

On Electric Power Industry

Unofficial translation

Law of the Republic of Kazakhstan dated 9 June 2004 No. 588.

Unofficial translation

This Law regulates social relations arising in the process of production, transfer and consumption of electrical and heat energy.

Footnote. Preamble amended by Law of the Republic of Kazakhstan dated 11 April 2006 No. 136 (enforced from the date of its official publication).

Chapter 1. General provisions

Article 1. Basic concepts used in this Law

This Law shall use the following basic concepts:

1) emergency reservation - the minimum consumption of electric energy (minimum consumed capacity) of consumer's objects with a completely stopped process, ensuring their safe state for life, health and environment, as well as functioning of current collectors of systems of duty and security lighting, security and fire alarm systems, fire extinguishing pumps, drainage, cooling of the main technological equipment, communication and emergency ventilation;

2) disruption – unacceptable divergences of operating conditions of an electric installation or its elements, occasioning their removal from service or damage during operation;

2-1) a passport of readiness - an annually issued document, confirming the readiness of energy-producing and energy-transmitting organizations to work in the autumn-winter period ;

2-2) a single purchaser - a legal entity, determined by the authorized body, carrying out centralized purchase of service on maintaining the readiness of electric capacity and centralized rendering of service for ensuring the readiness of electric capacity to bearing the load in the manner, prescribed by this Law;

2-3) generating installation - a device, generating electric energy;

2-4) dispatching technological management - a process, performed by a dispatcher and intended to solve problems of monitoring and controlling the functioning modes of electrical networks through automated dispatching and technological management systems, as well as receiving and processing messages from individuals and legal entities on the prerequisites for the occurrence or occurrence of technological violations, requiring response measures and eliminating failures and damages;

Note by RCLI!

Exclusion of sub-paragraph 3 provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2019).

3) calculated tariff – the maximum electrical energy selling tariff (price) for energy-producing organizations, determined in a technical and economic assessment of the investment program and exceeding the marginal tariff approved for the relevant group;

Note RCLI!

Subparagraph 4) is provided for by the Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (shall be enforced from 01.01.2019).

4) an individual tariff - the maximum value of selling tariff (price) for electric energy, approved for an energy-producing organization, implementing the investment program, exceeding the limit tariff, approved for the relevant group;

5) system emergency – disturbance of the operating regimes of electricity generation facilities, leading to instability of the single electric power system of the Republic of Kazakhstan and to its separation into parts;

6) system services – the services rendered by the system operator for the wholesale electrical energy market entities by transfer of electrical energy, technical dispatch control, regulation and reservation of capacity, and organization of production-consumption balancing of electrical energy;

7) system operator – the national company, carrying out centralized operational dispatch management, provision of parallel operations with energy systems of other states, maintenance of balance in the energy systems, rendering of system services and acquisition of ancillary services from wholesale electrical energy market entities, as well as transfer of electrical energy through the national electric network, providing technical servicing of that network and keeping it in operational availability;

8) heating network conservation zone – land plots designed for preservation of heating systems, arrangement of normal operating conditions and prevention of damage to them and accidents amongst the population within the conservation zone of these systems;

8-1) heat supply system - a complex, consisting of heat- producing, heat- transmitting and heat-consuming installations;

9) heat energy transfer - a service for transporting of heat energy and (or) coolant through heating networks, rendered by energy- transmitting organizations in accordance with the concluded contracts;

10) retail market of heat energy - a system of relationships of participants of production, transfer of heat energy for implementation of heat supply to consumers on the basis of contracts;

11) investment program – program directed at creating active assets and expanding, updating, reconstructing and re-equipping existing active assets;

Note by RCLI!

Exclusion of sub-paragraph 12) provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

12) investment commitment – obligation providing for creation of new active assets, and expanding, updating, maintaining, reconstructing and re-equipping existing active assets;

Note by RCLI!

Exclusion of sub-paragraph 13) provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

13) an investment contract – a contract for fulfillment of investment program between an energy-producing organization, an authorized body and a state body, carrying out management in the spheres of natural monopolies;

Note by RCLI!

Exclusion of sub-paragraph 14) provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

14) agreement – contract for fulfilment of investment commitments between the authorized body and energy-producing organization selling electrical energy at prices not exceeding the marginal tariff;

15) commercial metering instrument – technical device intended for metering of electrical capacity, electrical or heat energy, allowed for use as prescribed by Kazakh legislation;

15-1) authorized body in the field of municipal economics – the central executive body providing management and cross-sector coordination in the field of electrical supply (electricity network objects of 0.4 kV) and heat supply system, except for cogeneration plants and boiler houses with established capacity of 100 Gcal/h and more, within inhabited localities;

15-2) an autumn-winter period - the heating season, which beginning and end shall be established by local executive bodies;

16) single electric power system of the Republic of Kazakhstan – the set of electric power plants, power transmission lines and electric substations ensuring reliable and qualitative power delivery to consumers in Kazakhstan;

17) electrical capacity reserve of single electric power system of the Republic of Kazakhstan – the electrical capacity of the energy-producing organizations' power units, having the required structure, value and degree of completion for dispatching control, according to contractual requirements;

18) ancillary services – services acquired by the system operator from wholesale electrical energy market entities for securing the availability of required volumes and structures of operating electrical capacity reserves, and regulation of active and reactive powers concerning activation of energy system from release condition;

18-1) state technical inspector – authorized official carrying out state control of compliance with requirements of Kazakh legislation concerning the electric power industry;

18-2) a market council - a non-commercial organization, carrying out an activity on monitoring the functioning of electric energy and capacity market, as well as other functions, stipulated by this Law;

19) operating days – regular days within which the system operator shall carry out operations involving centralized dispatch management of execution of electrical energy buy-and-sell agreements concluded by wholesale electrical energy market entities;

20) centralized operational dispatch management – the process of uninterrupted management of technically coordinated work of organizations producing, transmitting and supplying energy and of consumers of electrical energy, ensuring a specified level of reliability of the single electric power system of the Republic of Kazakhstan and compliance with the standard quality of electrical energy;

20-1) the operator of the centralized trading market - an organization, carrying out centralized trading in electric energy, including spot-trading in electric energy, and a service on maintaining the readiness of electric capacity;

21) interregional and (or) interstate power transmission lines – power transmission lines with a voltage of 220 kV and more transferring electrical energy between regions and (or) states;

22) regional electric network company - an energy-transmitting organization, having direct technological connection with an energy-producing organization and (or) a national electric network, owning cable or overhead power lines of at least four voltage classes (220, 110, 35, 20, 10 (6), 0 , 4 kilovolts), operating electric networks of the regional level and having at least 10,000 connected consumers;

22-1) level of exploitable fuel storage – the minimum exploitable fuel storage of the energy-producing organizations in a daily computation;

22-2) an expert organization - a legal entity, carrying out activity for conducting an energy expertise in accordance with the legislation of the Republic of Kazakhstan;

23) balancing electrical energy – electrical energy used for a balance correction in realization of hourly daily schedule of electrical energy production-consumption, approved by the system operator;

23-1) marginal tariff for the balancing electricity - approved by the authorized body for the groups of energy-producing organizations, selling electric energy, for a period of seven years, the maximum value of the selling tariff (price) for electricity, sold on the balancing electricity market, taking into account the costs for production of electric energy, the purchase of electricity from the accounting and financial center for the support of renewable energy sources and a fixed profit for balancing according to the methodology, established by the authorized body;

24) technical dispatching control – service rendered by system operator when carrying out centralized operational dispatch management of regimes of production and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan;

24-1) technological reservation - the minimum consumption of electric energy (minimum consumed capacity) and the length of time, required for completion of a continuous technological process and prevention of danger to humans' lives and the environment;

24-2) technological violation - failure or damage of equipment, electric and (or) heating networks, including as a result of fire or explosions, deviations from the set modes, unauthorized power cut or limitation of equipment operation or its breakdown, which led to disruption of the production process, transmission, consumption of electric and (or) heat energy;

24-3) an organization for modernization and development of housing and communal sector - a joint-stock company with one hundred percent participation of the state, which activity is aimed at modernization and development of housing and communal sector;

24-4) a household consumer – an individual, using an electric energy for his (her) own household needs, not related to production (sale) of goods, works and services;

25) consumer – individual or legal entity consuming electrical and (or) heat energy on the basis of a contract;

26) authorized body – state body carrying out management in the electrical power industry;

26-1) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

27) national electric network – a set of substations, distribution substations, interregional and (or) interstate power lines and power transmission lines, carrying out the issuance of electric energy of power stations with a voltage of 220 kilovolts and above, which are not subject to privatization and shall be transferred to the national company in the manner and on conditions, determined by the Government of the Republic of Kazakhstan;

28) a marginal tariff - an approved maximum value of the selling tariff (price) for electric energy for a group of energy-producing organizations;

29) commercial metering of electric and heat energy – the metering of electric and heat energy, required for payments between parties under buy-and-sell and electrical and heat energy transfer networks;

29-1) electric networks - a set of substations, distribution substations and power transmission lines, connecting them, designed to transfer electric energy;

30) electrical networks conservation zone – land, water and air areas designated for securing the preservation of electric networks, creating normal operating conditions and preventing damage to them and accidents among the population living in the conservation zone of these networks;

31) regulation of electric capacity - a service on compensation for deviations of actual electric load of entities of the wholesale market of electric energy from the declared electric load, subject to the zero balance of exchangeable electric energy, rendered to the wholesale market entities and the system operator in accordance with the concluded contracts at a contractual price;

31-1) a service on maintaining the readiness of electric capacity - a service, rendered by energy-producing organizations to a single purchaser for maintaining the readiness of electric capacity of generating installations to bearing the load, certified in the established manner;

31-2) a marginal tariff for the service on maintaining the readiness of electric capacity – an approved by the authorized body for a period of seven years, maximum value of the tariff (price) for the service on maintaining the readiness of electric capacity for all operating energy-producing organizations (except for volumes of service on maintaining the readiness of electric capacity, in rendering of which, the operating energy-producing organizations and the winners of the tender for construction of generating installations, being newly commissioned , use individual tariff for the service on maintaining the readiness of electric capacity, established by the authorized body);

31-3) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

31-4) an individual tariff for the service on maintaining the readiness of electric capacity - an individual tariff, established by authorized body for maintaining the readiness of electric capacity for the operating energy-producing organizations, which concluded investment agreements for modernization, expansion, reconstruction and (or) renewal, and also for the winners of the tender for construction of generating installations, being newly commissioned;

31-5) a service for ensuring the readiness of electric capacity to bearing the load - a service, rendered by a single purchaser on ensuring the readiness of electric capacity of generating installations, certified in the established manner, in the unified electric power system of the Republic of Kazakhstan to bearing the load;

31-6) a market of electric capacity - a system of relationships between the subjects of the wholesale electric energy market, connected with the maintenance of generating equipment by energy- producing organizations in a state of readiness for production of electric energy, renewal, support, reconstruction and technical re-equipment of existing production assets, as well as their creation;

31-7) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

31-8) centralized biddings for electric capacity - a process aimed at concluding contracts for rendering the services on maintaining the readiness of electric capacity between energy-producing organizations and a single purchaser in an electronic trading system;

32) electrical power industry – the sphere of industry, transfer, supply and consumption of electric and heat energy;

33) entities of the wholesale electric energy market – energy- producing, energy-transmitting, energy-supplying organizations, electric energy consumers, a system operator, an operator of the centralized trading market, accounting and financial center for the support of renewable energy sources;

33-1) a marginal tariff for electric energy - approved by the authorized body for a period of seven years, the maximum value of the selling tariff (price) for a group of energy-producing organizations, selling electric energy, taking into account the costs electric energy production, purchase of electric energy from an accounting and financial center for the support of renewable energy sources and fixed profit, determined according to the methodology, established by the authorized body;

34) guaranteeing supplier of electrical energy – energy-supplying organization providing power to consumers in cases of termination of power delivery to consumers by all other energy-supplying organizations through no fault of the consumer;

35) transfer of electric energy - technologically related actions, aimed at transfer and (or) distribution of electric energy through electric networks;

35-1) automatic system of commercial metering of electrical energy – set of measuring instruments and hardware and software packages for the measuring, collection, processing, storage and transfer of electrical energy accounting data;

36) daily schedule of electrical energy production-consumption – document regulating the hourly value of production and consumption of electrical energy for every calendar day in accordance with electrical energy buy-and-sell agreements concluded by wholesale market participants on the markets for decentralized buy and sell of electrical energy and centralized trade of electrical energy;

37) electrical energy production-consumption balancing management organization – the service rendered by the system operator to organize the function of the balancing electrical energy market;

37-1) a group of energy-producing organizations, selling electric energy - a set of energy-producing organizations, formed according to the following criteria: type of energy-producing organizations, established capacity, type of fuel used, distance from the location of fuel, location in one part of the unified electric power system of the Republic of Kazakhstan, in which there are no technical restrictions on the transfer of electric energy;

38) retail electrical energy market – system of relations functioning on the basis of contracts (buy and sell, transfer and consumption of electrical energy, and associated services rendered) between the retail electrical energy market entities outside the wholesale market;

39) retail electrical energy market entities – organizations producing, supplying and transmitting energy, and consumers of electrical energy;

40) wholesale market of electric energy - a system of relationships, connected with sale and purchase of electric energy, including at the centralized biddings of electric energy, rendering system and ancillary services, services in the electric capacity market, operating on the basis of contracts between the entities of the wholesale electric energy market;

41) centralized electrical energy trade – buy-and-sell transactions in electrical energy, carried out by wholesale electrical energy market entities in an electronic trading system on a voluntary basis, with the exception of cases determined by this Law;

Note RCLI!

Subparagraph 42) is provided for by the Law of the Republic of Kazakhstan dated 12.11.2015 No. 394-V (entered into force from 01.01.2019).

42) centralized electrical energy trade market operator – organization carrying out centralized bids for electrical energy, including spot bids for electrical energy;

43) spot bids for electrical energy (hereinafter spot bids) – organized trade in hourly volumes of electrical energy on short-term basis in regimes: for a day before and during operating days;

44) balancing market of electric energy – the system of relationships between the system operator and energy-producing, energy-transmitting, energy-supplying organizations, wholesale consumers, performing an activity on the wholesale market of electric energy, developing as a result of physical and subsequent financial settlement of imbalances, arising in real time between contractual and actual of production values and (or) consumption of electric energy in the unified electric power system of the Republic of Kazakhstan in the current operating day by the system operator;

45) simulated electrical energy market balancing mode (hereinafter simulated mode) – the functioning of the balancing electrical energy market without financial settlement for the electrical energy unbalances;

46) electrical energy unbalances – difference between factual value of electrical energy production-consumption and value approved by system operator in hourly daily schedule of electrical energy production-consumption;

47) an energy expertise - an expertise, conducted in the field of electric power industry for compliance with regulatory legal acts of the Republic of Kazakhstan on operating facilities, projects of reconstructed, modernized and newly constructed facilities in the field of electric power industry, as well as in investigation of technological violations and industrial injuries on them in accordance with the rules, approved by the authorized body;

48) an energy-transmitting organization - an organization, rendering the service on the transfer of electric or heat energy on the basis of contracts;

49) energy-supplying organization – organization selling purchased electrical and/or heat energy to consumers;

50) energy-producing organization – organization producing electrical and/or heat energy for internal requirements and (or) sales;

51) a group of energy-producing organizations – energy-producing organizations, formed into groups according to the criteria: type of energy-producing organizations, established capacity, type of fuel used, distance from the location of fuel.

