PUBLIC UTILITIES COMMISSION OF SRI LANKA

Decision on Electricity Tariffs

Effective from April 01, 2026

Contents

List of Acronyms

2025H1	Period of January to June in the year 2025
2025H2	Period of July to December in the year 2025
2026Q1	Period of January to March in the year 2026
2026Q2	Period of April to June in the year 2026
AWPLR	Average Weighted Prime Lending Rate
BSOB	Bulk Supply Operations Business
BST	Bulk Supply Tariff
BST	Bulk Supply Tariff
BSTA	Bulk Supply Transaction Account
CAPEX	Capital Expenditure
CBSL	Central Bank of Sri Lanka
CCPI	Colombo Consumer Price Index
CEB	Ceylon Electricity Board
CPC	Ceylon Petroleum Corporation
DL	Distribution Licensee
EDL	Electricity Distribution Lanka (Pvt) Ltd.
EGL	Electricity Generation Lanka (Pvt) Ltd.
EVCS	Electric Vehicle Charging Station
GDP	Gross Domestic Product
HFO	Heavy Fuel Oil
IPP	Independent Power Producers
LECO	Lanka Electricity Company Private Limited
MLKR	Million Sri Lankan Rupees
MW	Mega Watt
NCRE	Non-Conventional Renewable Energy
NSO	National System Operator (Pvt) Ltd.
NTNSP	National Transmission Network Service Provider (Pvt) Ltd.
O&M	Operation and Maintenance
OPEX	Operational Expenditure
PPA	Power Purchase Agreement
PPIUS	Producer Price Index United States of America
ROA	Return on Assets
ROE	Return on Equity
SESRIP	Supporting Electricity Supply Reliability Improvement Project
TL	Transmission Licensee
ToU	Time of Use
UNT	Uniform National Tariff
UNTA	Uniform National Tariff Adjustment
VRS	Voluntary Retirement Scheme
WIP	Work in Progress

1. Introduction

In terms of the Section 30 of Sri Lanka Electricity Act No. 20 of 2009, General Policy Guidelines for the electricity industry and the Commission approved "Tariff Methodology - 2021", the CEB was directed to submit the tariff proposal for the second quarter of 2026. Accordingly, the end user and bulk supply tariff proposals by CEB, considering the quarter starting from April 2026, were received by the Commission on February 13, 2026, for the second quarter tariff review of 2026. The CEB proposal requests for a tariff increase of 13.56%, to be effective from April 01, 2026.

In terms of Section 17(b) of PUCSL Act, No. 35 of 2002, and Section 30(3)(b) of Sri Lanka Electricity Act, No. 20 of 2009, the Commission declared open the stakeholder consultation on the tariff review. The consultation document published includes detailed evaluation on the CEB submission. The oral consultation sessions were conducted covering 5 provinces, with the participation of over 250 stakeholders representing various sectors. Summary of comments (oral and written) from stakeholder consultation is given in Annex – 1.

It is to be noted that the electricity industry restructuring has been completed during the tariff review period, with the complete enactment of the Sri Lanka Electricity Act No. 36 of 2024 (Amended). Accordingly, the applicable legislation and the industry setup have changed. The main functions of CEB on electricity supply have been assigned to the following successor entities.

1. Electricity Generation Lanka Private Limited (EGL) – Electricity generation
2. National Transmission Network Service Provider Private Limited (NTNSP) – Electricity transmission
3. National System Operator Private Limited (NSO) – System operation and bulk supply business
4. Electricity Distribution Lanka Private Limited (EDL) – Electricity distribution and supply

Thus, the elements within the CEB proposal are mapped to the successor entities, considering the assigned industry functions, in arriving at the tariff decision.

This decision made on March 30, 2026, under the powers vested with the Commission, in terms of the Section 29 of Sri Lanka Electricity Act No. 36 of 2024 (Amended), considered the submissions by Licensees, inputs from the other stakeholders, approved Tariff Methodology, other related legal provisions, and General Policy Guidelines. The approved end user tariffs (Annex - 2) are effective from April 01, 2026, (for both EDL and LECO consumers), until next tariff revision.

2. Generation Energy Cost

Electricity generation – Energy cost component is significantly dependent on the forecasted demand, generation mix and fuel prices, for the subjected period. Therefore, these areas are detailed in the sections below.

2.1. Demand Forecast

2.1.1. Licensee Submission and Commission's Observations

The CEB submitted electricity generation demand forecast for the period of April to June 2026, has been compared below with the actual demand for the year 2025.

Table 1: Generation demand forecast

Description	Unit	Quantity
Generation demand forecast for April to June 2026	GWh	4,578
Actual Generation demand for April to June 2025	GWh	4,530
Forecasted generation demand growth	%	1.05%

*Note: A revised dispatch forecast requested from NSO considering the recent changes. However, no revised dispatch forecast was received.

2.1.2. Commission Decision on the Demand Forecast

A moderate demand growth has been forecasted by CEB. Thus, the Commission decided to consider an additional demand of 5%, as an actual positive deviation of 5% is observed for 2026, as compared to the CEB forecast. However, dispatch forecast has not been adjusted by the Commission. An approximate increase in energy cost and revenue is included in table 22.

2.2. Hydro Generation Forecast

2.2.1. Licensee Submission and Commission's Observations

The Major Hydro generation forecast submitted for the second quarter of 2026 is compared below with the actual generation for the same period in previous years.

Table 2: April to June Hydro generation

Description	Unit	Major Hydro Generation
CEB forecast for Apr-Jun 2026	GWh	1,218
Actual for Apr-Jun 2025	GWh	1,865
Actual for Apr-Jun 2024	GWh	1,244
Actual for Apr-Jun 2023	GWh	812
Actual for Apr-Jun 2022	GWh	1,117

*Note: New plant additions increase the generation capacity annually, resulting in more potential for electricity generation compared to the previous year

Accordingly, a moderate hydro generation forecast has been submitted. Further, the most recent seasonal rainfall forecast available from the Department of Meteorology also indicates 'Near Normal' rainfall during April and May months. The total hydro inflow forecasted for the period is 1,193 GWh.

2.2.2. Commission Decision on the Hydro Generation Forecast

The moderate CEB hydro forecast is accepted, considering the 'Near Normal' rainfall forecast for upcoming months by the Department of Meteorology.

2.3. NCRE Generation Forecast

2.3.1. Licensee Submission and Commission's Observations

The NCRE generation forecasted by the Commission for April to June 2026 is compared below with the CEB submission. The Commission forecast is derived considering the source wise NCRE capacity availability and actual capacity factors yielded by each source, during the last two years.

Table 3: NCRE generation forecasts for April to June

Month	Unit	NCRE Generation Forecast	
		CEB	PUCSL
April – 2026	GWh	352	363
May – 2026	GWh	499	454
June – 2026	GWh	551	507
Total	GWh	1,402	1,324

2.3.2. Commission Decision on the NCRE Generation Forecast

The CEB submitted NCRE generation forecast is in line with the alternative forecast done by the Commission. Hence the CEB forecast is accepted.

2.4. Thermal Generation Forecast

2.4.1. Licensee Submission and Commission's Observations

The initial submission by CEB included 1,382 GWh of Thermal – Coal and 575 GWh of Thermal – Oil generation. The initial review by the Commission indicated a reduction in Thermal – Coal based generation by 37 GWh, for the period, compared to the previous forecast by CEB. However, the clarifications received on this matter indicates, the reduction is to accommodate more renewable energy, considering the actual de-loadings of Lakvijaya plant in January – 2026.

However, in its recent communications, the EGL has stated that the Thermal – Coal generation could reduce from the forecasted value, due to practical challenges associated with plant availability and operational constraints. The clarifications received on the actual coal efficiency also shows a significant reduction in maximum achievable plant capacity. This might lead to a requirement of additional Thermal – Oil based generation. This is a constraint that has not been factored into the tariff proposal.

2.4.2. Commission Decision on the Thermal Generation Forecast

The EGL or NSO has not submitted an alternative dispatch forecast considering the prevailing constraints. Accordingly, the Commission accepts the original dispatch forecast submitted.

2.5. Fuel Prices

2.5.1. Licensee Submission and Commission's Observations

The fuel prices considered for CEB submission are as follows.

Table 4: Fuel price forecast

Fuel Type	Unit	Apr-26	May-26	Jun-26
Coal	LKR/kg	39.53	39.53	39.53
Fuel Oil	LKR/Ltr.	168.00	168.00	168.00
Naphtha	LKR/Ltr.	141.00	141.00	141.00
Diesel	LKR/Ltr.	277.00	277.00	277.00

The CEB submission states that the coal prices are based on the actual/forecasted prices. Liquid fuel prices used are as determined by the Ceylon Petroleum Corporation. It should be noted that the CEB is yet to enter into fuel supply agreements for its power generation plants, despite directives issued on the matter. The Commission has issued an enforcement order to the CEB Generation Licensee to complete the signing of Fuel Supply Agreements by February 21, 2026. However, this has been extended until April 21, 2026, considering the CEB (currently EGL) is in the process of entering into a fuel supply agreement and the practical difficulties encountered therein.

The Diesel prices have been revised by the Ceylon Petroleum Corporation, after the tariff submission and currently it stands at LKR. 382/Liter. This price is inclusive of the distributor dealer margin, which shall not be applicable for EGL.

The coal prices calculated based on the CEB provided information on coal shipments are slightly deviated from the coal prices in the tariff proposal. As forecasted by CEB, shipments No. 4 to No.15 from the current coal supplier, Trident Chemphar Ltd., are to be utilized during the second quarter of

2026. Accordingly, the coal price applicable for the period is calculated as LKR 38.22/kg, considering the cost data available until shipment No.12.

In their recent communications, EGL and NSO have expressed concerns over the recent upward trend in liquid fuel prices globally, with the middle eastern geopolitical unrest. These entities are requesting a safeguard mechanism against possible fuel price shocks.

2.5.2. Commission Decision on the Fuel Prices

Under the enforcement initiative, the Commission has extended the grace period given to sign the fuel supply agreements, until April 21, 2026, considering the practical issues highlighted by EGL. The coal price approved for the period is LKR 38.22/kg, as calculated above. The Diesel price is approved as LKR 376/Ltr., considering the existing price published by CPC and slashing the distributor's dealer margin (382 – 6). Under the ongoing global crisis, the fuel prices would be closely monitored. Necessary arrangements would be made to re-introduce fuel adjustment charges, to mitigate any excessive price shocks. No other fuel price revision has been communicated by EGL, despite the Commission's request dated March 22, 2026.

2.6. Commission Decision on the Generation Energy Cost

Considering the above decisions on the constituent elements within the Generation - Energy Cost, the Commission approves the following generation energy cost forecast for the period of April to June 2026.

Table 5: April to June generation energy cost forecast

Plant/Complex	Unit	Apr-26	May-26	Jun-26
Mahaweli/Laxapana/Samanala - Hydro	GWh	377.69	437.09	402.97
	LKR/kWh	-	-	-
Thambapawani – Wind	GWh	5.75	42.98	58.88
	LKR/kWh	-	-	-
Sapugaskanda Old – Furnace Oil	GWh	22.79	5.36	19.70
	LKR/kWh	42.88	52.79	43.36
Sapugaskanda Ext. – Furnace Oil	GWh	34.83	17.74	31.14
	LKR/kWh	39.93	41.75	40.16
Kelanitissa Small GT – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa GT7 – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	GWh	82.91	66.46	71.82
	LKR/kWh	39.16	38.87	39.23
Kelanitissa Combined Cycle 2 – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Lakvijaya – Coal	GWh	502.7	514.3	365.1
	LKR/kWh	16.13	16.12	16.46
New Chunnakam – Furnace Oil	GWh	9.23	2.26	8.53
	LKR/kWh	40.78	47.26	40.95
Chunnakam & Islands – Diesel	GWh	0.20	0.20	0.20
	LKR/kWh	125.47	125.47	125.47
Barge – Furnace Oil	GWh	27.70	6.48	22.38
	LKR/kWh	40.28	47.36	40.80
30MW Hambantota – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-

20MW Mathugama – Diesel	GWh	-	-	-
	LKR/kWh	-	-	-
Westcoast IPP – Furnace Oil	GWh	57.37	23.48	62.40
	LKR/kWh	48.47	51.91	48.64
Sobadhanavi IPP – Diesel/LNG	GWh	-	-	2.18
	LKR/kWh	-	-	156.95
Solar Rooftop Generation	GWh	203.55	198.87	189.02
	LKR/kWh	28.70	28.70	28.70
Other renewable	GWh	143.06	257.57	302.69
	LKR/kWh	20.44	18.64	18.37
Total Generated Energy	GWh	1,468	1,573	1,537
Monthly Energy Cost	MLKR	26,789	24,065	26,579
Total Energy Cost	MLKR			77,432

3. Generation Capacity Cost

3.1. Licensee Submission and Commission's Observations

The CEB submitted Generation capacity cost of each power plant is given below.

