**Annual report on activity**

**of JSC “Mangistau power distribution company”**

**On power transfer and distribution in 2017**

***General information:***

JSC “MPDC” is a subject of natural monopoly and provides services in transfer and distribution of the electric power to consumers of Mangistau region of the Republic of Kazakhstan, except for the city of Aktau.

The main task of JSC “MPDC” is reliable and uninterrupted transmission and distribution of electricity to consumers.

Implementation of the tasks is carried out at the expense of the built energy infrastructure, consisting of high-voltage power lines, substations with an automated control system, powerful transformers, etc.

***Scope of regulated services provided:***

The volume of transmission and distribution of electric energy of JSC "MPDC" for 2017 amounted to 2 558 million kWh, with a plan of 2 520 million kWh. The increase in actual transportation volumes compared to the plan made 1%.

***Key financial and economic performance indicators:***

***Tariff:***

# According to the order of thCommittee on Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan in Mangistau region №137-ОД dated 12.12.2016 was approved the tariff for transfer and distribution of power energy for legal entities in a the amount of 4,73 tenge/kWh, for state enterprises 2,74 tenge/kWh, for population 2,17 tenge/kWh, with application since 01.01.2017.

Due to the increase in the tariff of LLP "MAEK-Kazatomprom" for electricity from 13.63 tenge/kWh. up to 14.18 tenge/kWh, on 01.03.2017 was approved the tariff as a emergency regulatory measures. For legal persons the rate is made up 4.78 KZT/kWh.

Thus, the average tariff for electricity transmission and distribution services for 2017 amounted to 4.44 tenge/kWh.

***Revenue:***

The Company's revenues for the reporting period amounted to 11 360 million tenge, with a plan of 11 180 million tenge, which is higher by 1.6% due to the increase in the actual volume of transmission and distribution of electricity.

***Expenses:***

Costs totaled 8 154 million tenge, with a plan of 9 848 .tenge, execution by 83%. The main reason for incomplete use of funds under the article compensation of technological losses and the formation of savings on interest costs due to late borrowing.

**Tariff profit:**

Tariff profit of JSC "MPDC" for 2017 amounted to 3 206 million tenge, with a plan of 1 332 million tenge, with an increase of 141%.

***Execution of the investment program:***

The actual development of the investment program amounted to 5 696 million tenge or 132%.

The following projects have been completed and implemented:

1. Modernization (reconstruction) of equipment switchyard-35kV at substation 110/35/6kV "Plato", substation 110/35/6kV "Vpadina";
2. Reconstruction of equipment switchyard -35kV,110kV with replacement of OD/short circuit -110kV and installation of gas-insulated circuit breakers 35kV at substation 110/35/6kV "Eastern Zhetybai";
3. Modernization of РУ-6kV at substation 110/6kV "ПТВ" with replacement of closed switchgear-6kV at outdoor metal-clad switchgear-6kV;
4. Modernization (reconstruction) of equipment switchyard-110 at substation 110/35/6kV "City";
5. Modernization (reconstruction) of equipment switchyard-110kV at substation 110/6-6kV "Industrial zone";
6. Modernization (reconstruction) of equipment closed switchgear-6kV at substation 35/6kV "Glinzavod" and substation-35/6kV "Vostochnaya";
7. Modernization (reconstruction) of equipment closed switchgear-6kV at substation 110/6kV "Karamandybas", substation 110/6kV "Termalnaya" and Modernization of Relay Protection and Automatic Equipment of substation;
8. Replacement of power transformers at substation 35/6kV "БКНС-3" with power capacity of 2х6,3MVA at 2х10MVA;
9. Replacement of power transformers at substation 35/6kV "БКНС-2" with power capacity of 2х6,3MVA at 2х10MVA;
10. Modernization (reconstruction) of equipment switchyard-35kV at substation 35/6kV "БКНС-2,3,4,5", Tasbulat, Beket-Ata, Akkudyk, Akzhigit.

***Work with consumers:***

In 2017, 37.9 MW of power was transferred to the power supply of consumers through the networks of JSC "MPDC", including:

- 32.5 MW issued specifications for power supply of newly connected consumers in the amount of 181 units;

- 5.4 MW agreed to issue additional capacity for 43 sub-consumers.

***About prospects of activity of JSC “MPDC”:***

JSC "MPDC" in 2018 sets the following plans and tasks:

1. Ensuring reliable and uninterrupted power supply to consumers;
2. Implementation of the approved investment program;
3. Attracting financing for the implementation of the investment program;
4. Execution of the approved tariff estimate;
5. Achievement of approved key performance indicators;
6. Implementation of measures to create safe and healthy working conditions at each workplace, prevention of occupational injuries and diseases.