Footnote. Article 1 is in the wording of Law of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009), as amended by laws of the Republic of Kazakhstan dated 01.03.2011 No. 414-IV (enforced from date of its first official publication); 22.07.2011 No. 479-IV (enforced upon expiry of ten calendar days after first official publication); 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); and 04.07.2013 No. 128-V (enforced upon expiry of ten calendar days after first official publication); dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 2. Legislation of the Republic of Kazakhstan concerning the electric power industry

1. The legislation of the Republic of Kazakhstan concerning the electric power industry shall be based on the Constitution of the Republic of Kazakhstan and consist of this Law and other normative legal acts of the Republic of Kazakhstan.

2. If an international agreement, ratified by the Republic of Kazakhstan establishes rules other than those contained in this Law, the rules of the international agreement shall be applied.

Chapter 2. State regulation of the electric power industry

Article 3. Goals and objectives of State regulation of the electric power industry

1. State regulation of the electric power industry shall be carried out for the purpose of:

1) maximum satisfaction of energy consumer demands and protection of rights of electrical and heat energy market participants by creating conditions of competition on the market, guaranteeing consumers a right of choice of electric and heat energy suppliers;

2) securing the safe, reliable and stable function of the electrical energy complex of the Republic of Kazakhstan;

3) unifying management of the electrical energy complex of the Republic of Kazakhstan as a particularly important life support system of the State's economic and social complexes.

2. The objectives of State regulation of the electric power industry are:

1) effective and safe function and development of the electrical energy complex through unity of management and development of business competition;

2) right of choice of electric and/or heat energy supplier by consumers;

3) regulation of activities in the sphere of natural monopoly, and creation of conditions for protection of domestic energy producers;

4) establishment and development of a regulated electric and heat energy market;

5) rational and economic use of electrical and heat energy;

6) use and development of renewable and non-conventional energy sources;

7) attraction of investments in development and re-equipping of the electrical energy complex;

8) creation of conditions for fulfilling a set of actions to protect the environment and reliability and safety of construction in the operation of power transmission lines and electric and energy installations;

9) creation of conditions for organizing an energy delivery in remote areas of the state;

10) establishment of national operating standards for the single electric power system of the Republic of Kazakhstan and for quality of electrical energy.

11) provision of crediting and subsidizing for construction, reconstruction and modernization of heat supply systems.

3. State regulation of electrical energy includes:

1) licensing;

2) State regulation of tariffs (prices and rates);

3) de-monopolization and privatization of electricity generation facilities;

4) state supervision of reliability, safety and economy of production, transfer, control and consumption of electrical energy;

5) technical regulation of the electric power industry.

6) crediting of construction, reconstruction and modernization of heat supply systems at the expense of budgetary funds, carried out in the manner established by the legislation of the Republic of Kazakhstan;

7) subsidizing of construction, reconstruction and modernization of heat supply systems on a gratuitous and non-refundable basis, carried out at the expense of budgetary funds.

Footnote. Article 3 as amended by laws of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from the date of first official publication); 29.12.2006 No. 209 (for method of instruction see Article 2); and 10.07.2012 No. 31-V (enforced upon expiry of ten calendar days after first official publication); dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 3-1. Peculiarities of state regulation of the national electric network

1. The national company shall be prohibited from alienating the national electric network to individuals and (or) legal entities, as well as its encumbrance with the rights of third parties

2. The national management holding shall be prohibited from alienating the shares of the national company, as a result of which the national management holding will own less than ninety percent plus one voting share of this national company.

Footnote. The Law is supplemented by Article 3-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2014 225-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 4. Competence of the Government of the Republic of Kazakhstan

The Government of the Republic of Kazakhstan shall:

1) develop the main directions of the state policy in the field of electric power industry;

1-1) provide state financial support to a single purchaser in case that it is impossible to fulfill its obligations before energy-producing organizations on maintaining the readiness of electric capacity due to insufficiency of its revenues from rendering the service on ensuring the readiness of electric capacity to bearing the load for compensation of expenses, incurred by it solely in provision of this service;

1-2) determine the organization for modernization and development of housing and communal sector;

2) perform other functions, assigned to it by the Constitution, laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 4 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016); dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5. Competence of the authorized body

The authorized body shall:

- 1) implement the state policy in the field of electric power industry;
- 2) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication);
- 3) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);
- 4) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);
- 5) develop and approve a standard electricity supply contract;
- 6) develop and approve a standard contract for construction of generating installations, being newly commissioned;
- 7) develop and approve a standard contract for the purchase of service on maintaining the readiness of electric capacity;
- 7-1) develop and approve a standard contract for the provision of service on ensuring the readiness of electric capacity to bearing the load;
- 8) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);
- 9) develop and approve the rules for organization and functioning of the wholesale market of electric energy;

- 10) develop and approve the rules for technical operation of power stations and networks;
- 11) develop and approve the rules for holding a tender for construction of generating installations, being newly commissioned;
- 12) develop and approve the rules for functioning of the balancing market of electric energy;
- 13) develop and approve the rules for organization and functioning of the retail market of electric energy, as well as provision of services in this market;
- 14) develop and approve the rules for prevention of emergency violations in the unified electric power system of Kazakhstan and their elimination;
- 15) develop and approve the rules for conducting energy expertise;
- 16) develop and approve technical regulations in the field of electric power industry;
- 17) develop and approve safety regulations for operation of electrical installations;
- 18) develop and approve safety regulations for operation of the heating equipment of power stations and heating networks;
- 19) develop and approve the rules for electrical installations;
- 20) develop and approve instructions for drawing up an act of emergency and technological reservation of energy supply;
- 21) develop and approve the rules for the use of electric energy;
- 22) develop and approve the rules for the use of heat energy;

23) develop and approve the rules for the provision of services by the system operator, organization and functioning of the system and ancillary services market;

24) take decision on inclusion of electric energy in the list of purchased property (assets), realized (sold) at biddings (auctions) in accordance with the legislation of the Republic of Kazakhstan;

25) develop and approve the rules for the provision of services on ensuring the reliability and sustainability of power supply;

26) develop and approve electric network rules;

27) develop and approve the rules for technical operation of electrical installations of consumers;

28) develop and approve safety regulations for operation of electrical installations of consumers;

29) develop and approve fire safety rules for energetic enterprises;

30) develop and approve the rules of explosion safety of fuel supply for preparation and combustion of pulverized fuel;

30-1) develop and approve the rules for establishing security zones for electric network facilities and special conditions for the use of land plots, located within the boundaries of such zones;

30-2) develop and approve the rules for determining the sizes of land plots for the placement of supports of overhead power lines;

30-3) develop and approve the rules for establishing protection zones of objects of heating networks and special conditions for the use of land plots, located within the boundaries of such zones;

30-4) develop and approve the rules for determining the compliance of energy-transmitting organizations with the requirements for the activity on transfer of electric energy;

31) develop and approve safety rules when working with tools and devices;

32) develop and approve the rules for investigation and registration of technological violations in operation of the unified electric power system, power stations, district boiler houses, electrical and heat networks;

33) develop and approve the rules for acceptance into operation of power facilities of power stations, electrical and heat networks after technical modernization;

34) develop and approve regulations on certification, rationalization, registration and planning of workplaces in the energy sector;

35) develop and approve the rules for registration the supply of heat energy and coolant;

36) develop and approve the rules for organization of technical maintenance and repair of equipment, buildings and structures of power stations, heat and electrical networks;

37) develop and approve the rules for coordination of restrictions of electric capacity of heat power stations and actions for reduction of such restrictions;

38) develop and approve the rules of work with personnel in energetic organizations of the Republic of Kazakhstan;

39) develop and approve the rules for organization of the centralized biddings of electric energy;

40) develop and approve the rules of conducting qualification tests of knowledge of technical operation rules and safety regulations at the heads, specialists of organizations, carrying out production, transfer of electric and heat energy for control of technical condition and safety of operation of electric installations;

41) develop and approve the rules for periodic inspection of technical condition of power equipment, buildings and structures of power stations, electrical and heat networks, as well as power equipment of consumers with the involvement of expert organizations and manufacturers;

42) develop and approve the rules for organization and functioning of the market of electric capacity;

43) determine the system operator;

44) establish the sample of the service certificate of the state technical inspector, the number stamp and the seal;

45) develop and approve the rules for determining the norms of operational fuel reserve in the autumn-winter period for energy-producing organizations;

46) approve the norms of operational fuel reserve in the autumn-winter period for energy-producing organizations;

47) develop and approve within its competence the normative legal acts of the Republic of Kazakhstan in the field of production, transfer and consumption of electric and heat energy , as well as provision of services on maintaining the readiness of electric capacity and ensuring the readiness of electric capacity to bearing the load;

47-1) develop and approve normative values of reliability indicators of power supply, and also the order of their determination;

48) develop and approve the normative legal acts, regulating standards of the expense of electric and heat energy for technological needs of energy-producing, energy-transmitting organizations;

49) develop and approve normative technical documents in the areas of design, construction, operational and technical-economic characteristics of the equipment;

50) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);

51) exercise state control over compliance by energy producing organizations with the requirements, stipulated by sub-paragraph 3) of paragraph 3-2 of Article 13 of this Law;

52) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2015);

53) determine the operator of the central trading market;

54) develop and approve the forms of acts of state technical inspectors;

55) define the peculiarities of functioning and organization of the wholesale electricity market for the regions, not having electric communication on the territory of the Republic of Kazakhstan, with the unified electric power system of the Republic of Kazakhstan;

56) develop and approve the order for issuance of the service certificate, the number stamp and the seal to the state technical inspector;

57) develop and approve the rules for operation of the automated system of commercial registration of electric energy for the entities of the wholesale market of electric energy;

58) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);

59) develop and approve the requirements for expert organizations for carrying out an energy expertise;

60) is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication);

61) develop and approve the terms of reference for the development of the investment program;

62) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2016);

63) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2017);

64) develop and approve a promising layout of electrical capacities;

65) hold a tender for construction of generating installations, being newly commissioned;

66) conclude a contract with the winner of the tender, based on the results of the tender for construction of generating installations, being newly commissioned;

67) determine the winner, based on the results of the tender for construction of generating installations, being newly commissioned, with whom a single purchaser shall conclude a contract for the purchase of service on maintaining the readiness of electric capacity;

68) approve the forecasted balances of electric energy and capacity;

69) develop and approve the rules for obtaining a passport of readiness for the work in the autumn-winter period by energy- producing, energy-transmitting organizations;

70) carry out international cooperation in the field of electric power industry;

70-1) approve the marginal tariffs for electric energy;

70-2) approve the marginal tariffs for the service on maintaining the readiness of electric capacity;

70-3) approve the groups of energy-producing organizations, realizing electric energy;

70-4) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

70-5) determine the procedure for approval of the marginal tariff for electric energy, the marginal tariff for balancing electricity and the marginal tariff for the service on maintaining the readiness of electric capacity;

70-6) exercise out state control over the compliance by the system operator with the requirements, stipulated in paragraph 2 of Article 15-2 of this Law;

70-7) place on its Internet resource information on violations of the procedure of realization (sale) of electric energy and service on maintaining the readiness of electric

capacity by energy-producing organizations and the measures, taken for elimination of the revealed violations;

70-8) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

70-9) develop and approve a methodology for determining the fixed profit, taking into account in approving the marginal tariffs for electric energy, and also fixed profit for balancing, taken into account in approving the marginal tariffs for balancing electricity;

70-10) determine the market council, as well as develop and approve the rules for functioning the market council;

70-11) establish individual tariffs for the service on maintaining the readiness of electric capacity, the volumes of service on maintaining the readiness of electric capacity and the terms of its purchase for the contracts on purchase of the service on maintaining the readiness of electric capacity, concluded by a single purchaser with the winners of tenders for construction of generating installations, being newly commissioned;

70-12) conclude investment agreements for modernization, expansion, reconstruction and (or) renewal with operating energy- producing organizations;

70-13) develop and approve the order for the development of forecasted balances of electric energy and capacity;

70-14) develop and approve normative technical documents in the field of electric power industry;

70-15) determine a single purchaser;

70-16) approve the marginal tariffs for balancing electricity;

70-17) develop and approve the rules of certification of electric capacity of generating installations;

70-18) establish individual tariffs for the service on maintaining the readiness of electric capacity, the volumes of service on maintaining the readiness of electric capacity and the terms of its purchase for the contracts on the purchase of service on maintaining the readiness of electric capacity, concluded by a single purchaser with operating energy-producing organizations, that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with the authorized body;

70-19) develop and approve the rules for determining the volume of service on maintaining the readiness of electric capacity for the contracts on the purchase of service on maintaining the readiness of electric capacity, concluded by a single purchaser with operating energy-producing organizations, which include heat power plants in their structure;

70-20) develop and approve the rules for calculation and placement on the Internet resource of the price for the service on ensuring the readiness of electric capacity to bearing the load by a single purchaser;

70-21) develop and approve the rules of admission for consideration, consideration and selection of investment programs of modernization, expansion, reconstruction and (or) renewal, the conclusion of investment agreements for modernization, expansion, reconstruction and (or) renewal, the corresponding conclusion of contracts on the purchase of service on maintaining the readiness of electric capacity and establishment of individual tariffs for these contracts for the service on maintaining the readiness of electric capacity, volumes and terms of purchase of service on maintaining the readiness of electric capacity;

70-22) develop and approve semi-annual audit schedules;

70-23) develop and approve the procedure for determining of calculated tariff, approval of the marginal and individual tariffs;

70-24) develop and approve the standard investment contract;

70-25) approve the marginal tariffs;

70-26) form the groups of energy-producing organizations;

70-27) monitor the performance of investment obligations, stipulated in the agreements and investment programs, provided for in the investment contracts by energy-producing organizations;

70-28) conclude investment contracts with energy-producing organizations;

70-29) develop and approve the rules for determining the deficit and surplus of electric energy in the unified electric power system of the Republic of Kazakhstan;

70-30) develop and approve the rules for subsidizing energy-producing organizations for the purchase of fuel for the no-break conduct of the heating season;

71) exercise other powers, provided by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 5 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 16.05.2014 203-V (shall be enforced upon expiry of six months after its first official publication); dated 12.2014 269-V (for the procedure of enforcement see Article 3); dated 12.11.2015 394-V (for the procedure of enforcement see Article 2); dated 29.03.2016 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5-1. Competence of duly authorized municipal economic body

The duly authorized municipal economic body shall:

1) participate in the development and realization of the state electric power industry policy, within its competence;

2) develop and confirm the technical rules and regulations for supply of electricity and heat within inhabited localities, within its competence;

3) organize methodological support for supply of electricity and heat within inhabited localities;

4) organize the conducting of design, survey, scientific research and development works in the supply of electricity and heat within inhabited localities;

5) develop and approve standard rules for calculation of consumption norms of communal services on power supply and heat supply for the consumers, not having metering devices;

5-1) develop and approve the rules for crediting of construction, reconstruction and modernization of heat supply systems in coordination with the central authorized body for budget planning;

5-2) develop and approve the rules for subsidizing of construction, reconstruction and modernization of heat supply systems in coordination with the central authorized body for budget planning;

5-3) provide crediting and subsidizing of construction, reconstruction and modernization of heat supply systems;

6) exercise other powers, provided for by laws of the Republic of Kazakhstan and acts of the President and Government of the Republic of Kazakhstan.

