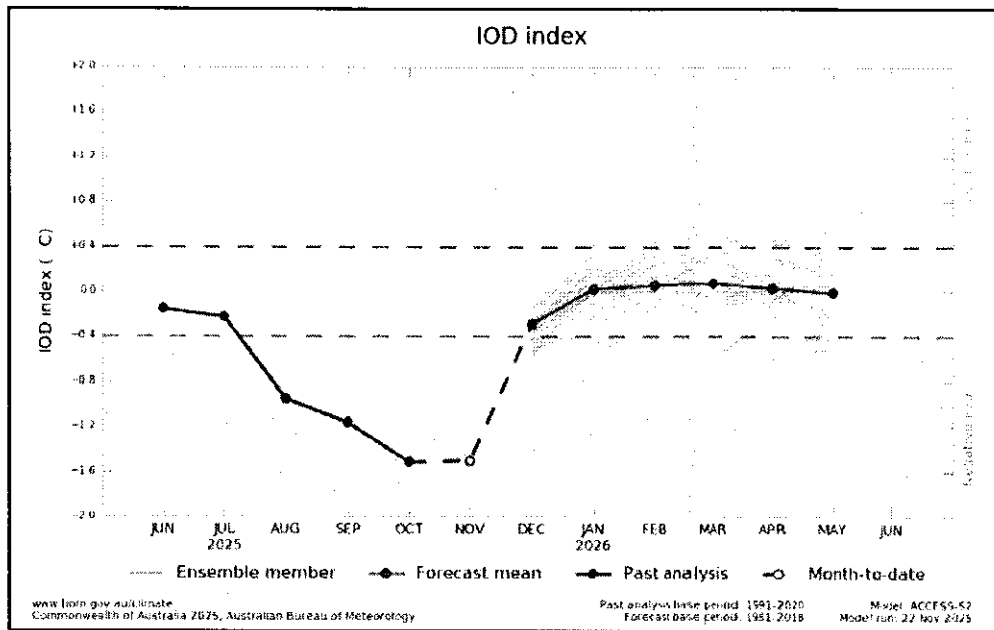


Figure 4a: IOD forecast from Australian Bureau of Meteorology

2. Forecasts from different climate models from around the world

2.1 December to February (DJF) 2025/26 season

Figure 5 shows the probabilistic multi model ensemble forecast which prepared by using dynamical models from 12 Global Producing Centers (GPC) for DJF season. According to that there is no clear signal indicated over the country during the DJF 2025/26 season.

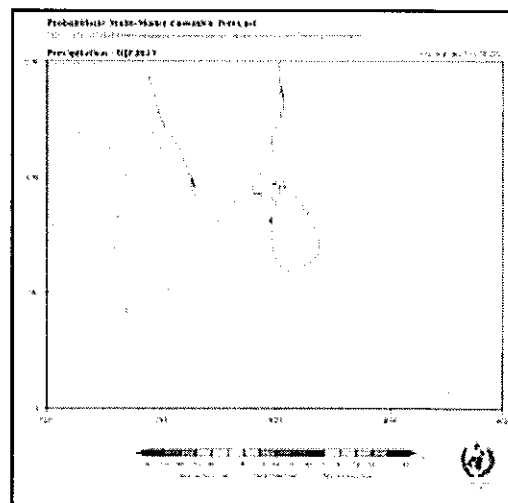


Fig 5: Probabilistic multi model ensemble forecast for DJF using dynamical models from 12 WMO global producing centers (GPC).

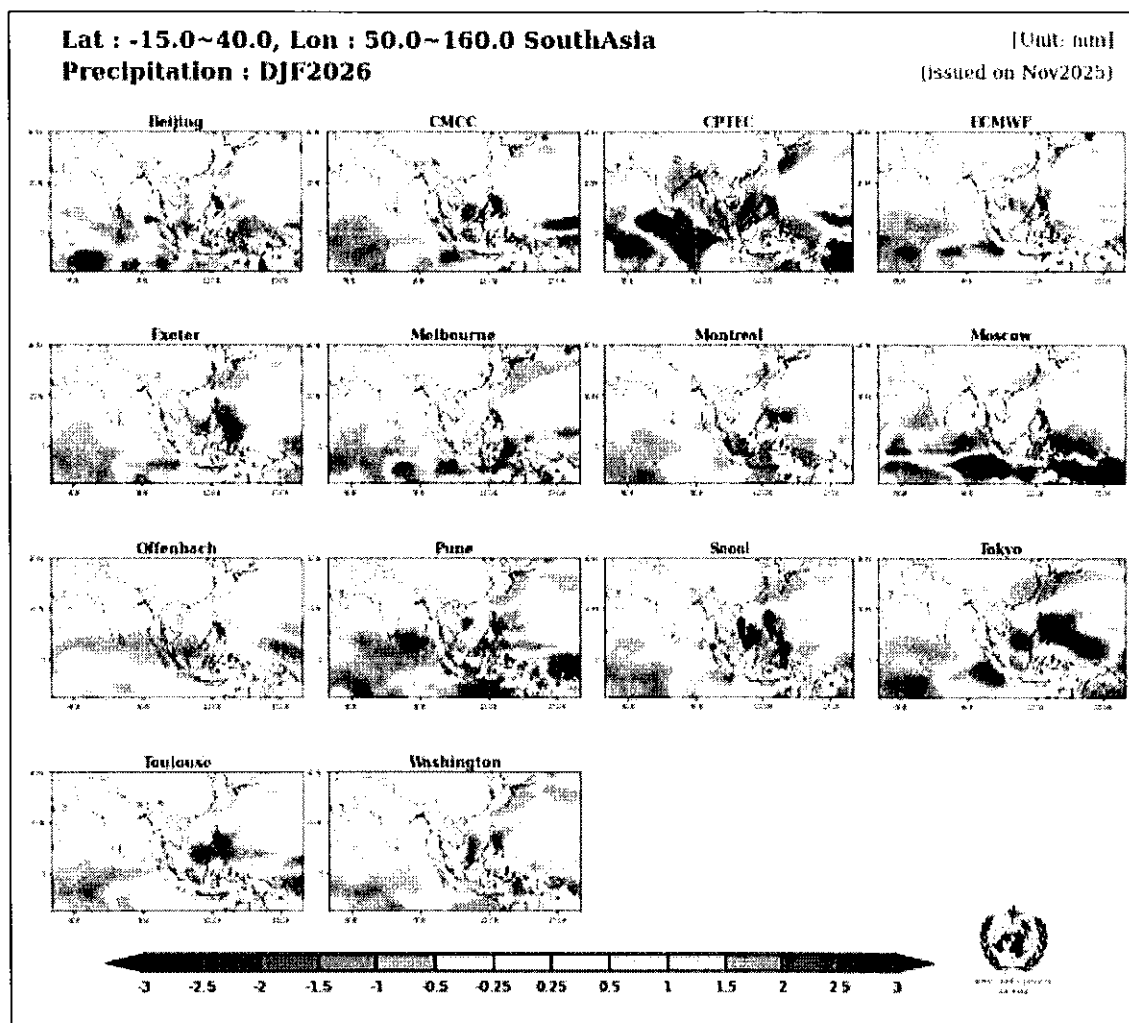


Fig 6: Individual forecasts for DJF 2025/26 season by dynamical models from 14 WMO global producing centers (GPC).

Figure 6 depicts individual forecasts provided by same GPC centers for the DJF season. Out of 14 GPC individual models, 4 GPC models predicted above normal rainfall and 4 GPC models predicted below normal rainfall. There is no clear signal indicated in 6 GPC models. Accordingly, equal chances exist of receiving below, about or above normal rainfall all over the country during the DJF 2025/26 season.

2.2 Monthly Forecast for December 2025, January and February 2025

Figure 7 shows the probabilistic multi model ensemble forecasts, which are prepared by using dynamical models from 12 global producing centers (GPC), for the months of December 2025 and, January and February 2026. According to that, during the months of December below normal rainfalls are likely over southern parts of the country while no clear signal indicated for remaining area of the country. There is no clear signal indicated all over the country for the months of January and February 2026. Equal chances exist of receiving below, about or above normal rainfall over no signal areas of the country during the period.

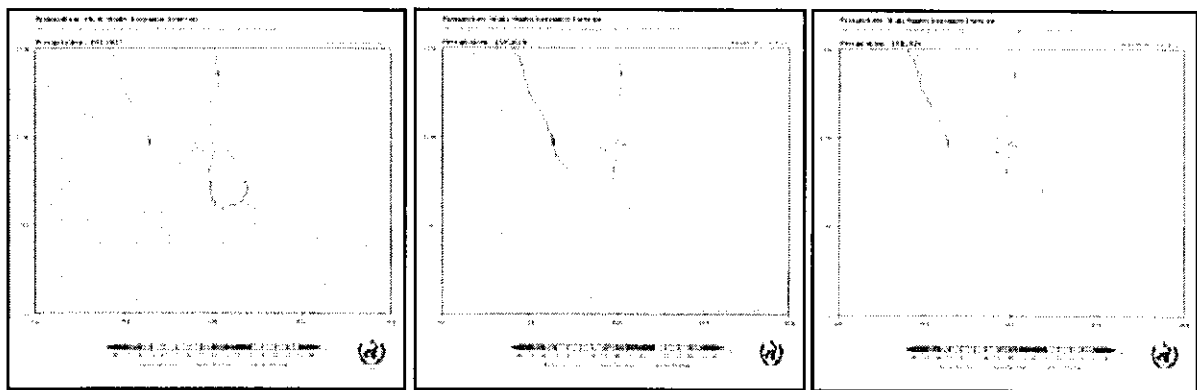


Fig 7: Probabilistic multi model ensemble forecast for December (left) 2025, January (middle) and February (right) 2026 using dynamical models from 12 WMO global producing centers (GPC).

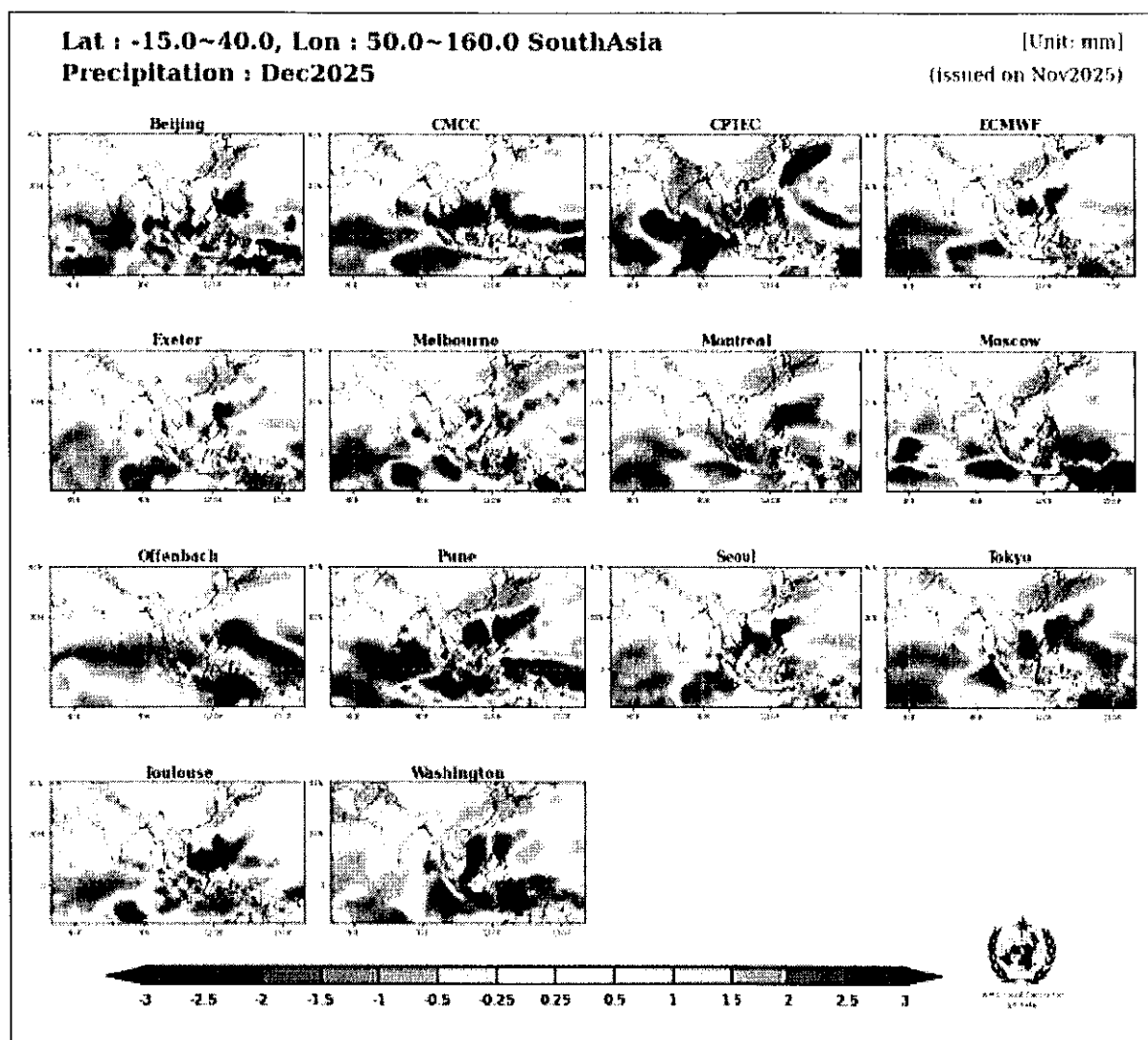


Fig 8: Individual forecast for December 2025 by dynamical models from 14 WMO global producing centers (GPC).

