

Collection of administrative data

Report on the execution of the tariff estimate for the regulated service for pumping oil through the Kenkiyak-Kumkol main pipeline of Kazakhstan-China Pipeline LLP to domestic market

Reporting period - 2020

ITS-1 index

Frequency: annual

Submitted by: natural monopoly entities, with the exception of the regional power grid company

Form submitted to: department of a state body that exercises leadership in the relevant areas of natural monopolies or to its territorial body

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No	Indicators	Measuring unit	Provided in the approved tariff estimate	actually prevailing indicators of tariff estimates	Deviation percent	Reasons of deviation
1	2	3	4	5	6	7
I	The costs for producing goods and providing services	th. tenge	10 207 614	10 291 866	0.8%	
	including:					
1	Material costs, total	-/-	56 022	59 256	6%	
	including:					
1.1	raw materials	-/-	17 588	17 958	2%	Represented by the cost of writing-off basic materials and purchased items for production process, special clothing for production personnel, as well as purchase of spare parts.
	including:					
	HSE costs (first aid kits)	-/-	8	2 030	24065%	
	Purchase of one-time use number seals and seal wiring (route)	-/-	171	134	-22%	
	Special clothing costs	-/-	1 506	1 652	10%	
	Emergency stock of OD and PCS&CD	-/-	15 903	14 142	-11%	
1.2	power	-/-	38 434	41 298	7%	As part of the adjusted tariff estimate electricity consumption was provided for 2 369 082 kW * h at a cost of 16.22 tenge / kW * h. The actual consumption of electricity amounted to 2,545,443 kW * h, with an average cost of 16.22 tenge / kW * h. Increased costs due to increased electricity consumption.
2	Labor remuneration, total	-/-	104 827	105 214	0%	Labor costs are represented by the actual costs of labor remuneration of production personnel (19 employees) with deductions.
	including:	-/-				
2.1	salary	-/-	95 733	96 086	0%	
2.2	social tax	-/-	9 095	9 128	0%	
3	Depreciation	-/-	4 799 769	4 835 282	1%	Depreciation is represented by depreciation of fixed assets of Kenkiyak-Kumkol main pipeline facilities.
4	Repair, total	-/-	228 052	227 915	0%	The costs are represented by the actual costs incurred for maintenance and current repair of along-route roads and access roads to facilities of Kenkiyak-Kumkol main pipeline carried out on an annual basis through involvement of subcontractors, with a total length of 456.6 km.
	including:					
4.1	capital repair not leading to increase of FA value	-/-	228 052	227 915	0%	
5	Other costs, total	-/-	5 018 943	5 064 200	1%	
	including:					
5.1	private and fire protection	-/-	445 467	446 899	0%	Actual costs are represented by costs: 1) of provision of security services for linear part and stationary facilities of Kenkiyak-Kumkol oil pipeline; 2) of provision of fire extinguishing/preventing services at ERC Aralsk. Implementation of protection against fires is carried out by creation of a fire department with field fire fighting equipment in amount of at least 2 tank trucks in constant (round-the-clock) combat readiness of personnel.
	Private protection		412 097	413 549	0%	
	Fire protection		33 370	33 350	0%	
5.2	OTM services	-/-	3 004 223	3 002 416	0%	Actual costs are represented by costs under the agreement concluded with KazTransOil JSC on provision of services of operation and maintenance of Kenkiyak-Kumkol oil pipeline. Operation and maintenance of the oil pipeline is based on ST RK 3362-2019.
5.3	metrology	-/-	1 126	1 125	0%	The costs are presented by the actual costs for verification of measuring instruments installed at facilities of Kenkiyak-Kumkol oil pipeline.
5.4	maintenance of equipment and metering devices	-/-	40 794	50 433	24%	Costs are represented by production and operating costs of operation and maintenance of 10/6 kV overhead lines; services to ensure reliability and stability of power supply for 2 cells at 110 kV Substation "Emba", as well as services of maintenance of cells, distribution points, 35/10/6 kV converter substations located at substations supplying the facilities of Kenkiyak-Kumkol oil pipeline
	OHL maintenance	-/-	14 669	14 661		
	Maintenance of 110 kV and 10 kV cells, distribution points, substations	-/-	26 125	35 772		