Table 6: Generation capacity cost forecast

Plant/Complex	Unit	Apr-26	May-26	Jun-26
Mahaweli – Hydro	MLKR	371	370	370
Laxapana – Hydro	MLKR	462	462	462
Samanala – Hydro	MLKR	509	509	508
Thambapawani – Wind	MLKR	525	525	525
Sapugaskanda Old – Furnace Oil	MLKR	50	50	50
Sapugaskanda Ext. – Furnace Oil	MLKR	51	51	51
Kelanitissa Small GT – Diesel	MLKR	20	20	20
Kelanitissa GT7 – Disel	MLKR	36	36	36
Kelanitissa Combined Cycle 1 – Naphtha/Diesel	MLKR	61	61	61
Kelanitissa Combined Cycle 2 – Diesel	MLKR	55	55	55
Lakvijaya – Coal	MLKR	1,167	1,165	1,164
New Chunnakam – Furnace Oil	MLKR	24	24	24
Chunnakam & Islands – Diesel	MLKR	10	10	10
Barge – Furnace Oil	MLKR	27	27	27
30MW Hambantota – Diesel	MLKR	30	30	30
20MW Mathugama – Diesel	MLKR	20	20	20
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	6,040	6,138	6,053
				18,231

The capacity costs of EGL (former CEB GL) power plants have increased for the quarter due to the inclusion of gratuity related cost arising from the VRS applicants, Uma Oya, Samanalawewa and Victoria power plant related finance costs and debt repayments, additional corporate costs apportioned of non-licensed divisions. The gratuity payment related component amounts to MLKR 318.

3.2. Commission Decision on the Generation Capacity Cost

Bulk gratuity payment requirement arising due to industry reforms is not fair to be charged on the consumers. This cost item was also highly objected by the stakeholders, during the consultations. Accordingly, this cost is not approved. The remaining portion of the CEB submitted capacity cost is approved as given below. The Licensee may request to amortize the gratuity payment through an extended period. Recovery of the gratuity through tariffs would be decided after the assessment of prudency and efficiency of these costs.

Table 7: Approved Generation capacity cost forecast

Plant/Complex	Unit	Apr-26	May-26	Jun-26
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
				17,913

4. Transmission and BSOB Costs

4.1. Licensee Submission and Commission's Observations

The breakdown of CEB proposed transmission cost for the subjected period is given below. These include the costs of NTNSP and NSO, of the reformed industry setup.

Table 8: CEB submitted Transmission Allowed Revenue for April to June 2026

Description		Unit	Amount
Transmission Allowed Revenue for 2026Q2		MLKR	5,139.52
Bulk Supply Operations Business Allowed Revenue for 2026Q2		MLKR	528.64
Extraordinary cost components	Gratuity payments of Transmission Licensee due to VRS applications	MLKR	153.04
	Insurance reserve fund contribution	MLKR	150.65
	Vidulakpaya headquarters building project cost	MLKR	68.35
Total Transmission Cost for 2026Q2		MLKR	6,040.20

Currently, the 2024 – 2026 multi-year tariff period is underway. Accordingly, the Transmission Revenue Cap (for NTNSP) and BSOB revenue cap (for NSO) for the year 2026 need to be determined using the revenue control formula, as given in the Tariff Methodology. The results of revenue control formula-based derivations are given below. The detailed calculation is given in Annex – 4.

Table 9: Revenue control formula based Allowed Revenue for 2026

Description	Unit	Transmission Revenue Cap	BSOB Revenue Cap
Approved for 2025 [Before claw-back]*	MLKR	22,929	2,072
Value for 2026 [Before claw-back]	MLKR	23,745	2,115
Proportional amount for 2026Q2	MLKR	5,936	529

Clarifications were requested on the extraordinary cost components in the tariff proposal. A summary of the clarifications received is provided below.

1. Gratuity payments related to VRS
   A gratuity fund has not been maintained by CEB. The related cost incurred has been charged under the Common costs from year 2024. Overall gratuity liability of CEB, at the end of year 2025 is MLKR 10,888. Further, a quarterly personnel cost saving of MLKR 52.9 is estimated for the Transmission Licensee, due to the VRS. The additional amount required for gratuity payments is proposed to recover during the second quarter of 2026, amounting to MLKR 153.0.

2. Insurance reserve fund contributions
   The CEB insurance reserve fund has been established in 1972, by allocating annual provision of 0.1% of gross fixed assets at the end of each financial year, through the transfer of retained earnings. The fund value at the end of year 2025 is BLKR 35.6, while the insurance investment amounts is BLKR 17.6, for the same date. Accordingly, a gap of BLKR 18.0 persists. This fund is maintained as an insurance for CEB fixed assets, whereby the damages or losses to these assets could be charged to the fund. Notably, no claims have been made from the fund, during the last five years. The TL has proposed for a MLKR 150.7 of contribution to the insurance reserve fund.

3. Vidulakpaya headquarters building cost
   This project is yet to receive the Cabinet approval. The Licensee wise space allocation in the building or the project cost allocation has not yet been decided. An extraordinary cost of MLKR 68 is filed for the 2nd quarter of 2026, as this project is not part of the Commission approved CAPEX plan for the multi-year tariff period of 2024-2026.

The Transmission revenue cap is also subjected to a CAPEX claw-back for the non-incurred CAPEX of the year 2024. This claw-back amounts to MLKR 7,132 and the relevant calculation is given in Annex – 5.

However, it is to be noted that the Transmission Licensee has not been provided with the full capital remuneration for the complete list of forecasted CAPEX of the year 2024. Accordingly, it is not appropriate to apply the full amount, resulting from the above calculation, as the claw-back for Transmission Licensee.

NSO also has raised the above concern on the CAPEX claw-back amount, commenting on the consultation document.

4.2. Commission Decision on Transmission and BSOB Costs

The Commission decision on the extraordinary cost items is as follows.

1. Insurance reserve fund contribution – This item is acceptable as it is prudent to maintain an insurance reserve fund to ensure the system resilience. This insurance fund is intended to be used to recover losses or damages to the property, plant and equipment of the Licensee, arising from unexpected events. This helps the utilities to recover their systems faster, after any such unexpected events. Thus, the system reliability improves for the betterment of the consumers.
2. Gratuity payments due to VRS - Bulk gratuity payment requirement arising due to industry reforms is not fair to be charged on the consumers. This cost item was also highly objected by the stakeholders, during the consultations. Accordingly, this cost is not approved. The Licensee may request to amortize the gratuity payment through an extended period. Recovery of the gratuity through tariffs would be decided after the assessment of prudency and efficiency of these costs.
3. Vidulakpaya building project cost – This project requirement is not properly justified. The necessary approvals are also yet to be obtained. Therefore, this item is not acceptable.

Further, the CAPEX claw-back calculated for the year 2024 is not applied fully, considering the Transmission Licensee has not been approved with full capital remuneration, as compared to the approved CAPEX plan. Hence the CEB submitted Allowed Revenue is approved.

The breakdown of approved Transmission Cost and BSOB Cost for the 2nd quarter of 2026 are provided below.

Table 10: Approved Transmission Cost

<table>
<tr><th colspan="2">Description</th><th>Unit</th><th>Amount</th></tr>
<tr><td colspan="2">Transmission Allowed Revenue for 2026Q2</td><td>MLKR</td><td>5,139.52</td></tr>
<tr><td rowspan="3">Extraordinary cost components</td><td>Gratuity payments of Transmission Licensee due to VRS applications</td><td>MLKR</td><td>-</td></tr>
<tr><td>Insurance reserve fund contribution</td><td>MLKR</td><td>150.65</td></tr>
<tr><td>Vidulakpaya headquarters building project cost</td><td>MLKR</td><td>-</td></tr>
<tr><td colspan="2">CAPEX Claw-back for 2024</td><td>MLKR</td><td>-</td></tr>
<tr><td colspan="2">Total Transmission Cost of NTNSP, for 2026Q2</td><td>MLKR</td><td>5,290.17</td></tr>
</table>

Table 11: Approved BSOB Cost

<table>
<tr><th colspan="2">Description</th><th>Unit</th><th>Amount</th></tr>
<tr><td colspan="2">BSOB Allowed Revenue for 2026Q2</td><td>MLKR</td><td>528.64</td></tr>
<tr><td rowspan="3">Extraordinary cost components</td><td>Gratuity payments of Transmission Licensee due to VRS applications</td><td>MLKR</td><td>-</td></tr>
<tr><td>Insurance reserve fund contribution</td><td>MLKR</td><td>-</td></tr>
<tr><td>Vidulakpaya headquarters building project cost</td><td>MLKR</td><td>-</td></tr>
<tr><td colspan="2">CAPEX Claw-back for 2024</td><td>MLKR</td><td>-</td></tr>
<tr><td colspan="2">Total BSOB Cost of NSO, for 2026Q2</td><td>MLKR</td><td>528.64</td></tr>
</table>

*Note: The above allowed revenue allocation for NTNSP and NSO is done considering the functions of relevant units, formerly within the CEB. 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. The BST decision for the period can only be issued after the finalization of all cost re-allocations.

5. Distribution Costs

5.1. Licensee Submission and Commission's Observations

5.1.1. CEB/EDL Distribution Cost

The breakdown of CEB proposed Distribution cost for the subjected period is given below. These costs are applicable for EDL in the reformed industry setup.

Table 12: CEB submitted Distribution Allowed Revenue for April to June 2026

Description		Unit	DL1	DL2	DL3	DL4	Total
Total Allowed Revenue for quarter 2 of 2026, based on revenue control formula		MLKR	6,706.2	7,382.7	4,707.5	4,067.3	22,863.7
Extraordinary cost components	Insurance reserve fund contribution for Jan. to Jun. 2026	MLKR	116.9	90.5	127.8	99.1	434.3
	Gratuity payments due to VRS applications of DL	MLKR	191.6	415.7	258.4	139.2	1,004.9
	SESRIP WIP for Apr. to Jun. 2026	MLKR	328.9	350.3	224.0	114.8	1,018.0
	SESRIP loan repayment in May 2026	MLKR	287.7	306.4	195.9	100.4	890.4
	Vidulakpaya apportionment for Jan. to Jun. 2026	MLKR	54.0	20.1	11.6	9.3	95.0
	Insurance reserve fund contribution of Common Divisions for Jan. to Jun. 2026	MLKR	0.4	0.4	0.2	0.2	1.2
	Gratuity payments due to VRS applications of Common Divisions	MLKR	8.7	8.2	5.7	4.5	27.1
Total Allowed Revenue for 2026Q2		MLKR	7,694.4	8,574.3	5,531.1	4,534.8	26,334.6

Distribution revenue caps are also to be obtained using the revenue control formula, within the muti-year tariff periods. The results of revenue control formula-based derivations are given below. The detailed calculation is given in Annex – 4.

