

DECISION ON TRANSMISSION AND BULK SUPPLY TARIFFS

Effective from 1st July 2026

DECISION ON BULK SUPPLY TARIFFS - JULY to SEPTEMBER 2026

In exercising the powers and functions vested with the Public Utilities Commission of Sri Lanka (Commission) under Section 29 of the Sri Lanka Electricity Act, No. 36 of 2024 (Amended) and in accordance with the Commission approved cost-reflective Methodology for Tariffs, the Commission reviewed the bulk supply tariff submission by the National System Operator (Pvt) Limited, dated June 15, 2026. The decision on Bulk Supply Tariffs, effective from July 01, 2026, is issued herewith for the implementation by National System Operator (Pvt) Limited.

List of Acronyms

BSOB	Bulk Supply and Operations Business
BST	Bulk Supply Tariffs
CAPEX	Capital Expenditure
CEB	Ceylon Electricity Board
DL	Distribution Licensee: Ceylon Electricity Board and Lanka Electricity Company (Pvt) Ltd
DL1	Distribution and Supply Licensee for CEB Distribution Region 1 holding license number EL/D/25/03
DL2	Distribution and Supply Licensee for CEB Distribution Region 2 holding license number EL/D/25/04
DL3	Distribution and Supply Licensee for CEB Distribution Region 3 holding license number EL/D/25/05
DL4	Distribution and Supply Licensee for CEB Distribution Region 4 holding license number EL/D/25/06
DL5	Distribution and Supply Licensee LECO holding license number EL/D/16-004
EDL	Electricity Distribution Lanka Private Limited
EGL	Electricity Generation Lanka Private Limited
FSA	Fuel Supply Agreement
CEB GL	CEB Generation Licensee holding License number
GWh	Gigawatt hour
IPP	Independent Power Producers
kVA	kilovolt ampere
kW	kilowatt
kWh	kilowatt hour
LECO	Lanka Electricity Company (Pvt) Ltd.
LKR	Sri Lanka Rupee
LV	Low Voltage
MV	Medium Voltage
MWh	Megawatt hour
NCRE	Non-Conventional Renewable Energy
NSO	National System Operator Private Limited
NTNSP	National Transmission Network Service Provider Private Limited
O & M	Operations & Maintenance
OPEX	Operating Expenditure
PPA	Power Purchase Agreement
SESRIP	Supporting Electricity Supply Reliability Improvement Project
Single Buyer	A function of the BSOB
SPPs	Small Power Producers
T&D	Transmission and Distribution
TL	Transmission and Bulk Supply Licensee holding License number EL/T/25/02
TOU	Time of Use
WIP	Work-in-Progress

1 ALLOWED REVENUE

The Distribution Variable Revenue Cap and Retail Services Price Cap of each distribution licensee is updated considering the approved amounts with the ‘Revised Decision on Transmission and Bulk Supply Tariffs, Effective from 1st April 2026’ and the submission made by EDL dated May 15, 2026. The revenue caps approved with the previous decision are provided in the table below.

Table 1: Previously Approved Distribution Variable Revenue Cap and Retail Services Price Cap for 2026

Description	Unit	DL1	DL2	DL3	DL4	DL5
Approved Distribution Variable Revenue Cap for 2026 [After claw-back and extraordinary cost items for 2026Q2]	MLKR	16,662.00	23,375.30	14,477.90	11,979.70	10,204.00
Approved Retail Services price cap for 2026	LKR/customer	4,703	2,499	3,614	3,421	3,947

EDL has submitted a list of extraordinary cost items for the 3rd quarter of 2026, with the cost filing dated May 15, 2026. These costs have been approved with the end user tariff decision for the 3rd quarter of 2026. The total of approved extraordinary costs for the 3rd quarter of 2026 is given in the table below.