Footnote. The Law is supplemented by article 5-1 in accordance with Law of the Republic of Kazakhstan dated 22.07.2011 No. 479-IV (enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5-2. Competence of local executive bodies of regions, cities of republican significance, the capital city

Local executive bodies of regions, cities of republican significance, the capital city shall subsidize the costs of energy-producing organizations for the purchase of fuel for no-break conduct of the heating season in the manner, determined by the authorized body.

Footnote. Chapter 1 is supplemented by Article 5-2 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 6. State energy control

Footnote. Title as amended by Law of the Republic of Kazakhstan dated 06.01.2011 No. 378-IV (enforced upon expiry of ten calendar days after its first official publication).

1. Control in the field of electric power industry shall be carried out by the state body for state energy supervision and control and local executive bodies.

2. The body for state energy supervision and control shall carry out the control over:

1) compliance with the requirements of regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry;

2) operation and technical condition of power equipment of power stations, electric networks, electrical installations of consumers;

3) reliability and safety of production, transfer, supply and consumption of electric energy ;

4) non-admission or dismissal from work on electric installations of the personnel, not having passed the knowledge test of rules of technical operation and safety regulations in the field of electric power industry.

2-1. Local executive bodies shall carry out the control over:

1) operation and technical condition of boiler houses, heating networks and heat-using installations of consumers;

2) preparation and implementation of repair and restoration works on the boiler houses, heating networks and their operation in the autumn-winter period.

3. The state energy control in the field of electric power industry shall be carried out in the form of check and other forms. The check shall be carried out in accordance with Entrepreneurial Code of the Republic of Kazakhstan. Other forms of state control shall be carried out in accordance with this Law.

4. – 7. Excluded by Law of the Republic of Kazakhstan dated 17.07.2009 No. 188-IV (for method of enforcement see article 2).

8. For elimination of the revealed violations, the head of the electric power industry object shall be issued a prescribed standard instruction, indicating the terms and persons, responsible for the execution, as well as dismissal from work of personnel, not having an appropriate permission to carry out activity on operation of electrical installations and not having passed the qualification test knowledge of technical operation rules and safety regulations in the field of electric power industry.

9. The energy control shall examine:

1) compliance with requirements of technical conditions concerning quality of electrical and heat energy;

2) compliance with regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry within its competence;

3) rational and economic use, and optimization of methods of production, transfer and consumption of electrical and heat energy;

4) readiness of power stations, electrical and heating networks to work in the autumn-winter period.

10. The body for state energy supervision and control shall:

1) participate in the work of commissions of electric power enterprises to assess the readiness of facilities and equipment to work in the autumn-winter period;

2) keep records of technological violations in the operation of power stations, electrical networks, which led to shutdown of the main equipment, fires, explosions, division of the unified electric power system of the Republic of Kazakhstan into several parts, mass restriction of consumers of electric energy;

3) receive notifications on the beginning or termination of activity, as well as maintain, post and update on the Internet resource the register of expert organizations for energy expertise in accordance with the category;

4) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

5) review materials on administrative cases in the field of electric power industry within its competence in accordance with the legislation of the Republic of Kazakhstan on administrative offences;

6) apply to the court and participate in court proceedings on violations of the legislation of the Republic of Kazakhstan on electric power industry;

7) send to the state body, exercising management in the spheres of natural monopolies, information on non-compliance of the activity of the natural monopoly entity, providing the service for the transfer of electric energy, with the requirements of paragraph 6 of Article 13-1 of this Law.

10-1. Local executive bodies shall:

1) carry out investigations of technological violations in the operation of boiler houses and heating networks (main, intra-quarter);

2) coordinate the planned repair of boiler houses and heating networks (main, intra quarter);

3) issue passports of readiness of heating boiler houses of all capacities and heating networks (main, intra quarter) to work in the autumn-winter period;

4) issue conclusions about technical feasibility of construction of the duplicating (shunting) power lines and substations for the objects of 110 kV and below, 220 kV and above ;

5) keep record of investigations of technological violations in the work of heating networks, which led to restriction of consumers of heat energy, damage of the power equipment of boiler houses;

6) carry out consideration of materials on administrative cases in the field of electric power industry within its competence in accordance with the legislation of the Republic of Kazakhstan on administrative offences;

7) apply to the court and participate in court proceedings on violations of the legislation of the Republic of Kazakhstan on electric power industry.

11. The body for state energy supervision and control in the order, established by the legislation of the Republic of Kazakhstan shall have the right to:

1) have an unimpeded access to electrical and power installations;

2) prepare proposals to improve the legislation of the Republic of Kazakhstan on electric power industry;

3) involve experts in carrying out inspection of power equipment, complex inspections of power organizations and investigation of technological violations in the work of power equipment of power stations, electrical networks;

4) issue a passport of readiness without remarks or with remarks in case of need of additional explanations, materials and substantiations to the documents, submitted for obtaining a passport of readiness, which volume complies with the requirements, established by the legislation of the Republic of Kazakhstan on electric power industry, and also refuse to issue a passport of readiness in case of non-compliance of volume, content of the submitted documents, confirming the fulfillment of conditions and requirements, established by the legislation of the Republic of Kazakhstan on electric power industry, for obtaining a passport of readiness.

Footnote. Article 6 is in the wording of Law of the Republic of Kazakhstan dated January 31, 2006 No. 125; as amended by the Laws of the Republic of Kazakhstan dated July 27, 2007 No. 316 (enforced from the date of its first official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 17.07.2009 No. 188-IV (for method of enforcement see Article 2); 06.01.2011 No. 378-IV (enforced upon expiry of ten calendar days after first official publication); 15.07.2011 No. 461-IV (enforced from 30.01.2012); and 03.07.2013 No. 124-V (enforced upon expiry of ten calendar days after official publication); dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 269-V (shall be enforced from 01.01.2015); dated 29.10.2015 376-V (shall be enforced from 01.01.2016); dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.03.2016 479-V (shall be enforced

upon expiry of twenty-one calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 6-1. The procedure for organization and conduct of individual inspections and other forms of state control

1. The procedure for organization and conduct of inspections on compliance with the requirements for operation and technical condition of power equipment of power stations of the unified electric power system of the Republic of Kazakhstan, electrical networks with a voltage of over 0.4 kV, main heating networks and boiler houses with an installed capacity of more than 100 Gcal / hour shall be determined by this Article.

2. Inspection of the inspected entity - one of the forms of control that shall be carried out by the body for state energy supervision and control by performing one of the following actions:

1) a visit to the inspected entity by an official of the body for state energy supervision and control;

2) requesting the necessary information, regarding the subject of inspection, with the exception of requesting the necessary information when conducting other forms of control;

3) call the inspected entity in order to obtain information on its compliance with the requirements, established by the legislation of the Republic of Kazakhstan, in accordance with Article 6 of this Law.

3. Inspections shall be divided into selective and unscheduled.

Selective inspection - an inspection, assigned by the body for state energy supervision and control in relation to a specific entity, being inspected, conducted on the basis of a selective inspection schedule, approved by the authorized body on compliance with the requirements, established by the legislation of the Republic of Kazakhstan on electric power industry.

Unscheduled inspection - an inspection, assigned by the body for state energy supervision and control in relation to a specific entity, being inspected.

An unscheduled inspection shall be conducted on individual issues of compliance with the requirements, established by the legislation of the Republic of Kazakhstan to the subject of inspection.

At the same time, inspections shall be subjects to mandatory registration with the authorized body on legal statistics and special registration.

4. When conducting selective inspections, a schedule of selective inspections for a calendar year shall be drawn up, indicating the list of territorial subdivisions of the body for state energy supervision and control and objects of the inspected entities, as well as periods for conducting inspections.

The selective inspections schedule shall include inspected entities, operating the power equipment of power stations of the unified electric power system of the Republic of Kazakhstan, electrical networks with a voltage of over 0.4 kV, main heating networks and boiler houses with an installed capacity of more than 100 Gcal / hour.

In the period up to December 25th of the year, preceding the year of selective inspections, the schedule of selective inspections shall be posted on the official Internet resource of the body for state energy supervision and control.

5. Inspections shall be carried out during the working time of the inspected entity, established by internal labor regulations.

An unscheduled inspection is allowed to be carried out in off hours time (night time, weekends or holidays) in cases when it is necessary to stop violations and (or) establish the circumstances of their occurrence.

6. Acts on assignment of inspection and the results of inspection, instructions for eliminating violations of the requirements of the legislation of the Republic of Kazakhstan on electric power industry, notification of suspension, renewal, extension of the inspection period, change of the list of inspection participants shall be drawn up according to the forms, approved by the authorized body.

The specified acts and notifications, and also the notice of the inspected entity on the beginning of inspection shall be sent to the inspected entity in the form of an electronic

document, certified by an electronic digital signature of the head of the body for state power supervision and control, who assigned the inspection or in other way. The beginning of inspection shall be the date of delivery of the act of assignment of inspection to an inspected entity.

7. Within twenty-four hours from the moment of receipt of the documents, specified in paragraph 6 of this Article, the inspected entity shall be obliged to send the notification on its receipt to the body for state power supervision and control, which assigned the inspection in the form of an electronic document or in other way.

In case of change in the information system through which electronic notifications are transmitted, the inspected entities shall immediately inform the body for state energy supervision and control.

8. An inspection shall be carried out on the basis of an act on assignment of inspection.

State technical inspectors, arrived to check the object shall be required to present an act on assignment of inspection and a service certificate. The requirement to present other documents shall not be allowed.

In case of obstruction of the access of the state technical inspector to the inspected object, the state technical inspector shall draw up a protocol. Denial of access to the inspected object shall not be a reason for canceling the inspection.

The inspection shall be carried out only by the state technical inspectors, specified in the act on assignment the inspection. The list of state technical inspectors, conducting the inspection may be changed by the decision of the body for state energy supervision and control, and a notification shall be sent to an inspected entity before participating in the inspection of persons, not specified in the act on assignment of inspection.

9. The term of carrying out an inspection shall be established taking into account the volume of the forthcoming works, but shall not exceed thirty working days.

The term of carrying out an inspection may be extended once by the head of the body for state energy supervision and control for a period of not more than thirty working days, while the body for state energy supervision and control shall obligatory draw up an additional act on

the extension of inspection with registration in the authorized body for legal statistics and special registrations, which specifies the number and date of registration of the previous act on assignment of inspection and the reason for its extension.

In case of extending the term of inspection, a notification on extension of the inspected period shall be sent to an inspected entity before the expiration of inspection.

The inspection may be suspended once for a period not exceeding thirty calendar days. If it is necessary to conduct special studies, tests, examinations for a period exceeding thirty calendar days, the period for conducting an inspection shall be suspended until they are received or completed.

In cases of suspension or resumption of inspection, the entity, being inspected shall be sent a corresponding notification at least one working day prior to the suspension or resumption of the inspection.

Calculation of the term for suspended inspection continues from the date of its renewal.

An inspection of an entity, for which the inspection was suspended and not renewed within the period, specified in this Article shall not be allowed.

10. According to the results of inspection, the state technical inspectors shall draw up an act on the results of inspection.

The objections of the inspected entity on the results of inspection shall be stated in written form and be attached to the act on the results of inspection, in which the appropriate mark is made.

In case of absence of violations of the established requirements for the entity of inspection, an appropriate entry shall be made in the act on the results of inspection.

One copy of the act on the results of inspection with copies of appendices, except for the copies of the documents, which are available in the original at the inspected entity, shall be sent to the inspected entity.

11. In case of detection of violations of the established requirements to the subject of check on the results of inspection, the body for state power supervision and control shall send to the inspected entity, the order on elimination of violations.

On violations, revealed as a result of inspection, the inspected entity in the absence of objections, shall be obliged no later than three working days after the receipt of the act on the results of inspection, to give information on the measures for elimination of the revealed violations with indication of terms, which are coordinated with the head of the body for state power supervision and control, who conducted the inspection.

The inspected entity shall have the right to submit within three working days from the date of receipt of the order to the issuing body for state energy supervision and control its objections, which are subject to consideration within five working days.

The inspected entity within five working days from the date of the receipt of results of consideration of objections to the order shall have the right to appeal the order to a higher body for state energy supervision and control or the court.

Submission of the complaint shall not suspend the execution of the order, except when at the request of the applicant the execution of the order is suspended for the period of consideration of the complaint by the higher body for state energy supervision and control, as the applicant is notified within three working days from the date of receipt of an application.

The higher body for state energy supervision and control shall consider the complaint against the order within ten working days and make a decision on full or partial cancellation of the order or refusal to satisfy the complaint.

12. State technical inspectors during the inspection shall have the right to:

1) unhindered access to the territory and premises of the inspected entity upon presentation of the documents, specified in paragraph 8 of this Article;

2) receive documents (data) on paper and electronic media or their copies for inclusion to the act on the results of inspection, and also an access to the automated databases (information systems) according to the tasks and the subject of inspection;

3) involve specialists, consultants and experts from the relevant state bodies and subordinate organizations.

13. State technical inspectors shall be obliged to:

1) comply with the legislation of the Republic of Kazakhstan, the rights and legitimate interests of the inspected entities;

2) conduct inspections on the basis of and in strict conformity with the procedure, established by this Article and (or) other laws of the Republic of Kazakhstan;

3) not interfere with the established mode of work of the inspected entities during carrying out an inspection;

4) timely and fully perform the powers, granted in accordance with the laws of the Republic of Kazakhstan on prevention, detection and suppression of violations of the requirements, established by the legislation of the Republic of Kazakhstan, in accordance with Article 6 of this Law;

5) not prevent the inspected entity from being present during the inspection, give explanations on issues, related to the subject of inspection;

6) provide the inspected entity with necessary information, relating to the subject of inspection during its conduct;

7) hand over to the inspected entity an act on the results of inspection conducted on the day of its completion;

8) ensure the safety of the received documents and information, obtained as a result of inspection.

