Annual Report 2022

Public Utilities Commission of Sri Lanka

We, Public Utilities Commission of Sri Lanka, strives to power the dreams of a thriving nation, with its people yearning to reach out across the horizons towards the vistas of a brighter future and to reach beyond the horizons with a commitment to a national cause of elevating the electricity, water services and petroleum industries through facilitating policy changes with public participation

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Chairman's Message

It gives me great pleasure to present to you the Annual Report of the Public Utilities Commission of Sri Lanka (PUCSL) for the year 2022.

As we reflect on the past year, we are proud of the accomplishments we have made towards achieving our mission of ensuring the provision of safe, reliable, and affordable utility services to the people of Sri Lanka. Despite the challenges posed by the COVID-19 pandemic, we remained committed to our regulatory responsibilities and worked tirelessly to safeguard the interests of both the customers and the service providers.

During the year, we continued to implement our regulatory frameworks to promote competition, innovation, and efficiency in the electricity, water, and petroleum industries. We carried out several important regulatory activities, including the issuance of licenses, setting of tariffs, and monitoring of service quality, to ensure that the service providers complied with the regulations and delivered quality services to their customers.

In addition, we made significant strides in enhancing customer engagement and empowerment. We launched several initiatives to improve customer awareness and education, and we continued to provide a platform for customers to voice their concerns and grievances.

Looking ahead, we are optimistic about the future of the utility industries in Sri Lanka. We remain committed to our mission of promoting competition, innovation, and efficiency in the sector, and we will continue to work towards ensuring that the customers receive safe, reliable, and affordable utility services.

Finally, I would like to express my sincere appreciation to our stakeholders, including the service providers, customers, and staff of PUCSL, for their support and contributions towards our achievements during the year. We look forward to your continued support in the coming years.

Sincerely,

Janaka Ratnayake

Chairman, Public Utilities Commission of Sri Lanka.

Director Generals Message

It is my pleasure to present to you the Annual Report of the Public Utilities Commission of Sri Lanka (PUCSL) for the year 2022.

As we look back on the past year, we can proudly say that PUCSL has achieved significant progress in regulating and monitoring the utility industries in Sri Lanka. In 2022, we implemented several key initiatives to enhance the regulatory frameworks for the electricity, water, and petroleum industries. We continued to set standards and benchmarks for service quality, tariff setting, and licensing of service providers, ensuring that customers received high-quality services at reasonable prices. We also intensified our efforts to promote renewable energy sources and sustainable energy practices, which will be crucial in meeting the growing energy demands of the country.

Furthermore, we have placed a significant emphasis on customer engagement and empowerment. We established a customer complaint management system and conducted regular surveys to gather feedback on the quality of services provided by the utilities. Through these efforts, we have strengthened our relationship with the customers, and we will continue to prioritize their needs and expectations in our regulatory activities.

As we move forward, we are committed to maintaining the high standards that we have set for ourselves in regulating and monitoring the utility industries in Sri Lanka. We recognize that there is still much to be done to ensure that our regulatory frameworks are robust and effective in safeguarding the interests of both the customers and the service providers.

Finally, I would like to express my sincere appreciation to all stakeholders for their support and cooperation during the year. I would like to thank the staff of PUCSL for their dedication and hard work, and the service providers and customers for their constructive feedback and participation in our regulatory activities.

Sincerely,

Damitha Kumarasinghe

Director General, Public Utilities Commission of Sri Lanka.

ABOUT US

The PUCSL came into operation in 2003 when the first group of Commissioners and its Director General were appointed. The five-member Commission is appointed by the Minister in charge of Policy Development in agreement with the Constitutional Council for a period of five years. The Commission is governed by Public Utilities Commission of Sri Lanka Act No.35 of 2002, the Sri Lankan Electricity Act No.20 of 2009 and the Sri Lanka Electricity (Amendment) Act No. 31 of 2013. PUCSL regulate Electricity Industry and act as the shadow regulator for lubricant market.

The PUCSL is an independent commission where all the decisions taken with in depth analysis and approved by Commission Members consist with Chairman, Deputy Chairman and Members appointed by the Constitutional Council.

The staff of the Commission consist with highly skilled professionals in industries related to electricity, water services, petroleum industries and lubricant market.

The PUCSL regulates the electricity industry in Sri Lanka as the economic, safety and technical regulator and also act as the shadow regulator of the lubricant market.

The PUCSL also closely work with water services and petroleum industries in providing them with regulatory advices as the respective acts to regulate the both industries are yet to be passed through the Parliament.

Corporate Information

Name of the Commission - Public Utilities Commission of Sri Lanka

Legal Status - Established by the Public Utilities Commission of Sri Lanka Act, No 35 of 2002

Commission Members

Mr. Janaka Ratnayake – Chairman

Prof. Janaka Ekanayake – Deputy Chairman (Resigned on 13th August 2022)

Ms.Chathurika Wijesinghe – Member of the Commission

Mr. Udeni Wickramasinghe – Member of the Commission

Mr.Mohan Samaranayake – Member of the Commission

Director General
Mr. Damitha Kumarasinghe

Secretary to the Commission
Mrs. Nadeeja Warapitiya

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Auditors
Auditor General's Department,306/72, Polduwa road, Battaramulla.

Banker
Bank of Ceylon 1st & 2nd Floor, BOC Merchant Tower, No. 28, St. Michaels's Road, Colombo.

What Drives Us

Our Vision

To create an environment for all inhabitants of Sri Lanka, and the contributors to its development, to have access to essential infrastructure and utility services in the most economical manner, within the boundaries of the sustainable development agenda of the country.

Our Mission

To regulate all utilities within the purview of the Public Utilities Commission of Sri Lanka to ensure safe, reliable and reasonably-priced infrastructure services for existing as well as future consumers in the most equitable and sustainable manner.

Functions of PUCSL

Functions of the Public Utilities Commission as stipulated in the Public Utilities Commission Act, No. 35 of 2002 are as follows,

(a) Exercise, perform and discharge the powers, functions and duties conferred on or assigned to the Commission by or under the PUCSL Act or any industry Act

(b) Consult, to the extent the Commission considers appropriate, any person or group who or which may be affected, by the decisions of the Commission

(c) Advice the Government, as the Commission deems appropriate, on all matters concerning any industry falling within the purview of the PUCSL Act

(d) Collect, record and disseminate information concerning any public utilities industries subject to section 15(4) of PUCSL Act

(e) Prepare within six months of its establishment a regulatory manual containing a code of good practice governing the functions of the Commission and revise it as and when required

(f) Exercise licensing, regulatory and inspection functions in respect of all matters provided for in any industry Act

(g) Enforce the provisions of licenses, contracts and other instruments issued under the authority of any industry Act

(h) Regulate tariffs and other charges levied by regulated entities where required by any industry Act

(i) Determine by mediations disputes arising in any public utilities industry

(j) Set and enforce technical and other standards relating to the safety, quality, continuity and reliability of the public utilities industries

(k) Undertake such other incidental or ancillary activities which the Commission may consider appropriate for the effective discharge of any of its functions

Our Goals for Outcomes – Electricity Industry

1. Outcome 01 -Improved productivity & convenience for electricity consumers
2. Outcome 02 – Affordable price for consumers and sustainable financial stability for licensees
3. Outcome 03 – Improved safety of every living being and properties of general public, licensees & operators
4. Outcome 04 -Improved environmental conditions for human, animals and plants

Our Goals for Outputs

Power Quality

1. Increased compliance by licensees on statutory supply voltage levels to consumers

   i.e. 230 V ± 6% for voltage and 50 Hz ± 0.5% for frequency

Supply Quality

2. Increased compliance by service providers on the targets for average electricity outage time experienced by a consumer within a year
3. Increased compliance by service providers on the targets for average number of electricity interruptions experienced by a consumer within a year
4. Increased compliance by service providers on targets for the average electricity breakdown restoration time for consumer service line faults

Service Quality

5. Increased awareness for consumers on their rights and obligations related to the electricity supply services
6. Increased compliance by service provider on targets for the average time taken to serve consumer inquiry/request/complaint
7. Increased compliance by PUCSL on average time taken to serve consumer complaints/disputes

Supply Adequacy

8. Increased compliance with electricity generation plans to ensure that the electricity demands in the country is met all the time
9. Increased awareness and knowledge for all stakeholders on energy efficiency and conservation activities
10. Increased compliance by electricity distribution service providers on Utility driven demand side management regulations

Tariff and Service Charges

11. Increased transparency and fairness to all stakeholders on cost incurred and tariff imposed in the supply of electricity
12. Increased transparency and fairness on charges levied by service providers on services offered to customers

Electricity Safety

13. Increased awareness and knowledge for all stakeholders to reduce number of electrocutions and fatal electrical accidents below the target
14. Increased compliance with regulations by all stakeholders to reduce number of electrocutions and fatal electrical accidents below the target

Environment

15. Increased compliance with the environmental regulation by licensees in the electricity industry
16. Increased compliance on government policy on renewable energy targets

INTRODUCTION TO THE REPORT

In 2022, the Public Utilities Commission of Sri Lanka made significant progress in regulating multiple industries and markets, as highlighted in the Annual Report. This report provides a balanced and comprehensive overview of the regulatory impact on various industries, research findings, plans for the upcoming year, and the financial position of the Commission.

The report primarily focuses on the electricity industry and the support provided to the water services and petroleum industries. Additionally, it outlines the Commission's plans for the future, including the necessary groundwork laid out for regulating the petroleum and water services industries in the near future. Although the Commission currently serves as the regulator for the electricity industry and shadow regulator for the lubricant market, it is actively working towards regulating these industries once the necessary industry acts are passed through Parliament. This report includes the progress of necessary ground work in both the industries with the expectation of regulating both the industries in near future.

The Annual Report 2022 also present the activities that has been planned for the coming year in different industries, Auditor General’s Report and Audit Committee Report.

Electricity Industry of Sri Lanka

The electricity industry in Sri Lanka is primarily regulated by the Public Utilities Commission of Sri Lanka and the state-owned utility Ceylon Electricity Board (CEB) is responsible for generation, transmission, and distribution of electricity in the country. The industry has undergone significant reforms in recent years to improve efficiency, reliability, and sustainability of the power supply.

Generation:

CEB owns and operates the majority of the power generation facilities in Sri Lanka, which includes hydro, thermal, and renewable energy sources. The government is also encouraging private investment in power generation, particularly in renewable energy, and there are several private power producers that have set up projects in the country.

Transmission:

The transmission network of Sri Lanka is operated by the CEB and covers the entire island, with a total length of over 6,000 km. The network operates at a voltage of 220 kV, and there are plans to upgrade to a 400 kV transmission network in the future.

Distribution:

The distribution of electricity in Sri Lanka is managed by both the CEB and Lanka Electricity Company. The distribution network consists of 33 kV, 11 kV, and low voltage lines.

Renewable Energy:

Sri Lanka has made significant progress in promoting renewable energy sources in recent years, particularly in hydro and solar power. The government has set a target of achieving 70% of the country's electricity generation from renewable energy sources by 2030. The country has a total installed capacity of approximately 670MW of rooftop solar power PV , 110MW ground mounted solar PV and 1,330 MW of hydro power.

Challenges:

The electricity industry in Sri Lanka faces several challenges, including the high cost of generation and transmission, aging infrastructure, and lack of investment in grid modernization. The country also has a high dependency on imported fossil fuels, which poses a significant risk to energy security and sustainability.

OUTCOME 01 - IMPROVED PRODUCTIVITY & CONVENIENCE FOR ELECTRICITY CONSUMERS

Improved productivity and convenience for electricity consumers means providing them with services and technologies that make it easier and more efficient to manage their energy usage and billing.

In 2022, Public Utilities Commission of Sri Lanka implemented number of activities to achieve the targeted outcome making the life of electricity consumer and other stakeholders easy while making sure the utility providers and other involved parties provide efficient service when and where necessary to maintain the good governance of the industry.

PUCSL mobile service to resolve electricity consumer issues

Electricity consumers have wide spectrum of issues / problems to be sorted out / aware in achieving higher consumer - utility satisfaction. Main reasons for these issues have emerged due to lack of proper awareness and effective channeling between consumer - utility and/or other involving agencies. Therefore, in Year 2022, PUCSL decided that they will visit the consumer and work as a mediator to sort the issues. The activity enabled consumers to get resolve their grievances through direct communications with service providers and other relevant authorities who involved. The PUCSL conducted 28 mobile service sessions in island wide to address issues face by consumers when use of electricity supply with participation of Divisional Secretaries, the Distribution Licensees and other relevant officials.

These mobile services conducted in the 28 divisional secretariates in Hambantota, Jaffna, Vuvuniya, Galle, Ratnapura, Colombo, Gampaha, Anuradhapura, Ampara, Kegalle, Kurunagala. PUCSL was able to address more than 521 complaints with the support of CEB, LECO and Divisional Secretariates. Further licensees and consumers were able to build fair relationship among others which will help the electricity consumer to resolve future issues in a more positive note.

Facilitation of consumer complaints

PUCSL plays a crucial role in facilitating consumer complaints against utilities and ensuring that consumers are treated fairly. By providing multiple channels for complaints, mediation services, investigations, public awareness, and data collection, PUCSL helps to protect the rights of consumers and promote a fair and efficient utility sector.

Complaints handling: PUCSL has established a dedicated complaints handling mechanism for consumers to lodge their grievances. Consumers can file their complaints through various channels such as phone, email, or online.

Mediation: PUCSL offers mediation services to help resolve disputes between consumers and utilities. Mediation can be a quicker and less expensive way of resolving complaints than going through a formal legal process.

Investigation: PUCSL can investigate complaints if they believe that a utility has violated its license conditions or regulatory requirements. This can result in penalties or corrective actions being imposed on the utility.

Public awareness: PUCSL conducts awareness campaigns to educate consumers on their rights and the complaints process. This can help consumers understand how to file a complaint and what to expect during the complaints process.

Data collection and analysis: PUCSL collects data on consumer complaints and uses this information to identify trends and areas where utilities may need to improve their services. This can help prevent future complaints and improve overall service quality.

In 2022, the Public Utilities Commission of Sri Lanka facilitated a significant number of consumer complaints related to electricity industry. A total of 1670 correspondences were made, with the highest number of complaints pertaining to way-leave (1051), followed by complaints related to new connections (378) and billing-related complaints (321). The PUCSL also facilitated 778 fresh cases, with the highest number of complaints being related to other way leave (303). These figures highlight the importance of facilitating and addressing consumer complaints to ensure that the service providers deliver high-quality services and meet the expectations of their customers.

No of Correspondences Facilitated in year 2022

Category	**No of correspondences**
New connections	378
Disconnections and reconnections	157
Billing related	321
Meter related	84
Way-leave	1051
Quality related	132
Tariff category change	47
Total	1670

No of Fresh Cases Facilitated in year 2022

Category	**No of Fresh Cases**
New connections	146
Disconnections and reconnections	76
Billing related	146

Meter related	30
Way-leave	303
Quality related	47
Tariff category change	30
Total	778

Resolving consumer complaints related to Rooftop Solar

This activity was particularly important as it aimed to minimize disputes between rooftop solar consumers and utilities, ultimately motivating customers to invest in rooftop solar systems. A team of PUCSL held several internal and external meetings with utilities to discuss solutions for the complaints received from consumers, which were causing significant problems for rooftop consumers. After careful consideration and agreement from all parties involved, solutions were issued to address the complaints.

These solutions include the steps to follow in a situation of rooftop solar installation for building with multiple connections, delay in initial clearance and grid connections, and additional procedure changes. The outcome of this activity and the benefits to stakeholders are significant, as it will help minimize obstacles and increase rooftop development in Sri Lanka, ultimately leading to a more sustainable and efficient energy system for the country and importantly resolve the long-awaited consumer complaints related to rooftop solar.

Conducting power quality inspections in distribution licensees' electricity supplies to industrial establishments

In 2022, the PUCSL conducted a comprehensive inspection of the voltage quality of electricity supplied to a sample of industrial consumers to ensure compliance with electricity performance standards and compare them with international standards. The PUCSL's objective is to protect the interests of consumers and ensure the quality of electricity supplied to them. Electrical inspectors were also required to inspect electrical plants and lines that supply electricity. The inspections identified power quality and supply quality issues in the industrial sector, which led to rectifying actions by licensees.

The improved power quality of electricity supply will benefit industrial consumers and enhance the country's overall electricity distribution system. The inspections were completed at 15 industrial establishments in the Western Province and nearby districts, taking into consideration fuel limitations. The measured data was analyzed with respect to each power quality parameter specified in international standards.

Preparation of Supply Services Code and Consumer Rights & Obligations for Consumers in Exempted parties

Preparation of a model supply service code along with a guideline and preparation of rights and obligation statement for consumers in exempted parties are in the final stage. The Commission has received interim report of this consultancy. With the completion of the project in first quarter 2023, All exempted parties will have a Supply Service Code which explain how they provide electricity service to their consumers. Further at the completion of the project every consumer of exempted parties will come to know their rights and obligations in writing so that to ensure such consumers rights are protected.

Conducting power quality inspections in distribution licensees' electricity supplies to industrial establishments

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The improved power quality of electricity supply will benefit industrial consumers and enhance the country's overall electricity distribution system. The inspections were completed at 15 Industrial Establishments in number of Districts covering Sri Lanka. The inspections were selected in order to cover a broad range of different industries including Apparel, Tea, Textile, Packaging Material, Furniture, Cosmetics, Graphite, Roofing Products, Telecommunication, Coconut Coir Fiber Pith & Water Treatment Industries.

Short interruptions and the voltage dips are the issues mainly suffered by industrial customers as per the complaints made. Following tables depict the measured values of voltage dips and short interruptions.

