

Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, and Republic of Uzbekistan
Interstate Council of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, and the Republic of Uzbekistan

COUNCIL OF PRIME MINISTERS

AGREEMENT

between the Governments of the Republics of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, and the Republic of Uzbekistan on the Parallel Operation of the Energy Systems of Central Asia

The Government of the Republic of Kazakhstan, the Government of the Kyrgyz Republic, the Government of the Republic of Tajikistan, and the Government of the Republic of Uzbekistan hereinafter referred to as the Parties,

Proceeding from multiyear commonality of the historical development, traditional economic, scientific and research links, firmly resolving to establish their own international relations on the basis of mutual understanding, equity and equality;
Recognizing that strengthening friendly and good neighborly relations, establishing cooperation and mutual support between the Parties meet the traditional interests of the CA nations;

Admitting that the CA energy complexes have been functioning during decades as a power grid;

Considering it important to set favorable conditions for the development of market relations between the economic entities, and create an integrated electricity market in the future ;

Trying to set the most reliable and economical power supply regimes for the consumers;

Observing the principles of the European Energy Charter, approved in Hague, 17 December 1991,

the Parties agree on the following:

Article 1

The Parties, proceeding from the necessity and economic purposefulness to provide efficient operation of their own energy systems, using the current electricity transmission lines, assume the responsibility to create favorable conditions to develop and implement the advantages of a parallel operation of energy systems and restrain from actions that may damage the interests of the other Party.

Article 2

To form an integrated electricity and capacity market the Parties deem it expedient to consider the issue of establishing the regional Electric Power Pool of Central Asia (EPP CA).

Article 3

The Parties agree that:

- The parallel operation will ensure a reliable and efficient work of the energy systems within the EPP CA;
- The electric power pool means an aggregate of energy systems of the countries, energy producers, and electricity networks, that have been united on a voluntary basis to provide conditions for efficient and reliable electricity supplies to consumers, gaining maximum

advantages of the energy systems parallel operation;
- Each Party shall independently make the layout and identify the amount of their own electricity networks for the parallel operation with the EPP CA, proceeding from their own national interests.

Article 4

The Parties, while considering the issue of the EPP CA use, recognize that the reliable and economic electricity supply, and the creation of the electricity and capacity market is ensured through mutually coordinated technical and economic policies.

Article 5

The parallel operation of the CA energy systems shall be achieved through currently operating and newly constructed 500 –220 kV intersystem electricity transmission lines.

The indispensable requirement for the energy systems parallel operation shall be based on the principle of electric power and capacity self balance for each EPP CA energy system with regard to the concluded agreements.

Given the recognition of the transmission lines capability, the energy system operation mode shall be implemented through the stipulated mutual electricity and capacity deliveries

Article 6

The Parties use and serve the international transmission lines according to the ownership of the property referred to in the balance sheet.

Article 7

The Parties agree to undertake concerted actions to implement energy transfers and the agreements on electricity transits, and avoid unauthorized electric power seizures by consumers.

Article 8

The Parties engage themselves to rendering mutual assistance under emergent conditions to remove accidents/breakdowns at energy facilities and restore normal energy supply for consumers.

Article 9

The Parties agree to take a coordinated decision on the unimpeded and duty-free passing treatments for the operating and repair personnel, equipment, and materials of the other Party to serve the power transmission lines.

Article 10

The Parties agree to take a coordinated decision not to impose custom duties, taxes and other collections, to be paid into the budget, on power transfers and transits through the international power transmission lines, and also on the frequency regulation services.

Article 11

Any disputes concerning interpretation and application of the Agreement will be resolved through mutual consultations and negotiations.

Article 12

Given the mutual consent of the Parties, amendments and addenda can be introduced in the Agreement. The amendments shall be formalized by separate protocols, and will become integral parts of the Agreement.

Article 13

The Agreement is open to enter for other countries that share these goals and principles.

Article 14

The Agreement is valid for a period of five years and will be automatically renewed for additional five-year periods in case the Parties do not take any other decision.

Any Party may cancel the participation in the Agreement through a written notification of the depository not less than one month in advance before termination.

The Agreement shall come into force upon the signatures.

Done in Bishkek 17 June 1999 in one original copy in Russian.

The original copy remains in the ICKKTU Executive Committee, which will submit certified copies to each member country that, have signed the Agreement.

For the Republic of

Kazakhstan

For the Kyrgyz

Republic

For the Republic of

Tajikistan

For the Republic of

Uzbekistan

N. Balgimbaev A. Muraliev A. Azimov U. Sultanov

August 23, 1999