

**KYRGYZSTAN: REPORT ON
MEDIA CAMPAIGN AGAINST THEFT
(Deliverable 2.5, Volume 2)
NIS Institutional Based Services Under the
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**Kyrgyzstan Energy Sector Regulatory Reform
and Restructuring
Delivery Order No. 6**

Final Report

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EXECUTIVE SUMMARY

Deliverable 2.5

Volume 2 Media Campaign

While planning for the incorporation of Kyrgyzenergo and its first-step privatization through the Coupon Auction, the State Property Fund decided that the public needed to know the facts about Kyrgyzenergo's financial condition. Most people in Kyrgyzstan think of Kyrgyzenergo as the country's "crown jewel," as the press often calls it, a highly profitable company that would pay handsome dividends to those who acquired its shares in the Auction.

The State Property Fund asked USAID/Hagler Bailly to assist in drafting a series of articles to dispel the four key "myths" about the energy sector: 1) that Kyrgyzenergo is in good shape and very profitable, 2) that state ownership is the best way to protect customers from monopoly abuse, 3) that the price of electricity won't have to go up because most of Kyrgyzstan's electricity comes from "free" hydropower, and 4) that the sector can be developed without having to privatize it. The State Property Fund and the State Energy Agency signed the articles which ran once a week for a month in Russian and Kyrgyz newspapers under the title, "Reform It to Save It."

Two TV talk shows about the Coupon Auction and unbundling and privatization of Kyrgyzenergo followed closely after the articles, which broke new ground by explicitly mentioning the huge and growing problem of electricity theft.

Within a few weeks the press started running stories about outages, theft, and other problems in the electric sector. This was new.

In October, 1997, the Prime Minister personally asked for USAID assistance to launch a media campaign against theft of electricity. USAID/Hagler Bailly, working with USAID/Counterpart Consortium, helped organize a Media Task Force and put the efforts of a grass-roots consumer advocacy group called "Aikyn" on center stage.

The results of the campaign, which specifically avoided the old style slogan-based methods, are that electricity theft is now commonly talked about in the media, and there is significantly heightened awareness of the link between the increasingly noticeable service interruptions and Kyrgyzenergo's deteriorating financial performance, mostly due to the high rate of theft that was allowed to develop as a matter of informal social policy.

While waiting for the TV cameras to start rolling one night, the Director of the State Energy Agency said, "I can't believe this. Theft used to be a taboo word, and here we are devoting an entire TV program to it!" And, one afternoon while waiting for multicolor charts about the technical degradation of the system and the high theft rates to come off the printer, our local engineer said, "We would have been killed in former times if we'd done charts like these." USAID programs making a difference in more ways than one.

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MEDIA CAMPAIGN
ATTACHMENT 1

**Reform It to Save It: the Future of Kyrgyzstan's
Electric Sector
(English, Russian, Kyrgyz)**

Reform it to save it: the future of Kyrgyzstan's electric sector

By The State Property Fund and the State Energy Agency of the Kyrgyz Republic

WHY SHOULD WE RESTRUCTURE AND REFORM OUR ELECTRIC COMPANY? ISN'T OUR ELECTRIC SYSTEM ONE OF THE REPUBLIC'S MOST IMPORTANT AND PROFITABLE ASSETS?

It is true that our electric system is one of our most important assets — not only because people and enterprises need electricity but because it is the basis for the Republic's future economic development. Unfortunately, it is not true that it is profitable.

The technical and economic design of our electric system fits perfectly with a command economy that provided large subsidies for its operation and expansion. However, for our system to work well and be able to develop in the future under a market economy, significant reform will be necessary.

In fact, it is precisely because it is so important and because it is not profitable that we must reform it in order to save it. We don't have any choice. The current system isn't working as well as we'd like to think it is.

Contrary to what most people think, KNEHC is not profitable, it is not rich, and it can't pay taxes. Right now KNEHC can't even cover its operating costs. It can't pay for needed repairs or finish construction of three hydro plants. Because of this, the system has recently begun to deteriorate rapidly.

Unless we find the money we need to fix it soon, power failures will happen more often and last longer than they do now. In some remote areas, power failures that used to average a few hours now last several days. Anyone who has lost a freezer full of food knows how much a long power outage can cost a family.

When a large transmission line goes out, hundreds of thousands of people can be without heat, light, and refrigerators for many days, like 200,000 people were in the south when some 220kV and 110kV lines failed. A failure of just one transformer can leave an entire village without power for weeks.

The technical problems in our system are increasing at a truly alarming rate.

— There were six times more failures of low voltage transformers in 1996 as there were in 1990.

— Energy engineers found that one third of our transmission lines need to be replaced because they are old and in bad condition.

— Technical and commercial losses are four times higher in 1996 than in 1990.

Losses due to technical problems and theft are now a staggering one third of total production. This means that we have to build plants one third larger than we need. It's like having to buy 1 1/2 kilo of sugar to get the 1 kilo you need.

For every five kilowatt hours we generate for domestic use, we sell three and lose two. It is as if the

entire annual output from our largest hydro plant on the Naryn (Toktogul) just disappeared.

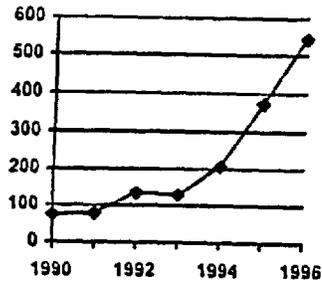
This raises the cost of electricity to all those who pay for what they use.

Our electric system is critical to the Republic's future. If we don't reform it, we can't fix it. And if we don't fix it, we can't add to it. And if we don't add to it, we will have to import power soon. This means we would lose revenues from export sales. It also means higher electric prices for us because it costs two to three times more to import power than it does to generate it from our own hydro resources.

Our energy experts are very experienced and work very hard to keep the lights on. But their hard work and expertise cannot continue to keep our lights on unless we find about 11.7 billion som (\$650 million) so we can catch up with repairs and finish the plants we stopped building because we ran out of money.

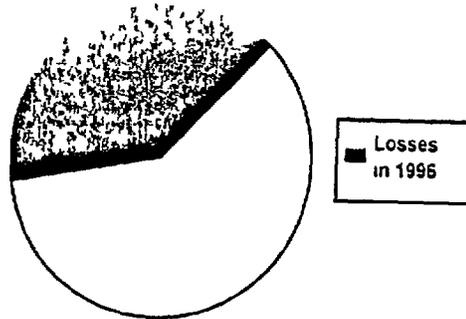
To save the system, we have to reform it. We have no other choice if we want to keep the lights on.

TRANSFORMER FAILURES



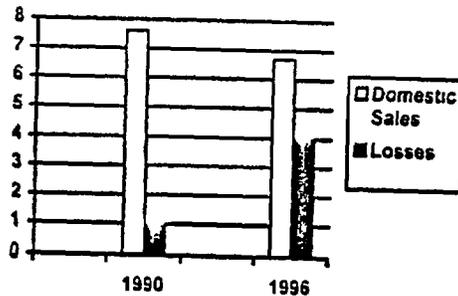
Failure of low-voltage transformers was more than 6 times higher in 1996 than it was in 1990

LOSSES AS % OF TOTAL PRODUCTION



Losses are now 1/3 of total production

LOSSES RELATIVE TO DOMESTIC SALES (Billion kWh)



Of every 5 kWh in the domestic market, we sell 3 and lose 2

AFTER WE RESTRUCTURE AND REFORM THE ELECTRIC SECTOR, HOW WILL WE BE ABLE TO PROTECT THE PUBLIC INTEREST?

Because electricity is so important in our daily lives, we have to solve the sector's serious technical and financial problems that are getting worse very fast. We have no choice but to reform the system so we can save it. In former times, the electric sector was a state enterprise, and the

state was large enough and rich enough to build us new plants and give us huge subsidies so we could keep the price of power down to about 1/50th of the world price. Nowadays, the Kyrgyz government just cannot pay what it actually costs to maintain and develop the electric system. That's why we have to find a new way to organize, manage and pay for it.

During the last ten years, all over the world—in both well developed countries like the United Kingdom and Australia and in small, less developed countries like Bolivia—governments faced this same problem. They restructured and reformed their electric sectors to solve it.

We studied these examples carefully and learned important lessons. First and most important is that we must put the electric company on a commercial basis so it can cover all its costs, improve its service to customers and produce more at less cost. And we know from this international experience that the state has many ways, in addition to ownership, to regulate the sector and protect the public interest.

Debate about whether state ownership or the free market is the best way to protect the public interest misses the point: all modern economies are mixed systems. They mix both public and private ownership, and they mix both competition and government regulation. But each country makes its own special mix, based on its unique situation and needs. And that's what we're doing here during our transition—changing the mix to suit our new needs.

We are adding some private ownership, and we are encouraging more competition. But we're not giving up all public ownership. And we are not giving up government oversight of our strategic industries.

This is especially true when it comes to our electric sector where the Government has two primary objectives: First, to make sure our people and our enterprises have enough reliable electricity to meet their needs now and in the future. And second, to make sure consumers pay fair prices and producers receive fair compensation.

But we are no longer able to meet these objectives under the current structure. We need a new one. So we spent the last two years considering options and making necessary preparations.

For example, the Jogork Kenesh recently took a very important step when it passed the Energy Law and created the State Energy Agency. The Agency's primary purpose is to oversee the electric sector and protect the interests of the people.

The Agency will issue license that will say what energy producers can and can't do. And its regulations will apply to all producers—both state-owned and private investors who will help us finish construction on our hydro plant and build new ones.

Under the new law, the Agency has to set tariffs that are fair to both consumers and producers. This means tariffs that are as low as possible so most people can afford them, but high enough so we can pay for the repairs and construction we need to be sure we always have enough power. We are fortunate to have abundant hydro resources so that the cost to generate our power here will always be much lower than what the rest of the world has to pay.

Some other countries started to restructure their electric sector without first creating such a regulatory agency. But the foresight of the Jogork Kenesh has given us both the proper legal basis for reform and new ways to protect the public interest. So, we are now ready to begin restructuring and reforming the system so we can save it.

WILL THE PRICE OF ELECTRICITY GO UP IN THE FUTURE?

Yes It has to. Because right now we don't pay what it costs to produce it. The State Energy Agency recently decided to keep tariffs at their current level until the end of the year. But it will develop a new tariff program for the coming three years.

And because we keep the price of electricity below its cost, we have a serious and growing problem that we must solve very soon if we want to keep the lights on, watch TV and use refrigerators. The problem is this: the physical condition of our electric system is deteriorating and we don't have enough money to fix it or build new power plants. It's broken and we're broke.

So there are only two options.

1 We can keep tariffs at their current level, which means that the problems will get worse and we will have to cut down consumption and ration everyone's use. Or,

2 We can gradually raise tariffs step by step over the next three years so we can pay for the needed repairs and construction, have enough power for everyone, and provide direct assistance for our neediest people.

Fortunately, we won't have to pay as much as our neighbors pay for electricity because so much of our power comes from our own hydro resources. And those people who don't use a lot of electricity won't have to pay much more than they pay now. But most people will have to pay more, or else everyone will have to use less.

We can no longer ignore the real cost of electricity, thinking someone else will pay it for us. If we continue to avoid the problem, it will just grow bigger, get harder and cost more to solve later. That's why we have to change the way we organize and manage the sector.

And if we do that today, prices won't have to go up in the future as much or as fast as they will have to if we don't restructure now. It's the only way the sector will be able to produce more at less cost, give us good quality service, and keep up with our growing demand for power.

Kyrgyzstan was the only Central Asian Republic where domestic consumption grew during the difficult economic times between 1991 and 1995. Even though our industrial and agricultural consumption dropped in half, our total domestic consumption still increased 12% while all our neighbors' consumption declined about 20% on average.

Our total consumption grew so much because use by small customers grew so fast. It's averaged a phenomenal 30% a year since 1991, almost half of it unmetered.

Such a high growth rate is a real problem because it speeds up the time in the future when we need to build expensive new plants or import expensive power. In fact, if industry and agriculture were still using as much as they used to, we would already be a net importer of power by now rather than a net exporter.

But fast growth is also a serious problem today because it overloads our distribution system and drives costs up and service quality down. Small customers used five times more electricity in 1996 than they did in 1990. Their use today exceeds the amount our distribution system was designed to carry by at least 1.1 billion kWh. That's the same as their total consumption in 1990. In other words, just their overload in 1996 is greater than their total load in 1990. It's amazing that our energy experts can keep the lights on for us as well as they do. It's a real tribute to their individual skill and dedication.

Especially since we don't have enough money so they can repair the existing system, much less add to it to keep up with our growth. For example, we need to reconstruct at least 1200 km of distribution lines every year, and we used to be able to do that. But now we're only able to do 180 km a year on average, and the backlog has already grown to more than 4800 km in just the last 6 years. The longer we postpone reform and restructuring, the farther we fall behind and the more it will eventually cost us to catch up, especially if we wait so long that a crisis develops.

It's easy to think that keeping prices lower than costs is "fair." But it isn't. It leads to power outages, power shortages, and much higher costs for everyone in the future. And it ends up giving the largest share of hidden subsidies to well-off consumers who use a lot of cheap electricity rather than to those small and needy consumers who truly can't pay.

It's more fair and more effective to give help directly to those most in need. So we are developing a new program to do just that - help only those who really need it. This way all our people can afford at least enough electricity to meet their basic needs.

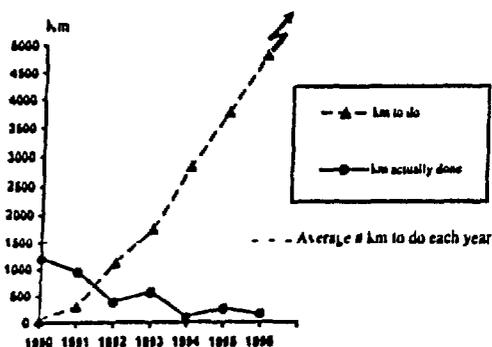
And, of course, unmetered use and unpaid bills hurt us all. They increase the cost of electricity for those of us who use only what we need and pay for what we use. Most of us have to pay more because too many people don't pay at all.

So, we have to restructure and reform the sector so we can save it. There is no other way to raise enough money for needed repairs and construction, slow down our excessive growth rate in residential consumption, cut out unmetered use, cut down unpaid bills, and

make the sector financially healthy. Only a financially healthy sector can pay taxes so the government can help our pensioners and other needy citizens meet their basic needs for electricity.

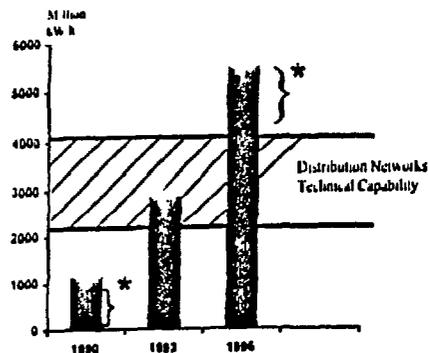
There's no other option if we want enough reliable electricity to meet all our needs. If we continue to pay less than it costs, we will get less than we need.

Backlog of Distribution Line Needing Reconstruction



The more we fall behind today - the more outages we will have tomorrow.

Growth of Consumption and Distribution Overload



Small customer consumption now exceeds the limited capacity of distribution networks.

*Overload in 1996 is equal to total load 1990.

HOW WILL RESTRUCTURING AND REFORM AFFECT OUR ELECTRIC SERVICE?

The principal reason we must restructure and reform the sector is to save it from rapid deterioration caused by increasing technical problems—the things that cause TVs to burn out, clocks to run slow, the power to go out, and long waits to get reconnected. The principal result we expect from restructuring and reform will be better quality service for customers—fewer outages, faster response, more stable supply—and enough low cost power to meet our growing needs.

Today, as we know the physical and economic condition of our electric system is getting worse. Losses are now 1/3 of total production. And Kyrgyzenergo doesn't have enough money to cover all its costs. So despite the hard work of our dedicated energy experts, each year we fall behind in needed maintenance and reconstruction which leads to more and longer outages and to voltage problems. Consumption by small consumers has grown so fast recently that our distribution system is dangerously overloaded and we're starting to run short of power. Yet we can't afford either to add to and modernize our distribution system or to finish building the hydro plants we have to have to keep up with our growing use of power.

We need two things: more money and new ways to organize and manage the sector. The old ways fit well with a command economy that provided large subsidies from the central government. But the old ways can't meet the new needs for the sector to both finance itself and give us better service.

We must raise and invest more than \$650 million to fix and develop our system. We need about \$100 million to repair and finish building our hydro plants. We need more than \$200 million for transmission lines and transformers, and about \$350 million reconstruct and upgrade our seriously overloaded distribution system. The Government doesn't have this money. Banks and investors do.

We need to raise capital to save our electric system, but we don't want to do it by selling our most treasured assets. So we have designed a different way to get the capital we need.

After two years of study and analysis, the Government of the Kyrgyz Republic approved and submitted to Parliament a step-by-step program that will "unbundle" the sector over the next two years so that we can do different things with the different parts of the sector. Unbundling is the key to keeping the assets we want most while raising the capital we need so much. And unbundling is fully in accord with our new Energy and Electricity Laws that the Parliament passed recently to give the Republic the proper legal framework for reform and restructuring the electric sector.

Unbundling is going on in all parts of the world and in other CIS Republics as well. Russia, for example, unbundled its electric sector by function and by geography. It created a large generation and transmission company and 72 regional distribution companies. Then Russia sold almost half of the generation and transmission companies and the other companies, employees and the public. And about half of the shares in the regional companies were sold to the public or transferred to local authorities.

The Ukraine also unbundled its system but used a different model. And now several of its distribution companies will be offered for sale this year.

Our first step will be to offer 4 1/2% of the shares in the newly incorporated "Kyrgyzenergo" to the Kyrgyz people through the coupon auction. According to a survey last summer, 56% of the people said they were holding on to their coupons to use them when Kyrgyzenergo was put in the auction.

Next we will proceed in a careful manner to "thin down" the old bulky KNEHC by transferring and selling assets that are not essential and directly related to production of electricity. Then in about a year we will create five separate, independent distribution companies and one thermal company. And then in the following year, we will create separate new companies for the National Grid and for the Naryn Cascade.

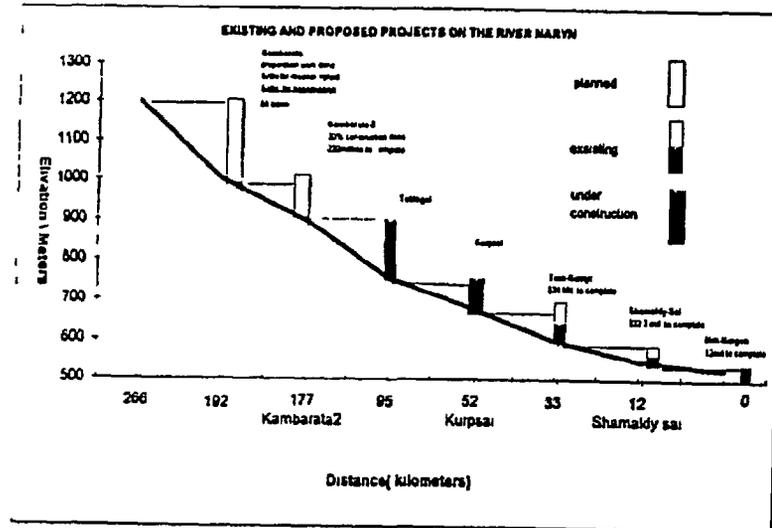
At appropriate times in this process we will seek dependable, experienced investors to join with us in financing and operating our systems. We may sell majority inter-

est in the small distribution companies, but we will always retain majority interest in our treasured Naryn Cascade and our strategically important National Grid. To be very clear about this, we will not sell control of the Cascade National Grid.

The process of restructuring, reform, unbundling, and raising capital will not be done overnight or under the carpet. It will be done in an open, competitive process and it will be done in a ration measured manner. But we must begin the process immediately that we can prevent the looming crisis that would force us to make hasty decisions and quick sales as has happened elsewhere.

We have to reform and restructure the sector so that we can produce more at less cost, improve quality of service to customers, keep up with the very high growth rate in electric consumption, and serve small customers. We have a choice if we want to save our system.

We must act now, before a crisis forces us to sell what we want to keep and give away what we want to sell.



мы начинаем публикацию серии статей, посвященных электроэнергетической отрасли республики, которыми поможем читателям разобраться в том, каково будущее этой отрасли

- Зачем нужно проводить реформу и реструктуризацию нашей электроэнергетической компании? Разве наша энергетика не является одной из самых важных и прибыльных отраслей республики?

- Действительно наша энергетика одна из самых важных объектов - не только потому что людям и предприятиям нужно электричество но и потому что она является основой развития экономики республики. К сожалению неправда то что она является прибыльной отраслью.

Ее структура с технической и экономической стороны идеально подходила для команды административного типа экономики когда выделялись огромные субсидии для эксплуатации и расширения системы. Однако для того чтобы наша система хорошо работала и могла развиваться в будущем в условиях рыночной экономики необходимы значительные реформы.

Именно потому что эта отрасль столь важна, и потому что она не является прибыльной, мы должны провести реформы для того, чтобы спасти ее. У нас нет другого выбора. Существующая система не работает в полной мере ни с технической ни с экономической точки зрения.

Вопреки общему представлению Кыргызгосэнергохолдинг (КГЭХ) не является прибыльным предприятием, оно не богато и оно не может платить налоги. В настоящее время КГЭХ не в состоянии покрыть даже свои эксплуатационные расходы, у него нет денег для проведения необходимых ремонтных работ и завершения строительства трех гидроэлектростанций. Поэтому в последнее время состояние электросистемы стало резко ухудшаться.

До тех пор пока мы не найдем деньги необходимые для ее ремонта перебои в электроснабжении будут случаться все чаще и чаще и длиться все дольше и дольше. В некоторых отдаленных районах перебои в электроснабжении которые раньше длились



Думаем вместе

БУДУЩЕЕ ЭЛЕКТРОЭНЕРГЕТИЧЕСКОЙ ОТРАСЛИ

строю холодильник знает во что охотятся семье испорченные продукты.

Когда выходит из строя крупная передающая линия сотни тысяч людей могут оказаться без тепла света и холодильников на многие дни как, к примеру это произошло на юге республики когда вышли из строя линии 220 кВ. Потомка только одного трансфор-

трь мощнее чем это необходимо.

Из каждых произведенных 5 кВт/ч для наших внутренних нужд мы продаем 3 а теряем 2. Это равносильно тому что вся электроэнергия вырабатанная нашей крупнейшей гидроэлектростанцией на реке Нарын (Токтогульская ГЭС) попросту исчезает. Это увеличивает стоимость электроэнергии для всех тех кто платит за нее.

Электротехническая отрасль очень важна для будущего нашей республики. Если мы не проведем реформы, то мы не сможем навести в

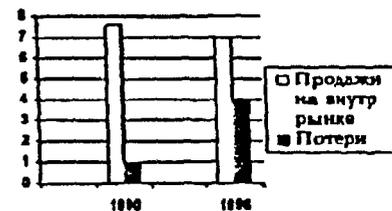
матора может оставить целый айыл без электроэнергии на несколько недель.

Технические проблемы в системе возрастают с нарастающей быстротой.

В 1996 году на трансформаторах низковольтных распределительных сетей произошло аварии в шесть раз больше чем в 1990 году.

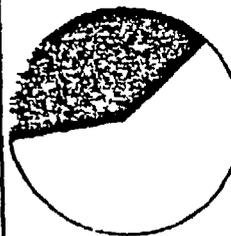
Специалисты установили что одна треть всех наших распределительных линий должна быть заменена потому что они старые и находятся в не-

Потери в отношении продаж на внутреннем рынке (миллиард кВт/ч)



Из каждых 5 кВтч на внутреннем рынке мы продаем 3кВтч а 2 — теряем

Процент потерь от уровня общего производства



Потери составляют сейчас 1/3 от общего уровня производства

удовлетворительном и непригодном состоянии. В таком же состоянии находятся комплексные трансформаторные подстанции.

Технические и коммерческие потери возросли более чем в 4 раза за период с 1990 по 1996 год.

Потери из-за технических проблем и краж электроэнергии достигли ошеломляющего уровня - 1/3 от общего уровня производства. Это означает что мы будем вынуждены строить электростанции которые будут на одну

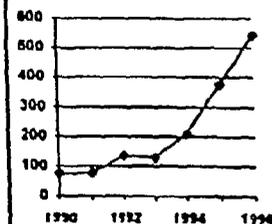
ней порядок. А если мы не наведем порядок, то мы не сможем ее расширить. А это означает, что к 2003 году мы будем вынуждены импортировать электроэнергию, и потеряем доходы от экспорта, которые мы имеем сейчас. А это означает более высокую стоимость электроэнергии для нашего народа, потому что импортировать электроэнергию в два-три раза дороже чем производить самим.

Наши энергетики имеют огромный опыт и усиленно работают над тем чтобы у нас всегда был свет. Но их знаний и усилий недостаточно для того чтобы всегда горели лампочки. Нам надо найти около 11.7 миллиарда сомов (850 миллионов долларов США) для проведения ремонтных работ и завершення строительства станций и линий электропередач, которые мы недо строили из-за нехватки денег.

Для того чтобы сохранить электроэнергетическую отрасль мы должны ее реформировать. У нас нет другого выбора, если мы хотим, чтобы в домах горел свет.

Фонд госимущества Кыргызской Республики Государственное агентство по энергетике при правительстве Кыргызской Республики

Поломки трансформаторов



Уровень поломок трансформаторов на низковольтных распределительных линиях в 1996 году в 6 раз выше чем в 1990

несколько часов теперь продолжаются несколько дней. Любой из нас у кого во время такого отключения вышел из

Свето
"Коррупциани"
13-14 мая
1994 года

№ 1

СОБЫТИЯ

Как можно защитить интересы населения при проведении реформ и реструктуризации электроэнергетической отрасли?

Электричество играет в нашей жизни столь важную роль, что мы просто обязаны решать серьезные технические и экономические проблемы отрасли. У нас нет другого выбора. Спаси систему мы можем только реформами.

говорит, что помимо владения отраслью у государства есть другие способы защиты интересов населения.

Споры о том, что же является „самым лучшим“ средством защиты интересов народа - государственная собственность или

Но мы больше не сможем обеспечить выполнение этих задач при существующей структуре. Нам нужна качественно новая структура. И последние два года мы рассматривали различные варианты и вели необходимую подготовку.

Например, недавно Жогорку Кенеш сделал очень важный шаг, приняв закон „Об энергетике“, санкционирующий создание Государственного агентства по энергетике (ГЭА). Первоочередной задачей Агентства является надзор за работой электроэнергетической отрасли и защита интересов населения.

ГЭА будет выдавать лицензии, которые четко зафиксированы, что разрешается, а что запрещается производителям энергии. Распоряжения Агентства будут распространяться на всех производителей и государственных, и частных инвесторов, которые будут помо-

гать в строительстве незавершенных и новых ГЭС.

По новому закону ГЭА должно устанавливать тарифы, которые были бы справедливы и для потребителей, и для производителей. Это означает, что такие тарифы должны быть достаточно низкими, чтобы большинство населения могло оплатить их, но в то же время достаточными для оплаты ремонта и строительства системы.

К счастью у нас много гидро-ресурсов и цена за произведенную электроэнергию гораздо ниже той, которую платят другие страны мира.

Некоторые другие страны начали проводить реструктуризацию своих электроэнергетических отраслей, не создав предварительно такого агентства. Но благодаря предусмотрительности нашего Парламента была разработана соответствующая правовая основа для проведения реформ, а также надежные способы защиты интересов народа.

Итак мы готовы начать реструктуризацию и проведение реформ системы для того, чтобы спасти ее.

Фонд Госимущества Кыргызской Республики,
Государственное агентство по энергетике при Правительстве Кыргызской Республики

Думаем вместе

РЕФОРМЫ ВО ИМЯ СПАСЕНИЯ ЭНЕРГОСИСТЕМЫ

Раньше электроэнергетическая отрасль была государственной. Государство было достаточно богато, чтобы строить новые электростанции и давать огромные субсидии. Поэтому и цены на электроэнергию были на уровне 1/50 от мировых цен. В настоящее время Кыргызское правительство просто не в состоянии оплачивать все расходы по техническому обслуживанию и развитию электросистем. Вот поэтому нам и нужно найти такой способ ее организации и управления, чтобы система была рентабельной и население не пострадало в результате реформ.

В течение последних 10 лет в разных странах мира и в высоко развитых (как Великобритания и Австралия) и в небольших и менее развитых странах (как Боливия) правительства столкнулись с такой же проблемой. И тогда правительства этих стран провели реструктуризацию и реформирование электроэнергетических отраслей.

Мы тщательно изучили их опыт и сделали необходимые выводы. Первый и самый важный мы должны перевести энергохолдинг на коммерческие основы деятельности, чтобы он мог покрывать все свои расходы, улучшать обслуживание потребителей и производить больше электроэнергии с меньшими затратами. Международный опыт

свободный рынок - не имеют смысла, поскольку все современные экономические системы являются смешанными. В них сочетаются общественные и частные формы собственности, так же как сосуществуют вместе конкуренция и государственное регулирование. Но каждая страна создает свою собственную особую „смесь“, принимая во внимание свои потребности и положение. Вот этим мы как раз и занимаемся сейчас во время переходного периода - а именно определяем состав „смеси“ необходимых для удовлетворения наших потребностей.

Мы добавляем некоторую долю частной собственности и поощряем конкуренцию. Но мы не отказываемся от других форм собственности. А также мы не отказываемся от государственного надзора за стратегическими отраслями промышленности.

Это особенно справедливо по отношению к электроэнергетической отрасли, в которой правительство преследует две основные цели. Во-первых, должны обеспечить надежное и достаточное электроснабжение для удовлетворения потребностей населения и предприятий сегодня и в будущем. Во-вторых, потребители оплачивают услуги по справедливым ценам, а производители получают справедливую компенсацию.

ПЛАТИТ ТОТ, КТО ПОТРЕБЛЯЕТ... ИЛИ НЕ

ПОВЫСИТСЯ ЛИ ЦЕНА НА ЭЛЕКТРОЭНЕРГИЮ?

ЕСЛИ смотреть правде в глаза - то да, это должно произойти. Потому что сейчас мы не платим по реальной стоимости производства электроэнергии. На этот год Государственное агентство по энергетике уже решило сохранить существующие тарифы, но мы должны принять программу развития тарифов на предстоящие три года. И поскольку цена на электроэнергию ниже совокупной стоимости у нас возникают серьезные проблемы, которые мы должны быстро решать, если хотим, чтобы у нас был свет и работали телевизоры и холодильники. Состояние наших электростанций и распределительных линий ухудшается, а у нас нет денег для ремонта и строительства новых станций.

