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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

SRL LANKA ELECTRICITY ACT, No. 20 OF 2009

RULES made by the Public Utilities Commission of Sri Lanka under Section 53 of the Sri Lanka Electricity Act, No. 20 of 2009, read with Section 30(3) of the aforesaid Act, to repeal the 'Procedure for Review and Adjustment of Tariffs', rules No. 3 of 2016, dated 29th July, 2016.

Chairman,
Public Utilities Commission of Sri Lanka.

Colombo,
20th January, 2026

RULES

1. These Rules may be cited as the Electricity (Procedure for Review and Adjustment of Tariffs) Rules No. 01 of 2026.
2. Each Licensee shall, in accordance with the-
 - (a) Tariff Methodology specified under Section 30 (2)(a) of the Act and approved by the Commission; and
 - (b) Electricity (Procedure for Review and Adjustment of Tariffs) Rules,

make a tariff filing to the Commission for approval of their Allowed Revenue as well as Review and Adjustment of Tariffs.



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I කොටස : (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2026.01.21
PART I : SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 21.01.2026

3. Each Licensee when making a tariff filing to the Commission shall provide adequate information as set out in the information filing requirements and formats specified by the Commission in accordance with the Tariff Methodology.
4. The tariff Review and Adjustments shall be carried out in accordance with the determination and approval of the Commission for-
 - (i) the allowed revenues which the Licensee is entitled to collect from their customers; and
 - (ii) the supply tariff for end-use customers considering the subsidies to be applied for each customer category which allows the Licensee to collect their Allowed Revenue,

according to the Tariff Review and Adjustment Detailed Procedure in the Appendix.

5. The Commission shall not approve tariff filing unless it is in compliance with the Tariff Methodology requirements set out in the Appendix.
6. If the Commission does not approve the Allowed Revenue requested by a Licensee, the Commission shall notify the reasons therefore and inform such Licensee to amend the tariff filing.
7. The Licensee shall amend the tariff filing accordingly. If the tariff filing or an amended tariff filing for Allowed Revenue is not approved by the Commission, the existing tariff shall remain effective until the Commission approves the Allowed Revenue.
8. If a Licensee has earned more or less than the approved Allowed Revenue as a result of the refusal to approve the tariff filing for Allowed Revenue, when an amended tariff filing for Allowed Revenue is approved by the Commission, the Commission shall notify the Licensee the extent of the revenue the Licensee has earned more or less than its approved Allowed Revenue and the manner in which the difference between the earnings and the approved Allowed Revenue may be reconciled.
9. The Commission shall approve the decision on tariff containing end-use customer supply tariff and/or approval of the allowed revenue.
10. The Licensee shall publish the approved tariff in at least one national newspaper in Sinhala, Tamil and English languages and post simultaneously on the Licensee's website, three days before end-use customer supply tariff come into effect.
11. In these rules, unless the context otherwise requires -

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

“Adjustment” means the process through which the components of the tariffs, as indicated in the Tariff Methodology are to be adjusted during the tariff. These adjustments may require the Licensees to submit information or the use of microeconomic indicators or a combination of both, as set out in the Tariff Methodology.

“Allowed Revenue” means the maximum allowed revenue for a particular period calculated in terms of a Tariff Methodology;

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

“Licensee” means a transmission licensee or a distribution licensee, as the case may be, whose license contains provision for transmission and bulk sale tariffs or distribution and supply tariffs as the case may be, to be subject to review;