Figure 8 shows the monthly forecasts from individual global producing centers (GPC) for December 2025. Out of 14 GPC forecasts, 4 GPC models predicted above normal rainfalls and 6 GPC model predicted below normal rainfalls over the country. There is no clear signal indicated in 5 GPC models. Accordingly, equal chances exist of receiving below, about or above normal rainfall all over the country during month of December 2025.

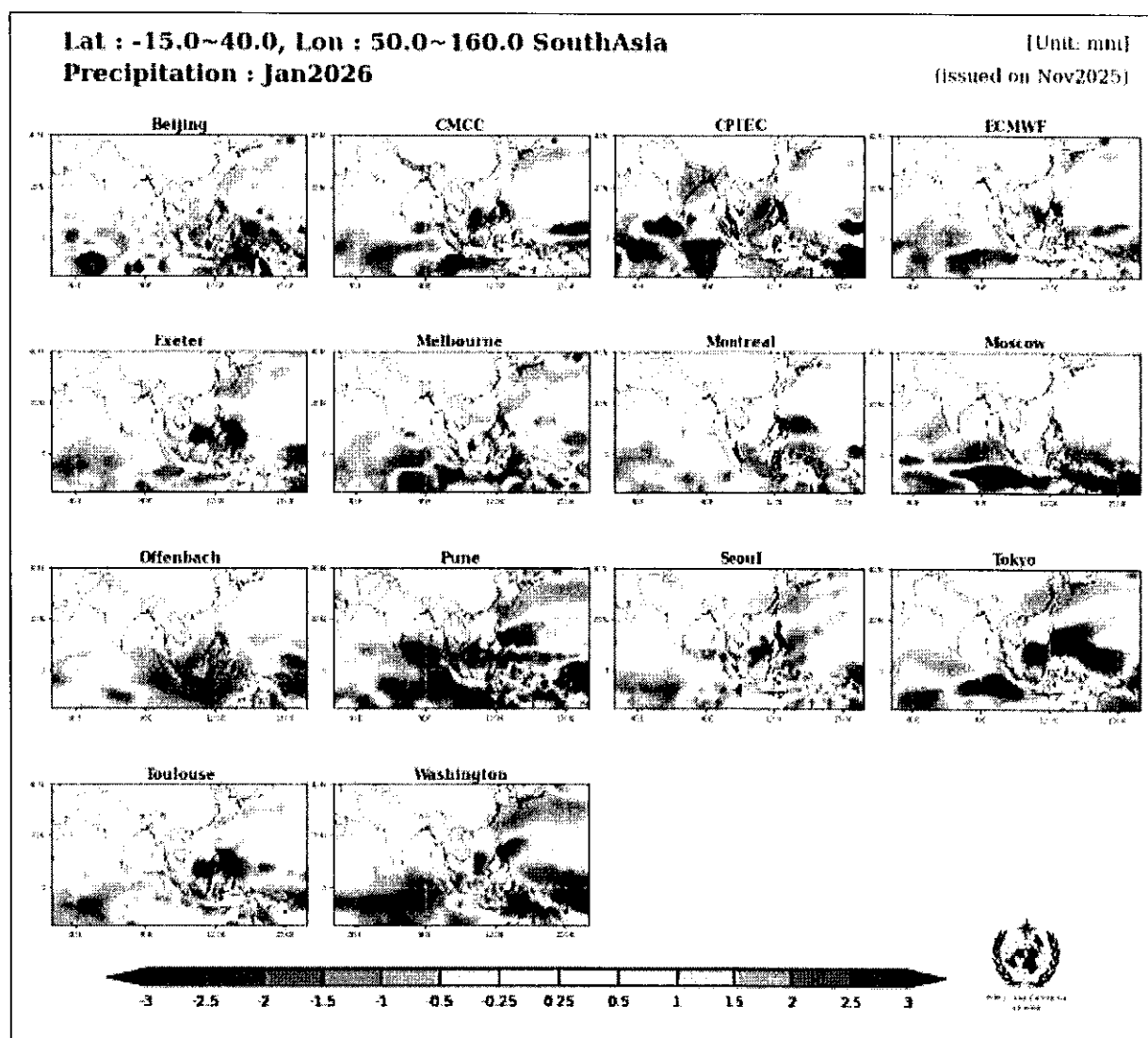


Fig 9: Individual forecast for January 2026 by dynamical models from 14 WMO global producing centers (GPC).

Figure 9 shows the monthly forecasts from individual global producing centers (GPC) for January 2026. Out of 14 GPC forecasts, 6 GPC models predicted above normal rainfall and 1 GPC model predicted below normal rainfall over the country. There is no clear signal indicated in 7 GPC models. Accordingly, below, about or above normal rainfalls are expected over the country during the month of January 2026.

Lat : -15.0~40.0, Lon : 50.0~160.0 SouthAsia
Precipitation : Feb2026

[Unit: mm]
 (issued on Nov2025)

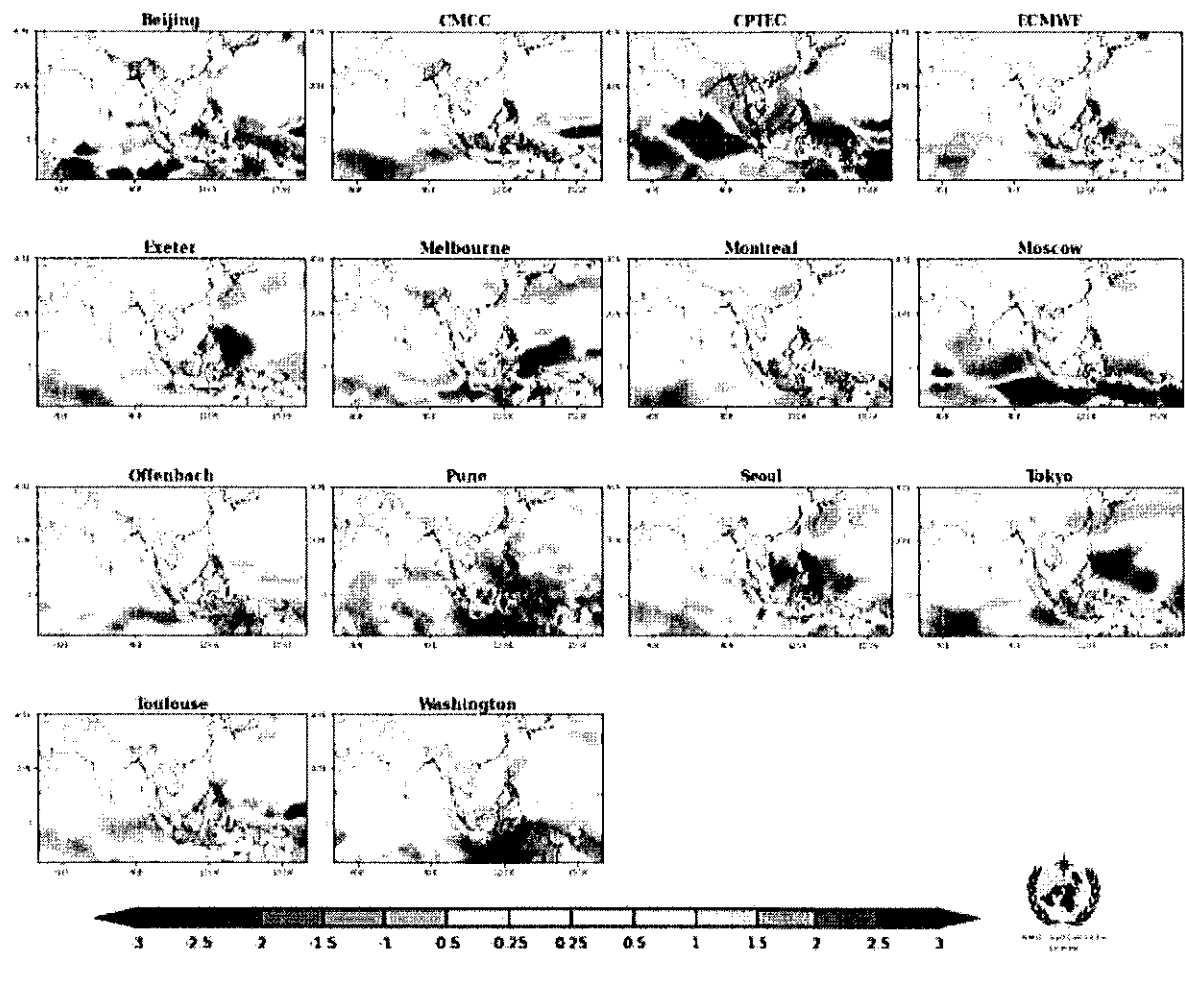


Fig 10: Individual forecast for February 2025 by dynamical models from 14 WMO global producing centers (GPC).

Figure 10 shows the monthly forecasts from 14 individual global producing centers (GPC) for February 2026. Out of 14 GPC forecasts, 3 GPC models indicate above normal rainfall and 1 GPC model indicate below normal rainfall over the country. There is no clear signal indicated in 10 GPC models. Accordingly, it can be expected below, about or above normal rainfall over the country during the month of February 2026.

3. Statistical downscaling of CFSv2 global forecast output

3.1 Probabilistic rainfall forecast for DJF season 2025/26 using Climate Predictability tool (CPT)

The following district wise probabilistic rainfall forecasts for the season of DJF 2025/26 have been prepared with the multi model ensemble method to downscale, SST data of CFSv2, CCSM4, GFDL and ECMWF by using CPT.

The district wise 30-year average rainfalls during DJF season are given in the column 2 of the table 1. Chance (probability) of receiving below/about/above average is given in the columns 3, 4, and 5 respectively in the table 1.

District	Average rainfall (mm) -DJF (1981-2010)	Probability%		
		Below	Normal	Above
Colombo	361.3	40	45	15
Kalutara	490.9	50	40	10
Galle	465.4	45	40	15
Matara	416.5	15	45	40
Hambantota	280.5	15	40	45
Ampara	665.7	25	40	35
Batticaloa	695.5	25	40	35
Trincomalee	516.4	20	45	35
Mullaithivu	403.9	20	45	35
Jaffna	341.5	25	45	30
Killinochchi	373.8	25	45	30
Mannar	301.4	30	45	25
Puttalam	201.4	20	45	35
Gampaha	256.4	30	45	25
Kegalle	337.6	20	45	35
Ratnapura	470.0	15	40	45
Monaragala	455.0	15	40	45
Badulla	683.5	30	45	25
Pollonnaruwa	597.6	25	45	30
Vavuniya	366.8	25	45	30
Anuradapura	360.0	25	45	30
Kurunegala	239.2	30	45	25
Matale	689.7	50	40	10
Kandy	537.5	50	40	10
Nuwaraeliya	466.6	30	45	25

Table 1: Probabilistic Rainfall Forecast for DJF season 2025/26 using CPT

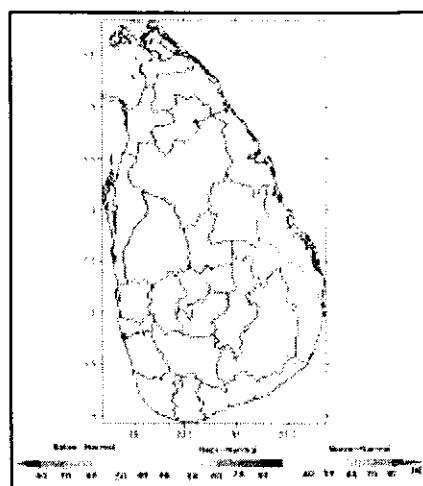


Fig 11: Probabilistic rainfall forecast for December 2025 –February 2026 using CPT

According to the CPT (Fig 11 and table 01), above normal rainfalls can be expected in, Rathnapura, Monaragala and Hambantota districts and below normal rainfalls are expected in Matale, Kandy, Kalutara and Galle districts. There is no clear signal indicated in Ampara and Batticaloa districts and near normal rainfall are expected over remaining areas of the country. Accordingly, equal chances exist of receiving below, about or above normal rainfall over no signal areas of the country for DJF Season 2025/26.