Events occurred per week:

Averages of all 15 Industrial Tariff Customers (Bulk Supply)
(Average no. of dips, swells or interruptions types experienced by each customer during the measurement period of one week)

	Residual Voltage (u%)	Duration t (ms)				
		10 ≤ t ≤ 200	200 < t ≤ 500	500 < t ≤ 1000	1000 < t ≤ 5000	5000 < t ≤ 60000
Swell	u ≥ 120	0		0		0
	120 > u > 110	0		0		0
Dip	90 > u ≥ 80	6	1	0	0	0
	80 > u ≥ 70	2	0	0	0	0
	70 > u ≥ 40	1	0	0	0	0
	40 > u ≥ 5	0	0	0	0	0
Interruption	5 > u	0	0	1	2	1

Maximum of each Dip/Swell/Interruption type measured on all 15 Industrial Tariff Customers (Bulk Supply)
(i.e. at least one customer has experienced the given number of dips, swells or interruptions during the measured period of one week)

	Residual Voltage (u%)	Duration t (ms)				
		10 ≤ t ≤ 200	200 < t ≤ 500	500 < t ≤ 1000	1000 < t ≤ 5000	5000 < t ≤ 60000
Swell	u ≥ 120	3		0		0
	120 > u > 110	2		1		0
Dip	90 > u ≥ 80	18	8	3	3	2
	80 > u ≥ 70	9	1	0	0	0
	70 > u ≥ 40	4	0	0	0	0
	40 > u ≥ 5	1	1	0	0	1
Interruption	5 > u	0	0	4	8	4

MInimum of each Dip/Swell/Interruption type measured on all 15 Industrial Tariff Customers (Bulk Supply)
(i.e. at least one customer has experienced the below given minimum number of dip, swell or interruption during its measures period of one week)

	Residual Voltage (u%)	Duration t (ms)				
		10 ≤ t ≤ 200	200 < t ≤ 500	500 < t ≤ 1000	1000 < t ≤ 5000	5000 < t ≤ 60000
Swell	u ≥ 120	3		0		0
	120 > u > 110	2		1		0
Dip	90 > u ≥ 80	3	1	1	3	2
	80 > u ≥ 70	1	1	0	0	0
	70 > u ≥ 40	1	0	0	0	0
	40 > u ≥ 5	1	1	0	0	1
Interruption	5 > u	0	0	1	1	1

There are no established limits for the number and duration of voltage dips, swells or interruptions events declared in international standards, but have recommended to measure them in magnitude and time duration segregation similar to abovementioned tables. However, according to UK Distribution Code (pointed to Engineering Recommendation P28 Issue 2), maximum no of occurrence of voltage fluctuations is 4 per month within the envelop of +6% to -12% of nominal voltage (for planning levels). Somewhat relaxed levels can be seen under the proposed regulations in Haryana Electricity Regulatory Commission, Meghalaya State Electricity Regulatory Commission and Kerala State Electricity Regulatory Commission. Accordingly, limits for events that can be occurred per year:

Residual Voltage (%)	Duration t (ms)				
	$10 \le t \le 200$	$200 < t \le 500$	$500 < t \le 1000$	$1000 < t \le 5000$	$5000 < t \le 60000$
$90 > u \ge 80$	30	40	10	5	5
$80 > u \ge 70$	30	40	5	5	5
$70 > u \ge 40$	10	40	5	5	5
$40 > u \ge 5$	5	20	5	5	5

Residual Voltage (%)	Duration t (ms)				
	$10 \le t \le 200$	$200 < t \le 500$	$500 < t \le 1000$	$1000 < t \le 5000$	$5000 < t \le 60000$
$5 > u$	5	20	30	10	10

When comparing the number of weekly averages of measured events with the limits proposed by abovementioned Indian state regulations, the number of measured dips and interruptions with

- residual voltages between 40% to 90% of nominal voltages and with a time duration of 10ms to 200ms,
- residual voltages between 80% to 90% of nominal voltages and with a time duration of 200ms to 500ms, and
- residual voltages between 0 to 5% of nominal voltages and with a time duration of 500ms to 1 minute,

of industrial customers have largely exceeded the suggested limits for number of similar events by aforementioned regulations in Sri Lanka. Therefore, PUCSL recommended to include provisions in the distribution performance regulations and distribution code to measure and evaluate the status of dips, swells and short interruptions on receipt of consumer complaints regarding the same.

It was also observed from the measured data that, the steady state voltages, voltage unbalance and Total Hamonic Distortion of Voltage (THDV) values were within the internationally accepted limits by BS EN 50160.

Further, was observed that corresponding flicker (Plt) has exceeded the recommended values by BS EN 50160. However, the feedback from industrial consumers surveyed revealed that there was not much burden from the flicker, i.e. the concern on flicker is much lower than the concerns over dips and interruptions experienced by industrial consumers.

OUTCOME 02 – AFFORDABLE PRICE FOR CONSUMERS AND SUSTAINABLE FINANCIAL STABILITY FOR LICENSEES

The electricity industry in Sri Lanka has been working towards providing affordable prices for consumers while maintaining sustainable financial stability for licensees. Over the years, the Public Utilities Commission of Sri Lanka (PUCSL) has played a significant role in regulating the electricity industry to ensure that the interests of both consumers and licensees are protected. Through its regulatory mechanisms, the PUCSL has been able to balance the interests of these stakeholders by setting tariffs that are fair, reasonable, and transparent. This has helped to create a stable and predictable environment for licensees to invest in the industry while ensuring that consumers are not burdened with high electricity bills. As a result, the electricity industry in Sri Lanka has been able to achieve a fine balance between affordability for consumers and sustainable financial stability for licensees.

Electricity Tariff Revision – Year 2022

Electricity tariff revision in Sri Lanka is carried out by the Public Utilities Commission of Sri Lanka (PUCSL), which is the regulator of the electricity industry in the country. The PUCSL is responsible for ensuring that the tariffs charged by generation licensees are fair and reasonable, and that they cover the cost of providing electricity services.

The tariff revision process involves a public consultation process, where stakeholders such as consumers, consumer organizations, and industry associations can provide feedback on the proposed tariff changes. The PUCSL then reviews the feedback and makes a final decision on the tariff revision. Factors that may influence the tariff revision decision include the cost of fuel and other inputs used to generate electricity, changes in electricity demand, and investments in infrastructure and maintenance. The PUCSL also consider the impact of tariff changes on different customer groups, such as residential, commercial, and industrial customers.

It is important to note that the tariff revision process in Sri Lanka is subject to government policies and regulations. The government may provide subsidies or other forms of support to certain customer groups, which may affect the final tariff decision.

Accordingly, electricity tariffs were reviewed with effect from 10th August 2022. Proposed tariffs and the related cost information was taken for a stakeholder consultation and the tariffs were decided after taking into consideration the policies of the Government and the stakeholder views. 1,324 people and institutions had submitted comments and suggestions during the public consultation process of the electricity tariff revision. 46 people participated in giving oral comments. The opinions of the stakeholders were more focused on fairness in the electricity cost, cost affordability and the need for electricity conservation.

Considering the facts presented by the public, the new tariff revision was approved in accordance with the provisions of the Electricity Act. At the same time, PUCSL imposed conditions on the Ceylon Electricity Board to implement the suggestions that aroused at the Public Consultation process. The conditions, include conducting an independent audit have been specified with specific dates with regard to purchasing electricity, payment of interest on electricity consumer guarantee deposits from October 2022.

In Summary,

- ***CEB's proposal to increase electricity tariffs by 229 percent is rejected – capping off tariff hikes at 75 percent***
- ***Subsidies up to 120 units in domestic sector***
- ***50 percent of the price increase for tourism sector will be implemented after 3 months***
- ***1.5% discount on electricity bill payments in dollars***
- ***Introduction of payment for the net consumption of rooftop solar system instead of fixed payment in order to support the promotion of the rooftop solar***
- ***Conditions to ensure fairness and transparency in electricity charges***
- ***Payment of interest on customer guarantee deposits on electricity connection from 1st of October***

End User Tariffs for Low Voltage Retail supply – Year 2022

The following rates applied to supplies at each individual point of supply delivered and metered at 400/230Volt nominal and where the contract demand is less than or equal to 42 kVA.

Category	Consumption Block / Time of Use Period	Energy Charge (LKR/kWh)	Monthly Fixed Charge (LKR/month)
Domestic D-1	**If Consumption 0 - 60 kWh per month (Incremental Block)**		
	Block 1: 0-30 kWh	8.00	120.00
	Block 2: 31-60 kWh	10.00	240.00
	If Consumption above 60 kWh per month (Incremental Block)		
	Block 1: 0-60 kWh	16.00	N/A
	Block 2: 61-90 kWh	16.00	360.00
	Block 3: 91-180 kWh	50.00	960.00
	Block 4: Above 180 kWh	75.00	1,500.00
	Domestic – Optional Time of Use Tariff		
	Peak (18:30 - 22:30 hours)	90.00	1,500.00
	Day (05:30 - 18:30 hours)	70.00	
	Off-peak (22:30 – 05:30 hours)	30.00	
	Consumption per month (Incremental Block)		
	Block 1: 0-30 kWh	8.00	90.00

Religious R-1	Block 2: 31-90 kWh	15.00	120.00
	Block 3: 91-120 kWh	20.00	120.00
	Block 4: 121-180 kWh	30.00	450.00
	Block 5: Above 180 kWh	65.00	1,500.00
Industry I-1	**Consumption per month (Volume Differentiated)**		
	0-300 kWh	20.00	960.00
	Above 300 kWh		1,500.00
	Industrial – Optional Time of Use Tariff for Agriculture		
	Peak (18:30 - 22:30 hours)	35.00	1,500.00
	Day (05:30 - 18:30 hours)	20.00	
	Off-peak (22:30 – 05:30 hours)	15.00	
General Purpose (GP-1), Hotel (H-1), Government (GV-1)	**Consumption per month (Volume Differentiated)**		
	0-180 kWh	25.00	360.00
	Above 180 kWh	32.00	1,500.00
	Street Lighting	22.00	N/A

End User Tariffs for Low Voltage Bulk Supply – Year 2022

The following rates applied to supplies at each individual point of supply delivered and metered at 400/230 Volt nominal and where the contract demand exceeds 42 kVA. These Charges are applicable for all categories;Industry (I-2), Hotel (H-2), Government (GV-2) and General Purpose (GP-2).

Time of Use Period	Energy Charge (LKR/kWh)	Monthly Fixed Charge (LKR/month)	Monthly Maximum Demand Charge (LKR/kVA)
Peak (18:30 - 22:30 hours)	34.50	4,000.00	1,500.00
Day (05:30 - 18:30 hours)	29.00		
Off-peak (22:30 – 05:30 hours)	15.00		

End User Tariffs for Medium Voltage Bulk Supply – Year 2022

The following rates applied to supplies at each individual point of supply delivered and metered at 11,000 Volt nominal and above. These Charges are applicable for all categories; Industry (I-3), Hotel (H-3), Government(GV-3) and General Purpose (GP-3).

Time of Use Period	Energy Charge (LKR/kWh)	Monthly Fixed Charge (LKR/month)	Monthly Maximum Demand Charge (LKR/kVA)
Peak (18:30 - 22:30 hours)	34.00	4,000.00	1,400.00
Day (05:30 - 18:30 hours)	28.00		
Off-peak (22:30 – 05:30 hours)	14.00		

Apart from that two Bulk Supply Tariff decisions that define transfer rates between Transmission and Distribution Licensees, the related UNT adjustments were also issued during the year.

Guideline Price Cap Methodology for Exempted Distributors

A guideline was issued to the exempted small distributors containing formula to be used to calculate their electricity price, to capture electricity bulk purchase costs, highly variable prices of fuel used for the standby generators and their varying operation periods due to prevailing power cuts. Through this, the Management Corporations are able to speedily adjust their prices without going through the time-consuming approval process at PUCSL. However, in order to ensure consumer protection, the Management Corporations were directed to report revenue and expenditure data periodically.

Dissemination of information related to renewable power generation and environment performance of power plants

The purpose of this activity is to provide stakeholders with access to accurate and up-to-date information on renewable energy generation and environment performance of power plants in Sri Lanka.

The quarterly report has been designed to offer a comprehensive overview of the performance of power generation projects in the country to provides easy access for stakeholders to the actual generation data, enabling them to make informed decisions regarding their investments and operations while helping to raise awareness about the state of renewable energy generation in Sri Lanka, which is critical for the country's transition towards a sustainable and green future. Addition to collection of data of renewable power plants PUCSL also collected, analyzed, and disseminated emission data related to power generation, helping to minimize emissions to achieve net-zero targets as it helps to regulate the generation licensees to maintain the emission within the standards specified by the Central Environmental Authority and Provincial Environmental Authorities. This data ensures a good environmental condition for all living beings and minimizes the environmental and social damage caused by power generation. In 2022, PUCSL were able to test the data received from the Lakvijaya power plant. PUCSL believe that this data collection will contribute significantly to the growth of the renewable energy sector in Sri Lanka.

OUTCOME 03 – IMPROVED SAFETY OF EVERY LIVING BEING AND PROPERTIES OF GENERAL PUBLIC, LICENSEES & OPERATORS

In the past years, the Public Utilities Commission of Sri Lanka has made significant strides in improving the safety of every living being and the properties of the general public, licensees, and operators.

As a regulatory body, the PUCSL has been working closely with all stakeholders to ensure that the utility services provided in the country meet the highest standards of safety. This has involved developing and implementing new regulations, guidelines, and standards, as well as monitoring compliance and taking enforcement action where necessary.

One of the key areas of focus for the PUCSL has been electrical safety. In the past years, the PUCSL has worked closely with licensees and operators in the electricity industry to improve the safety of electrical installations and equipment, as well as to promote greater awareness of the dangers of electricity and how to stay safe.

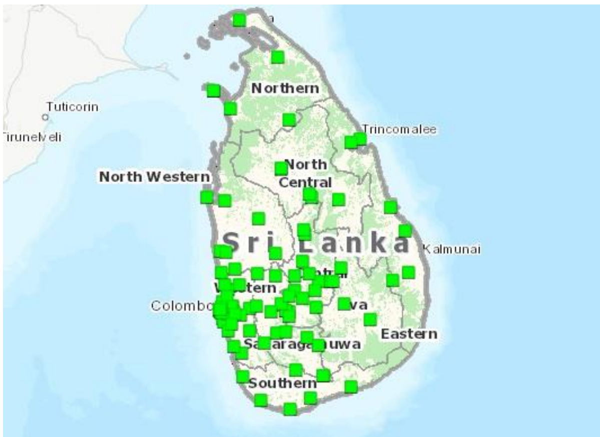
Beyond these specific areas, the PUCSL has also been working to improve the overall safety culture within the utility sector. This has involved promoting greater awareness of safety issues among all stakeholders, as well as encouraging the development and implementation of robust safety management systems by licensees and operators.

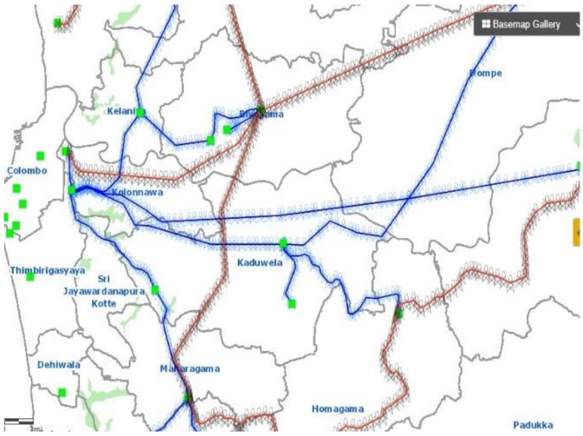
Overall, the Commission's efforts to improve the safety of every living being and the properties of the general public, licensees, and operators have been successful in the past year. However, we recognize that there is still more work to be done, and we remain committed to working closely with all stakeholders to ensure that the utility services provided in Sri Lanka are safe, reliable, and of the highest quality.

Providing accessibility of information on MV Line Corridors for General Public

The annual report 2022 highlights the proposal to improve the safety and reliability of Sri Lanka's MV line corridors. The plan laid to include a new layer in the existing Geoportal, developed by ICTA, that provides geographical information about the corridors. A study by PUCSL identified the importance of ensuring minimum safety clearances of MV lines to protect lives and properties of the general public and enhance system reliability of licensees. The information on existing and proposed MV lines were not readily available to the public and with the improved accessibility of the data, the public can take precautionary measures when planning and executing new constructions near the corridors, ultimately ensuring the safety of everyone. The study also highlights the insertion of geographical data of high voltage lines and medium voltage lines of Lanka Electricity Company (LECO) into the new layer, with the data of CEB being verified for accuracy before insertion. The implementation of this plan will enhance the safety and reliability of Sri Lanka's electrical system.

With the implementation, the Geoportal is available for the general public and the public will be able to access actual geographical information regarding the electricity network for their purposes.





Conducting inspections in a sample of Mini hydro power plants (licensees)

In the past years, PUCSL have been actively monitoring compliance with license conditions related to efficient and reliable operation, safety and environmental performances of generating plants. This is in accordance with section 6(a) of Sri Lanka Electricity Act No. 20 of 2009, which requires electrical inspectors to inspect plants belonging to licensees. PUCSL has conducted site inspections of numerous generation licensees to verify their compliance with license conditions and ensure the safe and efficient operation of their plants.

In particular, PUCSL have inspected 22 Mini Hydro Plants to monitor their compliance with license conditions. In order to ensure that the plants are operating efficiently, safely, and reliably, PUCSL have also formulated a set of inspection criteria. These efforts are essential to safeguarding the integrity and reliability of the electricity grid, as well as ensuring that licensees are meeting their obligations under the law. PUCSL commitment to conducting thorough and effective inspections will remain a top priority in the coming year.