У нас есть только два пути. Мы можем оставить тарифы на этом же уровне, но это значит, что проблемы в энергетике будут усугубляться, и нам придется сократить потребление электроэнергии и ввести нормы ее пользования.

2 Мы можем постепенно и поэтапно повышать тарифы в течение следующих трех и более лет, чтобы оплатить необходимый ремонт существующих и строительство новых энергообъектов, чтобы иметь достаточное количество электроэнергии для всех, одновременно осуществляя социальную адресную защиту населения от изменения тарифа.

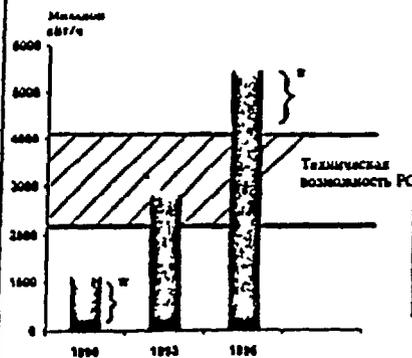
К счастью нам не надо будет платить столько же за электроэнергию сколько платят другие страны потому что большая часть энергии вырабатывается из наших собственных гидроэнергетических ресурсов. Тем людям которые не используют много электроэнергии не придется платить намного больше того что они платят сейчас. Но остальным придется платить больше или же все будут вынуждены потреблять меньше.

Мы больше не можем игнорировать реальную стоимость электроэнергии и думать что кто нибудь другой заплатит за нас. Если мы будем уходить от решения этой проблемы то справится с ней будет все труднее и дороже. Поэтому сейчас нам нужно изменить методы организации и управления отраслью. И если мы сделаем это сегодня нам не придется в пожарном порядке поднимать цены в будущем как это могло бы быть если мы сейчас не проведем реструктуризацию. Это единственный способ для энергетиков производить больше при меньших

затратах предоставлять обслуживание хорошего качества и справляться с растущим спросом на электроэнергию.

Кыргызстан был единственной республикой в Средней Азии где с 1991 по 1995 годы в трудное экономическое время

Рост потребления и перегрузки распределительных сетей (РС)



Сейчас объем электроэнергии потреблением южными потребителями превышает пропускную способность сетей.

* Уровнь перегрузки РС в 1996 равен общему потреблению 90-10 годов.

мя возросло общее потребление электроэнергии. Даже несмотря на то что промышленное и сельскохозяйственное производство снизилось в два раза общее ее потребление возросло на 12% в то время как в соседних странах снизилось в среднем на 20%.

Общий уровень потребления значительно возрос за счет жилого сектора. Темпы потребления которого начиная с 1991 года ежегодно возрастают на 30% в год. Половина электроэнергии не учитывается счетчиками. А это означает что в будущем мы будем вынуждены строить дорогостоящие станции или импортировать более дорогую электроэнергию. Действительно если промышленное и сельскохозяйственное потребление

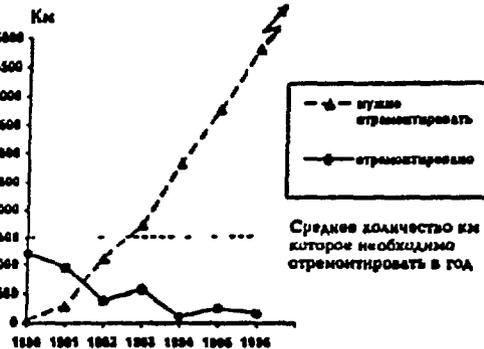
оставалось бы на том же уровне мы бы импортировали, а не экспортировали электроэнергию.

Такие высокие темпы роста перегружают распределительные сети увеличивают затраты и снижают качество предоставляемых услуг. В 1996 году мелкие потребители использовали в пять раз больше электроэнергии чем в 1990 году. Их потребление на 11 млрд кВт/ч превышает пропускную мощность распределительных сетей. Уровень перегрузки сетей сейчас превышает общую нагрузку 90 года.

Лучше все помочь наиболее нуждающимся напрямую. Сейчас мы работаем новую программу помощи для них. Таким образом все жители нашей страны смогут позволить себе удовлетворять базовые потребности.

И, конечно, неучтенное потребление электроэнергии, неоплаченные счета нанесли вред всем. Они увеличивают стоимость электроэнергии. Тех из нас, кто потребляет столько сколько необходимо и честно платит за это. Большинство из нас вынуждены

Нарастающие объемы невыполненных ремонтных работ



Среднее количество км которое необходимо отремонтировать в год.

Чем больше отставания сегодня - тем больше отключений завтра.

Удивительно как нашим энергетикам удается обеспечивать нас электроэнергией! У нас нет денег для расширения и ремонта системы. Например каждый год мы должны проводить реконструкцию 1200 км распределительных сетей и раньше это удавалось. А сейчас мы можем осилить только 180 км сетей в год, и за последние 6 лет у нас накопилось 4800 км неотреставрированных линий. Чем дальше мы откладываем реформы и реорганизацию, тем больше нам придется платить позже.

Многие думают что низкие тарифы справедливы. Но это не так. Они ведут к перебою в снабжении, нехватке электроэнергии и более высоким ценам для всех в будущем. А в конечном итоге больше выиграют обеспеченные и платежеспособные потребители, которые используют много дешевой электроэнергии получая тем самым скрытую дотацию, а не мелкие и нуждающиеся которые в самом деле не

могут платить больше потому что слишком многие не платят вообще.

Итак, для того, чтобы спасти отрасль нам необходимо провести реформы и реструктуризацию. Нет другого способа найти деньги для ремонтных работ и строительства, оттимизировать потребление частного сектора, сократить неучтенное использование электроэнергии, исключить из нашей жизни неоплаченные счета и оздоровить энергосистему. Только здоровая и финансово устойчивая отрасль может платить налоги для того чтобы правительство смогло помочь пенсионерам и другим нуждающимся удовлетворить основные потребности в электроэнергии.

Это наш единственный способ иметь стабильное электроснабжение. Если мы будем продолжать платить меньше чем это стоит, то и получат будем меньше, чем нам необходимо.

Фонд госимущества Кыргызской Республики

Госагентство по энергетике при правительстве Кыргызской Республики

20,21 мая 1997 года

« Слово Кыргызстана »

ДЕЙСТВОВАТЬ, НЕ ДОЖИДАЯСЬ КРИЗИСА

Как повлияют реформы и реструктуризация на энергетику?

Главная цель реформ и реструктуризации электроэнергетической отрасли — не допустить дальнейшего ухудшения ее состояния вызванного техническими и экономическими проблемами спасти электроприборы от перегорания а нас от отключений и отсрочек в восстановлении электроснабжения Главным результатом реформ и реструктуризации улучшение качества обслуживания т е уменьшение аварийных отключений ускорение ликвидации аварии более стабильное электроснабжение и достаточное количество дешевой электроэнергии для удовлетворения наших растущих потребностей

Сейчас физическое и экономическое состояние нашей энергосистемы оставляет желать лучшего и продолжает ухудшаться Потери достигают 1/3 от общего уровня производства Кыргызэкоэнергохолдинг (КГЭХ) не покрывает все свои затраты И несмотря на все усилия энергетиков растет объем невыполненных ремонтных и восстановительных работ с каждым годом увеличивается количество и длительность отключений и перелатов напряжения Быстро растет объем электроэнергии "съедаемой" мелкими потребителями Поэтому перегружены подстанции распределительные сети и в некоторых районах ощущается нехватка электроэнергии Расширение и модернизация распределительной системы завершение строительства начатых ГЭС помогли бы справиться с увеличивающимися темпами потребления электроэнергии Но у нас нет для этого средств

Что нам нужно? Деньги и новые методы организации управления отраслью Старые методы годились для командно административной системы экономики с огромными субсидиями из центра Эти методы уже нельзя финансировать о риске и повышать качество обслуживания потребителей

Как видно из представленного графика нам необходимо вложить более 11,7 млрд сомов для ремонта и развития энергосистемы Только на ремонт и завершение строительства ГЭС нам надо около 1,8 млрд Параллельно линии и трансформаторы требуют еще больше Сопере 3 млрд сомов А на восстановление перелатов и т.д.

лительных сетей потребуются около 6,3 млрд сомов У правительства таких денег нет Но они есть у банков и инвесторов

Нам во что бы то ни стало нужно найти средства для спасения энергосистемы но для этого не обязательно продавать наши наиболее ценные объекты Мы разработали другой способ добытия необходимых средств

После двух лет изучения и анализа правительство Кыргызской Республики разроботало и направило в Жогорку Кенеш позитивную программу разукрупнения электроэнергетической отрасли рассчитанную на ближайшие два года Это позволит использовать разнообразные методы решения проблем накопившиеся в различных частях энергосистемы Разукрупнение — это возможность сохранить наиболее ценные энергообъекты и в то же время найти необходимые средства Этот процесс будет происходить в строгом соответствии с недавно принятыми Жогорку Кенешем законами "Об энергетике" и "Об элект

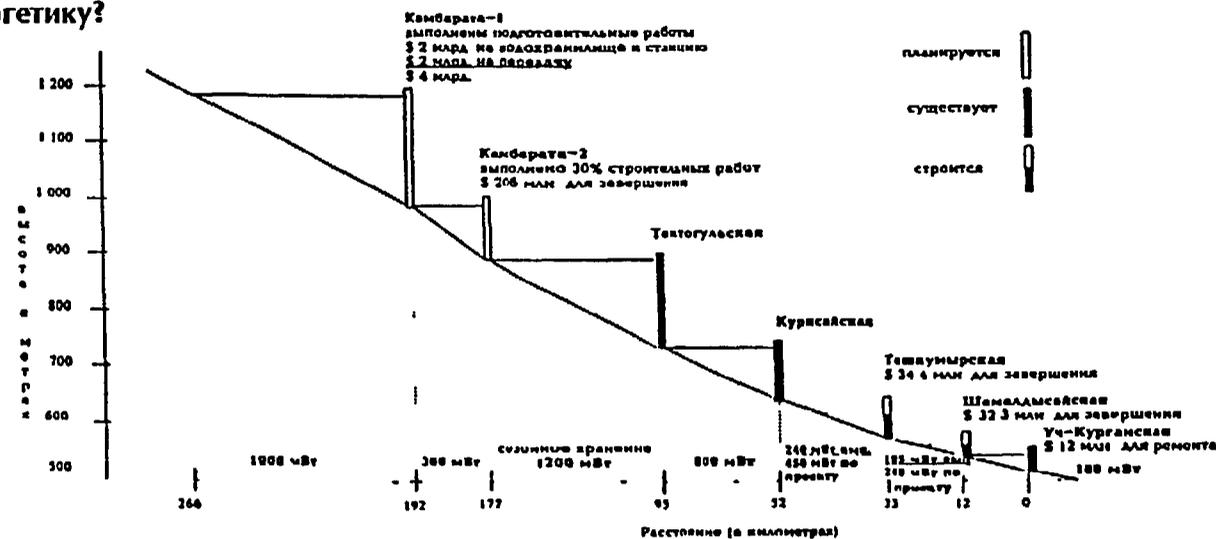
проведения реформ и реструктуризации электроэнергетической отрасли

Во всем мире идет процесс разукрупнения включая республику СНГ На пример Россия разделила свою электроэнергетическую отрасль по функциоальному и географическому признакам Были созданы 72 региональные распределительные компании и одна крупная компания по производству и передаче электроэнергии Затем Россия продала почти половину акций компании по производству и передаче электроэнергии (РАО ЕС России) другим компаниям Трудовым коллективам и населению Почти половина акций региональных компаний была продана

инвесторов которые бы присоединились к нам с целью финансирования и эксплуатации наших систем Возможно мы продадим или передадим большую часть акций небольших распределяющих компаний но мы навсегда оставим за собой большую часть акций нашей главной ценности Нарынского каскада и стратегически важной Национальной электросети Чтобы развеять все сомнения скажем более четко мы не будем продавать контрольный пакет каскада и Национальной сети

Все процессы по реструктуризации реформированию разукрупнению и по изысканию средств не могут быть проведены вдруг или тайно Это будет сде

СУЩЕСТВУЮЩИЕ И ПРЕДЛАГАЕМЫЕ ГИДРОПРОЕКТЫ НА РЕКЕ НАРЫН



населению или передана местным властям Украина также разукрупнила свою энергосистему но по другой модели И в этом году несколько ее распределяющих компаний будут выставлены для продажи

Нашим первым шагом будет выставление 4,5% акций нового акционированного Кыргызэнерго на аукционном аукционе Согласно исследованию проведенному прошлым летом 50% людей сказали что они будут держать свои купоны до тех пор пока Кыргызэнерго не будет выставлен на аукцион

Потом мы отделим от КГЭХ все подразделения которые не имеют прямого отношения к основной деятельности и могут быть приватизированы отдельно Затем примерно в течение года из КГЭХ будут выделены пять отдельных независимых распределительных компаний и одна компания тепловых сетей А в следующем году будут созданы новые отдельные компании по передаче (Национальная электросеть) и производству электроэнергии ("Нарынский кас

кано открыто для всех в процессе конкуренции разумно и обоснованно И нам нужно начать незамедлительно чтобы предотвратить надвигающийся кризис который может вынудить нас принять успешные решения и продажи как пришлось это сделать в некоторых странах

Мы должны провести реформы и реструктуризацию отрасли таким образом чтобы энергетика производила больше электроэнергии с меньшими затратами улучшала качество обслуживания потребителей Другого выхода у нас нет если мы хотим спасти нашу энергетику

Мы должны действовать уже сейчас Не дожидаясь пока кризис отрасли заставит нас продать то что мы хотели бы оставить отдать за бесценок то что мы хотели бы продать

Фонд госимущества Кыргызской Республики, Государственное агентство по энергетике при правительстве Кыр-

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Журналистам
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Жарык, Жарык! Атыңдан айланайын!

ИШТИН КӨЗҮРҮ - ИЛЬИЧ ШАҒЫНА

Электроэнергетика тармагынын келечегине байланыштуу суроолор, жооптор жана фактылар

из бүгүндөн баштап басма сөз бети-
электроэнергетика тармагынын келечегине арналган бир топ макалалар-
чагылдырууну туура көрдүк. Мунун саты - жогоруда айтылган тармактын келечегине тууралуу өзү жана жалпы үчүн пайдалуу жактарын талкуулап рмандарга маалымат берүү иретинде сөзгө келинет.

роо. Биздин электрокомпаниянын зүлүшүн жаңыртууну жана реформа түзүүнүн эмне көрөгү бар? Электро-
темабыз биздин республикада эң бир чундуу жана кирешелүү тармактардын бири болуп эсептелинеби?

оп. Ооба, электросистемасы эң бир чундуу тармак катары келечекте биздин республиканын экономикасын өнүктүрүүнүн негизи болуп эсептелингени чындык жана талашсыз. Бирок, килешпүү эмес тиги өкүнүчтүү көрүнүш экинчи электросистемабыздын техника-
жана экономикалык жактан түзүлүшү министрликтердин командалык түрдөгү ишмердигинин түзүлүшүнө шайкеш көлөмдөгү анык себеби системаны турмуш-
пайдалануу жана кеңейтүү үчүн зор кайраттарды өзүнө бөлүштүрүүнү талап кылат. Бирок келечекте рыноктук экономика үчүн маанилүү реформа жүргүзүү керек.

жогоруда айтылган тармактын орчундуу-
гуна жана ошол эле учурда кирешелүү лбой катканына байланыштуу аны сак-
п калуу максатында реформа жүргүзүлүшү туура болот. Биздин

лык жана коммерциялык жоготуулар 4 эсе-
ден көпкө өстү.

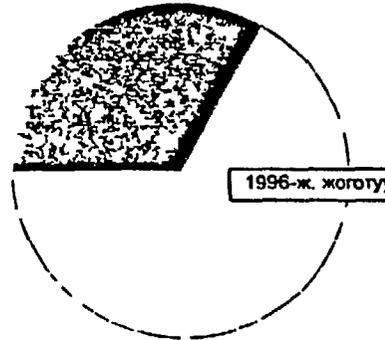
Техникалык проблемалардын жана электр-
диди уурдоонун натыйжасында болгон жо-
готуулар коркунучтуу деңгээлге жетти. -
биз жалпы өндүрүү деңгээлинин үчтөн би-
рин түзүп калды. Мындайча айтканда биз-
ге керек болгон өлчөмдөн үчтөн бирге ку-
баттуураак электрстанцияларын куруу де-
генди түшүндүрөт. Бул деген биз, керектүү
бир килограмм канттын ордуна бир жарым
килограмм кант сатып алуу дегенге бара-
бар.

Натыйжада керектөө үчүн өндүрүлгөн ар
бир 5 кВт/саат электроэнергиянын 3 кВт/
саатын сатууга ал эми 2 кВт/саатын бе-
кар жоготуудабыз. Бул деген, биздин На-
рын дарыясындагы ири Токтогул ГЭСинин,
бүткүл өндүргөн электроэнергиясын төккө
жоготуп жатабыз дегенге барабар. Мындай
абал электроэнергияны пайдалануучулар
үчүн төлөө акысынын жогорулашына алып
келет.

Биздин республиканын келечегине үчүн электр-
энергетика тармагы өтө орчундуу орун-
ду ээлейт.

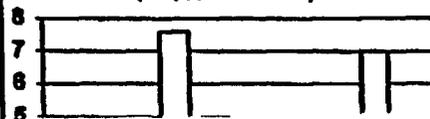
Эгерде биз электроэнергетика тармагын-
да реформа жүргүзбөсөк, анда тартиптүү
иреттүү жолго түшө албайбыз. Ал эми тар-
типтүү, иреттүү жолго түшө албасак, бул
системаны кеңейтип өрчүтө албайбыз.
Бул деген 2003-жылында бизди электро-
энергияны импорттоого мажбур кылат да
азыркы экспорттоодон алып жаткан доход-
ду жокко чыгарууга алып келет. Мындай
абал биздин элге, электроэнергия үчүн

Жоготуунун, жалпы өндүрүү деңгээли-
не карата болгон пайызы



Азыр жоготуу, жалпы өндүрүү деңгээ-
линин 1/3 түзөт

Ички рыноктогу сатууга, жоготуунун
болгон катнашы
(млрд. кВт/саат)



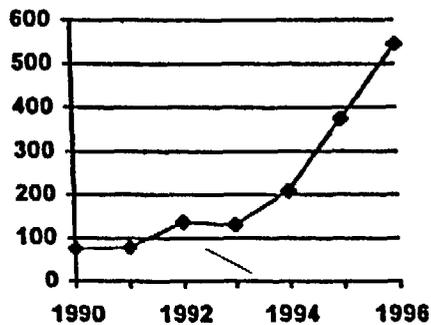
көп өндүрүү аркылуу жумшалган
чыгымдарын кайтара алат. Экинчиден биз
эл аралык тажрыйбадан мамлекет бул
тармакты өзү көзөмөлдөөдөн тышкары,
ошондой эле элдин кызыкчылыгын коргоо
маселелерин кошо чечүүчү ыкмаларды
пайдаланып жаткандарын билебиз.
Элдин кызыкчылыгын коргоодо "эң жакшы"
каражат катары мамлекеттик менчик же
эркин рынок эсептелинеби деген
талаштардын мааниси жок, анткени
азыркы экономикалык системалар аралаш
түрдө болушат. Буларда атаандашуу ме-
нен мамлекеттик башкаруу кандай орун
алса, ошол сыяктуу эле коомдук жана жеке
менчик формалары да жанаша орун алган.
Бирок ар бир мамлекет өзүнүн муктажды-
гына жана абалына жараша, өзүнө гана та-
андык өзгөчө "уютманы" түзөт. Биз азыр
жогоруда айтылгандай өткөөл мезгил аба-
лында болуп, биздин муктаждыктарды
канаттандыруучу "уюткуунун" керектүү
мүчөлөрүн аныктоодобуз.

Биз жеке менчик үлүшүн бир азга кебейтүү
аркылуу атаандашууну өрчүтөбүз. Бирок
биз коомдук менчик түзүлүш болушуна
каршы эмеспиз. Ошондой эле биз
стратегиялык өндүрүш тармактарынын
мамлекеттик көзөмөлдө болушуна каршы
эмеспиз. Ушундай абал электроэнергетика
тармагына карата акыйкаттуу болуп, анда
өкмөт эки негизги максатты көздөйт.
Биринчиден, жалпы эл менен
ишканалардын азыркы учурда да келечек-
те да муктаж болгон электр булагы менен
так жана жетиштүү түрдө камсыз болушу.
Экинчиден, электроэнергияны

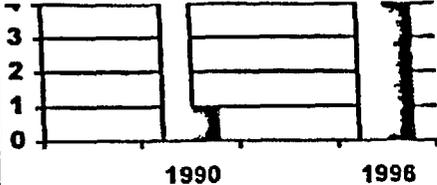
оашка жол жок Азыркы системабыз техникалык жактан дагы экономикалык жактан дагы толук ченемде иштөбөй жатат Мурда көнүмүш болгон ийгиликтүү көрүнүшүнө карабастан бүгүнкү учурда Кыргызэнергохолдинги бай эмес, кирешеси жок налогдорду төлөө жөндөмдүүлүгү жок абалындагы ишкана Азыр ал пайда ланууга көткөн чыгашаларын жабууга да мүмкүнчүлүгү жетпейт Анын үч гидро- станциядагы ремонт жана курулуш иштерин аяктоо үчүн акчасы жок Ушул себептерден акыркы учурларда электросистемабыздагы абал кескин түрдө төмөндөөдө Керектүү ремонтторду жүргүзүп туруу үчүн акча каражаттары табылмайынча үзгүлтүксүз электроэнергия менен камсыз кылуудагы кемчиликтер дайыма жана тез-тез боло берет Кээ бир алыскы райондордо электр менен камсыз кылуу кемчиликтери мурда бир нече саатка созулса, азыркы учурда бир нече күнгө чейин созулууда Ар бирибизге ушундай үзгүлтүктөрдүн кесепетинен муздаткыч та сакталган тамак аштардын бузулушу үй бүлөгө кандай түйшүктүү экендиги белгилүү Эгер бир учурда чоң электр берүү линиясы бузулса көп миңдеген калк бир нече күндөргө чейин жылуулуксуз, жарыксыз муздаткычсыз калышат Мисалы мындай окуя 200 миң калкы бар түштүк жергесинде 220 кВ кубатындагы линиясынын иштөө чыгуу себебинен болгонун билебиз Бир эле трансформатордун бузулушу бир айылды бир нече жумага чейин электроэнергиясыз калтырат Энергосистемадагы көздөшүүчү техникалык проблемалар кескин түрдө өсүшү менен коркунуч туудурууда 1996-жылы кичине чыңалуудагы бөлүштүрүү түйүндөрүндөгү трансформаторлордун бузулуш кырсыктарынын саны 1990 жылга салыштырмалуу алты эсеге өстү Адистердин аныктамасы боюнча бөлүштүрүү линиялардын үчтөн бир бөлүгүн алмаштырып жаңыртуу зарылчылыгы аныкталды, анткени алар эскирип пайдаланууга жараксыз абалда калган Комплекстүү трансформатордук подстанциялардын абалы дагы жогоруда айтылгандай 1990-жылдан 1996-жылга чейин техника-

лет, анткени электроэнергияны импорттоо, өзүбүз өндүргөнгө караганда эки-үч эсе кымбат түшөт Биздин көп тажрыйбалуу энергетиктери- биз дайыма жарык болуп турсун үчүн аракеттүү эмгектенип жатышат Бирок биз 11,7 миллиард сом (650 миллион америка доллары) көлөмүндөгү акча таппаса, энергетиктердин тажрыйбасы менен аракетин эч жыйынтык бербейт Бул көлөмдөгү акча гидростанциялар менен электр берүү линияларын куруу жана ремонттоо иштерине жумшалмакчы анткени өз учурунда акчанын жетишсиздигинен бул жумуштар аткарылбай келген Электрэнергетика тармагын сактап калыш үчүн биз бул тармакта реформа жүргүзүүбүз зарыл Бизде дайыма жарык болуп турсун үчүн реформадан башка жол жок

ТРАНСФОРМАТОРЛОРДУН БУЗУЛУУСУ



1996 жылы кичине чыңалуудагы бөлүштүрүү линияларында трансформаторлордун бузулуу деңгээли 1990-жылга карата 6 эсеге өстү



Ички рыноктогу ар бир 5 кВт/сааттын - 3 кВт/сааты сатууга, ал эми 2 кВт/сааты жоготууга учурайт

Суроо Биз электроэнергетика тармагынын түзүлүшүн жаңыртуу жана реформа жүргүзө баштаганда жалпы элдин кызыкчылыгын кантип сактообуз керек?

Жооп Электр булагы күнүмкү турмушубузда чоң мааниге ээ болгондуктан биз барган сайын бат өсүп келе жаткан техникалык жана экономикалык проблемаларды чечүүбүз керек Система ны сактап калуу үчүн бизде реформа жүргүзүүдөн башка тандоочу жол жок Мурда электроэнергетика тармагы мамлекеттин карамагында болуп ал эми мамлекет чоң жана бай болгондуктан ал жаңы электростанцияларды куруп, көп субсидияларды бөлүп берүү аркылуу биздеги электроэнергияга болгон бааны дүйнөлүк баанын 1/50 деңгээлине чейин төмөндөтүүгө жетише алган Азыркы учурда Кыргыз өкмөтү электросистеманын өнүгүүгө жана техникалык жабдууга жумшалган бардык чыгымын төлөп берүүгө мүмкүнчүлүгү жок Мына ошондуктан биз уюштуруунун, башкаруунун жана төлөп берүүнүн жаңы ыкмаларын табуубуз керек Акыркы 10 жыл аралыкта дүйнөнүн жогорку өнүккөн (Великобритания Австралия) жана чоң эмес төмөн өнүккөн (Боливия) өлкөлөрүнүн өкмөттөрү дагы ушундай проблемаларды башынан өткөрүштү Бул маселени чечүүдө айтылган өлкөлөрдүн өкмөттөрү электроэнергетика тармактарында түзүлүштөрүн жаңыртуу менен реформа жүргүзүштү Биз алардын тажрыйбасын кылдаттык менен карап чыгып керектүү жыйынтык чыгардык Биринчи жана эң негизгиси биз Кыргызэнергохолдингин иш жүргүзүүсүн коммерциялык принципке өткөрүүбүз керек Ошондо ал электроэнергияны пайдалануучуларды жакшы тейлөө жана

эми өндүрүүчүлөр тиешелүү компенсацияны алуусунун гарантиясы Бирок, биз бул максаттарды азыркы түзүлүш абалында мындан ары камсыз кыла албайбыз Ошондуктан бизге жаңы, сапаттуу түзүлүш керек Акыркы эки жыл мөөнөттө биз бул багытта көп мүмкүнчүлүктөрдү карап көрүп керектүү даярдыктарды киргиздик Мисалы жакында Жогорку Кеңеш орчундуу кадам жасап "Энергетика жөнүндө мыйзам кабыл алды энергетика боюнча мамлекеттик агентствону түзүү жөнүндө Агентствонун ишиндеги эң негизги максаты - электроэнергетика тармагынын иштерин көзөмөлдөө жана элдин кызыкчылыгын коргоо болуп эсептелинет Агентство электроэнергияны өндүрүүчүлөр менен лицензия берүү аркылуу иш жүргүзөт Агентствонун кабыл алган чечимдери бардык өндүрүүчүлөр - мамлекеттик жана менчик инвесторлор үчүн тийиштүү Бул инвесторлор курулуш аяктай элек жана жаңы ГЭСтерди курууга жардам беришет Жаңы мыйзамдын негизинде Агентство пайдалануучулар менен өндүрүүчүлөр үчүн акыйкаттуу тарифтерди бекитип берет Тарифтер төмөн болушу керек анткени көпчүлүк элдин төлөө мүмкүнчүлүгүн эске алуусу зарыл ошол эле учурда жетишерлик да болуусу керек, себеби системадагы ремонт менен курулуш иштерин төлөп берүүсү зарыл ошондой эле дайыма электроэнергия жетиштүү болуп туруу керек Бактыга жараша бизде гидроресурстардын жетиштүү болушуна байланыштуу өндүрүлгөн электроэнергияга түзүлгөн баа - бөлөк мамлекеттердеги баага караганда бир топ төмөн Кээ бир башка өлкөлөр электроэнергетика тармагынын түзүлүшүн жаңыртууну баштоодо ушундай агентствону түзүшкөн жок Бирок биздин парламенттин көрөгөчтүк менен кылган иш аракетинин негизинде, реформаны жүргүзүү үчүн тиешелүү укук базасы жана элдин кызыкчылыгын коргогон жаңы ыкмалар иштелип чыкты Ошентип биз азыр системаны сактап калуу үчүн анын түзүлүшүн жаңыртуу реформа жүргүзүүгө даярбыз

Кыргыз Республикасынын мамлекеттик мүлк фонду

Кыргыз Республикасынын өкмөт алдындагы энергетика боюнча мамлекеттик агентствосу

Электрэнергетика тармагынын келечегине байланыштуу суроолор, жооптор жана фактылар

Суроо Реформа менен түзүлүштү маңыштуу энергияны кайсы тарап берет?

Жооп Электрэнергетика тармагына түзүлүштү реформа менен түзүлүштү маңыштуу энергияны кайсы тарап берет? Электрэнергетика тармагына түзүлүштү реформа менен түзүлүштү маңыштуу энергияны кайсы тарап берет? Электрэнергетика тармагына түзүлүштү реформа менен түзүлүштү маңыштуу энергияны кайсы тарап берет?

