

On natural monopolies

Unofficial translation

Law of the Republic of Kazakhstan dated December 27, 2018 № 204-VI.

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Chapter 1. GENERAL PROVISIONS

Article 1. Objectives of this Law

The objectives of this Law shall be:

- 1) achievement of a balance of interests of consumers and subjects of natural monopolies;
- 2) definition of the legal basis of the state regulation of activities in the spheres of natural monopolies;
- 3) ensuring the availability of regulated services for consumers;
- 4) ensuring the protection of the interests of consumers and subjects of natural monopolies;
- 5) ensuring the publicity and transparency of the procedures for the state regulation of activities in the spheres of natural monopolies;
- 6) stimulation of improving the quality of the regulated services and meeting the demand for them.

Article 2. Legislation of the Republic of Kazakhstan on natural monopolies

1. The legislation of the Republic of Kazakhstan on natural monopolies shall be based on the Constitution of the Republic of Kazakhstan and consist of this Law and other regulatory legal acts of the Republic of Kazakhstan.

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

Article 3. Effect of this Law

1. This Law shall apply to the relations arising in the market of services of the Republic of Kazakhstan rendered by the subjects of natural monopolies.

2. Relationships not covered by this Law shall be governed by the legislation of the Republic of Kazakhstan in the field of entrepreneurship and other laws of the Republic of Kazakhstan.

3. The state regulation of activity and state control shall apply to the subject of natural monopoly, rendering the regulated services, referred by this Law to the spheres of natural monopolies, only in relation to the provision of regulated services.

4. This Law shall not apply to individual entrepreneurs and legal entities carrying out activities related to the spheres of natural monopolies in one of the following cases when:

1) the activity is associated with the construction and operation of facilities intended solely for their own needs;

2) the activities stipulated in subparagraph 2) of paragraph 1 of Article 5 of this Law are carried out, in compliance with the following conditions:

revenues from such activity should not exceed 1 percent of revenues from all activities per one calendar year;

preservation of the tariff level that was in effect on January 1, 2012.

Article 4. Basic concepts used in this Law

The following basic concepts shall be used in this Law:

1) the State Corporation “Government for Citizens” (hereinafter referred to as the State Corporation) is a legal entity created by the decision of the Government of the Republic of Kazakhstan to provide public services in accordance with the legislation of the Republic of Kazakhstan, organize work on accepting applications for the provision of public services and issuing their results to the service recipient according to the “one window” principle, ensuring the provision of public services in electronic form;

2) inappropriate use of depreciation funds - the allocation of funds, provided for in the approved tariff and (or) the approved tariff estimate, at the expense of depreciation funds for purposes not related to investments in fixed assets, used in the provision of the regulated service and return of the principal debt on the attracted credit resources;

3) controlled expenses – the expenses of a subject of natural monopoly, related to the provision of a regulated service, the amount of which depends on the activities of the subject of natural monopoly;

4) uncontrollable expenses - the expenses of a subject of natural monopoly, associated with the provision of a regulated service, the amount of which does not depend on the activities of the subject of natural monopoly;

5) metering device - a technical device, designed for the commercial accounting of individual and (or) general household consumption of regulated services, allowed for use in the manner, determined by the legislation of the Republic of Kazakhstan;

6) public hearings - a procedure of discussing the draft tariff, the norms of consumption of public services in the spheres of natural monopolies for consumers who do not have metering devices, and making reports to the consumers and other interested parties;

7) an investment program - an action plan for investing and returning funds, allocated for the expansion, modernization, reconstruction, renewal, maintenance of existing assets and creation of new assets of a subject of natural monopoly in order to obtain technical and economic and (or) environmental effects, expressed in achieving targeted indicators of the investment program or the preservation of the performance indicators of a subject of natural monopoly at the existing level;

8) indexation method - the formation of a tariff by annual indexation of the approved tariff by a subject of natural monopoly of small capacity;

9) public monitoring - a mechanism for monitoring by public organizations and other interested parties of the progress of an approved investment program, compliance with quality and reliability indicators for the regulated services and achievement of performance indicators of subjects of natural monopolies;

10) a subject of a natural monopoly of small capacity - a subject of a natural monopoly, rendering the regulated services:

Note!

Paragraph 2 of subparagraph 10) is in the wording of the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enters into force on 01.07.2025).

for production, transmission, distribution and (or) supply of thermal energy from heating boilers with a total installed capacity of up to twenty Hcal / hour inclusive;

water supply and (or) water disposal up to five hundred thousand cubic meters per year;

irrigation water supply up to thirty million cubic meters per year;

access roads of up to fifty thousand wagon / km, wagon / hour per year in the absence of a competitive access road;

on the transfer of electrical energy of up to twenty-five million kWh per year;

airports with the number of served passengers at the airport less than three hundred thousand people a year.

The subject of a natural monopoly of small capacity shall also include a subject of natural monopoly for the provided regulated service, the income from which does not exceed 5 percent of the income from all regulated services of the subject of natural monopoly for one calendar year. At that, in the remaining regulated services, the subject of a natural monopoly shall not relate to the subject of a natural monopoly of small capacity;

11) price limits for regulated services of mainline railway networks - maximum and minimum tariff levels in the form of indices to tariffs for regulated services of mainline railway networks;

11-1) unjustified income - additional income received by an entity as a result of exceeding the tariff, including unlawful accrual based on meter readings, volumes, amounts and consumption standards of services approved by the department of the authorized body, and (or) misuse of depreciation funds provided for in the tariff estimate, failure to fulfill cost items of the tariff estimate by more than five percent of the amounts approved by the department of the authorized body, failure to fulfill or misuse of funds provided for in the tariff estimate for the implementation of investment programs;

12) an application – an appeal of the subject of natural monopoly to the authorized body to approve the tariff;

13) the regulated services - goods, works, services, rendered by the subjects of natural monopolies in the spheres of natural monopolies and subject to the state regulation by the authorized body;

14) forecast tariff index - an indicator that determines the allowable tariff level by calculating its forecast;

15) indicators of quality and reliability of regulated services - a set of criteria for evaluating regulated services, including technological and other objective parameters of the process of providing regulated services to consumers, which are also subject to independent external evaluation;

16) strategic goods:

coal, gas, fuel oil and diesel fuel used as fuel for production of thermal energy by subjects of natural monopolies;

electric energy taking into account the service of ensuring the readiness of electric capacity to bear the load to compensate for losses - for natural monopoly entities in the areas of electric energy transmission, water supply and (or) sanitation, as well as transmission and distribution of thermal energy;

thermal energy - for natural monopoly entities in the area of thermal energy sales and for standard losses in the area of thermal energy transmission and distribution;

gas - for own needs and losses for subjects of natural monopolies in the areas of storage, transportation of marketable gas through connecting, main gas pipelines and (or) gas distribution systems, operation of group tank installations, as well as transporting raw gas through connecting gas pipelines;

water - for subjects of natural monopolies in the areas of water supply, production of heat energy;

17) manufacturers of strategic goods - individuals and legal entities:

producing strategic goods;

who own the raw materials for the production (processing) of strategic goods;

directly on behalf of a foreign manufacturer selling strategic goods in the territory of the Republic of Kazakhstan;

18) a natural monopoly - the state of the market for goods, works, services in which the creation of competitive conditions to meet the demand for a certain type of goods, works, services is impossible or economically inexpedient due to the technological features of production and the provision of this type of goods, works, services;

19) public utilities in the areas of natural monopolies - regulated water supply and (or) sanitation services, sales of thermal energy for heating purposes and (or) hot water supply, provided by natural monopoly entities in buildings;

20) indicators of effectiveness of activities of subjects of natural monopolies - the ratio of the results of activities of the subject of natural monopoly and its economic, managerial, production costs, taken into account when forming the tariff;

21) a subject of natural monopoly - an individual entrepreneur or a legal entity that renders regulated services to consumers;

22) a tariff - the monetary value of the regulated service;

23) a method of tariff regulation of the sphere of natural monopoly - a method used in formation of the tariff;

24) the cost method of tariff regulation - the method of forming the tariff, depending on the itemized, economically justified costs and profits of the subject of natural monopoly;

25) the incentive method of tariff regulation - the method of forming the tariff, depending on compliance with the indicators of quality and reliability of the regulated services and the achievement of performance indicators of the activities of the subjects of natural monopolies;

26) tariff estimate - a list of revenues, expenses and volumes of the regulated service provided in the form approved by the authorized body;

27) tariff differentiation - the establishment of different tariff levels, depending on the conditions of consumption, including a group of consumers;

28) straight-line depreciation method - the depreciation method, according to which the annual depreciation amount is determined by dividing the cost, which is depreciated into the useful life of object of the fixed asset and intangible assets;

29) a consumer - an individual or legal entity using or intending to use the regulated services;

30) temporary compensatory tariff - a tariff, approved by the authorized body for a specified period in order to return funds to consumers;

31) temporary reduction factor - the value, approved by the authorized body and applied to the tariff in order to protect the interests of consumers and the subject of the natural monopoly;

32) an authorized body - a state body exercising leadership in the relevant spheres of natural monopolies;

32-1) information system of the authorized body - a tariff regulation system in the area of natural monopolies and socially significant markets;

33) e-government web portal - an information system that represents a “single window” of access to all consolidated government information, including the regulatory legal framework, and public services, the services of issuing technical conditions for connecting a subject of natural monopoly to networks and services of subjects of quasi-public sector, rendered in electronic form.

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 23.12.2023 № 50-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (comes into effect sixty calendar days after the date of its first official publication).

Article 5. Spheres of natural monopolies

1. The spheres of natural monopolies in the Republic of Kazakhstan shall include the regulated services:

1) on transportation of oil and (or) oil products through main pipelines, except for their transportation for transit through the territory of the Republic of Kazakhstan and export outside the Republic of Kazakhstan;

2) on storage, transportation of commercial gas through connecting, main gas pipelines and (or) gas distribution systems, operation of group tank installations, as well as transportation of raw gas through connecting gas pipelines, except for storage and transportation of commercial gas for transit through the territory of the Republic of Kazakhstan and export outside the Republic of Kazakhstan;

3) on the transfer of electrical energy;

Subparagraph 4) is in the wording of the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (comes into force on 01.07.2025).

4) for the production, transmission, distribution and (or) supply of thermal energy, with the exception of thermal energy generated using heat from soil, surface and underground water bodies, wastewater from industrial enterprises and power plants, sewage treatment facilities

5) on technical dispatching of supply to the network and consumption of electric energy;

6) on the organization of balance of the production and consumption of electric energy;

7) main railway networks, except for the regulated services of main railway networks during transportation of goods in containers, the transportation of empty containers and the transit transportation of goods through the territory of the Republic of Kazakhstan;

8) railway tracks with railway transport facilities under public-private partnership agreements in the absence of a competitive railway track;

9) access roads in the absence of a competitive access road;

10) air navigation, except for the air navigation services for international and transit flights;

11) ports in the absence of competition in the port services market;

12) airports, except for the air transportation services, making transit flights through the airspace of the Republic of Kazakhstan with the technical landings at airports of the Republic of Kazakhstan for non-commercial purposes and in international directions;

13) for property lease (rental) or the use of cable sewage, except for the activities of small businesses;

14) water supply and (or) water disposal.

2. Subjects of natural monopolies shall be subject to inclusion in the State Register of subjects of natural monopolies with indication of regulated services.

3. The expansion of the spheres of natural monopolies shall be carried out in accordance with the international treaties, ratified by the Republic of Kazakhstan.

Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025); dated 09.04.2025 № 179-

VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Chapter 2. GOVERNMENTAL REGULATION OF ACTIVITY IN THE SPHERES OF NATURAL MONOPOLIES

Article 6. State regulation of activities in the spheres of natural monopolies

State regulation of activities in the spheres of natural monopolies shall be carried out by:

- 1) formation of the State Register of subjects of natural monopolies;
- 2) formation, establishment and approval of the tariff;
- 3) determination of the methods of tariff regulation of the spheres of natural monopolies;
- 4) issuance of consent to perform certain actions by a subject of natural monopoly, as well as acceptance of a notice from the subject of natural monopoly on performance of the activities not related to the regulated services, in accordance with the Law of the Republic of Kazakhstan “On permits and notifications”;
- 5) formation of the list of regulated services.

Article 7. Competence of the Government of the Republic of Kazakhstan

The Government of the Republic of Kazakhstan develops the main directions of state policy in the field of natural monopolies and organizes their implementation.