3.2 Multi-model ensemble mean forecast of NMME models

This probabilistic forecast is developed by combining direct Forecasts from 5 NMME models (CFS, Can SIPS, GFDL, COLA and NASA) with the forecasts obtained by statistically processing of each model.

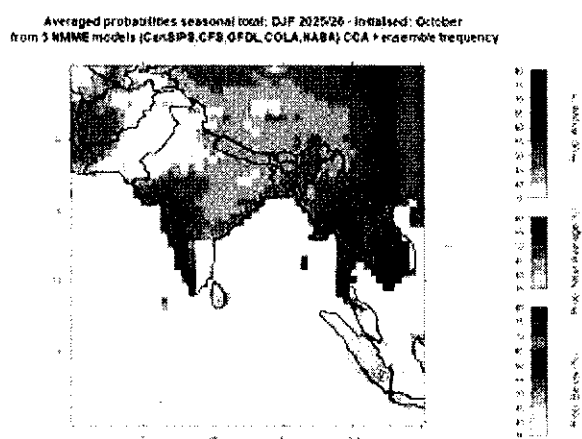


Fig 12. Average probability forecast of NMME models for DJF 2025/26

According to the model below normal rainfalls are expected over most parts of the country during DJF 2025/26 season.

3.3 Probabilistic rainfall forecast for DJF 2025/26 season using RIMES FOCUS System

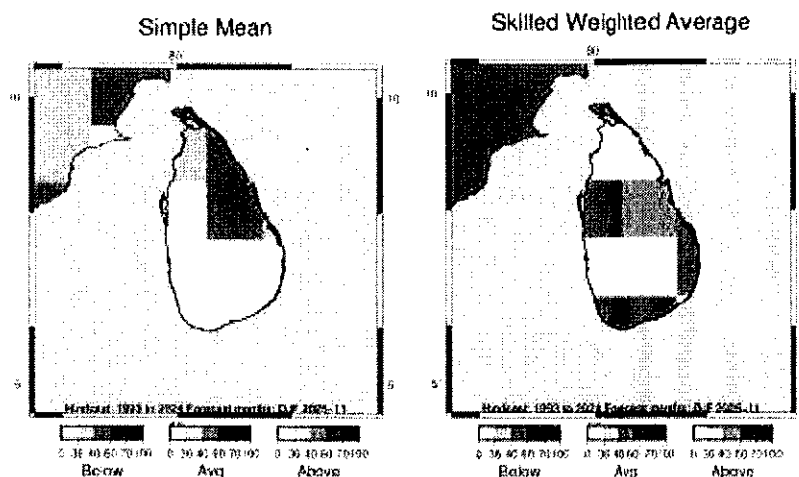


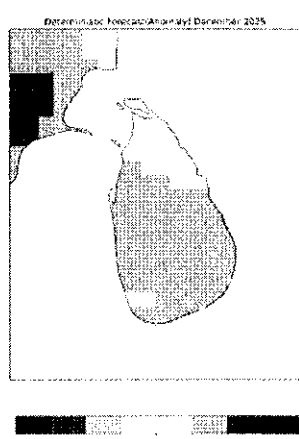
Fig 13. Probabilistic rainfall forecast for December 2025-February 2026 using RIMES FOCUS System

Figure 13 depicts the Probabilistic rainfall forecast for DJF 2025/26 season, which has been prepared by using RIMES FOCUS System. According to the model outputs there is no clear signal indicated over the country during DJF season 2025/26.

3.4 XCAST Output - Ensemble Forecast (CFSV2, and CCSM4) December 2025

XCast is a Python Climate Forecasting toolkit - It is a set of flexible functions and classes that implement any forecasting workflow. It uses Xarray and Dask Parallelism to apply statistical and machine learning methods to any kind of gridded climate data quickly and efficiently.

Deterministic RF Forecast (Anomaly)



Probabilistic RF Forecast

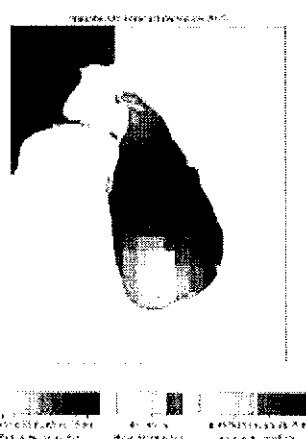


Fig 14. Deterministic rainfall Forecast (Anomaly)-(left) and Probabilistic rainfall Forecast (right) for December 2025 using XCAST Tool

1. Deterministic Forecast (Anomaly) — December 2025

The deterministic anomaly map shows predominantly positive rainfall anomalies across most parts of Sri Lanka for December 2025. This implies that the model predicts above-normal rainfall for many regions. The deterministic anomaly map shows predominantly positive rainfall anomalies across most parts of Sri Lanka for December 2025. This implies that the model predicts above-normal rainfall for many regions.

2. Probabilistic Forecast — December 2025

- The probabilistic map shows the likelihood (%) of above-normal rainfall categories.
- Both deterministic and probabilistic maps point toward a wetter-than-normal December for most regions of Sri Lanka.

4. SUMMARY:

SUMMARY of MODEL FORECAST for DJF 2025 season for SRI LANKA						
SEASON	WMO LC MME	WMO GPC	CPT	FOCUS	Impact of Global conditions	Final Rainfall Forecast
DJF season 2025/26	No Signal	No Signal	AN - Rathnapura, Monaragala and Hambantota districts. BN - Matale, Kandy, Kalutara and Galle districts No Signal - Ampara and Batticaloa districts NN - Elsewhere	No Signal	La Nina condition is present and prevailing -ve IOD is likely to be neutral in December	Above normal over Northern, province, near normal over North-central, Eastern and Uva provinces and below normal over Western and Northwestern provinces. There is an equal chance of having near/above/below normal rainfalls elsewhere.
December 2025	BN- northern parts of the country No Signal - Elsewhere	No Signal				Above normal over Northern, province, near normal over North-central, Eastern, Central and Uva provinces and below normal over Western and southern provinces. There is an equal chance of having near/above/below normal rainfalls elsewhere
January 2026	No Signal	No Signal				Above normal rainfalls over Northern province and near normal rainfalls over remaining areas.
February 2026	No Signal	No Signal				Equal chance of having above, or near or below normal rainfalls over most parts of Country

Table 2: Summary of Model Forecasts for DJF season 2025/26

BN: Below Normal NN: Near Normal AN: Above Normal CP: Climatological Probability

4.1 Summary of prevailing global climate conditions

La Niña is favored to continue into the Northern Hemisphere winter, with a transition to

ENSO-neutral most likely in January-March 2026 (61% chance)

The negative Indian Ocean Dipole (IOD) event remains active but has been weakening steadily over the past three weeks. The latest index value is -0.60°C for the week ending 23 November. The most global model predicts a return to a neutral IOD in December.

5. Consensus Seasonal outlook for December 2025, January and February 2026

Considering the prevailing global climate conditions, forecasts from different global climate models and statistical downscaling of GCM output using CPT, consensus forecasts for December to February 2025/26 season is concluded as follows.

5.1 Rainfall forecast for the three months period during December-January-February (DJF) 2025/26

There is a possibility for having above normal rainfall over Northern Province, near normal over North-central, Eastern and Uva provinces, below normal over Western and Northwestern provinces. There is an equal chance of having near/above/below normal rainfalls elsewhere during DJF 2025/26 as a whole.

In addition to that, development of the synoptic scale systems such as wavy type disturbances, lows, depressions and cyclones are also possible during the months of December and January. If so, rainfall can increase.

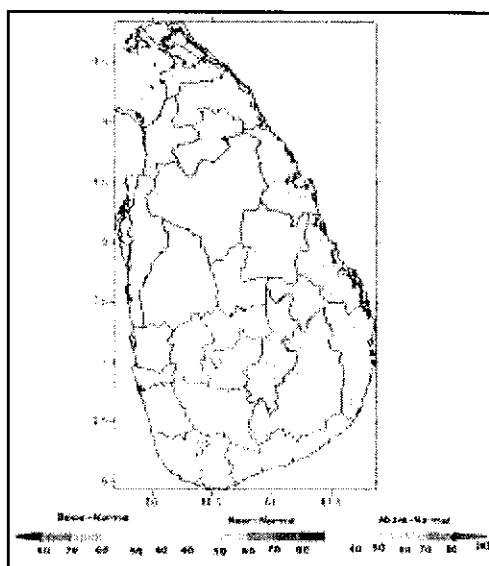


Fig 14. Consensus Probabilistic rainfall forecast for December 2025–February 2026

5.2 Rainfall forecast for December 2025

There is a higher chance of having above normal rainfall over Northern Province, near normal over North-central, Eastern, Central and Uva provinces and below normal over Western and Southern

provinces. There is an equal chance of having above or near or below normal rainfalls over remaining areas during the month of December 2025.

There is a possibility for developing atmospheric disturbances, such as wavy type disturbances, depressions and cyclones during the month. If so, rainfall will increase.

5.3 Rainfall forecasts for January 2026

There is a possibility for above normal rainfall over Northern Province and near normal rainfalls over remaining areas during the month of January 2025.

Development of the synoptic scale systems like wavy type disturbances are also possible during the month. If so forecast can be deviated.

5.4 Rainfall forecasts for February 2026

According to the available global model forecasts, there is an equal chance of having above or near or below normal rainfalls over most parts during the month of February 2025.

****Remarks-:** The predictability is also limited due to strong day-to-day atmospheric variability caused by the passage of the synoptic scale systems such as lows and depressions. Intraseasonal Oscillations such as Madden Julian Oscillations (MJO) is also another atmospheric phenomenon which can't be underestimated.

5.5 Probabilistic Temperature Forecast from December to February 2025/26 (DJF)

The probabilistic Temperature forecast for December, January and February season (DJF) 2025/26 for Sri Lanka as given below.

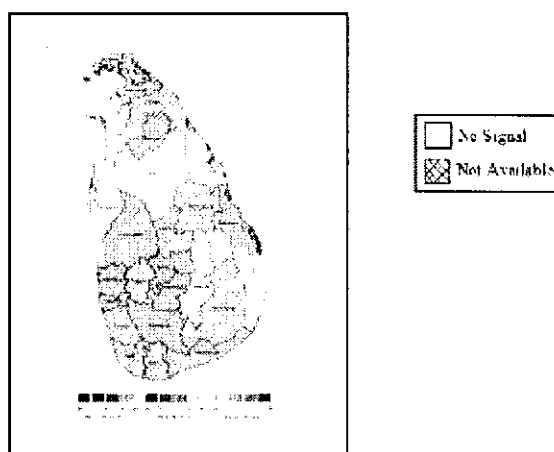


Fig 15: Probabilistic forecast for Maximum Temperatures for DJF season 2025/26

Fig 15 and Table 3 show the probabilistic forecast for Maximum Temperatures during DJF season 2025/26.

There is a higher chance of experiencing slightly above the normal Maximum Temperatures in Vavunia, Kurunegala, Gampaha, Colombo, Galle, Hambanthota, Rathnapura, Nuwara Eliya, Kandy and Batticaloa districts and there is no clear signal indicated in Mannar, puttalam, Anuradhapura, Batticaloa, Badulla and Ampara for the DJF season 2025/2026.

District	Average Maximum Temperature (°C) – (DJF)	Probability %		
		Below	Normal	Above
Anuradhapura	21.9	30	40	30
Badulla	18.0	40	35	25
Batticaloa	23.6	15	30	60
Colombo	23.1	20	35	45
Galle	23.4	20	30	50
Hambantota	23.3	10	25	65
Katugastota	19.0	20	30	50
Katunayake	22.4	25	35	40
Mannar	23.9	30	30	40
Mahalluppallama	21.1	20	30	50
NuwaraEliya	10.5	25	30	45
Pottuvil	22.3	30	35	35
Puttalam	22.1	25	35	40
Ratnapura	22.2	20	30	50
Ratmalana	23.0	25	30	45
Trincomalee	24.1	30	30	40
Vavuniya	21.0	25	30	45
Kurunegala	21.3	20	30	50
Bandarawela	15.2	20	30	50

Table 3: probabilistic forecast for Maximum Temperature for DJF season 2025/26

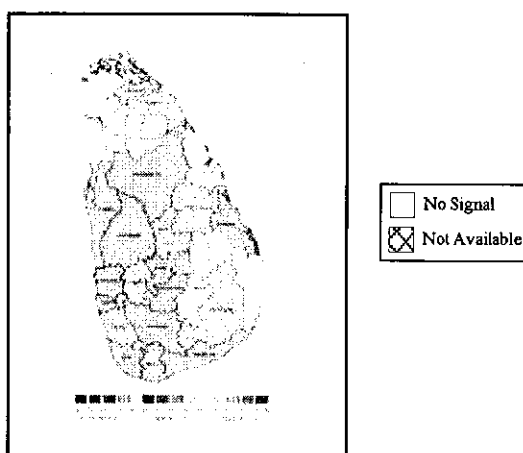


Fig 16: Probabilistic forecast for Minimum Temperatures for DJF season 2025/26

Fig 16 and Table 4 provide the probabilistic forecast for Minimum Temperatures during DJF season 2025/26.