District	MHPP	Capacity (MW) As per the Name plate
Kegalle District	Gomale Oya	1.28
	Upper Magal Oya	2.44
	Ranwala Oya	0.7
	Halwathura Ganga	1.28
	Ellapita Ella	0.56
	Mandagal Oya	1.28
	Magal Ganga	9.6
	Goonagamuwa	0.75
Badulla District	Lemasthota	1.24
	Upper Lemasthota	1.02
	Bambarapana	2.44
Ratnapura District	Kumbalgamuwa	1.28
	Ranmudu Oya	0.5
	Ranmudu Oya III	0.55
	Seethagala	0.8
	Nahalwathura	0.6
	Rath Ganga	3.6
	Ruhunu	0.35
	Kokavita	1
Matale District	Dambulu Oya	3.36
	Escas Owala	2.8
	Escas Ankanda	6.5

Table: Plants Inspected During the year 2022

Based on the evaluation made against the PUCSL's inspection criteria, it was observed that the all generating plants inspected are mostly operating and maintaining in reliable manner. However, in general there is room for improvements in following aspects.

- Record Keeping: Keeping the copies of failure analysis reports and annual maintenance reports inhouse for the reference of O&M staff and for technical inspectors.
- Maintaining records of written instructions to operators.
- Providing incentive schemes for O&M staff for efficient and reliable operation.
- Maintaining a up to date safety manual.
- Documented training plans for the operating staff.
- Use of PPE and safety culture

PUCSL also noted that majority of the plants have to face exogenous conditions that are unique to each plant, such as water flow, flooding, number of incoming debris like foliage, sand, soil and manmade waste, climate conditions of the geographic location. For an example Escas Ankanda, Escas Owala, and Dambulu Oya MHPPs, the water inflows are influenced by irrigation requirements. The water inflow to the Kumbalgamuwa MHPP is from the water leak in Samanalawewa reservoir. Water inflows to the rest of the plants are directly depend on local climate.

The plant factor is a good overall indication on efficiency and reliability of the operation and maintenance of plants. However, for MHPPs it also heavily depends on the water flow (i.e. climate) and the grid availability. Following graph indicate the plant factors of inspected small hydro plants. The energy data (of 12 months) measured during the years 2021/2022 and the name plate data of generators have been used for the calculation of plant factor. The plants have been grouped according to the district which those are located.

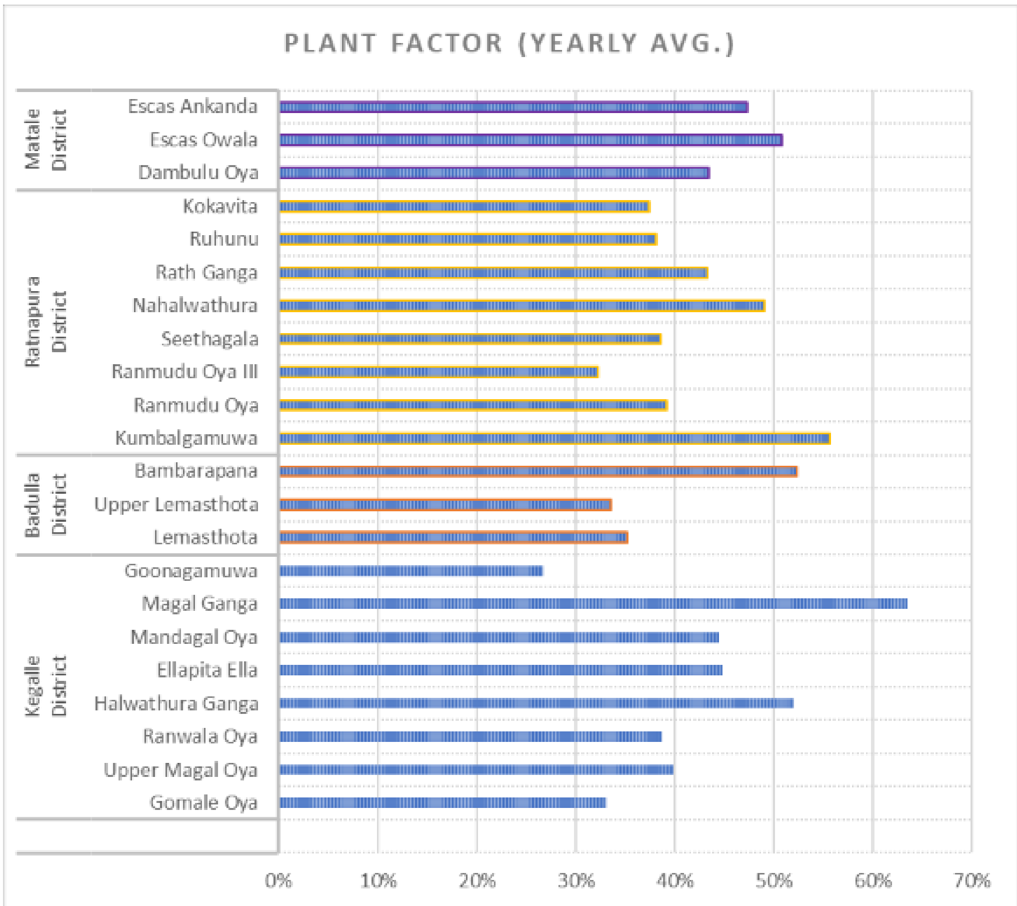


Figure: Yearly Average Plant Factors

Accordingly, PUCSL recommended to record information regarding grid outages to identify the grid performance and to direct transmission licensee to improve the grid reliability in order to evacuate renewable power. This include, outage date, time and duration, relevant generator tripping details owing to the grid outage/abnormality, estimated energy unable to export to the grid due to the grid outage/ abnormality, estimated average capacity (MW) that was unable to connected to the grid and reason for the outage. If non-availability of the grid (due to outages) become intense, the generation licensees can approach the Transmission licensee (CEB) with aforementioned records as evidences. Further, if the problem not resolved, the generation licensees can approach the PUCSL with aforementioned records as evidences.

Also, PUCSL recommended the licensees to implement an individual mechanism to provide financial incentives (monthly) for the operators/managers of the plants if they produce more energy than the set energy targets, provide PUCSL with actual installed capacities and reasons for any variations from the capacities given in the respective generation licenses, to keep a copy of a generation license at the respective generation plants, licensees to have annual inhouse training for operational and management staff on health and safety practices, emergency drills, first aids and etc, monitor personal protective equipment of the operational and management staff during operations and display information regard to power plants indicated in internationally accepted guidelines.

Authorizing the alteration for internal electrical installations

Ensuring the safety of electricity consumers and their properties is a top priority for us. To this end, we have been closely monitoring and controlling changes made to internal wiring installations and modifications. PUCSL believe that enforcing regulations and rules related to these modifications is essential for protecting the interests of consumers and ensuring the safety of the electricity supplied to them.

In accordance with section 3.(1).(g) and section 4.(1).(a) of Act No. 20 of 2009, PUCSL have been working to set and enforce technical and other standards relating to the safety of electricity supply services and metering services, as well as protecting the interests of consumers in this regard. To achieve this, PUCSL have made it the mission to improve access to equipment at low cost, leading to convenient and sophisticated electrical testing methodology.

PUCSL efforts in this area have resulted in improved safety for lives and protection of properties. To further strengthen the efforts, PUCSL have formed an Implementation Committee consisting of representatives from all relevant stakeholders, including government institutions, industry experts, and statutory bodies. This committee has reviewed existing regulations and discussed possible interventions to impose them as rules. PUCSL remain committed to ensuring the safety and well-being of electricity consumers in the coming year and beyond.

Inspections at the premises of the parties who have been exempted from the requirement of obtaining license for distributing and supply electricity

In the past year, PUCSL have conducted inspections at the premises of parties who have been exempted from the requirement of obtaining a license for distributing and supplying electricity. These inspections have been carried out in accordance with Section 10 (2) of Sri Lanka Electricity Act No. 20 of 2009, which stipulates that each exemption party should ensure that the conditions stipulated in the exemption are certified. By conducting these inspections, PUCSL have been able to guarantee the interests of consumers, as well as the safety of personnel and equipment. PUCSL efforts in this regard have been instrumental in ensuring the safety of consumers who receive electricity from these exempted parties, as well as protecting their consumer rights. In addition, PUCSL’s inspections have contributed to improving the safety of every living being and properties of the general public, licensees, and operators. PUCSL commitment to ensuring improved productivity and convenience for electricity consumers has also been a priority.

In 2022, PUCSL have inspected 7 exemption parties located within the Colombo region. PUCSL have prepared inspection reports with the identified issues and non-complied areas, and informed the parties involved for necessary actions. Due to the fuel crisis, inspections had to be limited to establishments located within Colombo. Nonetheless, major issues and possible improvements identified with findings were submitted as input to the exemption certificate review.

During the Inspections the following were inspected to ensure the safety of the electrical distribution system and compliance with exemption conditions

1. Electrical Distribution System including necessary protection equipment at distribution panels, bus bar systems & etc.
2. Availability of valid exemption certificate and approved billing criteria with verification with sample bills.
3. Availability of proper Drawings (Layout drawings, SLDs & etc.)
4. Operation & Maintenance Procedures, Manuals & Shedules for preventive & Predictive maintenance
5. Service & Maintenance Agreements
6. Record Keeping & Maintenance Reports
7. Records of predictive & preventive Maintenance
8. Annual Test Reports of Safety Audits, Energy Audits & etc.
9. Test Equipment Availability & calibration reports
10. Billing Mechanism & availability of Approved Tariff Criteria
11. Availability of Expert Technical Staff
12. Availability of appropriate Warning Symbols & Signs

Following exempted Parties were inspected from both Residential & Commercial Categories. The inspections were selected including all levels of different Electrical Capacity requirements.

1. Residential Category

   a. EL/EX-D/17/19 - Empire Management Corporation
   b. EL/EX-D/17/24 - Capitol Elite Apartments
   c. EL/EX-D/18/08 - Colombo City Centre Partners (Pvt) Ltd
   d. EL/EX-D/18/14 - Indocean Developers Private Limited

2. Commercial Category

   a. EL/EX-D/17/20 - BOC Property Development & Management (Pvt) Ltd
   b. EL/EX-D/18/09 - Colombo City Centre Partners (Pvt) Ltd
   c. EL/EX-D/20/01 - Suscon Property Developers (Private) Limited

The findings of the inspections were submitted and will be used for further review and necessary improvements in the exemption certification criteria to ensure the safety of the consumers.

Expansion of Incident Report System (IRS) to Hospitals

The 2022 year highlights the expansion of the incident reporting system to include not only electrocutions but also shocks and related incidents, with the involvement of hospitals empowered to engage in incident reporting and share ownership of the program. The information obtained from hospitals and the IRS will be used to assess electrical safety, identify root causes and develop regulatory tools. The expansion of the reporting system enables the identification of root causes for reported near misses and incidents, which help mitigate imminent accidents and reduce the number of electrocutions. Public safety will be assured through the involvement of the health sector in reporting real-time incidents, followed by root-cause analysis and mitigation actions. This initiative led to improved safety for lives and the protection of properties. The collaboration between the Sri Lanka Police and the health sector will expand the information received regarding electricity-related accidents, ensuring effective and efficient safety measures.

Conducting Inspections, Test electric lines or plants or Supply of electricity on request from consumers or upon directives by the Commission

This activity describes the commission's efforts in conducting inspections, testing, and examining relevant disputes and complaints related to the electricity business in collaboration with licensees, customers, and outside parties. The commission provides recommendations and decisions in line with the relevant codes, regulations, and procedures made under the Sri Lanka Electricity Act. The commission also conducts inspections when provisions, regulations, or rules under the Act are breached. The independent recommendations provided by PUCSL to relevant stakeholders have increased compliance with legislative requirements on safety, supply quality, commercial quality, and power quality. There is also increased compliance by the general public, consumers, and licensees with the Electricity Act and its regulations. Ten (10) inspections were conducted during the reporting period, and inspection reports were submitted. These efforts demonstrate the commission's commitment to ensuring compliance and enforcing regulations in the electricity sector.

Implementation of Safety & Technical Management Plan and Safety Performance Among Licensees

The activity highlights the commission's progress in implementing the Safety and Technical Management Plan, which includes assigning safety auditors and establishing a periodic reporting mechanism. The commission continuously improves the plan through feedback and benchmarking. The licensees are evaluated against safety indices and rated based on their safety performances. The objectives of a licensing regime for electrical technology workers are to promote safety, protection, and economy and to ensure competency. The implementation of such a licensing scheme will ensure that all work related to any electrical installations is undertaken by suitably qualified persons possessing requisite experience and competence, providing practical safeguards to protect the public, workmen, and electrical installations from hazards that could arise out of installation, maintenance, testing, inspection, or repair of fixtures while optimally utilizing available resources. The implementation of the Safety and Technical Management Plan is expected to lead to a reduction of electrical accidents and evaluation of the safety performance of the licensees.

This will result in improved safety for lives and the quality of wiring installations. The final report on the Safety and Technical Management Programme for Electricity Licensees was submitted, and the Safety Manual of Licensee Lanka Electricity Company was reviewed and granted approval for implementation. These efforts demonstrate the commission's commitment to promoting safety and ensuring competence in the electricity sector.

Electrocution Mitigation and Electrocution Analysis

The activity of electrocution mitigation and analysis aims to reduce the number of electrical accidents in Sri Lanka through various measures. These measures include summarizing monthly electrocution records received from Sri Lanka Police, preparing annual and bi-annual electrocution analysis reports, and quarterly reports on electrocutions due to illicit tapping of electricity. Additionally, the program has implemented a reward scheme for electricians to provide credible information regarding the locations where electricity is extracted illegally. The program also obtains information from electricians on such locations and provides the information to the CEB investigation team to conduct raids. The program rewards electricians for providing credible information. The overall goal of the program is to improve the safety of every living being and property of the general public, licensees, and operators by reducing the number of electrical accidents. The activity has completed the 2021 Annual Electrocution Report, and the reports for 2022 Quarter 1, 2022 1st Half, and 2022 3rd Quarter.

As a result of the necessary initiatives carried out by the Commission in the last few years, the number of electrocutions during 2022 were reduced by around 10% compared to the previous years to a record low 91 electrocutions.

Implementation of Electrician Licensing Framework and Induction Electricians into the Electricity Safety Network

The objective of a licensing framework for electricians is to promote safety, protection, and economy while ensuring competency. Currently, there are no legal restrictions for any individual to practice as an electrical tradesperson in Sri Lanka, which poses a safety risk. However, the implementation of the 'Electrician Licensing Framework' will soon start once the cabinet paper is approved. During the implementation phase, various activities such as publishing regulations, conducting awareness programs, and streamlining the license issuance process will be carried out. The implementation of this framework aims to improve the safety of lives and properties by empowering electricians through the enhancement of their knowledge and international recognition, ultimately improving the quality of wiring installations. As a step towards achieving this objective, six awareness sessions with electricians from leading industrial organizations were completed. Additionally, a broad roadmap for the electrician licensing program was prepared and submitted to the Engineering Council of Sri Lanka.

Evaluation of sanctions to prosecute persons who extract or use electricity illegally via electricity transmission & distribution system of licensees

The PUCSL is responsible for regulating and supervising the electricity sector in Sri Lanka. One of the key responsibilities of the Commission is to evaluate sanction applications forwarded by Licensees and provide recommendations to prosecute persons who extract or use electricity illegally via electricity transmission and distribution systems of Licensees. In this annual report, we present an overview of the Commission's activities related to the evaluation of sanction applications for the year 2022.

The Sri Lanka Electricity Act No. 20 of 2009 (as amended) provides the legal framework for the regulation of the electricity sector in Sri Lanka. According to the Sub Section 48 (4) of the Act, no prosecution for an offence under the said Act shall be instituted proceedings in Magistrate's Courts except with the written sanction of the Commission.

During the year 2022, the Commission evaluated a total of 578 sanction applications forwarded by Licensees for illegal extraction or use of electricity. The applications were received from different Licensees across the country, including distribution companies, transmission companies, and generation companies.

The Commission's evaluation process involved a thorough investigation of each application to verify the authenticity of the information provided by the Licensee. The investigation also included site visits, interviews with witnesses and suspects, and review of evidence, including meter readings and consumption patterns. Based on the findings of the investigation, the Commission provided recommendations for prosecution to the relevant authorities. The recommendations included details of the offence, the evidence collected, and the legal provisions violated. The Commission also provided advice on the appropriate penalty to be imposed on the offender.