Table 13: Revenue control formula based Allowed Revenue of CEB DLs for 2026

Description	Unit	Total Allowed Revenue			
		DL1	DL2	DL3	DL4
Amount for 2026, before claw-backs	MLKR	26,210	29,272	19,613	16,017
Proportional amount for 2026Q2	MLKR	6,534	7,298	4,890	3,993

Clarifications were requested on the extraordinary cost components in the tariff proposal. A summary of the clarifications received is provided below.

1. Gratuity payments related to VRS
   A gratuity fund has not been maintained by CEB. The related cost incurred has been charged under the Common costs from year 2024. Overall gratuity liability of CEB at the end of year 2025 is MLKR 10,888. Further, a quarterly personnel cost saving of MLKR 491 is estimated for the CEB Distribution Licensee (currently EDL), due to the VRS. The additional amount required for gratuity payments is proposed to recover during the second quarter of 2026, amounting to MLKR 1,032.

2. Insurance reserve fund contributions
   The CEB insurance reserve fund has been established in 1972, by allocating annual provision of 0.1% of gross fixed assets at the end of each financial year, through the transfer of retained earnings. The fund value at the end of year 2025 is BLKR 35.6, while the insurance investment amounts is BLKR 17.6, for the same date. Accordingly, a gap of BLKR 18 persists. This fund is

maintained as an insurance for CEB fixed assets, whereby the damages or losses to these assets could be charged to the fund. Notably, no claims have been made from the fund, during the last five years. The CEB Distribution Licensee (currently EDL) has proposed for a MLKR 436 of contribution to the insurance reserve fund.

3. Vidulakpaya headquarters building cost
   This project is yet to receive the Cabinet approval. The Licensee wise space allocation in the building or the project cost allocation has not yet been decided. An extraordinary cost of MLKR 95 is filed for the 2nd quarter of 2026, as this project is not part of the Commission approved CAPEX plan for the multi-year tariff period of 2024-2026.

4. Loan repayment and WIP for 'SESRIP' project
   SESRIP is a project commenced in year 2019, to develop selected critical 33KV tower lines and gantries, as identified under the Medium Voltage Development Plans of CEB DLs. The project was initially planned to be completed by the year 2021. As per the clarification received for October – 2025 tariff review, this was to be completed within the year 2025. However, the current estimated completion is by the end of July 2026. This additional delay has been caused due to technical issues encountered during constructions, land acquisition related issues and delays in obtaining Cabinet approval. The DLs have filed for both WIP related to the project and also for the upcoming project loan repayment, amounting to a total of MLKR 1,908. The completion of this project is important for resolving low voltage issues in the network and to absorb more renewable energy to the system. Though, the project is yet to complete, some infrastructure developed under this project is already energized and used, as per the information provided by EDL.

The Distribution Allowed Revenues are also subjected to a CAPEX claw-back for the non-incurred CAPEX of the year 2024. The relevant claw-back amounts are shown in the table below. The detailed calculation is given in Annex – 5.

Table 14: CAPEX claw-backs of CEB DLs for 2024

Description	Unit	DL1	DL2	DL3	DL4	Total
CAPEX Claw-back amount for 2024	MLKR	52	-	127	214	393

Commenting on the consultation document, DL3 and DL4 have indicated that the 'Depreciation Adjustment' in claw-back calculation is not applicable for consumer contributed CAPEX. However, the approved Allowed Revenue contains depreciation for forecasted consumer contributed CAPEX as well. Therefore, the claw-back is applicable for any over forecast in this component. Further, DL4 has noted some data entry errors within the CAPEX claw-back calculation. These have been corrected in the final calculation.

5.1.2. LECO Distribution Cost

LECO has not made a specific Allowed Revenue submission for 2026. Accordingly, LECO allowed revenue for 2026 is also derived using the revenue control formula. The results are given below, and the detailed calculation is provided in Annex – 4.

Table 15: Revenue control formula based Allowed Revenue of LECO for 2026

Description	Unit	Amount
Amount for 2026, before claw-backs	MLKR	13,432
Proportional amount for 2026Q2	MLKR	3,349

LECO is also subjected to a CAPEX claw-back for the non-incurred CAPEX of the year 2024. The relevant claw-back amount for LECO is MLKR 804 and the detailed calculation is given in Annex – 5.

5.2. Commission decision on Distribution Costs

5.2.1. CEB/EDL Distribution Cost

The revenue control formula based Allowed Revenues as derived by the Commission is approved. The Commission decision on the extraordinary cost items is as follows.

1. Insurance reserve fund contribution – This item is acceptable as it is prudent to maintain an insurance reserve fund to insure the system resilience.

2. Gratuity payments due to VRS - Bulk gratuity payment requirement arising due to industry reforms is not fair to be charged on the consumers. This cost item was also highly objected by the stakeholders, during the consultations. Accordingly, this cost is not approved. The Licensee may request to amortize the gratuity payment through an extended period. Recovery of the gratuity through tariffs would be decided after the assessment of prudency and efficiency of these costs.

3. Vidulakpaya building project cost – This project requirement is not properly justified. The necessary approvals are also yet to be obtained. Therefore, this item is not acceptable.

4. 'SESRIP' project related cost – The distribution assets are provided with capital remuneration, only when the asset is capitalized. This would ensure the timely completion of projects. 'SESRIP' has undergone an unacceptable level of delay. Therefore, the submitted WIP component for the project is not approved at this point. The project shall be completed within the currently estimated timeline. The capital remuneration would then be provided. However, considering the fact that some of the infrastructure developed under this project is already energized and used, the Commission approves the SESRIP loan repayment amount filed of MLKR 890.4.

Further, the CAPEX claw-back calculated for the year 2024 is applicable as given above. The approved Licensee wise detailed Allowed Revenue breakdown is shown in the table below.

Table 16: Approved Distribution Cost of CEB/EDL

Description		Unit	DL1	DL2	DL3	DL4	Total
Total Allowed Revenue for quarter 2 of 2026, based on revenue control formula		MLKR	6,534.4	7,298.0	4,889.9	3,993.2	22,715.5
Extraordinary cost components	Insurance reserve fund contribution for Jan. to Jun. 2026	MLKR	116.9	90.5	127.8	99.1	434.3
	Gratuity payments due to VRS applications of DL	MLKR	-	-	-	-	-
	SESRIP WIP for Apr. to Jun. 2026	MLKR	-	-	-	-	-
	SESRIP loan repayment in May 2026	MLKR	287.2	306.4	195.9	100.4	890.4
	Vidulakpaya apportionment for Jan. to Jun. 2026	MLKR	-	-	-	-	-
	Insurance reserve fund contribution of Common Divisions for Jan. to Jun. 2026	MLKR	0.4	0.4	0.2	0.2	1.2
	Gratuity payments due to VRS applications of Common Divisions	MLKR	-	-	-	-	-
CAPEX Claw-back for 2024		MLKR	(13.0)	-	(31.5)	(53.4)	(97.9)
Total Allowed Revenue of EDL, for 2026Q2		MLKR	6,926.4	7,695.3	5,182.2	4,139.6	23,943.5

*Note: The above allowed revenue allocation for EDL licenses (DL1 to DL4) is done considering the functions of relevant units, formerly within the CEB. 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. The BST decision for the period can only be issued after the finalization of all cost re-allocations.

LECO Distribution Cost

The LECO Distribution Cost as derived with the revenue control formula is approved subjected to the CAPEX claw-back for 2024. The breakdown is as follows.

Table 17: Approved Distribution Cost of CEB/EDL

Description	Unit	Amount
Total Allowed Revenue for quarter 2 of 2026, based on revenue control formula	MLKR	3,348.7
CAPEX Claw-back for 2024	MLKR	(200.4)
Total Allowed Revenue of LECO, for 2026Q2	MLKR	3,148.3

6. Finance Cost

6.1. Licensee Submission and Commission's Observations

A total of MLKR 7,856 has been submitted by CEB as additional finance costs for the period of April to June 2026, for BSOB. The breakdown of these costs is shown in the table below.

Table 18: Finance cost breakdown

Description	Unit	Apr-26	May-26	Jun-26	Total
Interest on term loans	MLKR	494	493	632	1,619
Overdraft Interest	MLKR	361	373	361	1,095
Debenture Interest Account	MLKR	-	-	-	-
Delay interest on IPP payments	MLKR	40	42	44	126
Delay interest on NCRE payments	MLKR	6	6	6	18
Capital repayment of working capital loans	MLKR	1,079	1,079	1,579	3,738
Loan Repayment of TL - Settlement of Sojitz	MLKR	631	628	-	1,259
Total	MLKR	2,612	2,621	2,622	7,856

The Commission requested further clarifications on the following matters related to finance costs.

- Forecasted overdraft balances and calculation of overdraft interests, considering the significant increase.
- Status of the new financing facility (BLKR 11) planned to be obtained to restructure CEB debentures.
- Information on financing mechanism to pay the arbitration settlement to the Sojitz Kelanitissa (Pvt) Limited.

The key information from the responses received for the above clarification requests is given below.

- An overdraft balance of BLKR 20 is considered throughout the second quarter of 2026, for overdraft interest calculation purpose. It is further noted that the actual overdraft balance of the bank account linked to BSTA is MLKR 21,350, as of March 4, 2026. An interest rate of 32%

is considered for temporary overdraft (TOD) balance above MLKR 9,500. The interest rate applicable for any overdraft below TOD is 10.87%

- BLKR 11 financing facility to restructure the debentures is under negotiations with the respective banks. This facility is expected to be obtained before the end of March – 2026.

- A loan of BLKR 2.5 has been obtained from Distribution Division 1 of CEB to pay the arbitration settlement to Sojitz Kelanitissa (Pvt) Limited. The capital repayment of the loan is to be completed within 6 months, and the interest is applicable for outstanding balance at a rate equal to money market rate at People's Bank and an additional 0.5%. As per the previous comments of CEB for the 'Decision on Electricity Tariffs, October – 2025', this arbitration settlement has been approved by the Cabinet of Ministers through the Cabinet decision No.: 25/1964/825/092, dated October 29, 2025.

5.1. Commission Decision on Finance Cost

Commission is satisfied with the requirement of submitted finance cost for the 2nd quarter of 2026 and the same is approved.

6. Transmission Licensee Revenue Surplus/Deficit from Past Periods

6.1. Licensee Submission and Commission's Observations

As per the Clause 2.5.3 and 2.5.4 of the 'Tariff Methodology', revenue surplus/deficit of the Transmission Licensee (arising from Bulk Supply and Operation Business) in a period 'p', is to be compensated during the tariff determination for period 'p+2'. Thus, the surplus/deficit of October to December 2025 is applicable to be considered in setting tariffs for 2nd quarter of 2026 (within the quarterly tariff review framework). However, the revenue surplus/deficit of the 3rd quarter of 2025 has also not yet been considered in tariff reviews, owing to the submission delays by CEB. Accordingly, CEB has submitted a revenue surplus of MLKR 3,795, for this tariff review, considering the last two quarters of 2025.

The Commission requested clarifications to verify the consistency of the actual BST submissions for 2025, with the Licensee financial accounts (Note- this phrase is used for both regulatory accounts and financial accounts in this document, regulatory accounts are used whenever they are available). The clarifications received indicate deviations between actual BST and financial accounts, mainly due to the following reasons.

- Actual BST not being updated with the most recent data and containing estimates for some items.
- Differences in LISS submitted data and financial data due to differences in considered information collection cycle.
- Recording errors in financial statements.
- Accrued amounts in the financial accounts.
- Post adjustments to the accounts.

Accordingly, the following cost items considered for the revenue surplus calculation of CEB should be updated and revised, based on the comparison with financial accounts.