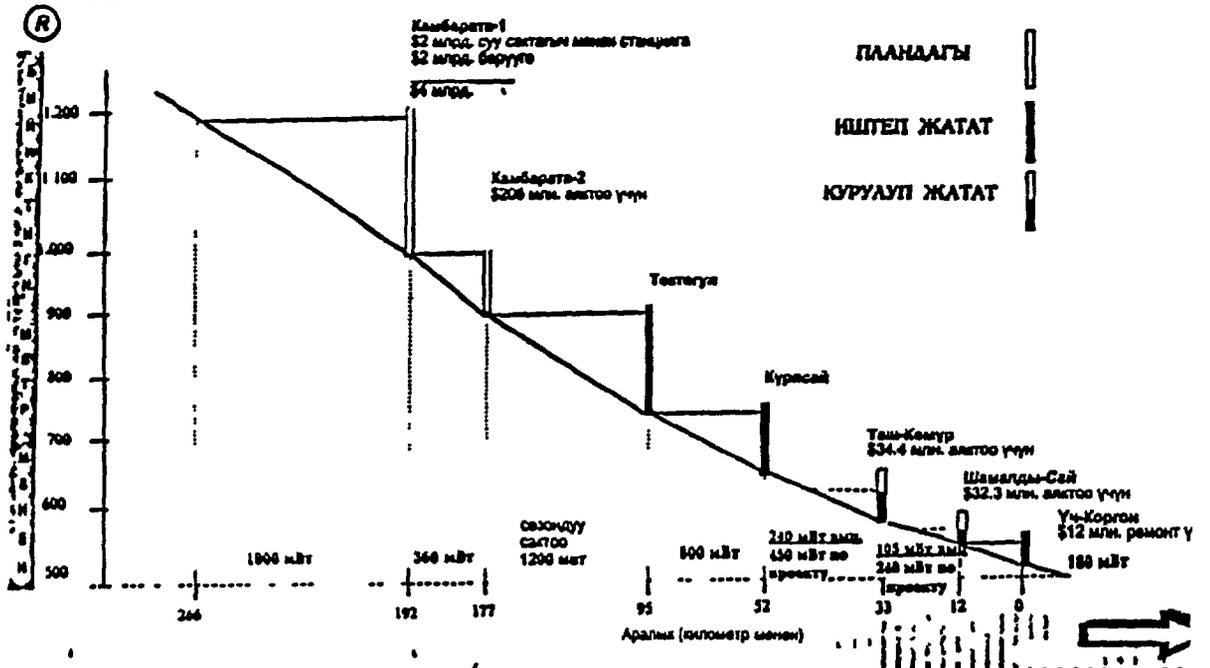
Бул суроога жооп берүү үчүн биздин энергетика тармагынын келечегине байланыштуу суроолор, жооптор жана фактыларды карап чыгыш керек. Электрэнергетика тармагынын келечегине байланыштуу суроолор, жооптор жана фактыларды карап чыгыш керек. Электрэнергетика тармагынын келечегине байланыштуу суроолор, жооптор жана фактыларды карап чыгыш керек.

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НАРЫН ДАРЫЯСЫНДАГЫ ИШТЕП ЖАТКАН СУНУШ КЫЛЫНГАН СУУ ДОЛБООРЛО



"Асаба" 23-29 март 1997



Суроо Электрэнергия үчүн төлөө баасы жогорулабды?

Жооп Эгерде чындыкты айта турган болсок, ооба жогорулайт анткени азыркы учурда биз өндүрүлгөн электрэнергиянын накта наркы боюнча төлөбөй келе жатабыз. Быйылкы жылы энергетика боюнча мамлекеттик агентствонун чечими боюнча тарифтер мурдагы эле деңгээлде калат бирок кийинки үч жылга тарифтерди жогорулатуу программасын кабыл алышыбыз керек.

Электрэнергияга болгон баш дүң нарканын төмөн болгондугуна байланыштуу түзүлгөн олуттуу проблемаларды жана ошондой эле эгерде биз жарык болуп төлөөсүз болсок мурдагы муздаткычтардын иштөө турушун калтасак муну тез арада чечүүбүз керек. Кептин бардыгы электрстанциялар менен бөлүштүрүү линияларынын физикалык абалдары начарлап баратышында, аларды ремонттоого жана жаңы станцияларды курууга өтө көрөктөрүнүн жогорулууда.

Бизде эми гана жол бар.

1. Биз тарифтерди мурдагы эле деңгээлде калтыруу жолу. Бирок бул проблемаларды тереңдетип бизди энергияны пайдалануу ысыктатууга жана пайдалануу нормаларын жогорулатууга алып келет.

2. Биз азыркындагы жана этеп менен кийинки үч жыл мезгилде жана андан кийинки жылдарда, тарифтерди жогорулатуу жолу, анда керектүү энергетикалык объектилерде жүргүзүлгөн ремонттор менен жаңы курулуштарды төлөөгө жана бардыгыбыз үчүн жетиштүү электрэнергияны өндүрүүгө жө

төштүүбүз керек болот ошон эле маалда тарифтердин өзгөрүүсүнөнал пайда болгон кыйынчылыктардан элдик саясат үчүн социалдык адвртис жардам берүү жүргүзүлөт.

Баштыга жараша электрэнергиянын көпчүлүк бөлүгү биздин өсүбүдүн гидроресурстардан өндүрүлгөндүктөн, биз электрэнергия үчүн башка дүйнөдөгү өлкөлөргө караганда аз өлчөмдө төлөбүз. Электрэнергияны аз пайдаланган элдер азыркы төлөп жаткан өлчөмдө, өтө эле көп жогору төлөбөйт. Ал эми электрэнергияны көбүрөөк пайдалангандар көбүрөөк төлөп же болбосо азыраак пайдаланууга мажбур болушат.

Биз мындан ары электрэнергиянын накта наркын төлөөдөн баш тартып биз үчүн бөлөк бирөө төлөп көт деген ойдон тышкары болушубуз керек. Эгерде ушул проблеманы чечүүдөн калсак, анда аны ишке ашыруу барган сайын татаалданат жана кымбаттанат. Ошондуктан бизге азыр электрэнергетика тармагында уюштуруу жана башкаруу ишканалары өзгөртүү керек. Эгерде биз ушуларды бүтүн жасасак, малечекте бааны чуул турды жогорулатууга себептер болбойт. Энергетиктер үчүн аз чыгым жумшал көп өндүрүү жакшы сапатта төлөө менен электрэнергияга өсүп жаткан талаптарды канааттандыруу

болгон жалгыз гана чарасы таандык. 1991 жылдан 1995 жылдары арасында Орто Азия республикалары ичинен экономикасы кыйын абал мезгилге жалгыз гана Кыргызстанда электрэнергияны жалпы пайдалануу көрсөткүчү өстү. Энер-жай менен айыл-чарба өндүрүштөрү 2 эсеге ысыктарса дагы электрэнергиянын жалпы пайдалануусу 12% өстү ошон эле учурда кошуна республикалардын жалпы пайдалануусу орто эсеп менен 20% ш-дымкылаган.

Жалпы пайдалануу деңгээлинин орчундуу өсүшү жашоо тармагынын эсебинен болууда анткени пайдалануу темпи 1991 жылдан баштап ар жыл сайын 30% өсүп жатат. Пайдаланылган электрэнергиялардын жарымы счотчиктердин эсебинен юрбөй жатат. Пайдалануунун мындай темпте өсүшү келечекте бизди кымбатка туруучу электрстанцияларын курууга кымбат турган электрэнергиянын импорттоого мажбур кылат. Чынында эле эгерде өнөр жай менен айыл чарбадагы электрэнергияны пайдалануу мурдагы деңгээлде калса, биз анда эч кандай экспорттобостон эле импорттоп каламызбыз.

Мындай жогорку темптеги өсүш бөлүштүрүү түйүндөрүнүн иштешине артыкча күч түшүрүп электр менен төйлөөнүн чыгымын көбөйтүп жана сапатын төмөндөтүүдө 1998-жылы южәне калемде пайдалануучулар 1990-жылга салыштырганда электрэнергияны 5 эсе көп колдонушту. Алардын электрэнергияны пайдалануусу бөлүштүрүү түйүндөрүндөгү колдонгон кубаттуулуктан 1.1 млрд. кВт/саатка ашып түшкөн. 1990-жыл июнде алар ушунча көлөмдө колдонушкан б. а. азыр бөлүштүрүү түйүндөрүнө артыкча түшкөн күчтүн деңгээли 1990-жылга жалпы түшкөн күчүнөн ашып жатат. Ушундай абалда бизди

электрэнергия менен камсыз кылып келе жаткан энергетиктерге тап калууга болот. Алардын билликтиги менен жүрүмөндүүлүгүнө твазним этсак болот.

Бизде азыр системаны ремонттоого жана кеңейтүүгө өтө хос. Мисалы биз ар бир жыл сайын 1200 км бөлүштүрүү түйүмүн реконструкциялашыбыз керек, мурда бүтө жетишип калганбыз. Азыр болсо биз жылына бөлүштүрүү түйүндөрүнүн 180 км гана реконструкциялаганга күчүбүз жетип, акыркы 6 жылдын ичинде 4800 км бөлүштүрүү линиялары ремонттоого топтолду. Биз түзүлүштү жаңыртууу жана реформаны жүргүзүүү баштоону канчалык созо берсек, кийин ошончолук көп чыгымга дуушар болобуз.

Көпчүлүк тарифтердин төмөн болушун адилеттүү деп ойлошат. Бирок ал туура эмес. Анткени ал келечекте баарыбызды электрэнергия менен камсыз кылуудагы көмчиликтерге тартыштарга жана төлөө баасынын жогорулашына алып келет. Мунун азыркы жанынтыгында жетиштүү жана төлөөгө жөндөмдүү пайдалануучулар тарабы утуш абалда калышат себеби алар көп арзан электрэнергияны колдонушуп жашыруун түрдөгү дотацияга ээ болушат. ал эми аз көлөмдө колдонгондор менен кыйналгандар тарабы төлөөгө мүмкүнчүлүгү жок.

Ошондуктан өтө кыйналгандарга түздөн түз жардам бергенибиз дурус болот. Азыр биз ушунар үчүн жаңы жардам берүү программасын иштеп чыгып жатабыз. Ошентип биздин Республиканын бардык жашоочулары

негизги керектөөсүн канааттандырууга мүмкүнчүлүк алышат.

Албетте баарыбыз үчүн колдонулган электрэнергиянын эсебинен юрбөй калышы счоттордун төлөбөй жатышы зыян келтирүүдө. Алар биздин арабыздагы канча муктаж болсо туура ошончо колдонгон жана өз учурунда тап төлөп тургандар үчүн электрэнергиянын наркын жогорулатат. Көпчүлүгүбүз көбүрөөк өлчөмдө төлөөгө мажбурбуз анткени өтө көптөр тапталыр төлөшпөйт.

Ошентип, бизге электрэнергетика тармагын сактал калуу үчүн реформа жүргүзүп жана түзүлүшүн жаңыртуубуз зарыл. Керектүү ремонттук жумуштар менен жаңы курулуштарды жүргүзүү, менчик тармактын электрэнергияны колдонуудагы өсүшүн төмөндөтүү, кол-

донулган электрэнергиянын эсапка юрбөй калганы менен счоттордун төлөбөй калганын ысыктатуу жана системаны калыптандыруу үчүн акча каражатын табууда бизде башка амал калган жок. Финансылык жактан калыптанган гана тармак налогдорду төлөөгө жетишет. андыктан өкмөт пенсционерлер менен башка кыйналгандардын электрэнергияга болгон негизги муктаждарын канааттандырууга жардам бере алат.

Бул болсо биздин электр менен тапкый жабдууга жетишүүнүн жалгыз гана мүмкүнчүлүгү. Эгерде биз накта наркын эске албай аз өлчөмдө төлөөнү улантса берсек, биз өзүбүзгө керектүү болгон электрэнергияны даныма жетишсиз турда алабыз.



Кыргыз Республикасынын мүлк фонду Кыргыз Республикасынын Өкмөт алдындагы энергетика боюнча мамлекеттик агенттөөсү

**MEDIA CAMPAIGN
ATTACHMENT 2**

Summary of Media Campaign Task Force Meetings

REPORT ON THE MEDIA CAMPAIGN TASK FORCE MEETINGS

September 15, 1998

The Media Campaign Task Force was set up at the initiative of Joellyn Murphy, Hagler Bailly Principal Advisor, and Jay Cooper, Counterpart Consortium Deputy Regional Director, to design a plan for the media campaign to raise public awareness of the energy issues in the Kyrgyz Republic. The Task Force included the following members:

Joellyn Murphy, Hagler Bailly Principal Advisor, Energy Sector Reform Project
Jay Cooper, Counterpart Consortium Deputy Regional Director
David Lewis, Central Asian Post, American University in Kyrgyzstan
Svetlana Kulikova, Counterpart Consortium
Gulmairam Uchugenova, Counterpart Consortium
Zamira Akbagysheva, TV Program "Call on Thursday"
Aigul Dusheeva, TV Program "Call on Thursday"
Yuri Shalamov, Consumer Advocacy Association "Aikyn", President
Jangyl Shygaibaeva, State Energy Agency

The 1st Task Force meeting took place on April 17, 1998. Sue Benedetti of USAID-Almaty also attended the meeting. Joellyn Murphy briefed everybody on the issues of the energy sector in Kyrgyzstan: general poor state of the energy system due to the problems of losses in the energy system, nonpayment, theft and low tariffs. And therefore, there is a need to organize a media campaign to raise public awareness of the energy problems and of the need to increase electricity tariffs. Yuri Shalamov talked about regular power outages administered throughout the country which violates the consumer rights. They started collecting complaints from consumers about blown out electric appliances and food products that gone bad due to outages. It was suggested that Consumer Advocacy Association "Aikyn" develops and implements a survey of energy problems which consumers of the Republic currently face. The data collected during the survey will be used in newspapers articles, TV and radio programs.

The 2nd Task Force meeting took place on May 23, 1998. Yuri Shalamov reported that "Aikyn" started the survey of energy issues in Bishkek, later it will be expanded to cover all the regions of the country. He talked about consumer complaints. In Alamedin rayon they took some complaints to the local power distribution company which agreed to pay for repair of blown out refrigerators and TV sets. Since this time Jangyl Shygaibaeva of the State Energy Agency attended the meeting, Yuri Shalamov, as a consumer advocate, used the opportunity to express the consumers' indignation with regular outages which cause a lot of problems to them. Jangyl Shygaibaeva talked about the reasons for outages and asked Yuri Shalamov to convey them to consumers during the survey and urge them to pay their electricity bill if they want to have continuous power supply. She also stressed that the survey should not be used to urge consumers to act against energy companies.

The 3rd meeting was held on August 25, 1998. Yuri Shalamov reported on the results of the survey of energy issues. The survey was implemented in 5 oblasts. 740 questionnaires were processed. 98% of respondents reported that they had outages. Most of them do not know what the reasons for outages are. Only 15% of respondents think that outages are caused by non-payments. 80% of respondents reported that they experience inconveniences due to outages. The total losses of 673 respondents were estimated at Som 126,000. 134 TV sets, 125 fridges, 24 hi-fis were damaged due to outages, and in 190 cases food went bad. Shalamov said that "Aikyn" is not making any claims against "Kyrgyzenergo" since they

do not have documented evidence (acts) of damage caused by outages People do not know how to write up acts

Then Shalamov spoke about the Consumer Advocacy Day (August 11) which was organized by Bishkek Consumer Advocacy Committee The purpose of the activities was to convince people of the need to pay for electricity they consume The group visited new residential areas in Bishkek outskirts and checked 110 houses Of them only 4 houses pay for electricity regularly In microregion "Archa-Beshik" 38 houses do not have electric meters They strung electric lines from the nearby cemetery

The Task Force members suggested that Yuri Shalamov writes up a program of further actions and in a few weeks the work group would get together again to discuss the program

MEDIA CAMPAIGN
ATTACHMENT 3

**30 Articles from Local Press about Theft, Load Shedding, and
Deteriorating Condition of the Electric System**

"Utro Bishkeka"
August 22, 1998

SUCKERS

First of all, I would like to give two numbers that would make you either laugh or cry because they are so paradoxical. Of 110 electricity consumers inspected in private residential areas, only three pay their electric bills regularly. The rest have not been paying for electricity for months or years. For example, the electricity bill of Chokoev, a resident of 155, Altyn-Kazy Street, amounts to Som 3,000, T Pavlyuchuk's bill is no less than the above (58/4, Frunze Street). "Energosbyt" (Energy Supplier) can hardly wait to receive Som 2,500 from Bishkek resident Ch Toksombaev from Kelechek Street.

The accounts payable of the most persistent nonpayers (there are about 30 of them), amount to Som 55,000, i.e. Som 1,600 per person.

All these "funny" but sad facts have been revealed by teams of the Consumer Advocacy Group "Aikyn" during visits to survey the problems in new residential areas.

According to the leader of the group, Y Shalamov, these visits have also revealed other facts. They found five illegal businesses: three small bakeries and two sewing workshops. They all use unmetered electricity, i.e. thousands of unmetered and unpaid kWhs of electricity. Under the law, such "domestic" producers must pay for electricity at industrial tariffs.

Houses under construction in new residential areas "suck" money from the budget via electricity lines too. The scale of construction in "Kok-Jar" microregion is amazing. Here at 57, Tots Street a huge house has been under construction for four years now. And all four years a concrete mixer, transformer, welding machine, drills and powerful lights have been using unmetered electricity. They say this palace belongs to a "big wig" from Bishkek Champaign Plant.

Entrepreneurs at 210, Ulan Street have not been paying for electricity for over two years. But in their sewing workshop seven sewing machines have been working regularly, two powerful industrial irons have been pressing newly sown trousers, and a hot plate which consumes three kWhrs of power per hour has been making tea for a team of workers. You cannot help noticing that electricity is being stolen everywhere.

And what about "Energosbyt" that has Som 7 mln of accounts receivable? They are patiently waiting for customers to bring bunches of Som to pay at the nearest savings bank.

You cannot help thinking that "Energosbyt" must be happy with such a situation. Otherwise, how can you explain that with such a big nonpayment problem, not a single case of energy theft was taken to court, or that customers who regularly break rules of power utilization are not punished?

Obviously, we will never learn how to use natural resources of the Republic wisely. And all the hydroplants and their cascades are not likely to save us.

MAYORALTY ANSWERS THE QUESTIONS

Who's guilty?

Nearly two years ago Bishkek Mayor Mr B Silaev warned the Bishkek TEC Director Mr L Vasiliev that if he switches off the heat in the crucial situation he would be imprisoned for 15 days

I don't think his threat could be implemented Actually TEC must supply Bishkek with the hot water and heat, but it belongs to the JSC KE Via KE it receives coal, diesel, equipment, funds for the personnel salaries When the long delays with the salary payment took place, personnel sent claims straight to the KE

Almost nothing changed during the last time Mayoralty arranged the comprehensive analysis of the thermal and electric power gas supply of the capital The conclusion was that situation is dangerous The forthcoming autumn and winter season may be very strict

TEC plays the role of the KE stepson Electric connection between North and South, where the hydro complex is concentrated, is not reliable But KE does not use the Bishkek TEC as stabilizing link within the general power system Plant is loaded by 10% of its capacity in summer and 70% in winter, which results in deterioration of the electric power supply reliability Very sad results gives TEC dependence on KE in the process of the fuel suppliers selection Thus, high quality certified coal on Karaganda mines costs \$14.5 per ton, while TEC procurers coal via middlemen companies by the double price

The Kara-Keche coal introduction moves very slow Besides, due to the lack of finance, total volume of the repair works decreased twice compared to the 1990 figure At the same time the equipment depreciation is 80% and more for separate units

The situation on the Bishkek Distribution Network is not better For the last 7 years over-standard losses on the distribution networks increased by 5.5 times Demonstrative example of those losses last year for 1,373,200,000 kWh of electric energy received by the Bishkek network 406,100,000 kWh of energy were lost, it was 30.63% while standard indicator is 8.53% More than half of those losses were caused by the electric energy thievery

Annually, Bishkek enterprise of the thermal networks loses 390 - 450 mln Som From technical point of view the system is in the emergency condition Capital repair of the network will take 19 mln Som, reconstruction of the network and pumps will take 35 mln Som, the purchase of the 3,500 thermal meters will take 12 mln Som

Nearly half of the Bishkek Gas Department equipment needs capital repair In order to improve control after the gas supply and timely payment 120,000 gas meters should be installed for the total amount of 101 mln Som Perspectives for the Uzbek gas supply are rather dark, due to the debt of the Northern enterprises

What can be done?

This fast outlook at the fuel and power problems of our capital witnesses about our bad life and also confirms, that it is impossible to live this way any longer. Because in the existing situation diversified means of different entities KE, Kyrgyzgazmunaizat, Ministry of Foreign Trade and Industry could not and scarcely would be able to find efficient solution for all the problems. In other words those problems need different approach.

Attention, please! Mayoralty by the special letter addressed to the President proposed the following solution to take charge over TEC, Distribution Electric and Thermal companies, Kara-Keche coal mine, Bishkek-Gas and fuel reservoirs in Bishkek and Balykchi.

Up to 2003 keep the existing order and the tools of allocation subvention for the Bishkek fuel and power complex maintenance. While credit resources and annual interest rates up to their final repayment keep on the balance of the KE, Kyrgyzgazmunaizat and Ministry of Foreign Trade and Industry.

We shall not mention the details of such revolutionary idea. But not the main part of it all organizational, technical and financial aspects should be developed within August - September, to catch with the winterization period. Though the struggle between the entities will be serious. As it was explained to us by KE, the privatization schedule exists for all its enterprises. But under privatization they mean transfer of the same TEC under the Mayoralty control.

What concerns the Kara-Keche mine, Naryn administration already asked for funds and promised to overload the whole Republic with the coal. This way Bishkek Mayoralty would be in need of funds. Where can they find those big funds?

The most logical way is to rearrange the percentage of tax funds allocation into the city and republican budgets. Currently they are in 35% - 65% balance. It may need to become 50% - 50%.

At the same time, Government is in charge of the social sector of the whole Republic: pensions, salaries, privileges, etc. While half of the companies are concentrated in Bishkek. If half of their taxes are left in Bishkek budget, what is remaining for the province then?

But nobody will help us if we do not help ourselves, if we do not put the hands over the fuel and power complex, if we do not arrange the financial support for it.

G Kuz'min

"Slovo Kyrgyzstana"
July 23, 1998

ENERGY THEFTS MINUS TWO BILLIONS

Approximately two billion kwh of electric energy is stolen annually in the country. This would be sufficient for a family for 1,500,000 years. In one quarter of a year the consumer in Kyrgyzstan steals as much as they use in one quarter of a year.

Svetlana Efimenko, head of the Marketing Department of JSC KE comments the issue

Today citizens steal about som 300,000,000 in their own country. There is no need to say that we need to be sympathetic, that we are forced to steal because of hardships of life. Otherwise our "compassionate" discussions may have serious consequences.

Let's talk close to the point. Below is the classification of the main types of power thefts: crafty artifices with meters, use of hidden sockets, illegal connection to a feeder or hanging a cable on non-insulated cables.

The latter is economically criminal and very dangerous. This energy is frequently stolen in the distant rural villages, especially at night to heat a house. They steal electric energy and damage the equipment, thus jeopardizing peoples' life. A section of cable is designed for a certain load, and connection of hand-made heaters causes overloading of a line, which causes transformers to overload and go out. As a result, all people are without electricity. The repairs require funds.

Where shall we find funds if a full and timely payment is made by only every one in three citizens (power consumer) of our country? The price per kwh is actually very small in our country - som 0,14. Let's compare: it is up to US\$ 0,05 in the USA and almost a som in other Commonwealth countries when converted into our national currency.

However, many of our citizens do not pay and use every opportunity to steal, because they think as they did previously: the country is rich and it won't get poorer from this. They consider that nobody owns these benefits.

However, time has passed when everybody could treat things like "everything around me belongs to kolkhoz, everything is all mine". Electric energy is a common wealth, and we steal it from our own country, i.e. from ourselves.

Electric energy is a commodity like any other one: clothes, potatoes, bread, etc. Then why don't we pay for it?

That's why a new part of the Criminal Code of the Kyrgyz Republic contains a provision for punishment for theft of electric energy. And today relevant departments of our company are actively involved in a joint activity with legal enforcement and judicial bodies in order to develop a real mechanism for punishing power thefts.

However, we focus not on the punishments, but on how to improve control over electricity use, make people better aware and ensure that we reach global standards.

Under the order of Mr Sartkazyev, General Director of JSC KE, since the end of the last year we have started actual introduction of a new system of metering release of electric energy to consumers This system implies accurate monthly meter readings of electricity that is consumed by each consumer This requires hard work and great responsibility from our meter readers

Certainly, introduction of a new metering system across Kyrgyzstan requires large funds that we do not have For comparison a similar system was introduced in Armenia in 1995 and it repaid itself in two years Our metering experiment has started to yield some results

I want to assure you that we lose more being reluctant to pay for the introduction of an approved and universally accepted metering system of electricity consumed It is quite like a catastrophe if we prefer to keep hold of the old system

JSC KE does not have the necessary funds to introduce a metering system JSC KE is a state structure and it would not be economically beneficial to ignore company without serious attention from the Government when a real solution of the issue is found and starts becoming effective

And it is improvident in relation to our national wealth - electric energy

Prepared by
V Vinogradov

"Utro Bishkeka"
April 23, 1998

PAY FOR THE WARMTH

The winter season is over. We shall forget about radiators for a long time. But a wise folk proverb says toboggans should be prepared in summer. Thus Bishkek Teplokommunenergo department, which provides more than 30% of the city with heat and hot water, has enough work to do both in spring and in summer.

The Department is in charge of 50 boilers, of which 21 use gas and 22 use coal, 1 diesel boiler and 5 electric boilers. All of them are pretty old. They will be under repair from April until November.

Mr J Karimjanov told us about "hot" problems of his entity.

- Every year we stock thousands of thousands of tons of fuel. During the last two years Teplokommunenergo took under its control nine boilers which belonged to other entities: Central Regional Boiler, Gas Settlement, Ilbirs factory, and the biggest one which belonged to the Agricultural Machine Building Plant. Only one boiler is in operation out of these nine. Its steam is used for heating 350 private cottages. For several years condensate was not returned, it was poured through the pipeline. More than 4 mln Som were thrown away due to inefficient management by the Plant. Now we face this problem. Maybe we shall use different fuel. Even if we spend 1 mln for the fuel, it improves the final economics.

Payment agreements were signed by the Housing and Communal Services, so what was the result? Pervomaisky and Sverdlovsky rayons owe more than 2 mln Som, Oktiabrsky rayon owes more than 100,000 Som. Only Leninsky rayon somehow repays their debts. Ministry of Health entities are among our debtors too. For instance, Vorotsovka hospital. Since last year its boiler owes us 5,000,000 Som. In total we owe Bishkek Gas nearly 13,000,000 Som, while Bishkek Gas can switch off the gas immediately after the winter season is over. It means residents won't have hot water.

All losses were covered by the city budget. Last year those losses reached 18 mln Som, while donation received was 13 mln Som. Five million Som of difference between 18 and 13 were never covered. This year we asked for 25 mln, but we'll be given half as much. How can we make arrangements for the forthcoming winter season if those moneys are enough only for the gas purchase? Which way shall we pay for the diesel and coal? The fees collected from the population we are spending on staff salary, petrol, spare parts and payments to the Social Fund.

In order to switch to the cheapest fuel, which is coal, we must redo all our boilers. But that is only part of the problem. The main problem is pollution which will cover the city. Filters are helpless. TES produces tons of emissions. Switching to electric power is not possible due to the low water level in the Toktogul Reservoir. That's why since this year transfer to electric power has been forbidden.

Our enterprise purchased the "Trasonic" facility in order to reduce expenses. For half a year it saved 225,000 Som for the Public Bath No 5. Soon we are expecting technical assistance from Russia for 17,000,000. We shall install those facilities in the other boilers.

In our single diesel boiler the *dispersing plant* (*nobody knows what's that - Svetlana*) is in operation, it's price is 80,000 Som Thanks to that plant, the diesel fuel burns without remedy This equipment surely saves our funds But the main exit from the existing situation is to repay us the debts in cash, instead of through the clearing system

Y Smirnova

"Utro Bishkeka"

April 9, 1998

ENERGOSBYT, PLEASE SEND US DEATH

Must we pay for the apartment, gas and other utilities? Of course we must But sometimes we don't want to

My electric power bill-book was finished, and I had to receive a new one in Energo-sbyt I went there - but it was moved to another place I go to the new one

If you could see the situation there! If you would like to see many elder people gathered together - come to the cashier of Energosbyt or Gasprom Hundreds of them are crowded in those places Tired and hungry Staying and praying for death And only those who doesn't use any discounts People with privileges undergo bigger troubles And I thought why can't Energosbyt send their employees to visit the residences? Double benefit from that - they could distribute bill-books and check the meters data

Ivanova L
pensioner

"Nasha Gazeta"
April 9, 1998

ONE IS GUILTY - EVERYONE SHOULD PAY?

I am ashamed with all of us and with our mountainous country Kyrgyzstan, which occupies one of the leading places in CIS by hydro-power production per capita. Plus exporting it .. But we are all switched off that power within the working time Who's guilty and what's the secret?

All mass media of the Kyrgyz Republic not once informed us about enormous volumes of the electric power thievery Who steals it? People, nobody else And here's the result someone doesn't pay for half a year or longer, someone steals power, - but everyone suffers How many honest and dishonest people are there - Lord God knows Besides, industrial enterprises consume lion's part of the power, where it is pouring like stream If our economy was of saving type, if enterprises didn't waste extra power, if large losses didn't take place within transition lines, if not badly planned export to the neighboring countries and if people had conscience and didn't steal everyone's property, surely there would be enough "light" for everyone

But in reality the circle is locked state steals from the people paying their miserable pensions and salaries with delay People start stealing power from the state, which means from themselves Not everyone is stealing, of course But within current "wild market" environment state doesn't want to find out who's right and who's guilty Light should be switched off for everyone

In the west and even in the former USSR 6-8 hours of brownout per day should be considered as alarm situation or sabotage And it would be correct Why honest people should suffer due to debtors? And lots of small businesses or individual producers are facing serious hardships due to the lack of electricity! Many of them are not able to arrange full scale operation State budget suffers simultaneously less taxes were received compared to possible collections

Exit of this situation might be simple define debtors and thieves and deprive them of electricity That should be civilized action Any qualified power sector specialist should be able to define violators But they decided to simplify their chores transfer all costs on to the customers' shoulders and purses, like it was done in the neighboring Merke region of Kazakhstan If mutual power meter there shows more kWh than were actually covered by the citizens, the amount due is equally divided among all neighbors Isn't it nice everyone paying for the thieves Reminds of the old Soviet Army when one soldier violated something and the whole troupe was running along the drill ground And of course, in that case neighbors will find out the guilty person themselves and can beat him for instance Nobody wants to pay for the other one But if they are mistaken, an innocent person will suffer That may be nice sorting out

We are likely to think it over and decide ourselves if we shall get "light" in our houses and offices Quite time to learn how to live economically and fair If we are civilized people of course, and if we live in the fair country

O Logimov

Sosnovka village, Jaryl region

Vecherny Bishkek
March 26, 1998

ON THE ISLAND OF KOTOVSKOYE

Transition to the market economy has complicated life in Kotovskoye village. Interrupted supply of power and water was caused by lack of management of the water-pumping house and transformer substation over a long period.