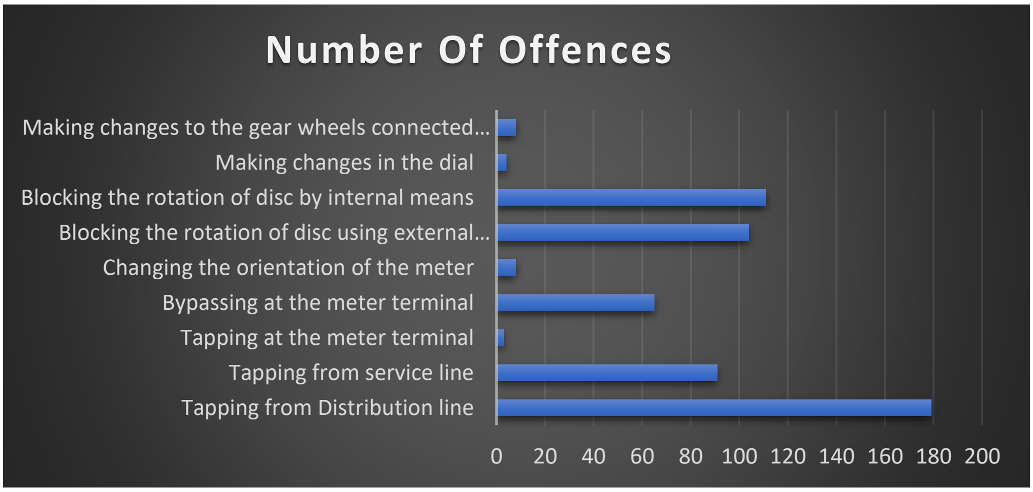


Figure: Evaluation of Offences received during 2022

Reducing illegal extraction of electricity has several benefits, including improved productivity (electricity related) and convenience for Electricity Licensees. When electricity is extracted illegally, it puts a burden on the Licensee's system and affects the quality and reliability of electricity supply. Reducing illegal extraction of electricity can help improve the Licensee's system performance and reduce losses, which ultimately benefits the consumers. The Commission's activities in evaluating sanction applications forwarded by Licensees and providing recommendations for prosecution play a critical role in reducing illegal extraction of electricity in Sri Lanka. The Commission will continue to work closely with Licensees and other stakeholders to ensure the effective regulation and supervision of the electricity sector in Sri Lanka.

Preparation of Standards for Designing, Installation, Operation and Maintenance of lighting for roads and public spaces and Policy Advice on the institutional operational structure

One of the major activities we have undertaken is the preparation of standards for designing, installation, operation, and maintenance of lighting for roads and public spaces, along with policy advice on the institutional operational structure. This provides a comprehensive framework for ensuring the safety and comfort of citizens, while also improving the aesthetics of public spaces. The preparation of these standards involved extensive research and collaboration with various stakeholders, including government agencies, industry experts, and community groups. We are proud to say that our efforts have resulted in a set of standards that are practical, innovative, and inclusive.

Our expectation is that all stakeholders will benefit from these standards, as they provide a clear and consistent approach to designing, installing, operating, and maintaining lighting for roads and public spaces. This will not only enhance the quality of life for citizens but also contribute to the overall development of the community.

OUTCOME 04 -IMPROVED ENVIRONMENTAL CONDITIONS FOR HUMAN, ANIMALS AND PLANTS

The PUCSL has taken significant steps to improve environmental conditions for humans, animals, and plants with regard to the electricity industry as PUCSL has recognized the importance of sustainable development and has implemented several initiatives to reduce its environmental footprint.

One of the most notable initiatives is the promotion of renewable energy sources. The country has invested in solar, wind, and hydroelectric power generation, reducing the reliance on fossil fuels and reducing greenhouse gas emissions. This results in reduction of air pollution and improved air quality for humans and animals.

In addition, the electricity industry has implemented measures to reduce water usage and improve water quality. Power plants are now required to use treated wastewater for cooling purposes, reducing the demand for freshwater resources. This has resulted in improved water quality and increased availability of freshwater resources for agriculture and other uses. Power plants are also required to conduct environmental impact assessments and develop biodiversity management plans to ensure that their operations do not harm local ecosystems.

Overall, these initiatives have led to significant improvements in environmental conditions in Sri Lanka led by Public Utilities Commission of Sri Lanka.

In Year 2022, PUCSL also led successful projects in further contributing to improved environmental condition for human, animals and plants.

Identifying the regulatory tools required for the development of E-Mobility

Identifying the tools to develop e-mobility in Sri Lanka is a crucial activity as it can lead to reduced transport costs, reduced dependency on fossil fuels, and improved environmental conditions. The main expectation is to recommend the necessary tools to upgrade the e-mobility sector in Sri Lanka. A study was conducted, and it came up with some recommendations, but further fine-tuning is required by the year 2023 due to several related activities in Sri Lanka. This activity being carried forward to the year 2023 by broadening the scope and integrating all related activities carried out by different entities in the country and foreign-funded projects. This will help achieve a comprehensive and effective approach to develop e-mobility in Sri Lanka.

Develop a tri-partite agreement between the investor, roof owner, and utility provider or some kind of feasible solution to expedite rooftop solar investments legal framework

The activity at hand is to develop a tri-partite agreement that minimizes disputes between the utility, roof owner, and investor and enhances investment opportunities in rooftop PV projects. This activity is of utmost importance due to the rapid growth of rooftop PV projects and increased local and foreign investments in the renewable energy sector. The main expectation is to develop a legal framework that safeguards the interests of investors and other stakeholders while expediting local or foreign investments in the renewable energy sector. This will create a suitable environment to achieve the government's renewable energy targets. The study was carried out by the Regulatory Affairs division in collaboration with the Energy Efficiency, Environment, and Renewable division. The current inception report has been submitted, and the outcome is expected to benefit all stakeholders involved in the renewable energy sector, creating a more conducive environment for investment and ultimately, a greener future.

Techno-economic feasibility Study on Demand Response Opportunities

In this year's annual report, PUCSL also like to highlight this activity of studying and proposing methods to identify and implement Demand Response (DR) programs in Sri Lanka. The importance of this activity cannot be overstated, as DR is a crucial topic for managing power systems balancing with renewable energy resources and energy conservation. This activity focused on identifying available demand response opportunities that could be implemented in Sri Lanka. The main expectation was to identify possible processes for implementing demand response schemes in Sri Lanka and propose feasible solutions. PUCSL have successfully completed this activity, and the final report has been submitted and presented to the Public Utilities Commission of Sri Lanka (PUCSL). The outcome of this activity and the benefits to stakeholders are significant, as it provides a roadmap for implementing DR programs in Sri Lanka, ultimately leading to a more efficient and sustainable energy system for the country.

Revising the rooftop guideline of Solar Service providers and Utilities

The activity to revise the rooftop guideline for solar service providers and utilities was successfully completed during the reporting period. The revision process involved gathering relevant stakeholder comments and expertise review. The importance of this activity lies in the fact that with the rapid growth of technology, there is a need for up-to-date guidelines that can improve the quality of solar PV installation and enhance safety measures. The revised guidelines were published on the web, and it is expected that they will help improve the Sri Lankan rooftop market, making it more conducive for sustainable energy generation. Overall, the successful completion of this activity is expected to benefit stakeholders in the industry, including service providers, utilities, and consumers. The revised guidelines can be accessed in :-

https://www.pucsl.gov.lk/wp-content/uploads/2022/10/Guidelines-on-Rooftop-Solar-PV-installation-for-Utility-Providers_Revision-01.pdf

https://www.pucsl.gov.lk/wp-content/uploads/2022/10/Guidelines-on-Rooftop-Solar-PV-Installation-for-Solar-Service-Providers_Revision-1-1.pdf

Water Services Industry

The Public Utilities Commission (the Commission) of Sri Lanka is the designated water services regulator. The Commission, in conjunction with the Commission Act, is yet to be empowered to regulate water services in the country. As per the outcome of public consultations, the commission has recommended two approaches for water services regulation.

The first approach involves the regulation of water services provided by the National Water Supply and Drainage Board (NWSDB) as a central government function. The Commission will directly regulate the services of NWSDB through a water service industry act. The second approach involves the regulation of the rest of the water services provided by Community-Based Organizations, Reverse Osmosis (RO) plants, bowser operators of water, and gully. These services will be regulated by a unit established under each provincial council through a statute approved by each provincial council.

Both proposals have been submitted to the respective line ministries for implementation. In 2022, based on the recommendation of the COPE meeting, the Commission approved a policy advice and submitted it to the Ministry of Finance for necessary approval to implement. The Ministry of Finance requested observation from the Ministry of Water Supply on the draft policy advice. The Ministry of Water Supply provided the green light. However, the Ministry of Finance requested that the Ministry of Water Industry to work together to prepare the water service industry bill.

Preparation of Disaster management Plan

Activity started year 2021 with the objective of ensuring the uninterrupted services to the consumer. The Commission decided to hire team of consultant to prepare disaster management plan in collaboration with NWSDB and Disaster Management center. During the year 2022 procurement continued and 1st of sept. 2022 the contract signed with EA consultancies and started the preparation of Disaster Management Plan for Water Service mainly on water services provided by NWSDB. Draft inception report submitted in December 2022.

Petroleum Industry & Lubricant Market

Program for Resolution of Complaints and Disputes in the Petroleum Industry

This activity aimed at addressing complaints and disputes arising from the petroleum industry. It involves identifying the root causes of complaints and consumer rights violations, and taking necessary remedial actions with the support of relevant authorities such as the Ministry of Power and Energy, Consumer Affairs Authority, and Department of Measurement Units, Standards & Services. This program also identifies areas where regulatory intervention is needed to ensure the protection of consumer and dealer rights.

The Cabinet of Sri Lanka approved the Petroleum Consumer Rights and Obligation Statement and the Complaint and Dispute Handling Procedure to be executed under the Public Utilities Commission of Sri Lanka. Since then, the commission has received numerous complaints related to petroleum consumer rights violations, particularly regarding quantity and quality issues. As a result, a survey was conducted to test the quality of fuel products, based on the complaints received under the PUC/2022/COA/RU/36 activity. The survey sample was defined by the statistical department of the University of Colombo, and sample collection and testing were conducted by the state-owned Industrial Technological Institute (ITI) under a written agreement. An interim finding of the survey was communicated to the Ceylon Petroleum Corporation (CPC), Lanka IOC (LIOC), Western Province and Municipalities Department (WnM), Consumer Affairs Authority (CAA), and Ministry of Power and Energy for immediate remedial actions.

The program aims to reduce consumer rights violations and increase consumer satisfaction. It also aims to identify regulatory interventions that will improve consumer satisfaction, stakeholder rights, and safety. Furthermore, the program seeks to increase awareness among dealers and consumers regarding their rights and responsibilities.

Review and update Sri Lanka Standards for Petroleum Fuels

In the context of fuel quality concerns and incidents that had been reported in the media for last few years, PUCSL have advocated the importance of standardization of petroleum fuels and with the sanction of the ministry of energy, has coordinated the process of revising or preparing new standards for petroleum fuels with the support of the Sri Lanka Standards Institution. Accordingly, the following specifications have been published by the end of 2022.

- Specification for Petrol for Motor Vehicles (Regular and Premium) - SLS 768:2021
- Automotive Diesel Fuel (Regular and Super) – SLS 1103:2021
- Liquified Petroleum Gas (As Propane and Butane Mixture) – SLS 712:2021
- Specification For Kerosene – SLS 595:2022
- Specification for Fuel Oil – SLS 683:2022

The standard on Liquified Petroleum Gas (As Propane and Butane Mixture) – SLS 712 was revised expeditiously and ahead of the schedule in the context of reported explosion that took place due to quality concerns of LPG that prevailed in 2021.

The commission has also communicated the importance of adopting, enforcing these standards for all stakeholders and the same is used by central environment authority for a combined regulation for an Air, fuel, and Vehicle importation Standard.

Implementation of Import Inspection Scheme for Lubricants and Greases and Base oils

Import Inspection Scheme formulated specifically for lubricants, greases and base oils was implemented by the Sri Lanka Standards Institution and Sri Lanka Customs under the purview of the Ministry of Energy and PUCSL was implemented from 1st July 2022.

This scheme ensures that all the lubricants, grease and base oils imported to Sri Lanka meet the minimum standards. Implementation of this scheme is a landmark in ensuring the quality of lubricants in Sri Lanka.

Given below is the list of products covered under this Scheme along with the respective Sri Lanka Standards.

Product Description	**Standard**
Diesel engine lubricating oil	SLS 1373: Crankcase lubricating oils for internal combustion diesel engines
Gasoline engine lubricating oil	SLS 1374: Crankcase lubricating oils for internal combustion gasoline engines
Gear lubricants	SLS 1396: Gear lubricants (extreme pressure gear oil)
Motorcycle and scooter gasoline engine lubricating oil	SLS 1409: Four-stroke motorcycle gasoline engine lubricating oil
Two-stroke cycle gasoline engine lubricating oil	SLS 1446: Two-stroke cycle gasoline engine lubricating oil
Grease	SLS 1424: Multipurpose grease for automotive, extreme pressure and industrial applications Products
Base oil	Appendix E of API 1509

Sri Lanka Standards for Lubricants were reviewed, updated and mandated

PUCSL in collaboration with the Ministry of Energy and Sri Lanka Standards Institution took the initiative to review and update the Sri Lanka Standards (SLS) for Lubricants. Given below is the list of lubricant products of which the SLS are updated.

1. Gasoline Engine Oil
2. Diesel Engine Oil
3. Two Stroke Engine Oil
4. Four Stroke Motorcycle Engine Oil
5. Motorcycle Engine Oil and Scooter Oil
6. Gear Oil

After publishing the revised SLS for lubricants, steps have been taken to mandate the same for lubricants in Sri Lanka. Accordingly,

1. The importation, blending and production of lubricants not meeting the revised minimum Sri Lanka Standard is prohibited after **30th June 2021**; and
2. The sale, supply and distribution of lubricants not meeting the revised minimum Sri Lanka Standard is prohibited after **31st December 2021**.

Therefore, minimum Sri Lanka Standards are applicable from the 1st of January 2022. The objective is to eliminate the substandard lubricants from the market and ensure the consumers are supplied quality products which are capable of inter alia increasing the efficiency of engines and doubling oil drain intervals, thereby being less harmful to the environment.

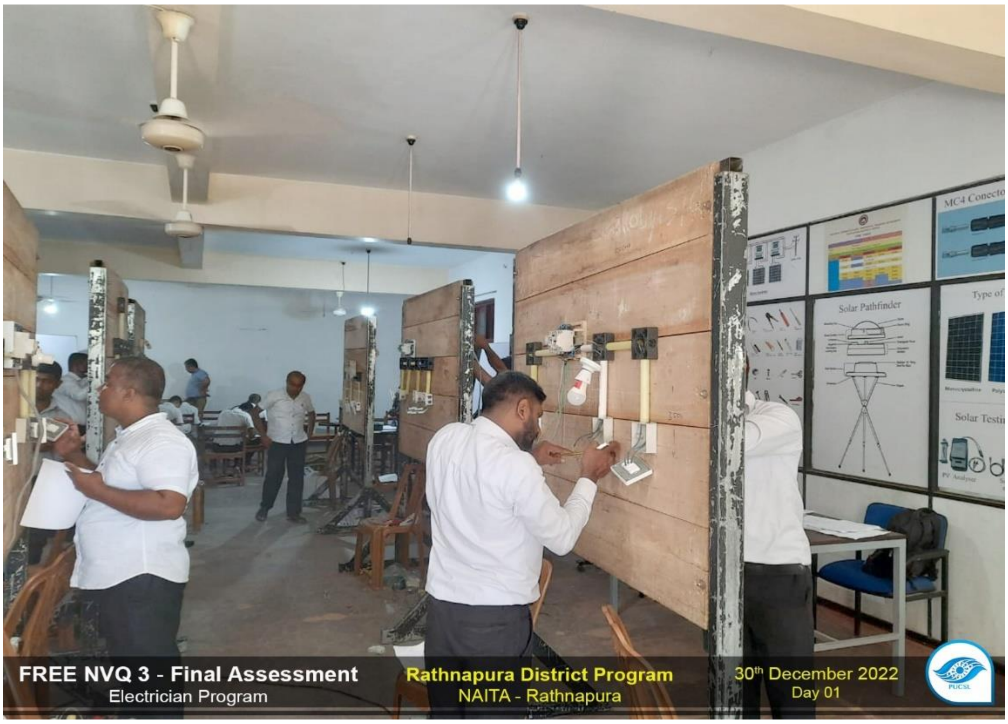
Standardizing Utility Industries in Sri Lanka

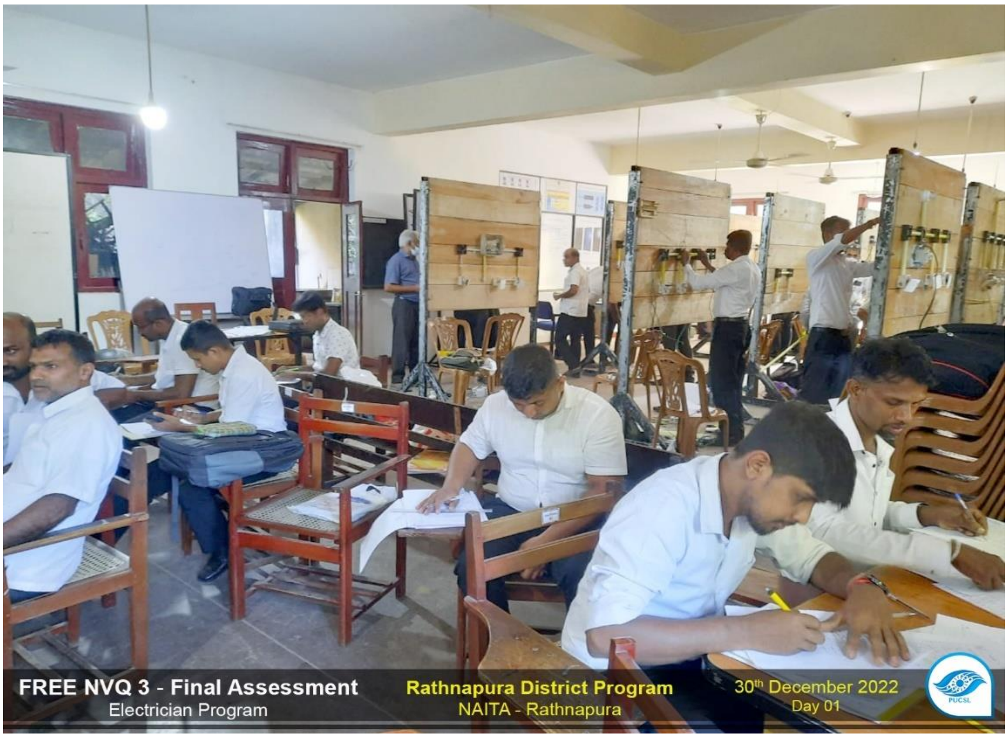
The Public Utilities Commission of Sri Lanka (PUCSL) is the regulatory body responsible for standardizing and overseeing the electricity industry in Sri Lanka. The PUCSL's main objective is to ensure the provision of reliable, affordable, and high-quality electricity services to consumers while promoting competition, efficiency, and sustainability within the industry.

