

Tariff policy

KEGOC JSC activities are regulated by the Law of the Republic of Kazakhstan 'On Natural Monopolies', according to which the following services provided by KEGOC JSC are considered to be natural monopolies:

- transmission of electricity through the NPG;
- utilisation of the NPG;
- technical dispatching of electricity supply to the grid and consumption;
- organisation of electricity production-consumption balancing.

Since its establishment, KEGOC JSC has been consistently working to improve the tariff policy for regulated services and has been actively participating in the work of relevant organisations to improve the tariff policy.

In accordance with the legislation of the Republic of Kazakhstan, KEGOC JSC submits applications to the Committee for Regulation of Natural Monopolies for approval (re-
vision) of tariffs for regulated services related to the sphere of natural monopoly.

In 2013, KEGOC JSC switched to approval of tariff ceilings. The principles of calculation of tariff ceilings are similar to the calculation of annual tariffs, except that tariff ceilings are approved for a period of several consecutive years. Tariff ceilings allow the Company to plan its capacity for long periods, and shareholders are able to obtain more complete information about the Company.

KEGOC JSC, in accordance with the amendments to the Law of the Republic of Kazakhstan 'On Electric Power Industry' related to the introduction of the mechanism of the 'Single Power Purchaser' and balancing electricity market, from 1 July 2023 provides two services in the field of transmission: transmission of electricity via NPG and use of NPG.

To reflect these changes, the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan (Order No. 92-OD dated 3 July 2023) approved changes in tariffs and tariff estimates for regulated services of KEGOC JSC with effect from 1 July 2023:

Tariff change for regulated services of KEGOC JSC

KZT/kWh	01.10.2022- 30.06.2023	01.07.2023- 30.09.2023	01.10.2023- 30.09.2024	01.10.2024- 30.09.2025	01.10.2025- 30.09.2026
Electricity transmission service via NPG	2.848	2.935	3.381	3.492	3.564
NPG user service	-	1.651	1.943	2.002	2.056
Technical dispatching of electricity supply to the grid and consumption of electricity	0.314	0.320	0.339	0.351	0.356
Service for organising balancing of electricity production-consumption	0.102	0.057	0.060	0.064	0.066

Based on KEGOC JSC application, the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan by its Order No. 133-OD dated 22.09.2023 approved the adjustment of tariff estimates for regulated services of KEGOC JSC for the 2nd regulated period (from 1 October 2022 to 30 September 2023).

During 2023, KEGOC JSC continued legal proceedings regarding the challenge of the Order of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan dated 22.04.2022 N°67-OD on approval of compensatory tariffs for regulated services of KEGOC JSC with effect from 1 June 2022 to 31 May 2023.

In accordance with the provisions of the current legislation, this order has been suspended for the period of court proceedings.

In accordance with the requirements of regulatory and legal acts, it is envisaged to hold annual reporting hearings on the activities on provision of regulated services, the purpose of which is to strengthen the system of consumer protection, ensuring transparency of activities to consumers and other interested parties.