Table 2: Approved extraordinary costs for July to September 2026

Description	Unit	DL1	DL2	DL3	DL4	Total
Total extraordinary cost for quarter 3 of 2026	MLKR	157.82	503.76	211.32	83.46	956.37

The table below provides the overall Distribution Variable Revenue Caps and Retail Services Price Caps approved for year 2026, incorporating the extraordinary costs of 3rd quarter of 2026.

Table 3: Approved Distribution Variable Revenue Cap and Retail Services Price Cap for 2026

Description	Unit	DL1	DL2	DL3	DL4	DL5
Approved Distribution Variable Revenue Cap for 2026 [After claw-back and extraordinary cost items]	MLKR	16,819.82	23,879.06	14,689.22	12,063.16	10,204.00
Approved Retail Services price cap for 2026	LKR/customer	4,703	2,499	3,614	3,421	3,947

*Note: The allocation of the allowed revenue among successor companies can be revised upon request of successor companies subject to Commission approval, if there are changes to the cost allocation with the industry reforms.

Additionally, a part of CEB debt repayment has been assigned to EDL, subsequent to the industry reforms. The approved finance cost for the 3rd quarter of 2026, as submitted by EDL on May 15, 2026, is given in the table below.

Table 4: Approved Legacy Loan Related Finance Cost for July to September 2026

Description	Unit	DL1	DL2	DL3	DL4	DL5
Finance Cost for Legacy Loans	MLKR	1,391.88	1,494.88	795.32	689.86	4,371.94

The above costs have also been considered in the BST calculations, in addition to the approved DL revenue caps.

The Transmission and BSOB Revenue Caps are updated considering the approved amounts with the ‘Revised Decision on Transmission and Bulk Supply Tariffs, Effective from 1st April 2026’ and the submission made by NSO dated June 15, 2026. The revenue caps approved with the previous decision are provided in the table below.

Table 5: Previously Approved Transmission and BSOB Revenue Cap for the year 2026

Description	Unit	Previously Approved for 2026
Transmission Revenue Cap (NTNSP)	MLKR	20,709
BSOB Revenue Cap (NSO)	MLKR	2,115
Total allowed revenue (NTNSP + NSO)	MLKR	22,824

NSO has submitted a list of extraordinary cost items for the 3rd quarter of 2026, with the cost filing dated June 15, 2026. The Commission has decided to maintain the Transmission and BSOB allowed revenue for the 3rd quarter of 2026, at the same level as issued with the decision on extraordinary electricity tariff review of May 2026. Accordingly, only MLKR 150.65 has been approved as extraordinary cost for 3rd quarter of 2026.

The table below provides the overall Transmission and BSOB Revenue Caps approved for year 2026, incorporating the extraordinary costs of 3rd quarter of 2026.

Table 6: Approved Transmission and BSOB Revenue Cap for the year 2026

Description	Unit	Approved for 2026
Transmission Revenue Cap (NTNSP)	MLKR	20,860
BSOB Revenue Cap (NSO)	MLKR	2,115
Total allowed revenue (NTNSP + NSO)	MLKR	22,975

*Note: The allocation of the allowed revenue among successor companies can be revised upon request of successor companies subject to Commission approval, if there are changes to the cost allocation with the industry reforms.

2 APPROVED LOSSES FOR THE PERIOD

The approved network loss targets for 2026 are shown in the table below.

Table 7: Approved Network Loss Targets for 2026

Licensee	DL 1	DL 2	DL 3	DL 4	DL 5	TL
Approved Network Loss Targets	6.20%	7.70%	6.43%	6.28%	3.99%	3.31%

3 GENERATION COSTS

The approved generation dispatch forecast for July - September 2026 is shown in the table below, based on NSO submission dated June 15, 2026.