- “Notification”, means a written communication through which Commission inform the Licensees any decision made in accordance with the powers given under the Act, the PUCSL Act and the Tariff Methodology. Original letters or digitally signed emails shall be considered as valid written communication for this purpose.
- “PUCSL ACT” means the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002;
- “Tariff Methodology” means the multiyear cost reflective tariff methodology approved by the Commission, under Section 30 of the Act;
- “Tariff Period” means the 3-year period established in the cost reflective tariff methodology approved by the Commission;
- “Review” means the process through which the components of the tariffs, as indicated in the Tariff Methodology are established for the first time or reset at the end of each tariff period. For this purpose the Cost Reflective Tariff Methodology establishes that the Licensee shall submit the information required in it and according to the filing mechanisms established;
- “Written Request” means a written communication through which the commission requests a Licensee to respond to a specific requirement in accordance with the powers given under the Act, the PUCSL Act and the Cost Reflective Tariff Methodology. Original letters (signed) or official emails shall be considered as a valid written communication for this purpose;
- “Written Response” means a written communication in response to a Written Request. Original letters or official emails shall be considered as valid written communication for this purpose.

APPENDIX

PART I

Tariff Review and Adjustment Detailed Procedures

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

A. Reviews

2. The following tariff components shall be reviewed and approved by the Commission once in every Tariff Period namely:-
 - (a) Transmission Allowed Revenue;
 - (b) Bulk Supply and Operations Business Allowed Revenues;
 - (c) Distribution Allowed Revenue; and
 - (d) Retail Service Tariffs,

for the relevant Tariff Period.

B. Adjustments

3. The following tariff components shall be adjusted and approved by the Commission during the tariff period:-
 - (a) Transmission Allowed Revenue Annual Adjustment;
 - (b) Allowed Revenues for Bulk Supply and Operation Business Annual Adjustment;
 - (c) Bulk Supply Tariff Forecast Quarterly Adjustment;
 - (d) Distribution Allowed Revenue Annual Adjustment; and
 - (e) Retail Service Tariff Annual Adjustment;
 - (f) End-use customer Supply Tariff Quarterly Adjustment.

C. Extraordinary Reviews

4. Transmission Licensee or a Distribution Licensee may submit to the Commission for the approval of Extraordinary Allowed Revenue Reviews, under the provisions of the Tariff Methodology.

PART II

Subsidies

D. External Subsidies

5. The Commission shall consult the Treasury on the availability of external subsidies for each quarter.

PART III

Tariff Review Process for the Tariff Period

E. Purposive General Aspects

6. On or before the last working day of February of the last year of each Tariff Period, the Commission shall inform the licensee the following, if necessary
- various parameters that are established in the Tariff Methodology and required to be defined by the Commission prior to the commencement of the Tariff Period;
 - the updates, if any, about the templates approved by the Commission to be used for information submission, filing, etc.;
 - about any information that is pending to be submitted by each licensee.
7. Every Licensee shall submit the information required, using the templates approved by the Commission. For the cases so disposed by the Commission, those templates shall be submitted electronically using the Licensee Information Submission System or any other IT process setup for that purpose by the Commission.
8. The Commission shall provide necessary training and support to fulfill these requirements to the Licensee, if necessary.
9. If a Licensee fails to abide by the requirements of the Tariff Methodology or any other information requested by the Commission, the Commission
- shall demand the information to be submitted within an extended period of time, if such extension is feasible;
 - once the given time has expired and the Licensee has not properly responded to the Commission's request, shall take its own decision on the information not submitted by the Licensee.

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

10. According to the Tariff Methodology, the Transmission Licensee shall submit to the Commission for its approval, the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues for the following Tariff Period, on or before the first working day of August.
11. (1) Between the Submission day and the first working day of November, the Commission shall-
- within twenty-four hours of receiving the submission for approval, post it on the Commission's website; and

- (b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. the Commission may require.
- (2) The Transmission Licensee shall reply in writing to the Commission within five working days from the date of receiving such request.
- 12. The Commission shall, before the first working day of November, approve the draft decision on Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues and within twenty-four hours of the approval-
 - (a) post the draft decision on the Commission's website; and
 - (b) notify all Licensees and the stakeholders that within a period of twenty-one calendar days, the Commission will receive comments, observations, etc. regarding the draft decision.
- 13. The Commission shall before the 15th of December, approve the decision on Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues and within five working days after the approval, shall:-
 - (a) notify the Transmission Licensee; and
 - (b) post the decision in the Commission's website.