Footnote. Article 7 - as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 8. Competence of the authorized body

The authorized body shall:

- 1) carry out the state regulation of activities of subjects of natural monopolies in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, this Law and the legislation of the Republic of Kazakhstan;
- 2) forms and implements the state policy in the field of natural monopolies and organizes its implementation;
- 3) submit annually to the Government of the Republic of Kazakhstan the reports on the state of the spheres of natural monopolies, on the execution of the approved tariff estimates, on the implementation of the approved investment programs;
- 4) form and maintain the State Register of subjects of natural monopolies;
- 4-1) forms and maintains a register of unscrupulous procurement participants based on the data submitted by natural monopoly entities;
- 5) develop and approve the tariff setting rules;
- 6) develop and approve the rules for the activities of the subjects of natural monopolies;
- 7) develop and approve the standard contracts for provision of regulated services;
- 7-1) develop and approve standard forms of technical conditions for connection to engineering networks;

7-2) develop and approve standard regulations for the provision of services with a clear procedure for the actions of employees of natural monopoly entities;

7-3) coordinate the regulations for the provision of services for compliance with the standard regulations;

7-4) develop and approve the rules for determining the costs for the technological connection of electrical installations with an installed capacity of up to 200 kW of business entities to the electric networks of power transmission organizations;

8) accept an application for consideration or refuse to accept it;

9) hold public hearings with publication in the media of an announcement about the date and place of their holding and (or) a link to the online broadcast;

10) approve the tariff in the cases, provided for by this Law;

11) determine the level of indexation of the tariff of the subject of the natural monopoly of small capacity;

12) approve and make changes to the tariff estimate, approved by it;

13) approve and make changes together with another state agency in the approved investment program of a subject of natural monopoly, included in the republican section of the State Register of the subjects of natural monopolies, except for the subjects of natural monopolies, rendering the regulated services provided for in subparagraphs 10), 12) and 13) of paragraph 1 of Article 5 of this Law;

In the field of water supply and (or) water disposal in terms of services for supplying water through canals, supplying water for irrigation and regulating surface runoff using retaining hydraulic structures, approval and amendments to the approved investment program of a natural monopoly entity included in the republican section of the State Register of Natural Monopoly Entities shall be carried out by the authorized body in the field of protection and use of the water fund;

14) approve and make changes together with the local executive body in the approved investment program of a subject of natural monopoly, included in the local section of the State Register of the subjects of natural monopolies;

15) approve the temporary compensation tariff;

16) issue a consent to perform certain actions by a subject of natural monopoly, and also receive a notification from the subject of natural monopoly on the implementation of activities not related to regulated services, in accordance with the Law of the Republic of Kazakhstan "On permits and notifications";

17) develop and approve indicators of quality and reliability of regulated services in coordination with the relevant state bodies;

17-1) develop and approve a methodology for automatic compensation to the subjects of entrepreneurship with an installed capacity of electrical installations of up to 200 kW by recalculating and (or) returning the previously made amount for the used electrical energy by the consumer in the event that energy transmission organizations exceed the average number

of outages per consumer in one calendar year and the average duration of outages per consumer in one calendar year;

17-1) determines the criteria and requirements for authorized persons (experts, expert organizations) to conduct a technical examination of the implementation of the approved investment program, compliance with the quality and reliability indicators of regulated services and achievement of the performance indicators of natural monopoly entities;

18) develop and approve the performance indicators of the activities of the subjects of natural monopolies;

19) request and receive information necessary to exercise its powers from individuals and legal entities, including state bodies, local self-government bodies, as well as their officials;

20) submit an order to the subject of natural monopoly on elimination of violation of the legislation of the Republic of Kazakhstan on natural monopolies;

20-1) agree on a methodology for maintaining separate records of incomes, expenses, and assets involved for each type of regulated services of natural monopoly entities;

21) go to court in cases of violation of this Law;

22) analyze the reports of subjects of natural monopolies on the execution of the approved tariff estimates, on the execution of the approved investment program, on compliance with the indicators of quality and reliability of the regulated services, as well as on the achievement of performance indicators of the activities of the subjects of natural monopolies;

23) consider appeals of subjects of natural monopolies and consumers;

24) approve the tender documentation of the public-private partnership project, draft public-private partnership agreements, introduction of amendments and (or) additions to them in terms of tariff formation;

24-1) coordinate with the authorized body for state property management, local executive bodies on the transfer of main canals with outflow inter-farm and intra-farm canals for expansion, modernization, reconstruction and improvement of the technical condition, which are in republican or regional, district communal property, in trust management;

24-2) coordinate with the authorized body for state property management, local executive bodies, natural monopoly entities a trust management agreement for the transfer of main canals with outflow inter-farm and intra-farm channels for expansion, modernization, reconstruction and improvement of the technical condition, located in the republican or regional, district communal property, as well as those owned by the natural monopoly entity;

24-3) agrees with the authorized body for state property management, the local executive body upon a property trust management agreement and (or) an agreement on the transfer of property used in the technological cycle in the provision of regulated services by natural monopoly entities and transferred from local executive bodies in accordance with the plan for transferring to the balance sheet and (or) into trust management of property, with the exception of natural monopoly entities providing regulated services provided for in subparagraphs 10), 12) and 13) of paragraph 1 of Article 5 of this Law;

24-4) approves credit agreements of natural monopoly entities to attract loans from international financial organizations, specialized industry banks, the Development Bank of Kazakhstan and second-tier banks of the Republic of Kazakhstan;

24-5) approves a trust management agreement for property used in the technological cycle in the provision of regulated services, owned by a natural monopoly entity;

25) makes changes to the approved tariff estimate in the event of receipt on the balance sheet and (or) in trust management of property used in the technological cycle in the provision of regulated services by natural monopoly entities from local executive bodies or an authorized body for the management of state property when it is received for free use, including electrical networks from other energy transmission organizations, not higher than the level of the socio-economic forecast for the corresponding year;

26) approve a temporary reduction factor;

27) determine the forecast tariff index for a five-year period in the spheres of natural monopolies;

28) approve the amount of payments for utilities in the spheres of natural monopolies for consumers who do not have metering devices;

29) approve the price limits for the regulated services of the main railway networks;

30) adjust the annually approved price limits for the regulated services of the main railway networks in accordance with the rules for the tariff formation;

31) determine the method of tariff regulation of the sphere of natural monopoly;

32) approve the list of regulated services;

33) approve the list of subjects of natural monopolies, whose tariffs are approved using the incentive method of tariff regulation;

34) hold a reception of consumers at least once a month, together with the subjects of natural monopolies;

35) recommend the local executive bodies the norms for consumption of public services in the spheres of natural monopolies for consumers who do not have metering devices;

35-1) agrees with the local executive body or the authorized body for state property management upon a plan for the transfer to the balance sheet and (or) into trust management of property used in the technological cycle in the provision of regulated services by natural monopoly entities, with the exception of natural monopoly entities providing regulated services provided for in subparagraphs 10), 12) and 13) of paragraph 1 of Article 5 of this Law;

36) recommend the subject of a natural monopoly the amount of payment for the purchase and installation of metering devices in accordance with subparagraph 8) of paragraph 23 of Article 15 of this Law, except for the cases of acceptance and commissioning of construction objects;

37) exercise other powers provided for 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 8 as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 № 352-VI (shall come into effect ten calendar days after the day of its first official publication); dated 01.04.2021 № 26-VII (shall come into effect upon the expiration of ten calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enters into force sixty calendar days after the date of its first official publication); dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025); dated 09.04.2025 № 179-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Article 9. Competence of other state bodies

State bodies in the field of energy, railway transport, production, transportation (transportation), storage and wholesale of gas, as well as retail sale and consumption of tank and liquefied petroleum gas, protection and use of the water fund:

1) participate, within their competence, in the implementation of state policy in the spheres of natural monopolies;

2) approve and amend, jointly with the authorized body, the investment program of a natural monopoly entity included in the republican section of the State Register of Natural Monopoly Entities, as well as a natural monopoly entity included in the local section of the State Register of Natural Monopoly Entities, on regulated access road services in the absence of a competitive access road, with the exception of water supply services and (or) water disposal by water supply through channels, water supply for irrigation and surface runoff control by means of retaining hydraulic structures;

2-1) submit to the authorized body a conclusion on the expediency or in expediency of taking measures of the investment program of the natural monopoly entity no later than thirty working days from the date of submission of the application for approval of the investment program, with the exception of services in the field of water supply and (or) sanitation for supplying water through channels, supplying water for irrigation and regulating surface runoff using retaining hydraulic structures;

2-2) based on the results of consideration of the report on the implementation of the approved investment program of the natural monopoly entity, no later than forty-five calendar days from the date of its receipt, send to the authorized body in accordance with the established procedure its conclusion on the expediency or in expediency of taking measures of the approved investment program, with the exception of services in the field of water supply

and (or) water disposal by water supply through channels, water supply for irrigation and surface runoff control by means of retaining hydraulic structures;

2-3) participate in the establishment of indicators of the quality, reliability of regulated services and the efficiency of the activities of natural monopolies in accordance with the procedure determined by the authorized body, with the exception of services in the field of water supply and (or) sanitation for supplying water through canals, supplying water for irrigation and regulating surface runoff using retaining hydraulic structures;

3) exercise other powers provided for 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 9 as amended by the Law of the Republic of Kazakhstan dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (comes into effect sixty calendar days after the date of its first official publication); dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025).

Article 10. Competence of local executive bodies of regions, cities of republican significance, the capital

Local executive bodies of regions, cities of republican significance, the capital shall:

1) participate, within their competence, in the implementation of state policy in the spheres of natural monopolies;

2) approve and make changes together with the authorized body to the investment program of a subject of natural monopoly, included in the local section of the State Register of subjects of natural monopolies, except for the subjects of natural monopolies, rendering the regulated services provided for in subparagraphs 9), 10), 12) and 13) of paragraph 1 of Article 5 of this Law;

2-1) send to the authorized body a conclusion on the expediency or in expediency of taking measures of an investment program of the natural monopoly subject no later than thirty working days from the date of submission of the application for approval of an investment program;

2-2) send in the prescribed manner to the authorized body their conclusion on the expediency or in expediency of accepting the execution of measures of the approved investment program, based on the results of consideration of the report on the implementation of the approved investment program of the natural monopoly subject, located in the local section of the State Register of subjects of natural monopolies, no later than forty-five calendar days from the date of its receipt;

3) in agreement with the authorized body, approve the norms of consumption of public services in the spheres of natural monopolies for consumers who do not have metering devices, and a month before they are approved, they hold public hearings;

3-1) approve, in agreement with the authorized body, a plan for the transfer to the balance sheet and (or) to trust management of property used in the technological cycle when providing regulated services;

4) in the interests of local government, carry out other powers imposed on local executive bodies by the legislation of the Republic of Kazakhstan.

Footnote. Article 10 as amended by the laws of the Republic of Kazakhstan dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 11. Formation of the State Register of subjects of natural monopolies

1. The State Register of subjects of natural monopolies shall be a list of individual entrepreneurs and legal entities, rendering regulated services, formed by an authorized body.

Provision of regulated services by persons not included in the State Register of subjects of natural monopolies shall not be allowed.

2. An individual entrepreneur or a legal entity providing regulated services shall apply to the authorized body with an application on inclusion in the State Register of subjects of natural monopolies not later than fifteen calendar days from the date of the commencement of provision of the regulated service to the consumers.

3. The formation and maintenance of the State Register of subjects of natural monopolies shall be carried out through including and excluding subjects of natural monopolies from it.

4. The State Register of subjects of natural monopolies shall consist of republican and local sections.

5. The republican section of the State Register of subjects of natural monopolies shall include the subjects of natural monopolies that render the regulated services in two or more regions, cities of republican significance and the capital.

Local sections of the State Register of subjects of natural monopolies shall include the subjects of natural monopolies that render the regulated services in the territory of one region or city of republican significance, or the capital.

Subjects of natural monopolies that render the regulated air navigation services, ports, airports, for renting (rent) or using cable channels, shall be included in the republican section of the State Register of subjects of natural monopolies.

6. A subject of natural monopoly shall be included in the State Register of subjects of natural monopolies at the place of registration of an individual entrepreneur or legal entity, except for a foreign legal entity, which is subject to inclusion in the State Register of subjects of natural monopolies at the place of provision of the regulated service.

7. In the event of termination of the provision of a regulated service, a subject of natural monopoly, not later than fifteen calendar days, shall submit an application to the authorized body on its exclusion from the State Register of subjects of natural monopolies.