Accordingly, there is a higher chance of experiencing slightly above the normal Minimum Temperatures in Anuradhapura, Puttalam, Kurunegala, Gampaha, Colombo, Galle, Hambanthota, Rathnapura, Nuwara Eliya, Kandy and Batticaloa districts and there is no clear signal indicated in Mannar, Vavuniya, Trincomalee, Amara and Badulla districts during DJF season 2025/26

District	Average Minimum Temperature (°C) – (DJF)	Probability %		
		Below	Normal	Above
Anuradhapura	21.9	10	30	60
Badulla	18.0	25	35	40
Batticaloa	23.6	15	30	55
Colombo	23.1	5	25	70
Galle	23.4	5	25	70
Hambantota	23.3	5	30	65
Katugastota	19.0	20	30	50
Katunayake	22.4	10	30	60
Mannar	23.9	30	35	35
Mahalluppallama	21.1	20	30	50
NuwaraEliya	10.5	15	30	55
Pottuvil	22.3	30	35	35
Puttalam	22.1	20	30	60
Ratnapura	22.2	10	30	60
Ratmalana	23.3	5	25	70
Trincomalee	24.1	30	30	40
Vavuniya	21.0	30	30	40
Kurunegala	21.3	20	30	50
Bandarawela	15.2	15	30	55

Table 4: Probabilistic forecast for Minimum Temperatures for DJF season 2025/26

Note- Temperature forecasts are not available in Matara, Kegalle, Kalutara, Monaragala, Polonnaruwa, Jaffna, Killinochchi, Mullativu and Mathale districts due to unavailability of Climate data.

**Ministry of Energy letter dated
Sep 01,2025 (Ref: PE/01/211)
to CEB**

ලංකා විදුලිබල මණ්ඩලය
இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD



Your ref:

My ref: DGM(CS&RA)/TRF/Trf. 2025

Date: July 1, 2025


Secretary,
Ministry of Energy.

Amendment of General Policy Guidelines to revise the tariff period from three months to six months

This has referenced to your letter no. PE/01/46 dated 2025-01-02 regarding the above subject.

Accordingly, a report justifying the necessity of revising the period for electricity tariff revision from three months to six months has been prepared and is hereby forwarded for your information and necessary actions, please.

Yours faithfully
CEYLON ELECTRICITY BOARD


Eng. Wasantha Edussuriya
Actg. General Manager
Ceylon Electricity Board

Eng. W. Edussuriya
Actg. General Manager
Ceylon Electricity Board

Copy to:

- | | |
|-----------------------|----------|
| 1. Chairman, CEB | - fi pl. |
| 2. Addl. GM (CS) | - fi pl. |
| 3. Addl. GM (Tr. NWO) | - fi pl. |

OFFICE OF THE GENERAL MANAGER

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**Ministry of Energy letter dated
Jan 02,2025 (Ref: PD/01/46) to
CEB and LECO**

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இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD



**Report to IMF on the Necessity of Reversion of Tariff Period
from 3 Months to 6 Months**

July 1, 2025

**Corporate Strategy & Regulatory Affairs Branch
Corporate Strategy Division
Ceylon Electricity Board**

1. Introduction

This report is prepared in reference to Cabinet Decision No. 24/2155/825/011 dated 2024-12-18 upon the observations by the Hon. Minister of Finance, Planning and Economic Development on the same date. The purpose of this report is to provide justification for reverting the current electricity tariff revision period from three months to six months. This revision is proposed for submission during the next staff-level review under the Extended Fund Facility (EFF) program with the International Monetary Fund (IMF).

The period for electricity tariff revision originally was semiannual and this has enforced to be an automatic forward-looking cost recovery mechanism as per the Joint Cabinet Memorandum no. 22/1877/604/077 dated 2022-11-21. Further, it was emphasized on developing a Bulk Supply Transaction Account (BSTA) reporting system and financial independency of Ceylon Electricity Board (CEB) from the General Treasury.

Later, the Cabinet approved a shift from a biannual to a quarterly tariff revision cycle, as referenced in Cabinet Letter No. 23/2066/621/092 dated 2023-10-31, following the Cabinet Meeting on 2023-10-30. However, during implementation, several challenges have arisen due to the shortened three-month cycle.

2. Key Challenges with the Current 3-Month Cycle

With the prevailing three-month tariff cycle, CEB has operated under this framework throughout 2024 and 2025. Over this period, a number of practical challenges have emerged, highlighting significant limitations in the current approach

2.1 Misalignment with Billing Cycles

The regular monthly billing cycle does not align with the calendar month currently. As a result, the impact of price elasticity on customer demand following a tariff revision cannot be accurately observed within the shortened timeframe. This leads to difficulties in forecasting customer sales and maximum demand with precision, hindering the ability to develop a well-informed and data-driven proposal for subsequent tariff adjustments.

2.2 Absence of a Revised Tariff Methodology

The Public Utilities Commission of Sri Lanka (PUCSL)-approved Tariff Methodology (January 2021) has not been revised to align with the above policy changes. As a result, a properly approved methodology for tariff revision is currently unavailable. Further, templates used for tariff filing have not been revised to be in line with three months filing even though the government policy change was done.

2.3 Lag in Tariff Impact Realization

Historical revenue data from before and after the tariff adjustment indicates that it takes approximately 8~12 weeks for the full impact of the tariff change to be realized (Figure 1).

Additionally, the process for submitting and implementing a tariff revision requires a minimum of 8 weeks—comprising 3 to 4 weeks for preparation of the proposal by CEB and an additional 5 weeks for the PUCSL (including 3 weeks for public consultation). Therefore, the total time needed to prepare a high-quality proposal and implement amounts to about 16 weeks, which exceeds the 3-month timeframe.

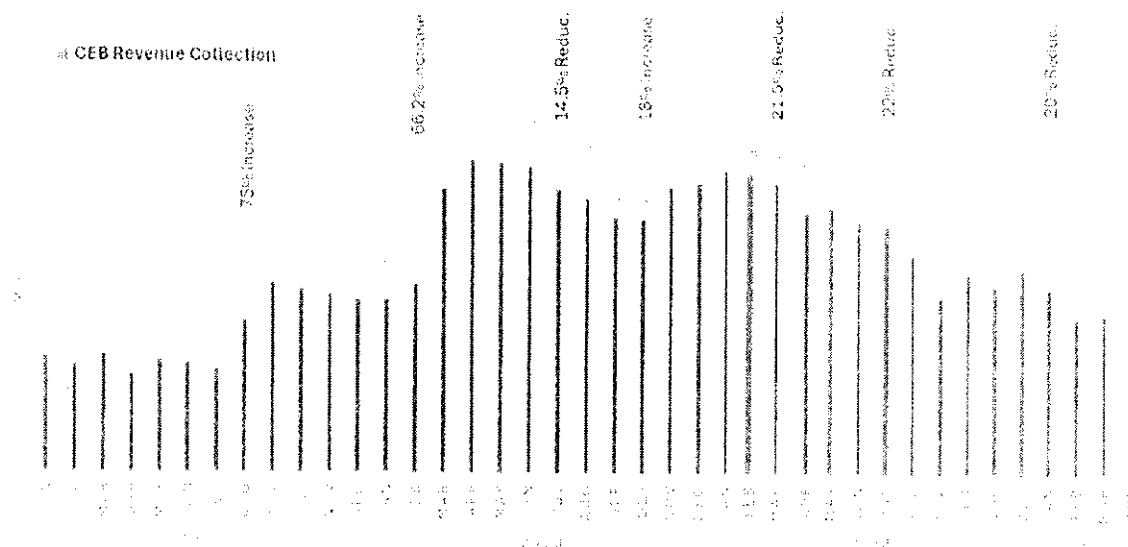


Figure 1: CEB Revenue Collection 2022 – 2025 April

2.4 Stakeholder and Customer Challenges

Several customer complaints indicate that frequent tariff changes have created difficulties in evaluating product costings, cost of projects and development plans of industries, businesses etc. This unpredictability has affected the export/import market by introducing fluctuations in energy costs, complicating the long-term financial planning of industries and businesses.

Area Engineers have also reported an increase in customer complaints related to bill calculations, caused by frequent tariff changes. This has added administrative burdens and increased operational costs, diverting resources away from other essential functions and affecting service efficiency.

3. Legal and Procedural Flexibility

As per Section 30(3) of the Sri Lanka Electricity Act, No. 20 of 2009 (as amended), the PUCSL has published Extraordinary Gazette No. 1978/21 dated 2016-08-02, which specifies the timelines for tariff reviews applicable to each licensee (Annex I).

Clause C of Part I of the said Gazette provides for extraordinary tariff revisions, offering regulatory flexibility to address unforeseen financial or operational issues. Accordingly, if a situation arises that affects the financial capability of CEB, an extraordinary tariff revision may be effected for this purpose.

4. BSTA Mechanism

Automatic tariff adjustments can also be facilitated through the operationalization of the BSTA. According to the BSTA Operational Guidelines issued by the PUCSL, if the bank balance of the BSTA exceeds \pm LKR 15 billion for two consecutive weeks, a corresponding \pm 10% end-user tariff adjustment must be implemented. As per the current status, the BSTA has crossed the negative threshold of LKR 15 billion for two consecutive weeks, thereby triggering a 10% end-user electricity tariff increase in accordance with the approved guidelines.

4.1 January 2025 Tariff Adjustment Issue

It is important to highlight that in its January 2025 tariff proposal, CEB recommended maintaining the July 2024 tariff structure for the upcoming tariff period. This recommendation was based on CEB's anticipated financial projections for the first half of 2025. However, despite the thorough nature of CEB's submission, the PUCSL proceeded with its own projections and unilaterally implemented a 20.08% reduction in end-user tariffs, without prior consultation with CEB. The consequences of this decision became evident in the subsequent months, as the net balance of the BSTA turned increasingly negative—clearly attributable to the tariff reduction introduced in January 2025.

As a result, the IMF programme was adversely impacted, prompting the implementation of a 15% tariff increase with effect from 2025-06-12 to realign with fiscal and sectoral recovery targets.

4.2 Movement of BSTA and Collaborative Measures Taken

The movement of the BSTA over time is illustrated in the Figure 2 below.

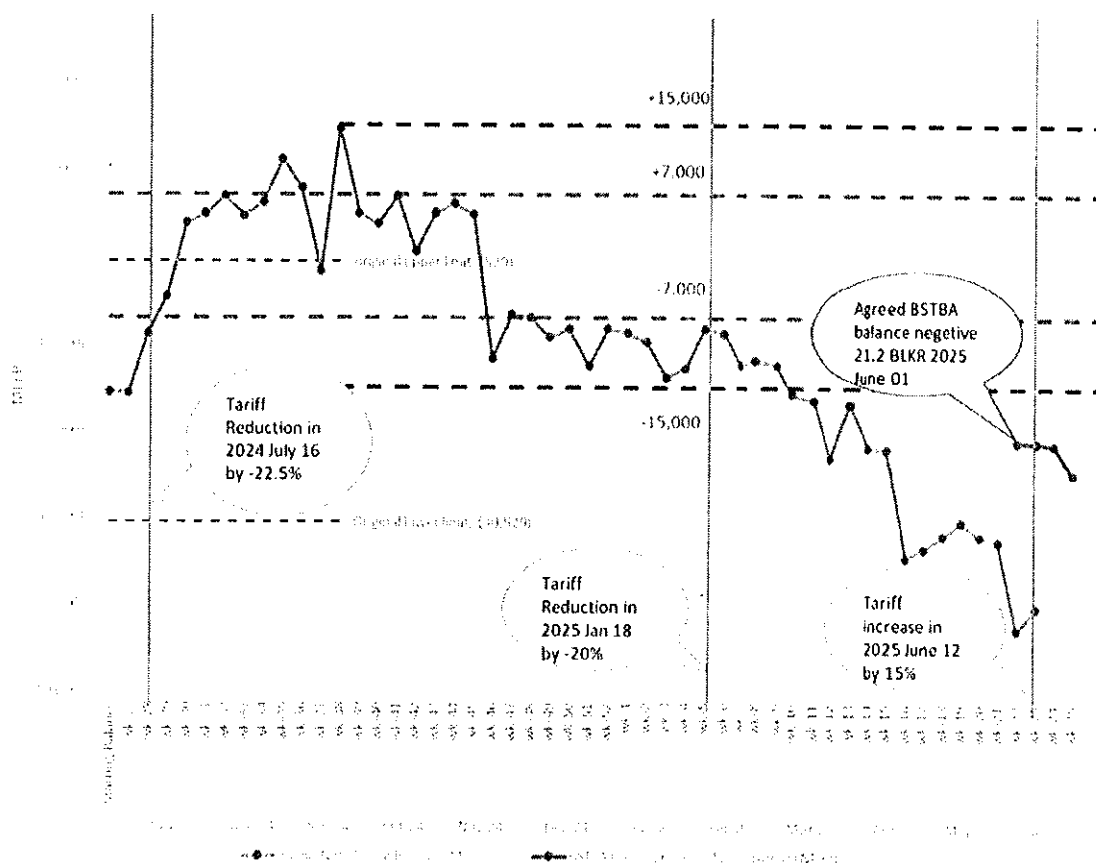


Figure 2: Movement of the BSTA

In support of the IMF programme and to improve financial transparency and sustainability in the electricity sector, PUCSL and CEB jointly agreed to operationalize the BSTA through a revision to the guidelines (Annex II).