- Generation Energy Cost for 2025H1 – Due to updated NCRE generation cost (-MLKR 259)
- Finance Cost for 2025H1 – Due to the use of estimated value for interest on term loans and adjustment to OD (-MLKR 1,796)
- Generation Energy Cost for 2025H2 – Due to updated NCRE generation cost (+MLKR 56)

- Finance Cost for 2025H2 – Due to non-inclusion of an OD interest component and a IPP delay interest component (+MLKR 169)

Further, the following discrepancies are also noted in the CEB revenue surplus calculation for 2025Q3 and 2025Q4.

- Non-consideration of transmission consumer sales revenues of 2025.
- Errors in the Distribution Allowed revenues used for CEB DLs.
- Differences to estimated UNT adjustment values.

The Commission has also observed significantly low network loss figures with quarterly UNT adjustment calculations for all Distribution Licensees, for the year 2025. This has been verified with the Licensee recorded annual distribution network loss figures. Accordingly, until the actual DL network losses for year 2025 are accurately determined, network loss target-based incentive is temporarily removed from the UNT adjustment calculations for year 2025.

Considering the above facts, the revenue surplus of BSOB for 2025H1 is calculated as follows.

Table 19: BSOB revenue surplus calculation

Item		Unit	Amount for 2025H1	Amount for 2025H2	Amount for 2025
CEB Revenue	Direct revenue from electricity sales	MLKR	194,609	225,702	420,311
	Uniform National Tariff revenue adjustment from LECO	MLKR	1,155	1,434	2,589
Generation Cost	Energy Cost	MLKR	(141,740)	(142,881)	(284,621)
	Capacity Cost	MLKR	(26,981)	(42,156)	(69,137)
Transmission Allowed Revenue		MLKR	(10,906)	(10,906)	(21,812)
Distribution Allowed Revenue	CEB Distribution Licensees	MLKR	(38,519)	(40,980)	(79,500)
Finance Cost		MLKR	(4,728)	(13,228)	(17,956)
Revenue Surplus/(Deficit) for the period		**MLKR**	**(27,111)**	**(23,015)**	**(50,127)**
Revenue surplus brought forward from previous periods		**MLKR**	**41,575**	**29,958**	
Effective Revenue Surplus/(Deficit) for the period		**MLKR**	**14,464**	**6,943**	

Accordingly, the revenue surplus of the BSOB for 2025Q3 and 2025Q4 is calculated as MLKR 6,943.

6.2. Commission Decision on Revenue Surplus from Past Periods

The Commission approves the calculated revenue surplus above and this would be offset in determining the revenue to recover during the 2nd quarter of 2026.

7. Electricity Sales Revenue

7.1. Licensee Submission and Commission's Observations

CEB has forecasted 4,231 GWh of electricity sales during the period of April to June 2026. The breakdown of CEB (currently EDL) end-user sales and sales to LECO is shown below, as submitted by CEB.

Table 20: CEB submitted sales revenue breakdown

Description	Apr - Jun Forecasted Sales (GWh)	Apr - Jun Forecasted Electricity Sales Revenue with existing tariff (MLKR)
CEB DL End-user sales	3,775	105,812
Sales to LECO	456	11,077
Total CEB Revenue	4,231	116,889

Accordingly, a total revenue of MLKR 116,889 has been forecasted for all CEB electricity sales (by EDL to end consumers and NSO to LECO under the current setup), with the existing tariff.

The end-user tariff determination requires the total forecast revenue of all Distribution Licensees. Accordingly, the Commission has calculated the LECO end-user sales revenue, using the LECO submitted end-user sales forecast for the 2nd quarter of 2026. This revenue amounts to MLKR 14,696. Thus, the total end-user sales revenue of all Distribution Licensees is MLKR 120,508, with the existing tariff.

7.2. Commission Decision on Electricity Sales Revenue

The Commission approves forecast revenue calculated above.

8. Tariff Adjustment and Rate Structure

8.1. Licensee Submission and Commission's Observations

The summary of CEB submitted cost/revenue forecasts for the subjected period and the calculation of tariff revision percentage is shown in the table below.

Table 21: Summary of CEB submitted costs/revenue

Description		Unit	Amount
Generation	Energy cost	MLKR	78,070
	Capacity cost	MLKR	18,231
Transmission cost		MLKR	6,040
Distribution cost - CEB		MLKR	26,334
Finance Cost		MLKR	7,856
Total Cost		MLKR	136,531
Estimated Revenue at present tariff		MLKR	116,889
B/F Revenue Surplus/(Deficit)		MLKR	3,795
Surplus/ (Deficit)		MLKR	(15,847)
Surplus/(Deficit) as a percentage of Revenue		%	-13.56%

*Note: CEB submission considers LECO as a single consumer. Therefore, end-user revenue of LECO consumers and LECO allowed revenue is not included above.

Considering the above, CEB has proposed to increase the tariffs uniformly among all consumer categories and blocks by 13.56%, to be effective from April 1, 2026.

8.2 Commission Decision on the Tariff Adjustment and Rate Structure

Considering the Commission's decision on all the cost and revenue components above, the required tariff adjustment is calculated as follows.

Table 22: Summary of commission approved costs/revenues

Description		Unit	Amount for Apr-Jun
Generation	Energy cost	MLKR	77,432
	Capacity cost	MLKR	17,913
Transmission cost		MLKR	5,290
BSOB Cost		MLKR	529
Distribution cost	EDL	MLKR	23,944
	LECO	MLKR	3,148
Finance Cost		MLKR	7,856
Total Cost		MLKR	136,112
Estimated Revenue at present tariff		MLKR	120,508
B/F Revenue Surplus/(Deficit)		MLKR	6,943
Contingent 5% demand increase considered:	Additional Energy Cost	MLKR	11,215
	Additional Revenue	MLKR	6,695
Surplus/ (Deficit)		MLKR	(13,181)

Accordingly, as per the calculation results, an upward revenue adjustment of MLKR 13,181 is approved, to be effective from April 1, 2026. This tariff increase has been distributed among the consumer categories as given in Table 23.

The Commission has decided to introduce a new tariff category for Electrical Vehicle (EV) Charging Stations; to promote EV and demand side management (peak shifting), the tariff structure is provided in Annex-2. Further, the Ministry of Energy has also forwarded a tariff structure in this regard.

Table 23: Summary of commission approved costs/revenues

Category		% Revenue Change Approved
Domestic Overall		13.5%
Domestic	0-30	4.3%
	31-60	6.9%
	61-90	6.9%
	91-180	7.2%
	180<	25.3%
	D-TOU	23.0%
General Purpose		8.0%
Government		14.4%
Hotel Purpose		9.9%
Industrial Purpose		8.7%
Religious & Charitable Purpose		9.6%
Streetlamp		0.0%

The approved tariff table is provided as Annex – 2 and the applicable conditions for the licensees are provided in Annex - 3.

Summary of Comments from the Stakeholder Consultation - Second Quarter Electricity Tariff Review 2026

The Public Utilities Commission of Sri Lanka conducted a series of public consultations to obtain stakeholder feedback on the proposed Second Electricity Tariff Revision for 2026. These consultations were held across five provinces to ensure broad public participation and regional representation. The sessions took place in Ampara, Vavuniya, Matale, Hambantota, and Colombo from March 9, 2026, to March 18, 2026. Written comments and suggestions regarding the proposed tariff revision were invited from the public until March 18, 2026.

More than 250 stakeholders participated in the sessions, including representatives from industry, commerce, small and medium enterprises, the public sector, consumer associations, religious organizations, and individual consumers. The consultation process provided an open and inclusive platform for participants to express their views, concerns, and recommendations concerning the proposed tariff structure and its anticipated implications for various consumer categories and the national economy.

Stakeholders were consulted on the key topics outlined below. The summary presented consolidates the principal themes and observations expressed during the consultations.

Consultation Category	Number of Mentions	Key Stakeholder Concerns & Comments
1. Forecasted generation mix and costs submitted by CEB	53	• Forecasted generation should be aligned with rainfall data and meteorological predictions, addressing discrepancies in projected renewable energy output, Improve planning, forecasting, and overall generation cost efficiency • Promote renewable energy including solar, wind, floating solar, mini-hydro, and other non-conventional sources • Reduction of 37 GWh from the Lakvijaya coal power plant should be investigated, particularly in relation to coal quality issues • Generation shortfalls observed in recent load curves, largely attributed to poor-quality coal and supply disruptions • Utilize energy storage solutions including BESS and pumped hydro, Reduce reliance on high-cost fossil fuel generation such as naphtha, HFO, and diesel. • Enable corporate renewable procurement and promote off-grid and aggregated renewable energy systems
2. Fuel cost used by CEB	26	• Strengthen fuel cost management practices and enhance transparency in fuel procurement • Establish long-term Fuel Supply Agreements (FSA), particularly in the context of ongoing geopolitical uncertainties that may significantly impact fuel prices; a properly implemented FSA would help shield electricity consumers from such volatility • Consider fuel price volatility, introduce an appropriate fuel cost adjustment or pass-through mechanism • Consumers should not bear costs associated with oil-based generation in the absence of proper FSA with designated suppliers • Concerns raised regarding the inability of the Generation Licensee to enter into a fuel supply agreement with Ceylon Petroleum Corporation • The Commission is requested to take appropriate legal action against the Generation Licensee for non-compliance with enforcement orders related to Fuel Supply Agreements

3. Transmission cost	18	• Avoid passing VRS-related gratuity costs to consumers; such costs should be properly accrued over time and not recovered within a single year • Reduce transmission losses and improve overall network efficiency • Ensure cost-reflective allowed revenue determination and fair cost allocation • Strengthen transmission infrastructure to improve system reliability and support renewable energy integration • Costs related to non-essential infrastructure, including the “Vidulakapaya” building, were flagged as inappropriate for recovery through tariffs
4.Distribution costs	24	• Improve supply quality, voltage stability, and service coverage in rural areas • Address inefficiencies, illegal tapping, and outsourcing to unskilled staff, which increase electricity costs passed on to consumers • Implement technical loss reduction measures in the distribution network • Ensure transparency in cost allocation and exclude non-essential costs • Introduce smart meters island-wide, not only in urban areas, and promote off-grid solutions for low-consumer areas • Address renewable energy curtailment, remove barriers to innovation, and expand grid capacity to support higher renewable energy penetration, Ensure transparency of grid availability for solar integration to the public
5. Finance costs of Bulk Supply Operations Business	35	• Avoid recovering non-essential CAPEX, OPEX, or legacy/extraordinary costs from consumers • Strengthen financial discipline, cost control, and transparency within successor entities • Conduct forensic audits and improve internal management practices • Seek Treasury support for extraordinary costs • Streamline cost accounting and recording standards, ensuring proper audits and enhanced financial transparency
6. Revenue Surplus/Deficit of Transmission Licensee	15	• Use past surpluses to offset deficits and ensure equitable revenue management • Maintain financial accountability and align revenue determination with reforms • Return prior surpluses to consumers through an appropriate mechanism • Ensure new tariff methodology and energy policies follow proper approval channels, including public consultations and stakeholder feedback
7. Proposed Tariff Structure (Rate table attached - Annex 3) by CEB	60	• Strong opposition to equally distribute the tariff increase of 13.56% among all the consumer categories and blocks, as it disproportionately impacts low-use consumers while favoring high-use consumers • Maintain lifeline tariffs for low-income consumers and introduce sector-specific tariffs to protect agriculture, SMEs, tourism, and export sectors • Consider gradual, minimal, or delayed increases to reduce the impact on cost of living and essential goods • Implement energy-based or cost-reflective pricing and provide incentives for EVs and renewable energy adoption • Ensure transparency, affordability, and competitiveness in tariff structures • Introduce a dedicated tariff category for EV charging stations, using Time-of-Use (ToU) pricing to support system stability