Article 12. Methods of tariff regulation of spheres of natural monopolies

1. When forming the tariff, the following methods of tariff regulation of spheres of natural monopolies shall be applied:

- 1) cost;
- 2) incentive;
- 3) indexation;
- 4) tariff determination based on the concluded public-private partnership agreement.

2. The method of tariff regulation of the sphere of natural monopoly shall be applied if the following conditions are observed in aggregate:

1) economic and technological readiness of the subject of natural monopoly to use the corresponding method of tariff regulation of the sphere of natural monopoly;

2) prevention of imposing of duties on the subject of natural monopoly and consumers, which cannot be fulfilled by them.

Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025).

Article 13. Issuance of consent to perform certain actions by subject of natural monopoly

1. A subject of natural monopoly shall be obliged to obtain the consent of the authorized body:

1) making transactions with property used to provide a regulated service, if the book value of the property recorded in the balance sheet at the beginning of the current year exceeds 0.05 percent of the book value of its assets in accordance with the balance sheet at the beginning of the current year, except for the case provided for by subparagraph 1-1) of this paragraph;

1-1) making transactions with property used to provide a regulated service of access roads ;

2) for reorganization or liquidation.

2. The issuance of consent for the subject of natural monopoly to perform certain actions, provided for by paragraph 1 of this article, shall be refused in cases where:

1) it will lead to an increase in the tariff;

2) it will lead to violation of contracts with consumers;

3) it will lead to infringement of the rights and legitimate interests of consumers;

4) it will lead to the violation of an inextricably linked technological system for providing a regulated service or a reduction in the quality of a regulated service;

4-1) the property used for the provision of a regulated service of access roads is owned by a natural monopoly entity for less than eighteen months from the date of provision of the regulated service;

4-2) a natural monopoly entity providing the regulated services of access roads has not refunded the unreasonably received income to the consumers in accordance with the approved temporary compensating tariff;

5) an incomplete package of documents, provided for by paragraphs 3 and 4 of this article has been submitted, or the documents provided contain false information (data).

3. To obtain the consent of the authorized body to make transactions with the property, used to provide the regulated service, if the balance value of the property recorded in the balance sheet at the beginning of the current year exceeds 0.05 percent of the balance value of its assets in accordance with the balance sheet at the beginning of the current year, the subject of natural monopoly shall submit a petition with an attachment-confirmation from the balance sheet at the beginning of the current year, signed by the head of the subject of natural monopoly, indicating the name, type, kind, inventory number, the initial, residual value of the alienated property in the context of the alienated objects.

4. A subject of natural monopoly, in order to obtain the consent of the authorized body for reorganization or liquidation, shall submit petition with the application of:

- 1) copies of the deed of transfer - at merger, accession, transformation;
- 2) copies of the separation balance sheet - at separation, appropriation;
- 3) copies of the liquidation balance sheet - upon liquidation.

5. To perform certain actions provided for by paragraph 1 of this article, a subject of natural monopoly shall be obliged to submit a petition to the authorized body on the consent to take such actions in the form, established in accordance with the rules for performance of activities by subjects of natural monopolies, and documents in accordance with paragraphs 3 and 4 of this article.

A subject of natural monopoly of small capacity, prior to reorganization or liquidation, shall be obliged to send information to the authorized body about its intention to perform the indicated actions within ten calendar days.

6. The documents attached to the petition shall be submitted by the subject of natural monopoly according to the inventory.

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 27.12.2019 № 295-VI (shall be enforced from 01.01.2020).

Article 14. Procedure for notifying the authorized body by the subject of natural monopoly about the activities not related to regulated services

1. A subject of natural monopoly, not later than ten working days from the day the activity is performed that is not related to regulated services, shall notify the authorized body about it.

2. Notification about performance of activity by a subject of natural monopoly that is a non-regulated service can be submitted (sent) either directly to the authorized body or through the state information system of permits and notifications.

Chapter 3. TARIFF FORMATION

Article 15. Procedure for tariff formation

1. A tariff should ensure the reimbursement of costs for provision of a regulated service and the receipt of profits allocated for the development and effective functioning of a subject

of natural monopoly and other purposes not prohibited by the legislation of the Republic of Kazakhstan.

2. A tariff shall be established for a period of five years or more, except for the cases, provided for by this Law.

3. In case of expiration of the tariff, the subject of natural monopoly shall render the regulated services at the tariff approved by the authorized body, excluding funds, allocated for implementation of the approved investment program (depreciation and profits), except for the funds directed to repay the principal debt on loans, attracted for implementation of the approved investment program.

4. For approval of the tariff by the authorized body, the subject of natural monopoly shall submit an application.

5. The application shall be submitted in an electronic form.

6. The application shall be reviewed by the authorized body within ninety working days from the date of its submission.

7. The application shall be attached with:

1) the draft tariff (or price list, taking into account industry-specific features);

2) the draft tariff estimates with the application of supporting materials in the form approved by the authorized body;

3) an explanatory note about the need to approve the tariff;

4) draft investment program or approved investment program;

4-1) a map of repairs of subjects with targets indicators within the framework of investment programs;

5) the estimated costs for repairs that do not lead to an increase in the value of fixed assets ;

6) financial statements for the two preceding calendar years;

7) reports:

about financial and economic activity, about investment activity;

on the status of fixed assets, on the structure and distribution of wages for labor for the two preceding calendar years in forms approved by the authorized body in the field of state statistics;

8) itemized cost calculations;

9) profit calculation;

10) calculations of the number of personnel, the needs of raw materials, materials, fuel, energy and technical losses, made on the basis of standard norms and standards in force in the relevant industry (sphere);

11) copies of decisions of competitive (tender) commissions for the purchase of goods, works, services for the preceding calendar year;

12) the calculation of depreciation on fixed assets, used before the implementation of the approved investment program (project) and put into operation during the implementation of the approved investment program (project) in the long-term period, broken down by years;

13) supporting documents on the conditions of financing and repayment of borrowed resources;

14) data on the design capacity of the subject of natural monopoly and its actual use;

14-1) data on the actual use of the capacity of the natural monopoly entity from the objects of informatization;

15) documents, confirming the planned volume of regulated services (a register of contracts indicating actual volumes of consumption of regulated services, documents confirming a decrease in the volume of consumption of regulated services, calculations of the volume of consumption of regulated services, based on the duty of quality general service and the capabilities of a subject of natural monopoly, the inadmissibility of a decrease of the volume in order to maintain or increase the level of tariffs, materials of marketing research of consumer demand).

For regulated services in the field of heat power engineering, documents confirming the planned volume of regulated services, are also heat supply development schemes approved in accordance with the legislation of the Republic of Kazakhstan in the field of heat power engineering;

16) documents, confirming actual data on costs and volumes of regulated services for the four quarters preceding the submission of the application and for the previous calendar year.

When approving the tariff using the incentive method of tariff regulation, the application shall be attached with the documents, provided for in subparagraphs 1), 3), 4), 6), 7), 9), 10), 13), 14) and 15) of part one of this paragraph, as well as the draft indicators of the quality and reliability of the regulated services and performance indicators of the activities of subjects of natural monopolies with supporting materials attached.

8. A subject of natural monopoly shall have the right to submit an application to the authorized body to approve the tariff using the incentive method of tariff regulation after the expiration of the approved tariff, except for the cases of approval of tariffs using the incentive method of tariff regulation for the subjects of natural monopolies, the list of which is determined by the authorized body.

9. The authorized body not later than seven working days from the date of receipt of the application shall check the completeness of the attached calculations and supporting materials for compliance with paragraph 7 of this article and shall inform the subject of natural monopoly in writing about the acceptance of the application for consideration or refusal to accept it, indicating the reasons for refusal in accordance with paragraph 11 of this article.

10. The calculations and supporting materials attached in accordance with paragraph 7 of this article shall be submitted in compliance with the following procedures:

1) they are stitched, numbered and signed by the head of a subject of natural monopoly or by its deputy, or the deputy head of a subject of natural monopoly. This requirement shall not apply to submission of an application in electronic form;

2) they are prepared separately for each type of regulated services.

The responsibility for the completeness, validity and reliability of calculations, documents, information and other materials attached to the application for approval of the tariff, tariff estimate and investment program, as well as those attached to the reports on the implementation of the approved tariff estimate, implementation of the approved investment program, lies with the subject of a natural monopoly in accordance with the laws of the Republic of Kazakhstan.

11. The grounds for refusal to accept an application shall be:

1) the failure of the subject of natural monopoly to submit the documents, provided for by paragraph 7 of this article;

2) incompliance of the submitted documents with paragraph 10 of this article;

3) classification of information, not provided for by paragraph 7 of Article 25 of this Law, as a commercial secret.

12. If additional information is needed when considering an application, the authorized body shall have the right to request it from a subject of natural monopoly in writing with a time limit, but not less than five working days.

13. Public hearings shall be held by the authorized body when approving the tariff not later than thirty calendar days before approval of the tariff, when approving the tariff in a simplified manner, as well as in the cases, provided for in subparagraphs 4), 6), 7), 8) and 9) of paragraph 1 of Article 22 of this Law - not later than ten calendar days prior to the approval of the tariff.

14. A subject of natural monopoly shall, after publication of the announcement in the periodical print publication about the date and place of the public hearing, at the request of the participants of the public hearing, shall submit:

a draft tariff and tariff estimates;

information about the reasons for changing the tariff with economically reasonable calculations.

15. Based on the results of consideration of the application, the authorized body shall have the right to adjust draft tariffs, tariff estimates and the investment program.

16. If approved, the tariff can be differentiated depending on:

1) the presence or absence of the consumer's metering device;

2) consumer groups;

3) the type of goods transported, the type of rolling stock, the distance of transportation, the volume (weight) of the transported goods.

16-1. The subject of a natural monopoly is obliged to spend the additional income received when applying tariff differentiation for increasing the investment program.

17. The decision on approval of the tariff shall be sent to the subject of the natural monopoly not later than five calendar days from the date the decision on its approval is made.

The rationale for changes and clarification of cost items, profits and actions of the approved investment program, submitted by the subject of natural monopoly with the application, shall be sent with the decision to approve the tariff.

18. A tariff shall be enacted not earlier than the first day of the second month following the month of tariff approval, except for the cases, provided for by this Law.

19. A subject of natural monopoly shall be obliged to inform the consumer about the approval of the tariff not later than thirty calendar days prior to its entry into force.

20. If the subject of natural monopoly does not inform the consumer about the introduction of the tariff within the terms established by this Law, then the specified tariff shall not be introduced from the date specified in the decision of the authorized body. The introduction of the approved tariff shall be carried out from the first day of the third month following the month of the tariff approval.

21. A subject of natural monopoly shall have the right to apply to the authorized body with an application to change the approved tariff estimate without increasing the tariff until November 1 of the current calendar year in electronic form.

22. Tariff formation rules shall determine:

1) the tariff calculation mechanism taking into account the methods of tariff regulation of the spheres of natural monopolies, provided for by this Law;

2) the procedure for approval of the temporary compensating tariff;

3) the tariff differentiation procedure;

4) the procedure for approval of the tariff in a simplified order;

5) the procedure for approval of the investment program and its changes;

6) the procedure for determining the tariff on the basis of the concluded public-private partnership agreement;

7) the procedure for approval of a temporary reduction factor;

8) the procedure for recording a separate accounting of revenues, costs and assets involved for each type of regulated services and in general for activities not related to the regulated services;

9) the procedure for recalculating the cost of the regulated service for the sale of thermal energy taking into account the actual outside air temperature;

10) the procedure for determining the permissible level of profit of the subject of the natural monopoly;

11) the procedure for changing the tariff approved by the authorized body before its expiration date;

12) a list of costs, taken into account and not taken into account in the tariff, the procedure for limiting the amount of costs that are taken into account in the tariff;

13) tariff indexation procedure;

14) forms of draft tariffs, tariff estimates, investment programs, reports on execution of the approved tariff estimates, on the execution of the approved investment program;

15) the mechanism for calculating price limits for the regulated services of mainline railway networks and their annual adjustments;

16) the procedure for applying price limits for the regulated services of mainline railway networks;

17) the procedure for calculating and applying the forecast tariff index.