In addition to above, CEB has proposed a set of amendments to the BSTA guidelines issued on 2025-06-11 vide letter no. DGM(CS&RA)/TRF/BSTA/01 dated 2025-06-19 (Annex III).

5. Justification for Reverting to a 6-Month Tariff Cycle

The current three-month tariff revision cycle has presented significant operational, regulatory, financial, and customer-related challenges that outweigh its intended benefits. Extending the tariff period to six months is expected to bring stability, improve forecasting, and enhance stakeholder confidence.

Reverting to a six-month cycle will:

- Allow sufficient time for accurate data gathering and analysis.
- Improve proposal quality and public/stakeholder engagement.
- Alleviate administrative burdens and customer dissatisfaction.
- Ensure alignment with IMF structural benchmarks without adverse impact.

6. Recommendations

In light of the challenges and rationale outlined above, it is recommended to:

1. Revert the tariff revision cycle from 3 months to 6 months.
2. Forward this report to the Ministry of Finance for necessary policy action.

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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

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No. 1978/21 - TUESDAY, AUGUST 02, 2016

(Published by Authority)

PART I : SECTION (I) — GENERAL
Government Notifications

L.D.B. 3/2009

SRI LANKA ELECTRICITY ACT, No. 20 OF 2009

RULES made by the Public Utilities Commission of Sri Lanka under Section 53 of the Sri Lanka Electricity Act, No. 20 of 2009, read with Section 30(3) of the aforesaid Act.

Chairman,
Public Utilities Commission of Sri Lanka.

Colombo,
29th July 2016.

RULES

1. These Rules may be cited as the Electricity (Procedure for Review and Adjustment of Tariffs) Rules No. 03 of 2016.
2. Each Licensee shall, in accordance with the-
 - (a) Tariff Methodology specified under Section 30(2)(a) of the Act and approved by the Commission ; and
 - (b) Tariff Review and Adjustment Detailed Procedure,

make a tariff filing to the Commission for approval of their Allowed Revenue as well as Review and Adjustment of Tariffs.
3. Each Licensee when making a tariff filing to the Commission shall provide adequate information as set out in the information filing requirements and formats specified by the Commission in accordance with the Tariff Methodology.
4. The tariff Review and Adjustment shall be carried out in accordance with the determination and approved of the Commission of-



- (i) the allowed revenues which the Licensee is entitled to collect from their customers ; and
- (ii) the tariff schedule for end-use customers considering the subsidies to be applied for each customer category which allows the Licensee to collect their Allowed Revenue.

under the Tariff Review and Adjustment Detailed Procedure in the Appendix.

5. The Commission shall not approve tariff filing unless it is in compliance with the Tariff Methodology requirements set out in the Appendix.

6. If the Commission does not approve the Allowed Revenue requested by a Licensee, the Commission shall notify the reasons therefore and inform such Licensee to amend the tariff filing.

7. The Licensee shall amend the tariff filing accordingly. If the tariff filing or an amended tariff filing for Allowed Revenue is not approved by the Commission, the existing tariff shall remain effective until the Commission approves the Allowed Revenue.

8. If a Licensee has earned more or less than the approved Allowed Revenue as a result of the refusal to approve the tariff filing for Allowed Revenue, when an amended tariff filing for Allowed Revenue is approved by the Commission, the Commission shall notify the Licensee the extent of the revenue the Licensee has earned more or less than its approved Allowed Revenue and the manner in which the difference between the earnings and the approved Allowed Revenue may be reconciled.

9. The Commission shall approve the decision on tariff containing the Tariff Schedule for end-use customers for the tariff period, with the approval of the allowed revenue.

10. The Licensee shall publish the approved tariff in at least one national newspaper in Sinhala, Tamil and English languages and post simultaneously on the Licensee's website, ten days before of the tariff schedule for end-use customers come into effect.

11. The Commission in consultation with the Treasury shall, publish annually in the *Gazette*, before the last working day of January the following -

- (a) specific dates for scheduled Tariff Reviews and Adjustments which are consistent with the time limits established by the Tariff Review and Adjustment Detailed Procedure ; and
- (b) specific dates for -
 - (i) public consultations (including public hearings, if any)
 - (ii) disseminate the information to the public according to Tariff Methodology ; and
 - (iii) posting the information on the official Website of the Commission to be used by the consumers and other interested parties to participate in the tariff review and adjustments.

12. In these rules, unless the context otherwise requires :-

“Act” means the Sri Lanka Electricity Act, No. 20 of 2009 ;

“Adjustment” means the process through which the components of the tariffs, as indicated in the Cost Reflective Tariff Methodology are to be adjusted during the tariff period according to the adjustment formulas (revenue control formulas) defined in the Cost Reflective Tariff Methodology. These adjustments may require the Licensees to submit information or the use of microeconomic indicators or a combination of both, as set out in the Cost Reflective Tariff Methodology.

"Allowed Revenue" means the maximum allowed revenue calculated in terms of a Cost Reflective Tariff Methodology ;

"Commission" means the Public Utilities Commission of Sri Lanka, established by the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002 ;

"Dates" unless otherwise indicated, refer to all dated correspond to the year before the Tariff Period starts (in case of tariff component reviews) or year before the adjusted tariff component applies (in case of tariff component annual adjustments) or the six-month period before the adjusted tariff component applies (in cases of biannual tariff component adjustments) ;

"Licensee" means a transmission licensee or a distribution licensee, as the case may be, whose license contains provision for transmission and bulk sale tariffs or distribution and supply tariffs as the case may be, to be subject to review and does not contain provisions specifying a procedure for review of such tariff ;

"Notification" means a written communication through which Commission inform the Licensees any decision made in accordance with the powers given under the Act, the PUSCL Act and the Tariff Methodology., original letters or digitally signed emails shall be considered as valid written communication for this purpose.

"PUSCL ACT" means the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002.

"Tariff Methodology" means the multiyear cost reflective tariff methodology approved by the Commission.

"Tariff Period" means each one of the five year periods established in the Cost Reflective Tariff Methodology or review tariffs. The first Tariff Period commenced from January 1st, 2011. Subsequent Tariff Periods shall start on January 1st, 2016 ; January 1st, 2012 ; etc.

"Review" means the process through which the components of the tariffs, as indicated in the Tariff Methodology are established for the first time or reset at the end of each tariff period. For this purpose the Cost Reflective Tariff Methodology establishes that the Licensee shall submit the information required in it according to the filing mechanism established in it. The Commission shall grant the approval of the review.

"Written Request" means a written communication through which the commission request a Licensee to respond to a specific requirement in accordance with the powers given under the Act, the PUSCL Act and the Cost Reflective Tariff Methodology. Original letters (signed) or digitally signed emails shall be considered as a valid written communication for this purpose.

"Written Response" means a written communication in response to a Written Request. Original letters or digitally signed emails shall be considered as valid written communication for this purpose.

Appendix

PART I

Tariff Review and Adjustment Detailed Procedures

TARIFF REVIEW AND TARIFF ADJUSTMENT SCHEDULE

1. Electrically Tariff components and subcomponents, which shall be in accordance with Tariff Methodology, shall be reviewed and adjusted as follows.

A. Reviews

2. The following tariff components shall be reviewed and approved by the Commission once in every Tariff Period namely :

- (a) Transmission Allowed Revenue ;
- (b) Bulk Supply and Operations Business Allowed Revenue ;
- (c) Bulk Supply Tariff Forecast ;
- (d) Distribution Allowed Revenue ; and
- (e) Retail Service Tariffs including the loss factor adjustment

for the relevant Tariff Period.

B. Adjustments.

3. The following tariff components shall be adjusted and approved by the Commission during the tariff period, according to the revenue control formulas contained in the Tariff Methodology :

- (a) Transmission Allowed Revenue Annual Adjustments ;
- (b) Allowed Revenues for Bulk Supply and Operation Business Annual Adjustment ;
- (c) Bulk Supply Tariff Forecast Adjustment Semiannual Adjustment ;
- (d) Distribution Allowed Revenue Annual Adjustment ; and
- (e) Retail Service Tariff Annual Adjustment including the Loss Factor Adjustment.

C. Extraordinary Review.

4. A Transmission Licensee may when-

- (a) the accumulated change in the indexation formula during any year surpasses 15% ; or
- (b) an unexpected and significant Bulk Supply Tariff Forecast deviation occurs ; or
- (c) costs incurred due in an unexpected significant event during any year surpasses 25% of the Allowed Revenue of the year.

Submit to the Commission for the approval of Extraordinary Allowed Revenue Reviews.

5. A Distribution Licensee may when-

- (a) the accumulated change in the indexation formula during any year surpasses 15% ; or
- (b) the costs incurred due to an unexpected significant event during any year surpasses 25% of the Allowed Revenue of the year.

submit to the Commission for its approval of Extraordinary Allowed Revenue Reviews.

PART II

Subsidies

D. External Subsidies for Selected Consumer Categories.

6. Before the commencement of any Tariff Period, the Commission shall present to the Treasury a Subsidy Projections Report, indicating the estimated volume of subsidies required for the Tariff Period to implement the government policies and facilitate all the elements for Treasury for approval. This study shall cover the requirements for the year of the Tariff Period, and a projection for the requirements for the subsequent years of the first Tariff Period. During year of the Tariff Period, the Commission shall update the volume of subsidies required for the following year and seek the approval of the Treasury for the subsidy volumes for the next year.

7. (a) On or before the last working day of April the Licensee shall submit to the Commission the following (using the templates approved by the Commission)

- (a) Statement of Bulk Supply Transaction Account (BSTA) ;
- (b) Distribution Licensee - the Sale and Demand Forecasts ;
- (c) Distribution Licensee - Distribution plans and CAPEX programs ;
- (d) Transmission Licensee - the Transmission Plan and the CAPEX Plan ;
- (e) Generation Licensee - the Generation Repowering Plan ;
- (f) Transmission Licensee - Bulk Supply Tariff Forecast for the following three six months periods (until the end of the first year of the tariff period) and Bulk Supply Tariffs Projections for the rest of the six month periods until the end of the Tariff Period ;
- (g) All Licensees-audited accounts for the previous year. In the event the Licensee doesn't have the audited version of the accounts, at least the unaudited version.

(b) The Commission may issue a detailed schedule for making each of the above documents.

8. On or before the last working day of May of each year the Commission shall prepared the Draft Tariff Estimates using the Tariff Methodology and post the Draft Estimated Tariffs in its Website.

9. The Commission shall, on or before the 15th of June of each year submit to the Treasury the Report on Subsidy Volume Projections for the ensuing year.

10. Immediately after the submission of the Report on Subsidy Volume Projections to the Treasury, the Commission shall made a request to the Treasury for its approval and for the inclusion of same in the preparation of the National Budget.

11. On or before the last working day of July of each year the Commission shall provide any additional information or clarifications requested by the Treasury, enabling it to grant approval for such subsidy volumes in order to provide allocations for such in the National Budget.

PART III

Tariff Review Process for the Tariff Period

E. Purposive General Aspects.

12. On or before the last working day of January of the last year of each Tariff Period, the Commission shall announce and inform all licensees the calendar for all reviews and Adjustments corresponding to the Tariff Period starting from January 1st. The Calendar shall be posted on the Commission's website.

13. Together with the calendar, the Commission shall inform the licensee the following :-

- (a) various parameters that are established in the Tariff Methodology and required to be defined by the Commission prior to the commencement of the Tariff Period ;
- (b) the updates, if any, about the templates approved by the Commissioner to be used for information submission, filing, etc.
- (c) about any information that is pending to be submitted by each licensee.

14. Every Licensee shall submit the information required, using the templates approved by the Commission. For the cases so disposed by the Commission, those template shall be submitted electronically using the LISS or any other IT process setup for the purpose by the Commission.

15. The Commission shall provide necessary training and support to fulfill these requirements to the Licensee.

16. If a Licensee fails to abide by the requirements of the Tariff Methodology or any other information requested by the Commission, the Commission -

- (a) shall demand the information to be submitted within an extended period of time, if such extension is feasible ;
- (b) once the given time has expired and the Licensee has not properly responded to the Commissioner's request, shall conduct its own research to obtain the information not submitted by the Licensee ;
- (c) may initiate litigation before a magistrate against the Licensee ; and
- (d) may charge the costs incurred with regard to the investigation conducted to obtain the information that was not submitted by the Licensee.