Table 8: Dispatch Forecast Approved by the Commission for July - September 2026

Month	Unit	26-Jul	26-Aug	26-Sep	Total
EGL Thermal Generation					
Sapugaskanda Old – Furnace Oil	GWh	18.70	24.53	4.51	47.74
Sapugaskanda Ext. – Furnace Oil	GWh	24.68	37.17	10.98	72.83
Kelanitissa Small GT – Diesel	GWh	-	-	-	-
Kelanitissa GT7 – Diesel	GWh	-	-	-	-
Kelanitissa Combined Cycle 1	GWh	66.66	82.62	39.83	189.11
Naphtha	GWh	66.66	82.62	39.83	189.11
Diesel	GWh	-	-	-	-
Kelanitissa Combined Cycle 2 – Diesel	GWh	5.63	6.33	2.23	14.19
Lakvijaya – Coal	GWh	377.23	520.26	494.87	1,392.36
Barge – Furnace Oil	GWh	16.69	21.75	6.55	44.99
CEB Emergency 50MW	GWh	-	-	-	-
Hambantota – Diesel	GWh	-	-	-	-
Mathugama – Diesel	GWh	-	-	-	-
Total Northern CEB generation	GWh	7.60	9.77	3.17	20.54
Chunnakam & Islands – Diesel	GWh	0.20	0.20	0.20	0.60
New Chunnakam – Furnace Oil	GWh	7.40	9.57	2.97	19.94
Total EGL Thermal Generation	GWh	517.20	702.42	562.14	1,781.76
Other IPP Thermal Generation					
Westcoast IPP – Furnace Oil	GWh	120.90	97.70	7.95	226.55
Sobadhanavi – Diesel/LNG	GWh	15.10	10.20	4.10	29.41
Total Other IPP Thermal Generation	GWh	136.00	107.90	12.06	255.96
EGL Hydropower Generation	GWh	450.93	294.76	467.34	1,213.03
EGL Wind power Generation	GWh	52.44	51.06	48.38	151.88
Solar Rooftop Generation	GWh	215.84	216.52	226.96	659.32
Other Renewable	GWh	273.04	277.60	253.90	804.54
Total Generation	GWh	1,645.45	1,650.27	1,570.77	4,866.48

Forecast system coincident peak generation demand and the approved monthly capacity costs of each generation plant/ hydro scheme are shown in Table 9 and Table 10 respectively.

Table 9: Forecast system coincident peak demand for July - September 2026

Month	Unit	26-Apr	26-May	26-Jun
System Coincidental Peak demand	MW	2,764	2,765	2,741

Table 10: Approved Capacity payments to GL for July - September 2026

Plant/Complex	Unit	26-Apr	26-May	26-Jun
Mahaweli – Hydro	MLKR	359	359	359
Laxapana – Hydro	MLKR	448	448	448
Samanala – Hydro	MLKR	493	493	492
Thambapawani – Wind	MLKR	509	509	509
Sapugaskanda Old – Furnace Oil	MLKR	48	48	48
Sapugaskanda Ext. – Furnace Oil	MLKR	50	50	50
Kelanitissa Small GT – Diesel	MLKR	20	20	20
Kelanitissa GT7 – Disel	MLKR	35	35	35
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	MLKR	59	59	59
Kelanitissa Combined Cycle 2 – Diesel	MLKR	53	53	53
Lakvijaya – Coal	MLKR	1,131	1,129	1,128
New Chunnakam – Furnace Oil	MLKR	24	24	24
Chunnakam & Islands – Diesel	MLKR	10	10	10
Barge – Furnace Oil	MLKR	26	26	26
30MW Hambantota – Diesel	MLKR	29	29	29
20MW Mathugama – Diesel	MLKR	19	19	19
Westcoast IPP – Furnace Oil	MLKR	1,416	1,478	1,434
Sobadhanavi IPP – Diesel/LNG	MLKR	1,205	1,244	1,205
Rooftop solar	MLKR	-	-	-
Other renewables	MLKR	-	-	-
TOTAL	MLKR	5,934	6,032	5,947

Table 11: Forecast generation capacity cost for July - September 2026

Description	Unit	26-Jul	26-Aug	26-Sep
Generation Capacity cost	LKR/MW	2,146,937.23	2,181,781.54	2,170,117.80

Forecast monthly generation from each generation plant along with approved average energy cost is shown in Table 12 below.