23. The rules for performance of activities by subjects of natural monopolies shall determine:

1) the order of inclusion and exclusion from the State Register of subjects of natural monopolies;

2) the procedure for holding public hearings;

3) the procedure for issuing consent to performance of certain actions by a subject of natural monopoly, as well as acceptance of a notice from the subject of natural monopoly on performance of activities not related to the regulated services, in accordance with the Law of the Republic of Kazakhstan "On permits and notifications";

4) the procedure for procurements made by subjects of natural monopolies;

5) the procedure for ensuring equal conditions of access to the regulated services;

6) the procedure for making reports on the execution of the approved tariff estimates, on the execution of the approved investment programs, on compliance with the quality and reliability indicators of the regulated services and the achievement of performance indicators of subjects of natural monopolies to consumers and other interested parties;

7) the procedure for placing information about the presence of free and available capacities, containers, places, capacities of networks of a subject of natural monopoly, as well as utilities networks in the spheres of natural monopolies, except for the information relating to the state secrets and other secrets protected by law in accordance with the laws of the Republic of Kazakhstan;

8) the procedure for coordination of fees for the purchase and installation of metering devices;

9) the procedure for the approval of performance indicators of the activities of subjects of natural monopolies;

10) the procedure for exercising state control in the spheres of natural monopolies;

11) forms of:

applications for consent to make transactions with property, used to provide a regulated service, if the balance value of the property recorded in the balance sheet at the beginning of the current year exceeds 0.05 percent of the balance value of its assets in accordance with the balance sheet at the beginning of the current year, and reorganization or liquidation of a subject of natural monopoly;

reports of the subject of natural monopoly to consumers and other interested parties;

on the execution of the approved tariff estimates;
on the execution of the approved investment program;
on compliance with indicators of quality and reliability of the regulated services;
on the achievement of performance indicators of subjects of natural monopolies;

12) the procedure for informing the consumers and (or) the authorized body about the tariff, its change;

13) the procedure for approval of quality and reliability indicators of regulated services;

13-1) the criteria and requirements for authorized persons (experts, expert organizations) for conducting a technical examination of the implementation of the approved investment program, compliance with the quality and reliability indicators of regulated services and achieving the performance indicators of natural monopoly entities;

14) the procedure for the public monitoring and (or) technical expertise of the execution of the approved investment program, compliance with quality and reliability indicators for the regulated services and achievement of performance indicators of subjects of natural monopolies;

15) the procedure for approving by the authorized body of loan agreements of natural monopoly entities to attract loans from international financial organizations, specialized industry banks, the Development Bank of Kazakhstan and second-tier banks of the Republic of Kazakhstan;

16) the procedure for approving by the authorized body for state property management, the local executive body of the agreement on the transfer of property used in the technological cycle in the provision of regulated services by natural monopoly entities and transferred from local executive bodies to a natural monopoly entity in accordance with the plan for transferring to the balance sheet and (or) into trust management of property;

17) the procedure for approval by the local executive body of the plan for transferring to the balance sheet and (or) into trust management the property used in the technological cycle in the provision of regulated services by natural monopoly entities.

24. Tariff formation methods shall be:

1) the approval of the tariff by the authorized body;

2) setting the tariff by a subject of natural monopoly;

3) tariff determination based on the concluded public-private partnership agreement.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 05.04.2023 № 221-VII (shall be enforced from 01.07.2023); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (comes into effect sixty calendar days after the date of its first official publication); dated 15.03.2025 № 172-VIII ((shall enter into force dated 01.01.2025).

Article 16. The cost method of tariff regulation

1. A tariff using the cost method of tariff regulation shall be approved by the authorized body for a period of five or more years by determining the economically reasonable costs and profits.

2. The cost method of tariff regulation shall provide:

1) limiting the types and amounts of costs, included in the tariff, taking into account their economic feasibility;

2) the use of technical and technological standards for the consumption of raw materials, materials, fuel, energy, if any, normative technical losses, normative number of personnel, determined on the basis of standard norms and standards in force in the relevant industry (sphere);

3) approval of tariff estimates broken down by year;

4) the use of straight-line method of depreciation;

5) procurement conducted by a subject of natural monopoly in accordance with of Article 23 of this Law and the rules for the conduct of activities by subjects of natural monopolies;

6) determining the allowable profit level taking into account the balance sheet or revalued amount of assets of the subject of natural monopoly, involved in the provision of the regulated service and the profit rate, calculated by the method, determined by the authorized body, and the amount of funds, required for implementation of the approved investment program;

7) approval of the investment program;

8) approval of the temporary compensating tariff for non-performance of cost items of the approved tariff estimates, inappropriate use of depreciation funds and actions of the approved investment program.

Article 17. Incentive method of tariff regulation

1. The tariff with the use of the incentive method of tariff regulation shall be approved by the authorized body for a period of five or more years, taking into account the quality and reliability indicators of regulated services and the performance indicators of activities of subjects of natural monopolies.

2. The incentive method of tariff regulation shall provide:

1) the limiting the types and amounts of costs that are included in the tariff, taking into account their economic feasibility;

2) the use of technical and technological standards for the consumption of raw materials, materials, fuel, energy, if any, normative technical losses, normative number of personnel, determined on the basis of standard norms and standards in force in the relevant industry (sphere).

The effect of this sub-paragraph shall be applied when approving the tariff in the event of a transition from the cost method of tariff regulation to the incentive method of tariff regulation;

3) the determination of the controlled and uncontrolled costs;

4) approval of a temporary compensating tariff for non-performance of actions of the approved investment program and uncontrolled costs;

5) the determination of profit taking into account the return of invested capital and the rate of return on the invested capital and the balance value of the assets of the subject of natural monopoly, involved in the provision of a regulated service, and the profit rate calculated by the method determined by the authorized body;

6) determination of quality and reliability indicators of regulated services;

7) determination of indicators of efficiency of activity of subjects of natural monopolies;

8) the use of straight-line method of depreciation;

9) approval of the investment program;

10) introduction of innovations in the provision of regulated services aimed at modernization (technical re-equipment) and expansion of existing production facilities, creation and development of modern infrastructure in order to obtain a positive economic and technological effect.

3. Certain requirements of this Law, including the obligations of natural monopoly entities that are not applicable to the tariff calculation mechanism using the incentive method of tariff regulation established in this Law and the tariff formation rules, shall not apply to natural monopoly entities for which a tariff has been approved using the incentive method of tariff regulation.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (comes into force sixty calendar days after the date of its first official publication).

Article 18. Indexation method

1. The tariff using the indexation method shall be established annually by a subject of natural monopoly of small capacity by indexing the approved tariff not higher than the level determined by the authorized body.

2. The level of tariff indexation shall be determined annually not later than two months before the beginning of the calendar year, taking into account the parameters of the socio-economic development of the Republic of Kazakhstan.

Article 19. Tariff determination based on the concluded public-private partnership agreement

1. When considering a draft public-private partnership agreement, the tariff should not be lower than the cost required to provide a regulated service, as well as ensure the return on investment of a public partner and a private partner and the level of return on investment in accordance with the feasibility study of the draft public-private partnership agreement.

2. The tariff shall be determined on the basis of the concluded public-private partnership agreement, the approved investment program in accordance with the rules for the formation of tariffs.

3. The tariff shall be determined at the initiative of a public-private partnership entity or an authorized body.

4. The validity period of the tariff shall be set for a period not exceeding the period of implementation by the public-private partnership entity of the approved investment program and the public-private partnership agreement.

Footnote. Article 19 as amended by the Law of the Republic of Kazakhstan dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025).

Article 20. Simplified tariff approval

1. The authorized body shall approve the tariff in a simplified manner for the regulated service of:

- 1) a subject of a natural monopoly, established for the first time;
- 2) a subject of a natural monopoly, providing a new regulated service (new regulated services);
- 3) in the case of the acquisition (construction) of new facilities and (or) sites, if the current tariff is approved separately for facilities and (or) sites;
- 3-1) in the case of the acquisition (construction) of new sections of access roads, which are not an integral part of the access roads, for the services of which a tariff has been approved for the entity;
- 4) a subject of a natural monopoly of small capacity.

2. The term for consideration of the application shall be not more than thirty calendar days from the date of its submission.

3. The term of the tariff, approved in a simplified manner for the subjects of natural monopolies referred to in subparagraphs 1), 2) and 3) of paragraph 1 of this article, shall not exceed twelve months.

4. The tariff approved in a simplified manner shall be effective from the first day of the month following the month the tariff is approved.

5. Upon expiration of the tariff, approved in a simplified manner for the subjects of natural monopolies referred to in paragraph 1 of this article, the tariff shall be approved for one calendar year using the cost method of tariff regulation.

In the case of an overestimation of the tariff approved in a simplified manner for the subjects of natural monopolies referred to in subparagraphs 1), 2) and 3) of paragraph 1 of this article, the authorized body, simultaneously with the introduction of new tariffs, must make a decision on compensation to consumers of the unjustifiably income received by subjects of natural monopolies.

6. Subjects of natural monopolies referred to in paragraph 1 of this article, not later than five calendar days before the introduction of the tariff shall inform consumers about this with the provision of information containing the reasons for the change in tariff, the approved tariff estimates.

7. A subject of natural monopoly whose assets were transferred to its ownership as a result of a transaction concluded or the sale of the debtor's estate - a subject of natural monopoly declared bankrupt, shall continue to provide consumers with the regulated services at the tariff, approved for the previous owner of these assets until the new tariff is approved, but no more than six months from the date of receipt of the assets.

8. The authorized body shall hold public hearings when approving the tariff in a simplified manner not later than ten calendar days before its approval.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 27.12.2019 № 295-VI (shall be enforced from 01.01.2020).

Article 21. Approval of the investment program and its change

1. The investment program shall be developed taking into account the development priorities and socio-economic indicators of the Republic of Kazakhstan and provide for activities aimed at:

- 1) expansion, modernization, reconstruction, updating of existing assets, the creation of new assets directly used in the technological cycle of providing the regulated services;
- 2) energy conservation and energy efficiency;
- 3) improving the quality of the regulated services provided.

2. The investment program shall be considered:

1) by the authorized body for compliance by the subject of natural monopoly with the indicators of quality and reliability of regulated services and the achievement of performance indicators of the activities of the subjects of natural monopolies;

2) by another state body or local executive body, the competencies of which are provided for in Articles 9 and 10 of this Law, regarding the technological feasibility and satisfaction of consumer demand for the regulated services in order to improve the quality and reliability of the regulated services provided.

3. When considering a draft investment program, the following actions shall be excluded:

- 1) non-conforming with the requirements, stipulated by paragraph 1 of this article;
- 2) unsecured by the source of funding;
- 3) unconfirmed by the supporting documents.

The exclusion of all actions of the investment program in accordance with part one of this paragraph shall be the basis for refusal to approve the investment program.

4. A refusal to approve an investment program by an authorized body, other state body or a local executive body, the competencies of which are provided for in Articles 8, 9 and 10 of this Law, shall be the basis for refusal to approve the tariff.

4-1. Refusal to approve the investment program shall be made by a joint decision of the authorized body and the state body exercising leadership in the relevant area, or the local executive body.

5. The investment program shall be approved for the period of duration of the tariff.

6. The approved investment program and the return of borrowed funds attracted for its implementation, as well as the return of funds attracted for the implementation of state programs and (or) national projects, as well as documents of the State Planning System in the Republic of Kazakhstan approved by the authorized body, are carried out:

at the expense of profits and depreciation, included in the tariff;

at the expense of other sources not prohibited by the legislation of the Republic of Kazakhstan.

7. A subject of natural monopoly shall have the right to apply before November 1 of the current year simultaneously to the authorized body and (or) another state body or local executive body, whose competences are provided for in Articles 8, 9 and 10 of this Law, with an application on changing the approved investment program without raising the tariff.

In the case of implementation of state programs and (or) national projects, as well as documents of the State Planning System in the Republic of Kazakhstan approved by the authorized body, the natural monopoly entity has the right to apply to the authorized body and (or) another state body or local executive body with an application to change the approved investment program.

8. In the event that a subject of natural monopoly fails to execute the actions of the approved investment program for reasons beyond the control of the subject of natural monopoly (non-fulfillment of obligations by the other party to the contract, recognition of the competition (tender) as failed due to force majeure), the deadlines for implementing the actions of the approved investment program may be postponed for the next calendar year until March 1 of the year following the year of their implementation.

It shall not be allowed to re-postpone the time period for execution of the actions of the approved investment program.

Footnote. Article 21 as amended by the laws of the Republic of Kazakhstan dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (comes into force sixty calendar days after the date of its first official publication).

