

COUNCIL OF PRIME MINISTERS

AGREEMENT

Between the Government of the Republic of Kazakhstan, Government of the Kyrgyz Republic and Government of the Republic of Uzbekistan on the Use of Water and Energy Resources of the Naryn-Syrdarya Cascade of Reservoirs in 2000

To ensure a successful implementation of vegetation irrigation in the Syrdarya River basin under the water shortage and rational utilization of fuel and energy resources the Government of the Republic of Kazakhstan, Government of the Kyrgyz Republic and Government of the Republic of Uzbekistan entered into the agreement on the following:

Article 1

- 1.1. Volume of water releases from the Toktogul Reservoirs required to satisfy needs of water users is 500 m³/sec in June, 650 m³/sec in July, and 600 m³/sec in August.
- 1.2. To perform water releases through the Uchkurgan Hydro Power Station with an average daily rate: 450 m³/sec in June, 530 m³/sec in July, and 460 m³/sec in August.
- 1.3. The Parties shall review and make decisions regarding additional increase of water releases taking into consideration water-economic, fuel-energy situation, and technical capabilities, if needed.
- 1.4. The Uzbek side shall ensure:
 - inflow to the Chardarya Reservoir in summer season in the volume of 700-800 mn of m³ with an average daily rate 115-132 m³/sec;
 - water supply by the Dostyk Canal to the Republic of Kazakhstan with an average daily rate: 50 m³/sec in June, 70 m³/sec in July, and 65 m³/sec in August.

Article 2

To ensure the established irrigation releases and intakes for the Republic of Kazakhstan and the Republic of Uzbekistan, the Kyrgyz Republic shall transit electric power in the amount up to 2,200 mn of kW/h by equal shares during summer season, of which:

- up to 1,100 mn kW/h to the Republic of Kazakhstan;
- up to 1,100 mn of kW/h to the Republic of Uzbekistan.

Article 3

Mutual settlements for 1,100 mn of kW/h of electric power by \$0.0334 per one kW/h supplied to the Republic of Uzbekistan, which is obtained along with water releases from the Kyrgyz Republic in summer season, are made owing to additional supplies of natural gas for the thermal power station in Bishkek, (to the border of gas transportation systems of the Republic of Uzbekistan and Republic of Kazakhstan), and the thermal power station in Osh (to the border of gas transportation systems of the Republic of Uzbekistan and Kyrgyz Republic) in 2000 and the first quarter of 2001 in the amount of 500 mn of m³ by \$54.174 per 1,000 m³ (VAT is not included) and 20,000 tons of feed mazut to the thermal station in Osh by OAO "Oztashqineftgaz". Under that the cost of feed mazut is \$54,174/ton (VAT is not included) by ex works terms plus transportation costs.

The delivery schedule shall be agreed by AO "Kyrgyzenergo", AK "Uztransgas", OAO "Oztashqineftgaz" and Ministry of Power of the Republic of Uzbekistan.

Mutual supplies of fuel and energy resources that are subject to this Agreement (electric power and natural gas) and the "Intergovernmental Protocol between the Government of the Kyrgyz Republic and Government of the Republic of Uzbekistan on the Usage of Water and Energy Resources of the

Naryn-Syrdarya Cascade of Reservoirs in 2000" dated March 16, 2000 and signed in Osh (electric power, gas, and feed mazut), shall be made based on a quadrilateral agreement among the Ministry of Power of the Republic of Uzbekistan, AK "Uztransgaz", AOA "Oztashqineftgaz" and AO "Kyrgyzenergo" on mutual supplies of fuel and energy resources and services provision in 2000.

Mutual settlements between the economic entities of the Kyrgyz Republic and Republic of Uzbekistan are made in conformity with the agreement and taking into account actual volumes of mutual transit of electric power, supply of gas, feed mazut, costs of transit services and frequency regulation, as well as standing of mutual settlements in 1999 and January-May of 2000.

Article 4

Mutual settlements for 1,100 mn of kW/h of electric power transmitted to the Republic of Kazakhstan from the Kyrgyz Republic are made in conformity with the agreements between the economic entities of the Parties that are approved by the Government of the Republic of Kazakhstan and Government of the Kyrgyz Republic.

The cost of supplied electric power and coal is defined observing the terms of the agreement between the Government of the Republic Kazakhstan and Government of the Kyrgyz Republic "On the Usage of Water and Energy Resources of the Naryn -Syrdarya Cascade of Reservoirs in 2000" dated May 23, 2000 with amendments and addendum made on June 9, 2000.

Article 5

An operative adjustment of the regime for water release from the Toktogul Reservoir and transit of electric power is performed by the BVO "Syrdarya" and UDC "Energia" by the approval of concerned parties and viewing a water-economic and fuel-energy situation, if needed.

Article 6

For regulating mutual payments between the economic entities the supply of technical-material resources and equipment could be arranged to ensure a sustainable operation of the fuel-energy sector of the Parties.

Article 7

The Parties agreed those goods (works and services) subject to this Agreement, are exempted from any type of export and import Customs tariffs.

Article 8

The implementation of this Agreement regarding the part on the established volumes of electric power transit shall be possible under a normal scheme for power network 500kW.

Article 9

Under the change of water-energy situation nascent debts caused by the volume of water releases, transit of electric power and energy transmission, are taken into consideration in the process of the development of the Intergovernmental Agreement for 2001 in Bishkek in the forth quarter of 2000.

Article 10

The Parties shall not undertake any actions violating the established regime for water releases and energy resources supply.

Article 11

The Agreement shall be in effect since the date of its signature, and serves a basis for mutual settlements among the economic entities of the Parties.

Article 12

Addendum and amendments made in the Agreement should be specified by protocols under the Parties' approval, and are an inalienable part of this Agreement.

Article 13

Disputes arising under the interpretation and application of this Agreement shall be settled through consultations and negotiations between the Parties.

Signed on July 3, 2000 in Bishkek in three copies in Russian, and each copy has an equal legal effect.

On behalf of the
Government of the Republic
Kazakhstan

On behalf of the
Government of the
Kyrgyz Republic

On behalf of the
Government of the
Republic of Uzbekistan