G. Distribution Allowed Revenue and Retail Service Tariffs Review

- 14. According to Tariff Methodology, each Distribution Licensee shall submit for the Commission's approval, the Distribution Allowed Revenue and Retail Service Tariff Review before the first working day of August of the year prior to the Tariff Period's commencement.
- 15. (1) Between the submission day and the first working day of November, the Commission shall:-
 - (a) within twenty-four hours of receiving the submission for approval, post it on the Commission's website; and
 - (b) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.

(2) The Distribution Licensee shall reply in writing to the Commission within five working days from date of receiving such request.
- 16. The Commission shall before the first working day of November, approve the draft decision on Distribution Allowed Revenue and Retail Service Tariffs of each Distribution Licensee, and within twenty-four hours of the approval,
 - (a) post the Draft Decision of each Distribution Licensee on the Commission's website; and
 - (b) notify all Licensees and the stakeholders that within a period of twenty-one calendar days the Commission will receive comments, observations, etc. regarding the draft decision of each Distribution Licensee.
- 17. The Commission shall before the 15th of December, approve the decision on Distribution Allowed Revenue and Retail Service Tariffs of each Distribution Licensee, and within five working days of its approval,
 - (a) notify the Distribution Licensee; and
 - (b) post the decision on the Commission's website.

PART IV

Tariff Adjustment during the Tariff Period

18. Each year during the Tariff Period, the End-use customer supply tariff shall be adjusted quarterly starting from 1st of January and subsequently on the first day of each quarter based on the following tariff components, determined for the periods mentioned therein:-
- (a) One-year period starting from 1st of January –
 - (i) Transmission Allowed Revenue and Bulk Supply and Operation Business Allowed Revenue Adjustments;
 - (ii) Distribution Allowed Revenue and Retail Service Tariff Adjustments;
 - (b) 3 months periods starting from 1st of January, 1st of April, 1st of July, and 1st of October –
 - (i) Bulk Supply Tariff Forecast Adjustment;
19. For the periods where Uniform National Tariff (UNT) is implemented, for each three-month period, Ex-post Compensation will be calculated according to the Tariff Methodology and be paid/or charged to the Distribution and Supply Licensees.

Tariff Adjustments during the three-month periods starting from 1st of January, 1st of April, 1st of July and 1st of October

H. Bulk Supply Tariff Forecast Adjustments

20. According to the Tariff Methodology, the Transmission Licensee shall submit for the Commission for approval of the Bulk Supply Tariff Forecast Adjustments.
21. The Bulk Supply Tariff Forecast Adjustments for the each quarter starting from 1st of January, 1st of April, 1st of July and 1st of October of each year of the Tariff Period shall be submitted before 10th of November (of the previous year), February, May and August (of the respective year), respectively.
22. The submission shall include:-
- (a) the Generation Costs Forecast Adjustment for the following two quarters (three-month periods) of the Tariff Period; and
 - (b) the Compensation of the differences between the forecast and actual Bulk Supply Tariff, which shall be applied during the following three-month period, according to the Tariff Methodology prescriptions.
23. Between the submission day and the 23rd calendar day of the subsequent month, the Commission shall:-
- (a) within twenty-four hours of receiving of the submission for approval, post it on the Commission's website;
 - (b) make a written request to the Transmission Licensee or Distribution Licensees and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require; and
 - (c) request the Transmission Licensee or Distribution Licensees to reply in writing within five working days from date of receipt of such request or before the 25th calendar day of the subsequent month of the submission, which ever comes first.
 - (d) Conduct stakeholder consultation by publishing a consultation document on Bulk Supply Tariff Forecast adjustment, according to the procedure adopted by the Commission, for twenty-one calendar days.