Article 22. Procedure for changing the tariff approved by the authorized body before its expiration date

1. The grounds for changing the tariff approved by the authorized body before its expiration date shall be:

1) change in the type and cost of strategic goods and (or) tariffs (prices) subject to state regulation for the transportation of strategic goods;

2) declaration of an emergency in accordance with the legislation of the Republic of Kazakhstan;

3) changes in tax rates and other obligatory payments to the budget in accordance with the tax legislation of the Republic of Kazakhstan;

4) change of the approved investment program in connection with the implementation of state programs and (or) national projects, as well as documents of the state planning system, approved by the authorized body;

5) an increase in the volume of regulated services provided;

6) changes in the prime cost of electricity and water of its own production, used by the nuclear power complex in the provision of regulated services for the production, transmission, distribution and (or) supply of thermal energy and water supply, associated with changes in the price of gas and (or) its transportation;

7) failure to comply with the quality and reliability indicators of the regulated services;

8) non-compliance of the activities of a subject of natural monopoly, providing a regulated service for transmission of electrical energy, with the requirements of paragraph 6 of Article 13-1 of the Law of the Republic of Kazakhstan "On electric power industry" on the basis of information from the state authority for state energy supervision and control;

9) failure to achieve the performance indicators of the activities of subjects of natural monopolies;

9-1) receipt on the balance sheet and (or) in trust management of property used in the technological cycle in the provision of regulated services by natural monopoly entities, with the exception of natural monopoly entities providing regulated services provided for in subparagraphs 10), 12) and 13) of paragraph 1 of Article 5 of this Law, from local executive bodies, the authorized body for the management of state property, including electrical networks from other energy transmission organizations, in accordance with the plan for transferring property on the balance sheet and (or) in trust management when it is received for gratuitous use;

9-2) change in the average monthly nominal wage of one employee by type of economic activity in the region (city), which has developed according to statistics for the year;

10) transfer to the subject of a natural monopoly for property lease (rent) or trust management of the main gas pipeline along the route "Kyzylorda - Zhezkazgan - Karaganda - Temirtau - Astana".

2. In the event of a change in the tariff before its expiration, except for the grounds provided for by sub-paragraphs 4), 5), 7), 8), 9), 9-1), 9-2) and 10) paragraph 1 of this article, the corresponding cost item shall change.

If the tariff changes before its expiration in accordance with sub-paragraph 9) of paragraph 1 of this article, the approved tariff estimate shall exclude the investment costs (profit, depreciation, capital expenditures leading to an increase in the value of fixed assets), defined by the rules for tariff formation.

3. The tariff change shall be carried out at the initiative of the authorized body no more than twice a year, at the initiative of the subject of natural monopoly - no more than once a year.

4. To change the tariff approved by the authorized body before the expiry of its validity period, the subject of natural monopoly shall submit an application to the authorized body with supporting materials.

The time period for consideration by the authorized body of an application to change the tariff before its expiration in cases provided for:

1) subparagraphs 1), 2), 3) and 9-2) of paragraph 1 of this article, shall be no more than ten working days from the date of its submission;

2) subparagraphs 4), 5), 6), and 9-1) of paragraph 1 of this article, shall be no more than thirty working days from the date of its submission;

3) sub-paragraph 10) of paragraph 1 of this article shall be not more than ninety working days from the date of its submission.

In the case of a tariff change initiated by an authorized body, a subject of natural monopoly shall be obliged to submit economically justified calculations and materials within a month from the date of receipt of the relevant information.

5. If additional information is required when considering an application, the authorized body shall have the right to request it in writing with a time limit, but not less than five working days.

At that, the consideration of the application shall be suspended until the receipt of the necessary information with the notification of the subject of natural monopoly about it.

6. The tariff, changed in accordance with paragraph 1 of this article, shall be effective from the date established by the authorized body.

7. When approving the tariff in the cases provided for in sub-paragraphs 4), 6), 7), 8) and 9) of paragraph 1 of this article, the authorized body shall hold public hearings not later than ten calendar days before its approval.

8. The subject of natural monopoly in the cases provided for by paragraph 1 of this article, not later than five calendar days before the introduction of the tariff shall inform the consumers about this and provide information indicating the reasons for the change in tariff, the approved tariff estimates.

Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 27.12.2019 № 291-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 05.11.2022 № 157-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (comes into effect sixty calendar days after the date of its first official publication).

Article 23. Procurements made by a subject of natural monopoly

1. This Article and the rules for the implementation of activities by natural monopoly entities shall apply to the procurement of a natural monopoly entity, with the exception of:

- 1) the government procurement;
- 2) the procurements of subjects of natural monopolies, fifty or more percent of voting shares (participation shares) of which are directly or indirectly owned by the national managing holding;
- 3) the procurements of electric and (or) thermal energy from an energy producing organization that uses renewable energy sources, which are carried out in accordance with the legislation of the Republic of Kazakhstan in the field of support of the use of renewable energy sources;
- 4) the procurements of balancing electricity, electricity at centralized bidding, spot market in accordance with the legislation of the Republic of Kazakhstan on electricity;
- 5) the procurements of subjects of natural monopolies of small capacity;
- 6) the procurements of subjects of natural monopolies, the costs of which are not taken into account when approving the tariff.
- 7) procurement of services related to the implementation of travel expenses.

2. Procurement of goods, works and services shall be carried out in electronic procurement information systems in one of the following ways:

- 1) competition;
- 2) request for quotations;
- 3) from one source;
- 4) on commodity exchanges as a buyer of an exchange commodity.

Exchange goods shall be purchased through commodity exchanges in accordance with the legislation of the Republic of Kazakhstan on commodity exchanges.

2-1. When conducting procurement by means of a tender for the acquisition of similar goods, works, and services, a natural monopoly entity shall divide the goods, works, and services into parts (lots) in the tender documentation according to the place of their delivery (performance, rendering).

3. Excluded by the Law of the Republic of Kazakhstan dated 15.11.2021 № 72-VII (shall come into effect from 01.01.2021).

4. Procurement by the method of requesting price offers shall be held for homogeneous goods, works, services if the annual volumes of such homogeneous goods, works, services in terms of value do not exceed 4000-fold monthly calculated indicator, established by the law on the republican budget for the relevant financial year. At that, the decisive condition shall be the price.

5. Procurement from one source shall be carried out in the following cases:

- 1) if the procurement through a tender or request for price offers are deemed to have failed;

2) the procurement of goods, works, services at the prices, tariffs, established by the legislation of the Republic of Kazakhstan;

3) the procurement of goods, works, services from a person who has exclusive rights with respect to goods, works, services purchased, or from a person who is a subject of a state or natural monopoly;

4) the procurement of goods, works, services due to the force majeure, including the localization and (or) elimination of the consequences of emergency situations, elimination of accidents;

5) the procurement of goods, works, services, related to entertainment expenses;

6) is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

7) the procurement of property (assets) sold at tenders (auctions):

by bailiffs in accordance with the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs;

conducted in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

conducted in accordance with the land legislation of the Republic of Kazakhstan;
in the privatization of state property;

8) is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

8-1) the acquisition of goods, works, and services for the purpose of eliminating accidents in networks and equipment involved in the provision of regulated services, if the annual volume of such goods, works and services in value terms does not exceed two thousand times the monthly calculation indicator established by the law on the republican budget for the relevant financial year;

9) is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

10) when a customer, who purchased goods, works, services, needs to purchase goods, works, services from the same supplier in order to unify, standardize or ensure compatibility.

6. The natural monopoly entity shall make purchases through electronic trading platforms in accordance with the legislation of the Republic of Kazakhstan on the regulation of trade activities.

7. In the part not regulated by this article, procurements shall be carried out in accordance with the rules for the activities of the subjects of natural monopolies.

8. A subject of natural monopoly shall make procurement of strategic goods directly from manufacturers of strategic goods, except for the following cases:

1) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

2) non-compliance of the subject of a natural monopoly with the conditions for participation in the wholesale market of electric energy, imposed on consumers;

3) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

4) procurement of gas from gas distribution organizations in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply;

5) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

6) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

7) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

8) purchases of electric energy in accordance with the legislation of the Republic of Kazakhstan on electric power industry.

9. It is not allowed to participate in procurement by the methods provided for in subparagraphs 1), 2) and 4) of part one of paragraph 2 of this Article, a person in respect of which a court decision has entered into force, confirming the fact of non-fulfilment or improper fulfilment of obligations to the natural monopoly entity, within two years from the date of entry into force of the court decision.

Footnote. Article 23 as amended by the Law of the Republic of Kazakhstan dated 15.11.2021 № 72-VII (shall come into effect from 01.01.2022); dated 30.12.2021 № 96-VII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2024 № 149-VIII (shall enter into force upon expiry of six months after its first official publication).

Article 24. Consumer access to a regulated service

1. Consumer access to a regulated service shall be provided:

1) by posting the information specified in Article 25 of this Law on the Internet resource of the natural monopoly entity, or, in the absence thereof, by providing it to the authorized body for posting on its Internet resource, as well as by posting and (or) updating it in the automated information system of the state urban planning cadastre specified in paragraph 6-2 of Article 25 of this Law;

2) by the issuance of technical conditions for connection to the networks of a subject of natural monopoly: transmission of electric, thermal energy, water supply and sewage, as well as to main gas pipelines and oil pipelines, to gas distribution systems and group reservoir installations in accordance with the development plan of engineering communications in

accordance with the approved detailed planning project (building schemes) or to increase the volume of regulated services;

3) by the fulfillment of the technical conditions by the customer for connection to the regulated service;

4) by connecting to a regulated service or increasing the volume of a regulated service;

5) by the conclusion of a contract for provision of a regulated service.

2. Technical conditions for connection to the networks of a subject of natural monopoly: transmission of electric, thermal energy, water supply and water sewage, as well as main gas pipelines and oil pipelines, gas distribution systems and group reservoir installations or an increase in the volume of regulated services shall be issued by a subject of natural monopoly in the period established by this Law.

3. The requirement of subparagraph 1) of paragraph 1 of this article shall not apply to the subjects of natural monopolies that provide the regulated services, specified by subparagraphs 10), 11), 12) and 13) of paragraph 1 of article 5 of this Law.

4. Connection to the networks of electricity supply, heat supply, gas supply, water supply and sanitation shall consist of the following stages, except for the connection of electrical installations with an installed capacity of up to 200 kW of business entities to the electric networks of energy transmission organizations in accordance with Article 24-1 of this Law:

1) an application for the issuance of technical conditions, which the body of architecture and urban planning forms when preparing an architectural and planning task, topography and sends in the electronic form to the natural monopoly entity;

2) consideration by the natural monopoly entity of the application of the body of architecture and urban planning for the issuance of technical conditions or an increase in the volume of the regulated service;

3) submission by the natural monopoly entity of technical conditions to the body of architecture and urban planning;

4) issuance of the result of consideration of an application for the issuance of technical specifications, which is carried out by the bodies of architecture and urban planning together with the architectural and planning task and topography in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities;

5) performance of work by the consumer in accordance with the technical conditions;

6) informing the consumers about the completion of work and readiness to connect to the networks of the subject of the natural monopoly.

5. The acceptance of an application for the issuance of technical specifications for connection to the networks of a natural monopoly entity or an increase in the volume of a regulated service and the issuance of the result of its consideration shall be carried out by the State Corporation, through the "electronic government" web portal or the office of the natural monopoly entity, or through the information system of the authorized body.

Acceptance of applications for technological connection to electric networks of power transmission organizations of electrical installations with an installed capacity of up to 200 kW of business entities in the capital, cities of republican and regional significance shall be carried out only in electronic form.

When accepting an application for issuing technical conditions for connecting to the networks of a subject of natural monopoly or increasing the volume of a regulated service and issuing the results of its consideration, except for the facilities specified in paragraph 6 of this article, the State Corporation shall charge a fee for provision of these services.

6. Excluded by the Law of the Republic of Kazakhstan dated 29.06.2020 № 352-VI (shall come into effect ten calendar days after the day of its first official publication).

Issuance of the result of consideration of an application for the issuance of technical conditions for connection of construction objects to the networks of a subject of natural monopoly shall be carried out by the architecture and city planning bodies along with the architectural and planning task in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.

7. The issuance of technical conditions for connection to the networks of a natural monopoly entity at the request of architecture and urban planning bodies is carried out by a natural monopoly entity:

- 1) for technically simple objects – within five working days;
- 2) for technically complex objects - within ten working days.

Technical conditions for connection to the networks of a natural monopoly entity or an increase in the volume of regulated services are issued for three years and submitted by the architecture and urban planning authorities to the state urban planning cadastre.

7-1. In case of exceeding the normative duration of construction for more than three years, the validity period of the technical conditions is extended for the construction period, subject to the submission of supporting documents on the start of construction.