F. Review of the Transmission Allowed Revenue and Bulk Supply and Operation Business Allowed Revenues.

17. Pursuant to the Tariff Review and Adjustment Detailed Procedures, the Transmission Licensee shall submit to the Commission for its approval, the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues for the following Tariff Period, according to the relevant Revenue Review procedure and shall be submitted on or before the first working day of August.

18. (1) Between the Submission day and the first working day of October, the Commission shall-

- (a) within 24 hours of receiving the submission for approval, post it on the Commission's website ; and
- (b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. the Commission may require.

(2) The Transmission License shall reply in writing to the Commission within five working days from the date of receiving such request.

19. The Commission shall, before the first working days of October, approve the draft decision on Transmission Allowed Revenue and Bulk Supply and Operation Business Allowed Revenue and within 24 hours of the approval.

(a) post the draft decision on the Commission's website ; and

(b) notify all Licensees and the public that within a period of twenty working days, the Commission will receive comments, observations, etc., regarding the draft decision.

20. The Commission shall before the 15th of November, approve the decision on Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues and within five working days after the approval, shall -

(a) notify the Transmission Licensee ; and

(b) post the decision in the Commission's website ;

G. Bulk Supply Tariff Forecast for the Tariff Period.

21. In accordance with the Tariff Review and Adjustment Detailed Procedures, the Transmission Licensee shall submit the Bulk Supply Tariff Forecasts for each six-month period starting from April 1st and October 1st of each year of the Tariff Period on or before the first working day of November to the Commission for its approval.

22. The Bulk Supply Tariff Forecast for the first six-month period of the Tariff Period shall be submitted with details and Bulk Supply Tariff Forecast for the remaining six-month periods of the Tariff Period shall be submitted as projected forecasts.

23. The submission shall include the compensation of the differences between the forecast and actual Bulk Supply Tariffs as reflected in the Bulk Supply Transactions Account, which shall be applied during the first six-month period, according to the Tariff Methodology prescriptions.

24.(1) Between the submission day and the first working day of January, the Commission shall:-

(a) within 24 hours of the receipt of the Bulk Supply Tariff Forecast for approval, post it on the Commission's website; and

(b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.

(2) The Transmission Licensee shall reply in writing to the Commission within five working days from the date of receiving such request.

25. The Commission shall before the first working day of January of the same year, prepare a Draft Decision on Bulk Supply Tariff Forecast for the first six-month period of the Tariff Period, and within 24 hours of the approval:-

(a) post the Draft Decision on the Commission's website;

(b) notify all Licensees and the Public that within a period of 10 working days, the Commission shall receive comments, observations, etc, regarding the draft decision.

26. The Commission shall before the 15th of February of the relevant period shall approve the Decision on Bulk Supply Tariff Forecast for the first six-month period of the Tariff Period, and -

- (a) notify all Licensees of the approval of the Bulk Supply Tariff Forecast for the first six-month period of the Tariff Period and the compensation of accumulated deviations in the Bulk Supply Transactions Account for the first six-month period of the Tariff Period; and
- (b) post the approved decision on Bulk Supply Tariff Forecast for the first six-month period of the Tariff Period and the Compensation of accumulated deviations in the Bulk Supply Transactions Account for the first six-month period of the Tariff Period on the Commission's website.

H. Adjusted Forecasted Bulk Supply Tariff (ABST)

27. Adjusted Forecasted Bulk Supply Tariff (ABST) is required to implement the Uniform National Tariff according to the Tariff Methodology.

28. (a) Before the 15th of March, the Commission shall approve the Decision on the Adjusted Forecasted Bulk Supply Tariffs for each Distribution Licensee which the Bulk Supplier shall invoice each one of them during the six-month period starting on the following April 1st.

- (b) The Commission shall –
 - (i) within five working days after the approval, notify the Transmission Licensee and the Distribution Licensee of the approval; and
 - (ii) post the approved decision on the Commission's website.

I. Distribution Allowed Revenue and Retail Service Tariffs Review

29. According to Tariff Review and Adjustment Detailed Procedure, each Distribution Licensee shall submit for the Commission's approval, the Distribution Allowed Revenue and Retail Service Tariff Review before the first working day of August of the year prior to the Tariff Period's commencement.

30.(1) Between the submission day and the first working day of October, the Commission shall:-

- (a) within 24 hours of receiving the submission for approval, post it on the Commission's website; and
- (b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.

(2) The Distribution Licensee shall reply in writing to the Commission within five working days from date of receiving such request.

31. The Commission shall before the first working day of October, approve the draft decision on Distribution Allowed Revenue and Retail Service Tariffs of each Distribution Licensee, and within 24 hours of the approval,

- (a) post the Draft Decision of each Distribution Licensee on the Commission's website; and
- (b) notify all Licensees and the Public that within a period of twenty working days the Commission will receive comments, observations, etc. regarding the draft decision of each Distribution Licensee.

32. The Commission shall before the 15th of November, approve the decision on Distribution Allowed Revenue and Retail Service Tariffs of each Distribution Licensee, and within five working days of its approval,

- (a) notify the Distribution Licensee; and
- (b) post the decision on the Commission's website.

J. Tariff Schedule for End-use Customers for the Tariff Period

33. The Tariff Schedule for End-Use Customers shall be prepared by;

- (a) the respective Licensee and shall be submitted to the Commission before the first working day of November; or
- (b) the Commission, before the first working day of January.

34. On or before the first working day of January the Commission shall publish the Consultation Paper on Tariff Schedule for End-Use Customers that shall be applied during the five year Period starting from the following April 1st, which will be subject to the Adjustments prescribed by the Tariff Methodology.

35. Together with the Published Consultation Paper on Distribution and Supply Tariffs for End-Use Customers, the Commission shall:-

- (a) announce the date for the Public Consultation and Supply Tariffs for End-Use Customers for the next Tariff Period;
- (b) notify all Licensees of the issuance of the Consultation Paper on Distribution and Supply Tariffs for End-Use Customers and the public consultation announcement;
- (c) post the Consultation Paper on Distribution and Supply Tariffs for End-Customers on the its website; and
- (d) inform the public about the Consultation Paper on Distribution and Supply Tariffs for End Customers and the Public Consultation Procedures and the Public Consultation announcement.

K. Public Consultation for Reviewing End-Use Customers Tariffs

36. The Public Consultations shall be held according to the Procedure adopted by the Commission.

37. The Public Consultation shall be held before the 20th of January.

L. End-Use Customer's Decisions on Tariffs for the Tariff Period

38. Before the 15th of March the Commission shall approve the Decision on Tariff for the five year Period starting on April 1st of the following year.

39. Within five working days after the Decision on Tariff, the Commission shall:-

- (i) notify all Licensees of the Decision on Tariff;
- (ii) post the Decision on the Commission's website; and
- (iii) publish the Decision on the Tariff for public information.

PART IV

Tariff Adjustment during the Tariff Period

40. Each year during the Tariff Period, the Tariff Schedule for End-Use Customers shall be adjusted twice, during the six-month period starting from April 1st and during the six-month period starting from October 1st, based on the adjustments due during the year of the following Tariff components:-

(a) One-year period starting from January 1st –

(i) Transmission Allowed Revenue and Bulk Supply and Operation Business Allowed Revenue Adjustments;

(ii) Distribution Allowed Revenue and Retail Service Tariff Adjustments;

(b) six-month period starting from April 1st–

(i) Bulk Supply Tariff Forecast Adjustment;

(ii) ABST Forecast;

(c) six-month period starting from October 1st -

(i) Subsidies Adjustments;

(ii) Bulk Supply Tariff Forecast Adjustments; and

(iii) ABST Forecast.

41. For the periods where Uniform National Tariff (UNT) is implemented, for each three-month period, Ex-post Compensation will be calculated according to the Tariff Methodology and be paid to the Distribution and Supply Licensees.

42. Before the last working day of January of each year of the Tariff Period the Commission shall announce and inform all Licensees the Calendar for all Reviews and Adjustments due on the year and the Calendar shall be posted in the Commission's website.

Tariff Adjustments during the six-month period starting from April 1st

M. Bulk Supply Tariff Forecast Adjustments

43. According to Tariff Review Detailed Procedure, the Transmission Licensee shall submit for the Commission for approval of the Bulk Supply Tariff Forecast Adjustments.

44. The Bulk Supply Tariff Forecast Adjustments for the six-month period starting from October 1st of each year of the Tariff Period shall be submitted before the first working day of May of the respective year of the Tariff Period.

45. The submission shall include:-

(a) the Generation Costs Forecast Adjustment for the following two six-months periods of the Tariff Period; and

- (b) the Compensation of the differences between the forecast and actual Bulk Supply Tariff as reflected in the Bulk Supply Transactions Account, which shall be applied during the following six-month period, according to the Tariff Methodology prescriptions.

46. Between the submission day and the last working day of May, the Commission shall:-

- (a) within 24 hours of receiving of the submission for approval, post it on the Commission's website;
- (b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require; and
- (c) request the Transmission Licensee to reply in writing within five working days from date of receipt of such request.

47. The Commission shall before the last working day of May, approve the draft decision on Bulk Supply Tariff Forecast Adjustments for the following six-month period of the Tariff Period and within 24 hours of the approval,

- (a) post the draft decision on the Commission's website; and
- (b) notify all Licensees and the public that within ten working days, the Commission will receive comments, observations, etc. regarding the draft decision.

48. Before the 15th of July, the Commission shall approve the draft decision on Bulk Supply Tariff Forecast Adjustments for the following six-month period of the Tariff Period starting on October 1st, and within five working days of the approval, the Commission shall:-

- (a) notify all Licensees of the approval of the Decision on Bulk Supply Tariff Forecast Adjustments for the following six-month period of the Tariff Period and the Compensation of accumulated deviations in the Bulk Supply Transactions Account for the following six-month period of the Tariff Period; and
- (b) post the decision on Bulk Supply Tariff Forecast Adjustments for the following six-month period of the Tariff Period and the Compensation of accumulated deviations in the Bulk Supply Transactions Account for the following six-month period of the Tariff Period on the Commission's website.

N. Adjustments for the Tariff Schedule for End-Use Customers for the Second Six-month Period during the Tariff Period

49. Adjustment to the Tariff Schedule for End-Use Customers shall be prepared by:-

- (a) the respective Licensee and submitted to the Commission before the first working day of May; or
- (b) the Commission before the 15th of September.

50. Before the 15th of September the Commission shall approve the Decision on Tariff Adjustment for the following six-month period, starting on the following October 1st.

51. Within two working days after approval of the Decision on Tariff Adjustment for following six-month period, the Commission shall:-

- (a) notify the all Licensees the approval of the Decision on Tariff Adjustment;
- (b) post the Decision on Tariff Adjustment on the its website; and
- (c) publish for the public information the Decision on Tariff Adjustment.

O. Adjusted Forecasted Bulk Supply Tariff (ABST)

52. Adjusted Forecasted Bulk Supply Tariff (ABST) is required to implement the Uniform National Tariff according to the Tariff Methodology.

53. Before the 15th of September the Commission shall approve the Decision on the Adjusted Forecasted Bulk Supply Tariffs for each Distribution Licensee which Bulk Supplier use to invoice each one of them during the six-month period starting on the following October 1st, and within five working days after approval, the Commission shall:-

- (a) notify the Transmission Licensee and the Distribution Licensee of the approval; and
- (b) post the decision on the Commission's website.

Tariff Adjustments during the six-month period starting from October 1st

P. Adjustments for Subsidies

54. Before first working day of June the Commission must prepare a Report on Subsidy Volumes Projections Adjustment, which is an update of the Subsidy Volumes Projections Report submitted during the Tariff Review, containing the projected subsidies volume required from the Treasury for the following year and a projection for the subsequent year. This report must be based on the following:-

- (a) the Bulk Supply Tariff forecast for the year submitted by the Transaction Licensee (this is not foreseen in the Methodology);
- (b) potential income from transmission and distribution claw-back provision;
- (c) adjusted revenue for Distribution Licensees and Transmission Licensees based on the revenue control formulas stated in the Tariffs Methodology;
- (d) the resulting forecasted tariffs applying this principle;
- (e) adjusted market forecast for the coming year (demand and number of customers based on Licensee's submissions); and
- (f) allowed loss approved for the year.

55. The Commission shall post the Draft Estimated Tariff in its website.

56. Before the first working day of June, the Commission shall submit the Report on Subsidy Volumes Projections Adjustment to the Treasury.

57. Immediately after informing Treasury about the subsidies volumes requirements for the Tariff Period, the Commission shall make a request to the Treasury to include the Subsidies in the National Budget preparation.

58. The Commission shall promptly provide any additional information or clarifications requested by the Treasury, for the subsidies volumes approval before the first working day of July.