From the start of 1998, Kant Rayon Distribution Company began to pay for the costs of its transformer substation, and started to work with consumers in a new way. The company finished major repairs of the substation, installed a feeder meter, replaced a number of power transmission line supports and held a meeting with village people. **They offered a deal to village people: you make timely payments for electricity and stop stealing, and we'll ensure uninterrupted power supply.** People agreed. Robert Frik, the voluntary meter reader, elected by people, now visits every consumer once every ten days, takes readings of individual meters and compares them with the data on the feeder meter. The difference is the amount of losses which is then allocated to all consumers. A fifty per cent discount (on his electric bill) is given to the voluntary meter reader as his reward.

True enough, Frik did not reveal any person who steals electric energy. He does not know whether there are such people but he knows quite well who doesn't pay. These are mainly the poor or people who drink much vodka. However, people in Kotovskoye village are very disciplined. Sometimes old persons bring their last five or ten soms to Frik not to become a debtor.

The situation with electricity has improved, though pensioners still complain that there are frequent outages at night. The voltage level is higher. Previously, voltage was so low that it was insufficient for washing or even shaving in the outskirts of the village.

They say that the so-called commercial losses of electric energy in the Republic comprise 20%, and 38% including technical losses. In some regions commercial and technical losses reach 45%. In a small village of Kotovskoye, losses were reduced well below standard level to 8%. Not bad for the start.

V Murzov

"Vecherny Bishkek"
March 24, 1998

NARYN

The At-Bashy Rayon Naryn Oblast citizens pay for the electric power in kind with grain cereal, wool and skins

That was a decision of the Special Commission established here for the struggle with bad debtors and comprised of state administration representatives, finance and power specialists. Another task of this temporary body is the capture of power thieves.

According to the information of Mr. Baiseyt Ismailov, Deputy Head of the oblast Power Distribution Company, given to the "VB" correspondent, currently the debt of the power consumers equals 4,156,000 Som. Residents owe the company 2,515,000 Som of the above debt.

Up to Mr. Ismailov, such commissions are being established in all regional centers for the struggle with debtors.

"Slovo Kyrgyzstana"
March 18, 1998

AFFECTION FOR ELECTRIC ENERGY IS WORTH MONEY

An interview with U. Mateev during the Government meeting on March 13, 1998.

- Ularbek Aspekovich! Who causes the most problems to energy utilities today - residents, budget organizations or businesses?

- First of all, agricultural consumers, represented by individual farmers, farmers' associations and former collective and state farmers. They broke up and left millions of Som in debts for energy carriers, and nobody is going to write them off. Major problems are also caused by residents who fail to regularly pay for electric energy. People do not make monthly payments, and many of them have debts that have accumulated for years. Later, it becomes very difficult for a family to pay when their debts reach thousand Som. However, there are rather well-to-do families and business people who ceased to pay for electric energy whereas it is actually impossible to see pensioners who don't pay. Social assets also owe much money to energy utilities. The budget envisages certain limit for power consumption and heating. Hospitals and schools deliberately exceed these limits as they are entirely sure that we cannot resist their tearful requests.

- Two years ago there was a broad campaign to enhance thermal insulation of apartments, offices and other work places. Today we do not care for this. Does it mean that there is less use of this component of energy and heat saving?

- Unfortunately, today nobody actually cares for energy saving, no matter whether he is a business director or an ordinary individual, although energy saving technologies form the basis of high competitive commodities in all developed countries. Cost of one kWh of electric energy in Austria varies between US\$ 0.20 and 0.28. As converted, this is 4-5 Som. We can compare this with our tariff at 14 tyyn/kWh in the residential sector. Foreign countries have industries that manufacture thermal insulation facilities and construction materials.

- Let's assume that we all make timely payments. Is it possible that it will lead to price reduction?

- Unfortunately, no. However, it may significantly affect the stability of power supply. Financial investments are required to rehabilitate and reconstruct a third of all distribution lines and transformers. Substation capacities, Thermal Plants and thermal distribution lines require prompt modernization. Residents consume now 40% (sic) of electric energy for household needs instead of 8-10% in the past.

- Thus, in Kyrgyzstan it is unreal to say that electric energy will become a support like oil in Kuwait?

- It is rather premature to say that. Power consumption in Kyrgyzstan is significantly greater than in Europe. We have a lot of potential customers but there are no investors willing to contribute funds to construct new hydropower stations and develop active ones. It is essential to carry out a number of procedures to have investors involved in the

business First, we must be on call to make 2000 MW available and market 17,000,000,000 kWh electric energy Today we generate electric energy slightly larger than 13,000,000,000 kWh Therefore, to ensure commercial-based power generation, we need to double capacities This requires US\$ 2 - 2.5 billion Similar amount of funds is required to construct high-voltage lines to transport power to potential customers abroad

Secondly, investors grant credits when their auditors are certain that our energy assets are in technically good shape and they fully meet domestic requirements for electric energy

- Thus, today tariffs are increased to solve problems at the expense of well-to-do people and customers willing to pay

- At present average prime cost of 1 kWh is 0.19 Som Residents pay 0.14 Som per kWh The difference (0.05 Som) will be paid by those who are involved in production and have prospects to yield some profit

I Kubatov

"Vechny Bishkek"
March 13, 1998

WHO WILL BEAT WHOM?

Bishkek DC started seasonal repairs of power transmission lines. However, the issue concerning uninterrupted power supply to Bishkek people is still under question.

It would be possible to give a positive answer to this question if the point referred to replacement of smaller equipment. There are 5,000 safety devices purchased. This is very important as we ran out of our stocks in winter.

The problem of energy utility staff is that they need to make significant purchases. They do not have 500,000 Som to buy an excavator and there are a lot of customers who owe money to DC. Accounts receivable now exceed 20,000,000 Som. Customers who ceased to pay include, as a rule, budget agencies.

Despite wide-scale disconnections, residential customers are not active payers either. This form of pressure is not as effective as it was expected by managerial staff of Bishkek DC. People in Bishkek seem to have chosen an answer to it: they just ceased to pay because of their principles. However, they do not realize that this confrontation may adversely affect them in the end: there will be no light, if there are no operable transmission and distribution lines.

Z Sorokina

Бухгалтерия тел
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Адрес редакции и АО 720021
г Бишкек ул Усенбаева 2



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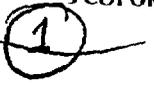
К сезону ремонту шин
и шинпротекторов приступили
в Бишкеке предприниматели
и микрофирмы Однако появи-
вшись ти после этого у биш-
кекчан уверенность в беспере-
бойном зимнем обеспечении
— большой вопрос

МОЖНО бы по отве-
тить утвердите-
льно, если бы все дело
сводилось к замене
мелкого оборудования О нем на
БПЭС позаботились Одних
только предохранителей заку-
плено 5 тысяч Что, кстати, все-
ма актуально, поскольку за эи
му все запасы иссякли

Проблема энергетиков в том,
что покупки им предстоит ботее
существенные На экскаватор,
к примеру, необходимо полми-
лиона сомов Таких денег нет
Зато есть долги Дебиторская
за южность перевода за
двадцать миллионов сомов В
злостных неплательщиках как
всегда, бюджетные организа-
ции

Не отличается активностью и
население Несмотря на объяв-
ленную горожанам войну, кото-
рая выражается в массовых от-
ключении от сети Эффектив-
ность этой формы давления на
потребителей не столь велика,
как представлялось руководи-
телям БПЭС Горожане, похо-
же сделали ответный ход не
платя из принципа Не учиты-
вая, что противостояние в кон-
чном итоге ударит по ним же
если город останется без исправ-
ных шин то не будет и элект-
ричества

З СОРОКИНА



Карпузы П

Если бы малыши из отделения пати-
третьей городской больницы умели
речь, вчера прозвучало бы их гр
"спасибо" представителям СП "А
лам" За то, что предприниматели
паньоны привезли им в дар 11600 п.
детского питания "Нестле"

НЕТ, ребя- но не помеша-
тишки в гор- Медки под-
больнице не что подарен-
голодают тит на месяц
Однако высококало- на два, если
рийный импортный "Нестле" толь-
продукт в рационе яв- шенных роди

Торага VI

На открывающейся в понедельник
Собрания народных представи-
тели Жогорку Кенеша республики пр-
рассмотреть 53 вопроса

КАК заявил на ва за 1997 го-
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ренции торага митетом прс-
Абдыганы Эр ности СНП
кебаев, основной целевом и э
мой обсуждения ном использо-
палите станут ежегодное ситуаци
послание Президента к и
парламенту и народу иностранных
Кыргызстана, с кото- и бюджетных
рым Аскар Акаев наме- деленных п
рен выступить 16 мар- риятиям рс-
та, отчет правительст- 1992 года
В связи с по

March 13, 1998

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"ВЕЧЕРНИЙ БИШКЕК" 31 стр

"Vechny Bishkek"

BEST AVAILABLE COPY

"Vecherny Bishkek"
March 9, 1998

DEAD ZONE

By May the beauty and pride of our Republic - Toktogul HPP - may stop its operation. The water level in the reservoir is rapidly decreasing. The largest reservoir currently contains only 8.6 billion m³ of water. Foreign experts conducting special survey came to a conclusion that by April only 6.6 billion m³ will remain in Toktogul reservoir, and only 5.4 - in May. It is a crucial level - the so-called Dead Zone.

We have been stubbornly moving towards this crisis for a long time, from January 1995 when the Toktogul reservoir's level started falling.

Simultaneously, electric power export started declining. Only a few years ago, Kyrgyzstan sold 4 billion kWh per year, while last year just 1 billion kWh was sold abroad.

Strange that our Government didn't raise an alarm because of the forthcoming crisis. And didn't move even a small finger. On the august faces, there's no shade of worry about the problem.

Power losses are still growing daily. Kyrgyzstan is losing power equal to the amount sold. Roughly, we sell 1 billion kWh and we steal 1 billion kWh.

Toktogul HPP stoppage can cause instability not only within Kyrgyzstan. Breaking the power supply to our neighbors - Kazakhstan and Uzbekistan - will make their life complex. And then the energy crisis will grow into a political crisis.

Somehow republican population can survive summer season without light. But what will happen in winter?

All foreign financial donors were briefed on the Kyrgyz situation. We have information that last Friday Askar Akayev was also briefed about situation.

This situation can require special Parliament Hearings dedicated to energy issues. The majority of PRA members, attending the March 16 opening session, have no reliable information about the crucial situation yet. That's natural because even the President was informed about the present status only recently. Moreover, his source of information has nothing to do with Governmental circles.

Executive authorities keep silence. Who knows what the Prime Minister and his deputies are looking forward to.

K Karabekov

"Vecherny Bishkek"
February 27, 1998

HOPELESS LAWLESSNESS

The most important organizations of the social sector in Karakol were left without electricity.

Issyk-Kul Distribution Company deprived them of electric energy because JSC Kyrgyzenergo demanded immediate payment of 800,000 Som Issyk-Kul Distribution Co does not have such funds, so it had to use extreme measures towards debtors

Musahodgov N , the head of Karakol Town Administration, says that these disconnections are administered without warning and prior agreement Four schools, two kindergartens, and a tuberculosis hospital where seriously ill patients and convicts are treated, have been disconnected It is impossible to guard them in pitch dark An accident has already happened at Karakol Investigative Isolator Due to darkness they were not aware of a dead person When it was found, they had to examine it with a flashlight At a dermatovenerologic hospital, where also convicts are treated, expensive vaccines became unfit for use due to outages

Economic damage caused by outages is considerable too JSC Dan-Azyk has lost 15 tons of grain and its equipment has been broken down The most difficult situation is at JSC Electro, the garment factory, and JSC Electrotechnical Plant and others

Administration of the town and the oblast turned out to be powerless before Abdykasymov R , Director of Issyk-Kul Distribution Co He has his own arguments up to date Karakol budget organizations' accounts payable to Issyk-Kul Distribution Co total Som 7 mln, Som 13 mln have been written off Musahodgov N states that the situation in town is dangerously explosive The residents are indignant that because of non-paying companies and the decisions of the Director of Issyk-Kul Distribution Co, they are deprived of electricity Apropos, the entire oblast is kept within the limit of electricity consumption

"Slovo Kyrgyzstana"

February 19, 1998

ELECTRICITY IS A COMMODITY FOR WHICH YOU HAVE TO PAY

Newspapers "Vecherny Bishkek" (#247, December 16, 1997) and "Slovo Kyrgyzstana" (#293-294, December 20, 1997) published articles titled "Saving based on matches" and "Energy saving is a basis of Kyrgyzstan's economy" General arguments of the articles about necessity of quality electricity supply to consumers, active energy saving policy and other issues are beyond question

The main idea of these publications is differentiated (that vary depending on time of day) tariffs for electricity Inexperienced reader may think that it is possible to remedy the situation of energy sector when these tariffs are generally accepted Purpose is simple majority of readers will believe it as outages concern most of the houses and people So, it is just the time to criticize energy specialists

Positive examples are differentiated tariffs for electricity used in Government residence #2 of resort house "Issyk-Kul" and "Kyrgyzstkoye vzmorye" Conclusions of both publications state that much energy is saved due to introduction of differentiated tariffs Authors of these publications (and those who support them at the background, particularly JSC "Bars-group") suggest a thought that such inventions in relation to all the consumers make it possible to save energy to a large extent that there will be sufficient amount of electricity and there will be no need of limitations Introduction of such tariffs is not inconsistent with "Electricity Law" that they cite in their publications However, this is being done to level

off loads of energy sector (depending on time of day and seasons), but not to save electric energy to consumers. Here we must speak about overuse of electric energy. For instance, certain amount of electricity is consumed if electric boiler operates 24 hours, but the boiler requires more electric energy if it operates according to the schedule planned, because hot water is not used at once and cool down very soon. This leads to electric energy losses accordingly.

As for examples mentioned above, one-sided agreements resulted in magnificent losses for Kyrgyzenergo. "Kyrgyzstkoye vzmorye"'s losses for 1997 built up 1,500,000 som. These losses can be considered as Kyrgyzenergo's subsidy to this resort house, though it does not affect the content of the issue.

Moreover, agreements with these two resort houses turned out to be illegal as there was no official permission for the use of differentiated tariffs not only in 1995-1996 (when these agreements were signed) but today either. Previously, it was a special committee under the Government of the Kyrgyz Republic that developed and approved tariffs. Later it became responsibility of the Ministry of Finance to do this. Today State Energy Agency deals with issue.

The readers may think that our energy system is not concerned about equalizing time-of-day loads during cold periods. This is not true. When obtaining technical specifications to connection and operation of over 10 kWh electric heating facilities, all consumers are to have (as a compulsory requirement) storage facilities to accumulate hot water and switch off electric boilers during evening and morning peak hours.

This is done without damage to distribution companies as tariffs remain as one-tier ones, as it is set by the State Energy Agency under the Government of the Kyrgyz Republic. This is advantageous to consumers due to the cheap cost of electricity compared to coal, mazout, diesel, gas and wood fuel.

Specialists of distribution companies make regular checks in these entities and see how these requirements are met. Sanctions are used (as it is envisaged in the agreement) when the entities fail to follow the instructions.

Publication titled "Saving based on matches" reminds energy specialists about sufficient amount of electricity that Republic had previously and limitations that started recently. First, let us analyze the previous situation. Industrial businesses ceased to operate because of generally known factors and there was excess of electric energy. Accordingly, export volume increased. People started to use electric energy for heating. Consumers in Toktogul and Uch-Terek rayons were granted discount tariffs for electricity to heat the houses. This was a compensation for having them move to another area from arable lands and houses that remained under the water of Toktogul reservoir. It was permitted to other categories of consumers (war veterans, retired and disabled people) to have electric heating system installed as well. Social assets and medical institutions like schools, hospitals and others, particularly those in distant mountainous areas were also transferred to electric heating system. This significantly promoted to relaxation of social tension.

Probably, despite pressures from all sides energy specialists should have set up resistance to these measures. They relied on timely commissioning of supplementary generating capacities and expansion of constructing electric lines. Here energy specialists made a mistake.

Today Republic experiences shortage of electric energy We cannot stop exporting it as it can slow down operation of Bishkek and Osh Thermal Plants Kazakhstan and Uzbekistan supply Kyrgyzstan with coal, mazout and gas for exchange of electricity exported There are interstate agreements with these republics

The situation was aggravated by dry year Water level in Toktogul reservoir is much less than it was in previous years Its result in 1997 was generation of electricity that was for 1,300,000,000 kWh less than in 1996 Increase of electric energy generation at Bishkek Thermal Plant (it has capacities available) is considered to be a way out from this situation This Thermal Plant has less load than that it could cope with because of lack of coal, mazout and gas There are no funds to purchase fuel as consumers owe more than half a billion som This brings to another serious issue

Silayev B , Mayor of the city recently addressed people on TV and noted that the Republic will stay without electricity, heat and gas if people do not make timely payments These words refer to all consumer categories in the Republic

Why not to suggest the authors of these publications to write that it is necessary to introduce advance payment for electricity for a month ahead You cannot get bread, sweets and other goods in the shop unless you pay for them You cannot get into the bus (that goes to another city) unless you buy a ticket? Why it is allowed to consume electric energy without payment?

Advance payment system in the energy sector is applied in many developed countries After visits to foreign countries, specialists describe the following way of payment a consumer

buys a special token for a certain amount of kWh. Consumer's room is supplied with electric energy as soon as he drops this token into a special device in the electric meter.

Electricity supply automatically ceases if you do not drop next token. Thus, distribution company provides for advance payment. This form of payment is agreed between both partners. There are other ways of obtaining advance payment.

Another issue of energy sector is theft that has been amplifying for the recent period. Thefts take place in autumn, winter and spring when it gets cold. Electric energy is stolen to heat residential houses and other buildings.

There are no laws in the Republic that can stop thefts and it is impossible to make it actually effective even if there is any similar law. Energy specialists (in Kant and Osh) failed to take to the court those people who ceased to pay and who steal electric energy, as there was no specific solution. Court seems to treat non-payments and thefts like trifle that is unworthy of consideration.

Publication of Murzayev B ("There is no trial process against thieves in Kant") can be an example for this. /"Vecherny Bishkek, January 9, 1998/ "Managers of Kant Distribution Company applied to the court in September last year with a request to effect consumers who ceased to pay and steal electric energy. No measure was taken against them." Does it mean that judges did not take any measures because they do not want to pay either?

The Republic will require more electric energy. In addition, some industrial businesses start to revive their operation though it is of local nature and scale. Commissioning of new generating units could be a solution of issue relating to increase of electricity generation.

We have quite magnificent capacities in this respect. These are hydropower stations that could be built on Naryn river.

There are no funds in the Republican budget to construct them. Foreign investors are in no hurry to make investments into the construction of energy utilities as they can give account to their money. They need timely repayment of their funds with interest. However, they are not entirely sure of this, that's why this slows down the process. This problem brings to another issue about necessity of increasing tariffs to a significant level. Increase of tariffs could allow to accumulate funds to attract investments and then to repay them. These funds could also allow to construct power stations and promote energy saving at a certain degree.

There are a lot of issues in the energy sector. Here we covered only a part of them. We would like newspapers to publish materials that discuss business-like suggestions to solve critical and urgent issues.

A. Batko
Advisor to General Director
of JSC Kyrgyzenergo

"Nasha Gazeta"
February 11, 1998

Interview with Mr Iminov,
head of Technical Center of JSC "Kyrgyzenergo"

WHEN WILL THE DONKEY FALL DOWN?

Talks about the state of energy sector of the Republic

"Poor state of thermal energy supply adversely affects economy and life support system to people" This is cited from Akayev's speech at December meeting of Security Council on the issues of the Fuel and Energy Sector of the Republic Crisis has not started yet, but the issue has already become serious

- Before, integrated energy system of the USSR could equalize any faults in the electric energy supply system We still have sufficient electric energy - says Mr Iminov, head of Technical Center of JSC "Kyrgyzenergo" It appeared that we are not ready to efficiently distribute electric energy in the areas where it is possible to replace it with other energy carriers

There is a notion called sector aging Currently, 30% of equipment in the fuel and energy sector is worn out So, lines and substations are unable to transfer additional kWh Electricity consumption in the residential area has increased by three times People in the Republic have virtually rejected use of other kinds of energy carriers Low voltage lines were built 15-20 years ago and are designed to supply 1 and 1.5 kWh per consumer and have limited possibilities We look like an irrational (foolish) master who continues to load his donkey until it falls down

- As President says, the Government was concerned only in solution of up-to-date issues of the sector as it had no energy policy

- Yes, we behaved like Triphon (hero of Krylov's fable, who had a suit with a lot of holes To make it look smarter he patched it all the time) and excessively loaded old lines which frequently get out of order This leads to magnificent technical losses and frequent unplanned disconnection of social assets and residents from the network We purchase less substations than those that get out of order If previously 80% of electricity was supplied to industry by high voltage lines, today 60% of electricity is delivered to people by distribution lines Half of 30,000 km of aged transmission lines requires to be reconstructed To do this energy sector needs billions of soms, and there no such funds available for the sector There no possibilities to reconstruct them all once at a time We used to replace 1000 km of transmission lines even during the Soviet period

- Do you mean that people must fund this reconstruction? To do this you need to double your price per kWh and then you can provide for efficiency of electric energy generation

- The sector will have only 50% of the funds required for reconstruction if the price for electricity is increased for 30 tyiyns per kWh To get the remaining part of 1 billion (800,000,000 som) we need to borrow and become independent because of debts For example, EBRD's interest rate is 12% a year In 12 years this will make up at least 200%

This means that we need to find our own investments. First, it is necessary to make coal and gas as alternatives to electric energy. It is impossible to steal electric energy from high voltage lines without phase transformer, while stealing electricity from low voltage line is a simple procedure. Last year "skilled" people stole 2,000,000,000 kWh. They overloaded and burned substations, busbars and other facilities over. This explains unplanned outages at schools, hospitals and houses that caused, as President said, legitimate dissatisfaction and indignation of people.

- In a word, you mean that people will have to pay anyway?

- One must pay for comfort. We did not have this problem twenty or thirty years ago. Electric lamps, radio and TV sets were the most common electric appliances in the flats. Today there are very many of them including cooking and heating facilities. These facilities/appliances work almost concurrently. The lines are unable to cope with overloading. However, prices must be increased on a differential basis. For example, people in a distant village without district heating and gas pay as many as people in Bishkek do, where 60% of people enjoy services of district heating system. In a word, Bishkek turned out to be in a privileged position, obtaining thus 30-40% of a particular subsidy per kWh. Price for electricity is 0.12 soms only. One can afford this in Kuwait. We will never be able to solve this problem if we consider such an antieconomic approach. Let us compare prices in neighboring countries: 0.36 soms in Uzbekistan, 0.40 soms in Russia and 0.89 soms in Kazakhstan.

- So, you mean that tariffs must be increased. How about poor state of majority of people?

It is possible that we may stay without electricity if we do not do it. It is necessary to save everything to survive. Average rate of consumption in developed countries is 300-350 kWh per consumer, including social needs. This rate in Kyrgyzstan is higher, as if it were rich. At the meeting of Security Council Akayev noted that it is necessary to introduce flexible tariffs and prepare special resolution of the Government on reliable operation of fuel and energy sector. This resolution is now ready and included into Action Program. The time is right to introduce differentiated consumption rate as 100-150 kWh a month. This amount is quite sufficient for a family. We had limits for electricity consumption before and people had to pay five times more when they exceeded the limits. People must pay more if they want luxury and replace coal and gas with electric energy to heat the house, greenhouse, sauna and have the light on within 24 hours. We just forgot to consider it. I am entirely sure that nobody will waste money if we solve the problem the way I mentioned above. People will accurately warm window frames and door casings to get protected from cold. However, Parliament Members argue against tariff increase, adding thus to the complexity of the state of energy sector.

In addition, one must be responsible for thefts. Western countries get panic when they lose 5-10 kWh while consumers here steal significantly more. We have now adopted "Electricity Law" which envisages criminal proceedings (punishment) for theft.

- In a word, we need to find the best option for saving electric and thermal energy through pricing policy or using other energy sources like coal, gas and others that were in common use previously. Today the Republic can mine 2,000,000,000 tons of solid fuel a year and less than fifth part of them is extracted. However, even non-distant coal mines operate in a strange way. They deliver coal to Thermal plant and burn it in order to transfer electricity to the coal mine back where it is used by electric boilers and heaters. This year Issyk-Kul

oblast supplied people with coal, but coal supplies in Jalal-Abad decreased by ten times compared with previous year data. No "energy donkey" is able to cope with such a load.

- "We cannot escape crisis of supply system in the residential and social area if we fail to rise coal industry. The situation requires wide-scale measures that should be taken at all levels immediately." This excerpt from Akayev's speech is our program. Energy crisis does not happen suddenly and we understand it. Our performance during previous years did not consider for thrifty use of electric energy and we worked without lever of economic control, and we did not try to commonly use other sources of fuel. We lived beyond our means.

Load shedding will become very urgent measure for us if we fail to find possibilities to revive the sector in forthcoming two-three years. We have sufficient number of coal mines and extraction cost will not exceed 150 soms per ton. There will be no energy supply problem when we adjust our system of supplying gas in vessels.

- I think there will be other energy issues for discussion next time we meet as this is not the last winter. Water reserve at Toktogul HPS (the mam station) is another issue that concerns everybody at present.

Interviewed by A. Bogdanov

"Vecherny Bishkek"
February 10, 1998

ENERGY SECTOR OF STRICT REGIME

Bishkek Distribution company has found an effective way to make its customers pay electricity bills - disconnecting without warning

At the end of last week, there was a crowd of people with billing books at Energy Supply Office on Togolok Moldo Street. They were disconnected from electricity without warning although they do not have accounts payable for electricity. Judging by the billing books, some of them are really not "guilty". For example, Ms Picherina, from Microrayon - 8, temporarily jobless, paid her bills on the 3rd of January but she was told that the data has not showed up in the computer system. Therefore, she must pay Som 5 70 for connecting her back into the system. She will be connected when it is her turn.

As they explained to us at Bishkek Distribution Company, such confusions happen due to late payments. Customers' typical explanations are they were away on business trip or family problems prevented them from timely payment. However, if a customer does not inform about expected delays in advance, such delays are considered unreasonable.

According to managers of Bishkek Distribution Company, disconnection of customers en masse is the only way to regulate payments. Nobody doubts that there is a need to bring order into the system of payments. However, in some cases actions of energy specialists' are more likely to be characterized as usurpation of power. First of all, as we were told at the Antimonopoly Policy Department and by the Consumer Rights Protection Services, Bishkek Distribution Company has not made an agreement with each customer where rights and obligations of the parties would be stated.

A billing book is not a juridical document. Besides, in old-type billing books that are still used by most of the customers, it says "Electricity bills must be paid at least once in two months". Not all the customers are informed of the new requirement to pay electricity bills each month before the 10th. Bishkek Distribution Company's urge to make customers pay each month looks naive. Why install meters in each apartment if meter reads are not taken into account?

"Vecherny Bishkek"
February 6, 1998

"BISHKEKGAS" DECEIVES PEOPLE FOR MILLION

The residents of the capital have attacked public utilities.

Bishkek residents were unusually active in February because they had well-grounded complaints against monopolists of public utilities. Twenty statements were presented to the municipal gas utility demanding compensation for physical and moral damage.

The residents seem to be sick and tired of the appeals of the local authorities "to understand the situation" of the municipal utilities. From their point of view, problems with natural gas supply can be solved if they are taken seriously. Therefore, it is illegal to demand payment for gas which is not available. Besides, the supplier is obliged to recalculate earlier payments.

The consumers were insisting on this particular point. Two Bishkek citizens, who live near the Orthodox church, are determined to solve the problems. (There was no natural gas supply to the houses of this region for two months beginning 10th November, according to written certifications). Each of them has brought action for a million Som as penalty for moral damage.

The citizens appealed for assistance to "Aikyn", the republican Association for Protection of Consumer Rights, and then the appeal was sent to the municipal gas utility. The complaints should be considered within three weeks according to present legislation. If the conflict cannot be solved peacefully, then the case will be taken to court.

The situation is the same with several Bishkek citizens who presented complaints to the Bishkek Electric Distribution Company.

Nasha Gazeta
February 4, 1998

HOW TO GET FIRE BURN?