8.Commission's analysis on the tariff submission	33	• Ensure transparency, legal compliance, and cost-reflective tariffs • Allow only prudent and efficient costs • Benchmark Electricity tariffs regionally and publicly explain decisions • Strengthen regulatory oversight and financial modeling
9.Stakeholder proposals to improve costing and efficiency of Licensees	51	• Financial losses arising from poor-quality coal should not be passed on to consumers • Promote renewable energy adoption, and deploy energy storage solutions • CEB's successor entities should present in public consultations and justify the tariff proposal calculations • Improve operational efficiency, cost control, and financial discipline within successor entities • Reduce technical and non-technical losses • Enhance consumer awareness and service quality • Enhance public awareness on energy conservation • Quarterly tariff revisions create economic instability; annual or biannual revisions are preferred • Provide targeted subsidies or support for SMEs and vulnerable groups • Encourage innovation, private sector participation, and corporate renewable procurement • Introduce demand-side management and adopt energy-based or value-based pricing mechanisms
General Comments		• Electricity tariff increases will significantly affect export industries, making it difficult to compete with countries that have lower energy costs - *(Representative of the Export Sector)* • Quarterly tariff revisions create uncertainty for industries and discourage investors less willing to invest in large industrial projects - *(Representative of the Industrial Sector)* • The tariff increase will badly affect SMEs and the whole economy, because electricity costs affect all goods and services, and higher electricity tariffs will lead to higher inflation - *(Representative of the SME Sector)*

Special Stakeholder Comments:

Stakeholder	Key Stakeholder Comments
Central Bank of Sri Lanka (CBSL)	**Inflationary Impact** • The proposed 13.56% electricity tariff increase may exert upward pressure on headline inflation and transmit to the broader economy. • Recent inflation has remained below the 5% target, suggesting some scope for moderate tariff adjustments without breaching the inflation target. **Alignment with Cost-Reflective Pricing** • Tariff revisions should adhere to cost-reflective principles as part of the ongoing IMF-supported utility sector reforms. • Adjustments reflecting actual generation and supply costs support structural reform objectives and ensure financial sustainability. **Need for Timely and Gradual Adjustments** • Regular, predictable tariff revisions help avoid large, abrupt increases, minimizing inflation volatility and enabling manageable adjustments for households and businesses. • Historical large adjustments due to prior non-cost-reflective pricing (e.g., 2022/2023) created challenges for inflation management and economic decision-making. **Risks of Below-Cost Pricing** • Maintaining tariffs below actual costs shifts the resulting financial burden to the government, ultimately affecting taxpayers regardless of electricity usage. • Past periods of underpricing (2013–2022) necessitated substantial government interventions to cover CEB legacy debt. • Cost-reflective tariffs ensure consumers pay in line with actual usage, reduce fiscal pressures, and improve transparency. • If relief is required, targeted government-funded support for vulnerable consumers instead of placing the financial burden on the CEB or institutions established following its restructuring
National System Operator (Pvt) Ltd. (NSO)	**Fuel Price Volatility and Generation Cost Implications** • Raised concern over fuel price volatility, noting that the tariff proposal is based on fixed fuel prices, while global market conditions indicate potential upward price movements. • Recommended introducing a fuel cost pass-through or adjustment mechanism to ensure financial stability and uninterrupted operations of the electricity system. **Transmission and Bulk Supply Allowed Revenues** • Noted that the Transmission and Bulk Supply Allowed Revenues are based on outdated figures from the previous tariff period, which do not reflect the recent structural reforms under the new Electricity Act.
Electricity Generation Lanka (Pvt) Ltd. (EGL)	**Fuel Price Risk** • CEB's forecasted fuel prices, based on pricing determined by the CPC are at risk of significant upward deviation. • Ongoing global geopolitical conflicts and military hostilities that could disrupt supply chains and trigger sharp price volatility in Q2 2026. **Generation Dispatch Risk** • CEB's plan relies heavily on Lakvijaya Coal Power Plant (30% of total generation) • Already shows a 37 GWh reduction compared to previous forecast, this reduction may increase further due to practical challenges related to coal plant availability and operational constraints. • Any further shortfall would force replacement with expensive oil-based generation causing a major increase in actual energy costs.

Electricity Distribution Lanka (Pvt) Ltd. (EDL)	**Key Comments from DL3** • CAPEX claw-back was incorrectly applied to customer contribution items • Minor differences were observed in revenue-controlled caps due to variations in indexing parameters • Approval is requested to revise the approved CAPEX for the MYT period in light of operational difficulties **Key Comments from DL4** • CAPEX claw-back was incorrectly applied to Customer Contribution items • Requests the Commission to update and increase the AR value for DD4 using the latest indices • Requests that LECO costs be included in the tariff calculation, as they directly impact overall distribution costs

Tariff Table for a 30 Day Billing Cycle

Annex - 2

	Tariff effective until 31st March 2026: Energy Charge (LKR/kWh)	Tariff effective until 31st March 2026: Fixed Charge (LKR/month)	Approved Tariff, Effective from 1st April 2026: Energy Charge (LKR/kWh)	Approved Tariff, Effective from 1st April 2026: Fixed Charge (LKR/month)
Domestic				
Consumption 0-60 kWh per month				
Block 1 : 0-30 kWh	4.50	80.00	5.00	80.00
Block 2 : 31-60 kWh	8.00	210.00	9.00	210.00
Consumption above 60kWh per month				
Block 1 : 0-60 kWh	12.75	-	14.00	-
Block 2 : 61-90 kWh	18.50	400.00	20.00	400.00
Block 3 : 91-120 kWh	24.00	1,000.00	28.00	1,000.00
Block 4 : 121-180 kWh	41.00	1,500.00	44.00	1,500.00
Block 5 : Above 180 kWh	61.00	2,100.00	85.00	2,100.00
Domestic Time Of Use				
Peak [18:30 to 22:30]	67.00	2,100.00	90.00	2,100.00
Day [05:30 to 18:30]	35.00		40.00	
Off Peak [22:30 to 05:30]	21.00		28.00	
Religious & Charitable				
Block 1 : 0-30 kWh	4.50	75.00	4.50	75.00
Block 2 : 31-90 kWh	4.50	200.00	4.50	200.00
Block 3 : 91-120 kWh	8.00	350.00	8.00	350.00
Block 4 : 121-180 kWh	19.00	1,300.00	19.00	1,300.00
Block 5 : Above 180 kWh	26.00	1,700.00	30.00	1,700.00

Other Consumers		Industrial/Hotel		General Purpose/Government		Industrial		Hotel		General Purpose		Government	
Volume Differentiated Monthly Consumption (kWh/month)		<300	>300	<180	>180	<300	>300	<300	>300	<180	>180	<180	>180
Supply at 400/230V & Contract Demand<42kVA (1)	Energy Charge (LKR/kWh)	8.00	17.00	25.00	34.00	9.00	18.00	9.00	18.00	27.00	36.00	29.00	38.00
	Fixed Charge (LKR/month)	300.00	800.00	500.00	1,600.00	300.00	800.00	300.00	800.00	500.00	1,600.00	500.00	1,600.00
Supply at 400/230V & Contract Demand >42kVA (2)	Peak [18:30 to 22:30] (LKR/kWh)	28.00		47.00		33.00		33.00		66.00		66.00	
	Day [05:30 to 18:30] (LKR/kWh)	15.00		41.00		16.00		16.00		43.00		46.00	
	Off Peak [22:30 to 05:30] (LKR/kWh)	12.00		31.00		14.00		14.00		34.00		34.00	
	Demand Charge (LKR/kVA)	1,400.00		1,500.00		1,400.00		1,400.00		1,500.00		1,500.00	
	Fixed Charge (LKR/month)	5,000.00		5,000.00		5,000.00		5,000.00		5,000.00		5,000.00	
Supply at 11kV & above (3)	Peak [18:30 to 22:30] (LKR/kWh)	27.00		46.00		32.00		32.00		65.00		65.00	
	Day [05:30 to 18:30] (LKR/kWh)	14.00		39.50		15.00		15.00		41.50		45.00	
	Off Peak [22:30 to 05:30] (LKR/kWh)	11.00		30.00		13.00		13.00		33.00		33.00	
	Demand Charge (LKR/kVA)	1,350.00		1,450.00		1,350.00		1,350.00		1,450.00		1,450.00	
	Fixed Charge (LKR/month)	5,000.00		5,000.00		5,000.00		5,000.00		5,000.00		5,000.00	

	Tariff effective until 31st March 2026	Approved Tariff, Effective from 1st April 2026
Street Lighting		
Energy Charge (LKR/kWh)	50.00	50.00
Agriculture: Optional Time of Use		
Peak [18:30 to 22:30] (LKR/kWh)	23.00	28.00
Day [05:30 to 18:30] (LKR/kWh)	13.00	14.00
Off Peak [22:30 to 05:30] (LKR/kWh)	7.00	8.00
Fixed Charge (LKR/month)	750.00	750.00
EVCS1: Supply at 400/230V & Contract Demand<42kVA		
Peak [18:30 to 22:30] (LKR/kWh)	N/A	70.00
Day [05:30 to 18:30] (LKR/kWh)	N/A	15.00
Off Peak [22:30 to 05:30] (LKR/kWh)	N/A	15.00
Fixed Charge (LKR/month)	N/A	1,600.00
EVCS2 : Supply at or above 400/230V & Contract Demand >42kVA		
Peak [18:30 to 22:30] (LKR/kWh)	N/A	70.00
Day [05:30 to 18:30] (LKR/kWh)	N/A	15.00
Off Peak [22:30 to 05:30] (LKR/kWh)	N/A	15.00
Demand Charge (LKR/kVA)	N/A	1,500.00
Fixed Charge (LKR/month)	N/A	5,000.00

End User Tariff for EDL owned EV Charging Stations (Tariff offered to Vehicles by the Charging Station)

Annex - 2

EV Charging Stations	DC Fast Charging	AC Level 2 Charging	DC Fast Charging	AC Level 2 Charging
Peak (LKR/kWh)	111.00	90.00	111.00	90.00
Day (LKR/kWh)	87.00	70.00	87.00	70.00
Off Peak (LKR/kWh)	53.00	40.00	53.00	40.00

Optional Pre-paid Tariff Scheme (LECO) for Retail Consumers

		Tariff effective until 31st March 2026	Approved Tariff, Effective from 1st April 2026
		Energy Charge (LKR/kWh)	Energy Charge (LKR/kWh)
Domestic	Block 1 : 0-90 kWh/month	16.00	17.00
	Block 2 : Above 90 kWh/month	61.00	78.00
Religious	Block 1 : 0-90 kWh /month	8.00	8.00
	Block 2 : Above 90 kWh/month	28.00	31.00
General (GP-1)		36.00	38.00
Industrial (I-1)		18.00	19.00
Hotel (H-1)		18.00	19.00

New Tariff Category for Electric Vehicle Charging Stations (EVCS)

EVCS

•The consumer shall have a dedicated supply for Electric Vehicle Charging Station.
•The consumer shall have an exemption certificate or a No Objection Letter issued by PUCSL.

EVCS-1

•These rates shall apply to supplies at each individual point of supply, delivered solely for the purpose of Electric Vehicle Charging Stations, and metered at 400/230 V, with a contract demand less than or equal to 42 kVA.

EVCS-2

•These rates shall apply to supplies at each individual point of supply, delivered solely for the purpose of Electric Vehicle Charging Stations, and metered at or above 400/230 V, with a contract demand exceeding 42 kVA.

