



On approval of Methodology for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity

Unofficial translation

Order of the Minister of Energy of the Republic of Kazakhstan dated November 28, 2017 № 413. Registered with the Ministry of Justice of the Republic of Kazakhstan on December 14, 2017 № 16096. Abolished by order of the Minister of Energy of the Republic of Kazakhstan dated May 22, 2020 No. 205.

Unofficial translation

Footnote. Abolished by order of the Minister of Energy of the Republic of Kazakhstan dated May 22, 2020 No. 205 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

On approval of Methodology for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity

In accordance with subparagraph 70-9) of Article 5 of the Law of the Republic of Kazakhstan of July 9, 2004 “On Electric Power Industry” **I hereby ORDER:**

1. Approve the attached Methodology for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity.

2. The Department of Electric Energy and Coal Industry of the Ministry of Energy of the Republic of Kazakhstan, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, shall:

1) provide the state registration of this order with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of state registration of this order direct its copy in paper and electronic forms in the Kazakh and Russian languages to the Republican State Enterprise with the Right of Economic Management “Republican Center of Legal Information of the Ministry of Justice of the Republic of Kazakhstan” for official publication and inclusion in the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) within ten calendar days after the state registration of this order, send a copy of it for official publication in periodicals;

4) place this order on the Internet resource of the Ministry of Energy of the Republic of Kazakhstan;

5) within ten working days after the state registration of this order with the Ministry of Justice of the Republic of Kazakhstan, submit to the Legal Department of the Ministry of Energy of the Republic of Kazakhstan the data on execution of the actions provided for in subparagraphs 2), 3) and 4) of this paragraph.

3. Control over the execution of this order shall be entrusted to the Supervising Vice Minister of Energy of the Republic of Kazakhstan.

4. This order shall be enforced on January 1, 2018 and shall be subject to official publication.

*Minister of Energy
of the Republic of Kazakhstan*

K. Bozumbayev

Approved
by order № 413 of the Minister of Energy
of the Republic of Kazakhstan
dated November 28, 2017

Methodology for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity

Chapter 1. General Provisions

1. This Methodology for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity (hereinafter - Methodology), is developed in accordance with subparagraph 70-9) of Article 5 of the Law of the Republic of Kazakhstan "On Electric Power Industry" dated July 9, 2004 (hereinafter - the Law) and governs the mechanism for determining fixed profit, taken into account in approving marginal tariffs for electric energy, as well as fixed profit for balancing taken into account in approving marginal tariffs for balancing electricity.

2. In this Methodology the following concepts shall be used:

1) marginal tariff for 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 on electric energy production, the purchase of electricity from the accounting and financial center for the support of renewable energy sources and a fixed profit for balancing determined by this Methodology;

2) authorized body - a state body exercising management in the field of electric power;

3) 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 on electric energy production, purchase of electric energy from an accounting and financial center for the support of renewable energy sources and fixed profit, determined by this Methodology;

Other concepts and definitions used in this Methodology shall be applied in accordance with the Law.

Chapter 2. Determination of fixed profit, taken into account in approving marginal tariffs for electric energy, as well as a fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity

3. The fixed profit, taken into account in approving marginal tariffs for electric energy, is an integral part of the marginal tariff for electrical energy and is determined for a group of energy producing organizations selling electric energy, according to the formula:

$$FP = Base_1 * 12,0\% * k,$$

where:

FP is fixed profit;

Base₁ - the base for fixed profit calculation, the basis of which is the use of maximum costs for the year 2018 on electric energy production among energy-producing organizations included in the group of energy-producing organizations selling electricity in tenge.

k = 0 - the correction factor for the years 2019-2025.

With the introduction of electric power market, the fixed profit (return on investment) shall be determined from the level of profitability from realization of service in maintenance of electric capacity readiness to a single purchaser at centralized trades in electric capacity at the prices and in the volumes formed as a result of these trades.

At the same time, the maximum costs on electric energy production among energy-producing organizations included in the group of energy-producing organizations selling electric energy, which are used by the authorized body as a base for calculating fixed profits, shall be determined by the authorized body based on actual and forecast data on electric power generation, presented by energy producing organizations in accordance with subparagraph 4) of paragraph 3, Article 12 of the Law and (or) at the request of the authorized body.

Base₁ dimension and fixed profit for balancing: tenge.

Footnote. Paragraph 3 is in the wording of order No. 508 of the Minister of Energy of the Republic of Kazakhstan dated 14.12.2018 (enforced from the date of its first official publication).

4. Fixed profit for balancing, taken into account in approving marginal tariffs for balancing electricity, is an integral part of the marginal tariff for balancing electricity and shall be determined for several groups of energy-producing organizations selling electric energy by the formula:

$$FPB = Base_2 * 24,0\%$$

where:

FPB is fixed profit for balancing;

Base₂ - the base for calculating the fixed profit for balancing, the basis of which is the use of maximum costs for the year 2018 on electric energy production among energy producing organizations included in the relevant groups of energy producing organizations that sell electricity in tenge.

At the same time, the maximum costs on electric energy production among the energy producing organizations included in the groups of energy producing organizations selling electric energy, which are used by the authorized body as the base for calculating fixed profits for balancing, shall be determined by the authorized body based on actual and forecast data on the electric energy production submitted by energy producing organizations in accordance with subparagraph 4) of paragraph 3, Article 12 of the Law and (or) at the request of the authorized body.

Base₂ dimension and fixed profit for balancing: tenge.