14. Inspected subjects shall have the right to:

1) not allow state technical inspectors, who arrived to the object to carry out an inspection in the following cases:

absence of the inspected object in the schedule of selective inspections of the body for state energy supervision and control, when assigning a selective inspection;

absence of data on the state technical inspector in the act on assignment of inspection;

inconsistencies of the term of carrying out an inspection to the term, specified in the act on assignment of inspection or in notifications on renewal, extension of term of carrying out an inspection;

absence of grounds for carrying out a selective inspection or an act on assignment of an unscheduled inspection;

2) not provide the data, if they do not belong to the subject of the carried-out inspection or to the periods, specified in the act on assignment of inspection, notifications on renewal, extension of the term of carrying out an inspection;

3) appeal against the act on assignment of inspection, the act on the results of inspection and action (inaction) of the state technical inspectors in the manner, established by the legislation of the Republic of Kazakhstan.

15. Inspected entities shall be obliged to:

1) ensure unhindered access for the state inspectors to conduct the inspection on its territory and in premises;

2) present to the state technical inspectors the documents (data) on paper and electronic media or their copies for inclusion in the act on the results of inspection, and also an access to the automated databases (information systems), according to the tasks and the subject of inspection;

3) ensure the safety of state technical inspectors, arrived to inspect the object, from the effects of harmful and hazardous production factors in accordance with the standards, established for this object.

16. The grounds for invalidating an inspection shall be:

1) absence of grounds to conduct a scheduled inspection;

2) absence of an act on assignment of inspection.

The recognition of inspection as invalid shall be the ground for cancellation of the act on the results of this inspection and the order on elimination the violations.

Consideration by the body for state energy supervision and control of the statement of the inspected entity to cancel the act on the results of inspection due to invalidity of the inspection shall be carried out within ten working days from the date the application was submitted.

Violation of the term for consideration of an application, established by this Law shall be considered in favor of the inspected entity.

17. Other forms of state control with a visit to the entity (object) by the body for state energy supervision and control shall be carried out in the following cases:

1) if the visit is related to the inspection of the applicant's compliance with qualifying or permissive requirements prior to issuing a permit and (or) annex to the permit in cases, provided for by the Law of the Republic of Kazakhstan "On Permits and Notifications";

2) an initiative appeal of the inspected entity for obtaining a conclusion (information) on the compliance of its activities, not related to obtaining permits, with the requirements of the legislation of the Republic of Kazakhstan.

18. When carrying out other forms of state control with a visit, the body for state energy supervision and control shall notify the body for legal statistics and special registrations at the

location of the inspected entity before their conducting, except for the cases of carrying out other forms of state control in accordance with the Tax code of the Republic of Kazakhstan.

19. When carrying out other forms of state control:

1) except for the cases, provided for in paragraph 17 of this Article, the body for state energy supervision and control shall be prohibited from visiting the entities (objects) of control;

2) registration in the body for legal statistics and special registrations and preliminary notification of the inspected entity shall not be required;

3) according to the results of other forms of state control, depending on their type, the final documents (certificate, order, conclusion, etc.) shall be drawn up without initiating a case of an administrative offense in case of detection of violation, but with a mandatory explanation to the inspected entity of the procedure for its elimination.

20. The results of analysis of other forms of state control shall be the ground for selection of entities (objects) of control for carrying out selective inspections.

21. Local executive bodies within their competence shall carry out inspections in accordance with the Entrepreneurial code of the Republic of Kazakhstan and this Article.

Footnote. Chapter 2 is supplemented by Article 6-1 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 29.10.2015 376-V (shall be enforced from 01.01.2016); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 7. The competence of the state body, exercising management in the spheres of natural monopolies

Footnote. The title is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2016 34-V (shall be enforced from 01.01.2017).

The state body, exercising management in the spheres of natural monopolies shall:

1) approve the order of differentiation of the tariffs for electric energy by power-supplying organizations, depending on volumes of its consumption by individuals;

Note by RCLI!

Exclusion of sub-paragraph 2) is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2019).

2) conclude investment contracts with energy-producing organizations;

Note by RCLI!

Exclusion of sub-paragraph 3) is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2019).

3) confirm the individual tariff;

4) keep, post and update every ten days, on a website, a register of organizations licensed to purchase of electrical energy for the purpose of delivering energy;

Note by RCLI!

Sub-paragraph 5) is provided in the wording of Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

5) carry out state control of compliance by energy-producing organizations with requirements, provided by sub-paragraphs 1) and 3) of paragraph 3, paragraph 4 of article 12, paragraphs 4 and 5 of article 12-1, sub-paragraphs 1), 2) and 4) of paragraph 3-2 of article 13 of this Law, and introduce compulsory orders to remedy detected faults;

6) carry out control of compliance by energy-supplying organizations with requirements, provided by sub-paragraph 3-3 of article 13 and paragraph 1 of article 18 of this Law, and introduce compulsory orders to remedy detected faults;

Note by RCLI!

Amendment of sub-paragraph 7) is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

7) go to court in the cases of violation by energy-producing organizations of requirements, provided for by paragraphs 3, 4 of article 12, paragraphs 4, 5 of article 12-1, and sub-paragraphs 1), 2) and 4) of paragraph 3-2 of article 13 of this Law;

8) develop and confirm the normative legal acts, determined by this Law, within its competence;

Note by RCLI!

Sub-paragraph 8-1) is provided in the wording of Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2020).

8-1) request and receive information from the energy-producing organizations concerning fulfilling of requirements by energy-producing organizations, provided for by sub-paragraphs 1) and 3) of paragraph 3, paragraph 4 of article 12, paragraphs 4 and 5 of article 12-1 and sub-paragraphs 1), 2) and 4) of paragraph 3-2 of article 13 of this Law, in compliance with requirements determined by the laws of the Republic of Kazakhstan, concerning disclosure of information that constitutes a commercial or other secret protected by law;

9) exercise the other powers provided for by this Law, other laws of the Republic of Kazakhstan, and acts of the President and Government of the Republic of Kazakhstan.

Footnote. Article 7 is in the wording of Law of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); as amended by the Laws of the Republic of Kazakhstan dated 10.07.2009 No. 178-IV; dated 05.07.2011 No. 452-IV (enforced from 13.10.2011); dated 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after its first official publication); and 06.03.2013 No. 81-V (enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89- VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 7-1. Licensing in the sphere of electric power industry

Certain types of activity in the sphere of electric power industry shall be subjects to licensing in accordance with the legislation of the Republic of Kazakhstan on permits and notifications.

Footnote. Article 7-1 is supplemented by the Law of the Republic of Kazakhstan dated July 27, 2007 316 (shall be enforced from the day of its official publication); is in the wording of the Law of the Republic of Kazakhstan dated 16.05.2014 203-V (shall be enforced upon expiry of six months after its first official publication).

Article 7-2. Subsidizing of construction, reconstruction and modernization of heat supply systems

1. Subsidizing of construction, reconstruction and modernization of heat supply systems shall be carried out as an economic stimulation for the development of heat supply.

2. Subsidizing of construction, reconstruction and modernization of heat supply systems shall be carried out in the following areas:

1) technical support of projects, which includes the development of technical justification, design and estimate documentation, technical and author's supervision;

2) capital-intensive expenses, including expenses for construction and installation works, purchase of equipment and materials.

Footnote. Chapter 2 is supplemented by Article 7-2 in accordance with the Law of the Republic of Kazakhstan dated 15.06.2015 322-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 7-3. Accreditation for carrying out of power expertise and electrolaboratories

Footnote. Chapter 2 is supplemented by Article 7-3 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication).

Article 8. Inadmissibility of interference in production and technological activity

Neither the central executive bodies nor then local representative and executive bodies have the right to interfere in the production and technological activities of organizations connected with production and transfer of electrical and heat energy or with technological management of these processes, with the exception of cases provided for by laws of the Republic of Kazakhstan.

Article 9. Planning and construction of electrical stations, power transmission lines and substations

1. Designing and construction of duplicating (shunting) power transmission lines and substations shall be carried out with prior approval from the authorized body, the state body, exercising management in the spheres of natural monopolies, and the system operator.

1-1. An energy-producing organization and a consumer, belonging to the same group of persons shall have the right to jointly or independently carry out the design, construction and operation of their own transmission lines with a voltage of 220 kilovolts and above, provided that the electrical energy, transmitted through such lines will be used for consumption within this group of persons, within the region as an administrative-territorial unit, as well as

compliance with technical requirements, determined by the system operator to ensure the reliability of works of the unified electric power system of the Republic of Kazakhstan.

The provisions of this paragraph shall apply to a group of persons if one of such persons has control over another person, as well as if such persons are under the control of one person

Control means the ability of an individual or a legal entity, directly or indirectly (through a legal entity or through several legal entities), to determine the decisions, made by another legal entity through one or more actions:

- 1) disposal of more than fifty percent of the voting shares (shares in the authorized capital , units) of a legal entity;
- 2) exercising functions of the executive body of a legal entity.

The specified transmission lines on the property right belong to the persons, listed in this paragraph, and without the consent of the owners shall not be subjects to transfer to the national company.

2. Design and construction of power stations, power lines and substations, as well as their operation can be carried out on the basis of public-private partnership agreements, including concession agreements.

2-1. Comprehensive testing of electrical installations of an energy-producing organization , including those, using renewable energy sources, shall be carried out according to a program , agreed with the system operator in the presence of a contract for the sale of the entire amount of electric energy, produced during the comprehensive test, in accordance with electrical networks rules.

3. Interregional and (or) interstate transmission lines, substations and switchgears with voltage of 220 kilovolts and above, built on the basis of public-private partnership agreements , including concession agreements, for the period of their operation shall be in temporary possession and use, respectively, of a private partner or concessionaire and be transferred to the republican property since their creation.

4. Centralized operational and dispatching control, as well as operation of interregional and (or) interstate power lines, substations, switchgears with a voltage of 220 kV and above, built on the basis of public-private partnership agreements, including concession agreements, shall be carried out by the system operator on the basis of contracts.

Footnote. Article 9 is in the wording of Law of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from the date of its official publication); as amended by laws of the Republic of Kazakhstan dated 05.07.2008 No. 66-IV (for method of enforcement see Article 2); 29.12.2008 No. 116-IV (enforced from 01.01.2009); and 04.07.2013 No. 128-V (enforced upon expiry of ten calendar days after first official publication); dated 16.05.2014 203-V (shall be enforced upon expiry of six months after its first official publication); dated 31.10.2015 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 2-1. General safety requirements in the electrical power industry

Footnote. Chapter 2-1 is supplemented by the Law of 29 December 2006 No. 209, (for method of enforcement see article 2).

Article 9-1. General provisions

1. Institutional arrangements in the operation of electric equipment, electric and heat networks and consumers' installations shall ensure the safety for life and health of humans and the environment.

2. Subjects of technical regulation are electrical equipment, electrical and heat networks and consumers' installations, intended for production, transfer and use of electric and heat energy, as well as electric and heat energy.

3. The quality indices of electrical energy on the outputs of consumers' electrical devices shall comply with established norms.

4. Quality characteristics of electrical energy are:

maximum divergence of actuating voltage from a nominal value;

divergence of electrical frequency.

5. Parameters of heat energy for warming in main and distribution pipelines shall comply with the established temperature chart.

Footnote. Article 9-1 as amended by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication).

Article 9-2. Safety requirements in planning equipment and electrical installations in the electric power industry

1. In projecting and operation of electric networks, fulfilment of requirements established for electrical energy shall be ensured in accordance with this Law and technical regulations.

2. Equipment in electric stations and electric and heat networks, and consumers' installations, intended for production, transfer and consumption of electrical and heat energy, shall comply with determined technical regulations.

Article 9-3. Safety requirements for electrical equipment and materials used in production, transfer and consumption of electric and heat energy

1. Electrical equipment and materials produced in and imported into the Republic of Kazakhstan shall comply with requirements established by technical regulations, and in cases provided for by Kazakh legislation shall undergo a compliance confirmation procedure.

2. The electrical equipment and materials shall comply with the requirements concerning safety of life and health of human and environment.

3. The commissioning of equipment in electrical stations, electrical and heat networks and consumers' installations shall be subject to compliance confirmation, submitted by technical regulations, shall not be allowed without a compliance confirmation document.

4. Equipment in electrical stations, electrical and heat networks and consumers' installations shall be in a technically sound state that ensures safe conditions of operation.

Chapter 3. The system operator and the participants of relationships of production, transmission and consumption in the market of electric energy and capacity

Footnote. The title of Chapter 3 is in the wording of the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 10. System operator

1. The system operator shall fulfil the following functions:

1) render system services for transfer of electrical energy through the national electric network in accordance with the contract, and ensure its servicing and continued operational availability;

2) render system services in technical dispatch control, carrying out centralized operational dispatch management of operating regimes of the single electric power system of the Republic of Kazakhstan in accordance with the contract, including balancing and generation of daily schedule of electrical energy production-consumption;

3) ensure reliability of work of the single electric power system of the Republic of Kazakhstan;

4) render system services for regulation of electrical capacity;

5) render system services for production-consumption balancing of electrical energy;

6) provide financial settlement of unbalances of electrical capacity, as prescribed by Kazakh legislation;

7) determine the volume, structure and distribution of power reserves between energy-producing organizations, and activate power reserves in the single electrical energy system of the Republic of Kazakhstan;

8) organise the function of the balancing electrical energy market and the system and ancillary services market;

9) interact with the power systems of neighboring states to manage and ensure the stability of parallel operation modes and regulation of electric capacity;

10) provide technical and methodological management in the creation of a unified information system, an automatic system of revenue metering of electrical energy, adjoined devices of protection equipment, and automatic protective devices of all wholesale electrical energy market entities;

11) secure the equal conditions for access by wholesale electrical energy market subjects to the national electricity network;

12) provide participants in the wholesale electrical energy market of the Republic of Kazakhstan concerning information that is not a commercial or other secret protected by law;

13) coordinate the repair of the main equipment of electric stations, substations, power transmission lines, relay protection devices, automatic protective devices, technological management systems and ensuring their availability for service;

14) participate in the development of operating regimes of hydroelectric stations, taking account of their water economy balances and the operating regimes of the single electrical energy system of the Republic of Kazakhstan;

15) develop forecasting balances of electrical energy and capacity;

16) organize the function of the electrical capacity market;

18) certifies the electric power of generating plants;

19) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

22) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

22-1) quarterly provide the authorized body with information on the agreed schemes for the issuance of capacity;

22-2) confirm the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan in accordance with the rules for determining the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan;

23) Carry out other functions provided for by this Law and by Kazakh legislation with regard to support of use of renewable energy sources.