Annex - 3

Conditions to the Licensee

Condition	Deadline
1. LECO shall proceed with the implementation of the UDSM proposals in accordance with the UDSM Regulations, 2016, upon obtaining the Commission's approval.	May 29, 2026
2. Each Distribution Licensee under the EDL shall submit the initial technical and economic Potential report in accordance with the UDSM Regulations, 2016, for the approval of the Commission.	April 30, 2026
3. Each Distribution Licensee under the EDL shall commence implementation of the UDSM proposals upon obtaining the Commission's approval as per the UDSM regulation 2016.	July 30, 2026
4. National System Operator shall enter into proper agreements with EGL, NTNSP, EDL and LECO with the approval of the Commission	Within six months from the appointed date

Revenue Cap Calculation

1 Determination of Revenue Caps within the Multi-year Tariff Period

As per the approved Tariff Methodology, the revenue caps are to be adjusted based on the revenue control formulae, within the multi-year tariff period. Accordingly, the approved amounts for 2025 are adjusted using the revenue control formulas, as stipulated under the clauses 2.3.2.9, 2.4.1, 3.1.2.8 and 3.2.1 of the Tariff Methodology, to obtain the relevant revenue caps for the year 2026.

2 Indices and Parameters for Revenue Control Formula

The following parameters and indices were considered with the revenue control formula.

Table 1 – Indices used for the revenue control formula

Time Period	LKR/USD	CCPI	PPIUS (capital equipment)
2024 October	301.0564	189.9	213.613
2025 October	306.2912	193.8	220.588
% Change	2%	2%	3%

Table 2 – Customer numbers used for the revenue control formula

Year	Consumer Number				
	DL1	DL2	DL3	DL4	DL5
2025	2,078,552	2,492,085	1,447,127	1,197,651	606,980
2026	2,105,324	2,518,447	1,475,592	1,175,841	613,854
% Change	1%	1%	2%	-2%	1%

Table 3 – Electricity sales amounts used for the revenue control formula

Year	Electricity Sales (GWh)				
	DL1	DL2	DL3	DL4	DL5
2025	4,730	4,884	2,670	2,134	1,606
2026	4,644	5,016	2,811	2,187	1,760
% Change	-2%	3%	5%	2%	10%

Table 4 – Parameters for revenue control formula

Licensee	Parameter as per the Tariff Methodology	Value
Transmission Licensee	X	0
	a	0.5
Distribution Licensees	X	0
	a	0.6
	b	0.4
	c	0.4
	d	0.2

3 Distribution Licensee Revenue Caps

The 'Distribution Variable Revenue Cap' of each Distribution Licensee, derived with the revenue control formula is given in the table below.

Table 5 – Distribution Variable Revenue Caps for 2026 from Revenue Control Formula

Description	Unit	Distribution Variable Revenue Cap [Before claw-back]				
		DL1	DL2	DL3	DL4	DL5
Approved for 2025*	MLKR	15,828	21,924	13,442	11,586	10,221
Value for 2026	MLKR	16,309	22,978	14,281	11,994	11,008

*Note: Does not include period specific approved amounts such as Insurance Reserve Fund contribution and SESRIP loan repayment

The 'Retail Service Price Cap' for each Distribution Licensee, given by the revenue control formulae are shown in the table below.

Table 6 – Retail Service Price Caps for 2026 from Revenue Control Formula

Description	Unit	Retail Service Price Cap [Before claw-back]				
		DL1	DL2	DL3	DL4	DL5
Approved for 2025	LKR/Cust.	4,608	2,449	3,541	3,352	3,868
Value for 2026	LKR/Cust.	4,703	2,499	3,614	3,421	3,947

4 Transmission Licensee Revenue Caps

The Revenue caps of the Transmission and BSOB are given below, as derived from the revenue control formula.

Table 7 – Transmission and BSOB Revenue Caps for 2026, from Revenue Control Formula

Description	Unit	Transmission Revenue Cap	BSOB Revenue Cap	TL Total Allowed Revenue
Approved for 2025 [Before claw-back]*	MLKR	22,929	2,072	25,001
Value for 2026 [Before claw-back]	MLKR	23,745	2,115	25,859

*Note: Does not include period specific approved amounts such as Insurance Reserve Fund contribution

5 Summary of Revenue Caps

The summary of derived total Allowed Revenues for the Licensees is provided in the table below.

Table 8 – Total Licensee Allowed Revenue with Revenue Control Formula

Licensee		Revenue Control Formula Based Allowed Revenues for 2026, Before Claw-backs (MLKR)
DL1		26,210
DL2		29,272
DL3		19,613
DL4		16,017
DL5		13,432
TL	Wired	23,745
	Non-Wired	2,115

CAPEX Claw-back Calculations

Based on the provisions of the approved Tariff Methodology of 2021 (Clauses 2.3.25 and 3.1.2.5), CAPEX Claw-back has been performed on the Distribution Licensees and Transmission Licensee, for the year 2024. The calculation requires adjustment for allowed Depreciation and Return on Assets (RoA), in case if there are differences between forecasts CAPEX and actual CAPEX.

It is to be noted that the CEB has claimed with its letter (ref: DGM(CS&RA)/TRF/Trf. 2025), dated October 01, 2025, and other communications, on the curtailment of approved Return on Assets of the CEB Distribution Licensees, for the year 2024. Therefore, the CAPEX claw-back calculations for CEB Distribution Licensees are not adjust for the RoA related component. The detailed calculations, performed based on the Licensee submitted actual CAPEX information, are provided below.

Distribution Licensee – 1

CAPEX Description	CAPEX Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)
	Approved for 2024	Actual for 2024		Depreciation
Major CAPEX				
LV Development Plan (System Augmentation)	2,920.00	8,005	(5,084.79)	(145.28)
MV Development Plan	3,042.00	551	2,491.24	71.18
LV ABC Conversion	1,195.00	16	1,179.00	33.69
Augmentation of Primary Substations	-	-	-	-
Loss Reduction (Meter replacement)	560.00	24	536.05	15.32
Additions from WIP	-	-	-	-
Other CAPEX				
IT Equipment	66.00	8	58.42	11.68

Land	50.00	15	35.00	-
Buildings	104.80	114	(9.09)	(0.23)
Motor Vehicle	200.00	-	200.00	10.00
Office Equipment	69.00	29	39.88	7.98
Furniture and Fittings	46.10	2	44.21	8.84
Machinery and Tools	167.10	19	147.98	29.60
E-shops Carder System	25.00	-	25.00	5.00
SPSSP Project	10.00	-	10.00	0.29
Total CAPEX	**8,455.01**	**8,782.10**	**(327.09)**	**48.06**
Customer Contribution for new connections			-	
Bulk Supply	3,280.00	3,747	1,896.80	-
Service Connection	2,364.00			
Sub Total	**5,644.00**	**3,747.20**	**1,896.80**	**-**
NET CAPEX	**2,811.01**	**5,034.90**	**(2,223.89)**	**48.06**
Total CAPEX Claw-back (After adjusting at a rate of 8.52%)				**52.15**

Distribution Licensee – 2

CAPEX Description	**CAPEX Amount (MLKR)**		**Over Forecast**	**Required Adjustments (MLKR)**
	Approved for 2024	**Actual for 2024**		**Depreciation**
Major CAPEX				
LV Development Plan (System Augmentation)	4,867.00	5,188.15	(321.15)	(9.18)
LVABC Conversion				

Loss Reduction				
MV Development Plan	2,351.00	8,671.67	(6,320.67)	(180.77)
Augmentation of Primary Substations	400.00	-	400.00	11.44
Other CAPEX				
IT Related Equipment	101.00	-	101.00	20.20
Lands	369.00	-	369.00	-
Buildings	373.00	142.00	231.00	5.78
Motor Vehicles	420.00	51.10	368.90	73.78
Office Equipment	78.00	127.20	(49.20)	(9.84)
Furniture & Fittings	59.00	7.10	51.90	10.38
Machinery & Tools	197.00	162.60	34.40	6.88
Other	82.00	10.30	71.70	14.34
Total CAPEX	**9,297.00**	**14,360.12**	**(5,063.12)**	**(57.00)**
Customer Contribution for new connections			-	
Bulk Supply	1,049.30	5,212.60	(2,381.77)	-
Service Connection	1,781.53			
Sub Total	**2,830.83**	**5,212.60**	**(2,381.77)**	**-**
NET CAPEX	**6,466.17**	**9,147.52**	**(2,681.35)**	**(57.00)**
Total CAPEX Claw-back (After adjusting at a rate of 8.52%)				**(61.86)**

Distribution Licensee – 3

CAPEX Description	CAPEX Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)
	Approved for 2024	Actual for 2024		Depreciation
LV Development Plan (System Augmentation)	1,992.61	3,611.98	(1,619.37)	(46.27)
MV Development Plan	1,955.12	784.35	1,170.77	33.45
LV ABC Conversion	-	-	-	-
Augmentation of Primary Substations	-	-	-	-
Loss Reduction (Meter Replacement)	69.84		69.84	2.00
Bulk Supply	1,350.90	875.84	475.06	13.57
Service Connection	2,147.60	1,227.90	919.70	26.28
Other CR Jobs	915.00	732.32	182.68	5.22
Additions From WIP	-	-	-	-
Other	184.43	129.88	54.55	1.56
Sub Total	**8,615.40**	**7,362.27**	**1,253.13**	**35.81**
Other CAPEX				
IT Equipment	99.00	35.87	63.13	12.63
Land	28.00		28.00	-
Building	209.00	52.00	157.00	3.93
Motor Vehicles	54.00		54.00	2.70
Office equipment	20.00	21.22	(1.22)	(0.24)
Furniture and Fitting	53.00	1.69	51.31	10.26
Machinery and tools	201.00	93.97	107.03	21.41
Other	126.00	2.80	123.20	24.64
Solar System	136.00		136.00	5.44
Sub Total	**926.00**	**207.56**	**718.44**	**80.75**
Customer Contribution for new Connection				-

Bulk Supply	1,350.90	875.84	475.06	-
Service Connection	2,147.60	1,227.90	919.70	-
Other CR Jobs	915.00	732.32	182.68	-
Sub Total	**4,413.40**	**2,836.06**	**1,577.34**	-
NET CAPEX	**5,128.00**	**4,733.76**	**394.24**	**116.56**
Total CAPEX Claw-back (After adjusting at a rate of 8.52%)				**126.49**

Distribution Licensee – 4

CAPEX Description	**CAPEX Amount (MLKR)**		**Over Forecast**	**Required Adjustments (MLKR)**
	Approved for 2024	**Actual for 2024**		**Depreciation**
Major CAPEX				
LT Lines	-	-	-	-
LT Underground	-	-	-	-
LT Feeder Pillar	-	-	-	-
Others (If any)- Please Specify with Asset Code	-	-	-	-
HT Overhead lines -33 kV	1,867.92	2,228.83	(360.91)	(10.31)
HT Overhead lines -11 kV	-	663.33	(663.33)	(18.95)
HT Underground - 11 kV	-	12.49	(12.49)	(0.36)
HT Underground - 33 kV	-	0.30	(0.30)	(0.01)
HT Switchgear	-	-	-	-
HT Switchyards	-	46.13	(46.13)	(1.32)
Gantry	-	-	-	-
Boundary Meters	-	22.41	(22.41)	(0.64)
Dis. Tran. & Con. Sub. 33 kV /Down	-	800.10	(800.10)	(22.86)
Dis. Tran. & Con. Sub. 11 kV /Down	-	300.92	(300.92)	(8.60)