5.5	maintenance of the information and analytical Pipeline Integrity Management System (PIMS)	-//-	23 329	37 112	59%	Represented by the costs of maintenance and technical support services for ROAIMS software and hardware complex. Information and analytical support of main pipeline integrity management processes is carried out on the basis of software, which includes a set of 14 interconnected software modules implemented in accordance with the International Standard for Operation of Pipeline Transportation Facilities API 1160 "Integrity Management of Pipelines Transporting Liquid and Hazardous Substances."
5.6	maintenance of communication systems	-//-	141 680	146 395	3%	Represented by costs according to concluded agreement on maintenance and current repair of equipment for industrial and technological communication systems of Kenkiyak-Kumkol main pipeline.
5.7	tax payments and fees	-//-	1 157 854	1 166 289	1%	Costs are represented by actual tax payments (property tax; land tax and land use charges; environmental emissions charges; charges for use of radio frequency spectrum), in accordance with the Tax Code of Republic of Kazakhstan.
5.8	environmental monitoring and protection	-//-	9 044	13 416	48%	Represented by the costs of industrial monitoring of state of environment, services for removal (collection) of hazardous waste (oil sludge) at facilities of the Partnership's oil pipelines.
5.9	maintenance of hazardous production facilities of the oil and gas industry	-//-	17 227	17 217	0%	Presented by the services of providing a professional emergency rescue service at ERC Aralsk of Kenkiyak-Kumkol main oil pipeline.
5.10	maintenance costs for fire alarm systems	-//-	17 470	17 460	0%	The costs are presented as actual costs according to the concluded contracts for maintenance and current repair of security and fire alarm system and automatic gas fire extinguishing system.
5.11	TM, TR of the pipeline protection system and TM, TR of video surveillance systems and the perimeter protection system of the main pipeline	-//-	41 561	42 598	2%	The costs are represented by services: 1) maintenance and current repairs of pipeline security system; 2) MT, TR of video surveillance systems and perimeter security systems of main oil pipeline includes MT and TR of video surveillance systems; Maintenance and repair of perimeter security systems.
5.12	transportation services with office vehicles	-//-	43 302	43 276	0%	Represented by the costs of purchasing transportation services of 4 vehicles serving the production facilities of Kenkiyak-Kumkol oil pipeline.
5.13	TM and TR of office equipment, software and climate control systems	-//-	23 136	23 121	0%	Represented by actual costs of maintenance and repair of air conditioning and climate control systems.
5.14	current repair and maintenance of oil metering station	-//-	12 313	12 305	0%	Represented by services of maintenance and current repairs of OQMS in order to ensure constant operability of OQMS "Kenkiyak" and OQMS "Kumkol" and equipment and metering instruments included therein.
5.15	communication service	-//-	23 950	23 994	0%	The costs are represented by services of provision of: 1) telephone communication at Kenkiyak-Kumkol main pipeline; 2) satellite communication services on the route; 3) Internet access services for Kenkiyak-Kumkol main pipeline.
5.16	accommodation and meals for shift employees	-//-	14 864	18 500	24%	The costs are represented by the actual costs of accommodation and meals for shift employees according to the concluded agreement on provision of accommodation and provision of meals at Kumkol field. Meals per one shift employee 4,300 tenge with VAT per day; accommodation 14,921.39 tenge with VAT per day per one shift employee.
5.17	insurance	-//-	1 601	1 643	3%	Insurance premiums include: 1) Compulsory insurance of employee against accidents in performance of his labor (official) duties; 2) Civil liability insurance of property owners; 3) Environmental insurance
5.18	training and qualification upgrade	-//-	0	0	0%	
5.19	technological costs (drag reducer)	-//-	0			
II	Period costs, total	-//-	5 433 540	5 465 534	1%	
	including:					
6	G&A	-//-	463 126	477 905	3%	
	including:	-//-				
6.1	salary of administrative personnel	-//-	194 331	196 203	1%	Labor costs of AMP include payroll (including income tax and deductions to accumulative pension fund, vacation pay). The costs are represented by the costs of wages for actual average number of employees in the amount of 134 people.
6.2	social tax	-//-	18 461	18 639	1%	
6.3	bank services	-//-	1 055	1 052	0%	Represented by the actual costs of providing banking services for settlement transactions in tenge and foreign currency, buying and selling foreign currency, statements of movements and presence of bank account balances.
6.4	Depreciation	-//-	27 953	28 273	1%	Expenses are represented by accrual of depreciation of involved non-production fixed assets and intangible assets, according to the actual "Statement of depreciation of intangible assets" (according to 1C).
6.5	services of third parties, total	-//-	221 326	233 738	6%	