Why there's no heat in our houses, switched into the pipelines? Different bodies officials give different explanations to this matter Gas pressure is low, frequent repairs of the pipes are maintained, neighboring Kazakhstan is intercepting our gas, we have large debts to Uzbekistan

But why elder pensioners are involved into those problems? Why they must stay in cold? They were so happy when saving a proper sum of money they could connect their houses to the gas pipeline and use environmental friendly fuel Even now they do their best to pay for the gas at first, though it costs them significant part of their small allowances

To satisfy peak expenditures during heating season natural gas volume is not sufficient Gas consumers have to reduce their consumption level or use the electric power At the northern part of the Kyrgyz Republic main portion of the "blue fuel" is used by the Central heating Station which provides heat to 85% of residents on the centralized basis With regards to the natural gas delivery problems Kyrgyz Government recommended transfer some bodies using gas to the solid fuel (coal) usage

Since May 1 till December 1, 1997, our Republic had to receive 636 million M³ of gas, though received only 419.99 million M³ Kyrgyzenergo entities received 239.1 million M³ under direct contracts, while 174.2 M³ SJSC Kyrgyzgazmunaizat delivered to the residents Thus under-delivery of gas to the consumers was caused by this body non compliance of its own obligations before suppliers

Energy crisis crawled to us unnoticeably All residents of the Republic could feel it Looks like we have more than enough electric power Not long ago we were nursing the plans of total electrification starting with light and finishing with heat And suddenly met a crisis But currently plants and factories are not operating yet What was comforting our managers' fantasies and kept their confidence in endless heating and power resources of our country? Now it is widely spread that governmental decrees are not being implemented, electric sector de-monopolization activities are sabotaged Though several important laws were adopted because we try to pull our energy sector out of crisis

As of January 1, 1998, gas pipelines were by 56% worn, oil and gas plants - by more than 60%, mining equipment - by 55-85% Approximately 60% of Kyrgyzenergo power stations technique are more than 15 years in operation Bishkek Central Electric Station is worn by 70%

At the same time national energy sector is considered to be one of the main basements for Kyrgyz economy development It's structure fitted well centralized directive system, when Moscow allocated enormous funds for efficient operation and development of power stations While in the market environment for their efficient operation reforms are needed What would the zealous owner do? He will arrange full inventory list, he will try to reduce costs and he will think of the reserves' sources Those were Governmental actions It came to a decision

develop measures, improve, strengthen, enhance, commit All this reminds old soviet time which we should better forget Even before nothing could be done with the help of generous wishes, nowadays it as absolutely impossible We need reform strategy and actual stages for its promotion

Think it over we loose one third of generated power For the period of 1990-1997 technical and commercial losses increased by 4 times, electric power thievery reached astonishing level (especially in rural areas) How to establish good order now? Just establish tough control over power expenditure It means we need gas and electric counters We can buy them in Russia or manufacture them locally (JSC "Janar" already got such manufacturing experience) We must destroy residents' psychology, that steal from the government is not a big sin We can use the brothers - capitalists' experience, who always considered their own pocket more important than governmental Besides, it is quite time to stop play seek-and-hide with budget entities in arrears Stop transfer funds to schools, hospitals, military troops, let Ministry of Finance pay itself to Energy sector upon those entities bills While bad debtors should become object of Tax police prosecution In civilized countries debtors' property should be sued upon and sold to cover debts and balance (if any) would be returned to a debtor

What can be done - it's quite time to live in line with your meanings While pensioners and vulnerable people should receive budget donations Those donations for minimal consumption of power, heat and gas by vulnerable people were not determined yet by appropriate bodies

When large distributing power line is failed hundred thousands of people can stay without heat, light and fridges for many days Only one transformer outage can leave the whole village without power supply for several weeks Last year there were 6 times more outages at the low voltage distribution lines compared to 1990 Experts' studies gave a conclusion that one third part of all distribution lines should be replaced as they are in condition ineligible for operation Condition of the complex transformer stations is just the same And the sooner reforms take place in this sector - the better it is for all of us We are facing the problem of finding 12 billion Som for repair works and finalizing construction of stations and distribution lines, which were not finished due to the lack of funds

There's different way as well look for alternative energy sources For instance, air condition heating system which is popular abroad, or non-traditional solar energy

Windmill engines could be used in our Republic as well Strange devices are mounted on the houses and rotate under the wind blow recharging batteries this way While batteries produce light and heat for the house Don't we have a lot of valleys with the winds blowing 360 days a year? Windmill engine is sufficient to provide village cottage with necessary power It will suit the farmers as well and reduce their dependence upon state switch Possibly we shall find specialists to calculate economic efficiency of windmill engine Plus bio-power possibilities Bio-gas plant can provide farmer gas for daily needs plus good fertilizers Scientists do conduct those studies, but those studies are based on pure enthusiasm May be one of the new businessmen will pay attention to those studies and will properly asses those ideas prospective? We still have a lot of areas being cost ineffective for gas pipelines and high voltage distribution lines extension

"Vecherny Bishkek"
January 6, 1998

STEEP PEAK OF FUEL AND ENERGY SECTOR

The crisis of the Fuel - Energy sector in the Republic primarily affects ordinary people. Strict limitation of power use will be followed soon by increase of tariffs for electric and thermal energy.

A majority of specialists think that the crisis is caused mainly by the increase in commercial losses of electric and thermal energy and large-scale non-payment. Also, the fuel - energy sector is short of investments which makes it impossible to modernize energy utilities. Production equipment is worn out by 50%.

This decreases the energy security of the Republic and is starting to adversely affect the economy also. Total power losses reached a critical level - 2,000,000,000 kWh [sic] a year. This figure is more than a third of total generation output. Power export decreased by 50%. The Republic cannot obtain money even for electric energy sold. Kazakhstan owes US\$ 23,000,000. Uzbekistan and Turkmenistan also owe money to Kyrgyzstan. Thermal energy losses reached 25% and are estimated at 156,000,000 Som.

Therefore, A. Akayev at the December meeting of the Security Council expressed his dissatisfaction with the Government that still has no clear energy policy and deals with solving up-to-the-minute issues. It is nobody's fault that hospitals, kindergartens and schools are systematically disconnected from the network. This particularly refers to oblast governors.

Parliament members are also displeased with the way JSC "Kyrgyzenergo" operates. Mr. Kadyrbekov, PM and Director of Energy, Industry, Transport and Communication Committee noted that a detailed report on the sector's performance has been prepared. Soon it will be submitted for the consideration of the Legislative Chamber of Parliament. However, Mr. Kadyrbekov noted that the Republic stayed without electric energy while state officials at all levels boasted of their successes in terms of electric energy export.

The problem of the energy sector concerns the Parliament Members of the National Representatives Chamber as well. Mr. Dill organized a press conference where he shared his views on the issue and discussed an idea for energy saving that was suggested by one of the local energy utilities. This utility submitted its project to the Government about two years ago.

The idea is to make people save electric energy and, strange as it may seem, save their own money. To do this it is necessary to set a flexible tariff system. It is better for people not to switch the light on during peak hours because they will have to pay more, but they will pay less during the non-peak period. True enough, this is only a dream written on paper. It is difficult to actually implement it. However, Mr. Dill stated that he will lobby this idea until it becomes effective.

The White House tries to solve this critical situation in the fuel - energy sector in a matter-of-fact way that will not take a long time. This means \$ 240,000,000 that were drawn (found) to implement a number of important projects.

Priorities are the reconstruction and modernization of Bishkek Thermal Plant, coal transportation from Kara-Keche coal mine, completion of construction of Tash-Kumyr and Shamaldy-Sai HPSs and construction of three new transmission lines

Implementation of these global projects will take long time Therefore, proposals have appeared to increase tariffs for electric energy to 20-25 tyyn per kWh Tariffs for natural gas and hot water supply will also be increased It is being planned despite the fact that many people in Bishkek have neither gas nor hot water

A Lymar

"Vecherny Bishkek"
December 26, 1997

ENERGY COLLAPSE

*Before the holidays the capital city got another surprise
Following gas, the electricity has also disappeared*

Bishkek residents are asked to economize natural gas maximally. The General Directorate of SJSC "Kyrgyzmunayzat" warned that if customers do not limit gas consumption, accidents to the gas main are not excluded.

Now, it is the electric sector's turn. In December, the capital city consumed more electricity daily than planned. It is obvious that when gas disappears, people start using electric kitchen ranges and other heating devices. So electric networks get overloaded and, of course, they breakdown.

As reported by Bishkek distribution company, yesterday more than 100 low voltage safety devices blew out, and dozens of feeder switchboards, automatic switches, and other devices broke down. Every day brings hundreds of thousands of Soms in losses to municipality for emergency repairs of the electric networks.

Groups of operators can not manage to serve all requests from residents. Some of customers are too impatient to wait until specialists come, so they try to fix something by themselves. It results, of course, in even more serious damage to expensive equipment which, in turn, causes more losses.

In some particular cases, energy companies sue residents in court for such damages. For instance, resident of the new area "Ak-Orgo" have caused such severe damage that they now must renew the equipment at their own expense.

Furthermore, energy companies are going to ask to prosecute those who violate rules. However, according to administration, in this situation everybody must think about possible consequences. It is unknown when the gas supply will increase, so it is necessary to consume energy more reasonably.

According to the planned limitations on energy consumption, the capital city may use 5.3 mln kWh of energy per day. But in fact it has reached more than 7 mln kWh/day. The city might immerse in darkness.

Z Sorokina

"Slovo Kyrgyzstana"
December 25, 1997

Energy Security of the State is Being Jeopardized

(This conclusion was made at the meeting of Security Council of the Republic)

During the last few years, the problem of energy supply in Kyrgyzstan imperceptibly became a state and national one though it was previously a particular technical problem. Now it worries not just qualified specialists, it has become a vital concern to all layers of society. The problem is discussed both in the kitchens of ordinary people and in the offices of high officials. Nevertheless, it was imperceptible to people far from ordinary troubles. But the majority of people experienced troubles caused by "light" and "heat".

When energy offices started unexpected (unplanned) outages in the residential area, people were displeased but listened to explanations from energy officials about "objective" reasons. They tried to save their food from "melted" fridges, and evening parties at home with candles and without TV became usual. Only people who were familiar with the law knew that such outages are considered to be a violation of consumers' rights if there is no accident. Meanwhile, alongside clever market terminology in official language, we often come across the dreadful term "energy security of the state".

Discussion of this problem was one of the main issues on the agenda at the Security Council's meeting last Friday, clearly showing how acute and urgent it is for the republic. This meeting was headed by A. Akayev, President of the Republic. The meeting was attended by the speakers of both Parliament Chambers, the Prime Minister, oblast governors, leaders of ministries and agencies. It is remarkable that mass media representatives were invited to the Security Council's meeting for the first time by the press service of the President.

U. Mateev, director of the State Energy Agency reported on the preparation of the energy sector to operate in winter and on measures being taken to provide for the energy security of the state. The current state of the fuel-energy complex was additionally described by B. Sartkazyev, head of JSC Kyrgyzenergo, A. Iordan, Minister of External Trade and Industry, S. Jaysanbayev, head of JSC "Kyrgyzgasmunayzat" and others.

The current state of the sector appears to be quite dreary and disturbing. Color diagrams and charts used to illustrate the report substantiated the ever-degrading situation in the fuel-energy complex over several years. So, it is time to abandon the idea that Kyrgyzstan is ahead of almost all the countries in the world in terms of energy. This idea has been warming us for many years. It is a myth.

Summarizing the discussion of the issue, A. Akayev underlined that the level of energy security has drastically decreased over recent years and has now reached a critical point. (Overall, the way Akayev spoke was rather strict and this is quite explicable.) The current state of heat and electricity supply adversely affects the economy and life sustenance of people first of all. This causes fair reproaches and indignation of people because of unplanned outages in the hospitals, schools, kindergartens, and frequently interrupted energy supply in the residential area.

Akayev stated that there is only one conclusion: preparation of the fuel-energy sector for the heating season has been dissatisfactory and many planned activities and procedures

failed Personal responsibility for this should be born by the heads of the sector, oblast governors and rayon akims Mateev was almost dismissed for such "success" in the energy sector, but the Security Council's members considered that he was assigned as SEA head not long ago

Such a dramatic assessment made by the President was based not only on emotions and signals about peoples' indignation There are figures and facts that indicate the causes of the crisis The following are only a few of them

Electric energy export which was a substantial source of revenue for the budget and the energy system, has decreased from 4.3 bln kwh in 1991 to 2 bln in 1996 Next year it is expected to decrease by half It is obvious that another myth (that we "feed" our neighbors with power at our own expense) which was very popular with some common and not so common people, has collapsed They are so overfed that some of them started thinking seriously of upgrading their own power capacity

You might ask why? We are not moving our stations from Naryn But far-sighted neighbors answer that they are not sure what will happen tomorrow in our country and what they will face

How can you object to this if power consumption in industry and agriculture has decreased by 1.8 and 2.2 times respectively? At the same time, power losses quadrupled and reached catastrophic levels - over 1/3 of the amount generated Considerable part of the losses is due to theft Thermal energy losses doubled and constitute 1/4 of generation The financial health of energy utilities keeps deteriorating, and their accounts receivable and payable keep going up as well

A Akaev believes that it is the Government's fault too Without a long-term energy policy and a clear development program in such an important area, it has been solving mostly current problems instead of taking actions to reduce non-technical losses and increase energy conservation Reconstruction and modernization of utilities' worn-out equipment has been dragging on

The President criticized performance of local administrations which were responsible for construction and replacement of 10/0.4 kV transmission lines Of 387 km of transmission lines planned for this year (all in all 4,500 km were required), only 31 km have been completed, i.e. less than 1/10 of the minimum How can you talk about reliable operation of the energy utilities and guaranteed energy conservation by consumers?

That is why we have frequent breakdowns on lines, rigid limitation of energy consumption and outages We are still fighting the effects instead of the causes of the disease which affects the energy sector, said A. Akaev

Meanwhile, according to projections of experts, there will not be water inflow in Toktogul reservoir until 2000 So the situation requires long-term and large scale actions at all levels - from the Government to local administrations The President enumerated several priority objectives and specific projects, implementation of which in the next 3 years would increase energy self-sufficiency of the country, ensure reliable energy supply to the population, social sphere and the economy as a whole

One of the priorities is to increase coal mining in Kyrgyzstan, specifically at Kara-Keche and Agulak mines, and shift into coal-fired boilers in Kyrgyzstan in 1998 Completion of

Bishkek Thermal Plant reconstruction and of Tash-Kumyr and Shamaldy-Say HPSs construction are still on the agenda. The energy program also includes construction of 500 kV transmission line "Frunzenskaya-Kemin," two 220 kV transmission lines in Osh and Talas oblasts, and maintenance and construction of low voltage lines by local administrations. For most of the projects, finance is secured or being looked for. The sources of finance are mostly foreign investments worth \$ 240 mln. But the President emphasized that we need to find and invest our own money.

Obviously, we cannot avoid increased electric and thermal energy tariffs. But as A. Akaev said, we need to make sure that they do not cause too much strain on people and industrial recovery. A system of multiple tariffs must be used which would encourage electricity consumption at off-peak periods. A number of other measures and projects are planned.

Concluding the discussions of the situation in the energy sector, the Security Council made the Government responsible for development of a special resolution which will be considered in February.

Nasha Gazeta
December 24, 1997

The President Evaluates the Government's Work as Unsatisfactory

"Over the last few years, the level of energy security has drastically decreased, and at the moment it is at a critical point " President Akaev emphasized this phrase, and it defined the tone of the meeting of the Security Council on December 19.

Members of the Council, management of the Government's ministries and agencies, governors and akims, and the Speakers of both Chambers of the Parliament felt that the President was demanding strict implementation of a national program of energy self-sufficiency for the Republic on a priority basis. And first of all, the President demanded explanation for inadequate resource management and for ignoring economic incentives in the tariff policy and energy conservation under market conditions. And now all these "have a serious negative effect on the economy, and, most importantly, on the people's life sustenance, which naturally and justly causes discontent and resentment among the people," said the President.

The Government has failed to provide reliable electric and thermal energy supply having chosen easy answers to the problem, which the President called criminal. "Preparation of the energy sector for winter 1997-98 was organized poorly by both the Government and local administrations. This is evidenced by numerous unscheduled electric and thermal energy outages at hospitals, schools, kindergartens and in residential areas. Relevant managers (ministers, governors, akims and others) must be held personally responsible for the failure of the plan to prepare the energy sector for winter and provide reliable energy supply to residents and social facilities."

Without having an energy policy, the Government has been addressing only current issues in the sector. And here's the result. Energy export has been cut in half and losses in the grid have reached a catastrophic level - 34% of total electric generation and a quarter of the thermal energy produced.

The situation is aggravated by the "frozen" program of reconstruction and modernization of utilities. The degree of equipment deterioration ranges between 50-90%. Why talk about reconstruction when even current maintenance works have not been done! All in all, we are fighting the effects of the disease instead of its causes, underlined A Akaev

This year the head of the state spoke several times about the coming energy crisis at the Parliament, in meetings with ministers and companies, and urged the search for new, cheaper sources of electric energy. In some places they did. For example, with support from French specialists, 18 small power stations in Kara-Balta are planned to be rehabilitated so they produce 2.5 times as much energy as traditional stations. Issyk-Kul oblast administration took care of coal supply. While in Jalal-Abad with coal mines the supply constituted only 1/10 of last year supply. And this could be a realistic way of reducing electric energy consumption which tripled in the last few years.

Coal reserves in the Republic amount to about 2 bln tons, and only 450,000 is mined. The President set a target of 1 mln tons of coal to be mined, which will cost half as much as electricity costs. We need to talk about it everywhere, because electric lines and substations are falling apart and 1/3 of electricity produced is lost due to breakdowns. The number of

broken transformers is larger than replacements, not to mention about 2 bln kWh that are stolen - almost 1/6 of the electricity generated at hydrostations

The situation requires active efforts on coal mining at Kara-Keche and its transportation "If we fail to stimulate the coal industry, then we will not be able to avoid a crisis in energy supply to residents and social sphere" - this is the President's opinion And he supported this opinion with an Issyk-Kul example where people got a supply of coal While in Jalal-Abad oblast where there is no need to transport coal, people received 1/10 of last year's amount Coal consumption is dictated by hard currency interests of the country export of electric energy was reduced by 52% in the last 5 years, and in 1998 only 1 bln kWh is expected to be exported against 4.3 bln in 1991

The President has several times attracted the Government's attention to the use of non-traditional sources of energy - solar modules widely used in China, Pakistan, Israel, and Turkey There are cases of solar energy application in Kyrgyzstan as well as use of biogas one of the rural residents has constructed such a device under "Kun" project which supplies his family with thermal energy produced by processing the biomass of 2 cows

This key sector of the economy is overwhelmed with problems Its financial situation is deteriorating with each year, and energy consumption is growing Accounts receivable total 600 mln Som, of which 1/4 is from residential customers As a result, the energy system has not made its full contribution to the budget nor has it paid its various suppliers and contractors However, things do not go beyond statement of facts, and nobody takes responsibility

"All these deficiencies have turned into negative trends, and if the situation is not drastically changed, they will become obstacles for the Republic's further social and economic development", said A. Akaev He indicated general objectives of the energy sector, enumerated projects for which secured funds will be used, set main directions for reconstruction and modernization of the sector, and discussed ways to attract investors "A working program of energy conservation is required, and most importantly, energy policy is required proportions in which different energy subsectors need to be developed, as well as mechanisms of control and responsibility for implementation of the energy policy and related programs "

"The situation requires urgent and large scale actions at all levels (Government, local administrations and energy utilities) to increase considerably reliable operation of the energy sector and to reduce non-technical losses of electric and thermal energy The Government must issue a special Resolution on Measures for Increasing Reliable Operation of the Energy Sector and Improving Energy Resource Management" It should be done before February The program of energy conservation must include strong incentives, and denationalization and privatization of the energy sector must result in demonopolization and restructuring of the sector

There are populist suggestions that we should cut the amount of irrigation water supplied to our neighbors But they forget that, according to the intergovernmental agreement, in exchange for water the Republic gets coal from Kazakhstan, and this year we received twice as much gas from Uzbekistan as last year

But the President believes that additional supplies of coal and gas will not solve the problem of reliable energy supply unless we also use our own scarce resources We need to set incentives for consumers to save electric energy in the form of flexible multiple tariffs

At the moment tariffs are one third what they are in Kazakhstan and Uzbekistan, and 1/7 what they are in Russia. Since prices for electricity throughout the world are going up, Kyrgyzstan must also increase them so that they are at least closer to CIS prices, but with consideration given to the population's financial ability and the need for targeted social protection and industrial growth.

After the meeting, the Director of the State Energy Agency said "In developed countries industrial production is growing and electric energy consumption is decreasing. We have the reverse situation. We need to work in the areas of tariff, licensing in the energy sector, and the legal framework which determines relations between the producer and the consumer. At the same time the obligations and liabilities of producers, distributors and suppliers of electric energy need to be separated, and the responsibility of local authorities for energy supply needs to be specified.

Thus, the President set 5 objectives: reliable operation of the energy sector, development of a reconstruction and modernization program, reduction of non-technical losses, improvement of the sector's financial situation, and reduction of energy consumption by the economy. The Republic has a good chance to implement the projects for which it has secured \$240 mln from the World Bank, Asian, Islamic and European Banks, the governments of Japan, Germany, Denmark, Russia, the Northern and Kuwait Funds. But we need an additional \$150 mln.

What are we going to spend all this on? On reconstruction and modernization of Bishkek Thermal Plant and the entire system of thermal energy supply for Bishkek, construction of 220 kV transmission line in Talas oblast, the same type of lines "Alai-Batken" with a substation in Batken, 500 kV transmission line "Frunzenskaya-Kemin" and current and capital repair of HPS, and equipment for coal mines. "We must use this chance for the comprehensive reconstruction of the entire sector," said the President and added "We know 'what to do', now we need to think about 'how to do' it".

Among the main projects are completion of Tash-Kumyr and Shamaldy-Say HPSs which would increase energy capacity of the Republic by one bln kWh/year. Local authorities must ensure construction and maintenance of low voltage lines, of which only 8% in the plan were constructed this year. Many of the energy utilities are in miserable state. "Governors and akims do not feel responsible and do not understand the importance of this problem. They must be forced to feel it," said A. Akaev.

All in all, the sector has been given clear directions for the future. The main ones are reconstruction of utilities by attracting foreign investments, complete revision of operation of all the services in accord with the objectives of the state and under market conditions, improvement of financial health, and attraction of additional energy resources. We need specific results, not just labors, the President thinks. Everybody needs to follow the example of L. Vasilyev, Director of Bishkek Thermal Plant, who managed to ensure reliable operation of the plant in the most difficult circumstances. This is the only way to ensure the viable development of the economy and the welfare of the people.

Nasha Gazeta
November 26, 1997

Energy Shock

There was only one issue on the agenda of the Government's regular meeting operation of the energy system in winter

Increased cold, extensive outages and poor preparation of the energy sector for the winter period became a subject of detailed and impartial discussion. It was emphasized at the meeting that the Republic has been poorly prepared for the heating season. Three Government resolutions have not helped to improve the situation. Kyrgyzenergo's accounts receivable from companies and individuals are increasing at a geometrical rate. They currently total 578.2 mln Som.

In this light Jumagulov's following statement is characteristic: "Obviously, there is not sufficient energy for all. We need to use solid fuel for these purposes." A reasonable question arises: "Where should we get it?" As recently as the middle of the autumn we were assured that there would not be any problems with coal, that Kazakhstan was sending wagons full of coal, and we were anticipating our own Karakeche coal. Either our projections were wrong or again we hoped for what was only a chance.

According to the PM's message, there are few reserves of coal in the Republic. We still depend heavily on electric energy which causes enormous overconsumption of power. The main light switch which has become a universal panacea now turned from an ordinary mechanism into something more significant.

The White House and all newspapers editorial offices are flooded with complaints from obedient taxpayers disconnected from electric power and heat. In this respect, Felix Kulov's (Minister of National Security) statement that outages cause countergovernmental and counterpresidential moods, is still true. For residents of remote areas, electric power is the only attribute of civilization. Nobody argues that we have to pay for electricity and balance our expenses and incomes. And there is no doubt about the Prime Minister's call for tough energy savings. It is also understandable that Kyrgyzenergoholding wants to improve its financial position by dealing with incorrigible defaulters.

So it turned out that we have not been prepared for the winter. The only hope is for warm weather.

PREPAREDNESS FOR WINTER

A meeting on preparation for winter was held in JSC "Kyrgyzenergo" on October 30 by Deputy Director Mr I Davydoff, with participation of leading engineers of electric stations, of network and repair enterprises, and with heads of Departments and Services of Head Company.

Mr I Davydoff made a report. In his report he said that this winter season is predicted to be very hard for energy system. According to forecast of hydro-meteorologic services, a dramatic drop of temperature is expected starting the next 10 days of November. It will entail increased energy consumption by residential and budget funded consumers. Energy providers have to confine energy consumption in strict accordance with schedule of limitations, signed by local administration and electric networks (during night time, and morning and evening maximum load).

Situation on the north of the Republic is very hard because Kazakstan refused to conduct parallel operation of energy systems of Central Asia. So all High Voltage Lines (110 - 220 kV between Kyrgyzstan and Kazakstan) will be disconnected. Therefore all operational chains of distribution companies must work accurately and complementarily as one supplemental unit.

Inflow into the Toktogul water reservoir is expected to be only 10,5 bln m³, which is 3,3 bln m³ less than in 1996. JSC "Kyrgyzenergo" has developed a plan how to readjust winter overload of energy and power consumption, which will allow the accumulation of 8,2 bln m³ of water in the reservoir by April 1 1998, which is only 1,8 bln m³ less than at corresponding period of 1997.

Leaders of organizations and institutions need to clarify to people through mass media that limitations on energy consumption are temporary measures due to lack of water and will be canceled as soon as spring water inflow starts.

One of the main issues is training of highly qualified personnel for maintenance work, which is very important for the operational activity of the energy system.

Chief of Commission and leading engineers of companies reported results of inspection on preparedness for maximum overload during fall-winter season of 1997-98 and measures they undertook toward the preparation.

Mr O Ablasimov (Chief of Commission on inspection of Bishkek Heating Plant) and Mr V Gigin (Leading Engineer of Bishkek Heating Plant) remarked that basically the Plant is ready to operate during winter maximum load, although there are some problems to be solved urgently. The most important one is to use Russian technical funds to renew a bulldozer motor fleet of Plant, all necessary materials and spare parts, chemical reagents and so on.

Also, it is necessary to supply enough coal from Kara-Keche to carry out experimental incineration of coal for developing technology of using this coal.

During winter the Plant will be loaded up to 400 MW to provide energy to North of the republic, and 19 to 20 boiler sets need to work (if there will be enough coal) It is very elaborate task, but it has to be done

In the report of Mr V Shetinnikov (Chief of Commission) and Mr V Bevza (Leading Engineer) of Osh Heating Plant problems of preparedness to winter were noted

Personnel of the Plant are new and untrained, there is lack of instructors and highly qualified workers Administration of the Plant must solve this problem as soon as possible, but quality of training of personnel has to be high Also, there is a lot of maintenance to do on the Plant which was transferred from Osh Cotton Plant It is necessary to supply additional 20 000 tons of mazut

The main problem for cascades of Toktogul HPS and for HPSs under construction is lack of material and financial resources to repair equipment on time

Companies of Electric Network are ready for winter season of 1997-98 Maintenance of main and supplemental equipment was done on time The unsolved problem is the construction of transformer substations and of 0,4-10 kV lines sponsored by local administration and taxpayers

Still, the most acute problem for all Network Companies, Heating Plants and Repair Plans is lack of spare parts and equipment, and financial funds But, despite all these difficulties, the Energy System is basically prepared for winter maximum load, and all energy specialists stand ready to provide energy to consumers during the coming winter season

"Delo No"
October 29, 1997

Ananyevo Village is in a Darkness

Dear Askar Akayevich, we strongly request you to clarify the following issue

On your visits abroad you mention about the domestic energy sector, stating that the country has electricity in large excess and it is cheap. If it is really so, why then you deprive your own people of electricity?

Ananyevo village has been suffering from long cutoffs (outages) of electricity since December 1996. Electricity is cut off several times within 24 hours and every time at different times of the day. As a result we lose everything: no water, we now start to forget what TV is, moreover, domestic electric appliances get out of order, deep pumps of water intake are breaking down, bread is baked of poor quality. Thus, we are being ethically, culturally and physically adversely impaired by all these things. We are living in a primitive way. Food products spoil, people drink water from gutters as there is no water running in the water supply pipes, this can lead to infectious diseases. All these are caused by local administration and local energy offices.

We, people who live in Ananyevo village addressed oblast and rayon administration, but no assistance was rendered. Officials there referred it to the Government of Kyrgyz Republic.

Therefore, meeting of the people in the village decided to send a delegation to Bishkek. This delegation had a meeting with A. Jumagulov, prime minister, where they asked the Government to explain why 56 rest houses and resort places in Issyk-Kul rayon had electricity all the time at the expense of limits in the rural area and there was no light in the villages. People in the village have electricity only for 7 or 6 hours a day. A. Jumagulov clearly explained that resort places pay for electricity every month or even in advance to have light all the time. He also promised that rural people will have electricity when they pay for it.

After this meeting electricity in the village was well supplied for a month. At the moment there is again no light in one part of the village while the second part has it. Electricity is supplied within 24 hours in the area where local administration officials live.

Apas Jumagulovich, people in the village hoped for your promise. They pay for electricity while organizations and enterprises do not. The debt liabilities of the latter build up about 350 thousand soms. Then why do other ordinary people, farmers and workers have to suffer?

Dear Askar Akayevich!

We, people from Ananyevo village decided to address you, as you are the President of our country, to help us. Do help us!!! The village is experiencing an explosive-like time which has been caused by the local administration officials: Medvedev, head of Rural Committee, Abdyrakhmanov, head of Rural Kenesh, head of Ananyevo Department of Issyk-Kul Rayon Distribution Company, Dosoliyev, head of Ananyevo Department of Energy Marketing.

These people made the life intolerable in the village, dividing it into two hostile camps. One camp is supplied with electricity all the time without outages as Medvedev (head of rural committee) and administration officials live there. The other part of the village which is inhabited by ordinary people, electricity is usually cut off and the outage schedule changes every day. We, half population of the village is deprived of everything we cannot watch TV, cannot listen to the news, we do not know when to wash linen and when children can do their lessons. Generally, human rights are being largely limited. That's why more than half of the people in the village feel extremely nervous and tense which may lead to fatal consequences and all these occur because of the fault of local administration officials. Therefore, we request you to rehabilitate justice and replace the local officials who work in their own favor.

Resort places are now closed as the summer season is over. In connection with this people of Ananyevo village request you to help to ask Issyk-Kul Rayon Distribution Company to follow the below given schedule of outages.

6 a m - 14 p m	- no outage
14 p m - 18 p m	- cutoff
18 p m - 00 a m	- no outage
00 a m - 6 a m	- cutoff

Dear Askar Akayevich!

We, below signed people hope for the positive solution of our issue and request you to let us know about the answer.

**The letter is signed by more than 500 families
living in Ananyevo village of Issyk-Kul oblast**

Vecherny Bishkek, October 7, 1997

Let there be light! But with brownouts

There will be dry seasons until 2000 which means shortage of electricity

What can be more important for people on the eve of winter than availability of heat and light?