Through Professionally Qualified Electricians

The year 2022 marked a significant milestone in the implementation of the National Framework for Electricians in Sri Lanka. A total of 2,164 electricians were trained and awarded National Vocational Qualification 3 certification in twelve districts across the country, including Galle, Ratnapura, Colombo, Jaffna, and Kandy for year 2022.PUCSL also noted that there is an increased participation of electricians for the programme and consumers have started requesting the NVQ3 qualification from the electricians before getting them to provide services which directly link to upliftment of the electricity safety in Sri Lanka.

PUCSL have already partnered with National Apprentice and Industrial Training Authority, Vocational Training Authority and Tertiary Vocational Educational Commission to offer the NVQ 3 qualification to experienced electricians without any payment.





The programme includes two days of extensive training to fill the knowledge gap of the experienced electricians, pre assessment to assess the knowledge of the electricians and final examination.

The PUCSL also signed Memorandums of Understanding with the University of Jaffna and the District Secretariat of Nuwaraeliya to promote electricity safety and renewable energy through trained and skilled workers. Through the agreements, the District Secretariate will aware the electricians to get them professionally qualified.

PUCSL also launched an identification card for NVQ3 qualified electricians to give the due recognition in the industry which can also help the consumer to identify the qualified electricians. Over 1,000 electricians were awarded with the Electrician Identification in year 2022 as phase 01.

Through qualified Solar Technicians

The government's efforts to promote renewable energy were furthered through the training of 2,115 solar technicians in thirteen districts, including Colombo, Hambantota, and Trincomalee. PUCSL kicked of this initiative in year 2022 to support the government efforts in promoting rooftop solar. One of the major issues identified by the PUCSL is that Sri Lanka lacks qualified solar technicians. This program was launched to cater to that. All the qualified technicians were offered a certification through the programme which recognized by the sector and the PUCSL made aware the stakeholder related to the same industry on the implementation of this programme which will help the other stakeholders to recognize the qualified solar technician.


Skill Development Training Program on
Solar PV System Technology.
Colombo District Program
(Maharagama Youth Centre)
Practical Session
Day 02
07th August 2022
PUCSL


Skill Development Training Program on
Solar PV System Technology.
Colombo District Program
(Maharagama Youth Centre)
Practical Session
Day 02
07th August 2022
PUCSL

Skill Development Training Program on
Solar PV System Technology.
Colombo District Program
(Maharagama Youth Centre)
Day 02
07th August 2022
PUCSL

How it works...
Skill Development Training Program on
Solar System Technology.
Colombo District Program
(Maharagama Youth Centre)
06th August 2022
PUCSL


Skill Development Training Program on
Solar System Technology.
Technical College Kaluthara
26-06-2022 (Day 2)
PUCSL


Skill Development Training Program on
Solar PV Systems for Electricians
Hambantota District
18th & 19th June
PUCSL

Not only that PUCSL trained 200 solar technicians to get the hands-on industrial experience under the Authorized Solar system Technician programme for making them ready for the renewable energy drive of the government.

Overall, these initiatives have made significant strides towards improving the safety and efficiency of Sri Lanka's electrical infrastructure while promoting sustainable energy practices across the country.

Through Educating Public

Awareness is a critical factor in ensuring that the general public fully comprehends the importance and implications of a particular program or activity. The objective of raising public awareness is not to impose mandates on individuals but rather to enlighten them about pertinent issues and disseminate relevant information that will enable them to make informed decisions. Enhancing public awareness is critical for fostering support, encouraging self-mobilization and action, and tapping into local knowledge and resources. In particular, heightening political awareness is essential because policymakers and politicians play a critical role in crafting policies for adaptation.

During the reporting period, the PUCSL conducted awareness sessions for electricians in six provinces aimed at educating them on consumer rights and obligations codes, as well as outlining ways in which they could participate in the complaint resolution process with the Commission. Furthermore, the PUCSL was successful in enhancing the knowledge of licensed electricians on the regulatory process, enabling them to advocate for better customer service from Distribution Licensees.

The public awareness programme outlined above focuses on promoting safe use of electricity through various activities such as safety awareness programs, distribution of safety awareness materials, conducting competitions on the theme "safe use of electricity", and training workshops for electricians. The aim is to increase the public's awareness of electrical safety measures and their rights and obligations as electricity consumers. The programme aims to improve the safety of every living being and property of the general public, licensees, and operators.

Licensed electricians are an essential resource in delivering messages of PUCSL to the public. The programme targeted more than 1000 electrician and the traditional media was used to share the message of safe of use of electricity and the standardization of plugs and socket outlets Overall, the programme seeks to increase public awareness on safe electricity use, improve safety measures, and reduce electrical accidents in Sri Lanka.

Information Dissemination

In the year under review, the Public Utilities Commission of Sri Lanka (PUCSL) made significant progress in its efforts to improve communication and engagement with stakeholders. A total of 18 press conferences were held to communicate the decisions of the Commission to the public and other stakeholders. Additionally, all media inquiries related to the industries falling under the PUCSL's purview were attended to in a timely and efficient manner, ensuring transparency and accountability. In response to a power crisis, the Commission launched a paper advertorial campaign and a social media-based campaign aimed at educating the public on conserving electricity. Furthermore, the PUCSL held a public consultation on its Activity Plan providing stakeholders with an opportunity to provide feedback and suggestions on the Commission's plans and initiatives and held a public hearing on power outage occurred island wide to find necessary measures to avoid the same in the future and steps to be taken if a sudden incident occurs which was communicated to the utility provider. PUCSL also launched a mobile based application for Electricians, Companies and for Public where qualified electricians can be reached through the same app aiming to increase the electricity safety in the country while uplifting the standards of the electricians by paving them a path to be connected.

These efforts have helped to strengthen the PUCSL's relationships with stakeholders and improve its ability to effectively communicate with and respond to the needs of the public.

Information Technology and Management of Information Service

The annual report 2022 highlights the successful implementation of digital media platforms and technologies at PUCSL. The organization has made significant investments in digital communication tools, such as PDF editors and grammar checking software, to facilitate productive exchange of information via electronic means. Additionally, the infrastructure for development of ICT has been expanded to meet the growing demand for computing resources, which includes the replacement of the old PABX with a new system and old UPS with new systems. While the purchase of a server was not possible due to foreign currency issues, PUCSL has made strides in creating a digitized office by providing new laptop computers to newly recruited staff and replacing old laptops used by existing staff members. The organization has also ensured that systems are in working condition by completing all maintenance work pertaining to hardware and software systems. Overall, PUCSL has successfully leveraged digital technologies to improve communication, office automation, and system maintenance, resulting in increased productivity and efficiency.

Additionally progress in implementing Business Continuity Planning (BCP) and Disaster Recovery (DR) measures to improve the resiliency of its systems and enhance uptime is also showed positive results. PUCSL implemented a cloud-based disaster recovery system using the infrastructure of Sri Lanka Telecom, ensuring that PUCSL is not affected by infrastructure failures. To further minimize service downtime due to reasons within consumer premises, the Technician Information System is being introduced to allow consumers to find electricians, plumbers, and solar technicians near them and obtain their services. The application is currently in the testing phase, with all milestones of the project complete except for Go-Live.

Human Resource Management

Our employees are an essential aspect of Public Utilities Commission of Sri Lanka (PUCSL) operations, and plays a crucial role in ensuring the efficient functioning of the organization. HRM at PUCSL focuses on various areas, including recruitment, training and development, performance management, employee engagement, and HR automation.

PUCSL prioritizes talent management and recruitment of the best talent available in the market. The organization follows a rigorous recruitment process to ensure that only the most qualified and capable individuals are selected for open positions. Employee training and development are also critical components of HRM at PUCSL, and the organization offers various training and development programs to its employees to enhance their skills and knowledge.

PUCSL recognizes that employee engagement is vital to the success of the organization. The organization provides its employees with a positive work environment and various employee benefits to ensure that they are satisfied and motivated in their work. The organization also emphasizes diversity and inclusion in its HRM practices to ensure that all employees are treated fairly and equitably.

Performance management is another crucial area of HRM at PUCSL, where the organization conducts regular performance appraisals to evaluate employee performance and provide feedback to help employees improve their performance. This activity was completed until the month of December based on each employee's joining date.

Furthermore, HR automation is also an important aspect of HRM at PUCSL, where the organization strives to streamline HR processes and enhance the effectiveness of HR functions. HR automation - Advancing the existing HRIS was completed successfully, which improved the efficiency and accuracy of HR processes, reducing manual work and resulting in time and cost savings.

In 2022 PUCSL prioritized the performance management of its employees to enhance their performance and career development. PUCSL conducted employee performance appraisals until the month of December based on each employee's joining date, clarifying all individual activities and milestones against the Activity plan and completing all individual appraisals relevant to the month. The importance of this activity lies in reducing the gap between expected and current performance levels of employees and increasing the level of achievement of organizational outcomes. The activity was completed despite the unavailability of devices in the market and price hike.

PUCSL also advanced its existing HR Information System (HRIS) through HR Automation. The expectation was to streamline the HR processes and enhance the effectiveness of HR functions. The progress and outcome of this activity have provided benefits to stakeholders, including increased efficiency and accuracy in HR processes and reduced manual work, resulting in time and cost savings. This activity was completed without any finance disbursement.

OUR PLAN FOR NEXT YEAR – YEAR 2023

The Public Utilities Commission of Sri Lanka (PUCSL) adopts an annual planning process, which involves a comprehensive analysis of the needs and demands of the industries under its regulatory purview. The planning process is designed to address the goals, outputs, and requirements of the country and the organization, and is formulated in a bottom-up approach.

To develop the annual plan, PUCSL evaluates all the activities that were conducted in the previous year and identifies new activities for the upcoming year. The focus is on monitoring the targets and goal relevancy of the activities to ensure that they align with the overall objectives of the organization.

The activities are grouped into four categories, which include outcomes related to the electricity industry, petroleum industry, water services industry, and lubricant market, as well as routine and other activities. Depending on their scope and complexity, some activities may span over more than a year, while others can be completed within a year.

Each division of PUCSL has its own set of activities identified in the annual plan, with a clear focus on achieving the desired outcomes. The planning process enables PUCSL to prioritize its activities and allocate resources effectively, to ensure that the regulatory functions are fulfilled efficiently and effectively.

Division	Activity Number	Activity Description	Sector	Outcome No. (1-4)
Licensing	AP/2023/LIC/CP/01	Policy Advice on Security of Electricity Supply in 2024 and 2025	Electricity	1
Licensing	AP/2023/LIC/CP/02	Study Report on avoiding constraints in the transmission network for renewable integration - Adoptability of the world best practices in the Sri Lankan context	Electricity	1
Licensing	AP/2023/LIC/CP/03	Reports on Risk of Power Cuts	Electricity	1
Licensing	AP/2023/LIC/CP/04	Implementation and condition monitoring of new regulatory framework of exempted parties	Electricity	1
Licensing	AP/2023/LIC/CP/05	Implementation of the recommendations of the street lighting consultancy	Electricity	1
Licensing	AP/2023/LIC/CP/06	Implementation of the recommendations of the Distribution Code amendment Consultancy	Electricity	1

Licensing	AP/2023/LIC/CP/07	Proposals to DLs to further digitalization of electricity distribution related services for consumers in order to empower the consumers	Electricity	1
Licensing	AP/2023/LIC/CP/08	Regulatory Requirement for V to G systems	Electricity	1
Licensing	AP/2023/LIC/CP/09	Launching Online License Application System and its modifications	Electricity	1
Licensing	AP/2023/LIC/CP/10	LISS Upgrading	Electricity	1
Licensing	AP/2023/LIC/CP/11	Report on Grid Sub Station wise demand patterns	Electricity	1
Licensing	AP/2023/LIC/CP/12	Report on Impact of Unserved Energy due to Scheduled Power Outages in 2022	Electricity	1
Licensing	AP/2023/LIC/CP/13	Awareness Program for Renewable Energy generation licensees	Electricity	1
Licensing	AP/2020/LIC/CP/16	Disaster Management Plans- Electricity Sector	Electricity	1
Licensing	AP/2022/LIC/CP/17	Study on potential of procuring Ancillary Services from IPPs in Sri Lanka	Electricity	2
Licensing	AP/2023/LIC/RU/31	Licensing Process	Electricity	1
Licensing	AP/2023/LIC/RU/32	Lubricant Licensing Process	Lubricant	
Licensing	AP/2023/LIC/RU/33	LISS Administration	Electricity	1
Licensing	AP/2023/LIC/RU/34	PLISS Administration	Lubricant	
Licensing	AP/2023/LIC/RU/35	Information Dissemination	Electricity	1
Licensing	AP/2023/LIC/RU/36	Implementation of Transmission Performance Standards Regulations	Electricity	1
Licensing	AP/2023/LIC/RU/37	Review of New Power Plant Proposals for approval and monitoring implementation of Generation Plan	Electricity	1
Licensing	AP/2023/LIC/RU/38	Review and approval of Long Term Transmission Development Plan	Electricity	1
Licensing	AP/2023/LIC/RU/39	Generation and Transmission Performance Reports	Electricity	1

Licensing	AP/2023/LIC/RU/40	Data Analysis Reports	Electricity	2
Licensing	AP/2023/LIC/RU/41	Generation & Transmission Fault Analysis Reports	Electricity	1
Licensing	AP/2023/LIC/RU/42	Distribution Standards Performance Regulation	Electricity	1
Licensing	AP/2023/LIC/RU/43	Quarterly digest on Performance of all Licensees	Electricity	1
CA	AP23/CA/CP/01	Survey on Electricity Consumer Complaints Resolving Process	Electricity	1
CA	AP23/CA/CP/02	Mechanism for Implementation on Requests for New Electricity Connections	Electricity	1
CA	AP23/CA/CP/03	Mechanism for Implementation on Requests Related to Wayleave	Electricity	1
CA	AP23/CA/CP/04	Mechanism for Implementation on Requests for Change of Tariff Customer	Electricty	1
CA	AP23/CA/CP/05	Execute and implement MOUs with partner organizations to eradicate Unauthorized and Adulterated Lubricants from the Market	Petroleum	NA
CA	AP23/CA/CP/06	Preparation of Water Service Industry bill, Statute for Provincial Councils on Water Services Regulation and conduct a Capacity Building Progarmme.	Water	NA
CA	AP23/CA/CP/07	Preparation of Guidelines for Provincial Regulatory Unit	Water	NA
CA	AP22/CA/CP/04	Preparation of Disaster Management Plan	Water	NA
CA	AP23/CA/RU/01	Resolve Consumer Grievances and Issues Report by Service Providers in Electricity & Petroleum Industries	Electricity/ Petroleum	1
CA	AP23/CA/RU/02	Electricity Consumer Mobile Service	Electricity	1
CA	AP23/CA/RU/03	Resolution of disputes through mediation (Electricity/ Petroleum)	Electricty/P etroluem	1
CA	AP23/CA/RU/04	Consumer Consultative Committee (CCC) Coordination	Electricity	1
CA	AP23/CA/RU/05	Education and Awareness in the Petroleum Industry	Petroleum	

CA	AP23/CA/RU/06	Measurement of Electricity Customer Service Performance of LECO	Electricity	1
CA	AP23/CA/RU/07	Dissemination of Information related to Consumer Protection (Electricity and Petroleum Sectors)	Electricity/ Petroleum	1
Regulatory	AP/2023/RA/CP/01	Formulate market monitoring plan – unauthorized brands, counterfeit products and adulterated products	Lubricants	
Regulatory	AP/2023/RA/CP/02	Formulate procedure for investigation and prosecution - unauthorized products	Lubricants	
Regulatory	AP/2023/RA/CP/03	Formulate procedure for investigation and prosecution - counterfeit products	Lubricants	
Regulatory	AP/2023/RA/CP/04	Formulate procedure for investigation and prosecution - adulterated products	Lubricants	
Regulatory	AP/2023/RA/CP/05	Formulate inspection scheme for locally blended lubricants	Lubricants	
Regulatory	AP/2023/RA/CP/06	Formulate guidelines and procedure for granting no-objection (written authority)	Lubricants	
Regulatory	AP/2023/RA/CP/07	Formulate procedure for disposal of confiscated lubricants	Lubricants	
Regulatory	AP/2023/RA/CP/08	Prepare database of product specifications for product testing	Lubricants	
Regulatory	AP/2023/RA/CP/09	Review, update and upgrade the PLISS (lubricants)	Lubricants	
Regulatory	AP/2023/RA/CP/10	Select parties to import, export, sell, supply and distribute Automatic Transmission Fluid (Category B)	Lubricants	
Regulatory	AP/2023/RA/CP/11	Prepare annual contracting plan	Lubricants	
Regulatory	AP/2023/RA/CP/12	Reviewing and Redrafting the grid code	Electricity	
Regulatory	AP/2023/RA/CP/13	Draft advice to the Government on pricing of petroleum fuels. - Comparative study and implications for sri lanka	Petroleum	
Regulatory	AP/2023/RA/CP/14	Formulate framework for regulating the midstream and downstream natural gas market	Petroleum	
Regulatory	AP/2022/RA/CP/04	Review and revise the contractual structure relating to rooftop solar electricity generation to facilitate third party investment	Electricity	
Regulatory	AP/2021/RA/CP/01	Prepare Institutional Disaster Management Plans for Petroleum Utilities	Petroleum	