2. The system operator shall have the right to buy and sell electric energy from an energy-producing organization, as well as from electric energy suppliers, realizing electric energy in the Republic of Kazakhstan directly on behalf of a foreign manufacturer, in the following cases:

1) for technological and production needs;

2) to ensure the contractual values of electricity flows with the power systems of neighboring states;

3) in the balancing electricity market;

4) to provide emergency mutual assistance with the power systems of neighboring states within the framework of the concluded contracts.

2-1. The system operator shall carry out the supply of electric energy to energy-producing organizations in case of an emergency retirement of capacities in the absence of the possibility of buying electric energy from other energy-producing organizations. If the system operator has more than one agreement on mutual emergency assistance with the power systems of neighboring countries, the system operator shall select the electricity supplier, who has offered the lowest price of electric energy, taking into account technical limitations.

3. The system operator shall provide centralized operational dispatch management of the single electric power system of the Republic of Kazakhstan.

4. Centralized operational dispatch management of the single electric power system of the Republic of Kazakhstan shall include:

1) regimes of management of production, transfer and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan, realizing buy-and-sell agreement conditions, transferring of electrical energy, and regulating electrical capacity and production-consumption balancing of electrical energy;

2) management regimes for interstate transfer of electrical energy;

3) securing the prevention, localization and elimination of disruptions to the single electric power system of the Republic of Kazakhstan;

4) operational management of power reserves in the single electric power system of the Republic of Kazakhstan;

5) determining the structure, principles, locations, volumes and system settings of protection equipment, automatic and performance protective devices, ensuring the reliable and stable operation of the single electric power system of the Republic of Kazakhstan;

6) formation and confirmation of daily schedules of electrical energy production-consumption in the single electric power system of the Republic of Kazakhstan;

7) compilation of actual production-consumption balances of electrical energy on the wholesale electrical energy market.

5. Centralized operational dispatch management of regimes of production, transfer and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan, and issue of the relevant instructions, shall be carried out on the basis of current qualitative characteristic of electrical energy values – capacity, frequency and voltage.

Footnote. Article 10 as amended by Law of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2009 No. 166-IV; 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); 04.07.2013 No. 128-V (enforced upon expiry of ten calendar days after its official publication); dated 12.11.2015 394-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 10-1. National operator

Footnote. Chapter 3 is supplemented by Article 10-1 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 10-2. The market council

1. The market council shall:

- 1) monitor the functioning of the market for electric energy and capacity;
- 2) consider investment programs of modernization, expansion, reconstruction and (or) renewal of energy-producing organizations in the order, established by the authorized body;
- 3) make proposals to the authorized body on improvement of the legislation of the Republic of Kazakhstan on electric power industry;
- 4) perform other functions, determined by the authorized body

2. The decisions of the market council shall be of a recommendatory nature.

Footnote. Chapter 3 is supplemented by Article 10-2 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 10-3. The single purchaser

1. The single purchaser shall be determined by the authorized body.

2. The single purchaser shall:

- 1) conclude contracts for the purchase of service on maintaining the readiness of electric capacity;

2) conclude contracts for the provision of service on ensuring the readiness of electric capacity to bearing the load;

3) acquire a service on maintaining the readiness of electric capacity in accordance with the contract for the purchase of service on maintaining the readiness of electric capacity;

4) provide a service for ensuring the readiness of electric capacity to bearing the load in accordance with the contract for the provision of service on ensuring the readiness of electric capacity to bearing the load;

5) calculate the price of the service on ensuring the readiness of electric capacity to bearing the load for the forthcoming calendar year and its placement on its Internet resource;

6) generate and publish on its Internet resource the list of concluded contracts for the provision of service on ensuring the readiness of electric capacity to bearing the load with indication of the subject of the wholesale market of electric energy.

Footnote. Chapter 3 is supplemented by Article 10-3 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 11. Instructions concerning regime of production, transfer and consumption of electrical energy in carrying out centralized operational dispatch management

1. Orders of the system operator concerning regimes of production, transfer and consumption of electrical energy in fulfilment of centralized operational dispatch management shall be mandatory for all wholesale electrical energy market entities.

2. The system operator may turn off the electric installations of wholesale electrical energy market entities that fail to fulfil operational orders concerning regimes of production, transfer and consumption of electrical energy from electric networks under the centralized operational dispatch management.

Article 12. Rights and obligations of participants in electrical energy production and transfer

1. Participants in electrical energy production and transfer may:

1) use the system services on the basis of concluded contracts;

2) receive technical information from the system operator, as required for carrying out production and transfer of electrical energy.

2. Participants in production and transfer of electric energy shall be obliged to:

1) provide the system operator with information necessary for implementation of centralized operational dispatch management of the unified electric power system of the Republic of Kazakhstan, and factual information on technical and economic indicators of power stations operation (production, bus-bar output, in-house needs, unit consumption on the bus-bar output of electric energy);

2) provide the system operator with access to commercial metering devices;

3) ensure the quality and safety of electric energy in accordance with the requirements, established by technical regulations;

4) jointly with the system operator, carry out regulation and maintenance of standard frequency in the unified electric power system of the Republic of Kazakhstan on the basis of concluded contracts;

5) maintain in working condition the main and ancillary equipment, means of emergency control and security automatics, relay protection, dispatching technological management in accordance with the requirements of technical regulations and regulatory acts of the Republic of Kazakhstan in the field of electric power industry;

6) install new devices for relay protection and emergency control automatics and modernize the operating devices for relay protection and emergency control automatics at their facilities in the volumes, determined by the authorized body;

7) inform, in the procedure, established by the legislation of the Republic of Kazakhstan, the authority for state energy supervision and control of any technological violations in accordance with their classification and accidents, related to operation of power equipment;

8) obtain a passport of readiness in the manner and terms, established by the legislation of the Republic of Kazakhstan.

3. Energy-producing organizations, with the exception of energy-producing organizations using renewable energy sources, are obliged to:

Note RCLI!

Subparagraph 1) is provided for in the wording of the Law of the Republic of Kazakhstan dated 12.11.2015 No. 394- (entered into force from 01.01.2019).

1) realize the sale of electric energy at tariffs, not exceeding, respectively, the marginal, calculated or individual tariff, with the exception of sales on spot biddings (no more than ten percent of the volumes of electric energy, generated by them), on the balancing market and for export;

2) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 25-V (shall be enforced from 01.01.2016).

Note RCLI!

Subparagraph 3) is provided to be excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (entered into force from 01.01.2020).

3) in case of conclusion of an investment contract, carry out the investment program and annually submit to the authorized body and the state body, exercising management in the spheres of natural monopolies, a report on its implementation;

4) present a report on costs of production and sales of electrical energy, showing volumes of production and sales of electrical energy for the previous calendar year, to the authorised organisation, annually on or prior to March 31;

5) publish information volumes and directions of investments provided for by agreement for the following year, in the mass media annually on or prior to December 31;

6) publish information on fulfilment of investment commitments provided for by agreement for the previous year, in mass media, annually on or prior to May 1;

7) annually, on or prior to May 1, hold public hearings on the results of implementation of agreements with the invitation of representatives of state bodies, consumers and their public

associations, mass media and independent experts, with advertising on holding the public hearings in mass media not less than five calendar days before the holding of public hearings;

8) at the request of the authorised organisation, provide information in a hard copy and/or on electronic media within established periods, which may not be less than five working days from the date of receiving the relevant request, in accordance with the sub-paragraph 46-1) of Article 5 of this Law;

9) at the request of the state body, exercising management in the spheres of natural monopolies, provide information on paper and (or) electronic media within the terms established by it, which may not be less than five working days from the date of receipt of the request in accordance with subparagraph 8-1) of Article 7 of this Law;

Note of the RCLI!

Paragraph 3 is provided to be supplemented with subparagraph 10) in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced from 01.01.2019).

11) carry out day-to-day regulation of electric power generation in accordance with the orders of the system operator at the centralized operational and dispatching control of the unified electric power system of the Republic of Kazakhstan.

3-1. To ensure the reliability of energy supply to consumers, energy-producing organizations shall be obliged to replace emergency-discharging capacities by purchasing electricity in the volumes, necessary to meet daily delivery schedules. Purchase of electricity in the volumes of emergency- discharged capacities by energy-producing organizations shall be carried out as from other energy-producing organizations and from the system operator in the framework of the concluded recent contracts for emergency mutual assistance with energy systems of neighboring countries.

Note RCLI!

Part one of paragraph 4 is provided for in the wording of the Law of the Republic of Kazakhstan dated 12.11.2015 No. 394-V (shall be enforced from 01.01.2019).

4. In case of realization of electric energy with excess of respectively marginal, calculated or individual tariff, energy-producing organization shall be obliged to return to the subjects of the wholesale and (or) retail market the excess sum, except for the sums, received as a result of realization of electric energy on spot biddings (no more than ten percent from the volumes of electric energy, generated by them), on the balancing market and for export.

Note RCLI!

Parts two and three shall be excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (shall be enforced from 01.01.2020).

In case of non-performance of the order on execution of the investment program by energy-producing organization in terms, established by the state body, exercising the management in the spheres of natural monopolies, the energy-producing organization shall be obliged to return the received funds, provided for implementation of the investment program and unused for the purpose of its realization to the subjects of the wholesale and (or) retail market.

The term “funds provided for fulfilment of the investment program” refers to the difference between actual income (proceeds) received by the energy-producing organization in application of tariffs that do not exceed the constructed or individual tariff respectively, and actual expenses provided in determination of the constructed or confirmation of individual tariff as established manner by Kazakh legislation.

Note by RCLI!

Paragraph 5 shall be valid till 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

5. In case of non-performance by an energy-producing organization of the investment obligations, provided by the agreement, the energy-producing organization shall be obliged to return the received funds, provided by the agreement for the performance of investment obligations and not used for their implementation by reduction of the selling price for electric energy for the next calendar year to the subjects of the wholesale market, in the order, established by the authorized body, with placement of this information in mass media.

The obligation specified in part 1 of this paragraph, shall not extend to energy-producing organizations that accepted additional investment commitments during conclusion of agreements for the following calendar year for the amount of non-fulfilment, taking account of the official refinance rate of the National Bank of the Republic of Kazakhstan on the date of conclusion of agreement.

In case of non-fulfilment by the energy-producing organisation during the next calendar year of additional investment commitments as provided for by the agreement, these commitments may not be accepted by the energy-producing organization and shall be refunded to the wholesale market entities in accordance with part 1 of this paragraph.

6. The power-supplying, power-transmitting organizations and consumers, being the subjects of the wholesale market of electric energy shall be obliged to sign contracts for rendering the service in ensuring the readiness of electric capacity to bearing the load and to participate in the market of electric capacity with the single purchaser on the basis of these contracts.

7. Energy-transmitting organizations shall be obliged not to exceed the normative values of reliability indicators of power supply, approved by the authorized body.

Note by RCLI!

Supplementation of Article 12 is provided for by paragraph 6 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

Footnote. Article 12 as amended by laws of the Republic of Kazakhstan dated 29.12.2006 No. 209 (for method of enforcement see Article 2); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); 04.07.2013 No. 128-V (enforced upon expiry of ten calendar days after first official publication); dated 29.12.2014 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 394-V (for the procedure of enforcement, see Article 2); dated 29.03.2016 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Note by RCLI!

Title of Article 12-1 provided in wording of Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

Article 12-1. Procedure for determining marginal, constructed and individual tariffs

Note by RCLI!

Exclusion of paragraph 1 is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

1. Marginal, calculated and individual tariffs shall be determined in the manner, established by the authorized body.

Note by RCLI!

Paragraph 2 provided in wording of Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

2. The energy-producing organization shall individually determine the selling price for electrical energy, but not more than the marginal tariff of the relevant group of energy-producing organizations.

The marginal tariff shall be approved by the groups of energy-producing organizations for a period of at least three years with a breakdown by years and shall be adjusted annually, taking into account the need to ensure the investment attractiveness of the industry.

The basis for determining the marginal tariff for the first year of its validity is the maximum actual price, calculated in the relevant group of energy-producing organizations during the year preceding the year of introduction of marginal tariffs.

Note by RCLI!

Supplementation of Article 12-1 is provided for by paragraph 2-1 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

Note by RCLI!

Sub-paragraphs 1-5 of paragraph 3 shall be valid until 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

3. For selling of electrical energy at prices not exceeding the marginal tariff, the energy-producing organization shall conclude an agreement with the authorized body in established manner.

The agreement shall include the investment obligations of the energy-producing organization on realization of measures aimed at establishing new active assets and extending , updating, supporting, reconstructing and re-equipping the current active assets.

The agreement shall determine the list of actions connected with production of electrical energy, with indication of actual volumes and amounts of investments for every action.

On conclusion of agreement, the conclusion of the independent energy assessment for confirming the technical condition of equipment shall be considered.

Introduction of amendments and/or additions to the agreement with reduction of total amount of investments is not allowed, with the exception of cases of reduction of selling price of electrical energy within the frame of marginal tariff and volume of electrical energy production.

Note by RCLI!

The sub-paragraph shall be valid till 01.01.2017 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

The authorized organisation shall monitor the fulfilment of agreements by the energy-producing organizations, expenses for production and sales of electrical energy, and volumes of production and sales of electrical energy.

Note by RCLI!

The sub-paragraph shall be valid till 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

The energy-producing organization shall individually determine its investment commitments in accordance with the planned depreciation deductions and with the net profit ratio from electrical energy sales at prices not exceeding the marginal tariff.

Note by RCLI!

Paragraph 3-1 shall be valid till 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

3-1. The energy-producing organization shall present the project agreement to the authorized body before October 1 of the year preceding that for which the agreement is concluded.

According to the results of the consideration, the authorized organisation shall send a copy of the signed agreement or motivated decision to refuse conclusion of agreement, within forty calendar days calculated from the date of receipt the project agreement by the authorized body.

Unwarranted refusal or avoidance of conclusion of agreement by the parties shall not be allowed.

If the authorised organisation fails to provide its answer within the periods established by this Law, the agreement shall not be considered concluded.

If agreement is not reached under the terms of project agreement within thirty calendar days from the date of receipt by the energy-producing organization of the authorised organisation's refusal to conclude of agreement, the disagreements arising on conclusion of agreement shall be settled in accordance with the Kazakh civil legislation.

In the period of settlement of the dispute, the energy-producing organization shall sell electrical energy at a price not exceeding expenses for generation of electrical energy, excluding depreciation costs and profit.

Note by RCLI!