24. Before the last calendar day of December, March, June and September, the Commission shall approve the decision on Bulk Supply Tariff Forecast Adjustments, including Adjusted Bulk Supply Tariff decision for the following three-month period starting from 1st of January, 1st of April, 1st of July, and 1st of October and within twenty-four hours of the approval, the Commission shall:-

- (a) notify all Licensees of the approval of the Decision on Bulk Supply Tariff Forecast Adjustments,
- (b) post the decision on Bulk Supply Tariff Forecast Adjustments on the Commission's website.

I. Adjustments for End-Use Customer supply tariff for each quarter from 1st of January, 1st of April, 1st of July and 1st of October

25. Adjustment to End-Use Customer supply tariff and resulting tariff schedule shall be prepared by the Ceylon Electricity Board and submitted to the Commission before 10th of November, February, May and August for three-month periods starting from 1st of January, 1st of April, 1st of July and 1st of October.

J. Stakeholder Consultation for Reviewing End-Use Customer Supply Tariffs for three months period

26. Together with the Published Consultation Document on End-Use Customer supply tariff, the Commission shall:-

- (a) announce the dates for the Stakeholder Consultation;
- (b) notify all stakeholders by public notice on the issuance of the Consultation document;
- (c) post the Consultation document on the Commission's website;

27. The Stakeholder Consultation shall be held according to the Procedure adopted by the Commission, for twenty-one calendar days.

28. The Stakeholder Consultation shall be held regionally, as decided by the Commission, to provide equal opportunity for all the stakeholders.

29. Before the 25th of December, March, June and September, the Commission shall approve the Decision on End-use customer supply tariff for the following three-month period, starting from 1st of January, 1st of April, 1st of July and 1st of October.

30. Within two calendar days after approval of the Decision for following three-month period, the Commission shall:-

- (a) notify the all Distribution Licensees the approval of the Decision on Tariff Adjustment;
- (b) post the Decision on Tariff Adjustment on the Commission's website.

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

31. According to Tariff Methodology, the Transmission Licensee shall submit the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues Adjustments for the approval of the Commission:-

- (a) the Transmission Allowed Revenue and Bulk Supply and Operations Business Allowed Revenues Adjustment shall be submitted before the last working day of July of the 1st and 2nd years of the Tariff Period;
- (b) the submission shall include actual capital and operational expenditure of the Licensee for the previous calendar year

- (c) between the submission day and the first working day of September, the Commission shall-
- (i) within twenty-four hours of receiving the submission for approval, post it on the Commission's website.
 - (ii) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. the Commission may require; and
 - (iii) the Transmission Licensee shall reply in writing to the Commission within five working days from date of receipt of a request.
- (d) Before 10th of September, the Commission shall approve the Draft Allowed Revenues and within twenty-four hours of the approval, the Commission shall:-
- (i) post the draft decision on the Commission's website; and
 - (ii) notify all Licensees and the stakeholders that the Commission shall within a period of ten calendar days, receive comments, observations, etc. about the draft decision.
- (e) Before the 15th of October, the Commission shall approve the decision on Transmission Allowed Revenues and Bulk Supply and Operations Business Allowed Revenues and within twenty-four hours after the decision's approval:-
- (i) notify the Transmission Licensee of the approval; and
 - (ii) post the decision on the Commission's website.

L. Distribution Allowed Revenue and Retail Service Tariff Adjustments

32. According to Tariff Methodology, the Distribution Licensee shall submit for the Commission's approval the Distribution Allowed Revenue and the Retail Service Tariff:-
- (a) Distribution Allowed Revenue and the Retail Service Tariff Adjustment shall be submitted for the Commission's approval according to the Revenue Control Formulas contained in the Tariff Methodology, before the last working day of July of the 1st and 2nd years of the Tariff Period;
 - (b) the submission shall include actual capital and operational expenditure of the Licensee for the previous calendar year
 - (c) between the submission day and the last working day of September, the Commission shall :-
 - (i) within twenty-four hours of receiving the submission for approval, post it on the Commission's website; and
 - (ii) make a written request to the Licensee and post on the Commission's website any clarification, amendment, addition, etc. that the Commission may require.
 - (d) the Distribution Licensee shall reply to the Commission in writing within five working days from date of receiving such request;
 - (e) the Commission shall before 10th of September, approve the draft decision on the Distribution Allowed Revenue and the Retail Service Tariffs Adjustments and within twenty-four hours of the approval:-
 - (i) post the draft decision on the Commission's website; and

