

Report of expected execution of tariff estimate (as per operative data)
for regulated service on oil transportation through Kenkiyak-Kumkol crude oil pipeline
of Kazakhstan-China Pipeline LLP to the domestic market in 2016

No.	Tariff estimate indicators	Measuring unit	Specified in the approved tariff estimate	Expected indicators of the tariff estimate	Deviation in %	Reasons for deviation
1	2	3	4	5	6	7
I	Expenses for production of goods and rendering services	thousand tenge	8 428 820	8 949 365	6%	
	including					
1	<i>Material expenses, total</i>	-//-	85 142	40 601	-52%	
	including:					
1.1	raw and other materials	-//-	1 951	4 096	110%	
1.2	fuel and lubricants	-//-	1 306	1 418	9%	
1.3	energy		81 885	35 087	-57%	At the expense of cost saving due to reduction in volumes of regulated services rendering for reasons beyond the control of the Partnership. In accordance with the approved investment program of the Partnership for 2015-2019 the completion of reconstruction of Kenkiyak PS, Kumkol PS and construction of Arask PS was planned for 2016. However, according to decision of the Investment Committee of NC KazMunaiGas JSC No.7-15 dated 23.04.2015 the further implementation of project "Second stage of the second phase of Kazakhstan-China pipeline construction. Increase of throughput capacity to 20 million tons per year" was suspended till the decision regarding the resource base. The approved tariff estimate provided for electric power consumption 5 174 331 kW*hour, including with account of power consumption at Arask PS 3 051 147 kW*hour.
		-//-				
2	<i>Labour remuneration expenses, total</i>	-//-	123 959	123 924	0%	
	including:	-//-				
2.1	salary	-//-	112 793	111 497	-1%	

No.	Tariff estimate indicators	Measuring unit	Specified in the approved tariff estimate	Expected indicators of the tariff estimate	Deviation in %	Reasons for deviation
2.2	social tax	-//-	11 166	12 427	11%	
3	Amortization	-//-	4 499 334	4 470 143	-1%	
4	Repairs, total	-//-	78 164	82 159	5%	
	including:					
4.1	capital repairs that not bring to increase of cost of fixed assets	-//-	78 164	82 159	5%	
5	Other expenses, total	-//-	3 642 222	4 232 538	16%	
	including:					
5.1	private security and fire protection	-//-	291 679	362 078	24%	
5.2	other expenses, total	-//-	3 350 542	3 870 460	16%	
	including					
5.2.1	aircraft services	-//-	75 578	118 263	56%	
5.2.2	operation and maintenance services	-//-	1 832 086	2 212 618	21%	
5.2.3	metrology	-//-	3 882	6 675	72%	
5.2.4	diagnostic works	-//-	0	0		
5.2.5	maintenance of equipment and instrumentation	-//-	21 089	20 997	0%	
5.2.6	maintenance of communication systems	-//-	80 613	109 972	36%	
5.2.7	tax payments and fees	-//-	1 241 796	1 247 211	0%	
5.2.8	environment monitoring and protection	-//-	4 278	6 256	46%	
5.2.9	expenses for maintenance of security and fire alarm system means	-//-	33 723	46 537	38%	
5.2.10	routine repairs and maintenance of vehicles	-//-	1 905	7 242	280%	
5.2.11	maintenance and routine repairs of office equipment, software and climate control systems	-//-	11 269	20 859	85%	
5.2.12	routine repair and maintenance of oil metering stations	-//-	20 719	30 983	50%	
5.2.13	communication services	-//-	19 354	24 026	24%	
5.2.14	accommodation of on-rotation employees	-//-	1 003	14 835	1380%	
5.2.15	insurance	-//-	2 005	2 692	34%	
5.2.16	training and qualification upgrade	-//-	1 244	1 294	4%	

No.	Tariff estimate indicators	Measuring unit	Specified in the approved tariff estimate	Expected indicator of the tariff estimate	Deviation in %	Reasons for deviation
II	Period expenses, total	-//-	2 411 500	7 646 490	217%	
	including:					
6	General and administrative expenses	-//-	449 525	675 695	50%	
	including:	-//-				
6.1	salaries of administrative personnel	-//-	213 252	229 257	8%	
6.2	social tax	-//-	21 112	25 218	19%	
6.3	banking services	-//-	2 096	1 953	-6.8%	At the expenses fo cost saving related to reduction in fees for cash transfer from 0.5% to 0.25%
6.4	amortization	-//-	22 632	23 225	3%	
6.5	services of third-party contractors, total	-//-	3 147	10 241	225%	
	including:					
6.5.1	purchase of fuel and lubricants	-//-	1 419	1 603	13%	
6.5.2	transport services	-//-	1 728	8 638	400%	
6.6	travel services	-//-	25 371	28 073	11%	
6.7	communication services	-//-	3 091	3 726	21%	
6.8	taxes	-//-	28 344	24 831	-12%	Cost saving in tax payments of Alashankou branch due to reduction in volumes of regulated services rendering for reasons beyond the control of the Partnership. For calculation of the taxable base of the business tax income from the oil transportation shall be used.
6.9	other expenses, total	-//-	130 480	329 171	152%	
	including:					
6.9.1	auditor services	-//-	3 858	7 137	85%	
6.9.2	legal services	-//-	931	1 281	38%	
6.9.3	notarial services	-//-	311	459	48%	
6.9.4	consulting services	-//-	2 148	4 421	106%	
6.9.5	maintenance of office equipment and software	-//-	2 350	4 316	84%	
6.9.6	insurance	-//-	529	879	66%	
6.9.7	courier services, post	-//-	589	490	-17%	Rational use of funds as a result of tender procedures. Announcement of purchase through quotation request was on 11.12.2015. The purchase plan provided for 2 727 thousand tenge. Protocol of tender results No. ПИ – 216351 dated 21.12.2015. Contract No.313-2015 for rendering services on courier delivery of mails was concluded on 31.12.2015 for 1 892, 194 thousand tenge without VAT. Economy over the concluded contract resulting from tender procedures was 835 thousand tenge.

No.	Tariff estimate indicators	Measuring unit	Specified in the approved tariff estimate	Expected indicator in the 2016 estimate	Deviation in %	Reasons for deviation
6.9.8	maintenance of administrative buildings		4 929	22 957	366%	
6.9.9	financing expenses	-//-	114 835	287 230	150%	
7	Expenses for payment of fees	-//-	1 961 975	6 970 794	255%	
III	Total expenses for rendering services	-//-	10 840 321	16 595 854	53%	
IV	Income/Loss	-//-	10 966 073	-226 828	-102%	
V	Total income	-//-	21 806 394	16 369 026	-25%	
VI	Scope of rendered services	thousand tons	5 384	4 013	-25%	Reduction in scope of regulated services rendering for reasons beyond the Partnership control.
VII	Normative technical losses	thousand tons	4,27	3,03	-29%	
VIII	Cargo turnover	mln tkm	4 055	3 044	-25%	For reasons specified in item VI
IX	Tariff for the domestic market (without VAT)	teenge per 1 ton per 1000km	5 377,92	5 377,92	0%	

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