Table 12: Approved Forecast Energy Payments to GL for July - September 2026

Plant/Complex	Unit	26-Jul	26-Aug	26-Sep
Mahaweli/Laxapana/Samanala - Hydro	GWh	450.93	294.76	467.34
	LKR/kWh	-	-	-
Thambapawani – Wind	GWh	52.44	51.06	48.38
	LKR/kWh	-	-	-
Sapugaskanda Old – Furnace Oil	GWh	18.70	24.53	4.51
	LKR/kWh	53.50	52.62	65.20
Sapugaskanda Ext. – Furnace Oil	GWh	24.68	37.17	10.98
	LKR/kWh	50.22	49.33	53.54
Kelanitissa Small GT – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa GT7 – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	GWh	66.66	82.62	39.83
	LKR/kWh	48.78	48.58	49.13
Kelanitissa Combined Cycle 2 – Diesel	GWh	5.63	6.33	2.23
	LKR/kWh	120.17	102.70	104.12
Lakvijaya – Coal	GWh	377.23	520.26	494.87
	LKR/kWh	17.70	22.63	22.65
New Chunnakam – Furnace Oil	GWh	7.40	9.57	2.97
	LKR/kWh	50.96	50.37	54.88
Chunnakam & Islands – Diesel	GWh	0.20	0.20	0.20
	LKR/kWh	127.45	127.45	127.45
Barge – Furnace Oil	GWh	16.69	21.75	6.55
	LKR/kWh	51.24	50.41	56.79
30MW Hambantota – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
20MW Mathugama – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Westcoast IPP – Furnace Oil	GWh	120.90	97.70	7.95
	LKR/kWh	58.61	59.62	88.49
Sobadhanavi IPP – Diesel/LNG	GWh	15.10	10.20	4.10
	LKR/kWh	117.59	135.26	206.89
Solar Rooftop Generation	GWh	215.84	216.52	226.96
	LKR/kWh	28.70	28.70	28.70
Other renewable	GWh	273.04	277.60	253.90
	LKR/kWh	18.93	18.80	18.64
Total Generated Energy	GWh	1,645	1,650	1,571
Monthly Energy Cost	MLKR	34,327	39,802	27,639

Total forecast Energy cost for three-months	MLKR	101,764
Total forecast energy dispatch for three-months	GWh	4,866
Three-month average energy cost	LKR/kWh	20.91
Loss adjusted three-month average energy cost	LKR/kWh	21.63

4 ENERGY COSTS IN EACH INTERVAL FOR TOU PRICING

Using the approved Methodology, the Commission has determined that the peak adjustment factors to be as given in Table 13 below.

Table 13: Approved Peak Adjustment Factors

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

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

Table 14: Monthly Energy Dispatches and Costs in the TOU Regime for July- September 2026

Average Generation Energy cost				
Item	Unit	26-Jul	26-Aug	26-Sep
Generation energy cost	LKR /kWh	21.02	24.07	17.48

Month 1 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	954	1	1.03	21.68
B2 (Peak)	324	1.3	1.34	28.18
B3 (Off peak)	367	0.6	0.62	13.01

Month 2 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	957	1	1.03	24.82
B2 (Peak)	325	1.3	1.34	32.26
B3 (Off peak)	368	0.6	0.62	14.89

Month 3 - Block tariffs				
Block	Energy generated (GWh)	Block Factor	Adjusted Factor	Charge
		(#)	(#)	(LKR/kWh)
B1 (Day)	911	1	1.03	18.02
B2 (Peak)	309	1.3	1.34	23.43
B3 (Off peak)	350	0.6	0.62	10.81

5 COMBINED COSTS OF TRANSMISSION AND BSOB

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

Table 15: Combined Transfer Price from NSO to DLs for July - September 2026

Capacity Charge				
Item	Unit	26-Jul	26-Aug	26-Sep
Generation capacity	LKR /MW	2,146,937.23	2,181,781.54	2,170,117.80
Transmission	LKR/MW	637,956.72	637,835.38	643,414.09
Bulk Supply and Operation Business (Including Finance Cost)	LKR /MW	316,712.14	311,929.20	445,857.63
BST (C)	LKR/MW	3,101,606.10	3,131,546.12	3,259,389.53
BST (C) 3- Month Weighted average	LKR/MW	3,163,908.58		