Regulatory	AP/2020/RA/CP/03	Update Supply Services Codes and Statement of Rights & Obligations of Electricity Consumers	Electricity	1
Regulatory	AP/2020/RA/CP/04	Formulate advise to the Government on the duty structure of imported and locally blended Lubricants	Lubricants	
Regulatory	AP/2023/RA/RU/01	Conduct market monitoring (own initiative and complaint based)	Lubricants	
Regulatory	AP/2023/RA/RU/02	Prepare quarterly and annual market report	Lubricants	
Regulatory	AP/2023/RA/RU/03	Conduct market analysis to identify trends, issues and remedies	Lubricants	
Regulatory	AP/2023/RA/RU/04	Grant written authority (no-objections), authorization for specialty oils and, consent for genuine oils,	Lubricants	
Regulatory	AP/2023/RA/RU/05	Register and publish products complying with minimum Sri Lanka Standards	Lubricants	
Regulatory	AP/2023/RA/RU/06	Stakeholder Education and Awareness Program (Lubricant Sector)	Lubricants	
Regulatory	AP/2023/RA/RU/07	Provide advice and assistance to the subject Ministry on regulation of the lubricant market	Lubricants	
Regulatory	AP/2023/RA/RU/08	Provide advice and assistance to the subject Ministry on regulation of the downstream petroleum industry	Petroleum	
CCO	AP23/CP/ CCO/01	Accelerated NVQ granting programme for electricians in line with Electrician Licensing System	Electricity	1,3,4
CCO	AP23/CP/ CCO /02	Accelerated NVQ granting programme for Plumbers	Water	3,4
CCO	AP23/CP/ CCO /03	Training of Trainers and Technicians Program	Electricity	1,3,4
CCO	AP23/CP/ CCO /04	Strategic Communication Plan for 2023	Electricity	1,3,4
CCO	AP23/CP/ CCO /05	Public Consultations of PUCSL	Electricity	1,2,3,4
CCO	AP23/CP/CCO/06	Expansion of PUCSLs Stakeholders through social media	Electricity	1,3,4
CCO	AP23/RU/CCO/01	Content Development - English	Electricity	2
CCO	AP23/RU/CCO/02	Content Development - Tamil	Electricity	2
CCO	AP23/RU/CCO/03	Content Development - Sinhalese	Electricity	2

CCO	AP23/RU/CCO/04	Corporate Reports of PUCSL	Electricity	1,3,4
CCO	AP23/RU/CCO/05	RTI and Information Management	Electricity	3
CCO	AP23/RU/CCO/06	Stakeholder information update through website	Electricity	1,2,3,4
CCO	AP23/RU/CCO/07	Promotion of professional technicians, electricians, plumbers and solar technicians through PUCSL TIS mobile app	Electricity	1,3,4
CCO	AP23/RU/CCO/08	Public Notice	Electricity	1,2,3,4
EER	AP23/CP/EER/01	Study on viable business models for EV charging in Sri Lanka and provide policy advise on charging infrastructure.	Electricity	2,4
EER	AP23/CP/EER/02	Establishment of training facilities for NVQ 3 & 4 level Solar technicians in10 VTA training centers.	Electricity	3,4
EER	AP23/CP/EER/03	Awareness of distribution exempted parties on Solar PV and Energy efficiency improvement opportunities.	Electricity	4
EER	AP23/CP/EER/21	Facilitating 1000 Electricians on Solar PV installations to qualify with NVQ3 level on an RPL basis.	Electricity	4
EER	AP23/RU/EER/01	Approvals for procurement of Renewable Energy Power Plants .	Electricity	2
EER	AP23/RU/EER/02	Dissemination of Information Related to Renewable Power Generation	Electricity	2
EER	AP23/RU/EER/03	Dissemination of information related to the Environmental Performance of the Power plants.	Electricity	4
EER	AP23/RU/EER/04	Resolving Consumer complaints related to Renewable energy and Environmental issues related to the electricity sector	Electricity	4
HR & Admin	AP23/CP/01	Development, finalization and approval to the Scheme of Recruitment		
HR & Admin	Ap/23/CP/02	Employee Branding (Provide necessary assistance to existing engineers in becoming “Chartered Engineers”)		
HR & Admin	Ap23/RU/01	Capacity building and training		
HR & Admin	Ap23/RU/02	Performance Management		

HR & Admin	Ap23/RU/03	Employee Engagement and Welfare		
HR & Admin	Ap23/RU/04	Other routine activities		
Legal	AP23/LEG/CP/01	Reviewing the Consumer Complaints and developing Guidelines.	Electricity, Petroleum	1
Legal	Ap23/LEG/RU/01	Providing Legal Opinions /Advices	Electricity, Petroleum, Water	
Legal	Ap23/LEG/RU/02	Contract Management		
Legal	Ap23/LEG/RU/03	Handling Litigation	Electricity	
Legal	Ap23/LEG/RU/04	Legal Awareness Programe	Electricity	
Tariff & Eco. affairs	AP23/CP/TEA/01	Revise and update tariff review rules	Electricity	2
Tariff & Eco. affairs	AP23/CP/TEA/02	Develop an end user tariff model reflecting prudent costs	Electricity	2
Tariff & Eco. affairs	AP23/CP/TEA/03	Study on demand response to price changes	Electricity	2
Tariff & Eco. affairs	AP23/CP/TEA/04	Audit, benchmark licensee costs and tariff review	Electricity	2
Tariff & Eco. affairs	AP23/RU/TEA/1	Review of Allowed Charges filed for 2024	Electricity	2
Tariff & Eco. affairs	AP23/RU/TEA/2	Small Distributor Tariff Review	Electricity	2
Tariff & Eco. affairs	AP23/RU/TEA/3	Bulk supply tariff, Uniform National Tariff and end-user tariff review	Electricity	2
Tariff & Eco. affairs	AP23/RU/TEA/4	Electricity tariff data analysis and dissemination	Electricity	2
Tariff & Eco. affairs	AP23/RU/TEA/5	Streamlining the tariff filing process	Electricity	2
INS	AP23/INS/CP/01	Electrification of 3-wheelers with solar charged swappable battery units (pilot project for 10 three-wheelers) & to support the National Grid with excess charge of batteries	Electricity	1,2,3
INS	AP23/INS/CP/02	Evaluation on possibility of expanding the statutory voltage limits of LV utility supply, to increase the renewable energy input to the grid from rooftop solar plants.	Electricity	1

INS	AP23/INS/CP/03	Formulation of Guideline for Minimum Protection Performance for Off grid Systems	Electricity	1,3
INS	AP23/INS/CP/04	Periodic Inspection Scheme for Electrical Installations	Electricity	3
INS	AP23/INS/CP/05	Implementation of Grid Integration Limits for the intermittent resources in a selected area	Electricity	1,2
INS	AP23/INS/CP/06	Grid Synchronization of 17MW/200MW of Backup Generators owned by Consumers	Electricity	1,2
INS	AP23/INS/CP/07	Conducting Inspections at Licensee Premises	Electricity	1,3
INS	AP23/INS/RU/01	Conducting Inspections at the premises of the parties who have been exempted from the requirement of obtaining license for distributing and supply electricity	Electricity	1,3
INS	AP23/INS/RU/02	Implementation of Incident Reporting System (IRS) for all the stakeholders (public, police, health & licensees)	Electricity	3
INS	AP23/INS/RU/03	Conducting Inspections, Test electric lines or plants or Supply of electricity on request from consumers or upon directives by the Commission.	Electricity	1,3
INS	AP23/INS/RU/04	Implementation of Safety & Technical Management Plan (STMP) and Safety Performance Among Licensees.	Electricity	1,3
INS	AP23/INS/RU/05	Public Awareness Program	Electricity	3
INS	AP23/INS/RU/06	Electrocution Mitigation and Electrocution Analysis	Electricity	3
INS	AP23/INS/RU/07	Implementation of Electrician Licensing Framework and Induction of Electricians into the Electricity Safety Network	Electricity	3
INS	AP23/INS/RU/08	Evaluation of sanctions to prosecute persons who extract or use electricity illegally via electricity transmission & distribution system of licensees	Electricity	2,3
INS	AP23/INS/RU/09	Line clearance for insulated conductors such as MV LV ABC	Electricity	1,3
INS	AP23/INS/RU/10	Compliance of Sockets and Plugs Standardization & Safety Regulation	Electricity	3
INS	AP23/INS/RU/11	Publication of Monthly Activity highlights carried out by divisions	Electricity	

IT & MIS	AP23/CP/IT/01	Fine-tuning databases		
IT & MIS	AP23/RU/IT/01	Enhancing existing business applications		
IT & MIS	AP23/RU/IT/02	Improving and Modifying the PUCSL Website		
IT & MIS	AP23/RU/IT/03	Improving and Modifying the PUCSL App		
IT & MIS	AP23/RU/IT/04	Infrastructure development and enhancement (server upgrade, security, etc.)		
IT & MIS	AP23/RU/IT/05	BCP/DR + Security		
IT & MIS	AP23/RU/IT/06	Infrastructure for Development of ICT		
IT & MIS	AP23/RU/IT/07	Testing the ability of using free software		
IT & MIS	AP23/RU/IT/08	Office Automation		
IT & MIS	AP23/RU/IT/09	Maintenance		
FIN	AP23/FIN/RU /1	Ensure completeness and accuracy of different accounting modules and accounting information system		
FIN	AP23/RU/FIN /2	Arranging payments & receipts with adequate controls while ensuring compliance with regulations		
FIN	AP23/FIN/RU /20	preparation of 2023 budget		
FIN	AP23/RU/FIN /3	Board of survey & disposal of unusable items		
FIN	AP23/RU/FIN /4	Preparation of monthly accounts/ various reports including disbursement follow up		
FIN	AP23/RU/FIN /5	Cash flow Mgt		
FIN	AP23/RU/FIN /6	Preparation of Final accounts		
FIN	AP23/RU/FIN /7	Coordinate procurement activities		
FIN	AP22/RU/FIN /8	Ensure compliances with the relevant financial ,statutory and other relevant rules and regulations		

FIN	AP23/RU/FIN /9	Maintained required schedules & reconciliations		
FIN	AP2022/FIN/RU /20	Maintained required schedules & reconciliations		
FIN	AP2022/FIN/CP /01	Update procedure together with Internal audit division		
IA	Ap23/RU/IA/01	Audit Plan 2023		
		Activity plan preparation 2024		

AUDITOR GENERAL'S REPORT

Report of the Auditor General for the year ending 31 December 2022

(Translation of the Sinhala Report of the Auditor General)

Chairman

Public Utilities Commission of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory requirements of the Public Utilities Commission of Sri Lanka for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Public Utilities Commission of Sri Lanka for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

Except for the effect of the matters described in the Basis for qualified opinion section of my report, it is my opinion that the Commission's financial statements give a true and fair view of its financial position as at 31 December 2022 and its financial performance and cash flows for the year in accordance with Sri Lankan Accounting Standards.

1.2. Basis for qualified opinion

(A) Non-compliance with Sri Lanka Accounting Standards

(i) According to paragraph 51 of the Accounting Standard on Property, Plant and Equipment, the useful life of the fully depreciated fixed assets with a value in use of Rs 66.8 million had not been reviewed and accounted for at the end of the year under review.

(ii) Due to failure to make proper assessment of recoverability and make necessary adjustments in accordance with paragraph 5.5 of Sri Lanka Financial Reporting Standards No. 09, a fair value of the balance of annual regulatory fees of Rs 252 million due on December 31, 2022 in the financial statements could not be verified during the audit due to the following factors.

- In the above balance, the balance to be received from the Ceylon Electricity Board for the years 2014 and 2015 was 81.8 rupees.

- According to the Commission's books of account, at the end of the reviewed year, the balance of the annual regulatory fee due from the Ceylon Electricity Board was 249.7 million rupees, but according to the Ceylon Electricity Board, the balance was 125.4 million rupees, a difference of 124.3 million rupees was observed.

(b) Absence of written evidence for audit

Of the annual regulatory fee balance of Rs 251.92 million included in the Commission's financial statements, the balance confirmations for annual regulatory fees of Rs 2.24 million (excluding the Electricity Board) were not submitted to the audit.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAS). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3. Other information means the information included in the Commission's 2022 annual report expected to be provided to me after the date of this audit report, but not included in the financial statements and my audit report relating thereto. Management is responsible for these other details.

My opinion on the financial statements does not cover other information and I do not express any assurance or opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained during the audit or otherwise.

While reading the Commission's 2022 report, if I decided that there are material misrepresentations, those facts should be communicated to the governing parties for corrections. If there are further uncorrected misrepresentations, they will be included in the report tabled by me in Parliament in due course in accordance with Article 154 (6) of the Constitution.

1.4. Responsibilities of Management and Controlling Parties Regarding Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards and for determining the internal controls necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the management's responsibility to determine the going concern of the commission, unless management intends to liquidate the commission or, in the absence of any other alternative, to cease operations, to account for the going concern basis and matters relating to the commission's going concern. Coding is also a management responsibility.

Controlling parties are responsible for auditing the Commission's financial reporting process.

According to sub-section 16(1) of the National Audit Act No. 19 of 2018, the Commission shall maintain proper books and records of its income, expenditure, assets and liabilities in order to prepare annual and periodic financial statements.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed on a case-by-case basis to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, in providing a basis for the audit opinion expressed. The effect of fraud is stronger than the effect of material misstatements due to misrepresentation because they are caused by fraud, falsification of documents, intentional omissions, misrepresentations or circumvention of internal controls.
- An understanding of internal control was obtained in order to design appropriate audit procedures as appropriate, although not with the intention of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1. National Audit Act, No. 19 of 2018 includes specific provisions for following requirements

2.1. 1. I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Commission as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2. The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3. The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2. Based on the procedures performed and evidence obtained were limited to matters that are material, there were none to make the following statement to my attention;

2.2.1. to state that any member of the governing body of the Commission has any direct or indirect interest in any contract entered into by the Commission which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018

2.2.2. to state that the Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018

Reference to Rules/Directive	**Observation**
(a) Section 31 (4) of the Sri Lanka Public Utilities Commission Act No. 35 of 2002 (b) Code of Currency Regulations of the Democratic Socialist Republic of Sri Lanka (I) Financial. Re 261 (ii) Financial Regu. 371 and 371 (B) c) Paragraphs I and II of Management Services Circular No. 03/2018 dated 18 July 2018	At the end of the year reviewed by the Commission, Rs. 675 million had not been approved by the Minister of Finance At the end of the reviewed year, the bank balance according to the cash book was Rs.163,760 and according to the bank statement, the balance was only Rs.707,410, but at the end of the reviewed year, Rs. 27 cheques were written for the payable expenses of 7.6 million and they were credited to the cheque control account and held back as they were not recorded in the cash book. (b) During the year under review, amounts ranging from Rs. 1480 to Rs. 536,250 with a total value of Rs. 6 million were given as temporary advances to 09 non-executive officers of the Commission, on 70 occasions, and interim advances totaling Rs. 5.2 million exceeding the limit of Rs. 100,000 was given to 11 executive officers at 28 occasions during the year under review. Also, according to the engagement audit, a provisional advance of 3.1 million was given to 07 officers in the Commission was not settled within the stipulated time and the interim advance was again made to the same officials. (I) Rs. 58.9 million had been paid, under 10 types of allowances, to the staff of the organization without the recommendations of the National Pay and Cadre Commission and prior approval of the Treasury during the year under review amounting to. ii) No attempt was made to get the approval of the Treasury for the housing and property loan reimbursement scheme for permanent employees of the Commission subject to the maximum limit of 15 years and maximum of Rs. 08 million. Accordingly, during the year under review, the Commission had reimbursed Rs 3.9 million as interest for housing and property loans from the total of 95.6 million loans that has been taken from government and private banks by the 20 officials.
(d) Public Enterprise Circular No PED- 1/2015(ii) dated 14 January 2022	Approximately 1.7 million rupees for 4950 liters of fuel was paid during the year under review to Director General,

	Deputy Director General and 13 officers who holds the Director position, in excess of the approved monthly fuel allowance to be paid to officers owning official vehicles as per the circular.
(e) Section 3.3 of Public Enterprise Circular No. 1/2015 (i) dated 25 May 2015 and Section 2 of State Business Circular No. 01/2015 dated 27 October 2016	During the year under review, 25 officers of the Commission were paid Rs 60,000 monthly as official vehicle allowance, resulting in an overpaid vehicle allowance of Rs 2.7 million. In addition, the commission had paid Rs 20,000 monthly as driving allowance to 12 officers receiving vehicle allowances, totaling 2.5 million.
(f) Management Service Circular No. 30 dated 22nd September 2006 and Order No. 09 of the Committee on Public Business held on 06 July 2022	The Commission's recruitment and promotion procedure had not been approved by the Department of Management Services
(g) Financial Advisory Code of Public Utilities Commission	
(i) Paragraphs of 5.5.2 ,5.5.3, and 13.2.2.	According to the audit sample examination, during the year under review 1.5 million rupees was paid for 31 vouchers without approving the vouchers by a responsible officer and 51 overtime allowance vouchers amounting to 1.1 million rupees were paid to the commission officials without proper certification.
(ii) Paragraph 12.5	According to the sample audit check, payments had been made for 56 vouchers worth 2.9 million rupees without proper confirmation schedule.
(iii) 12.8.3.(b) (iii). Paragraph	Although purchase advances could have been issued only to the officers of the staff, on the contrary the Commissions in 27 cases amounting to Rs. 4.7 million had been issued as advance for supply of goods and services to 18 external parties. Accordingly, it was observed that opportunities were provided to parties outside the commission to use its funds informally.
(iv) 12.8.3(b) (iv) Paragraph	Although the advance should be settled within three days after the completion of the task of issuing an interim advance, the amount that had been issued by the commission to twenty-seven officials and external agencies on seventy-one occasions was 6.9 million rupees and the advance was settled with delays from 12 days to 195 days. It was settled after a delay of some time. Further, at the end of the year under review, the outstanding foundation balance was Rs.205,670 and it was observed that the delay in settlement was between 119 days and 317 days.
(h) Circular No. 8/2019 dated December 17, 2019 of Ministry of Finance, Economy and Policy Development, 2.1 paragraph	All government institutions should be registered in the electronic resource system before 31 of January 2020 in order to receive goods and work consulting services in their institutions, but by the end of the year under review, the commission had not acted accordingly.

