

State Energy Agency under the Government of the Kyrgyz Republic

«SEA»



Partnership Program,
Merk A.A. – Head of the Pricing and Tariff Department



Structure of the Pricing and Tariff Department

Head of the Department

Deputy Head of the Department.)

Senior specialist on electricity

(1)

Senior specialist
on heat

(1)

Senior specialist
on gas

(1)

Leading specialist

(2)

1 cat. specialist

(1)



Functions of the Pricing and Tariff Department

- Development of tariff-related regulations for electricity, heat and natural gas sectors;
- Setting economically justified and non-discriminatory mechanisms for setting prices and tariffs for electricity, heat and gas.
- Setting technical-economic indices for energy companies; the indices should base on their actual economic and financial results in order to improve their efficiency;
- Monitoring and evaluation of electricity companies' operations
- Settlement of disputes between energy companies and consumers of electricity, heat and natural gas.



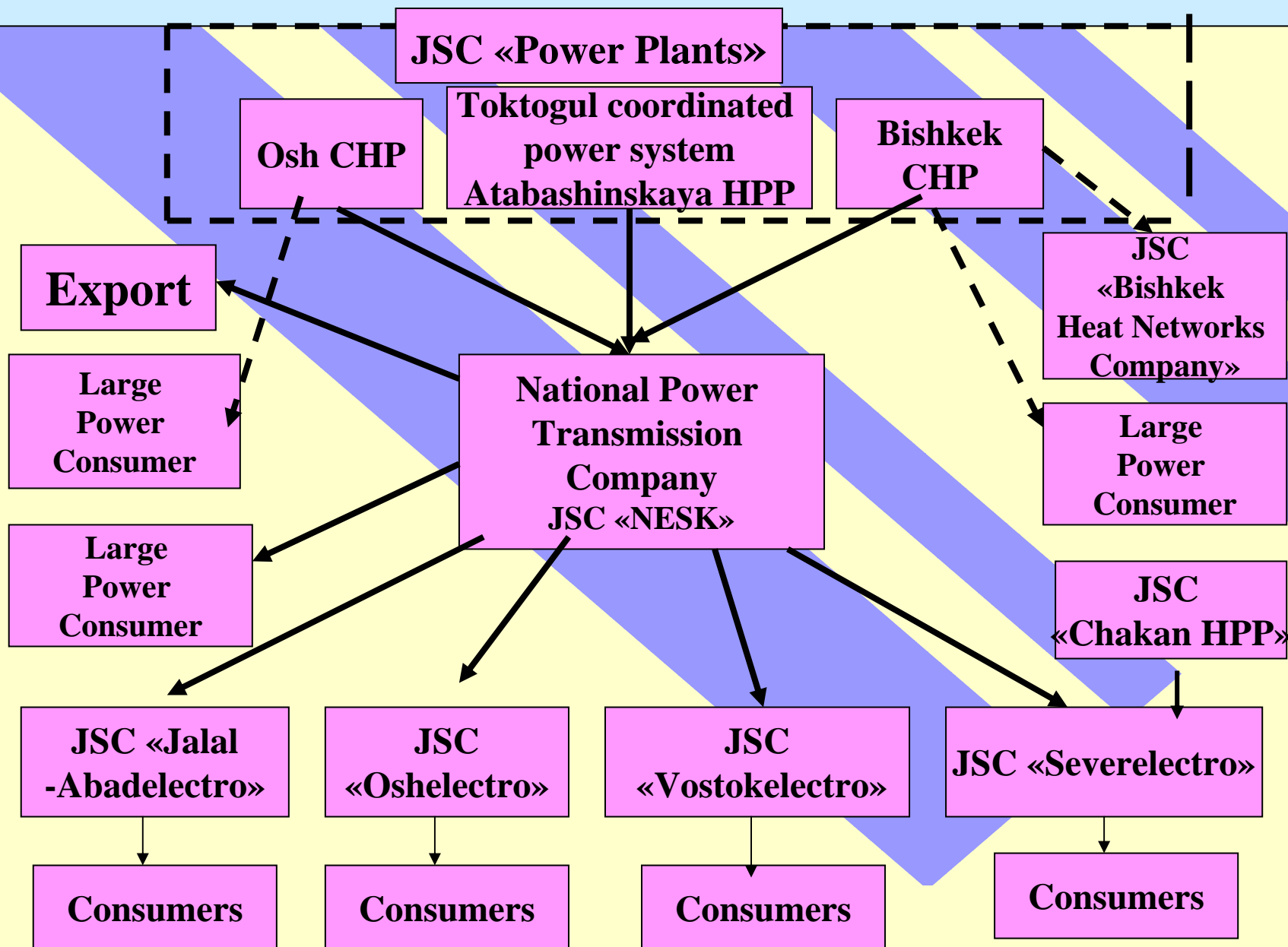
Development of tariff-related regulations for electricity, heat and natural gas sectors

