National System Operator

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நஷனல் சிஸ்டம் ஒப்பரேட்டர் (பிரைவட்) லிமிட்டட்
NATIONAL SYSTEM OPERATOR (PRIVATE) LIMITED

16 SEP 2026
5709

Your Ref. My Ref. : CEO/NSO/ORG/6 Date : 15th September, 2026

Director General
Public Utilities Commission of Sri Lanka

Re: Further Update on Bulk Supply Cost Submission for the 4th Quarter of 2026

This is in further reference to our submissions dated **04 September 2026 and 11 September 2026** regarding the Bulk Supply Cost forecast for the 4th Quarter of 2026.

As indicated in our submission dated 11 September 2026, the forecasted Bulk Supply Cost was revised based on the updated Energy Dispatch Forecast prepared by the NSO, incorporating the latest meteorological information available as of **01 September 2026**. Accordingly, the total forecast Bulk Supply Cost was revised from **MLKR 134,163 to MLKR 129,933**.

NSO proposes to further review the Energy Dispatch Forecast for **October to December 2026** following the **Water Panel Meeting scheduled for 18 September 2026 at Gannoruwa, Peradeniya**, which is expected to determine water release arrangements for the forthcoming **Maha cultivation season commencing in October 2026**.

Further, the Department of Meteorology is expected to publish its official seasonal forecast for **October, November and December 2026 on 01 October 2026**. Based on the presently available meteorological outlook and prevailing El Niño-related probability assessments, rainfall during the forthcoming period is expected to be **above normal**. Accordingly, NSO anticipates that hydro generation during Q4 2026 could be higher than that considered in the Energy Dispatch Forecast submitted on 11 September 2026.

The anticipated increase in hydro generation is expected to reduce the requirement for high-cost thermal generation, particularly liquid-fuel based generation, and thereby further reduce the forecast Bulk Supply Energy Cost for Q4 2026.

Therefore, NSO proposes to update the Energy Dispatch Forecast after taking into consideration the outcome of the Water Panel Meeting on 18 September 2026 and the official seasonal meteorological forecast expected on 01 October 2026, and thereafter submit a further revised Bulk Supply Cost proposal to the Commission.

Based on the information presently available and the anticipated increase in hydro generation, **NSO does not presently expect that an increase in the electricity tariff would be required for Q4 2026 on account of the Bulk Supply Cost forecast. The final position will, however, be confirmed through the revised submission after incorporating the updated water release plan, seasonal rainfall forecast and the resulting generation dispatch on the first week of October 2026.**

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Accordingly, NSO kindly requests the Commission to take note of the above and allow the forthcoming tariff review to take into consideration the further revised Bulk Supply Cost forecast to be submitted following completion of the above assessment.

M.B.S Samarasekara

Eng. M. B. S. Samarasekara
Actg. Chief Executive Officer
National System Operator (Pvt) Ltd.

Copy to – 1. Chairman, NSO – f.i. pl.
2. Director (ETDL) – f. i. & n. a. pl.
3. Director (Sys. Ctrl) – do –