2.2.3 According to the requirement mentioned in Section 12 of the National Audit Act No. 19 of 2018, apart from the following observations, the Commission's powers, and duties have not been carried out in accordance with the tasks.

Even though the utility industries of electricity, petroleum and water services industries comes under the industries that should be regularize under the provisions of the Public Utilities Commission of Sri Lanka Act No. 35 of 2022, Petroleum and National Water supply and Drainage Board has not been regularize for over 20 years due to the non-amendment of the relevant acts.

2.2.4 In accordance with the requirement of Section 12 of the National Audit Act No. 19 of 2018, except for the following observations, the resources of the Commission have not been procured and used in accordance with the relevant rules and regulations efficiently and effectively within the periods.

The work of establishing six computer systems which had been started in the previous year should have been completed in the year under review, but it was not completed and Rs. 6.6 million had been spent for that purpose at the end of the year under review

2.3 Other Matters

Even though the amendment to the act to regularize petroleum industry had not taken place, the Commission has included in its activity plan to set up a mechanism for the collection, disinfection and disposal of used lubricating oil, re draft and amend of standards related to petroleum to an expenditure of 6.2 million rupees.

W.P.C. Wickramaratne

Auditor General

FINANCIAL STATEMENT OF PUCSL

PUBLIC UTILITIES COMMISSION OF SRI LANKA

FINANCIAL STATEMENTS
2022

CONTENTS

PUBLIC UTILITIES COMMISSION OF SRI LANKA
Statement of Financial Position
As At 31st December 2022

	Notes	2022 Rs	2021 Rs
Assets			
Non-Current Assets			
Property Plants & Equipment	1	53,505,233	59,993,214
Capital work in progress	1.1	7,300,238	7,376,322
Intangible Assets -Software	1.2	496,501	1,414,883
Distress Loan		5,651,504	5,052,626
Total Non-Current Assets		**66,953,475**	**73,837,046**
Current Assets:			
Investment	2	675,378,719	589,707,190
Inventories	3	465,348	797,006
Receivable	4	439,969,156	222,974,991
Deposit,Advances & Pre Payments	5	8,655,868	10,842,082
Cash & Cash Eqiuvalents		163,760	6,897,984
Total Current Assets		**1,124,632,851**	**831,219,254**
Total Assets		**1,191,586,326**	**905,056,300**
Funds & Liabilities			
Funds			
Accumulated Fund	6	1,072,084,350	784,517,162
Revaluation Reserves		57,063,763	57,063,763
		1,129,148,113	**841,580,925**
Non-Current Liabilities			
Provision for Gratuity	8	**23,591,337**	**19,768,528**
		23,591,337	**19,768,528**
Current Liabilities			
Payable Accounts	7	37,064,476	41,906,846
Auditor General's Fees	9	1,782,400.00	1,800,000
Security Deposit - CEB		-	-
		38,846,876	**43,706,846**
Total Liabilities		**1,191,586,326**	**905,056,300**

The Accounting Policies and Notes appearing on pages 05 to 11 form an integral part of the financial statements.The Members of the Public Utilities commission of Sri Lanka are responsible for the preparation and presentation of these financial statements.

FOR AND ON BEHALF OF THE PUBLIC UTILITIES COMMISSION OF SRI LANKA

Janaka Ratnayake
Chairman

Member of the Commission

Damitha Kumarasinghe
Director General

W.V.Chaya Thilini
Director -Finance

PUBLIC UTILITIES COMMISION OF SRI LANKA
Statement of Comprehensive Income
For the Year Ended 31 st December 2022

	Notes	2022 Rs	2021 Rs
Revenue			
Variable registration fee	10	310,948,708	240,947,478
Annual Regulatory Levies	11	245,946,352	190,434,186
Licences Application Fees	12	455,000	525,000
Other Income	13	100,247,992	25,353,379
Total Revenue		**657,598,052**	**457,260,044**
Expenses			
Personnel costs	14	180,028,689	143,136,589
Consultancy Servicers		15,775,913	26,908,532
Operational Expenses	15	168,719,304	177,630,486
Finance Cost	16	23,421	6,390
Total Expenditure		**364,547,327**	**347,681,997**
Opearting Surplus for the year		**293,050,725**	**109,578,047**
Other Comprehensive Income			
Revaluvation Gain			-
Actuarial gain/Loss		(5,483,537.00)	(88,516.00)
Total surplus for the year		**287,567,188**	**109,489,531**

The Accounting Policies and Notes appearing on pages 05 to 11 form an integral part of the financial statements.

PUBLIC UTILITIES COMMISION OF SRI LANKA
Cash Flow Statement
For the Year Ended 31 st December 2022

	2022 Rs	2021 Rs
Cash Generated from Operating Activities		
Operational Surplus / (Deficit) in the year	293,050,725	109,578,047
Adjusted for		
Depreciation	16,955,397	18,390,112
Provision for Gratuity	4,226,021	3,266,888
Income on disposal of fixed assets	(13,950)	(181,219)
Interest income	(100,050,669)	(25,045,688)
Finance Cost	-	-
	214,167,524	**106,008,139**
Changes Working Capital		
(Increase) / Decrease in Inventories	331,658	(720,703)
(Increase) / Decrease in Deposit	(14,999.70)	(252,000)
(Increase) / Decrease in Receivable	(216,994,165)	(55,752,929)
Increase / (Decrease) in Payable	(4,859,971)	28,009,696
(Increase) /Decrease Advance, Pre Payments	1,602,336	(1,639,815)
Net Changes in Working Capital	**(219,935,141)**	**(30,355,751)**
Cash Generated from / (Used in) Operating Activities	**(5,767,616)**	**75,652,388**
Cash Flow from the Investing Activities		
Fixed Assets Disposal Income Received	166,017	225,050
Purchase of Fixed Asset	(9,137,100)	(15,710,346)
Addittion to the WIP	(487,916)	(7,376,322)
Interest Received	100,050,669	25,045,688
Withdrawal of Investments (FD's, TB's & REPO)	834,170,137	92,000,000
Increase in Investment of Gratuity	(841,614)	(1,158,303)
Invested in Fixed Deposits/TBS & Call Deposits	(919,000,052)	(165,680,548)
Net Cash Flow from (Used in) Investing Activities	**4,920,141**	**(72,654,781)**
Cash Flow from the Finance Activities		
Gratuity Payments	(5,886,750)	(560,250)
Net Cash Flow from (Used in) Finance Activities	**(5,886,750)**	**(560,250)**
Cash and Cash Equivalent at the Beginning of the Year	**6,897,984**	**4,460,627**
Net cash flows during the year	**(6,734,226)**	**2,437,357**
Cash and Cash Equivalent at the End of the Year	**163,760**	**6,897,984**
Cash and Cash Equivalents,		
Cash in Hand & at Bank	**163,760**	**6,897,984**

PUBLIC UTILITIES COMMISION OF SRI LANKA
Statement of Changes in Equity

For the Year Ended 31st December 2022

	Accumulated fund	**Revaluation Reserves**	**Total**
Balance as at 1st January 2022	**784,517,162**	**57,063,763**	**841,580,925**
Surplus in the Income Statement	293,050,725		**293,050,725**
Other Comprehensive Income	(5,483,537)		**(5,483,537)**
Balance as at 31st December 2022	**1,072,084,350**	**57,063,763**	**1,129,148,113**

General Accounting policies

01 .General

The Public Utilities Commission of Sri Lanka (PUCSL) was established to regulate certain utility industries pursuant to a coherent national policy through the Public Utilities Commission Act No. 35 of 2002.

In line with the above policy, with the enactment of Sri Lanka Electricity Act No: 20 of 2009 PUCSL were fully empowered to regulate the electricity industry in Sri Lanka.

02 .Basis of Preparation

2.1 The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants Sri Lanka, the requirements of Public Utilities Commission of Sri Lanka Act No: 35 of 2002 and the Sri Lanka Accounting and Auditing Standards' Act No: 15 of 1995.

2.2 The financial statements of Public Utilities Commission are prepared under the historical cost convention. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

2.3 Financial period
The financial year of the commission shall be the calendar year.

03. Comparative Information

The Accounting Policies applied by the Commission are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been rearranged, wherever necessary, to conform to the current year's presentation.

04. Events after the Balance Sheet Date

All material post balance sheet events have been considered and appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

05. Valuations of Assets and their Bases of Measurement

5.1 Property Plant & Equipment

The Property Plant & equipment are recorded at cost/less accumulated depreciation or revaluation or revising the useful life as set out below.The cost of property plant and equipment is the cost of purchase or construction together with any expenses incurred in the bringing the assets to its working condition for its intended use.

Execpt for motor vehicles all other assets were recorded at cost/less accumulated depreciation as those assets fair value cannot be measured reliably. Motor vehcicles were revalued in 14th October 2021 by committee appointed by Director General & increase amount of carrying value of assets has credited to the revaluvation reserve. It was decided to revalue motor vehicles afer every two years.

It was decided to revise the useful life of fully depreciated asssets still in use & record changes of depreciation as change in accounting estimates in accordance with LKAS-8.

5.2 Depreciation

Provision for depreciation is calculated by using a straight-line on the cost of property plant and equipment. Accordingly depreciation rates of the assets are as follows:

1. Furniture and Fixtures 20%
2. Computer and Office Equipment

(a) Multi Media Projector/SAN storage	25 %
(b) Desktop computers	25 %
(c) Laptop computers	25 %
(d) Mobile phones	33 1/3 %
(e) Portable hard disk/server hard disk	33 1/3 %

(f) LTO Tape drive	33 1/3 %
(g) LTO Tape	33 1/3 %
(h) UPS	50 %
(i) Others	20%

3. Vehicles	20%
4. Software	33 1/3%
5. Office equipment	20%

The calculation of depreciation is applied from the date of purchase of property plant and equipment in the current year.

The useful lives, residual values and depreciation methods of assets are reviewed and revalued if required, at the end of the each financial year.

5.3 Capital Work in Progress (WIP)

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital working progress whilst capital assets completed during the year and available for use will transfer to the property plant and equipment.

06. Inventories

Inventories are valued at lower of cost or net realizable value. The cost of the inventories is arrived at by using the first-in, first-out (FIFO) basis.

07. Investments

Commission invests its surplus income in Treasury Bills, Fixed Deposits and REPOs with PUCSL's Corporate bank , Bank of Ceylon to maximize return to the Commission.

08. Receivable

Receivable are stated at the amounts they are estimated to realize. No provision is being made for bad or doubtful debts.

9. Advances & Prepayments

Prepayments account includes a part of the premium paid to different suppliers to get the servicers for the specific time period and the amounts which are paid not relevant to the period under review (but for the future period) and advance account includes advances taken and which are not settled as at 31-12-2022.

10. Cash and cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand.

11. Retirement Benefit Plan-Gratuity.

11.1 According to payment of Gratuity Act No.12 of 1983, the liability for gratuity to an employee arises only on completion of five years of continued service with the Commission. The PUCSL has adopted actuarial valuation to record gratuity liabilities to confirm with LKAS 19.The actuarial valuvation was carried out by the professional acturial valuers , Acturial and Management Consultant (pvt) Ltd

The defined benefit obligation for retiring gratuities payable under the Payment of Gratuity Act No.12 of 1983 recognised in the Statement of Financial Position, represent the present value of the defined benefit obligation. All actuarial gains and losses are recognised immediately in the Statement of Financial Performance and Other Comprehensive Income.

The gratuity is payable to emplyees on the basis of half month salary for each completed year of service as at the date of "exit" is 5 years or more. The provision for liability is externally invested after Balance sheet date

11.2 Employee Provident Fund and Employee Trust Fund

Contributions were made in line with respective statutes and regulations in respect of all eligible employees.

Increase the EPF Contribution 12% to 15% by the employer and 8% to 10% by employee effect from 1st October 2013.

12. Government Grants

Government grants given to acquire property , plant & Equipment are recognized as deferred income and allocated over useful of assets. Rest of the garnts are recoginised as income when those grants become receivable.

13. Recognition of Liabilities

A liability is recognized in the Balance Sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measure reliably. Payables are stated at their cost.

Income Statement

14. Revenue Recognition

14.1 Variable Registration (License) Fees

In term of the clause 2 of the "Lubricant Agreement" executed with the Government of Sri Lanka, the lubricant market participants are required to pay bi-annually two million and Five Hundred Thousand(Rs. 2.5 million) or 0.75% of Total Invoiced Sales for that period, whichever is higher . a sum of Rupees Two Million and Five Hundred Thousand (Rs. 2.5 million)shall be paid on or before the 1st January another sum of Rupees Two Million and Five Hundred Thousand (Rs. 2.5 million)shall be paid on or before 30th June of each year in favour of the Secretary, Ministry of Petroleum Resources Development. In the event 0.75% of a market participant's total invoiced sales for a bi-annual period being greater than rupees two million and five hundred thousand, such additional amount is to be paid to the Public Utilities Commission, within 30 days of the end of the period.

14.2 Annual Regulatory levy

According to Section 46 of Sri Lanka Electricity Act, No.20 of 2009, Commission empowered to impose an annual regulatory levy and it's to be recovered from every licensee before the 30th day of June of that year. This Act was certified on 8th April 2009 and implemented by the Commission from that date.

14. 3 Licenses Application fees

In additional to the imposed the levies, according to Section 11 of the Sri Lanka Electricity Act, the Commission is empowered to collect the application processing fee with the license applications for licenses generate, transmit or distribute the electricity.

14.4 Interest Income

Interest income was calculated on accrued basis. Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Commission.

15. Expenditure Recognition

Expenses are recognized in the income statement on the budgetary allocation approved by the Commission.

17. Related Party Disclosures

17.1 Key Management Personnel Compensation

Key management personnel comprise the Commission members of the PUCSL and details of compensation are as follows;

	2022	2021
Short term Employee benefits	1,687,500	1,958,625
Post Employee benefits		
Other long term benefits		
Termination benefits		
	1,687,500	**1,958,625**

Note01
PUBLIC UTILITIES COMMISION OF SRI LANKA
Property Plants & Equipment
As at 31 December 2022

	Furniture & Fixtures Rs	Computer & Office Equipments Rs	Offcie Equipment	Vehicles Rs	Total Rs
As at Beginning of the year	27,292,585	55,067,359	580,919	37,965,000	120,905,863
Additions During the year	2,826,492	6,310,608	-	-	9,137,100
Correction		(152,067)			(152,067)
Revaluvation				-	-
Disposal During the year					-
As at End of the Year	30,119,077	61,225,900	580,919	37,965,000	129,890,896
Depreciation					
As at Beginning of the Year	19,405,561	39,694,737	519,025	1,293,326	60,912,649
Charge for the year	2,988,675	6,519,352	20,954	5,994,861	15,523,842
Prior year adjustment		(139)			(139)
Correction		(50,689)			(50,689)
Depreciation on disposal					-
As at the End of the Year	**22,394,236**	**46,163,261**	**539,979**	**7,288,187**	**76,385,663**
Net Book Value as at 31 December 2022	**7,724,841**	**15,062,639**	**40,940**	**30,676,813**	**53,505,233**

The cost of fully depriciated Property Plant & Equipment which are still in use at the reporting date is as follows;

	2,022	2,021
Furniture & Fixtures	14,056,909	13,970,230
Computer & Office Equipments	36,173,714	29,259,735
Offcie Equipment	515,279	473,879
Software	16,083,735	14,563,055
	66,829,637	**58,266,899**

1.2 Intangible Assets -Software	
As at Beginning of the year	18,458,500
Transfers In WIP	564,000
Disposal During the year	-
As at End of the Year	**19,022,500**
Amortisation	
As at Beginning of the Year	17,043,617
Charge for the year	1,482,382
Transfers in WIP	
Depreciation on disposal	
As at the End of the Year	**18,525,999**
Net Book Value as at 31 December 2021	**496,501**

Note :1.1 Capital working progress	
License Management system	1,873,408
Incidental reporting system	1,258,928
PUCSL Intranet	586,000
Technician Information System	1,067,502
Modifying HRD System	140,000
Business Intelligence system	1,103,400
Modifying DRS System	26,000
Procument Work Flow System	720,000
SAP Modification	525,000
	7,300,238

PUBLIC UTILITIES COMMISION OF SRI LANKA
Notes to the Financial Statements
1st of January to 31 st December 2022