Energy Charge

Month	Unit	26-Jul	26-Aug	26-Sep
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Interval 1 (day)

Transmission Loss Factor B1	%	3.40%	3.40%	3.40%
Generation energy Cost B1	LKR/kWh	21.68	24.82	18.02
BST (E1)	LKR/kWh	22.41	25.66	18.63

Interval 2 (peak)

Transmission Loss Factor B2	%	4.34%	4.34%	4.34%
Generation energy Cost B2	LKR/kWh	28.18	32.26	23.43
BST (E2)	LKR/kWh	29.40	33.66	24.44

Interval 3 (off peak)

Transmission Loss Factor B3	%	2.41%	2.41%	2.41%
Generation energy Cost B3	LKR/kWh	13.01	14.89	10.81
BST (E3)	LKR/kWh	13.32	15.25	11.07

Table 16: Approved Three-month Average Bulk Supply Tariffs for July - September 2026

Item	Unit	BST (E)
BST day (E1) 3-Month weighted average	LKR/kWh	22.29
BST peak (E2) 3-Month weighted average	LKR/kWh	29.25
BST off-peak (E3) 3-Month weighted average	LKR/kWh	13.25

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

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

6 APPROVED BST FROM TL TO EACH DL

Owing to the requirement to maintain a Uniform National Tariff (UNT) and owing to the varying customer mix among Distribution Licensees, the BST to each DL was adjusted, to enable each Distribution Licensee to recover their full allowed revenues. The summary

calculation as per section 5.2.1 of the tariff methodology, and the approved BSTs are shown in Table 17.

The NSO is hereby directed to invoice each Distribution Licensee at the rates shown in Table 17 as (i) Approved BST for payment on Coincident Maximum, and (ii) Approved BST for energy in each TOU interval. In addition, adjustment of sales to DL5 by DL2, DL3 and DL4 shall be done as per Section 11 of the “Decision on Revenue Caps and Bulk Supply Tariffs, effective from 1st of January 2024”.

Table 17: Approved BST from NSO to each Distribution Licensee

Description	Units	DL1: EGL Division 1	DL2: EGL Division 2	DL3: EGL Division 3	DL4: EGL Division 4	DL5: LECO	Total
Sales to end-use customers (Jul-Sep)	GWh	1,304	1,372	761	592	451	4,480
Revenue based on approved customer tariffs (Jul-Sep)	MLKR	49,332.80	43,522.40	24,492.89	20,061.92	18,834.39	156,244.40
Coincident peak demand for purchases from Transmission	MW	725	814	449	373	304	2,665
Approved BST for payment on Coincident Maximum Demand	LKR/MW/month	3,163,908.58	3,163,908.58	3,163,908.58	3,163,908.58	3,163,908.58	N/A
Amount payable to Transmission on account of Demand (Jul-Sep)	MLKR	6,877.63	7,729.00	4,259.75	3,543.74	2,886.80	25,296.94
Allowed losses	%	6.20%	7.70%	6.43%	6.28%	3.99%	N/A
Revenue to be recovered by Transmission through energy charges (Jul-Sep)	MLKR	34,294.73	26,448.45	14,329.32	11,754.15	12,763.75	99,590.39
Energy sold from Transmission at MV level (Apr-Jun)	GWh	1,390	1,485	810	628	479	4,791
Approved BST for energy in each TOU interval							
Peak (1830-2230)	LKR/kWh	33.35	24.09	23.92	25.33	36.05	
Off Peak (2230-0530)	LKR/kWh	15.11	10.91	10.84	11.47	16.33	
Day (0530-1830)	LKR/kWh	25.42	18.36	18.23	19.31	27.48	