Q. Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenue Adjustments

59. According to Tariff Review and Adjustment Detailed Procedures, the Transmission Licensee shall submit the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues Adjustments for the approval of the Commission:-

- (a) the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues Adjustment shall be submitted before the last working day of July of the 1st, 2nd, 3rd and 4th years of the Tariff Period;
- (b) between the submission day and the first working day of August, the Commission shall-
 - (i) within 24 hours of receiving the submission for approval, post it on the Commission's website.
 - (ii) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. the Commission may require; and
 - (iii) the Transmission Licensee shall reply in writing to the Commission within five working days from date of receipt of a request.
- (c) Before the last working day of August, the Commission shall approve the Draft Allowed Revenues and within 24 hours of the approval, the Commission shall:-
 - (i) post the draft decision on the Commission's website; and
 - (ii) notify all Licensees and the public that the Commission shall within a period of twenty working days, receive comments, observations, etc. about the draft decision.
- (d) Before the 15th of October, the Commission shall approve the decision on Transmission Allowed Revenues and Bulk Supply and Operations Business Allowed Revenues and within five working days after the decision's approval:-
 - (i) notify the Transmission Licensee of the approval; and
 - (ii) post the decision on the Commission's website.

R. Distribution Allowed Revenue and Retail Service Tariff Adjustments

60. According to Tariff Review and Adjustment Detailed Procedures, the Distribution Licensee shall submit for the Commission's approval the Distribution Allowed Revenue and the Retail Service Tariff including the Loss Factor Adjustment on the following:-

- (a) Distribution Allowed Revenue and the Retail Service Tariff Adjustment shall be submitted for the Commission's approval according to the Revenue Control Formulas contained in the Tariff Methodology, before the last working day of July of the 1st, 2nd, 3rd and 4th years of the Tariff Period;
- (b) between the submission day and the last working day of August, the Commission shall :-
 - (i) within 24 hours of receiving the submission for approval, post it on the Commission's website; and
 - (ii) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.

- (c) the Distribution Licensee shall reply to the Commission in writing within five working days from date of receiving such request;
- (d) the Commission shall before the last working day of August, approve the draft decision on the Distribution Allowed Revenue and the Retail Service Tariffs Adjustments and within 24 hours of the approval:-
 - (i) post the draft decision on the Commission's website; and
 - (ii) notify all Licensees and the Public that within a period of twenty working days the Commission shall receive comments, observations, etc. regarding the draft decision.
- (e) the Commission shall before the 15th of October, approve the decision on Distribution Allowed Revenue and the Retail Service Tariff Adjustments and within five working days after the approval:-
 - (i) notify the Transmission Licensee of the approval; and
 - (ii) post the decision on the Commission's website.

S. Bulk Supply Tariff Forecast Adjustments

61. According to Tariff Review and Adjustment Detailed Procedures, the Transmission Licensee shall submit for the Commission's approval the Bulk Supply Tariff Forecast Adjustments on followings:-

- (a) the Bulk Supply Tariff Forecast Adjustments for the six-month period starting from April 1st of the 2nd, 3rd, 4th and 5th years of the Tariff Period shall be submitted before the last working day of October of the year prior to the respective year of the Tariff Period;
- (b) each submission shall include:-
 - (i) the Generation Costs Forecast Adjustment for the following two six-month periods of the Tariff Period; and
 - (ii) the Compensation of the differences between the forecast and actual Bulk Supply Tariffs as reflected in the Bulk Supply Transactions Account, which shall be applied during the following six-month period, according to the Tariff Methodology prescriptions.
- (c) between the submission day and the last working day of November, the Commission shall :-
 - (i) within 24 hours of receiving the submission for approval, post it on the Commission's website; and
 - (ii) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.
- (d) The Transmission Licensee shall reply in writing within to the Commission five working days from date of receiving of such request.
- (e) the Commission shall before the last working day of November, approve the draft decision on Bulk Supply Tariff Forecast Adjustments for the following six-month period of the tariff period, and within 24 hours of the approval,
 - (i) post the draft decision on the Commission's website; and

- (ii) notify all Licensees and the public within a period of ten working days, the Commission will receive comments, observations, etc. regarding the draft decision.
- (f) before the 15th of January the Commission shall approve the decision on Bulk Supply Tariff Forecast Adjustments for the six-month period of the Tariff Period starting on April 1st and within five working days after the approval,
 - (i) notify all Licensees of the approval of the decision on Bulk Supply Tariff Forecast Adjustments for the six-month period of the Tariff Period and the Compensation of accumulated deviations in the Bulk Supply Transactions Account for the first six-month period of the Tariff Period; and
 - (ii) post the approved decision on Bulk Supply Tariff Forecast Adjustments for the six-month period of the Tariff Period and the Compensation of accumulated deviations in the Bulk Supply Transactions Account for the first six-month period of the Tariff Period on the Commission's website.

T. Adjustments for the Tariff Schedule for End-Use Customers during the first six-month periods during the Tariff Period

62. Adjustment to the Tariff Schedule for end-use customers shall be prepared by:-

- (a) the respective Licensee and submitted to the Commission before the last working day of October each year; or
- (b) the Commission, before the 15th of March of each year.

63. Before the 15th of March of each year, the Commission shall approve the decision on Tariff Adjustment for the six-month period, starting from April 1st.

64. Within two working days after the approval of the Tariff Adjustment for the six-month period, the Commission shall:-

- (a) notify the Licensee of the approval of the Tariff Adjustment;
- (b) post the approved Tariff Adjustment on the Commission's website; and
- (c) publish the decision on Tariff Adjustment.

U. Adjusted Forecasted Bulk Supply Tariff (ABST)

65. Adjust Forecast Bulk Supply Tariff (ABST) required to implement the Uniform National Tariff according to the Tariff Methodology.

66. The Commission shall before the 15th of March, approve the decision on the Adjusted Forecasted Bulk Supply Tariff for each Distribution Licensee which the Bulk Supplier use to invoice each one of them during the six-month period starting on the April 1st and within five working days after approval:-

- (a) notify the Transmission Licensee and the Distribution Licensees of the approval; and
- (b) post the approved decision on the Commission's website.

V. Ex-post Calculation of Compensation due for the implementation of Uniform National Tariff (UNT)

67. Before the last working day of January, April, July and October, each Distribution and Supply Licensees shall submit the information required for Ex-post Calculation of Compensation to be paid to the Distribution and Supply Licensee in accordance with the Compensation formula identified in the Tariff Methodology.

68. Before the 1st day of April, July, October and January, the Commission shall approve the decision on the compensation and within five working days after the approval,

- (i) notify the Transmission Licensees and the Distribution Licensees of the approval; and
- (ii) the Transmission Licensee shall credit/ debit the amount of the compensation to each Distribution and Supply Licensee, in the next invoicing immediately after the Commission's approval.

W. Review under extraordinary conditions

69. According to the Tariff Methodology, when an extraordinary event occurs, the Transmission Licensees and the Distribution Licensees may submit for Commission's approval of Extraordinary Allowed Revenue Review:-

- (a) the accumulated change in the Allowed Revenue indexation formula during any year surpasses 15% -
 - (i) if the 15% is surpassed before or by 30th June of such year the adjustments shall be made effective as early as possible;
 - (ii) if the 15% is surpassed after the 30th of June, the adjustment shall be effective from the next year of the Tariff Period;
- (b) an unexpected and significant Bulk Supply forecast deviation occurs; and
- (c) costs incurred by the Licensee due to an unexpected event during any year surpasses 25% of the allowed revenue in the year.

70. The submission may be made any time during the year, and the Commission shall determine whether the review will be treated as extraordinary or be deferred until the following scheduled review or adjustment process according to the calendar.

71. The submission shall include all elements of the reasons for the request, accompanied by all materials which should facilitate the unexpected event which justify the extraordinary review.

72. Within 24 hours of receiving the submission for approval, the Commission shall post it on its website.

73. Within ten working days of receiving the submission, the Commission may request the Licensee through a written request to provide any clarification, amendment, addition etc. that the Commission may require about the extraordinary review.

74. The Licensee shall reply the Commission's written requests within five working days from date of receiving a request from the Commission.

75. Within twenty working days after the submission, the Commission shall decide whether to accept or to reject the request.

76. In the event of rejecting the request, the Commission shall justify the reasons for the rejection and within one working day the decision shall be posted in the website.

77. In the event of accepting the request, the Commission shall approve the draft decision on Extraordinary Review including the justification for that decision and within 24 hours after approval, the Commission shall:-

- (a) post the draft decision on the Commission's website; and
- (b) notify all Licensees and inform the Public that the Commission will, within a period of twenty working days, receive comments, observations, etc. about the draft decision.

78. Within five working days, after the consultation period is over, the Commission shall, approve the decision on the Extraordinary Review and -

- (i) notify the Transmission Licensee of the approval; and
- (ii) post the decision on the Commission's website.

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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு
PUBLIC UTILITIES COMMISSION OF SRI LANKA

Annex II



ඔබේ අංකය
உமது இல.
Your No.

අපේ අංකය
எமது இல.
Our No.

PUC/E/Tariff/01

දිනය
திகதி
Date

June 19, 2025

Eng. W. Edussuriya,
General Manager,
Ceylon Electricity Board,
No. 50, Sir Chittampalam A. Gardinar Mw.,
Colombo - 02.

Operation of Bulk Supply Transaction Account (BSTA)

Reference is made to the meeting on BSTA operational guidelines held on June 18, 2025, at the office of the Commission.

You are hereby requested to confirm and convey your agreement for the following decisions taken during the aforementioned meeting;

1. The CEB to follow the BSTA operational guideline and the format attached to report the weekly BSTA transactions and balance.
2. To agree on the balance of negative MLKR 21,234 as at June 01, 2025.
3. The CEB to share the generation invoices and generation notes (soft copies having invoice number as file name, through a shared folder), once the payment is made.

The CEB to submit a weekly summary of generation invoices and generation notes settled during the week as per the format below;

Invoice No.	Invoice Date	Generator	Invoiced amount	Settled amount

4. The CEB to provide viewing facility for all BSTA Bank accounts to one staff member of Tariff and Economic Affairs division of the Commission.
5. The CEB to submit Transmission sales data and Distribution sales data required to calculate UNT adjustments monthly, within four weeks of the completion of the respective month, starting from July 2025.

The Commission will calculate UNT adjustment monthly starting from July 2025, on a cumulative basis. The CEB can submit corrections for data in a later period and the same will be accommodated.

6. Cash collection from CEB Distribution Licensees (DL) will be done weekly considering cash available with DLs in collection accounts over and above the DL's allowed revenue due. However, monthly reconciliation will be done by Transmission Licensee between cash collected and invoices raised. Reconciliation differences will be transferred from/to Distribution Licensees within the second week of following month. The CEB to share monthly reconciliation with the Commission.
7. Tariff revisions will not be triggered based on BSTA balance until 2 months from June 18, 2025.

Damitha Kumarasinghe
Director General

06. වන මහල, ලංකා මුදල් මණ්ඩලය,
28, මයිකල් රෝඩ්, කොළඹ 03.

06 ஆய்வு மாடி, இலங்கை வங்கி வந்தகக் கோபுரம்,
28, சென் மைக்கல் வீதி, கொழும்பு 03.

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Web: www.pucsl.gov.lk

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தலைவர்
Chairman

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பணிப்பாளர் நாயகம்
Director General

+94 11 2392606

BSTA statement format**Summary of the transactions of the week**

S/N	Debit/Credit	Third Party (Ex- DL1, IPP1, etc.)	Description of Transaction (Ex- Weekly collection of DL1, Payment to IPP1, etc.)	Amount (LKR million)
Total for the period				
Bank balance as at May 25, 2025				
Bank balance as at June 01, 2025				(21,234)

*Note: Bank balances indicated shall be for the first day of the week and the last day.

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இலங்கை மின்சார சபை

CEYLON ELECTRICITY BOARD



Your ref:

My ref: DGM(CS&RA)/TRF/BSTA/01

Date: June 19, 2025

Director General
Public Utilities Commission of Sri Lanka
6th Floor, BOC Merchant Tower
No.28, St. Michael's Road,
Colombo 3.

Dear Sir,

Amendments to the BSTA Operational Guidelines

This has referred to your letter no. PUC/E/Tariff/01 dated 2025-06-11 regarding the above subject.

Accordingly, CEB wishes to propose following amendments/concerns to the BSTA Operational Guidelines in addition to the issued guidelines under the above letter.

1. Add the following clause as no. 15 to the guidelines.

15. The operation and triggering of BSTA shall not be delayed, withheld, or suspended by the Public Utilities Commission of Sri Lanka on the basis of an anticipated or upcoming tariff submission by the Licensee.

That is to ensure that BSTA processes including adjustment of uniform national tariff based on BSTA triggers continues in accordance with this Guideline, regardless of whether a formal tariff proposal is scheduled to be or has already been submitted to the Commission.