In case of failure to provide supporting documents regarding the start of construction, the technical specifications shall be considered invalid after three years from the date of issue.

8. The application form for issuing technical conditions for connection to the networks of a subject of natural monopoly or the increase of the volume of a regulated service and the list of documents attached to the application shall be established by the authorized body.

Technical conditions should define an exhaustive list of requirements for the interconnected networks of the subject of natural monopoly, materials, equipment, devices, metering devices.

9. Application for the issuance of technical specifications for connection to the networks of a natural monopoly entity or an increase in the volume of a regulated service shall be returned by the natural monopoly entity within two working days through the e-government web portal or the office of the natural monopoly entity in case of submission of an incomplete package of documents.

10. When granting access to a regulated service, a subject of natural monopoly shall be prohibited:

- 1) to charge fees for providing information about free capacity;
- 2) to require the submission of permits and other documents of state bodies, non-governmental organizations that are not related to the provision of a regulated service;
- 3) to impose other requirements on the consumer, except for compliance with technical conditions for connecting to the networks of the subject of a natural monopoly or increasing the volume of the regulated service;
- 4) to create unequal conditions of access to the regulated service;
- 5) to limit the activity of the consumer in performing work in accordance with the technical conditions for connecting to the networks of a subject of natural monopoly or increasing the volume of a regulated service;
- 6) to require approval of the construction project for compliance with the technical conditions for connecting to the networks of the subject of natural monopoly or increasing the volume of the regulated service.

11. Application for the issuance of technical specifications for connection to the networks of a natural monopoly entity or an increase in the volume of a regulated service shall be considered within the time limits specified in paragraph 7 of this Article, based on the results of its consideration, the natural monopoly entity shall:

- 1) issue technical specifications;
- 2) refuse to issue technical specifications.

12. Refusal to issue technical conditions shall be allowed in the following cases:

- 1) lack of free and available capacities, places, capacities of networks of a subject of natural monopoly, necessary to provide the required volume of regulated services;
- 2) the absence of networks of a subject of natural monopoly or other property necessary for provision of a regulated service.

13. In case of refusal to issue technical conditions, a subject of natural monopoly:

- 1) shall attach the decision on refusal to issue technical conditions with the well-reasoned grounds;
- 2) shall send to the authorized body a copy of the decision on refusal to issue technical conditions and the well-reasoned grounds with the calculation of the shortage of free and available capacity, places, capacities of networks of the subject of natural monopoly or lack of networks of the subject of the natural monopoly or other property necessary to provide the regulated service.

14. In case of refusal to issue technical conditions for connecting a construction object, the subject of natural monopoly shall offer the alternative sources of connection to the networks of the subject of natural monopoly and indicate the terms of connection to the centralized communication networks in accordance with the engineering infrastructure development plan in accordance with the approved detailed planning project.

15. The authorized body in connection with the receipt of a copy of the decision on refusal to issue technical conditions for connection to the networks of a subject of natural monopoly:

1) not later than seven working days, shall send to the consumer a letter confirming the reasonability of the refusal to issue technical conditions for connection to the networks of a subject of natural monopoly or the need to file a complaint to an authorized body to initiate an audit of the activities of a subject of natural monopoly;

2) when establishing the fact of absence of free and available capacities, places, capacities of the networks of the subject of natural monopoly or lack of networks of the subject of natural monopoly or other property of the subject of natural monopoly necessary to provide the required volume of regulated services, shall inform the subject of natural monopoly about the need to change the approved investment program in the presence of economic feasibility and creation of conditions for connecting to a regulated service.

15-1. Adjustment of specifications directly with monopolists shall be prohibited.

16. After completion of the work, the consumer shall inform the subject of natural monopoly about the completion of the work and readiness to receive the regulated service, who within two working days from the date of receipt of the information shall check the completed work according to the issued technical conditions and readiness to receive the regulated service.

If the work performed meets the technical conditions, connection to the regulated service is carried out within three working days.

17. If the work performed does not comply with the technical conditions, the subject of natural monopoly within one working day shall inform the consumer about the unpreparedness of the construction object to receive the regulated service.

After elimination of the revealed violations, the consumer shall re-inform about the completion of work and readiness to receive the regulated service.

18. Connection to the regulated service shall include the following works:

shutdown of the existing network by the subject of the natural monopoly;

connection of the consumer to the existing network;

switching on of the existing network by the subject of natural monopoly.

19. A regulated service shall be provided by a subject of natural monopoly after the conclusion of a contract for provision of a regulated service.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 № 352-VI (shall come into effect ten calendar days after the day of its first official publication); dated 05.04.2023 № 221-VII (effective from 01.07.2023); dated 29.06.2023 № 13-VIII (shall be enforced sixty calendar days after the date of its first official publication); dated 29.06.2023 № 13-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (comes into force sixty calendar days after the date of its first official publication).

Article 24-1. Access of business entities to electric networks of power transmission organizations of electrical installations with an installed capacity of up to 200 kW

Connection of electrical installations with an installed capacity of up to 200 kW of business entities to the electric networks of energy transmission organizations shall consist of the following stages:

- 1) submission of an application by business entities for technological connection to the electric networks of an energy transmission organization;
- 2) conclusion and execution of an agreement for the technological connection of electrical installations with an installed capacity of up to 200 kW of business entities to the electric networks of an energy transmission organization.

In this case, the cost (list of costs) for technological connection to the electrical networks of the energy transmission organization shall be determined in accordance with the rules for determining the costs of technological connection of electrical installations with an installed capacity of up to 200 kW of entrepreneurship subjects to the electrical networks of the energy transmission organization.

Footnote. The Law supplemented by Article 24-1 in accordance with the Law of the Republic of Kazakhstan dated 29.06.2020 № 352-VI (shall come into effect ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 25. Publicity of the process of state regulation of activities of subjects of natural monopolies

1. The publicity of the process of state regulation of activities of subjects of natural monopolies shall be ensured by:

- 1) the placement of information relating to the state regulation of activities of subjects of natural monopolies in the media and on the Internet resource of the authorized body;
- 2) holding public hearings;
- 3) making reports by subjects of natural monopolies to the consumers and other interested parties;
- 4) informing consumers and the authorized body about the introduction of the tariff;
- 5) conducting public monitoring and technical examination of the implementation of the approved investment program, compliance with indicators of quality and reliability of regulated services and achievement of performance indicators of natural monopoly entities.

2. A natural monopoly entity, within the timeframes established by paragraph 6 of this Article, shall post in the mass media distributed on the territory of the relevant administrative-territorial unit and/or on its Internet resource the reports to consumers and other interested parties on the implementation of the approved tariff estimate, on the

implementation of the approved investment program, on compliance with the quality and reliability indicators of regulated services and achievement of the performance indicators of natural monopoly entities with justifications, including financial statements.

3. The authorized body shall place on its Internet resource:

- 1) the State Register of subjects of natural monopolies;
- 2) legal acts of the authorized body;
- 3) applications with the attached documents, submitted on electronic media, taking into account the requirements, established by paragraph 7 of this article;
- 4) approved, established and defined tariffs;
- 5) approved tariff estimates and investment programs;
- 6) reports of subjects of natural monopolies on the execution of the approved tariff estimates, on the execution of the approved investment programs, on compliance with the quality and reliability indicators of the regulated services and the achievement of performance indicators of the subjects of natural monopolies;
- 7) a register of the issued consents for performing certain actions by a subject of natural monopoly, as well as notifications received from a subject of natural monopoly on activities that are not related to the regulated services, in accordance with the Law of the Republic of Kazakhstan “On permits and notifications”;
- 8) resolutions on bringing the subjects of natural monopolies to administrative responsibility;
- 9) court decisions on the results of proceedings with the participation of the authorized body;
- 10) quality and reliability indicators of the regulated services;
- 11) indicators of the effectiveness of the activities of the subjects of natural monopolies;
- 12) other information relating to the implementation of the state regulation of activities of subjects of natural monopolies.

4. Public hearings on the discussion of the draft tariff shall be held with the invitation of deputies of the Parliament of the Republic of Kazakhstan, maslikhats, representatives of local governments, state bodies, subject of natural monopoly, the media, public associations, independent experts, consumers and other interested parties.

5. The authorized body shall publish in periodicals the information about the date and place of public hearings to discuss the draft tariff, thirty calendar days before the day of their holding, and on its Internet resource - the results of public hearings to discuss the draft tariff, including discussions of transcripts, meeting minutes with decisions taken on the issues at hand, within ten calendar days after the day they were held.

If public hearings are held when considering an application for setting tariffs for utilities in the spheres of natural monopolies, the regulated services for the production, transmission,

distribution and (or) supply of thermal energy, the authorized body shall further publish information on the date and place of public hearings in periodic print publications distributed in the territory of the respective administrative-territorial unit.

When setting the tariff by indexation and determining the tariff on the basis of a concluded public-private partnership agreement, the natural monopoly entity places on its Internet resource or in periodicals distributed on the territory of the corresponding administrative-territorial unit information on the date and place of public hearings thirty calendar days before they are held.

6. Not later than August 1 of the current calendar year and May 1 of the next calendar year, the subject of natural monopoly shall make reports on the results of the half year and year on the implementation of the approved tariff estimates, on the execution of the approved investment program, on compliance with the quality and reliability indicators of the regulated services and the achievement of performance indicators of the subjects of natural monopolies to the consumers and other interested parties.

6-1. Subjects of natural monopoly provide information to the National Chamber of Entrepreneurs of the Republic of Kazakhstan for the creation, maintenance and use of the register of business partners in the manner determined by the authorized body.

6-2. Subjects of natural monopolies place and (or) update the following in the automated information system of the state urban cadastre in machine-readable form according to the forms approved by the authorized body for architecture, urban planning and construction:

1) information about (on):

reserve;

installed capacity and (or) capacity;

availability of vacant and available capacities and (or) capacities;

network bandwidth;

location (indicating the name of the streets of the locality);

length;

the number of reserved capacities and (or) capacities and their booking dates;

the number of occupied capacities and (or) capacities used in the technological process to provide services to end users;

2) schemes of placement of networks or other property used in the provision of regulated services, with the exception of information related to state secrets and other secrets protected by law in accordance with the laws of the Republic of Kazakhstan.

7. Any information, provided by a subject of natural monopoly for approval of the tariff and in the performance of duties provided for by this Law, shall not be recognized as commercial.

8. Report to consumers and other interested parties shall be made in the form of a public hearing.

9. An announcement of the upcoming reporting shall be published by a natural monopoly entity included in the local section of the State register of natural monopoly entities in a periodical printed publication issued at least once a week and distributed throughout the territory of the relevant administrative-territorial unit, and by a natural monopoly entity included in the republican section of the State register of natural monopoly entities - in a periodical printed publication issued at least once a week and distributed throughout the territory of the Republic of Kazakhstan, and (or) on its Internet resource no later than fifteen working days before it is conducted and shall include the following information:

- 1) the name and location of the subject of natural monopoly;
- 2) the date and venue of the report;
- 3) the type of regulated services provided.

10. A month before the report, the subject of natural monopoly shall inform the authorized body.

11. After the upcoming report is announced, five working days prior to the report, the subject of natural monopoly shall post on its Internet resource the information, specified in paragraph 13 of this article, and in case of its absence - shall provide the authorized body with information for its posting on its Internet resource.

12. A subject of natural monopoly shall provide access to the venue for all those who wish to participate in the report.

Public hearings, reports of subjects of natural monopolies to consumers and other interested parties shall be held, including with the organization of online broadcasting, ensuring unhindered access for participants in public hearings.

When a state of emergency or restrictive measures are introduced in the country, including quarantine, the authorized body or its territorial divisions, natural monopoly entities shall conduct public hearings, and reports to consumers and other interested parties via online broadcasts.

When conducting public hearings via online broadcasts, the department of the authorized body or its territorial subdivision no later than ten calendar days before the date of the public hearing shall place an announcement about the upcoming public hearing indicating the date, time, and a link to the online broadcast of public hearings in the media and on the Internet resource

If the financial statements of a subject of natural monopoly are subject to mandatory audit in accordance with the laws of the Republic of Kazakhstan, their placement in the media, provided for in paragraph 2 of this Article shall be carried out within ten calendar days after the completion of the audit.

13. A report of a subject of natural monopoly must contain information with justifications in accordance with the rules for the implementation of activities by subjects of natural monopolies.

14. In the report to the consumers and other interested parties, the subject of natural monopoly shall give a detailed explanation of the quality of the regulated service provided.