Yesterday at a briefing, B Sartkaziev, President of JSC Kyrgyzenergoholding, assured the journalists that we will survive through this winter, the only thing we need is patience

There is, obviously, little ground for optimism Only Som 210 mln is budgeted for maintenance which is a drop in the ocean According to the world standards (2.5% of the cost of fixed assets) 1.7 bln is needed for maintenance The price of 1 kwh of power would increase to 17 tyyn We are using up the fixed assets to keep the prices down

But we cannot continue this for long as it will result in the complete collapse of the sector which will be impossible to restore Therefore, the Government is developing a document on the tariff policy which envisages increase of price for electricity up to 36 tyyn/kwh (about 2 cents) In many CIS countries the rate is about the same in Uzbekistan - 2.5 cents, in Kazakhstan - 5.2 cents

If we do not increase the price for electricity, we will lose the remaining part of specialists who are hardly making both ends meet on the salary of US\$ 80 a month In the neighboring countries salaries of the energy sector specialists are 2-3 times higher With the introduction of higher tariffs the Government is intending to grant benefits to low income families - free 50 kw a month Mr Sartkaziev believes this amount is sufficient to light a house without heating it

The situation in the country is worrying Earlier, when all the plants and factories operated, consumption of electric power by industry was twice as much as it is now And residents consumed only 1/3 of the electricity than they do now It would be sensible to convert from using electricity for heating to coal, at least in the regions where it can be used Especially given that the Government budgeted exactly half of the funds required for paying for power consumed by schools, hospitals, militia and other organizations financed from the Government budget All their funds have been used up by now, and to avoid disconnecting schools and hospitals, the Ministry of Finance promised to allocate an additional Som 180 mln

People's fears about information in the newspapers about the reduction of water in the reservoirs are well grounded According to researchers, the natural cycle is for 5-7 years of high water to alternate with a few years of dry season This year is the beginning of such a period which will continue until 2000

At the moment there is enough fuel for 45 days at the Bishkek Thermal Plant The President of Kyrgyzenergo hopes to secure the same amount of fuel before November 15 Then Bishkek will be supplied 90% with electricity and fully supplied with heat

Outages that have become a regular thing in most towns are managed by local administrations, not by Kyrgyzenergo The energy is transmitted, according to a schedule, from the center to oblasts The oblasts distribute it to rayons, and rayons - to rural areas Kyrgyzenergo can disconnect only debtors Local authorities are answerable for all the other problems In Bishkek, Ilyich's (Lenin's second name) bulb will not be switched off - the capital is not required to economize

Nasha Gazeta, September 30, 1997

Love for Electricity

The leader of the world proletariat (Lenin) declared that communism is Soviet power plus electrification of the entire country. Just a few years ago we had both Soviet power and electricity although we failed with communism. Then very quietly Soviet power disappeared. We were left with electricity. Few people were bothered with such a state of affairs since there are not many people who miss communism or Soviet power. But how can a modern person live without electricity? Especially the Kyrgyz people who used to be proud of the fact that we have plenty of energy resources. Just 2 years ago newspapers wrote that "electricity streams would flow" to neighbouring countries, and in return we would be getting hard currency. Maybe projections were wrong, or maybe "streams" have really flowed over the mountains carefully avoiding local towns and villages. But last winter the south of the republic (Osh) was put in the dark, and the word "limit" has become very popular.

Osh is most likely to have existed for three thousand years because it happened to be on the route relating linking East and West. And towards its third millennium it found itself deadlocked. You can only fly to the country capital. There is no railway or good internal roads. If you want to get to Bishkek from Osh you have to cross borders and go through numerous custom posts. Information shortage is increasing. In the north of the republic all the publishing houses have been offset printing for a long time while in Osh newspapers are still printed in the same old way. Salaries in Osh oblast are lower than the average salary level in the country, food and other commodity prices are higher (except for fruit and vegetables in summer). Hot water is a luxury accessible to few people. Public transport in Osh is the most worn out.

According to Mark Twain, Prince of Wales had a boy who used to be whipped for the Prince's mistakes or mischiefs. It looks like in our country Osh performs the functions of such a boy. If the country does not pay Uzbekistan for gas, Osh gets disconnected from gas. Without gas, the sufferings of Osh residents due to power limits become even sharper. In the past, arrogant Moscovites and residents of St. Petersburg invented a contemptuous concept of "limita" for those who moved to Moscow and St. Petersburg from provinces to look for a better life, received temporary registration, rented a bed in a hostel and took dirty jobs at hazardous plants. In 5 or 10 years some of them would receive the right to permanent residence and a room in a communal apartment by the time she/he was 40. But it was almost impossible to get rid of the "limita" label and the feeling of inferiority.

At present all the provinces are starting to feel like a "limita" without rights. It is unlikely that it was somebody's vicious plan, but then how can one explain that in a country with no wars whole oblasts find themselves in a state of siege: no water for days, no heat for weeks in winter, no gas for months and outages any time of the day and night any time of the year. Only Bishkek has managed to avoid this so far. The capital may have the right to such a privilege. Or the reason might be that capital residents can elect their mayor, and the provinces cannot. I am not insisting that appointed administrators are not trying to perform well, but they say if you pay you can order music. It would be naive to expect an official appointed to protect Government interests to be an advocate for the residents. Objective circumstances require limitations on power. Most of the burden is placed on provinces. Regular brownouts twice a day cause a lot of problems: they do not only annoy people and disrupt their lives but bring financial problems as well. Electric appliances are not as strong as people, and cannot stand such impudent treatment. TV sets and fridges

break down Most of the families cannot afford even repairs They can probably do without TV sets but how are they, especially families with children supposed to live without fridges in summer

Electric switch boards break down as they are not made to work in a constant regime of "switch on and off" And all the electric equipment wears down sooner than it should All the problems cannot be avoided but they can be alleviated

Not a lot is required for that The burden of the limits should be distributed evenly between everybody The schedule of brownouts is like a sealed book For over a month I have tried to find out what the schedule is, and have annoyed many dispatchers and officials from a municipal administration I was not denied information about who gets disconnected and who does not and why, but I could not get the actual schedule of brownouts although it seems to make sense that it also should be public knowledge Hospitals, bakeries, militia, prisons, pumping stations, telecommunications and local government are not subject to outages which is reasonable But there are houses and offices which happen to be lucky enough to be connected to the same substation as these organizations It could be just a fortunate coincidence, but they say affluent areas seem to be in such a lucky neighborhood Those who are unlucky have to suffer both for themselves and the lucky ones It is strange that the local administration considers such a situation reasonable

I think George Orwell in one of his essays describes the following fact During World War II, when Britain as many other countries were experiencing a lot of difficulties, food products including the British favourite - tea - were rationed The same regime was observed in Windsor Palace It is unlikely that the Royal family was limiting itself for lack of food in their store, rather, it is natural that people with good manners share the difficulties of the people Even Bolsheviks in the times of disorder had to camouflage their 'feasts during the plague' by feigned asceticism spreading myths about brown bread crusts and carrot juice in the Kremlin

On the night of September 18 Osh militia office received a request from Matyshev, a dispatcher of Osh power distribution company, to send a group of militiamen to Substation 6 in the residential area of Amir-Timur where indignant residents were trying to get into the substation and threatening the electrician on duty They managed to handle the residents on their own without assistance from militiamen But that is not the only case M Okonov, chief engineer of Osh distribution company, told that people manage to slip by the security and get into the distribution company Sometimes they plead, sometimes they threaten One cannot but feel sorry for energy employees that they have to answer for somebody else's decision They are just carrying out their duties Bishkek is too far and Akim (Governor) is too high, but fatigue and anger accumulates and splashes out at those who are more accessible

In addition to these problems entire regions are left vulnerable to crimes and many unforeseen situations burglary, health problems, etc You have to deal with them on your own because emergency medical service reluctantly goes to such areas And it is understandable

There is no sense in using private alarm services What should residents of area 95 do when they get cut off from the rest of the world because their telephones work on electricity

At the moment, life for Mr Alykulov, head of Osh distribution company, is not all bear and skittles He is not only an energy specialist, he also knows municipal problems very well

since he used to be an Osh mayor Under the circumstances, it would be difficult for him and his team to find an optimal solution They have to take tough measures

Where there are no cables

Osh oblast consumers owe KNEHC about Som 139 mln Among debtors are Antimonial Combinat (4 mln), Housing Department of Osh Cotton Company which is now an independent company (2.7 mln), Government budget organizations (21 mln) The town is not rushing to pay its debts And from the beginning of the academic year, there is no electricity at schools

Private persons owe 28 mln But you do not have to feel sorry for them because very often wealthy people do not pay for electricity Among the biggest debtors are residents of microdistricts "Amir-Timur", "Aktilek" and "Yangi mahalya" These are areas of individual construction with big villas, not just typical small apartments They consume a lot of power, but it is difficult to say how much because most of the houses do not have meters They prefer electricity to gas and coal since they can use it free Sadyrbek Ermekbaev, head of the Sales Department, says that in each room of those villas they use various heaters from convectors to huge heaters that in the past would be used only in canteens Those areas are the toughest for inspectors Their residents live according to the principle my house is my fortress They are not surrounded by moats filled with water, but it is not easy to get into such a house And it is almost impossible to disconnect such a house from power The residents and their neighbours take defensive positions ready to fight One of the inspectors had hot water poured over him Energy people have to behave as if it is wartime They have to organize group trips to collect bills In the worst cases, they remove cables In the area of "Amir-Timur" they disconnected 92 houses and managed to collect Som 23,000 out of 43,000 in one day However, it is difficult to deal with some areas even in groups, for example, Aktilek There are a lot of debtors there, plenty of houses with no meters There are no organizations that are not subject to brownouts in the neighborhood However, this area is not one of the "limita" areas

At first sight there is no direct relation between power debts and the low level of water in Toktogul reservoir But two numbers mentioned by Mr Alykulov make you reflect on them The power loss rate reaches 40% and 28% of energy gets stolen If there were no thefts, there may not have been a need for limitations I was told several times that the price for electricity is not high in our country You could argue with this An average family which has a meter and pays the bills regularly, spends about 5% of the family income on electricity bills You have to agree with me that there are few countries around the world with a higher percentage Therefore, if the situation with debtors is not solved and strict measures are not taken, the tariffs will go up Somebody has to repay the debts And there will be the same vicious circle prices, debts and limits

August 21, .

Energetic collapse threatens Bishkek

One of the banks was disconnected from the municipal power system for several hours recently in the process of load shedding in the city. One would think the situation to be ordinary but it had grave consequences. As the banking operations are carried out in the computers the bank failed to get some payments that made the clients stay dissatisfied.

This incident shows how serious the situation will be in the energy supply system by the end of summer. How things will look like in winter?

Things in winter will change probably like this: connecting instead of disconnecting, i.e. if currently the consumers are being disconnected from the power system from time to time, in winter they will be connected to it for several hours. This is the way people working in the energy system gloomily think of the situation. Data obtained by the Kyrgyz State Energoholding for this year show that because of water shortage the water reservoirs are full for 2.4 billion m³ less than the previous year level by this time of the year. There are insufficient stocks of coal in the Central heating plant. All these factors say that people are going to experience very cold winter. Regulation of connecting the consumers to the current links could lessen the tension but the municipal government seems not to follow a clear direction in this issue.

Last year B. Silayev signed a resolution "About siting and energy supply of the units on the territory of Bishkek" that committed Bishkek Architectural Department to consider for the views of Bishkek electric company when issuing the orders about unit siting. This regulation obliged the latter to issue licenses to the trading outlets to become connected to the current electric lines provided that it has technical capacities available. Despite this Bishkek Architectural Department still ignores the energy company as it used to do it previously.

This year another regulation was signed about the demolition of the commercial kiosks in the central streets. What can a person do in this case if he has invested much into his "kiosk" business? They have to move over to the suburban areas as there are no objections here on part of Bishkek Architectural Department. However the electric lines in those areas are not designed for supplementary load. Owners of about 280 kiosks are fighting for the lines getting connected to them illegally exposing to danger their life as well as consumers. Inspectors of the energy company disconnect them from the power system every week but it helps little because everybody returns to their old habits next day.

By the way energy losses caused by nonregistered consumers comprise tens of thousands kwh. This can be compared with the amount of energy consumed by a pair of houses with 100 apartments in each.

All the kiosk owners pay to the municipal budget 800 soms every month while legalization of supplying a small market with electricity requires 20 thousand soms. As a result such punctual consumers like banks suffer more than the kiosk owners that act in an unauthorized way.

Energy supply in the districts where house construction covers mass scale presents another acute problem but that needs to be discussed separately as it became a very intricate issue

"Slovo Kyrgyzstana"
August 19-20, 1997

Kyrgystan will Stay without Electricity

if we steal electricity and do not use coal and gas for heating

This high-sounding headline is not an exaggeration. Last year our Republic consumed 53 million kWh per day instead of scheduled 43 kWh. In the current year the Cascade of Toktogul HPSs can supply 38 million kWh maximum. It means, electricity supply will be disconnected from time to time and during long winter days we'll use romantic candles.

So the reason for the forthcoming electricity crisis is very simple and objective. During the past year on this date there were 14.7 billion cubic meters of water in the Toktogul HPS water reservoir. Now there are only 11.32 billion cubic meters of water. According to all existing energy parameters, this is rather dangerous level. As they say, a little bit more and the Toktogul HPSs will work under unstable regime, which in turn is fraught with (serious consequences).

What does JSC "Kyrgyzenergo" offer to do under these conditions?

B. Sartkaziev, Deputy Chairman of this organization answered with the utmost clarity: "We will supply these 38 million per day kWh in winter time and not a kWh more. Regions using electricity to excess will stay without electricity."

Is that rather strict? Yes, it is. But our energy engineers do not have any other way. There is not a spring from which to take water for the Toktogul water reservoir. Should we destroy Toktogul HPS? Who could lift his hand against it?

Now everything depends on our consciousness and, so to say, on our patriotic sentiments. In other words, we should refuse to use electricity for heating our dwellings and industrial premises. I needn't mention any high sentiments any more, simply that gas and coal are getting cheaper than electricity now. Just discuss it yourselves. One ton of Tash-Kumyr and Kok-Yangak coal now costs 130-150 Som. As for electricity prices - they are close to the world (price). So we may say that electricity for heating is getting twice and even three times more expensive.

It is in fashion to criticize JSC "Kyrgyzenergo" for different reasons, but this year it prepared for the winter period rather well. Ninety per cent of repair works were conducted and 167 million Som were spent on these. During the period since August 1997 until May 1998 Uzbekistan will supply 804 million cubic meters of gas. Just to be on the safe side (in case of breakdown in gas-pipes) "Kyrgyzenergo" is planning to store 400 thousand tons of coal. Including 250 thousand tons delivered from Karaganda. All deliveries of black fuel are being supplied according to the schedule. By the way, this year we'll use coal of Kara-Kichinskiy mines. So Bishkek residents will meet foul weather in warm homes. Also, the Osh Thermal Plant will be supplied with all kinds of fuels. And boilers in small towns are provided with coal and mazut as well. As you understand, we've given you this information not by chance. First of all in order to calm Kyrgyzstanis down. Those of us who do not want to listen to the voice of reason will soon take a cold shower of punitive measures.

Our State has already made several strict decisions. For example, a symbolic village Ivanovka needs 50 thousand kWh per 24 hours. So it will be supplied with 50 thousand

kWh all in all If it consumes the whole amount-it will stay without electricity until the dawn of the next day Now nearly everything depends on the local authorities They should revise all their institutions and organizations, and private sector dwellings as well, and to convince or to order them (just as they like) if possible to use gas and coal for heating

We should also speak about people who love to install meters with special devices which lead to thefts and those who connect to the distribution lines illegally Measures which we will undertake against them would be like dragon measures Also we are going to install common meters

In general JSC "Kyrgyzenergo" has already privatized some parts of distribution lines in order to strengthen control over the electricity consumption A private company is not like our kind-hearted state - there is no need to stand on ceremony with our shifty fellows

Z. Sorokina

AND TRUTH IS STILL SEALED TO THEM

Citizens of the Issyk-Kul village Ananyevo will picket if their delegates did not solve the situation in the capital.

Last week they sent 4 delegates together with the head of village management to Bishkek. They were told to meet the Prime-Minister Apas Jumagulov and to hand a petition signed by dozens of people.

People are fed up to live without electricity. They have lights on for 8 hours only, short period of time in the morning and in the afternoon. But in the evening, when people need to do a lot of work at home, it is dark.

It's not so terrible that people cannot watch TV programs. But of course, if considered properly, it is a clear violation of civil rights. The trouble is that due to regular outages, the availability of water-pipe and appliances at homes is senseless.

In order to find drinking water, people are walking around the village for hours with buckets and wheelbarrows.

Only for 2 summer months a lot of things went out of order, such as 58 refrigerators, 120 TV sets, dozens of different other electrical appliances, as well as 3 pumps at the price of 72,000 som. The chairmen of the block of houses' committee collected these data. They tried to hand bills for compensation of damage to representatives of the village, Regional and Oblast distribution networks.

"We are not going to recompense you. There won't be more electricity, and it will be even worse in winter"- these are the only words uttered by representatives of "Kyrgyzgosenergoholding" to angry citizens of Ananyevo Village, when the latter invited them to their village meeting.

After that the delegates left for the capital. To find the truth. But like at the dawn of the Soviet power (time) it wasn't easy to find it.

The floor is given to the chairman of the block of houses committee V P Lozovskikh, who despaired of getting an appointment with the Prime-Minister, came to the editorial office of "Vecherny Bishkek" newspaper. All the

rest petitioners returned home - they have a lot to do in their village

- When we addressed the Government's pass bureau last Monday, we were asked to come on Tuesday Then - or Wednesday, Thursday Now I am again waiting for next Tuesday If there are no urgent issues, I will be received, - I was told I also visited Kyrgyzenergoholding There they say that hydro resources in the republic are scarce and they can not increase the limit of daily consumption for Ananyevo, our village The Governmental resolution, which was approved especially for that reason, prohibits them to do so They told me about limits and I told them that do have energy at the Issyk - Kul lake! But we are not give it Electricity is used regularly, without any restrictions, by 56 rest houses and sanatoriums, by more than 100 yurtas, located on both sides of the main road and working for 2 hours preparing food And one more thing - flats and houses of village akims - that part of the street where they are located have lights on days and nights Why is there such discrimination? People who sent us to the Prime Minister want this question to be answered Otherwise they threaten to go picketing May be, they say, those who are responsible for order in the country, will pay attention to this ugly problem

Help! Electricity has faded!

Mass outages started in Bishkek

Every day residents of the 5th, 6th and some other southern microdistricts of the capital stay for several hours without electricity. And, as usual, none of the consumers was notified about these outages.

At customers' request we asked energy authorities to have mercy on us. The result was negative. And here are the reasons.

The authorities of Bishkek distribution networks think that Government is guilty in this situation. Because the Government set rather rigid limits on consumption and controls its compliance. A special schedule of electricity supply was worked out, based on this limit. It refers not only to microdistricts but to the central parts of the city as well. So nobody would be in better situation.

Also nobody could answer how long the schedule would function. As soon as the Government gives an instruction, the lights will be on for the whole day and food products will not get spoiled in our fridges. The problem is how can we increase this limit. There is only one way to do it - it could be done at the expense of rural customers. But they have already been limited more than the city residents. The whole summer there are constant disconnections lasting many hours, not only in far-away areas but not far from the city as well. They say that the situation will be getting worse and worse. Why?

Energy analysts try to defend the Government, who is undertaking the most resolute steps because of natural cataclysms. They refer to shortage of water also. That's why we need to economize water resources in order not to find ourselves in a dark kingdom.

To cut a long story short, all attempts to clarify the situation have only one thesis: there is a catastrophic lack of energy in the country. As for customers, they do not save it and do not pay for it in time. They are getting what they deserve - let them sit without the light.

HOW MUCH DOES THE FREE ELECTRIC POWER COST?

By E. Putalova, "Nasha Gazeta" ("Our Newspaper")

April 29, 1997

It is romantic, of course, to spend evenings by candles light And to cook on a bonfire But it is neither a whim nor a caprice nowadays, it is a misfortune The reason for this is that our Energoholding Company's kindness is not boundless, and its enormous riches are simply a myth spread among people At any rate, Bakirdin Eshimbetovich Sartkaziev, General Director of the Energoholding Company, said so when he met with our correspondent

The workers of the electric power sector of our Republic's economy have to undertake severe measures with non-payers, not because of their indefatigable desire to bully the needy and the weak, but due to a dire necessity caused by unfavorable conditions

One of these conditions is rather perceptible and can be expressed with a concrete figure of \$ 12 million This is the exact sum allocated last year for depreciation deductions, such as repairs and keeping all Kyrgyz electric power networks and projects in a working condition Is it much or little? Bakirdin Eshimbetovich Sartkaziev figured out that if such a sum of money is spent annually for the needs of the electrical power branch, then the equipment of hydro electric stations, substations, power transmission lines and all the rest will be valid and serve to people for 600 years without any rest or major overhaul Most of the Bishkek Heat and Electric Power Plant's equipment has been depreciated The HEPSs of Uch-Kurgan and At-Bashi strongly needed a main reconstruction even yesterday The rate of normative check-ups of the main equipment went down, and there is a lack of spare parts

Alas, these are the electric power tariffs that do an ill turn Twelve tyins is a too small price for the pleasure of having the lights on It is estimated that 40 to 45 tyins would be enough for the power engineering branch workers to overcome the existing difficult situation, to pay all taxes and wages and to make necessary repairs of the equipment Even then not a single tyn would be left for the development of the branch Ideally, heating should be priced at 220 soms for one Giga calorie This tariff includes also only repairs and purchase of coal for the heating plant Then the rent may increase twice or threefold The Energoholding Company's workers understand that not every resident of the Republic will be able to pay for the electric light and heating in his home on a regular basis, so they take this fact into consideration

Last year, 4.5 billion kilowatt-hours of electric power escaped the "pocket" of the power engineering specialists Around three billion kilowatt-hours disappeared leaving no trace The power engineering system is working overloaded That is why the rate of technical losses increased so significantly During the last five years, the demand for the electric power rose four times, especially in the private sector, but the distribution networks remained unchanged Their transmission capacity is 1.5 billion kilowatt-hours, but the present-day load is 3.9 billion kilowatt-hours, so currents increased by a factor of three

This situation has been used by some of our common residents having entrepreneurial skills who act without any scruples, stole 2.3 billion kilowatt-hours, as experts estimated. Thus, willy-nilly, the Energoholding Company rendered a "donation" to the population of the Republic worth 270 million soms. Apart from this, there are persistent non-payers, who accepted only half of their debt and paid 128 million soms instead of 480 million soms.

Well, it is not an easy job to keep an eye on all 975,000 subscribers for the electricity supply networks. There are no reliable meters. Besides, as Bakirdin Eshimbetovich reported, pilferers are among power engineers as well. Until recent time, there was no legal base to begin a small electric power war for two fronts. For the local administration and law enforcement bodies, according to B. E. Sartkaziev, are sometimes at one with common tappers of wire, especially those living in small villages.

Not less impudent are industrial enterprises, which are in no hurry to pay their debts. Thus, the Kyrgyzaltyn company owes 30 million soms to Energoholding, enterprises of the Ministry of Industry, 40 million soms, Ministry of Agriculture, 165 million soms, and budgetary agencies, 153 million soms. The list of the debtors is long, including Kyrgyzcabel Company with its debt of 2.5 million soms, or Kadamjaisky Antimony Plant, whose debt is 16 million soms.

Neighboring Uzbekistan and Kazakhstan appear to be Energoholding's saviors in this severe situation, as they purchase our electric power, which helps make ends meet, despite the fact that money from Kazakhstan does not come on a regular basis.

Time is ripe to undertake relevant measures, and Energoholding decided to be more strict and turn off the knife-switch when necessary. From now on, everything should be paid for, otherwise.

Contracts for delivery of electric power are being concluded with state joint-stock companies and enterprises. Where the controlling block of shares belongs to the state, payment will be guaranteed with the production manufactured, for a period from three to six months. In case an enterprise is unable to pay for the consumed electric power with money, it will produce instead, so that electric engineers will obtain their money after auction.

Talks with private sector members will be shorter. If one fails to pay on time, then on the 20th day of the next month the lights will be cut off. If the enterprise continues to use electric power for an unknown reason, most possibly some individual worker of Energoholding is guilty, says B. E. Sartkaziev. Such worker should be punished, up to dismissal.

As to the population, special limits are foreseen for electrical power, which will be distributed in various areas according to a schedule of consumption for days and hours. So, it will depend only on us whether or not we'll spend evenings in darkness and offense, since tapping the wire without a permission may entail a cut-off for the entire

rayon, when the stipulated limit is exceeded. The dispatchers will keep a strict eye on this.

Unfortunately, electrical is an extra luxury for our republic. \$4.6 billion is necessary for all Kyrgyzstan residents to warm themselves near electric boilers, the sum that is equal to our country's budget for 60 years. Besides, under the current tariffs, electric heating is much more expensive than that with coal or gas. It would be also six or eight times more expensive if prices at world prices. That's why Energoholding is appealing to all citizens with a request to think now about the future winter and provide themselves with fuel of any kind. Otherwise, there is a risk to have the electric networks of the Republic destroyed due to constant overloading. We can't afford to annually change the equipment of the transformer substations.

Workers of the budgetary sector may feel offended, if they like to, but electric power may be cut off in hospitals, clubs, public libraries and schools. Claims towards Energoholding are groundless. Unfortunately, the Ministry of Finance has allotted only 277 million soms for all expenses of all governmental entities of the Republic for this year, which doesn't constitute even a half of the necessary sum. Each overdrawn som will be paid from one's own pocket. Meanwhile, the entities of the budgetary sector of Naryn and Issyk-Kul Oblasts have already consumed their year's limit during three months, and soon they will have to live in pitch darkness and without heating. Executive officials may be dismissed for overexpenditure of electric power and proceedings may be instituted against them in addition.

The tariff for electric power for agricultural hydro economic projects is only three tyins. However, the farmers feel hurt, saying, "The river Naryn flows free." It's true, the prime cost of electricity of the Naryn hydroelectric power cascade is two or three tyins, but at substations in Osh Oblast the cost of power is already five tyins, 11 in Chaldovar, and 15 tyins in Issyk-Kul area, not counting distributing networks. In order to eliminate conditions for easy money, the Ministry of Agriculture together with Energoholding have introduced a new tough system of control over electric power consumption and methods of treating the consumers.

"It's very hard, even impossible, to eliminate tapping of wire, bribery and swindling if acting alone," said Bakirdin Eshimbetovich Sartkaziev in conclusion. "That's why we'd like the law enforcement agencies and local administration to work with us. Energoholding is not to be left alone. We have introduced new regulations on usage of electric power resources for consumers in order to survive. In case we, Kyrgyzstan power engineering specialists, fail to cure our consumers from this infectious disease of chronic non-payment, we'll have to involve foreign investors. They will surely put things in order, in terms of timely payment."

Well, we don't need to go far for a good example, just take a look at Kazakhstan.

MEDIA CAMPAIGN

ATTACHMENT 4

**TV Program "Call on Thursday" with Matt Chwalowski of
Hagler Bailly and Svetlana Efimenko of JSC "Kyrgyzenergo"
(February 19, 1998)**

**TRANSCRIPT OF THE TV PROGRAM "CALL ON THURSDAY"
MATT CHWALOWSKI AND EFIMENKO S P.**

February 19, 1998

Zamira Akbagysheva (Program Hostess), Z A Electricity theft has reached a very dangerous level 2 billion kwh a year So, how should we fight electricity theft? Today, Efimenko S P, head of the Marketing Department of JSC "Kyrgyzenergo" and Matt Chwalowski, Hagler Bailly consultant (USA) on a Metering and Billing System will answer your questions So, Svetlana Prokofyevna, before starting the discussion on electricity theft, I would like to ask a question about how outages are administered You see, we have a lot of questions relating to this issue For example, why is there no electricity at 120 and 150 Drevesnaya street near the dairy plant Electricity is supplied only for five hours a day Electricity is supplied only for two hours in Ton rayon Another question is from Consumer Advocacy Association "Aikyn" which states that there are systematic outages in the villages of Alamedin rayon according to a schedule developed by the Akim of the rayon However, we did not sign a contract with Akims, we signed the power supply contract with Energosbyt So, the first question is to you, Ms Efimenko

S E Yes, we have introduced outages and take other similar measures The primary reason for this are the difficult hydrological conditions in the Republic caused by insufficient water resources Only Toktogul cascade of hydropower plants supplies 90% of capacity and meets the demand in the Republic That's why we need to save water resources because we release more water than it flows in Therefore, the Government issued a Decree on administering load shedding The Thermal Plant has insufficient stock of fuel as we cannot buy it because of lack of money and large accounts receivable in the Republic That's why the rayons have power limit schedules locally approved by the Akims, and consumers have been informed about it In general, outages are being carried out consistent with laws

Z A How long are the outages scheduled for and what are the reasons? You see, people think that electricity is the common wealth and at the start of independence we thought that we have sufficient resources of electricity and there were beliefs that we could have lived a better life due to power consumption, its export Do you agree with me? Nevertheless, we are forced to introduce outages everywhere, in all the rayons and villages There are villages which have electricity only for two hours a day What are the reasons?

S E Yes, electricity is common wealth but it must be treated thriftily and efficiently We must pay for everything We have very large accounts receivable Consumers in the Republic owe more than Som 580,000,000 Budget consumers owe about Som 100,000,000 The biggest debtor, agricultural sector, owes Som 160,000,000 Today residential consumers of the Republic owe the energy sector more than Som 140,000,000 When summed up, these figures make up a huge amount of funds, and it is impossible to purchase fuel, coal for the thermal plants and gas

Z A What is being done to stop theft, first, and, however, dry year is possibly not the only reason for outages in the rayons and villages?

S E The situation is very difficult, because people steal electricity by connecting their cables to the electric lines at night, and it is very difficult to find this person, we call a "thief" as you cannot name him differently He removes the cable in the morning and nobody can see that electricity was stolen to heat the house at night because no fuel or coal was purchased for the winter These are the problems

Z A Obviously, our metering system is inefficient (A question to Matt) How does this system work in your country?

Matt Chwalowski (M Ch) I would like to say that the metering system in the USA differs greatly from the one in Kyrgyzstan For example, in USA 100% meters are read every month, whereas no similar procedures are being carried out in Kyrgyzstan In USA meter readers only read meters They are like machines and they do nothing else In Kyrgyzstan meter readers read meters, collect payments and can even open meters which leads to corruption In the US every customer must pay each month He may have a bill-book with dates e g January 1998, February 1998 Our meters have safe seals that prevent tampering I understand that in Kyrgyzstan there are a lot of "skillful" people who can easily tamper meters Also, in the US the fine for electricity theft is high If someone's electricity bill is 50 dollars, and he does not want to pay for it, he would be fined for 500 or 1,000 dollars The system makes it difficult to steal

Z A So it looks like it is easy to steal electricity in our country I do not want to use this word "steal," however there is such a term

S E No, it is not easy January last year Electricity Law was adopted Article 24 says that administrative or criminal proceedings will be instituted against both legal and physical persons for electricity theft The Criminal Code, Article 164, provides punishment for relevant crimes from 4 to 6 years Last year we took 1,400 electricity theft cases to the court But the cases were not considered by the court, and not a single customer was punished Obviously, legal authorities do not believe that electricity theft is a crime and those criminals must be punished for that Electricity is a commodity, says the Electricity Law And people must pay for the commodity and be punished if they steal it

Z A You said there was not a single case when a thief was taken to the court There is a question from Kemin Distribution Company "How can we demand payment from ordinary people if Government budget organizations do not pay their electricity bills?"

S E Yes, budget organizations' accounts receivable are huge We try to solve this problem through the Ministry of Finance We asked the Ministry to allocate more money in their budget for electricity bills It is much more difficult to work with residential customers People know each other, they know who steals power, and they must inform us about thieves People know our telephone numbers Other customers suffer from thieves because transformers get overloaded We do not have funds for transformer repairs So in some areas people have to live without electricity for weeks due to the broken transformer It is in our own interests that people do not steal and pay for electricity

Z A Yes, I would like to ask this question to both of you What are the consequences of electricity theft and big losses for Kyrgyzstan? There are regions in our country where power is delivered only for 2 hours or for 10 hours So then what will happen if we continue to steal electricity and not pay for it?