Exclusion of paragraph 4 is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

4. If the investment commitments of the energy-producing organization cannot be fulfilled through funds received from electrical energy sales within the frame of marginal tariffs, the energy-producing organization may apply a constructed or individual tariff for

realization of the investment program subject to approval of the technical requirement and conclusion of the investment contract.

Prior to its implementation, the investment program shall be presented to the authorized body and the state body, exercising management in the spheres of natural monopolies.

On the basis of the investment program, the energy-producing organization shall conclude an investment contract in accordance with the established procedure with the authorized body and the state body, exercising management in the spheres of natural monopolies.

Note by RCLI!

Exclusion of paragraph 5 is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

5. The calculated tariff shall not exceed the prices of electrical energy determined in the technical and economic assessment of the investment program developed and confirmed in accordance with Kazakh legislation.

The calculated tariff shall be applied by the energy-producing organization from the moment of conclusion of investment contract and may be valid within the period of fulfilment of the investment commitments as provided in investment contract.

The calculated tariff may exceed the price of electrical energy determined in the technical and economic assessment of the investment program, subject to reconciliation of amendments in the estimate documentation as prescribed by Kazakh legislation.

Note by RCLI!

Exclusion of paragraph 6 is provided for by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

6. The energy-producing organization may apply the individual tariff at any stage of realization of the investment program.

The use of an individual tariff by an energy-producing organization shall be made on the basis of the decision of the state body, exercising management in the spheres of natural monopolies, which is adopted, taking into account the parameters of the investment program and design estimate documentation.

The individual tariff may not be lower than the calculated tariff during fulfilment of capacity introduction obligations by the energy-producing organization, as provided by investment contract.

The individual tariff shall be approved above the calculated tariff in case of increase in the cost of the investment program. At the same time, the increase in the cost of the investment program should be agreed with the authorized body and the state body exercising management in the spheres of natural monopolies.

Footnote. Chapter 3 is supplemented by Article 12-1 in accordance with Law of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); as amended by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 13. Requirements to participants in production and transfer of electrical energy

1. The regional electric grid companies shall ensure compliance with daily electrical energy production-consumption schedules by all retail electrical energy market entities connected to their network, and compliance with the net power flows of electrical energy agreed with the system operator between the regional electric grid company networks and the national electric network.

Note by RCLI!

Paragraph 1-1 is provided the wording of Law of the Republic of Kazakhstan dated 04.07.2013 No. 128-V (enforced upon expiry of six months after first official publication).

1-1. The regional electric grid companies to whose electric networks the items using the renewable energy sources are directly joined, are obliged to buy in full measure the electrical energy produced by the relevant qualified energy-producing organizations using renewable energy sources.

2. In case of termination of energy delivery other than through the fault of the consumer, the energy-supplying organization (the guaranteeing electrical energy supplier) shall secure energy delivery to consumers on a contractual basis.

3. The energy-supplying organizations shall purchase electrical energy from the energy-producing organization for the purpose of energy delivery to their consumers.

For provision of electrical supply services, the energy-producing organizations shall conclude a contract for electricity supply in accordance with the standard electricity supply agreement.

A standard power supply contract shall be placed on the Internet resources of energy-supplying organizations.

3-1. The energy-producing organizations are obliged to sell produced electrical energy:

1) to consumers, energy-supplying, energy-transmitting organizations (to cover normative loss of electric energy in their own networks and for economic needs) on the basis of contracts, concluded in the market of decentralized purchase and sale of electric energy in accordance with the requirements of the civil legislation of the Republic of Kazakhstan;

2) on a centralized electrical energy trade market;

3) on a balanced electrical energy market.

3-2. The energy-producing organization shall be prohibited to:

1) Sell (trade in) of electrical energy to individuals and legal entities that are not wholesale and/or retail market entities, with the exception of electrical energy export;

2) Acquire (purchase) electrical energy from the other energy-producing organization, with the exception of emergency disposal of capacities in a volume determined according to the daily schedule of electrical energy production, and/or acquisition of electrical energy as per individual needs;

Note by RCLI!

Supplementation of paragraph 3-2 is provided for by sub-paragraph 3) in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

4) Acquisition (purchase) of electrical energy for the purpose of energy delivery, with the exception of cases of:

emergency disposal of capacities in a volume, determined according to the daily electrical energy production schedule;

purchase of electrical energy from the accounting and finance centre to support renewable energy sources, produced by subjects using renewable energy sources.

3-3. The energy-supplying organization shall be prohibited from selling (trading in) electrical energy to the other energy-supplying organization, and from acquiring (purchasing) it from the other energy-supplying organization.

The register of organizations, having the license to purchase electricity for energy supply shall be formed, conducted and published on the Internet resource by the state body, exercising management in the spheres of natural monopolies.

Note by RCLI!

Amendment of paragraph 4 is provided for in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced from 01.01.2016).

4. The energy-producing organizations shall secure maintenance of power reserves, volume, structure and siting as prescribed by the rules for organizing and operating the system and ancillary services market.

5. Those involved in relations of production, transfer and consumption of electrical energy shall bear mutual obligations for financial settlement on a balanced electrical energy market between contractual and actual electrical energy production-consumption values, on the basis of balanced electrical energy volume calculations presented by the system operator and based on the results of physical settlement of electrical energy unbalances.

Note by RCLI!

Paragraph 6 shall be enforced from 01.01.2008.

6. Power-transmitting organizations, subjects of the wholesale market of electric energy, regardless of the form of ownership, shall be obliged to participate in the balancing electricity market on the basis of contracts, concluded with the system operator for rendering services on organization of balancing of electric energy production and consumption and the purchase and sale of balancing electric energy.

6-1. Power-transmitting organizations, subjects of the wholesale market of electric energy shall be obliged to participate in the balancing market of electric energy, functioning in the simulation mode on the basis of the contracts, concluded with the system operator for rendering system services on organization of balancing of electric energy production-consumption.

7. Energy-producing organizations that are hydroelectric stations are obliged to sell produced electrical energy in the period of environmentally- protected water passes on centralized bids.

8. The personnel, performing operation, repair, adjustment and installation of the energetic equipment of power stations of the unified electric power system of the Republic of Kazakhstan, electric and heating networks, electrical installations of consumers, and also experts shall be obliged to pass examination of knowledge and to have the corresponding access to implementation the activity on operation, repair, adjustment and installation, and also inspection of energetic equipment and electric installations of consumers.

9. Sale of electric energy outside the Republic of Kazakhstan shall be carried out at a price not lower than the cost of production of exported electric energy only in case of profit of electric energy in the unified electric power system of the Republic of Kazakhstan or its parts, confirmed by the system operator in accordance with the rules for determining the deficit and profit of electric energy in a unified electric power system of the Republic of Kazakhstan, approved by the authorized body.

10. Acquisition of electric energy, produced outside the Republic of Kazakhstan shall be carried out exclusively in case of deficit of electric energy in the unified electric power system of the Republic of Kazakhstan or its parts, confirmed by the system operator in accordance with the rules for determining the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan, approved by the authorized body.

11. Requirements of paragraphs 9 and 10 of this Article do not extend to the cases of purchase and sale of electric energy by the system operator for providing contractual values of flows of electric energy, for rendering emergency mutual assistance with power systems of neighboring states and in the balancing market of electric energy.

Footnote. Article 13 as amended by laws of the Republic of Kazakhstan dated 27.05.2007 No. 316 (enforced from the date of its official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2009 No. 166-IV; 10.07.2009 No. 178-IV; 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); 04.07.2013 No. 128-V (enforced upon expiry of ten calendar days after first official publication); dated

12.11.2015 394-V (for the procedure of enforcement see Article 2); dated 28.12.2016 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 13-1. Requirements for the activity on electric energy transfer

1. An owner of electrical networks, rendering a service on transfer of electric energy shall have the right to carry out realization (sale), transfer, on a gratuitous basis or in trust management its electrical networks to an energy-transmitting organization, directly to the electrical networks of which they are connected, in accordance with the procedure, established by the legislation of the Republic of Kazakhstan.

An owner of electrical networks shall not have the right to transfer such electrical networks of energy-transmitting organization, to the electrical networks of which they are not connected.

2. Electrical networks, being under the right of economic management or operational management of state legal entities, with the exception of electrical networks, used for their own needs, shall be transferred in trust management or gratuitous use of energy- transmitting organizations, directly to the electrical networks of which they are connected.

3. The owner of electrical networks, rendering a service on electricity transfer, shall be obliged to:

1) maintain them in working condition and ensure their safety and integrity until they are fully transferred to the energy- transmitting organization in accordance with paragraph 1 of this Article;

2) prevent actions leading to cessation of power supply to consumers, connected to their electrical networks, except for the cases, stipulated by the legislation of the Republic of Kazakhstan;

3) prevent actions leading to cessation of the transfer of electric energy to consumers through their networks, as well as to the breakdown, dismantling, damage, destruction, deliberate damage (deterioration) of their electric networks.

4. In case, when the owner of electrical networks expressed a desire to transfer the electrical networks, belonging to him to the energy-transmitting organization, to whose

networks they are directly connected, in trust management or on gratuitous basis, the regional power grid company does not have the right to interfere with such transfer.

5. The provisions, specified in paragraphs 1 and 4 of this Article do not apply to the system operator.

6. Energy-transmitting organizations must comply with the requirements for the activity on the transfer of electric energy and include the availability of:

1) dispatching technological management;

2) the services, completed with the trained and certified personnel, performing operation and technical maintenance of electrical networks, equipment, mechanisms, labor protection and safety measures, provided with the means of individual and collective protection, uniform, tools and appliances;

3) contracts with the system operator for rendering of system services in accordance with the legislation of the Republic of Kazakhstan on the electric power industry;

4) automated systems of commercial registration, telecommunications systems, ensuring their unification with the systems, installed at the system operator and the regional power grid company.

The procedure for determining the compliance of energy-transmitting organizations with the requirements for the activity of electric energy transfer shall be determined by the authorized body.

It shall not be allowed to include in the tariffs or their ultimate levels for the electric energy transfer service the costs, associated with meeting the requirements for the activity on electric energy transfer, provided for in this paragraph.

7. Newly created energy-transmitting organizations must comply with the requirements for the activity on transfer of electric energy, specified in paragraph 6 of this Article.

8. The energy-transmitting organizations, not later than one year after the occurrence of cases, established by Article 119-2 of the Law of the Republic of Kazakhstan "On State Property", provide re-approval of the tariff for the service on electric energy transfer in accordance with the legislation of the Republic of Kazakhstan on natural monopolies.

Footnote. Chapter 3 is supplemented by Article 13-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 4. Organizing energy delivery on the basis of functioning of the electrical energy market

Article 14. Electric and heat energy market

1. Energy in the Republic of Kazakhstan shall be delivered under conditions of functioning of electric and heat energy markets.

2. Electric and heat energy are the market product.

3. The electrical energy market consists of two levels: wholesale and retail electrical energy markets. The heat energy market consists of one level: retail market.

4. Is excluded by Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (enforced from 13.10.2011).

5. The system operator, regional electric grid companies and other organizations, owning electrical networks shall provide free access for all market participants to the electric energy market in the manner, determined by the state body, exercising management in the spheres of natural monopolies.

6. The regional transmission organization has no right to refuse to connect energy-producing and energy-supplying organizations and consumers to electric and heat networks, or to transfer electric or heat energy upon condition of fulfilment by them of requirements determined by the normative legal acts of the Republic of Kazakhstan.

7. Relations arising during production, transfer and consumption on the electric and heat energy market shall be regulated in the electric power industry by the relevant contracts.

Footnote. Article 14 as amended by laws of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from date of first official publication); 27.07.2007 No. 316 (enforced from date of first official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 452-IV (enforced from 13.10.2011); dated 12.28.2016 34-V (shall be enforced from 01.01.2017).

Article 15. Wholesale electrical energy market

1. The wholesale electrical energy market shall consist of:

1) market for decentralized buy-and-sell of electrical energy, functioning on the basis of buy-and-sell agreements concluded by the market participants at the prices and subject to delivery conditions determined by agreement between the parties;

2) centralized electrical energy trade market constituting an organized trading platform for buying and selling electrical energy on a short term (spot biddings), medium term (week, month) and long term (quarter, year) basis;

3) balancing market in real-time mode, functioning for the purpose of physical and subsequent financial settlement of hourly unbalance arising during operating days between actual and contractual values of electrical energy production-consumption in the single electric power system of the Republic of Kazakhstan, confirmed by the system operator in a daily electrical energy production-consumption schedule;

4) market of system and ancillary services, functioning on the basis of acquisition from the wholesale electrical energy market entities and of provision of the relevant services by the system operator for the wholesale electrical energy market entities, for ensuring the standards of work of the single electric power system of the Republic of Kazakhstan and the quality of electrical energy as determined by the national standards.

5) market of electric capacity.

2. An operator of the centralized trading market shall:

1) organize and conduct spot biddings;

2) organize and conduct the centralized electric energy trade for medium term (week, month) and long-term (quarter, year) periods, as well as centralized biddings of electric capacity for one-year;

3) secure conditions of equal access to the centralized electrical energy market for wholesale electrical energy market entities;

4) determine compliance of the wholesale electrical energy market entities with requirements determined by the rules of centralized electrical energy trade;

5) register and record concluded transactions in buying and selling of electrical energy on centralized electrical energy bids;

6) provide information to the wholesale electrical energy market entities, within its competence, at indicative prices for electrical energy calculated on centralized bids and other market information;

7) organize and conduct financial settlement payments for transactions concluded on spot bids.

3. Functioning of the balancing market of electric energy in the imitation mode shall be carried out in the order and terms, established by the authorized body.

Footnote. Article 15 as amended by laws of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 452-IV (enforced from 13.10.2011); 10.07.2012 No. 31-V (enforced upon expiry of ten calendar days after first official publication); dated 09.29.2014 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 12.11.2015 394-V (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 15-1. Method of development of prospective electrical capacity allocation scheme, and for tendering for construction of newly-commissioned generating installations

1. The system operator annually till October 15th shall develop the forecasted balance of electric energy and capacity for the forthcoming seven-years period in the order, approved by the authorized body.

The forecast balance of electric energy and capacity for the coming seven-years period in terms of the balance of electric capacity, developed on the day of the annual maximum of electric load in the unified electric power system of the Republic of Kazakhstan, shall take into account:

1) the volume of available electric capacity of generating installations, being newly commissioned on a tender basis, for the construction of which the authorized body has concluded a relevant contract with the winner of the tender;

2) the volume of available electric capacity of generating installations of operating energy-producing organizations, commissioned within the investment agreements on modernization, expansion, reconstruction and (or) renewal, concluded with the authorized body;

3) the volume of available electric capacity of existing generating installations of operating energy-producing organizations (except for the available electric capacity, specified in subparagraph 2) of this paragraph);

4) the volume of available electric capacity, planned to be introduced by operating energy-producing organizations in addition to the volume of available electric capacity, specified in subparagraph 3) of this paragraph, without concluding an investment agreement with the authorized body for modernization, expansion, reconstruction and (or) renewal (in the presence of the design and estimate documentation, approved according to the legislation of the Republic of Kazakhstan on architectural, town planning and construction activity);

5) the volume of available electric capacity of new power stations, the commissioning of which is planned without the use of the mechanism of the tender by the authorized body for construction of generating installations, being newly commissioned (in the presence of design and estimate documentation approved in accordance with the legislation of the Republic of Kazakhstan on architectural, town planning and construction activities).