- (ii) notify all Licensees and the Stakeholders that within a period of ten calendar days the Commission shall receive comments, observations, etc. regarding the draft decision.
- (f) the Commission shall before the 15th of October, approve the decision on Distribution Allowed Revenue and the Retail Service Tariff Adjustments and within twenty-four hours after the approval:-
 - (i) notify the Transmission Licensee and Distribution Licensees of the approval; and
 - (ii) post the decision on the Commission's website.

M. Review under extraordinary conditions

33. According to the Tariff Methodology, when an extraordinary event occur, the Transmission Licensees and the Distribution Licensees may submit for Commission's approval of Extraordinary Allowed Revenue Review.
34. The submission may be made any time during the year, and the Commission shall determine whether the review will be treated as extraordinary or be deferred until the following scheduled review or adjustment process according to the calendar.
35. The submission shall include all elements of the reasons for the request, accompanied by all materials which should facilitate the unexpected event which justify the extraordinary review.
36. Within twenty-four hours of receiving the submission for approval, the Commission shall post it on its website.
37. Within ten working days of receiving the submission, the Commission may request the Licensee through a written request to provide any clarification, amendment, addition etc. that the Commission may require about the extraordinary review.
38. The Licensee shall reply the Commission's written requests within five working days from date of receiving a request from the Commission.
39. Within twenty working days after the submission, the Commission shall decide whether to accept or to reject the request.
40. In the event of rejecting the request, the Commission shall justify the reasons for the rejection and within twenty-four hours the decision shall be posted in the website.
41. In the event of accepting the request, the Commission shall approve the draft decision on Extraordinary Review including the justification for that decision and within twenty-four hours after approval, the Commission shall:-
 - (a) post the draft decision on the Commission's website; and
 - (b) notify all Licensees and inform the Stakeholders that the Commission will, within a period of ten calendar days, receive comments, observations, etc. about the draft decision.
42. Within five working days, after the consultation period is over, the Commission shall, approve the decision on the Extraordinary Review and –
 - (i) notify the relevant Licensee and Transmission Licensee of the approval; and
 - (ii) post the decision on the Commission's website.

N. Reporting on the cost recovery of electricity tariffs

43. The Commission shall before the end of months May, August, November, and February, publish a quarterly report on the website of the Commission and send a copy of the report to the Minister of Finance, Planning & Economic Development on actual realized cost and revenue of Transmission Licensee against the corresponding approved forecasts for the previous quarters starting from 1st of January, 1st of April, 1st of July and 1st of October, to demonstrate the cost recovery of electricity tariffs. The report would contain analysis on any differences between projected and realized costs, rationales for these differences, and measures taken to reduce them if systemic error patterns are evidenced.
44. Before 1st of October of each year the Commission shall publish a report on the website of the Commission and send a copy of the report to the Minister of Finance, Planning & Economic Development on actual realized Transmission and Distribution cost against the approved Allowed Revenue of the Licensees for the previous calendar year, to demonstrate the cost recovery of electricity tariffs.
45. The Commission shall include, in the annual report for the relevant year, a report summarizing the extent to which cost recovery has been achieved in the electricity tariff-setting process for that year, in accordance with Section 37(3) of the PUCSL ACT. The report would contain analysis on any differences between projected and realized costs, rationales for these differences, and measures taken to reduce them if systemic error patterns are evidenced.

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