2. Amend the relevant part of Clause 6 of the Guidelines as follows:
 - Replace with "...before the start of first working day of following week"
3. Amend the relevant part of Clause 8 of the Guidelines as follows:
 - Replace with "...within three working days"
4. BSTA statement has to be Audited by the PUCSL using Government Audit to ensure transparency.
5. The triggering point (Plus or minus 15 BLKR) has to be revised with each and every tariff decision as informed by our even number letter dated 2025-03-17. To support the same, the BSTA guideline is proposed to be amended as follows.

"25% of the monthly electricity revenue as per the latest approved electricity tariff by the Commission".

OFFICE OF THE GENERAL MANAGER

Third Floor, No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka.
Tel: +94 11 232 0953/5340 / Fax: +94 11 232 3935 | e-mail: gm@ceb.lk | www.ceb.lk

6. Both parties have to be agreed to the current PPAs and PSAs until a new version is approved by the Commission.
7. To avoid duplication of revenue deficit or excess of the BSTA, closing balance of the same should be considered in each end user electricity tariff revision.

Yours faithfully

CEYLON ELECTRICITY BOARD



Eng. Wasantha Edussuriya
Actg. General Manager
Ceylon Electricity Board

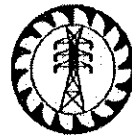
Eng. W. Edussuriya
Actg. General Manager
Ceylon Electricity Board

Copy to:

1. Addl. GM (CS) ; ft pl.
2. Addl. GM (Tr. NWO) ; ft & na pl.
3. FM (SM & BSO) ; ft & na pl.

OFFICE OF THE GENERAL MANAGER

Third Floor, No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka.
Tel: +94 11 232 0933/5340 / Fax: +94 11 232 3935 | e-mail: gm@ceb.lk | www.ceb.lk



Your ref:

My ref: DGM(CS&RA)/TRF/Trf. 2025

Date: November 6, 2025

Director General,
Public Utilities Commission of Sri Lanka,
6th Floor, BOC Merchant Tower,
No.28, St, Michael's Road,
Colombo 3.

Dear Sir,

Third Electricity Tariff Revision for 2025

This has referenced to your letter no. PUC/E/Tariff/01 dated 2025-10-14 regarding the decision of the third electricity tariff revision for 2025.

Accordingly, comments of the Generation Licensee and Transmission Licensee (TL) regarding the above PUCSL decision are forwarded herewith for necessary action, please.

1. Non-Inclusion of USD 5 Million (LKR 1.5 billion) for Uma Oya Delay Payments

It has been observed that the Commission has not approved the LKR 1.5 billion included in the capacity cost of the Uma Oya Power Plant, citing stakeholder concerns regarding cost efficiency and the absence of a CEB Board-approved payment plan.

The Generation Licensee wishes to emphasize that these payments have been mandated by the Cabinet of Ministers following several rounds of high-level negotiations. The decision was taken at the ministerial and cabinet level, beyond the operational control of the Generation Licensee, which functions solely as the executing entity for this government-approved obligation. According to the information received from the Uma Oya Project Branch, interim payments are being made upon the request of the Ministry of Agriculture, Livestock, Lands and Irrigation (MoALLI), and the final settlement will depend on the completion of the defects liability period.

Non-recovery of these legitimate, government-mandated costs will adversely affect the financial sustainability of the Generation Licensee. Therefore, it is strongly recommended that the remaining delay payment claim be included in the next tariff revision.

2. Coal/Fuel Prices Submitted by the Generation Division and Progress of FSAs

The Commission has noted that CEB is yet to finalize the Fuel Supply Agreements (FSAs) despite previous directives, that an enforcement order process has been initiated, and that the fuel prices submitted have been accepted subject to possible claw-backs based on actual price variations.

In this connection, the Generation Licensee wishes to inform the Commission that it has been actively engaged in the formulation of FSAs and has already received the latest comments from the Commission.

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Steps are being taken to incorporate those comments into the FSA framework to expedite the finalization process. However, the Generation Licensee continues to face certain practical challenges, particularly in relation to complex negotiations with the Ceylon Petroleum Corporation (CPC) on pricing mechanisms and the alignment of legal and contractual frameworks between the parties.

The Generation Licensee acknowledges and accepts the Commission's decision to proceed with the submitted coal and fuel prices for the current period, to apply both positive and negative claw-backs in future Actual Bulk Supply Tariff submissions when verified data become available, and to adjust costs in accordance with the provisions stipulated in the approved Tariff Methodology.

3. TL Revenue Surplus/(Deficit) for 2024

In our previous comments, it was emphasised that the BST excess revenue & UNTA for 2024 H2 as considered in the PUCSL Decision on the Second Electricity Tariff Revision for 2025 required further review and validation. This aspect has subsequently been addressed in the PUCSL Decision on the Third Electricity Tariff Revision for 2025, as presented in Table 14 - Calculation of Actual TL Revenue Surplus for 2024. However, upon detailed examination, certain inconsistencies and assumptions within the calculation remain a matter of concern. Accordingly, it is our position that the Transmission Licensee revenue surplus considered for 2024, as presented in Table 14 of the PUCSL Decision on the Third Electricity Tariff Revision for 2025, should be re-evaluated and revised, based on the computation provided in the below table.

		2024
TL revenue from Electricity Sales 2024 (As per UNT Decisions)	MLKR	437,983.13
UNT Adjustments	MLKR	13,780.18
Total TL Revenue for 2024	MLKR	451,763.31
Actual Cost of Energy as per Actual BST submission	MLKR	294,858.33
Actual Cost of Capacity as per Actual BST submission	MLKR	52,334.68
TL Allowed revenue	MLKR	22,490.00
Finance costs	MLKR	25,010.82
Total TL Costs for 2024	MLKR	394,693.83
Revenue Surplus/ (Deficit) for 2024	MLKR	57,069.47

As per Table 14: Calculation of Actual TL Revenue Surplus for 2024 in the PUCSL Decision on the Third Electricity Tariff Revision for 2025, the actual TL revenue surplus for 2024 has been calculated as MLKR 60,461. However, this computation has not considered the loss adjustment of energy payments pertaining to CEB Distribution Licensees (DLs), amounting to MLKR 3,391.45, which should be deducted from the direct sales revenue of CEB DLs when determining the TL sales revenue.

4. TL Revenue Surplus/(Deficit) for 2025 H1

As per Clause 6.1.1 of the PUCSL Decision on the Third Electricity Tariff Revision for 2025, a TL revenue surplus of MLKR 22,875 for the first half of 2025 has been considered for clawback. However, the calculations below indicate that the actual surplus is lower than this amount.

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		2025 H1
TL revenue from Electricity Sales 2025 H1*	MLKR	150,916.39
UNT Adjustments for 2025 Q1 & Q2*	MLKR	3,315.01
Total TL Revenue for 2025 1H	MLKR	154,231.40
Actual Cost of Energy as per Actual BST submission 2025 1H	MLKR	141,677.98
Actual Cost of Capacity as per Actual BST submission 2025 1H	MLKR	26,981.12
TL Allowed revenue for 2025 1H	MLKR	10,677.79
Finance costs for 2025 1H	MLKR	6,524.00
Total TL Costs for 2025 1H	MLKR	185,860.89
Revenue Surplus/ (Deficit)	MLKR	(31,629.48)

* TL sales revenue and UNT adjustments for 2025 Q1 and Q2 are based on the PUCSL Q1 Decision and the estimated Q2 UNTA, and are subject to change once the Q2 UNTA is finalized.

5. Total Revenue Adjustment

Accordingly, total revenue surplus considered in October 2025 Electricity Tariff Revision and the correction shall be as follows.

	MLKR	
Surplus considered for 2025 1H from 2024	51,098	A
Surplus considered for 2025 2H from 2024	11,858	B
Total surplus from 2024	62,956.00	C
Forecasted surplus utilized in 2025H1	46,843.98	$a=A*(162/181)+B*(19/203)$
Actual surplus utilized in 2025H1 (Deficit in 2025H1)	(31,629.48)	D
Difference	15,214.50	$b=a+D$
Forecasted surplus utilized from June-Oct from MLKR 11,858	7,301.72	$c=B*(125/203)$
Forecasted Balance surplus available for Oct-Dec from MLKR 11858	4,556.28	$d=B-c$
Balance from MLKR 51,098	5,363.88	$e=A*(1-162/181)$
Total surplus balance as forecasted from 2024	9,920.15	$f=d+e$
Total surplus available from Oct 2025 as forecasted (assuming MLKR 62,956 is correct)	25,134.65	$g=b+f$
But, actual profit of 2024	57,069.47	E
Difference to be deducted	5,886.53	$h=C-E$

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Total Actual surplus available as balance	19,248.12	F=g-h
Applied claw-back amount by PUCSL on TL for 2025 4Q tariff revision	8,487	G
Remaining balance to carry forward	10,761.12	F-G

This results in a negative revenue adjustment of MLKR 6,214 compared to the amount accounted for in the PUCSL tariff decision. In addition, it reflects a remaining revenue surplus of **MLKR 10,761** to be considered in the **2026 first quarter tariff review**.

6. Additional cost to be paid to the Sojitz Kelanitissa (PVT) Ltd

As per Clause 4.1 of the PUCSL Decision, an additional cost item has been observed for the arbitration settlement payment to Sojitz Kelanitissa (Pvt) Ltd. However, this cost has neither been approved under TL Allowed Revenue nor explicitly rejected under Clause 4.2: Commission's Decision on Transmission and Distribution Costs.

According to the latest status of the settlement process, the Board approval of CEB has been already received and the Ministry of Energy has submitted a Cabinet Memorandum seeking the necessary approvals from the Cabinet of Ministers for the proposed payment. A Cabinet decision on this matter is expected in the coming weeks. Upon receipt of approval, the Settlement Agreement will be signed.

As per the terms of the Settlement Agreement, CEB is required to make a payment of LKR 2.5 billion to Sojitz Kelanitissa (Pvt) Ltd. on or before November 30, 2025. Failure to do so will result in the resumption of the currently suspended arbitration process. In addition, if the full payment is not made by the due date, interest will accrue on the outstanding amount at a rate of 5.33% per annum, calculated daily from the payment due date until settlement.

With reference to PUCSL letter no. PUC/E/Tariff/01 dated 2025-10-27, it has been instructed to consider the arbitration settlement payment to Sojitz Kelanitissa (Pvt) Ltd as an actual generation cost. However, at present, we have not included any expenses related to Sojitz Kelanitissa (Pvt) Ltd in our BST filing.

Furthermore, PUCSL has instructed that the payment be effected and subsequently claimed through the revenue surplus or deficit to be applied in Q2 of 2026.

According to the Transmission Licensee, there is insufficient cash flow to manage this payment at present. Therefore, approval has been given by the CEB Board to obtain a loan from DLI to finance the payment. The repayment schedule is provided below.

Loan Repayment Period	6 months
Interest Rate	6%
Total Capital Payment	LKR 2,500,000,000.00
Total Interest Payment	LKR 56,250,000.00

Your approval is kindly requested for the above arrangement and to incorporate this payment in the Actual BST for Q4 2025 and the Forecast BST for Q1 2026 accordingly.

The Decision of the Cabinet dated 2025-10-27 on the above subject is forwarded herewith for your reference, please.

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7. SESRIP Related Costs

According to Clause 4.2 of the Commission's Decision on Transmission and Distribution Costs, under which the approval of Works in Progress (WIP) for CEB Distribution Licensees (DLs) has been rejected. As per the same clause, only the additional allowed revenue relating to the SESRIP loan repayment due in November 2025 has been approved for the DLs.

Accordingly, it appears that other project-related costs may need to be managed through the portion of the TL's allowed revenue for 2025. In effect, although the expenditure in question relates to a distribution-level project, the operational expenditure that should be borne by the CEB Distribution (ICG) entity may need to be temporarily covered from TL's allowed revenue.

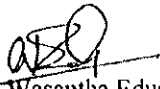
In this context, it is kindly requested that the Commission grant approval for the TL to record this expenditure as an actual cost for 2025, notwithstanding the fact that it was not included in the TL's tariff filing for the 2024–2026 period. If such approval is not granted, the TL would be subject to a claw-back of the same amount despite having incurred the cost. Alternatively, the TL should be permitted to recover the corresponding payment from the relevant Distribution Licensee.

Furthermore, it is noted that if WIP continues to be disallowed in 2026, similar complications are likely to arise in that year as well. Therefore, it is recommended that the Commission to consider allowing a reasonable WIP allocation to the DLs in future determinations, to ensure proper recognition of ongoing project-related expenditures and to maintain financial transparency between licensees.

The above is submitted for the kind consideration and necessary action of the Commission, please.

Yours faithfully

CEYLON ELECTRICITY BOARD


Eng. Wasantha Edussuriya
General Manager
Ceylon Electricity Board

Eng. W. Edussuriya
General Manager
Ceylon Electricity Board

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