	2022 Rs	2021 Rs
02. Invesments		
Fiexd Deposit	440,510,411.01	570,680,547.99
Gratuity Fund Investment	19,868,256	19,026,642
Treasury Bills	200,000,052	-
Repo	15,000,000	-
	675,378,719	**589,707,190**
03.Inventories	**465,347.95**	**797,005.60**
04. Receivable		
Variable registration fee		
Chevron Lubricant Ltd	68,374,026	66,104,702
Lanka IOC Ltd	36,954,192	23,936,236
Mclarans Lubricant	10,119,074	11,273,572
Ceylon Petrolium Corporation	-	5,595,123
Laugfs	8,818,980	6,882,041
Interocean Services Ltd	1,260,158	1,125,656
Associated Motorways	2,476,649	2,500,000
TVS Lanka (Pvt) Ltd (Bharat Petrolium Cor.)	-	565,236
United Motors	2,753,077	4,458,468
Toyota Lanka (Pvt) Ltd	14,205,465	10,399,495
N. M. Distributors (Pvt) Limited	2,036,443	2,536,334
	146,998,065	**135,376,863**
Annual regulatory levies	251,912,985.05	82,544,592
Interest receivable (FD's,TB's & REPO)	40,885,566.48	4,927,138
Other-receivable	172,539.30	126,398
	439,969,155.92	**222,974,991**
05. Deposit ,Advances and Prepayments		
Deposit		
Deposit Dialog Axiata PLC	1,500	1,500
BOC Property Development Ltd	826,571	826,571
S W R D Bandaranaike Memorial Foundation Fund	252,000	252,000
Girl Friendly Association	57,500	57,500
National Youth Services Council	15,000	-
	1,152,570.50	1,137,571
Advance & Pre Payments		
Advances	570,340	815,633
Postal Dept	-	49,416
Pre Payments	4,367,293	6,100,504
Sampath WEB Card	2,068	2,068
	4,939,701	**6,967,621**
Distress Loan	2,477,665	2,640,858
Festival advance	85,932	96,032
Total Deposit,Advance and Prepayments	**8,655,868**	**10,842,082**

	2022 Rs	2021 Rs
06. Accumulated Fund		
Balance at 1st January 2022	784,517,162	675,027,631
Surplus /(Deficit) for 31/12/22	293,050,725	109,578,047
Other Comprehensive Income	(5,483,537)	(88,516.00)
	1,072,084,350	**784,517,162**

07. Account Payable		
Printing & Advertising	527,575	6,722,211
Communication	680,764	297,131
Floral arrangement	-	13,200
Other allowances	5,232,687	5,498,898
News Papers	-	-
Overtime	338,839	588,741
Transport	41,084	55,709
Travelling	-	16,000
Foreign Travelling	-	-
Other Contractual	56,990	289,698
Maintenance of Office Building	910	211,617
Maintenance of Office Vehicle	-	13,314
Water	29,355	21,461
Electricity	292,714	106,630
Public Awareness	8,116,450	7,610,456
Consultancy	5,105,530	10,112,190
Stamp Duty Payable	6,200	5,275
Janitorial Servicers	222,877	133,312
Postal	-	-
Insuarance	-	6,308
Interest Reimbursement	143,687	-
Retention money	199,952	199,952
Accrued Computer & Equipment	-	4,494,758
Accrued Furniture & Fittings	-	254,577
Maintenance of Software	2,447,770	3,804,684
Maintenance of Computer and Equipment	170,238	-
Statinary (Inventory)	-	510,948
Research and Survey	2,000,000	-
Consumble Matirials	-	133,425
Welfare & Public Relations	42,000	3,080
Translation	148,995	-
Gratuity Payment	3,516,000	-
Other Payable	95,000	803,271
Cheque in Hand Control	7,648,859	-
	37,064,475.83	**41,906,846.35**

08. Provision for gratuity		
Provision for PV-DBO as at 01st January 2020	19,768,529	16,973,374
Interest cost for the period	2,273,381	1,357,870
Current service cost for the period	1,952,640	1,909,019
Gratuity paid during the year	(5,886,750)	(560,250)
Actuarial Gain/Loss on PV- DBO	5,483,537	88,516
Provision for PV-DBO as at 31st December 2021	**23,591,337**	**19,768,529**

	2022 Rs	2021 Rs
Staff turnover	5% Up to age 54 & thereafter zero	6% Up to age 54 & thereafter zero
Retirement age	60.00	60
Rate of discount	18%	11.5%
Salary escalation rate	11.50%	6%

08.2 Sensitivity analysis

unchanged		
1% increase in discount rate	22,427,984	18,597,139
1% decrease in discount rate	24,879,351	21,097,925
1% increase in salary escalation rate	25,028,471	21,188,735
1% decrease in salary escalation rate	22,278,922	18,503,055

09. Auditor General's Fees

Balance B/F	1,800,000	800,000.00
payments during the year	(750,000)	0.00
Povision for year	1,000,000	1,000,000.00
Over/Under provision for Prior Year	(267,600)	-
	1,782,400	**1,800,000**

10.Variable Registration Fees

Lanka IOC Ltd	69,580,807	40,181,910
Cheveron Lubricant Lanka	160,280,684	112,475,790
Mclarens Lubricant	21,525,260	22,911,592
Ceylon Petrolium Corporation	501,510	7,381,400
LAUGFS Lubricants Limited	15,629,542	14,798,731
Interocean Services Ltd	1,806,962	2,703,086
Assosiated Motorways	6,479,269	4,502,517
TVS Lanka (Pvt) Ltd		1,473,740
United Motors	6,605,558	7,320,371
Toyota Lanka (Pvt) Ltd	25,594,689	19,554,046
N. M. Distributors (Pvt) Limited	2,944,428	4,646,019
	310,948,708	**237,949,202**
Add: Error correction & reversal of over provision	-	**2,998,277**
	310,948,708	**240,947,478**

11.Annual Regulatory Levies

Generation	73,869,952	60,644,586
Transmission	32,223,000	25,005,600
Distribution	139,853,400	104,784,000
	245,946,352	**190,434,186**

12. Licences Application Fees	**455,000**	**525,000**
	455,000	**525,000**

	2022 Rs	2021 Rs
13. Other Income		
Interest	100,050,669	25,045,688
Exemption fee	13,000	6,000
Sundry Income	170,374	120,472
Income:Fixed Asset Disposal	13,950	181,219
Grants-Recurent	-	-
Acturial gain on Gratuity provision	-	-
	100,247,992	**25,353,379**
14.Personel costs		
Personel Emoluments		
Commissioners Remu:	1,687,500	1,958,625
Salaries	91,652,360	71,270,348
Other Allowances	62,892,295	49,278,376
Over-time	3,088,388	4,517,737
Contribution for Employee Provident Fund	13,735,104	10,703,846
Contribution for Employee Trust Fund	2,747,021	2,140,769
Gratuity Expense	4,226,021	3,266,888
	180,028,689	**143,136,589**
15.Operational costs		
Training &Traveling Expenses - Overseas & Local		
Overseas & Local Training	218,000	1,146,000
Foreign Travelling Expenses	137,059	-
Incidental / perdium	-	-
Travelling (Local)	513,169.00	1,180,050
	868,228	**2,326,050**
Consumable Materials		
Stationery	2,348,677	1,776,752
Fuel & Parking	15,243,140	5,013,902
Consumable Material	826,045	735,033
Entertainment	1,491,774	246,779
	19,909,636	**7,772,466**
Contractual Services		
Transport & Hiring of Vehicle	17,234,032	11,943,632
Communication including Newspapers & Postal	4,728,508	3,496,563
Printing & Advertising	5,871,003	4,931,890
Survey	2,000,000	-
Rents and Rates for Building	26,844,337	19,677,559
Electricity	1,568,060	1,320,290
Medical	6,797,237	5,587,992
Water	432,193	223,968
Insurance	324,201	298,826
Subscription	-	-
Janitorial Services	2,830,937	1,191,185
Legal & Investigation Fees	4,150,000	1,031,000
Other Contractual	3,793,401	879,395
	76,573,908.81	**50,582,299.14**

	2022 Rs	2021 Rs
Other services		
Public Awareness Cost	43,483,296	86,808,539
Auditor General's Fees	732,400	1,000,000
Welfare & Public Relations	50,000	228,065
Floral Arrangements	190,600	98,000
Employee Engagement	137,400	-
SARRC event	-	-
Miscellanious & Others	581,538	543,384
	45,175,233	**88,677,988**
Repair & Maintanance and depreciation of Capital asset		
Maintenance of vehicles	1,667,186	1,960,107
Maintenance of Office Building	423,713	557,544
Maintenance of Computer, Equipment & Software	7,143,903	7,354,307
Maintenance of Furniture & Fittings	2,100	9,612
Depreciation Charges	16,955,397	18,390,112
	26,192,298	**28,271,682**
Total operational cost	**168,719,304**	**177,630,486**

16. Finance Cost

Bank Charges	23,421	6,390
	23,421	**6,390**

AUDIT COMMITTEE REPORT 2022

(A) 1.Audit Committee Meeting No-01 (Date:2022/01/07)
2. Participants • Mr. Udeni Wickramasinghe- Chairman of Audit committee • Mr. Mohan Samaranayake - Deputy Chairman of Audit committee • Ms. Janaki Vithanagama - Secretary of Audit committee • Mr. K.S.M Desilva - Treasury Representative, Director-Dept. of Public Enterprises • Ms. A.A.T Adikari - Line Ministry Representative • Ms. G.N Kumari - Audit superintendent • Mr. M.P Dharmarathne - Internal Auditor-PUCSL • Mr. Damitha Kumarasinghe - Director General-PUCSL • Mr. Thilina Ranasinghe - Director Finance-PUCSL
3. Discussion points and recommendations made in summary form
• Decision taken to take necessary action against CEB according to the electricity act in order to recover the due amount of Rs. 81,852,740.
• Progress in submission of reports to be submitted by the institution in time- Submitted on due dates.
• Submission of staff information- Recommended to adhere to the standard recruitment procedure
• Internal audit queries issued during the quarter and audit inquiries and reports received from the National Audit Office-Preparation of the replies according to the recommendations given in this committee meeting and send it to the Auditor General

- Handing over the Internal Audit Plan for the year 2022- The internal audit plan for the year 2022 should be revised by including the amount of risk and the expected man-days to be used for it.

(B) 1.Audit Committee Meeting No-02 (Date:2022/02/02)

2. Participants

- Mr. Udeni Wickramasinghe- Chairman of Audit committee
- Mr. Mohan Samaranayake - Deputy Chairman of Audit committee
- Ms. Janaki Vithanagama - Secretary of Audit committee
- Mr. K.S.M Desilva - Treasury Representative
- Ms. A.A.T Adikari - Line Ministry Representative
- Ms. G.N Kumari - Audit superintendent
- Mr. M.P Dharmarathne - Internal Auditor-PUCSL
- Mr. Damitha Kumarasinghe - Director General-PUCSL
- Mr. Thilina Ranasinghe - Director Finance-PUCSL

3. Discussion points and recommendations made in summary form

- Regulatory fees of Rs:81,852,740 due from Electricity Board- Present the need to take legal action in this regard to the Commission and implement the further work based on the decisions taken by the Commission.
- Arrears of variable registration fees- After communicating the recommendation of the Audit and Management Committee to the Assistant Director (Licensing), action has been initiated.

• Submission of financial statements to the Audit committee to obtain recommendations for the year 2021- The financial statements for the year 2021 were submitted for audit on 24 February 2022.
• Submission of 2022 internal audit plan for observations- 2022 Internal Audit Plan was approved.
(C) 1.Audit Committee Meeting No -03 (Date:2022/08/24)
2. Participants • Mr. Udeni Wickramasinghe- Chairman of Audit committee • Mr. Mohan Samaranayake - Deputy Chairman of Audit committee • Mr. K.S.M Desilva - Treasury Representative, Director -Dept of Public Enterprises • Ms. R.Kolambage - Line Ministry Representative, Chief Finance Officer • Mr. W.A.A Wanigasekara - Senior assistant Auditor General • Ms. G.N Kumari - Audit superintendent • Mr. M.P Dharmarathne - Internal Auditor-PUCSL • Mr. Damitha Kumarasinghe - Director General-PUCSL • Ms. Thushani Haputhanthri - Deputy Director Finance-PUCSL
3. Discussion points and recommendations made in summary form
• Regulatory fees of Rs:81,852,740 due from Electricity Board- It was decided that further action should be taken as per the order given in the COPE committee meeting held on June 06, 2022. That is, the Secretary of the Ministry of Lines should intervene as a mediator and negotiate with the Electricity Board to recover this amount.
• Presenting the matters discussed at the COPE Committee meeting held on June 06, 2022 for discussion and matters were discussed in detail and inform to do the

needful with needed remedial action to streamline the systems and procurement procedures.

(D) 1.Audit Committee Meeting No -04 (Date:2022/11/14)

2. Participants

- Mr. Udeni Wickramasinghe- Chairman of Audit committee
- Mr. Mohan Samaranayake - Deputy Chairman of Audit committee
- Ms Chamila Senanayake - Acting Secretary of Audit Committee
- Mr. K.S.M Desilva - Treasury Representative, Director -Dept. of Public Enterprises
- Ms. R.Kolambage - Line Ministry Representative, Chief Finance Officer
- Mr. W.A.A Wanigasekara - Senior assistant Auditor General
- Ms. G.N Kumari - Audit superintendent
- Mr. M.P Dharmarathne - Internal Auditor-PUCSL
- Mr. Damitha Kumarasinghe - Director General-PUCSL
- Ms. W.V Chaya Thilini - Director Finance-PUCSL

3. Discussion points and recommendations made in summary form

- Treasury representative strass upon the importance of evaluating the risk areas of the institution and including those areas in the Audit program

- It is decided to include another member to the Audit committee and to take necessary action on the same. Accordingly, Comm. paper has been submitted to the Novmber17th Commission meeting on the same matter.

• The draft COPE reply prepared by the Director- Finance with the coordination of relevant staff of PUCSL including Internal Auditor was tabled at the Committee with all the relevant attachments and supporting documents.
• As per the COPE minutes No. 7 to 24, it is emphasized to take necessary action to rectify the present weaknesses and it is informed also to strengthen the necessary systems and procedures with the new Director- Finance within a reasonable period. It is informed to get the required staff strength where necessary as it is very important to rectify the prevailing finance and accounting issues and procedures errors.
• Some of the identified areas to be informed to the Commission with the full draft reply prepared for the COPE reply.
• Also informed to get the intervention of Ministry of Finance in collecting the Rs. 81 Mn from CEB which is outstanding for a long period.
• Further it is emphasized to the Audit Committee the importance of having independent commission with competent cadre with adequate emolument package to continue the regulatory role as the multi sector regulator.
• Audit committee recommended to get the clearance from the Commission before sending the answer to Chairman , COPE based on the discussed points.
• To have another Audit Committee to discuss the matters from Item No, 6 to 10 during the first 2 weeks of December as most of them are relating to activities that are to be implemented to streamline the Finance activities.

(E) 1. Audit Committee Meeting No -05 (Date:2022/12/13)
2. Participants • Mr. Udeni Wickramasinghe- Chairman of Audit committee Dept of Public Enterprises • Mr. Mohan Samaranayake - Deputy Chairman of Audit committee • Ms Chathurika Wijesinghe - Commission Member • Ms. Nadeeja Warapitiya - Secretary of Audit Committee • Mr. K.S.M Desilva - Treasury Representative, Director -Dept. of Public Enterprises • Ms. R.Kolambage - Line Ministry Representative, Chief Finance Officer • Mr. W.A.A Wanigasekara - Senior assistant Auditor General • Ms. W.M.DFernando - Audit supervisor • Ms. A.T.M Leelarathna - Audit supervisor • Mr. M.P Dharmarathne - Internal Auditor-PUCSL • Mr. Damitha Kumarasinghe - Director General-PUCSL • Ms. W.V Chaya Thilini - Director Finance-PUCSL
3. Discussion points and recommendations made in summary form
• The Audit report of 2021 was tabled, and it is informed to carry out the finance activities to continues with clean opinion.
• Where necessary it is informed to get the independent opinion from the Attorney General’s Department especially on the matters reputedly appear in the audit report.
• It is informed to the Committee that the Reply to the Chairman, COPE has been delivered to Parliament after Commission’s approval for the report on 29th November 2022 with copies to Auditor General, Director General – Corporate

Affairs of Ministry of Finance and Chief Finance Officer of Ministry of Finance Internal Audit Division.
• It is informed to pay attention to the Annual Procurement plan and importance of implementing it in an effective, efficient, and productive manner as per the reference made on National Audit Act Section 12(29) in the audit report.
• Also inform to check the possibility of collecting Rs. 81 Mn from CEB and if not possible to check the other alternatives available by Commission
• As per the audit observations made in the Audit report and based on the same matter discussed at the COPE, it is informed that the correction has been done in the accounting of public awareness activities. Accordingly, from year 2023 onwards, new budget codes have been introduced to cover separate activities carried out as per the PUCSL Act ad Sri Lanka Electricity Act and total expenditure have been distributed among those new budget lines and accounts. The committee recommended to practice the new mechanism as explained by the Director-Finance.
• Further, the Procedure for carrying out Activities/Meetings Outside Premises as per the PUCSL Act was discussed and audit Committee recommended to implement the new system with the approval of the Commission.
• Also, the redrafted Delegation of Authority document for year 2023 were checked in details and recommended to submit to the Commission with few amendments suggested by the members of the Committee. The Committee highlighted the importance of correcting of rectifying the relevant areas especially in the payment voucher face with needed inclusions. Director Finance informed that the relevant

changes have been already done in the SAP accounting system and more areas to be streamlined in the next 4- 6 months.
• Advance payment procedure also has been corrected and it is informed to the Audit Committee. The new versions and systems have been informed to the Commission where necessary approvals have been obtained from the required level of delegation.
• It is further informed that system updating, and other required changes are carried out continuously and relevant areas are submitting to the Commission and the Audit Committee where necessary.
• It is further informed that the preparation of Financial Statements for the year 2022 has been started and reconciliations are ongoing and plan to submit to the 1st Audit Committee meeting on month of January.