Objects for the use of renewable energy sources shall be taken into account in the forecast balance of electric energy and capacity for the upcoming seven-years period only for the electric energy they produce.

2. The authorized body shall approve the forecasted balance of electric energy and capacity for the forthcoming seven-years period within three months from the date of its receipt.

3. The approved forecast balance of electric energy and capacity for the forthcoming seven-years period shall be placed on the Internet resource of the authorized body and the system operator no later than ten working days from the date of its approval.

3-1. In case that in the approved forecast balance of electric energy and capacity for the forthcoming seven-years period the forecasted deficit of electric capacity in the unified electric power system of the Republic of Kazakhstan within the first five years of the forecast exceeds 100 MW, the authorized body shall hold a tender for construction of generating installations, being newly commissioned to cover the forecasted deficit.

3-2. The location (site), type and kind of fuel for generating installations, being newly commissioned on a tender basis, shall be determined by the results of a feasibility study, conducted by the order of the authorized body.

4. The authorized organisation shall publish an announcement of tender for construction of generating installations to be commissioned, no later than three working days from the date of confirmation of tender documentation but no less than thirty calendar days before the final date of presentation of the tender documents and materials by potential investors.

5. The package documentation for construction of generating installations to be commissioned shall contain:

1) description and required technical, qualitative and operating characteristics of newly-commissioned generating installations;

2) draft contract on construction of generating installations to be commissioned.

6. Potential investors participating in a tender for construction of generating installations to be commissioned shall present:

1) copies of constitutional documents;

2) documents confirming existence of sufficient financial and material resources for construction of generating installations to be commissioned, showing an account of individual funds of no less than thirty percent of the overall cost of generating installations;

3) is excluded by the Law of the Republic of Kazakhstan dated 03.12.2015 432-V (shall be enforced from 01.01.2017).

7. A tenders commission shall sum up results of the tender for construction of generating installations to be commissioned, not more than thirty calendar days from the date of opening of envelopes with tenders.

The authorized organisation shall send the draft agreement of construction of generating installations to be commissioned to the potential investor recognized as the successful tenderer for construction of generating installations to be commissioned, within fifteen calendar days of the date of summing up of the tender for construction of generating installations.

The successful tenderer for construction of generating installations to be commissioned shall sign the said contract within ten working days of the date of receiving the draft contract for construction of generating installations to be commissioned.

8. The tender for construction of generating installations to be commissioned shall be declared void if:

1) there are less than two potential investors;

2) the documents presented by all the potential investors do not comply with paragraph 6 of this article.

If of the tender for construction of generating installations is declared as void, the authorized organisation body shall hold an additional tender.

9. The authorized organisation shall conclude the contract for construction of generating installations to be commissioned with the successful tenderer, in which it shall determine the period for commissioning the generating installations and liability for non-fulfilment and/or

incomplete fulfilment of obligations incumbent on the successful tenderer, within forty five calendar days of summing up of the tender for construction of generating installations to be commissioned.

10. Within thirty calendar days from the date of conclusion of the contract for construction of generating installations, being newly commissioned, a single purchaser shall conclude a contract for the purchase of service on maintaining the readiness of electric capacity with the winner of the tender on an individual tariff for the service on maintaining the readiness of electric capacity in the volume and terms, that are established by the authorized body.

The electric capacity of generating installations, being newly commissioned on a tender basis, from the date of their commissioning shall be subject to annual certification by the system operator.

If as a result of carrying out the next certification of electric capacity, the value of the certified electric capacity of the generating installations, being newly commissioned on the tender basis appears less than the volume of the service on maintaining the readiness of electric capacity, established in the contract on purchase of service on maintaining the readiness of electric capacity, the volume of service on maintaining the readiness of electric capacity, established in the contract on purchase of service on maintaining the readiness of electric capacity, shall be reduced to the certified value before the next certification.

11. The contracts, provided for by paragraphs 9 and 10 of this article shall be concluded on the basis of standard form contracts.

Footnote. Chapter 4 is supplemented by Article 15-1 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after its first official publication).

Article 15-2. Certification of electric capacity of generating installations

1-1. The energy-producing organization shall carry out an implementation of the service on maintaining the readiness of electric capacity after conducting certification of electric capacity of generating installations.

2. The system operator shall carry out certification of electric capacity of generating installations of the energy-producing organization in the order, established by the authorized body.

3. The system operator shall carry out certification of electric capacity of generating installations, according to the request of the energy-producing organization in the terms coordinated with it, but not later than twenty calendar days after the receipt of application for carrying out certification.

During the certification of electric capacity of generating installations, the system operator shall determine:

1) the value of electric capacity of generating installations, which the energy-producing organization possess and in accordance with which the energy-producing organization has the technical ability to generate electric energy;

2) the compliance of the required parameters of generating installations with the values, specified in the application of the energy-producing organization for conducting certification of electric capacity of generating installations.

4. According to the results of certification of electric capacity of generating installations, the system operator, not later than five calendar days after the certification, shall draw up and send an act of certification of electric capacity of generating installations, which indicates the value of the certified electric capacity of generating installations of the energy-producing organization ready to generate electric energy to the energy-producing organization.

5. Unscheduled certification of electric capacity of generating installations shall be carried out in the following cases:

1) at identification of discrepancy of the actual value of electric capacity and parameters of generating installations to the certified ones by the system operator;

2) on the initiative of the energy-producing organization.

Footnote. Chapter 4 is supplemented by Article 15-2 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 25-V (shall be enforced from 01.01.2015); as amended by the laws of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 15-3. The market of electric capacity

1. The market of electric capacity shall operate in order to attract investments for maintaining the existing and commissioning of new electric capacities in the unified electric power system of the Republic of Kazakhstan to meet the demand for electric capacity.

The procedure for organization and functioning of the market of electric capacity shall be established by the authorized body.

2. Energy-supplying, energy-transmitting organizations and consumers, being the subjects of the wholesale market, shall form forecast applications for consumption, which indicate the maximum values of electric capacity consumption for each month of the upcoming and subsequent calendar years not covered by the electric capacity available in their structure on the right of ownership, lease or other property rights of generating sources, and send them to the system operator no later than the 1st of August of the year preceding the current year.

The system operator, not later than the 1st of October of the year preceding the calculated one, shall develop the forecast demand for electric capacity for the upcoming and subsequent calendar years, based on the forecast applications of the wholesale market participants, taking into account the required amount of electric capacity reserve and average annual electric capacity consumption for compensation of technological expense, for own and economic needs of the national electric network.

3-1. To meet the forecast demand for electric capacity, the single purchaser shall conclude contracts for the purchase of service on maintaining the readiness of electric capacity (in order of priority):

1) with the winners of tenders for construction of generating installations, being newly commissioned. At the same time, the individual tariff for the service on maintaining the readiness of electric capacity, the volume and terms of purchase of the service on maintaining the readiness of electric capacity for each contract on the purchase of service on maintaining the readiness of electric capacity, concluded with these organizations, shall be established by the authorized body

2) with operating energy-producing organizations, that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with an authorized body. At the same time, the individual tariff for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity for each contract for the purchase of service on maintaining the

readiness of electric capacity, concluded with these organizations, shall be established by the authorized body;

3) annually with operating energy-producing organizations, which have heat and power plants in their structure, for the forthcoming calendar year according to the marginal tariff for the service on maintaining the readiness of electric capacity. The volume of service on maintaining the readiness of electric capacity for each contract on the purchase of service on maintaining the readiness of electric capacity, concluded with these organizations shall be determined in the order, established by the authorized body and represent the difference of the planned maximum for the corresponding year of value of the minimum electric capacity of generating installations (at the set level of their thermal load) of the heat and power plants, which are a part of energy-producing organization, and the maximum for the corresponding year of value of electric capacity of own consumption by this energy-producing organization, thus:

this volume does not take into account the minimum electric capacity of generating installations (at a given level of their thermal load), being commissioned within the framework of the investment agreement for modernization, expansion, reconstruction and (or) renewal;

this volume is assumed to be zero if the planned maximum value of the minimum electric capacity of generating installations for the corresponding year (at a given level of their thermal load) of the heat and power plants, which are a part of energy-producing organization, does not exceed the maximum value of electric capacity of its own consumption by this energy-producing organization for the corresponding year;

4) annually till December 25th with the operating energy-producing organizations for the forthcoming calendar year by the results of the centralized biddings in electric capacity at the prices and in volumes, which developed by the results of these biddings. Herewith, the total volume of the service on maintaining the readiness of electric capacity of all contracts on the purchase of service on maintaining the readiness of electric capacity, concluded with these energy-producing organizations in accordance with this subparagraph is equal to the difference between the volume of forecast demand for electric capacity for the upcoming calendar year, determined in accordance with paragraph 2 of this Article, and the volume of service on maintaining the readiness of electric capacity, determined in accordance with subparagraphs 1), 2) and 3) of this paragraph.

The single purchaser shall conclude contracts for the purchase of service on maintaining the readiness of electric capacity with operating energy-producing organizations by the results of centralized biddings in electric capacity in the total volume less than the total volume of

the service on maintaining the readiness of electric capacity, determined in accordance with this subparagraph, in cases , when the total volume of service on maintaining the readiness of electric capacity of energy-producing organizations, admitted to biddings is less than the total volume of the service on maintaining the readiness of electric capacity, determined in accordance with this subparagraph.

3-2. The single purchaser shall monthly pay for the service on maintaining the readiness of electric capacity under the contracts, concluded in accordance with paragraph 3-1 of this Article, but not later than forty-five working days after the end of month of delivery of this service.

4. Energy-producing organizations shall be allowed to the centralized biddings with electric capacity after conducting the certification of electric capacity of generating installations by the system operator.

Energy-producing organizations shall carry out the implementation of the service on maintaining the readiness of electric capacity to a single purchaser at centralized biddings with electric capacity in the volume, not exceeding the certified electric capacity, minus:

1) electric capacity of generating installations, being newly commissioned on a tender basis;

2) electric capacity of generating installations, being commissioned in the framework of an investment agreement for modernization, expansion, reconstruction and (or) renewal;

3) the maximum of electric capacity export in the calculated year;

4) the maximum of electric capacity supplies to the subjects of retail market in the calculated year;

5) the largest of the following two values of electric capacity:

the maximum value of electric capacity of own consumption in the calculated year;

the maximum value of the minimum electric capacity of generating installations (at a given level of their thermal load) of heat and power plants, which are part of energy-producing organizations in the calculated year.

In case if, as a result of unscheduled certification of electric capacity, the value of the certified electric capacity of the energy- producing organization is less than the volume of service on maintaining the readiness of electric capacity, specified in the contract for the purchase of service on maintaining the readiness of electric capacity, concluded with a single purchaser by the results of the centralized biddings with electric capacity, the specified volume of service on maintaining the readiness of electric capacity of energy-producing organization shall be decreased to the certified value.

5. The operator of the centralized trading market annually in the second decade of November, shall organize and conduct centralized biddings with electric capacity for the coming calendar year in the manner established by the authorized body.

The operator of the centralized trading market shall carry out gratuitous registration of the results of centralized biddings with electric capacity.

The operator of the centralized trading market shall provide services for organization and holding of centralized trading in electric power to a single purchaser and market subjects on a contractual basis.

7. The single purchaser shall provide a service for ensuring the readiness of electric capacity to bearing the load to energy- supplying, energy-transmitting organizations and consumers, who are subjects of the wholesale market, on the basis of the concluded contract for provision of service on ensuring the readiness of electric capacity to bearing the load.

8. Energy-supplying, energy-transmitting organizations and consumers, who are subjects of the wholesale market shall be obliged to pay for the service of a single purchaser on ensuring the readiness of electric capacity to bearing the load monthly not later than thirty calendar days after the end of the month of delivery of this service at a fixed price within a calendar year, calculated by a single purchaser.

The price for the service on ensuring the readiness of electric capacity to bearing the load shall be calculated by a single purchaser annually for the coming calendar year.

The calculation of the price for the service on ensuring the readiness of electric capacity to bearing the load for the coming calendar year shall be carried out by a single purchaser on the basis of:

1) average- weighted price for the service on maintaining the readiness of electric capacity, formed by the results of the centralized biddings with electric capacity;

2) average- weighted price for the service on maintaining the readiness of electric capacity of all contracts on the purchase of the service on maintaining the readiness of electric capacity, concluded by a single purchaser with the winners of tenders for construction of generating installations, being newly commissioned, with operating energy-producing organizations, that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with the authorized body, as well as with operating energy-producing organizations, which have heat and power plants in their structure;

3) forecast applications for consumption of energy-supplying, energy-transmitting organizations and consumers, being the subjects of the wholesale market;

4) forecast demand for electric capacity for the upcoming and subsequent calendar years.

The single purchaser annually, until December 1st, shall place on its Internet resource the price for the service on ensuring the readiness of electric capacity to bearing the load for the upcoming calendar year, together with confirming calculations.

The procedure for calculation and placement on the Internet resource of a single purchaser of the price for the service on ensuring the readiness of electric capacity to bearing the load shall be established by the authorized body.

The volume of service on ensuring the readiness of electric capacity to bearing the load, established on the calculated year in the contract for provision the service on ensuring the readiness of electric capacity to bearing the load and paid by energy-supplying and energy-transmitting organizations and consumers, being the subjects of the wholesale market shall be the maximum electric capacity consumption for the corresponding year, specified in the corresponding forecast application on consumption and included in the forecast demand.

The change in the volume of service on ensuring the readiness of electric capacity to bearing the load, established for the calculated year in the contract for provision of service on

ensuring the readiness of electric capacity to bearing the load shall not be allowed to decrease

9. The contract for the purchase of service on maintaining the readiness of electric capacity and the contract for the provision of service on ensuring the readiness of electric capacity to bearing the load shall be concluded on the basis of standard contracts, developed and approved by the authorized body.

Footnote. Chapter 4 is supplemented by Article 15-3 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 25-V (for the procedure of enforcement see Article 2); as amended by the laws of the Republic of Kazakhstan dated 29.12.2014 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 394-V (shall be enforced from 01.01.2018).