- 1. Medium-term tariff policy for electricity and heat for 2003 – 2006**
- 2. Medium-term tariff policy for natural gas for 2004 – 2006**
- 3. Agreements on activities between energy companies and the State Energy Agency**
- 4. Instruction on application of tariffs for heat and electricity**
- 5. Elaboration of the system of electricity companies reporting for monitoring and evaluation of their operations**
- 6. Regulation on payments electricity and heat made by wholesale market participants**

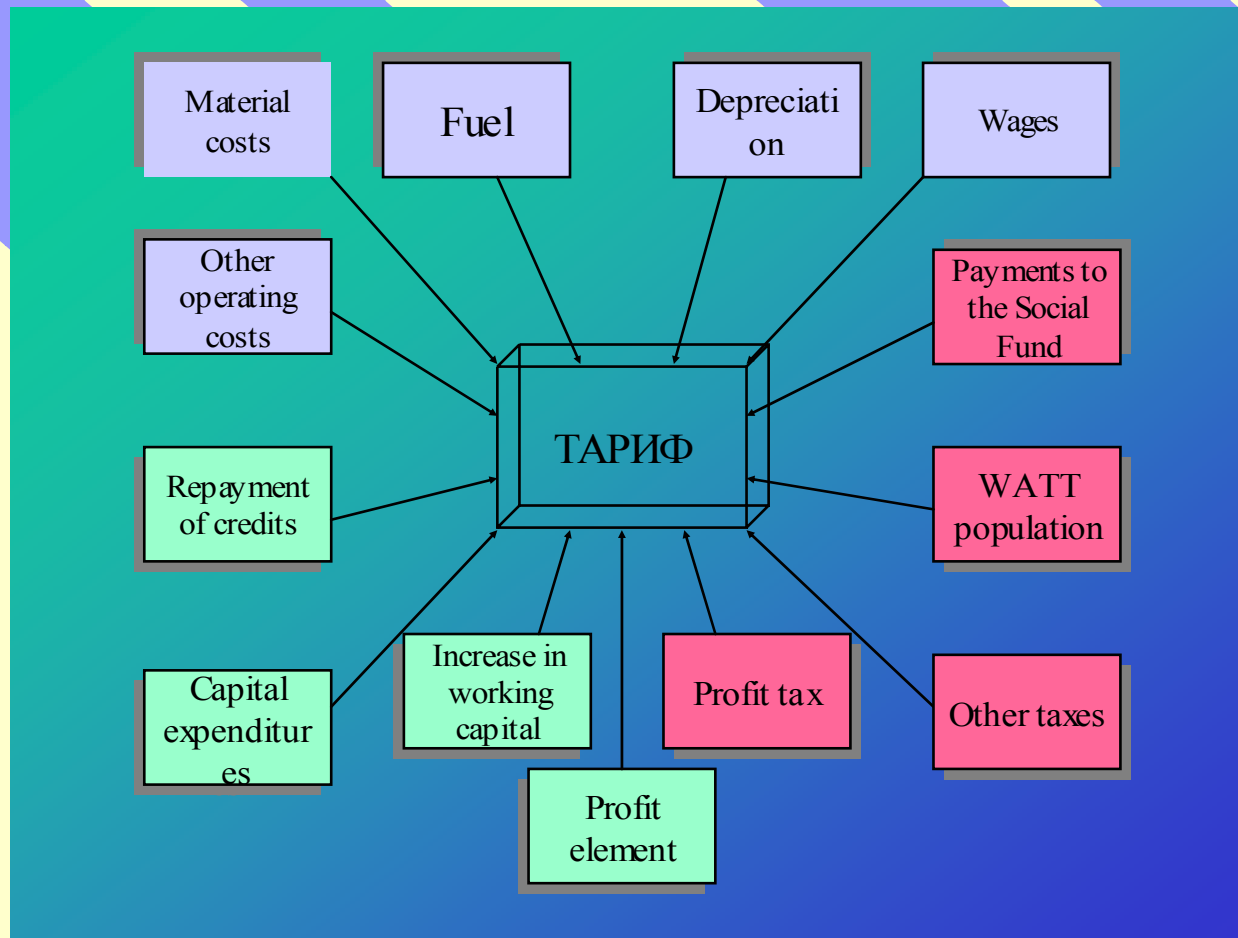
Setting technical-economic indices for energy companies; the indices should base on their actual economic and financial results in order to improve their efficiency

- **All companies operating in the energy sector are involved**
- **Companies present**
 - electricity balance;
 - forecasted revenues of companies by consumer categories;
 - justified costs by items
- **Pricing and Tariff Department**
 - studies presented costs;
 - compares results to those of the prior period;
 - submits materials to the Executive Board of the SEA

STRUCTURE OF THE KYRGYZ POWER SECTOR



Financial Elements of the Tariff



Parameters that are taken into account in tariff calculations

- Generation balance and consumption patterns by consumer categories
- Level of losses
- Cost structure
- Rate of inflation and national currency exchange rate
- Collection rate
- An average tariff covering costs



Thank you for attention!