15. The requirements stipulated by paragraph 2, parts two and three of paragraph 5, and paragraphs 6, 8, 9, 10, 11, 12, 13, and 14 of this article shall not apply to subjects of natural monopolies of small capacity and newly created subjects of natural monopolies.

Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall come into effect from 01.07.2021); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 05.04.2023 № 221-VII (shall be enforced from 01.07.2023); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 02.10.2023 № 31-VIII (shall be enforced six months after the date of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 15.03.2025 № 172-VIII (shall enter into force dated 01.01.2025).

Chapter 4. PARTICIPANTS OF SPHERES OF NATURAL MONOPOLIES

Article 26. Rights and obligations of the subject of natural monopoly

1. A subject of natural monopoly shall have the right:

1) to require consumers to comply with the technical requirements, established by the subject of natural monopoly in accordance with the legislation of the Republic of Kazakhstan;

2) to reduce the tariff for all consumers during the tariff period;

3) independently dispose of the underused part of the costs provided for in the approved investment program, subject to the implementation of measures and in the approved tariff estimate, resulting from cost savings due to the use of more efficient methods and technologies, the implementation of an action plan for energy saving and energy efficiency, developed as a result of energy audit or express energy audit, taking measures to reduce regulatory technical losses or reduction in the volume of regulated services provided for reasons beyond the control of the subject of natural monopoly, or the results of competitive (tender) procedures;

3-1) independently redistribute cost items in the approved tariff estimate for the purpose of carrying out urgent repair work to prevent emergency situations or accidents with mandatory notification of the authorized body;

4) to require from consumers to provide access the metering device for taking readings and their sealing;

5) to apply to the authorized body with an application for making changes to the approved tariff estimate, as well as to the authorized and (or) other state body or local executive body - with an application for making changes to the approved investment program;

6) to simultaneously with the application for the regulated services of the main railway networks to provide the draft price limits for the regulated services of the main railway networks in accordance with the rules for the tariff formation;

7) to independently reduce and increase the tariff for the regulated services of mainline railway networks within the approved price limits for the regulated services of mainline railway networks in accordance with the rules for the tariff formation;

8) to apply to the authorized body with an application for making changes to the approved price limits for the regulated services of mainline railway networks in accordance with the rules for the tariff formation;

9) to provide regulated services and carry out activities not related to the regulated services in accordance with the requirements of the legislation of the Republic of Kazakhstan;

10) to apply to the authorized body with an application on the introduction of amendments and additions, the adoption of new or cancellation of the existing legal acts of the authorized body;

11) appeal in the manner established by the laws of the Republic of Kazakhstan, actions (inaction) of the authorized body, as well as its officials, orders to eliminate violations of the legislation of the Republic of Kazakhstan on natural monopolies;

12) have other rights established by the laws of the Republic of Kazakhstan.

2. A subject of natural monopoly shall:

1) apply to the authorized body with an application for inclusion in the State Register of subjects of natural monopolies, exclusion from it, on introduction of changes and (or) additions to it;

2) apply to the authorized body with the application in accordance with this Law;

3) provide a regulated service at the tariff, approved in accordance with this Law;

4) provide consumers with access to the regulated service, except for the cases provided for by paragraph 12 of Article 24 of this Law;

5) provide consumers with equal conditions for access to the regulated service;

6) not establish additional requirements not related to the provided regulated service;

7) ensure acceptance of payments from consumers for utilities provided to them in the spheres of natural monopolies through their own cash registers and (or) second-tier banks and organizations that carry out certain types of banking operations, Internet resources or terminals, and if necessary - through payment agents and (or) payment organizations;

7-1) make charges for the service provided to consumers based on meter readings or service consumption standards in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

8) in accordance with the model contract, conclude individual contracts with consumers for each type of regulated services provided;

8-1) conclude, in accordance with a standard contract, contracts for the technological connection of electrical installations with an installed capacity of up to 200 kW of business

entities to the electric networks of power transmission organizations in the capital, cities of republican and regional significance only in electronic form;

9) develop and approve, in agreement with the authorized body or with the department of the authorized body and its territorial divisions the methods for maintaining separate records of income, expenses, and assets involved for each type of regulated services of natural monopoly entities in accordance with the procedure for maintaining separate records of income, expenses, and assets involved for each type of regulated services and in general for activities not related to regulated services;

10) keep separate records of revenues, costs, and involved assets for each type of regulated services and in general for activities not related to the regulated services;

11) recalculate the cost of the regulated service for the sale of thermal energy taking into account the actual outside air temperature directly to consumers or, if it is impossible to determine the location of the consumer, by reducing the tariff when paying for the regulated service for the sale of thermal energy;

12) at the request of consumers, provide information about the tariff, the quality of the regulated service, and the conditions for the provision of the regulated service;

13) report on the execution of the approved tariff estimates, on the execution of the approved investment program, on compliance with the quality and reliability indicators of the regulated services and the achievement of performance indicators of subjects of natural monopolies;

14) inform consumers about the tariff, its change in the terms, established by this Law;

15) execute the approved tariff estimate, with the exception of non-fulfillment of cost items of the approved tariff estimate by less than five percent of the amounts provided for by the approved tariff estimate, and in cases provided for by subparagraph 4) of paragraph 2 of Article 33 of this Law;

16) carry out activities of the approved investment program, except for the cases provided for in subparagraph 3) of paragraph 2 of Article 33 of this Law;

17) annually no later than May 1 of the year following the reporting period, submit to the authorized body reports on the implementation of the approved tariff estimate, on the implementation of an approved investment program in electronic form, to another state body or local executive body - a report on the implementation of the approved investment program in electronic form;

18) procure goods, works, services, the costs of which are taken into account when approving the tariff, in accordance with Article 23 of this Law;

18-1) ensure the transfer of information, data about procurement carried out in the information systems of electronic procurement to the information system of the National Chamber of Entrepreneurs of the Republic of Kazakhstan to form a single point of access to information on procurement;

19) at the request of consumers, provide information contained in the approved tariff estimates and the investment program;

20) when approving a tariff using the incentive method of tariff regulation, annually not later than May 1 of the reporting period, submit to the authorized body, another state body or local executive body reports on incomes, expenses actually achieved during the reporting year, compliance with quality and reliability indicators of regulated services, achievement of performance indicators of subjects of natural monopolies;

21) quarterly place on its Internet resource or, in its absence, submit to the authorized body for placement on its Internet resource:

the information about the reserve, the availability of free and available capacity, capacities, places, capacities of the networks of the subject of the natural monopoly;

schemes for placing networks or other property used in the provision of regulated services, except for information relating to the state secrets and other secrets protected by law in accordance with the laws of the Republic of Kazakhstan and regulated services, provided for in sub-paragraphs 10), 11), 12) and 13) of paragraph 1 of Article 5 of this Law;

information on the progress of execution of the approved investment program (location of objects, stage of execution with photo and video attached, deadlines for execution and cost of activities of investment programs), except for information relating to the state secrets and other secrets protected by law in accordance with the laws of the Republic of Kazakhstan;

22) upon request of the authorized body, provide the necessary information on paper or in electronic form within the terms, established by the authorized body, which may not be less than five working days from the date of receipt of the relevant request by the subject of natural monopoly;

23) inform the authorized body about the tariff, its change not later than thirty calendar days prior to its entry into force;

24) within the timeframes established by paragraph 6 of Article 25 of this Law, post reports on the implementation of the approved tariff estimate, on the implementation of the approved investment program, on compliance with the quality and reliability indicators of regulated services and the achievement of performance indicators of natural monopoly entities to consumers and other interested parties no later than five calendar days from the date of the report in the media and (or) on its Internet resource or the Internet resource of the authorized body, in accordance with the rules for setting tariffs;

24-1) coordinate with the authorized body a trust management agreement for the transfer of main canals with outflow inter-farm and on-farm canals for expansion, modernization, reconstruction and improvement of the technical condition, owned by a natural monopoly entity;

24-2) coordinate with the authorized body an agreement on trust management of property used in the technological cycle in the provision of regulated services, owned by a subject of natural monopolies;

24-3) coordinate with the authorized body credit agreements to attract loans from international financial organizations, specialized industry banks, the Development Bank of Kazakhstan, and second-tier banks of the Republic of Kazakhstan;

25) annually publish a report on the provision of utility services in the spheres of natural monopolies to the consumers and other interested parties not later than five calendar days from the date of the making the report in a periodical, on its Internet resource or the Internet resource of the authorized body in accordance with the rules for tariff formation;

26) not to transfer property owned or otherwise legally owned and used in the technological cycle in the production and (or) provision of a regulated service into trust management, property lease (rent), including leasing, except for the cases provided for in paragraphs 1 and 2 of Article 13-1 of the Law of the Republic of Kazakhstan "On Electric Power Industry", paragraph 6-1 of Article 29 of the Law of the Republic of Kazakhstan "On Communications", and the regulated service provided for in subparagraph 13) of paragraph 1 of Article 5 of this Law, transfer into trust management of main canals with off-take inter-farm and on-farm canals for the expansion, modernization, reconstruction, and improvement of technical condition of the assets of a natural monopoly entity transferred into trust management.

In case of transfer to trust management of main canals with diverting inter-farm and on-farm canals, the trust manager shall provide water supply services through the canals at a price not exceeding the tariff level approved by the authorized body for the regulated service for water supply through the canals;

27) not assign the right of claim, related to the provided regulated service, except for the assignment of the right of claim to a special financial company for project financing and securitization transactions, provided that this does not lead to an increase in the tariff;

28) alienate the property, used in the technological cycle in the production and (or) provision of the regulated service at the auction, except for the cases of transferring the property to the state, as well as the transfer of electrical networks by subjects of natural monopolies, providing the regulated service for the transmission of electric energy, specified in paragraph 1 of Article 13-1 of the Law of the Republic of Kazakhstan "On electric power industry".

In case of alienation of an access road, the regulated services of which belong to the sphere of natural monopoly, the owner of this access road must:

notify consumers in writing who have the concluded contracts for provision of access road services, about holding a tender no later than thirty calendar days before the tender;

provide a pre-emptive right to purchase it to an existing consumer before the third parties in the event of the same conditions and the amount of repurchase, presented in the bids.

If there are two or more existing consumers, the pre-emptive right shall be granted to the consumer who has received a greater volume of the regulated services over the past twelve

months (thous. wagon / km, wagon / hour) in the case of equal conditions and the redemption amount, presented in the tender bids;

29) not include in the tariff the costs not related to the provision of the regulated service;

30) acquire and install metering devices to the consumers in accordance with sub-paragraph 8) of paragraph 23 of Article 15 of this Law, except for the cases of acceptance and commissioning of construction objects;

31) charge fees on consumers for the purchase and installation of a metering device in accordance with subparagraph 8) of paragraph 23 of Article 15 of this Law, except for the cases of acceptance and commissioning of construction objects;

32) provide access to the objects of the approved investment program and provide information on execution of the approved investment program to the persons authorized to conduct public monitoring and (or) technical expertise of the execution of the approved investment program, compliance with quality and reliability indicators of regulated services, and achievement of performance indicators of subjects of natural monopolies;

33) not charge a separate fee for the use of structures, devices and elements of the access road, designed to move rolling stock from one track to another;

34) charge for the provision of services of access roads in the absence of a competitive access road a fee according to the actual length to the consumer (contractor);

35) provide information about the consumer of utility services to the credit bureau.

The obligations provided for in subparagraphs 13), 18), 21), 24) and 25) of part one of this paragraph shall not apply to low-power natural monopoly entities and newly created natural monopoly entities.

Footnote. Article 26 as amended by the Laws of the Republic of Kazakhstan dated 27.12.2019 № 295-VI (for the procedure for implementation, see article 2); dated 29.06.2020 № 352-VI (shall come into effect upon the expiration of ten calendar days after the day of its first official publication); dated 02.01.2021 № 399-VI (shall come into effect upon the expiration of ten calendar days after the day of its first official publication); dated 29.06.2020 № 351-VI (shall come into effect from 01.07.2021); dated 15.11.2021 № 72-VII (shall come into effect from 01.01.2021); dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 № 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 21.05.2024 № 86-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (comes into force sixty calendar days after the date of its first official publication).

Article 27. Consumer rights and obligations

1. The consumer shall have the right:

- 1) to purchase the regulated services at the tariffs in accordance with this Law;
- 2) to participate in public hearings;
- 3) to apply to the authorized body with an application on the introduction of amendments and (or) additions, the adoption of new and (or) on the cancellation of the existing legal acts of the authorized body.

The consumer shall have other rights, established by the laws of the Republic of Kazakhstan.