Distribution Transformer Consumer Sub.	-	-	-	-
Primary Substation G.S.	-	52.06	(52.06)	(1.49)
Others (If any)- Please Specify with Asset Code	23.50	-	23.50	4.70
LV ABC Conversion	-	-	-	-
Augmentation of Primary Substations	-	-	-	-
Loss Reduction (Meter Replacement)	63.00	-	63.00	1.80
Service Main	2.00	990.31	(988.31)	(28.24)
System Augmentation	1,747.68	-	1,747.68	49.93
Additions from WIP	-	-	-	-
Please specify Projects (If any)	1,670.00	-	1,670.00	47.71
Bulk Supply	1,038.73	-	1,038.73	29.68
Service connection	374.57	-	374.57	10.70
Others (If any)- Please Specify with Asset Code	3.00	-	3.00	0.09
Geographic Info. Sys	4.00	-	4.00	0.80
Sub Total	**6,794.40**	**4,824.00**	**1,677.52**	**52.64**
Other CAPEX				
IT Equipment	90.35	10.89	79.46	15.89
Land	188.18	0.01	188.17	0.00
Buildings	100.00	0.39	99.61	2.49
Free Hold Motor vehicles	500.00	142.29	357.71	51.10
Lease Hold Motor Vehicles	65.25	0.00	65.25	9.32
Office equipment	67.47	10.83	56.64	11.33
Furniture and Fittings	42.11	0.87	41.24	8.25
Machinery and Tools	249.34	78.69	170.65	34.13
SCADA System with related Eq.	20.83	0.00	20.83	4.17
Communication Equipment	0.00	0.00	0.00	0.00
Solar Systems & Solar Panels	17.96	0.00	17.96	0.72
Others (If any)- Please Specify with Asset Code	23.04	0.00	23.04	4.61
Mobile Diesel Generators	0.10	0.00	0.10	0.02

Other Sundry Assets	5.85	0.00	5.85	0.12
Civil Works	12.31	0.00	12.31	2.46
Sub Total	**1,382.79**	**142.00**	**1,138.82**	**144.60**
Customer Contribution for new Connection				
Customer contribution for new connections	0.00			
Bulk Supply	1,038.73	1,717.00	(303.70)	-
Service connection	374.57			
Sub Total	**1,413.30**	**1,717.00**	**(303.70)**	**-**
NET CAPEX	**6,763.89**	**4,966.00**	**1,797.89**	**197.25**
Total CAPEX Claw-back (After adjusting at a rate of 8.52%)				**214.05**

Distribution Licensee – 5

CAPEX Description	CAPEX Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)	
	Approved for 2024	Actual for 2024		Depreciation	ROA
Land	900.00	6.41	893.59	-	80.87
Land Improvements	98.10	6.09	92.01	-	8.33
Buildings	1,935.00	30.89	1,904.11	47.60	172.32
Plant & equip.	1,528.78	16.33	1,512.45	226.87	136.88
33 kV Primary Sub Stations	-	-	-	-	-
33 kV Underground Distribution System	-	-	-	-	-
33 kV Overhead Distribution System	-	-	-	-	-
33 kV Bulk Sub Stations	-	-	-	-	-
11 kV UG Distribution System	56.44	33.67	22.77	0.91	2.06
UG Distribution System -BG -Project					

11 kV OH Distribution System	545.98	372.55	173.43	6.94	15.70
11 kV Switches /LBS/Nu-Lec/LBC Auto Reclosers/Sectionaliers	481.81	128.47	353.34	14.13	31.98
11 kV Distribution Sub Stations	329.98	403.05	(73.07)	(2.92)	(6.61)
11 kV Bulk Sub Stations -Customer paid	299.82	358.09	(58.27)	(2.33)	(5.27)
LV OH Distribution System	415.90	437.60	(21.70)	(0.87)	(1.96)
Supply of infrastructure -LV UG LINES	-	97.31	(97.31)	(3.89)	(8.81)
Supply of infrastructure -HV Switches	21.00	-	21.00	0.84	1.90
Consumer Service Lines- Customer paid	652.16	1,335.35	(683.19)	(34.16)	(61.83)
HV Switches	-	1.19	(1.19)	(0.05)	(0.11)
11 KV Under Ground Lines	-	1.04	(1.04)	(0.04)	(0.09)
LV Switches	-	1.19	(1.19)	(0.05)	(0.11)
11kV Dis. Package Substation-NU	-	0.28	(0.28)	(0.01)	(0.03)
11kV Bulk Package Substation-NU	-	0.45	(0.45)	(0.02)	(0.04)
Motor Vehicles	100.00	-	100.00	15.00	9.05
Mobile Equipment	-	-	-	-	-
Furniture and Fittings	52.85	19.86	32.99	4.95	2.99
Office Equipment	128.29	49.86	78.43	11.76	7.10
Computer Equipment	321.11	65.68	255.43	51.09	23.12
Intangible Assets	-	60.15	(60.15)	(12.03)	(5.44)
Tools & Equipment	115.13	67.03	48.11	7.22	4.35
Survey Equipment	15.00	-	15.00	2.25	1.36
Communication Equipment	17.90	-	17.90	2.69	1.62
Sub Total	**8,015**	**3,493**	**4,523**	**336**	**409**
Consumer Contribution	1,781	**1,693**	87.63	**-**	7.93
Sub Total	**1,781**	**1,693**	**88**	**-**	**8**
Net CAPEX	**6,234**	**1,799**	**4,435**	**336**	**401**
Total CAPEX Claw-back (After adjusting at a rate of 9.05%)					**804**

Transmission Licensee

CAPEX WIP

CAPEX Description	CAPEX WIP Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)
	Approved for 2024	Actual for 2024		ROA
Financially committed Ongoing Projects (Source: Transmission Projects/Projects Division)				
Clean Energy Absorption Transmission Project - Project Management Unit 01	1,921.68	55.25	1,866.43	159.02
Clean Energy Absorption Transmission Project - Project Management Unit 02	2,310.90	21.88	2,289.02	195.02
Sampur - Kappalturai Transmission Development Projects (Preparatory Works)	7,584.49	81.03	7,503.46	639.29
Project Director Power System Strengthening & Renewable Energy Integration	1,584.66	34.80	1,549.86	132.05
PMU 01 Power System Strengthening & Renewable Energy Integration	549.55	6.25	543.30	46.29
PMU 02 Power System Strengthening & Renewable Energy Integration	1,110.73	23.55	1,087.18	92.63
PMU 03 Power System Strengthening & Renewable Energy Integration	4,264.32	66.67	4,197.65	357.64
National Transmission and Distribution Network Development & Efficiency Improvement Project	4,954.00	2,238.20	2,715.80	231.39
Construction of Second 220 kV Cable from Kerawalapitiya SS to colombo port SS	7,599.00	-	7,599.00	647.43
Construction of Transmission Network Development Project-Phase 2	2,754.00	-	2,754.00	234.64
Green Power Development and Energy Efficiency Improvement Investment Program (Tranche 2) and Supporting Electricity Supply Reliability Improvement Project	5,100.59	4,256.56	844.02	71.91
Habaranana Veyangoda Transmission Line Project under Trincomalee Coal Power Project	2,065.00	638.36	1,426.64	121.55
Clean Energy & Net work Efficiency Improvement Project -P2-Construction 132Kv Transmission Infrastructure (GOSL/ADB)	-	25.98	(25.98)	(2.21)
Clean energy & Network Efficiency Improvement Project -P3- Construction of 220KVTransmision Infrastructure (GOSL/ADB)	-	97.91	(97.91)	(8.34)
Green Power Development and Energy Efficiency Improvement Investment Programme Tr.1-2 (ADB)	-	13.06	(13.06)	(1.11)
Renewable Energy Absorption Transmission Development Project	-	20.02	(20.02)	(1.71)

PMU - 1 Power System Reliability Strengthening Project Phase- II PAC -2	-	30.58	(30.58)	(2.60)
PMU - 2 Power System Reliability Strengthening Project Phase- II PAC -2	-	33.49	(33.49)	(2.85)
PMU - 3 Power System Reliability Strengthening Project Phase- II PAC -2	-	31.81	(31.81)	(2.71)
Greater Colombo Transmission & Distribution Loss Reduction Project	-	46.25	(46.25)	(3.94)
Subtotal of Major Projects WIP	***41,798.92***	**7,721.65**	**34,077.27**	**2,903.38**
Financially committed Ongoing Projects (Source: Transmission Construction Projects/Projects Division)			-	-
Kothmale - New Polpitiya 220/132kV FC TL	1,714.00	780.49	933.51	79.53
Construction of Dambulla - New Habarana 220/132kV FC TL	853.00	197.06	655.94	55.89
Reconstruction of Medagama Ampara 132kV TL	1,032.00	695.12	336.88	28.70
Augmentation of Athurugiriya - Kolonnawa 132kV TL	20.00	10.45	9.55	0.81
Supervision of Siyambalanduwa-Monaragala 132kV TL	630.00	-	630.00	53.68
Construction of Poonaryan -Kilinochchi 200kV TL - ROW clearing	150.00	26.36	123.64	10.53
Reconstruction of Kolonnawa-Pannipitiya 132kV TL	641.00	0.20	640.80	54.60
ROW clearing Victoria Rantabe 220kV TL	71.00	-	71.00	6.05
Refurbishment of Mannar - Nadukudah 220kV Transmission Line	985.00	168.91	816.09	69.53
Construction of Wagawatta Grid Substation	168.37	510.69	(342.32)	(29.17)
Extension of Kelanithisa 1332kV GIS	5.40	0.89	4.51	0.38
Construction of Transformer Foundation at Kotugoda GS	6.00	6.36	(0.36)	(0.03)
Construction of 02 nos. of 33 kV Feeder Bays at Balangoda Grid Substation	62.90	10.14	52.76	4.49
Augmentation of 01 nos. of 132 kV Feeder Bays at Athurugiriya GS	4.50	3.13	1.37	0.12
Construction of 01 nos. of 132 kV Feeder Bays at Ampara Grid Substation	93.69	40.20	53.49	4.56
Constru. of 01 nos. of 220 kV Feeder Bays at Victoria PS Switch Yard	437.43	35.77	401.66	34.22
Construction of Randeniya Switch Yard	50.00	6.16	43.84	3.73
33kV Protection Relay Replacement	51.00	-	51.00	4.35
Augmentation work at Kirindiwela GS	5.43	11.62	(6.19)	(0.53)

Construction of 02 nos. of 220 kV Feeder Bays at New Anuradhapura GS	372.70	-	372.70	31.75
Augmentation at Chunnakam GS	355.42	34.99	320.43	27.30
Augmentation at Aniyakanda GS	180.32	42.58	137.74	11.74
Augmentation at Kukuleganga Switch Yard	212.74	34.51	178.23	15.18
Augmentation at Mathugama GS	431.40	1.43	429.97	36.63
Reconstruction of Badulla - Madagama 132kVTransmission Line	-	0.21	(0.21)	(0.02)
Polpitiya Athurugiriya Tr Line	-	12.31	(12.31)	(1.05)
Thulhiriya -Kegalle (Kandegedara Tower 132kV) Line	-	0.16	(0.16)	(0.01)
Kelanitissa Kolonnawa	-	0.20	(0.20)	(0.02)
Galle - Balangoda	-	0.00	(0.00)	(0.00)
New Polpitiya Hambantota- Siripagama	-	3.15	(3.15)	(0.27)
Habarana - Veyangoda	-	1.53	(1.53)	(0.13)
Third Party Jobs	-	0.38	(0.38)	(0.03)
New Anuradhapura GS	-	158.06	(158.06)	(13.47)
Construction of two (02) 33kV Feeder Bays at Ratmalana GS	-	0.26	(0.26)	(0.02)
Installation of 2 x 50 MVAr Reactors at New Anuradhapura GS and 1 x 50 MVAr Reactor at Mannar GS	-	2.37	(2.37)	(0.20)
Construction of Two Nos of 220kV Double busbars Transmission Line Bay at New Polpitiya Switching Station	-	1.76	(1.76)	(0.15)
Numerical Relay for 15 GS	-	3.57	(3.57)	(0.30)
Ground Preparation (Hambantota)	-	44.42	(44.42)	(3.78)
Energy Meter LMN	-	0.04	(0.04)	(0.00)
Embilipitiya GS	-	2.51	(2.51)	(0.21)
Siyambalanduwa	-	0.04	(0.04)	(0.00)
Sub Total of Transmission Constructions projects	***8,533.30***	***2,848.06***	***5,685.24***	***484.38***
Transmission Projects under the loan signing stage with funding Agencies (Source: Generation and Transmission Planning Branch)				