S E I think everybody watches Russian TV news where they show Georgia There they have electricity only for 2-4 hours a day We do not want to have such a situation We do our best First of all, it depends on our people, they must pay their electricity bills regularly and not steal

Z A It turned out that some citizens of Kyrgyzstan have an opposite opinion on this subject They say the subject of electricity theft is very interesting They think that people who do not pay for electricity are right because they take what the state owes them That is, very often many people say, we do not get our pensions and salaries, and we do not have money to pay our electricity bills So this way we compensate for this May be you can answer this question, Mr Chwalowski

M Ch) I think it is wrong When a person goes to a shop and buys bread he pays for it He also pays for fuel and telephone Electricity is our basic need So we must pay for it because if people do not pay for electricity, there will be no money to maintain and improve the power system and to pay for fuel There will be outages I would like to draw our viewers' attention to the issue of theft I would like to show them two graphs If you look here, these are mins of kwh for 1990, 1993 and 1996 Green means the amount of power paid for, red indicates theft Please, look at 1996 box Red and Green here are almost of the same size It means that customers did not pay for electricity Here's another graph on the cost of theft I would like to give the following example now a customer pays Som 20 for 150 kwh If there were no electricity theft, he would have paid only Som 10 per month The cost of theft is very high If energy companies do not collect electricity bills, it means they do not have money for repairs and fuel, and they would have to administer load shedding

Z A I think these are very convincing graphs, and we will bear them in mind Now I would like to turn to specific questions of our viewers Employees of the Kemin Distribution Company ask if there are discounts on electric energy for the Ministry of Home Affairs employees If yes, what are they and are the discount rates the same throughout the country? Or do they differ by regions?

S E The Law on Home Affairs Bodies was passed in 1996 Then the Government Resolution was issued to put the above Law into effect The Law provides employees of the Home Affairs bodies with discounts on electricity in rural areas -- 50%, and in the city The point is that under the Law, discounts must be paid for from the local budgets You know that local budgets do not have funds So the Law practically is not working That is, local authorities do not provide discounts and compensations But what we have is that Home Affairs employees do not pay for electricity

Z A There is a question from Aleshin, Alekseevka village, Pervomaiskaya Street An automated device of our transformer constantly blows out When we call the distribution company they make us pay for this device We buy them from employees of regional distribution companies who illegally sell them to us Can we replace a transformer?

S E Yes, you can replace a transformer Since we are in hard financial situation, we do not have funds to purchase equipment, repair lines, replace a blown out transformer That is why we ask customers to collect money and buy transformers And it is interesting that people take care of transformers they paid for, they are more concerned about theft and overloads So it has certain positive effects

Z A There is a question from Akmatov Bektash, pensioner, Sokuluk rayon, Belek village Obviously, sealing meters is something that distribution companies need, we do not need it Then why do they charge Som 228 for this, and we also had to pay Som 213 for checking if there was grounding

S E I understand from the question that this customer had a 3 phase meter installed which means that he has a permission to use an electric boiler for heating In present conditions electric heating is not allowed So customers must pay quite a considerable sum for issue of technical documentation and installation I think, the question relates to installation of an electric boiler All these operations are done according to the price list I do not have it with me But I will raise this issue with Sokuluk Distribution Company

Z A I would like to ask you, Svetlana Prokofievna, to give us your telephone number so that those of our viewers, who did not get answers to their questions, could call you We have a lot of question on electricity theft and outages

S E My telephone number is 26-40-53 We receive a lot of letters with questions, and we answer them It is our usual work, so we welcome your questions, we will answer them

Z A What is a way out of this situation What must common people, "Kyrgyzenergo," our Government and our international consultants do?

S E Common people must pay their electricity bills We request people to inform us of theft It is in your own interests If we have money, we will replace blown out equipment, we will always help you There will be no outages if we have sufficient funds for it

M Ch I agree with you on this It is very important that people pay for electricity But we must work together as it is a problem of the entire Kyrgyzstan and it needs to be solved Energy companies need to improve the performance of the electric system We submitted "Kyrgyzenergo" our report on what needs to be done And we know that you read it and are going to work on it

S E Yes, we started reorganizing "Energosbyt" We are shifting to employing meter readers on contract basis Each meter reader is assigned to one feeder and he checks customers who are supplied with electricity from that feeder so that one person is responsible for metering electricity consumed It enables us to know how much electricity has gone unmetered, and to find thieves Of course, it is a difficult task for one person So if people could help our meter readers, we would appreciate that

Z A There are voices that we need to raise tariffs for electricity to improve the situation What is your view on this issue?

S E Yes, we think that tariffs need to be raised We requested the State Energy Agency about it, we tried to justify the need through our calculations of production cost

Z A Can the situation be improved by raising tariffs?

S E One the one hand, yes I will give you an example In Kazakhstan, residential customers pay 90 tyyn per kwh In Russia, the tariffs range from 23 to 50 depending on the region And we pay only 12 tyyn per kwh This is a very low tariff

Z A What rate do you expect?

S E We are planning to raise the tariff to 14 tyyn, increase just by 2 tyyn

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Z A However, there are law-abiding citizens in our country who pay their electricity bills regularly What will become of them? So they will keep paying even more, and those who never paid for electricity will go on stealing electricity

S E We will work on this We will take thieves to the court, cut off their power We do it now At the moment we cut off 80,000 customers from power If they pay their bills we connect them back to the electric lines We are working on it

Z A Mr Chwalowski said their system is different Can you adopt their practices?

S E Yes, we are adopting them We read Matt's report and agreed on most of the points But most of our problems relate to money Of course, we will try to solve these problems

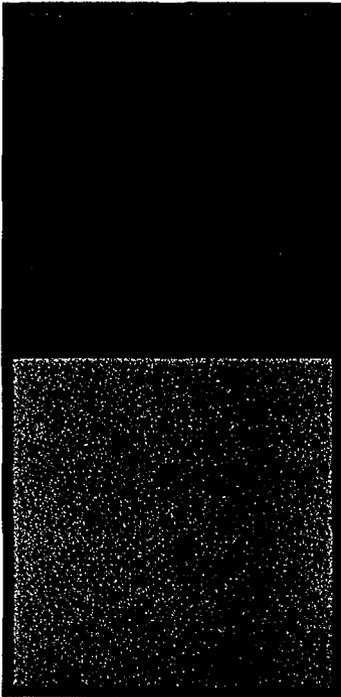
Z A Now I would like to address this question to you, Mr Chwalowski What specific actions would you recommend to improve the situation And can you tell us as an analyst, what are the consequences of huge losses for Kyrgyzstan?

M Ch To answer your first question, we submitted our report to "Kyrgyzenergo" and talked to many of their specialists, and gave them our recommendations on how to improve the situation The most important thing is to improve the metering system so that it can work the way it works in other countries, and to regulate the billing system I would like to turn to our viewers again It is very important that everybody pays for electricity Electricity is a commodity just like bread, patrol and telephone You must pay for electricity so that energy companies have money to pay for repairs, to pay salaries and to prevent outages It is most essential If you do not do those, I think the situation will get worse

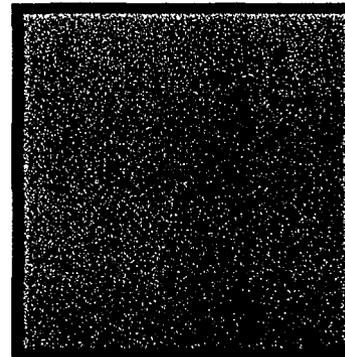
Z A Well, let us wish success to "Kyrgyzenergo" and we hope that our citizens will pay their electricity bills regularly

Electricity Cost Would Have Been Significantly Lower If Everyone Paid For The Electricity He Used

Cost of 150 kWh/month is
20 som/ month

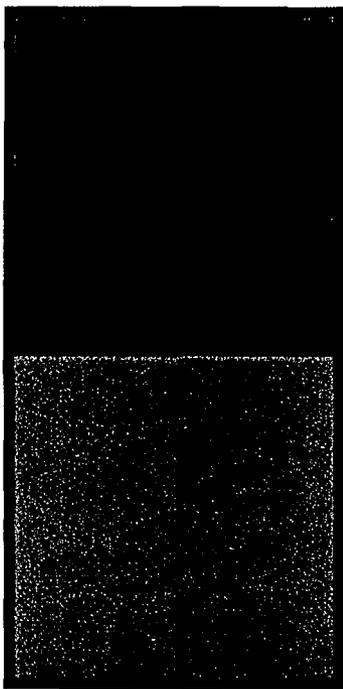


Cost of 150 kWh/month would have been
10 som/ month,
if everybody paid for electricity

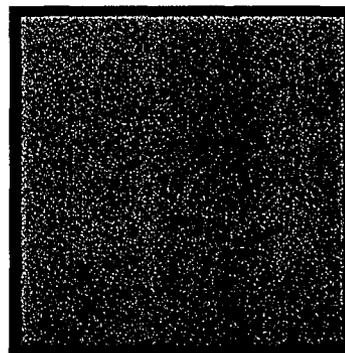


**При полной оплате всеми потребителями стоимость
электроэнергии была бы значительно ниже**

150 кВт/ч/месяц стоят
20 сом в месяц



150 кВт/ч/месяц стояли бы
10 сом в месяц,
если бы все платили



QUESTIONS FROM THE AUDIENCE FOR THE FEBRUARY 19, 1998
"CALL ON THURSDAY" TV PROGRAM
WITH MATT CHWALOWSKI AND SVETLANA EFIMENKO

What is the system of metering in the U S ?	Baiterekova, Tokmok, Str Industrialnaya
Can it be estimated how much electricity is stolen?	Isenkova, Bishkek
We have outages in our rayon every day Will there be such times when we can have a rest from this problem?	Agapova, pensioner, Krasnaya Rechka village
The subject is interesting "Electricity theft" Why theft? People take what the state owes them You do not pay our salaries and pensions, we cannot get treatment at hospitals, we have no money for education What do we have to do? Therefore, everything is right, and you should not offend people	Drosdova
Why isn't the Government taking measures against electricity theft? Is Kyrgyzenergoholding doing anything in this respect?	Tuleeva, Naryn
How long are you going to humiliate us? We shall remember this winter for the rest of our lives We must find a way out	Egorova N
Will there be electricity discounts for pensioners?	Kanygina Svetlana, pensioner, Bishkek
Why are we exporting electricity to Kazakhstan, Uzbekistan, Turkmenistan while we are short of electricity ourselves, especially, given that they do not pay for it?	Esenaliev M , Osh
Due to regular outages our fridge has broken down Who will compensate for this loss? Maybe, Energoholding?	Mendybaev, Bishkek
Why do they cut the power off all the time? Don't they have anything else to do?	Mirtov, Karakol, Str International-3, 215

There were several cases at Orlovka, Kemin rayon, when electric appliances such as TV sets and fridges, broke down due to voltage drops Who should we turn to for compensation of incurred losses?	Association of Consumer Advocats "Aikyn", Bishkek
In villages of Alamedin rayon they introduced a load shedding schedule, allegedly, confirmed by the rayon akim But we have made agreements with the energy supply company, not with the akim? Is that right?	Association of Consumer Advocats "Aikyn", Bishkek
100% discount for 150 kwh per month was granted There are cases when less then the above amount is consumed E g , if this month 110 kwh have been used, can 190 kwh be used free in the next month?	Association of Consumer Advocats "Aikyn", Bishkek
OK, let the Government forget about elderly, but can it think of the younger generations? They cut the power off when it's time to feed the grandson Is it acceptable?	Nitschenko, Issyk-Kul rayon
Why doesn't Kyrgyzenergoholding arrange mutual payments for gas through electricity barter? Why is there no gas in the evenings?	Kutlacheva Irina, Bishkek, 4-5-27
What is the reason for outages?	Alferova, Novopavlovka
All this due to lack of the Law on Consumer Rights, and relations between consumers and energy supply company are not defined	Pchelintseva, lawyer
Fuses and automatic switches often blow out due to overload in lines Who is responsible for this?	Mukhamed Ali Mukash Uulu
Was there at least a single case of a lawsuit on electricity theft? If there was, how did it end?	Kemin energy supply company staff
Do employees of the Ministry of Internal Affairs (MIA) have discounts on electricity? If yes, what are they? Is it the same for all MIA staff or do they vary by regions?	Kemin energy supply company staff
Why is there no electricity on 120 and 150, Str Drevesnaya (area of Dairy Plant) We have it only for 5 hours a day Why? Please, answer this question!!!	Lyuba, a housewife with a small child, Bishkek

I had a 50% discount Why are they eliminating discounts in our rayon without any resolutions?	Rysmambetova, pensioner, Ton rayon
Sometimes we do not have electricity for 1-2 weeks, especially in winter It is very cold in the house Unfortunately, this winter has been too long, what are we to do?	Niyazbekov M , Voenno-Antonovka
Is electricity really being stolen? Has anybody been taken to the court and how many people have been convicted?	Erkinov K , Balykchy
Don't you take us for human beings? No electricity, no gas, no salary! How can we live like this?	Myrzaliev, 35 Str Lenin, Osh
Why aren't we using our electric stations? There are stations at Naryn We have to sit in the dark like in old times Is it life?	Botokanov, Naryn
Indeed, electric energy is our wealth So why can't we use it efficiently?	Esengulova A , Bishkek
They say, Kyrgyzenergo employees will be deprived of 50% discounts Is it a temporary or permanent measure ? And why? Be sure to answer this question	Tolobaev K , Novo-Pavlovka, Kyrgyzenergo
It was planned that 110 kV lines will be constructed to transmit electricity from Toktogul to Talas Will it be implemented by this autumn?	Asanov K , Talas
Same question	Bakar-Ata rayon, Talas oblast
Although we pay electricity bills regularly, we get frequent outages Fridges are broken We often cannot watch TV Comrade Zamira Akbagysheva, sometimes we cannot watch your show Will there be, at least, a schedule of outages?	Kyrgyzbaev, Chui rayon
Why does Kyrgyzstan export electric energy to Uzbekistan while we are not self-sufficient in electricity?	Emileva, Ak-Talaa

In old times they used to build electric cables in the walls during construction of houses. Now they cut those cables. Do they have the right to do that?

Japasheva, pensioner

Electric energy is public property too. Why isn't it exported at world prices?

Majitov E,
Batken rayon

Why cannot we live in prosperity? Will there be such times?

Chekirov, Bishkek

To prevent thefts, rayon level Distribution Utility installs seals in the meters. This means they need seals, not we. Then, why do we have to pay 228 som for this procedure? They also charge 213 som for their visit just to check the grounding? Please, explain it! Please!!!

Akmatov Bektash,
pensioner, Sokuluk
village

Will there be days without outages?

Tuleberdiyeva N,
Balykchy city

MEDIA CAMPAIGN

ATTACHMENT 5

**TV Program "Call on Thursday" with Leszek Kasrowicz of
Hagler Bailly and Ularbek Mateev of State Energy Agency
(March 26, 1998)**

Transcript for TV Program "Call on Thursday"
March 26, 1998

INCREASE OF TARIFFS FOR ELECTRICITY

Z A. (Zamira Akbagysheva) We received a lot of calls from our audience about outages and breakdown of expensive electric appliances and loss of food in the fridges related to this All this is caused by the situation in the energy sector And one of the ways to improve it is increase of tariffs This is what we are going to talk about today The participants of the dialogue are Mateev U A , Director of the State Energy Agency under the Kyrgyz Government, Shalamov Yuri, Chairman of the Consumer Advocacy Association "Aikyn", and Leszek Kasproicz, a consultant of Hagler Bailly firm So our first question is to you, Mr Mateev, why have electricity tariffs been increased?

U M (Mateev) I would like to say, in brief, that tariffs for electricity have not been increased since 1996, while prices for all other commodities have gone up considerably Inflation rates have gone up, naturally Electricity tariffs lag 4 9 times behind the inflation rate, and 1 3 times behind price indices for industry

Many parameters have been regulated by the market, while electricity prices have been regulated by the Government Therefore, there is a backlog of repairs which require a lot of money There was a need for reconstruction of distribution lines and development of new capacities But there was no money for this

I just want to read you some numbers The percentage of transformer breakdowns increased by 6 times since 1996 That is why the need to reconstruct distribution lines has increased by 35% This all costs a lot of money

We need to increase tariffs for only one purpose to ensure viability of the energy sector and its further development If we do not increase tariffs there will be more outages, because more distribution lines and transformers will break down, and the quality will be deteriorating

Another point is that the structure of electricity consumption has changed If earlier the main consumer of electricity was industry, now due to reduced production and reorientation of the industry, search for markets, industry is depressed, although some rise can be observed But in general, it is depressed compared to 1990

The population now consumes 5 times more electricity than before Distribution lines cannot cope with such overload

Then there is the climate factor About 80% of electricity in our country is generated by hydrostations And I would like to show you a graph which indicates how the electricity tariff depends on water reserves in Toktogul reservoir The less water we have in the reservoir, the more expensive will be electricity

There are two reasons for that the first is technical water pressure is reduced, and the second is market price and the demand for electricity for which we have less reserves with each day Shortage of electricity must be compensated by coal procurement and increased generation at thermal stations Consequently, the cost of electricity will be going up In 1997, we increased generation at Bishkek Thermal by 18%, next year - by 54% As you can see from the graph, all the numbers are comparable as of 1 January of each year If in 1995

we had 17 bln, this year - 10 By 1 April we'll be close to the deadzone - 7 2 Today it is 7 3

Z A So we cannot avoid a tariff increase

U M In general, no I would like to say, moreover, that we currently have so many problems in the energy sector that no tariff increase will solve them We need considerable investments from international donors To attract such investments, we must prove that we are credit-worthy and we can repay them And they will, first of all, look at tariffs And I would like to tell you another number I've already mentioned that residential customers started consuming more electricity Kyrgyzstan consumers at the moment use, on average, 470 kwh per month, Great Britain - 399 kwh, and Russia - 193 So, we are ahead of them It's time we use electricity rationally we should use economical electric appliances and technologies The fuel market must convert to market relations, too, so that consumers know what they would be better off using

Z A And they should convert to world prices, shouldn't they?

U M Well, it's a little bit early to convert to world prices

Z A Now I would like to ask Leszek Kasprawicz, how much tariff increase is expected, and could you describe the tariff increase in simple terms, that is, for example, compared to prices for food

L K (Leszek Kasprawicz) I would like to start with the 2nd question I would like to draw the audience's attention to this graph which compares price indices for food and electricity It is clear from the graph that for the last five years prices for food, like bread, eggs, and meat have gone up considerably faster than the price for electricity The current price for electricity is very low If someone says the electricity tariff increase is high, you should compare it with price increases for food Here such comparison is very clear

Z A How will the tariff increase influence a family budget?

L K For average consumption of 150 kwh per month, the tariff increases from 12 tyryn/kwh to 14 tyryn/kwh and equals 3 Som To illustrate what 3 Som means, I prepared a graph which shows that 3 Som equals one loaf of bread, half a liter of milk or 1/4 kg of sugar

Z A Is it per month?

L K Yes

Z A So, it means a family will be deprived of one loaf of bread per month

L K For a family that uses 150 kwh per month

Z A What is 150 kwh for a family? How can it be used?

L K It is enough to light a house, to operate an iron, TV set, washing machine It does not include heating

Z A It does not include heating? When the winter season starts, how will it look like?

L K It is a little bit complicated because for the last five years many of the consumers converted to electric heating All in all, electricity consumption increased by almost 5 times

Z A You must have noticed there are a lot of questions about outages What are the reasons for the outages? For example, Kasymov from Uzgen rayon says that "in their village they have no electricity for 17-18 hours a day It is becoming impossible to live For how long will this situation continue?"

L K There are several factors which have a negative impact on the Kyrgyz energy system The first factor is poor collection of money for electricity, the second is electricity theft, illegal connection to electricity lines avoiding meters, the third is low tariffs for electricity which do not reflect all the costs of generation and distribution, and the fourth factor is reduction of hydroresources, including Toktogul reservoir If there are not sufficient funds, then the quality of repairs will be very low, and there will not be enough funds to buy coal to generate electricity at thermal stations, and there will be constant outages

Z A Thank you very much Well, finally, I'm going to give the floor to those who advocate your rights, electricity consumers Please, Mr Shalamov

Y Sh (Yuri Shalamov) You know, electricity is not only a source of light, but it is also a way of maintaining a level of culture and life, in general, in the family You were right when you spoke about its impact on the family budget It seems to me that we all should know how it influences us We can say that tariffs are high or low But what is going on in the family? We receive a lot of letters from people, especially this winter because of the shortage of gas when people had to convert to electricity for heating and cooking purposes I'll give you a few examples from life A consumer Anatoly Gavrilovich writes that due to gas deficit he had to buy an electric plate at 320 Som and he paid additional 128 Som for the electricity used Another family from Novopavlovka writes that of 24 hours they do not have electricity for 15 hours three outages for three hours during the daytime and 6 hours outage at night, and she writes that they cannot cook, iron or check their children's homework properly

Z A Yes You must have noticed that people are infuriated with outages And secondly, they do not quite agree with tariff increases What do you think about it, as a consumer advocate?

Y Sh That's what I was driving at What does electricity or lack of electricity cost us? Another family writes that from October to March their TV set broke down three times, they spent 600 Som on repairs Two fridges broke down and they have no money to repair them They spent 1,700 Som for heating And we estimated that this family paid an additional 4,500 Som from the family budget, not to mention moral damage

Z A Could you tell us, please, as a consumer advocate, are you for or against tariff increase? Or are the consumers saying that it is necessary to increase tariffs? Do they understand it?

Y Sh They all say that they are against tariff increase But we must look objectively at what is going on For example, the other day we had a complaint about Sokuluk

Distribution Company They do not say that they failed to provide continuous power supply because of organizational mistakes

Z A OK Thank you I would like to ask Mr Mateev a few more questions You must have noticed that we have a lot of questions about discounts We cannot read all of them But anyway, please

U M I would like to emphasize that under the laws and the President's Decrees, a lot of consumers are granted discounts. There are 975,000 registered customers, of them 352,000 have discounts for electricity, thermal energy, gas and coal. And I want to stress that under new tariffs those who have discounts do not have to pay a tyyn more than before, everything is the same.

Z A It means they will be paying the same old tariffs?

U M No The difference will be compensated from the republican budget and JSC Kyrgyzenergo's budget Gas consumers will be compensated by Kyrgyzgasmunaizat, coal - from other sources We have 50%, 25% and 100% discounts

Z A Can you enumerate them? War veterans , are there single mothers among them?

U M Single mothers, big families, low income families, they are all included, of course

Z A Mr Mateev, could they call you to ask their questions? We cannot answer all the questions now, especially about discounts

U M If it is about discounts, then they should call the Ministry of Social Safety which deals with discounts If there are questions for us, then our telephone is 42-55-75, and the address is Akhunbaeva Str 119A Not only about discounts, you can turn to us on any issue But I want to emphasize, we especially observe social safety here Those who must receive assistance are getting it Since last year we've been practicing targeted social assistance We have an address book developed with the Ministry of Social Safety It contains names and addresses of discount customers The customer himself chooses what he is going to use gas, electricity or coal and we give him a certificate for a discount and compensate him his costs

Z A Can you tell us, does the tariff increase guarantee reliable supply of electricity, i e will there come a time without outages?

L K Such times must come, but it is early It won't happen yet That is why tariffs are being increased These colored bars show tariffs for residential customers, and these tariffs are for budget organizations and industry These lines show the required levels of tariff for the Kyrgyz system The 1st level is only a "status quo" level, which means that there will be no repairs, and outages will continue The 2nd level includes repair costs, and the 3rd one is the level that reflects the complete cost of repairs and development and modernization of the Kyrgyz system You can see on this graph that even the highest tariff -- for residential who consume over 300 kwh in summer does not provide funds sufficient for repairs And you look at the discount tariffs, they are way below the level required for the Kyrgyz system So the answer is "not yet" But if tariffs are increased in the future so we get to this 3rd level, the Kyrgyz system will be in excellent condition

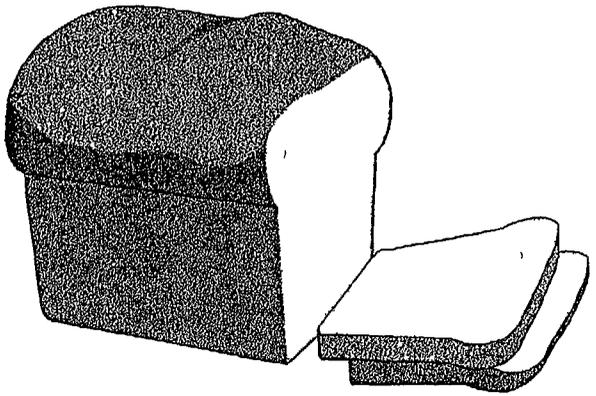
Z A Thank you Just one sentence

U M Even with tariffs which are not adequate for development, EBRD supported our Energy Supply System Project in Talas which will cost US\$ 27 mln A tender has been announced All the banks have supported us Over 40 companies are participating in the tender, and in May we'll identify a winner, and in October the construction will start

Z A. Thank you all very much, and I wish you all success And we must try to save our energy system The subject of our next program will be with Ms Gutnichenko, Minister of Justice of the Kyrgyz Republic, and Fred Houston, Permanent Advisor on Commercial Law at the President's Office Law Department

The tariff increase means a family's monthly electric bill for 150 kWh will go from 18 Som to 21 Som

The 3 Som increase is equivalent to:



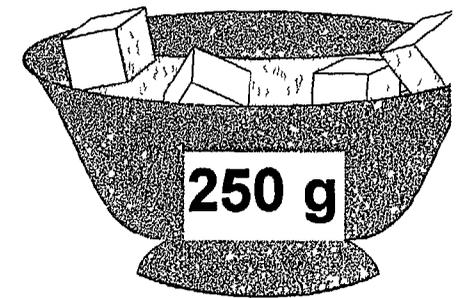
one loaf of bread

or

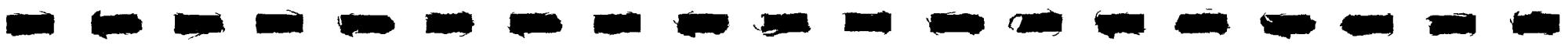


1/2 liter of milk

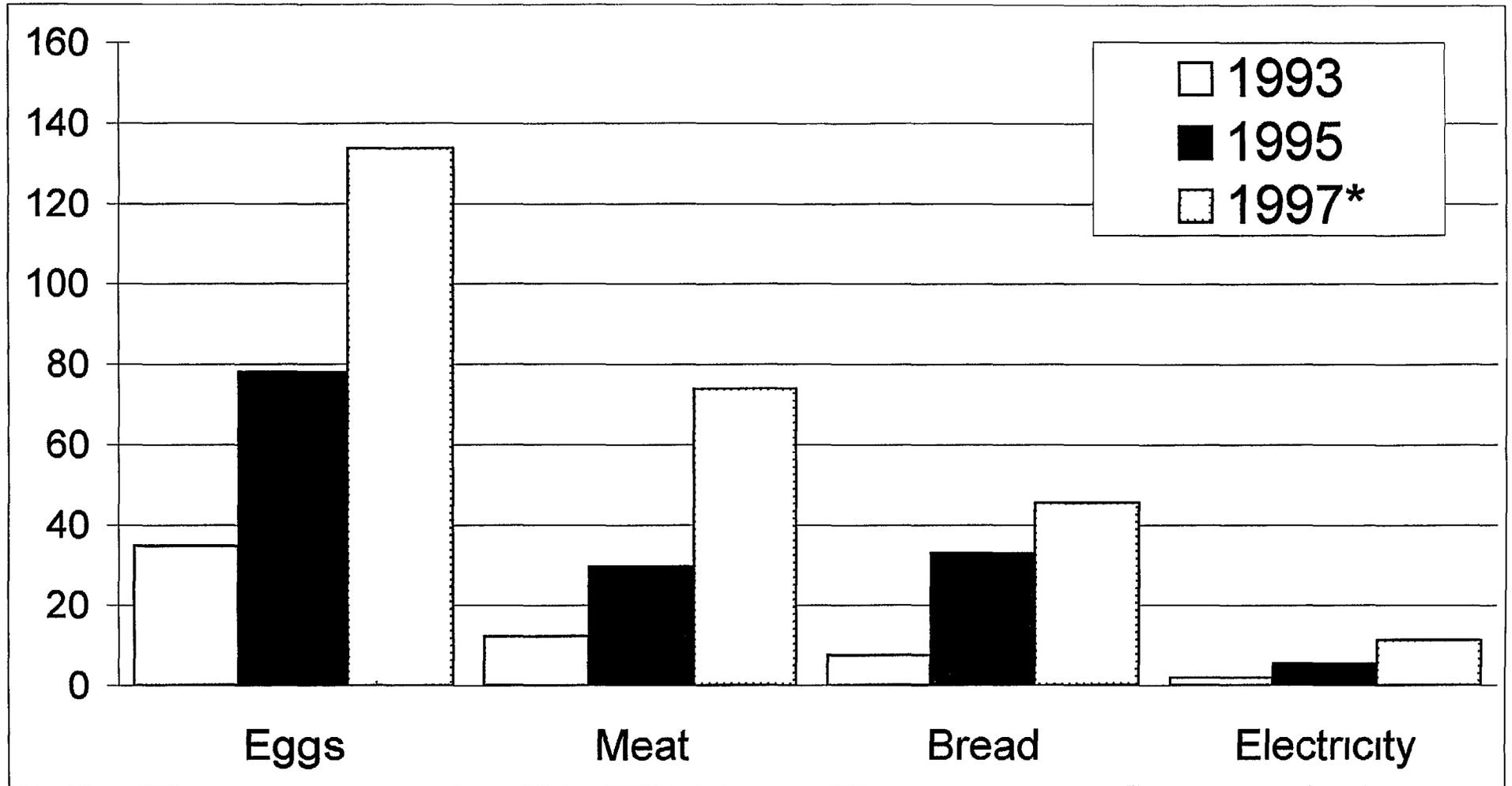
or



1/4 kg of suga



Comparison of Price Indices for Food Products and Electrical Energy

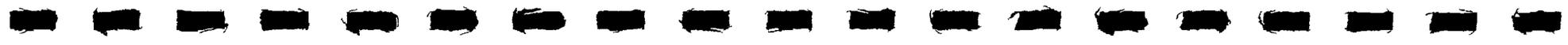
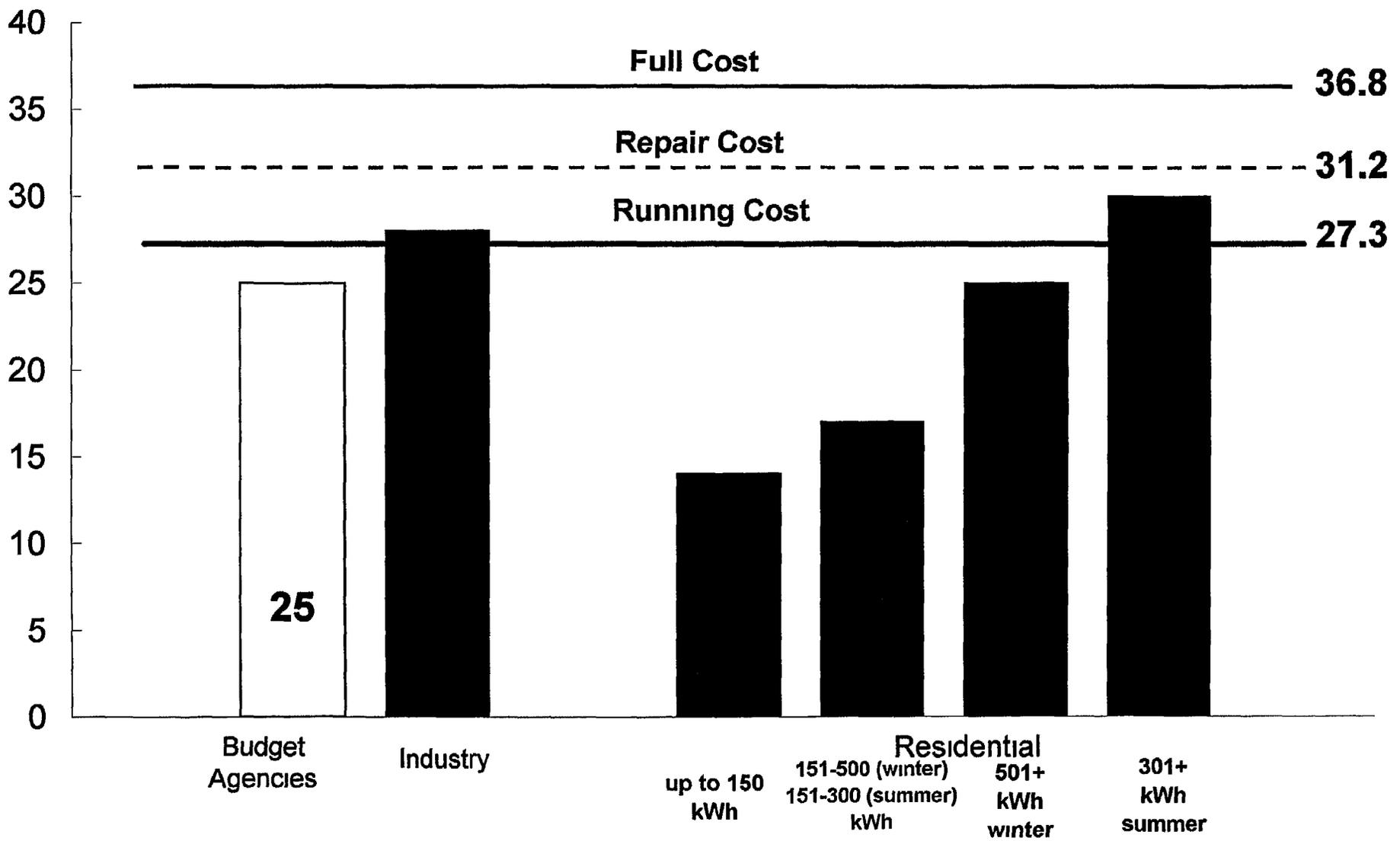