	including					
6.5.1	raw materials	-/-	2 115	4 418	109%	Represented by costs of writing-off: 1) purchase and write-off of drink water at the head office, 2) special clothing, special footwear and other personal protective equipment for production personnel; 3) first aid kits and other inventory. Overspending is related to write-off of medical masks for the Partnership employees purchased as PPE as a result of the global pandemic of coronavirus infection COVID-19.
	Purchase and write-off of drink water	-/-	626	429	-31%	
	Special clothing write-off costs	-/-	1 283	524	-59%	
	HSE costs (first aid kits)	-/-	206	3 465	1579%	
6.5.2	transportation services with office vehicles	-/-	90 390	91 009	1%	Represented by the actual costs of purchasing transport services for vehicles serving the administrative and management personnel of the Partnership.
6.5.3	announcements in mass media	-/-	569	735	29%	The item is represented by services for placement of information materials in mass media distributed on the territory of Republic of Kazakhstan. According to the plan, the total volume of publications was 2400 sq. cm at a cost of 950 tenge. In fact the total volume of publications was 5,175 sq. cm at a price of 570 tenge. The increase in costs is due to an increase in the volume of publications
6.5.4	business trip services	-/-	11 127	19 316	74%	Expenses are represented by actual costs in accordance with provisions of the Regulation "On business trips of the Partnership's employees (CS IMS 17 / 4-01-018), approved by the Supervisory Board of KCP LLP No. 1 dated August 27, 2018.
6.5.5	communication service	-/-	2 359	2 289	-3%	Represented by the actual costs of providing international, long distance communication services, Internet access services, monthly payments for provision of intracorporate telephone connections. Savings on Internet services for the head office associated with the worldwide coronavirus pandemic and quarantine of the Partnership's employees
6.5.6	taxes	-/-	8 221	8 275	1%	Taxes are represented by actual costs in accordance with the Tax Code of Republic of Kazakhstan.
6.6	Other costs, total	-/-	106 545	107 695	1%	Represented by the costs of notary, information services, ISO costs, write off of office supplies, maintenance of office equipment and software, insurance, courier services, maintenance of administrative buildings, personnel outstaffing services.
	including:					
6.6.1	notary services	-/-	653	657	1%	
6.6.2	information services	-/-	10 702	10 775	1%	
6.6.3	ISO costs	-/-	1 268	1 276	1%	
6.6.4	stationery costs	-/-	923	823	-11%	
6.6.5	maintenance of office equipment and software	-/-	9 974	11 235	13%	
6.6.6	insurance	-/-	810	817	1%	
6.6.7	courier services, mail	-/-	292	508	74%	
6.6.8	maintenance of administrative buildings	-/-	31 313	32 788	5%	
6.6.9	personnel outstaffing services	-/-	50 610	48 815	-4%	
7	Interest costs	-/-	4 970 414	4 987 629	0%	
III	Total costs of services	-/-	15 641 154	15 757 400	1%	
IV	Income	-/-	15 123 389,78	12 804 939	-15%	Decrease in profit is due to the loss of income by 2,202,204 thousand tenge.
VI	Total income	-/-	30 764 544	28 562 339	-7%	Reduction of the volume of regulated services provided for reasons beyond control of the Partnership.
VII	Volume of services rendered	th. tons	5 760	5 335	-7%	Reduction of the volume of regulated services provided for reasons beyond control of the Partnership.
VIII	Regulatory technical losses	th. tons	4	4	-7%	
IX	Turnover	mln. km.	4 298	4 015	-7%	Reduction of the volume of regulated services provided for reasons beyond control of the Partnership.
X	Specific tariff (without VAT)	tenge/1 ton per 1000 km.	7 158	7 158	0%	

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