Construction of New Habarana - Kappalturei 220kV Transmission Line	-	-	-	-
Construction of Matara - Hambantota 132 kV, 85 km Transmission Line	1,606	-	1,605.77	136.81
Construction of Biyagama Zone 132/33 kV Grid Substation	1,427	-	1,427.35	121.61
Construction of Mirigama 220/33 kV Grid Substation	2,052	-	2,051.81	174.81
Construction of Kalawana 132/33 kV Grid Substation	1,071	-	1,070.51	91.21
Construction of Tissamaharama 132/33 kV Grid Substation	1,071	-	1,070.51	91.21
Construction of Baddegama 132/33 kV Grid Substation	803	-	802.88	68.41
Construction of Homagama 132/33 kV Grid Substation	981	-	981.30	83.61
Construction of Peliyagoda 132/33 kV Grid Substation	1,427	-	1,427.35	121.61
Construction of Negombo 132/33 kV Grid Substation	892	-	892.09	76.01
Construction of Colombo G (Kirulapana) 220/132 kV Grid substation and Colombo K (Wellawatta) 132/11 kV Grid Substation	9,545	-	9,545.38	813.27
Construction of Sub P (Narahenpita) 132/11 kV Grid Substation	2,587	-	2,587.07	220.42
Construction of Sub Q (Town Hall) 132/11 kV Grid Substation	1,160	-	1,159.72	98.81
Construction of Kandy City 132/11 kV Grid Substation	2,409	-	2,408.65	205.22
Construction of Yakkala 132/33 kV grid substation	-	-	-	-
Construction of Wariyapola 132/33 kV Grid Substation & 220/132 kV Switching Station	-	-	-	-
Construction of Ekala 132/33 kV Grid Substation	-	-	-	-
Vavuniya Grid Substation 220 kV Development	-	-	-	-
Construction of Welimada 132/33 kV Grid Substation	-	-	-	-
Construction of Samanalawewa – Embilipitiya 132 kV Transmission Line with Zebra	-	-	-	-
Construction of Keeriyankalliya 132/33 kV grid substation	-	-	-	-
Transmission Projects-Funding arrangement is not finalized yet (Source: Generation and Transmission Planning Branch)			-	-
Augmentation of Aniyakanda and Chunnakam 132/33kV GS	178	-	178.42	15.20
Construction of Weligama 132/33 kV grid substation	446	-	446.05	38.00

Construction of Capacitor Banks in Colombo Grid Substations and replacing Capacitor Bank in Thulhiriya Grid Substation	-	-	-	-
Construction of Pannipitiya-Panadura 132 kV Transmission Line with 2xZebra	-	-	-	-
Construction of Panadura T- Matugama 132kV Transmission Line with 2xZebra	-	-	-	-
Reconstruction of Balangoda - Deniyaya -Galle 132 kV Transmission line with Zebra	-	-	-	-
Construction of Laxapana–Wimalasurendra 132 kV Transmission Line with Zebra	-	-	-	-
Construction of Dehiwala - Ratmalana 132kV Underground Cable	-	-	-	-
Capacity enhancement of 132kV Lynx transmission lines to Zebra - Laxapana Complex	-	-	-	-
Augmentation of Athurugiriya 132/33 kV Grid Substation	-	-	-	-
Reconstruction of New Laxapana - Balangoda 132kV Transmission Line with Zebra	-	-	-	-
Battery Storage (100 MW)	-	-	-	-
Construction of Victoria - Kirindiwela 400kV Transmission Line	-	-	-	-
Construction of New Habarana - Victoria PSPP 400kV transmission line	-	-	-	-
Construction of Mannar - Vavuniya 400kV Transmission Line including Mannar 400kV Grid Substation	-	-	-	-
Grid enhancement such as Frequency control BESS, FACTs devices, Synchronous Condensers, STATCOM, Reactor, Capacitor etc.	-	-	-	-
Transmission Projects identified in Long Term Generation Expansion Plan (Source: Generation and Transmission Planning Branch)		-	-	-
Renewable Energy Desk with monitoring and forecasting at National System Control Centre	785	-	784.66	66.85
50MW/ 50MWh Battery Energy Storage System	8,010	-	8,010.02	682.45
Pre-feasibility and detailed feasibility study for a pumped storage Hydro power plant	219	387	(168.18)	(14.33)
Transmission Lines-To be financed by Developer (Source : Renewable Energy Procurement and Performance Monitoring Branch) (Considered annuity payments to be done by 10 years and local cost - way leaves expenses)			-	-
Collector GSS at Pooneryn and 35 km, 220 kV Zeebra double circuit line	52.50	-	52.50	4.47
Construction of Kappalthurei – Sampur 220kV Transmission Line	-	-	-	-

N Collector Habarana 172 Km (Construction of Ncollector - Vavuniya 400kV Transmission Line (initially operated at 220kV) & Construction of Vavuniya - New Habarana 400kV Transmission Line including New Habarana 400kV Switching Station)	258.00	-	258.00	21.98
Waunathiu oddamavadi 16 Km (To Connect 100 MW solar in Batticaloa to Valachchanei Grid substation)	24.00	-	24.00	2.04
Hambanthota 6 km (Collector Grid substation and 8 km 220 kV line to Hambantota GSS for absorbing 304 MW of solar in Hanbantota)	9.00	-	9.00	0.77
Mannar 250 MW (Augmentation of Nadukuda 220/33kV GS for 200MW Wind & Construction of Nadukuda 2 GSS for 100MW wind)	-	0.59	(0.59)	(0.05)
Siyambalanduwa 100MW Solar PP - Monaragala GSS 132kV Tr. Line	-	-	-	-
Subtotal of Transmission Planning	***37,012.02***	***387.77***	***36,624.25***	***3,120.39***
Grand Total of WIP	**87,344.24**	**10,957.47**	**76,386.76**	**6,508.15**
Total CAPEX WIP Claw-back (After adjusting at a rate of 8.52%)				**7,062.65**

Major CAPEX

CAPEX Description	CAPEX Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)	
	Approved for 2024	Actual for 2024		Depreciation	ROA
Financially committed Ongoing Projects (Source: Transmission Projects/Projects Division)					
Sampur - Kappalturai Transmission Development Projects (Preparatory Works)	-	-	-	-	-
Greater Colombo Transmission & Distribution Loss Reduction Project	-	-	-	-	-
Green Power Development and Energy Efficiency Improvement Investment Program (Tranche 2) and Supporting Electricity Supply Reliability Improvement Project	-	-	-	-	-
Habarananа Veyangoda Transmission Line Project under Trincomalee Coal Power Project	-	-	-	-	-

Financially committed Ongoing Projects (Source: Transmission Construction Projects/Projects Division)					
Kothmale - New Polpitiya 220/132kV FC TL	-	-	-	-	-
Construction of Dambulla - New Habarana 220/132kV FC TL	-	-	-	-	-
Reconstruction of Medagama Ampara 132kV TL	-	-	-	-	-
Augmentation of Athurugiriya - Kolonnawa 132kV TL	-	-	-	-	-
Supervision of Siyambalanduwa-Monaragala 132kV TL	-	-	-	-	-
Construction of Poonaryan -Kilinochchi 200kV TL - ROW clearing	-	-	-	-	-
Reconstruction of Kolonnawa-Pannipitiya 132kV TL	-	-	-	-	-
ROW clearing Victoria Rantabe 220kV TL	-	-	-	-	-
Refurbishment of Mannar - Nadukudah 220kV Transmission Line	-	-	-	-	-
Construction of Wagawatta Grid Substation	-	-	-	-	-
Extension of Kelanithisa 1332kV GIS	-	-	-	-	-
Construction of Transformer Foundation at Kotugoda GS	-	-	-	-	-
Construction of 02 nos. of 33 kV Feeder Bays at Balangoda Grid Substation	-	-	-	-	-
Augmantation of 01 nos. of 132 kV Feeder Bays at Athurugiriya GS	-	-	-	-	-
Construction of 01 nos. of 132 kV Feeder Bays at Ampara Grid Substation	-	-	-	-	-
Construction of Randeniya Switch Yard	-	-	-	-	-
33kV Protection Relay Replacement	-	-	-	-	-
Aumantation work at Kirindiwela GS	-	-	-	-	-
Augmantation at Kukuleganga Switch Yard	-	-	-	-	-
Augmantation at Mathugama GS	-	-	-	-	-
Financially Committed Transmission Projects (Source: Generation and Transmission Planning Division)					
50MW/ 50MWh Battery Energy Storage System	-	-	-	-	-
Reconstruction of 22km, New Chillaw - Bolawatta 132kV	-	587.37	(587.37)	(16.78)	(50.04)
Reconstruction cost of 30km, Badulla - Medagama 132kv	-	760.05	(760.05)	(21.72)	(64.76)
Total	**-**	**1,347.42**	**(1,347.42)**	**(38.50)**	**(114.80)**
Total Major CAPEX Claw-back (After adjusting at a rate of 8.52%)					**(166.36)**

Minor CAPEX

CAPEX Description	CAPEX Amount (MLKR)		Over Forecast	Required Adjustments (MLKR)	
	Approved for 2024	Actual for 2024		Depreciation	ROA
3.1 Free hold Land	130.00	1.46	128.54	-	10.95
3.2 Buildings	21.00	0.00	21.00	0.53	1.79
3.3 Civil Works	120.00	0.00	120.00	3.00	10.22
3.4 Hydro Power Station Account	-	0.00	-	-	-
3.5 Combined Cycle Power Stations Account	-	0.00	-	-	-
3.6 Diesel Power Stations Account	-	0.00	-	-	-
3.7 Gas Turbine Power Stations Account	-	0.00	-	-	-
3.8 Coal Power Station Account	-	0.00	-	-	-
3.9 Civil Works - Coal Power Plant	-	0.00	-	-	-
3.10 Sundry Assets for Generation Power Plant	-	0.00	-	-	-
3.11 Wind Power Station Account	-	0.00	-	-	-
3.12 Generator Set for the Emergency Power	-	0.00	-	-	-
3.13 Expenditure of ERP	-	0.00	-	-	-
3.14 Software	9.00	3.96	5.04	1.01	0.43
3.15 Switchyards	-	0.00	-	-	-
3.16 Boundary Metering	65.00	0.00	65.00	1.86	5.54
3.17 Mobile Diesel Generators	-	0.00	-	-	-
3.18 Free hold Motor Vehicles	286.00	0.00	286.00	19.07	24.37
3.19 Right of Use Assets - Motor Vehicles	-	0.00	-	-	-
3.20 Leasehold Motor Vehicles	15.50	0.00	15.50	1.03	1.32
3.21 Radio Communication sets	0.35	0.00	0.35	0.07	0.03
3.22 SCADA System with related equipment	206.50	7.44	199.06	13.27	16.96
3.23 Office and Other Equipment	70.13	30.75	39.38	7.88	3.35
3.24 Computers & IT related Equipment	195.90	0.00	195.90	39.18	16.69

3.25 Other Sundry Assets Account	0.70	0.00	0.70	0.14	0.06
3.26 Furniture and Fitting	13.64	1.84	11.80	2.36	1.00
3.27 Machinery and Tools	275.63	162.70	112.93	22.59	9.62
3.28 Electrical Vehicle Charging Unit	-	0.00	-	-	-
3.29 Solar System	20.00	0.00	20.00	1.00	1.70
Total	**1,429.35**	**208.15**	**1,221.19**	**112.97**	**104.05**
Total Minor CAPEX Claw-back (After adjusting at a rate of 8.52%)					**235.51**

Overall CAPEX Claw-back of Transmission Licensee

Item	Amount (MLKR)
Total WIP Claw-back	7,062.65
Total Major CAPEX Claw-back	(166.36)
Total Minor CAPEX Claw-back	235.51
Overall CAPEX Claw-back of TL	**7,131.80**