Article 15-4. Investment agreements for modernization, expansion, reconstruction and (or) renewal

1. Investment agreements for modernization, expansion, reconstruction and (or) renewal shall be concluded only in relation to the main generating equipment of operating (existing) power stations of operating energy-producing organizations.

2. For implementation of modernization, expansion, reconstruction and (or) renewal, operating energy-producing organizations shall develop appropriate investment programs, during the development of which, an independent technical and financial audit shall be carried out.

3. The results of technical and financial audit shall be: identification of the optimal scheme for modernization, expansion, reconstruction and (or) renewal, determination of influence of the investment program on the life of the main generating equipment, the appropriateness of the investment program and the required amount of financing of the investment program.

4. The results of technical, financial audit and the investment program of modernization, expansion, reconstruction and (or) renewal shall be subjects to consideration by the market council.

5. Based on the recommendation of the market council, the authorized body shall make a decision on conclusion (refusal to conclude) an investment agreement for modernization, expansion, reconstruction and (or) renewal.

6. The investment agreements for modernization, expansion, reconstruction and (or) renewal for each year shall establish target indicators for the following indicators: specific consumption of nominal fuel for the output of electric and (or) heat energy; available electric capacity; life cycle of the main generating equipment; degree of wear of the main generating equipment; environmental indicators.

7. After conclusion of an investment agreement by the authorized body for modernization, expansion, reconstruction and (or) renewal with operating energy-producing organization, the single purchaser shall conclude a contract for the purchase of service on maintaining the readiness of electric capacity with this energy-producing organization on an individual tariff for the service on maintaining the readiness of electric capacity in the volume and for the terms, established by the authorized body.

The electric capacity of generating installations, being commissioned as part of an investment agreement for modernization, expansion, reconstruction and (or) renewal, from the date of their commissioning shall be subject to annual certification by the system operator.

In case, if as a result of conducting the next certification of electric capacity, the value of certified electric capacity of generating installations, being commissioned within the framework of an investment agreement for modernization, expansion, reconstruction and (or) renewal is less than the volume of service on maintaining the readiness of electric capacity, established in the contract on the purchase of service on maintaining the readiness of electric capacity, the volume of service on maintaining the readiness of electric capacity, established in the contract on the purchase of service on maintaining the readiness of electric capacity, shall be reduced to the certified value before the next certification.

8. Operating energy-producing organizations, concluded investment agreements for modernization, expansion, reconstruction and (or) renewal with the authorized body shall be obliged to submit a report on the achievement of indicators (indices) established in these agreements, confirmed by independent energy expertise to the authorized body annually no later than March 31st of the year following the reporting year.

In case of failure to reach target indicators, established in the investment agreement for modernization, expansion, reconstruction and (or) renewal, the authorized body shall have the right to terminate this agreement or change the individual tariff for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity with notification the system operator.

9. Energy-producing organizations, concluded agreements with the authorized body and implemented large-scale investment programs from 2009 to 2015 during the validity of the program of marginal tariffs for electricity, which source of expenses, in addition to the investment component of the marginal tariff, was significant additional external financing (credits, loans), shall conclude individual investment agreements for modernization, expansion, reconstruction and (or) renewal with the authorized body in a simplified manner.

10. The admission to consideration, consideration and selection of investment programs for modernization, expansion, reconstruction and (or) renewal, conclusion of investment agreements for modernization, expansion, reconstruction and (or) renewal, the corresponding conclusion of the contract for the purchase of service on maintaining the readiness of electric capacity and establishment of individual tariffs for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity for this contract shall be carried out in the manner, established by the authorized body.

Footnote. Chapter 4 is supplemented by Article 15-4 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced from 01.01.2018).

Article 16. Retail electrical energy market

1. The procedure for access to the retail electricity market shall be determined by the authorized body.

2. Regional electric grid companies transmit electrical energy through the electric networks in the range of its balance participation.

3. (Paragraph excluded by Law of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from the date of its official publication)).

4. Guaranteeing electrical energy suppliers may not gain advantages in relation to other energy-producing organizations when carrying out economic activity.

5. The procedure for determining the guarantying electrical energy supplier and its zone of responsibility shall be determined by the rules for organizing and operating the electrical energy market.

Footnote. Article 16 as amended by the Laws of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from the date of its official publication); 27.07.2007 No. 316 (enforced from date of official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 452-IV (enforced from 13.10.2011); dated 09.29.2014 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 17. Contracts on wholesale electrical energy market

1. Purchase and sale of electric energy, provision of services on transfer of electric energy, technical dispatching, regulation of electric capacity, balancing of production-consumption of electric energy, ensuring the readiness of electric capacity to bearing the load, maintaining the readiness of electric capacity, participating in the centralized trading of electric energy, participation in the centralized biddings with electric capacity shall be carried out on the basis of contracts, concluded in accordance with the Civil Code of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. The buy and sell contracts for electrical energy shall include:

1) daily schedule of electrical consumption;

2) procedure for reservation of electrical capacity by energy-producing organizations.

3. Contracts for electric energy purchase and sale, contracts for the provision of service on transfer of electric energy, technical dispatching, regulation of electric capacity, ensuring the readiness of electric capacity to bearing the load, maintaining the readiness of electric capacity, balancing of production and consumption of electric energy in the wholesale market of electric energy, contracts on participation in the centralized trading market must contain the conditions and procedure for termination the provision of relevant services in case of untimely payment for the contracts.

Footnote. Article 17 as amended by Law of the Republic of Kazakhstan dated April 11, 2006 No. 136 (enforced from the date of its official publication); dated 12.11.2015 394-V (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 18. Contracts on retail electric and heat energy market

1. Electrical and heat energy shall be bought and sold on the retail market on the basis of an energy delivery agreement concluded by the consumers with the energy-supplying organizations.

Energy-supplying organizations shall not have the right to refuse the consumers in realization (sale) of electric energy at the tariffs, differentiated depending on the volumes (for individuals) of the consumed electric energy.

The energy-supplying organizations may not refuse the sales of heat energy to the consumers according to tariffs differentiated according to presence or absence of heat energy metering instruments.

Energy-supplying organizations shall not have the right to stop the supply of heat energy to the consumer if there is a debt in the payment for the used electric energy.

Energy-supplying organizations shall not have the right to stop the supply of electric energy to the consumer if there is a debt in the payment for the used heat energy.

1-1. Energy-supplying organizations shall conclude standard power supply contracts for the following groups of consumers:

- 1) a standard electricity supply contract for household consumers;
- 2) a standard power supply contract for consumers, using electric energy for non-domestic needs;
- 3) standard electricity supply contract for legal entities, financed from the state budget.

2. Contracts, concluded by energy-supplying and regional transmission organizations on the retail market shall include equal conditions for all participants in the retail electric and heat energy market.

3. Prices and conditions of supply of electrical energy from energy-supplying organizations shall be determined in accordance with the buy-and-sell agreement by mutual agreement of the parties in recognition of the regional transmission organization's tariff.

Payment for electrical energy consumed by consumers shall be made through billing documents issued by the energy-supplying organizations on the basis of actual indices from metering instruments, and if these are absent or broken down, by calculation, with the exception of cases in which the automated commercial energy accounting system is used.

4. Transfer of electric energy through regional power grids shall be carried out on the basis of a contract for provision of service on transfer of electric energy, concluded by the energy-supplying organization or consumer with a regional power grid company, in a standard form, established by the authorized body.

5. The energy supply contract between guaranteeing suppliers and consumers of electrical energy shall be public.

Footnote. Article 18 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); 13.01.2012 No. 542-IV (enforced from 01.07.2012); 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); dated 09.29.2014 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 21.04.2016 504-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 19. Rights and obligations of electrical and heat energy consumer

1. Electric and heat energy consumers have the right to:

1) Receive electrical and heat energy in accordance with concluded contracts;

2) Issue claims against the energy-producing, regional transmission and energy-supplying organizations for compensation for damages caused by short-delivery or delivery of defective electric and heat energy, in accordance with the conditions of concluded contracts;

3) Go to court for resolution of disputed issues connected with conclusion and fulfilment of the contracts;

4) Pay for consumed electrical energy under load rate tariff accounting systems, determined by Kazakh legislation.

2. Consumers of electric and heat energy shall be obliged to:

1) maintain the proper technical condition of electrical and power installations and commercial metering devices, owned by consumers, comply with the requirements for their

technical condition in accordance with regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry;

2) comply with energy consumption regimes, determined by the contract for sale and purchase of electric and heat energy;

3) comply with regulatory requirements, aimed at maintaining the standard frequency of electric energy in the unified electric power system of the Republic of Kazakhstan;

4) timely pay for the released, transferred and consumed electric and (or) heat energy according to the concluded contracts;

5) allow the employees of energy-supplying and energy-transmitting organizations to commercial metering devices, and also the employees of the body for state power supervision and control, authorized representatives of local executive bodies for control of technical condition and safety of operation of electro - and power installations.

3. Is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 19 as amended by the Laws of the Republic of Kazakhstan dated 31.01.2006 No. 125; 11.04.2006 No. 136 (enforced from date of official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 06.01.2011 No. 378-IV (enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 5. Management of electric power industry facilities during disruptions to the single electric power system of the Republic of Kazakhstan

Article 20. Measures taken to prevent and elimination of disruptions

1. Excluded by Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (be enforced from 13.10.2011).

2. To eliminate system emergencies, the system operator shall attract power reserves from all energy-producing organizations, regardless of form of ownership, and autonomous consumer power supply sources.

3. In a shortage of capacity for elimination of disturbances, the system operator has the right to amend confirmed cost schedule of water through the hydro systems for use of emergency reserve of hydroelectric stations, on an operational basis.

4. When an imbalance occurs that is not settled by the balancing electrical energy market in order to maintain a normative electrical frequency in the single electric power system of the Republic of Kazakhstan, the system operator has the right to carry out buy and sell of electrical energy.

Footnote. Article 20 as amended by Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (enforced from 13.10.2011).

Article 21. Energy delivery on emergency reservation

1. Upon occurrence of a systemic accident, the power supply to consumers, having the relevant acts of emergency and technological reservation of power supply with energy-transmitting and energy-supplying organizations shall be carried out according to the schemes, developed by energy-transmitting organizations, ensuring the supply of electric capacity in the amount of emergency reservation to organizations of economic infrastructure due to technological reasons that need continuous energy supply, stopping of their activity shall entail a threat to life, people health and the environment.

2. The order and conditions of power supply to consumers, having emergency reservations shall be approved by the authorized body.

3. Public institutions, supported by budget funds shall be provided with emergency reservation within the funds provided for State institutions' electrical energy costs on consumption of electrical energy, subject to provision of the relevant bank guarantee compiled as prescribed by the legislation of the Republic of Kazakhstan for State institutions and other organizations.

Footnote. Article 21 as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 22. Securing of protection and integration of electricity generation facilities

1. The most important electricity generation facilities shall be protected by special paramilitary security services or subdivisions of the Ministry of Internal Affairs of the

Republic of Kazakhstan. The lists of these facilities shall be determined by the Government of the Republic of Kazakhstan.

2. Production of construction, installation, excavation, loading and unloading operations, prospecting works, connected with the device of wells and pits, arrangement of sites, parking lots for vehicles, placement of markets, buildings, structures, warehousing of materials, construction of protections and fences, dumping and draining of caustic corrosive substances and fuels and lubricants in security zones of lines of electric and heat networks without coordination with organization in which jurisdiction there are electric or heat networks shall be forbidden.

3. The property of energy-producing and regional transmission organizations participating in the same procedure of production and transfer of electric and/or heat energy shall be indivisible.

4. Purchase and sale, leasing or trust management of electric power objects and (or) its separate parts shall be carried out with prior notification of the authorized body and the state body, exercising management in the spheres of natural monopolies.

Footnote. Article 22 as amended by the Laws of the Republic of Kazakhstan dated April 11, 2006 No. 136 (enforced from the date of its official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009; dated 05.16.2014 203-V (shall be enforced upon the expiry of six months after its first official publication); dated 09.29.2014 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 12.28.2016 34-V (shall be enforced from 01.01.2017); dated 11.07.2017 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 23. Liability for a breach of legislation of the Republic of Kazakhstan concerning electrical power industry

Persons, guilty of a breach of legislation of the Republic of Kazakhstan concerning electric power industry shall be liable as prescribed by the laws of the Republic of Kazakhstan.

Note by RCLI!

Article 24 provides for changes through Law of Republic of Kazakhstan dated 16.05.2014 No, 203-V (enforced on expiry of six months following date of first official publication).

Chapter 6. Final and transitional provisions

Article 24. The order of enforcement of this Law

1. This Law enters into force from the date of its official publication, with the exception of:

1) Paragraph 2 of article 13 and paragraph 4 of article 14, enforced from October 1, 2004;

2) Paragraph 6 of article 13, enforced from January 1, 2008.

2. The regulations determined by the sub-paragraph 4) of paragraph 1 and sub-paragraph 2) of paragraph 2) of article 10 shall be valid until December 31 2007.

3. The Law of the Republic of Kazakhstan dated July 16, 1999 “Concerning the electric power industry” (Bulletin of the Parliament of the Republic of Kazakhstan, 1999, No. 20, article 729) shall be declared no longer in force.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 11 April, 2006 No. 136 (shall be enforced from the date of its official publication).

Article 25. Final and transitional provisions

1. The regional transmission organizations shall divide electrical and/or heat energy transfer from energy delivery activities until October 1, 2004.

2. The regional electricity grid companies divide electrical energy activities from energy delivery activities according to establishment of organizations until October 1, 2004.

3. The energy-producing organizations shall conclude agreements from May 1, 2009 as prescribed by this Law.

4. The prohibition provided by paragraph 3-3 of article 13 of this Law shall not extend to cases of electrical energy sales by the energy-supplying organizations, supplying no more than 1 megawatt of average daily (basic) energy capacity until July 1, 2009.

Note by RCLI!

Paragraph 5 shall be valid until 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V.

5. Energy-producing organizations, that have not taken measures to conclude an agreement as provided for by paragraph 3-1 of article 12-1 of this Law and have not

concluded an agreement with the authorized body shall sell electrical energy at a price that does not exceed electrical energy generation costs, excluding depreciation costs and income.

6. Energy-transmitting organizations, rendering services for the transfer of electric energy must comply with:

- 1) the requirement for the activity on transmission of electric energy, specified in subparagraph 1) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2018;
- 2) the requirements for the activity on transfer of electric energy, specified in subparagraphs 2) and 3) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2020;
- 3) the requirement for the activity on transfer of electric energy, specified in subparagraph 4) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2022.

7. Local executive bodies shall ensure the transfer of electric networks, being under the right of economic management or operational administration of state legal entities, in accordance with paragraph 2 of Article 13-1 of this Law no later than January 1st, 2019

Footnote. Article 25 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication).

The President of the Republic of Kazakhstan
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