2. The consumer shall be obliged:

- 1) to pay the regulated services in a timely manner and in full at the tariffs in accordance with this Law;
- 2) to have metering devices;
- 3) to provide access of the representative of the subject of natural monopoly to the metering device;
- 4) timely and fully pay for the purchase and installation of a metering device in accordance with subparagraph 8) of paragraph 23 of Article 15 of this Law, except for the cases of acceptance and commissioning of construction objects;
- 5) in accordance with the model contracts, approved by the authorized body, to conclude individual contracts with the subject of natural monopoly for each type of the regulated services provided;
- 6) to fulfill the technical requirements, established by the subject of natural monopoly in accordance with the legislation of the Republic of Kazakhstan.

Article 28. Tariff Policy Council

1. The Tariff Policy Council shall be a consultative and advisory body to the authorized body.

2. The Tariff Policy Council may include deputies of the Parliament of the Republic of Kazakhstan, representatives of the authorized body and other state bodies, the National Chamber of Entrepreneurs of the Republic of Kazakhstan, public associations, associations of private enterprises, subjects of natural monopolies, experts and other interested parties.

3. The Tariff Policy Council shall have the right to create commissions on problematic issues of tariff formation in the spheres of natural monopolies.

4. The regulation on the Tariff Policy Council and its personal composition shall be approved by the authorized body.

5. The Tariff Policy Council shall:

- 1) develop proposals to the authorized body for draft regulatory legal acts in the spheres of natural monopolies;
- 2) provide advisory, methodological and other support to the authorized body;
- 3) promote the involvement of public, scientific and other organizations to participate in the implementation of the state policy in the spheres of natural monopolies;

4) make proposals to the authorized body to determine the level of tariff indexation and the forecast index of the tariff;

5) make proposals to the authorized body to determine the method of tariff regulation of the sphere of natural monopoly;

6) make proposals to the authorized body to include in the list of subjects of natural monopolies, whose tariffs are approved using the incentive method of tariff regulation;

7) is excluded by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

8) is excluded by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

9) coordinate the terms of placement by the authorized body of the state social order for public associations.

Footnote. Article 28 as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 29. Public associations

Public associations, in addition to the rights, established by the legislation of the Republic of Kazakhstan on public associations, shall also:

1) participate in development of the main directions of the state policy in the spheres of natural monopolies;

2) send proposals to the authorized body on draft regulatory legal acts in the spheres of natural monopolies;

3) participate in consideration by the authorized body of the draft tariffs and draft investment program, reports on the implementation of the approved tariff estimates, the execution of the approved investment program, compliance with the quality and reliability indicators of regulated services and the achievement of performance indicators of subjects of natural monopolies;

4) disseminate information about the rights and obligations of consumers and subjects of natural monopolies;

5) represent the interests of consumers in relations with the authorized body, other state bodies, subjects of natural monopolies, courts and other persons;

6) perform other functions not prohibited by the legislation of the Republic of Kazakhstan

Chapter 5. THE STATE CONTROL

Article 30. The State control

1. State control in the spheres of natural monopolies shall be carried out in the form of an unscheduled inspection, preventive control with a visit to the subject (object) of control and preventive control without a visit to the subject (object) of control.

An unscheduled inspection and preventive control with a visit to the subject (object) of control shall be carried out in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

Preventive control without a visit to the subject (object) of control shall be carried out in accordance with the Entrepreneurial Code of the Republic of Kazakhstan and this Law.

When exercising state control in the spheres of natural monopolies, the authorized body shall take the following response measures:

- 1) initiate an administrative violation case;
- 2) issue an instruction to eliminate violations of the legislation of the Republic of Kazakhstan on natural monopolies;
- 3) transfer materials to law enforcement and other authorities.

2. When implementing the state control, the authorized body in the spheres of natural monopolies shall interact with law enforcement agencies within the competence, established by the legislation of the Republic of Kazakhstan.

Footnote. Article 30 as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 30-1. Preventive control without a visit to the subject (object) of control

1. The subjects of preventive control without a visit to the subject (object) of control (hereinafter - the subject of control) shall be an individual entrepreneur or a legal entity providing consumers with regulated services in accordance with the legislation of the Republic of Kazakhstan on natural monopolies.

2. Preventive control without a visit to the subject (object) of control shall be carried out by the authorized body without visiting the subject of control based on the analysis and data of information systems, open sources, mass media, as well as other information on the activities of the subject (object) of control.

3. The objectives of preventive control without a visit to the subject (object) of control shall be the timely suppression and prevention of violations, granting the subject of control the right to independently eliminate violations identified as a result of preventive control without visiting the subject (object) of control, and reducing the administrative burden on the subject of control.

4. In order to grant the right to independently eliminate violations to subjects of control, preventive control without visiting the subject (object) of control shall be carried out only for those violations, the consequences of which can be eliminated in accordance with the legislation of the Republic of Kazakhstan.

5. Based on the results of preventive control, without visiting the subject (object) of control, a recommendation shall be made to eliminate the identified violations without initiating a case on an administrative offense with a mandatory explanation to the subject of control of the procedure for their elimination.

6. The recommendation to eliminate the identified violations must be handed to the subject of control in person against signature or in another way confirming the fact of sending and receipt.

7. The recommendation to eliminate the identified violations sent in one of the following ways shall be considered to have been delivered in the following cases:

1) in person - from the date of the note in the recommendation on receipt;

2) by mail - registered letter with notification;

3) electronically - from the date of sending by the authorized body to the electronic address of the subject of control specified in the letter upon request by the authorized body.

8. The recommendation to eliminate the identified violations must be implemented within thirty working days from the day following the day of its delivery.

9. In case of disagreement with the violations specified in the recommendation to eliminate the identified violations, the subject of control shall have the right to send an objection to the authorized body that sent the recommendation to eliminate the identified violations within five working days from the day following the day of its delivery.

10. Failure to comply with the recommendation to eliminate the identified violations within the established period shall entail the appointment of preventive control with a visit to the subject (object) of control by including it in the semi-annual list of preventive control with a visit to the subject (object) of control.

11. Preventive control without a visit to the subjects (objects) of control shall be carried out no more than once per quarter.

Footnote. Chapter 5 has been supplemented by Article 30-1 in accordance with the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 31. An instruction on elimination of violation of the legislation of the Republic of Kazakhstan on natural monopolies

1. An instruction to eliminate a violation of the legislation of the Republic of Kazakhstan on natural monopolies shall be executed by a subject of natural monopoly within the period established by the instruction, which must be at least ten calendar days from the date of its receipt.

2. In the event that a subject of natural monopoly fails to issue an instruction to eliminate a violation of the legislation of the Republic of Kazakhstan on natural monopolies, the authorized body shall file a lawsuit against forcing the subject of natural monopoly to perform the actions, specified in the instruction.

Chapter 6. RESPONSIBILITY IN THE SPHERES OF NATURAL MONOPOLIES

Article 32. Responsibility for violation of the legislation of the Republic of Kazakhstan on natural monopolies

Violation of the legislation of the Republic of Kazakhstan on natural monopolies shall entail liability, established by the laws of the Republic of Kazakhstan.

Article 33. Temporary compensating tariff

1. The temporary compensating tariff shall be approved based on the results of:

- 1) verification of the activities of the subject of natural monopoly;
- 2) an annual analysis of the reports on the execution of the approved tariff estimates, the execution of the approved investment program submitted by the subject of natural monopoly.

2. The grounds for approval of the temporary compensating tariff shall be:

- 1) the excess of the tariff, approved in accordance with this Law;
- 2) inappropriate use of depreciation funds;
- 3) non-fulfillment of the actions of the approved investment program, included in the tariff, except for the following cases:

reduction of the volumes that resulted in shortfalls in the funds, provided for in the approved tariff estimate for the implementation of the approved investment program. At the same time, the amount of lost income, proportionate to the decrease in the volumes shall be excluded from the total amount of non-fulfillment of the actions of the approved investment program; the temporary compensating tariff shall be introduced by the authorized body for the remaining amount of unjustified income;

money savings, resulting from the conducted competition (tender) procedures;

cost savings due to the introduction of more efficient methods and technologies;

4) non-fulfillment of the cost items of the approved tariff estimate by more than 5 percent of the amount provided for by the approved tariff estimate, except for the following cases:

cost savings due to the use of more efficient methods and technologies, the implementation of an action plan for energy saving and energy efficiency, developed as a result of an energy audit or an express energy audit, and the implementation of measures to reduce regulatory technical losses;

cost savings due to the reduced volumes of regulated services for reasons beyond the control of the subject of natural monopoly. In this case, the amount of lost income, proportionate to the decrease in volumes shall be excluded from the total amount of non-fulfillment of the approved tariff estimates; the temporary compensating tariff shall be introduced by the authorized body for the remaining amount of unjustified income;

money savings, resulting from the competition (tender) procedures.

3. The temporary compensating tariff shall not apply in the case of full compensation by the subject of natural monopoly of the unjustifiably received income to the consumers, including by a court decision.

4. The temporary compensating tariff shall be approved taking into account the base rate of the National Bank of the Republic of Kazakhstan on the day of the decision.

Footnote. Article 33 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall come into effect from 01.01.2021); dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 34. Reimbursement of damages by a subject of natural monopoly, caused by violation of this Law

Actions (inaction) of a subject of natural monopoly that contradict the laws of the Republic of Kazakhstan on natural monopolies and cause losses to another individual or legal entity, including by overestimating the tariff, unjustified refusal to enter into and perform a contract for provision of a regulated service, shall entail compensation of damages by the subject of natural monopoly in accordance with the civil legislation of the Republic of Kazakhstan.

Article 35. Indemnification of damages caused to the subject of natural monopoly by unlawful decisions, actions (inaction) of the authorized body, as well as its officials

In case if unlawful decisions, actions (inaction) of the authorized body, as well as its officials caused damage to the subject of natural monopoly, it shall be entitled to claim compensation for these losses in accordance with the civil legislation of the Republic of Kazakhstan.

Chapter 7. TRANSITIONAL AND FINAL PROVISIONS

Article 36. Procedure for enactment of this Law

1. This Law shall enter into force upon the expiry of ten calendar days after the day of its first official publication.

2. Suspend the effect of paragraph 6 of Article 23 of this Law until January 1, 2020, establishing that during the period of suspension this paragraph is valid as follows:

"6. Procurement of a subject of natural monopoly shall be carried out on paper or in electronic form by posting information on its Internet resource, and in the absence of its Internet resource - by providing the authorized body with information on each stage of the procurement process for its placement on its Internet resource, except for the cases of procurement through commodity exchanges, electronic trading platforms that post the trading results on their own Internet resources."

3. To recognize the Law of the Republic of Kazakhstan dated July 9, 1998 "On natural monopolies" as invalid (Bulletin of the Parliament of the Republic of Kazakhstan, 1998, № 16, Article 214; 1999, № 19, Article 646; 2000, № 3-4, Article 66; 2001, № 23, Article 309; 2002, № 23-24, Article 193; 2004, № 14, Article 82; № 23, Article 138 , 142; 2006, № 2, Article 17, № 3, Article 22, № 4, Article 24, № 8, Article 45, № 13, Article 87, 2007, № 3, Article 20; № 19, Article 148; 2008, № 15-16, Article 64; № 24, Article 129; 2009, № 11-12,

Article 54; № 13-14, Article 62; № 18, Article 84; 2010, № 5, Article 20, 23; 2011, № 1, Article 2, № 11, Article 102, № 12, Article 111, № 13, Article 112; № 16, Article 129; 2012, № 2, Article 9, 15, № 3, Article 21, № 4, Article 30, № 11, Article 80, № 12, Article 85; № 15, Article 97; 2013, № 4, Article 21; № 10-11, Article 56; № 15, Article 79, 82; № 16, Article 83; 2014, № 1, Article 4; № 4-5, Article 24; № 10, Article 52, № 11, Article 64, № 14, Article 87, № 16, Article 90, № 19-I, 19-II, Article 96, № 23, Article 143, 2015, № 9, Article 46, № 19-I, Article 100, № 20-IV, Article 113, № 20-VII, Article 117, № 21-II, Article 131; № 22-II, Article 144; № 22-V, Article 156; № 22-VI, Article 159; 2016, № 6, Article 45; № 8-I, Article 60; № 24, Article 124; 2017, № 4, Article 7; № 9, Article 17, 22; № 14, Article 54; № 20, Article 96; 2018, № 10, Article 32; № 19, Article 62).

*President of the
Republic of Kazakhstan*

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