* Price Indices for Food Products as of October, 1997, Electricity as of March, 1998



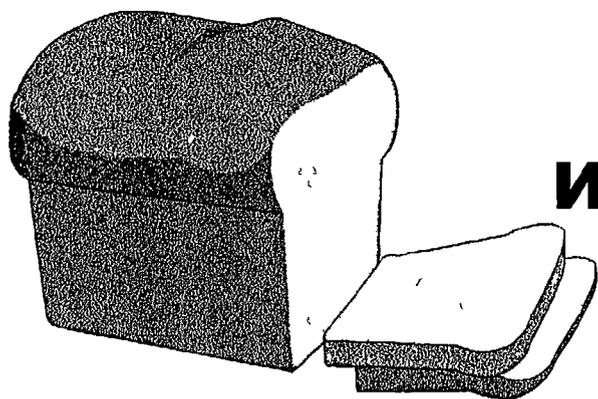
Even at the New Tariff Level, Rates Don't Yet Cover Full Cost

tylyn/kWh



Повышение тарифов означает, что оплата за 150 кВтч в месяц увеличится с 18 сом до 21 сома

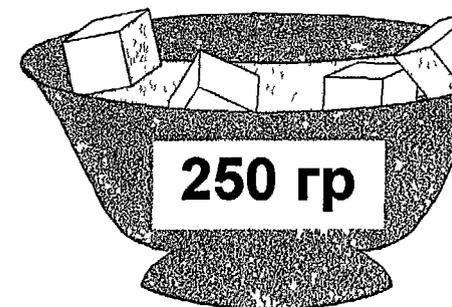
Разница в 3 сома равнозначна:



ИЛИ



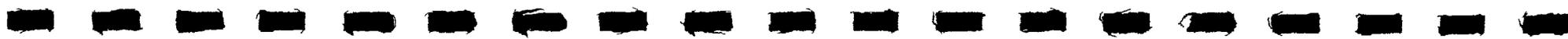
ИЛИ



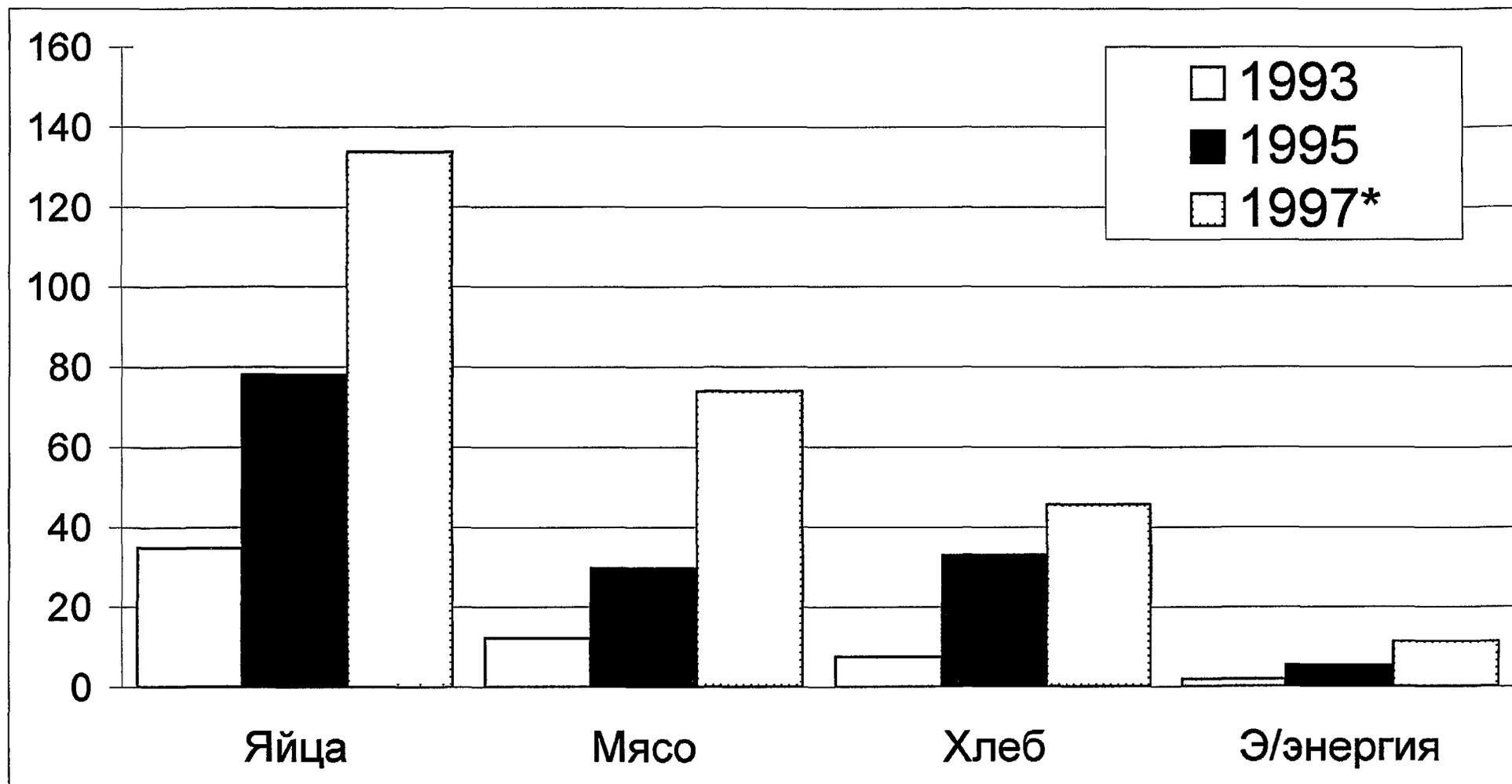
1 булке хлеба

1/2 литра молока

1/4 кг сахара



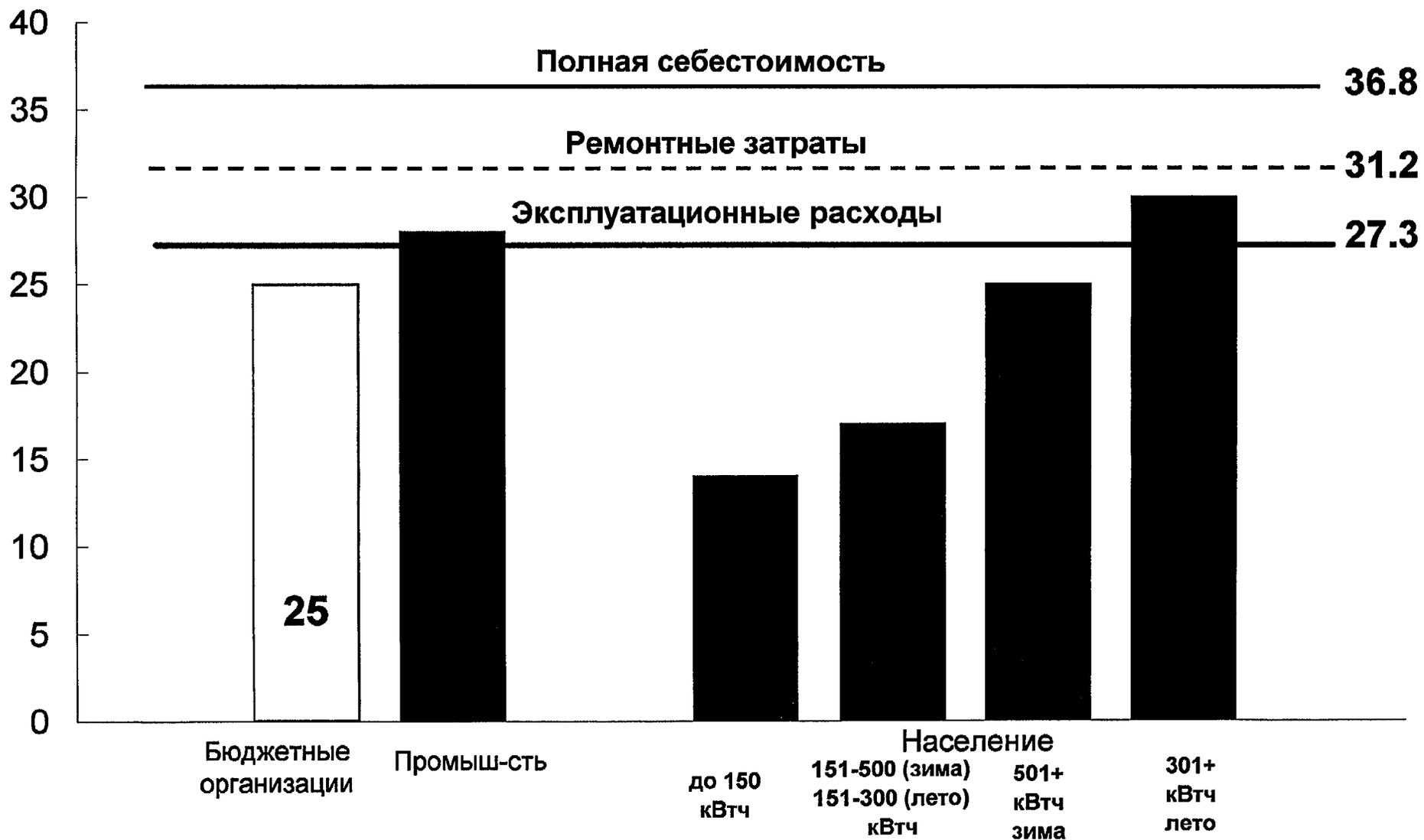
Сравнение индексов цен на пищевые продукты и электроэнергию



* Индексы цен на продукты питания даны по состоянию на октябрь 1997 года, на электроэнергию - на 1 марта 1998 года

Даже новые тарифы не покрывают полной себестоимости

тысяч/кВтч



QUESTIONS FROM THE AUDIENCE FOR THE MARCH 26, 1998
 "CALL ON THURSDAY" TV PROGRAM
 WITH LESZEK KASPROWICZ, ULARBEBK MATEEV AND YURI SHALAMOV

- | | |
|--|--|
| <p>Is there any use from tariff increase? People steal electric energy when tariffs increase They seem to willingly start paying for power if tariffs do not increase</p> | <p>Abdyldayev Keldibek,
Bishkek</p> |
| <p>Can they use funds for repair of substations instead of organizing feasts like "Manas" millennium People suffer from hardships</p> | <p>A phone call from
Cholpon-Ata</p> |
| <p>Life is getting difficult in Kadjusa! It will be a large burden for people if tariffs increase and they will be forced to steal electricity accordingly How can you solve this issue?</p> | <p>Bekbosumov,
Ton rayon</p> |
| <p>My house is heated with power as I have 3-phase meter I owe now 2000 som for heating How can I pay this? It was free of charge last year but this year I have to pay Pension is 400 som They threaten to disconnect me from the network</p> | <p>Kutmanaliyev, II group
war invalid,
Kara-Kol city</p> |
| <p>a) We are I and II category war invalids and we would like to know whether electricity is free of charge for us
b) What are discounts for rayon-level Distribution Company staff?</p> | <p>War participants and
invalids,
Issyk-Kul oblast</p> |
| <p>Previously I had a discount on 150 kWh of electricity and now I don't have it However, newspaper "Slovo Kyrgyzstana" (#299-300) informed that there is a 100% discount for people who served in rear during the war Why are there such discrepancies?</p> | <p>Sintyushkin V S (aged
72),
Sokuluk township</p> |
| <p>Tariffs increased starting from March, 1998 but I haven't made payments yet How should I pay?</p> | <p>Titova,
Bishkek</p> |
| <p>Discounts should have been granted to twenty people who receive special pensions We pay for electric energy as well as other consumer categories Is it correct way we are doing? We would like to request you to publish tariffs for consumers in the newspaper</p> | <p>Karybekov, Jandraliyev,
At-Bashy rayon</p> |
| <p>Are there discounts on electric energy for single mothers?</p> | <p>Mamedova,
Cholpon-Ata</p> |

What measures are taken against people involved in theft?	Namenko, Bishkek
My husband is a veteran of war in Afghanistan Is there any discount for him and on what quantity (kWh)?	Medetova, Tup
I live in a house where "Comfort" store is We use electric energy for all household work and 150 kWh is not sufficient at all What should we do?	Sultangaziyeva, Bishkek
What are electricity tariffs in the rural area?	Ivanova, Kirovka
Outages in our village last 17-18 hours a day and it makes our life difficult Are outages regulated? How long have we to suffer?	Kasymova, Uzgenrayon
Voltage in our line is 120 kV We addressed Loshkaryov and received no reply They do nothing What can we do?	Kashmanova, (5 families) Bishkek
What are salaries of the staff in energy utilities? How many times has it been increased?	A phone call from Bishkek
Electric lights in the streets have not been switched off for six years How can you explain it?	
Can you publish a schedule of outages in the newspapers? There were 10,000 som bonuses for outages (there were actual cases) What will be the result?	Kasymov, Uzgen
I used to pay for electricity a month ahead but now I am not allowed to do that Every time I am sent to Energy Marketing Agency Can you explain it?	Bishkek
They want to increase electric power tariffs Very often street lanterns are switched on during day time, lights in the hostels are on Why don't they save? Why do they increase payment?	Ms Petrova, Bishkek

- 1) What was the reason for tariff increase?
- 2) Why do they endlessly switch off the power in Lebedinovka village, Alamedin region It is warm already

Bishkek

Till recent 60% discount existed for village teachers Is it valid now? If not, when was it abolished?

Ms Isabekova
Jail region, Sosnovka
school

In June 1997 by Governmental Decree all military staff of the Kyrgyz Republic were given 50% discount for electric power and communal services But Communal Service staff of Bishkek Machine Building Plant violate the Decree provisions How can we defend our rights to discounts? Who is the contact person for such a case?

Ms Sadykova,
Bishkek

Today I read an article in the "VB" newspaper "They want to make it better, let's see how it works" It is written there that our citizens became experimental animals and undergo vivisection by the Governmental officials It means expenses, nerves, time Isn't it better to leave things as they are? Thieves will not stop stealing electric meters May be there is another solution to this problem - without installing meters outside apartments?

Mr Isakov Rahimjan,
Bishkek

From T Usubaiev's speech I understood that we sell electric power to Kazakhstan cheaper than to Uzbekistan What are the reasons and purposes for that action? Don't we rob not only Republic, but people also this way?

Akmatov K ,
unemployed,
Balykchy

In 1995-97 the vegetable growing group where I worked was reorganized and I was unemployed for 3 years Currently I work as a nurse in the Orphanage for Disabled Children, my salary is 250 som per month I have been disconnected for unpaid bills for electric power I am not able to pay for the power, I have no money for that Are there any discounts for me? Sometimes we have no bread, no need to mention meat, sugar, butter My husband is a hopeless alcoholic I never get rest Because he is always noisy and cruel They ask me to pay 300 som + 130 som penalty I could pay less amounts, otherwise we shall not survive

Ms Usubaieva Akyljan,
mother of 5,
the youngest is 10 years
old,
Belovodskoye

I live in micro-region 10, house No 26 For the last 3 weeks we have outages each Wednesday They say it is planned, but it lasts for a long time What's the reason for those outages?

Ms Shin Yelena,
Bishkek

When will discounts be extended to the disabled from childhood? What documents should be submitted to obtain such discounts?

Children Kostik, Sveta
Bishkek, M/region 6

Everyone got meters free of charge, but as soon as our turn came we had to pay 700 som. Later we knew it was a violation, they shouldn't charge any payment for meters installation. They didn't repay our money but promised accrue them as payment for gas usage. But it didn't happen.

Ms Kashirina Zoya
Maximovna,
pensioner, 77 y o
Tokmak

Are there any discounts for consumers who use electric cookers in their apartments?

Ms Alexandrova
Liubov,
Bishkek

- 1) With a discount for 150 kWh how should I pay for the amount above 150 kWh?
- 2) Can I pay electric bills at any cashier or only in Energosbyt?

Mr Petrov Michail,
pensioner,
Bishkek

We have regular outages, electricians say that a transformer has been burnt. We celebrated Nooruz in the darkness. No lights for the whole week. When will our problem be solved? 15 people ask you this question.

Ms Bondareva,
Labor veteran
Bishkek,
Brestskaya street 30a

Do you have the right to change or refuse to fulfill President's decree and Jogorku Kenesh Law? If not, how could you establish 150 kWh norm, if the Law provisions that disabled and war veterans do not pay for electric power. Why are we forced to pay now?

Mr Ibrayev A,
Bishkek

MEDIA CAMPAIGN

ATTACHMENT 6

TV Program "Call on Thursday" with Almaz Chukin of State Property Fund, Ularbek Mateev of State Energy Agency and Kanybek Omorov of JSC "Kyrgyzenergo" (May 22, 1998)

**SUMMARY OF THE MAY 22, 1997 TV PROGRAM "CALL ON THURSDAY"
CHUKIN A.T., MATEEV U.A. AND OMOROV K.A.**

Zamira Akbagysheva (Program Hostess) started the program by introducing the subject of the program, Reforms in the Kyrgyz Energy Sector, and the speakers, Almaz Chukin, Deputy Chairman of the State Property Fund (SPF), Ularbek Mateev, Director of the State Energy Agency under the Kyrgyz Government and Kanybek Omorov, Head of the Privatization Department of JSC "Kyrgyzenergo "

The first two questions were video questions related to privatization in the energy sector. The first viewer was concerned that if hydroplants were privatized it would result in the same situation as in Kazakhstan and people would not be able to purchase power from private plants. The second viewer's question was what violations during privatization of utilities in Kyrgyzstan had been revealed. Chukin answered that hydro and thermal plants would not be privatized as well as National Grid which would be developed in 1,5 years. A lot of people are concerned about their coupons. It is planned that 4,5% of shares of "Kyrgyzenergo" will be distributed through coupon auctions where everybody can change their coupons into shares of "Kyrgyzenergo ". On May 30, 1997, SPF would announce where and how coupon auctions would take place. There are auction points in each oblast center. People can go there and apply for shares of the company they would like to exchange their coupons for and leave them with auction organizers. Later they will count the coupon scores and divide them by shares to find out the number of shares a person is entitled to. People should not fear that there may be not enough shares for everybody. Even if someone has only 100 score coupon he will get shares. The answer to the second viewer's question was that there were no violations because privatization in the energy sector had not started yet.

There was a question which doubted the need to set up the State Energy Agency (SEA). Mateev answered that SEA was established in 1996 under the Energy and Electricity Laws. Its main functions are setting tariffs in the energy sector, balancing interests of producers and consumers, licensing of all activities in the energy sector. The Parliament had recently signed the Law on Licensing. Under this Law, SEA will issue licenses for production, sale and transmission of electric energy and for construction of plants, substations and electric lines. SEA also carries out regulatory functions in gas and coal subsectors. All countries in the world have such agencies. Since we are shifting to a market economy, there must be an agency that would regulate relations between all types of producers and consumers.

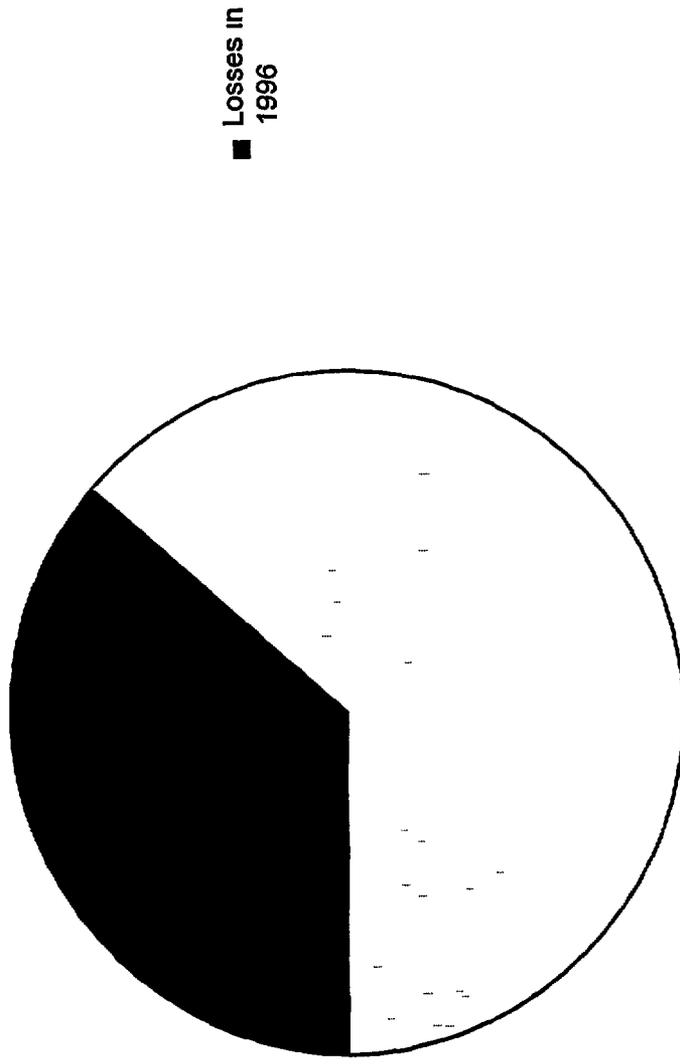
Omorov answered the question about outages in some areas of the country where they did not have power for 2 weeks. There are two reasons for outages: 1) Since 1990 power consumption increased by 3 times which causes overload of transmission lines and transformers. 2) In winter the energy company has to administer outages because of power shortage.

To answer the question on the main objectives of the energy sector reforms Chukin started by describing the current state of the sector. He showed the chart which indicated that losses in the energy system were 1/3 of total production. They are caused not only by technical reasons, but mostly poor performance of energy enterprises, inefficient metering system and electricity theft. Another chart showed that of every five kwh produced for domestic market, two are lost. The third chart showed overload of distribution lines. Overload in 1996 was equal to total load in 1990. The fourth chart indicated that the failure rate of low voltage transformers was six times higher in 1996 than it was in 1990. And the last one showed the backlog of distribution line needing reconstruction. Chukin

also added that at present the energy sector is only symbolically profitable, in the domestic market it has no profit at all. It shows profit in general only because of export. And even then most of the export is barter trade for gas from Uzbekistan and coal from Kazakhstan. The energy sector reforms envisage unbundling "Kyrgyzenergo" by its 3 functions: generation, transmission and distribution. Hydro and thermal plants will remain under state ownership. Transmission facilities will also stay under the state control. Private investments into the distribution system will be encouraged. The country can do without investors if the people are willing to pay higher tariffs and wait for many years until enough funds are accumulated to rehabilitate the system.

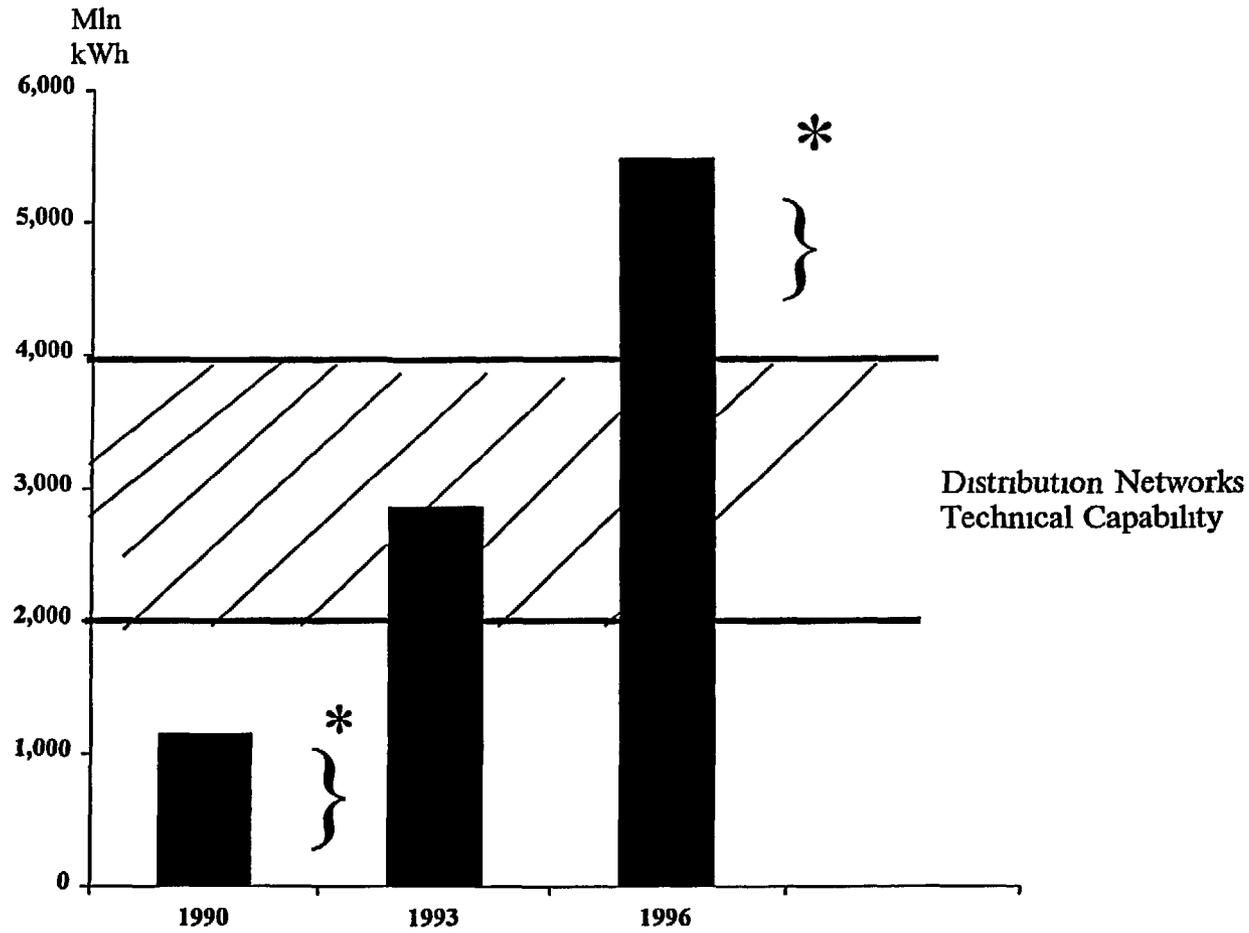
Akbagysheva asked how privatization in the energy sector was carried out in Kazakhstan and what the viewer meant when he said that we might find ourselves in the same situation as Kazakhstan. Chukin answered that it was wrong to think that the situation in the energy sector of Kazakhstan got worse because of private investors. The crisis started long time before but the Kazakh Government delayed with privatization, and in May 1996 they started the privatization process. Chukin believed that the Kazakh Government's mistake was that they rushed through with privatization and completed the process in 3 months. And privatization of the Kyrgyz energy sector will be implemented gradually over 3 years.

Losses as % of Total Production



Losses are now 1/3 of total production

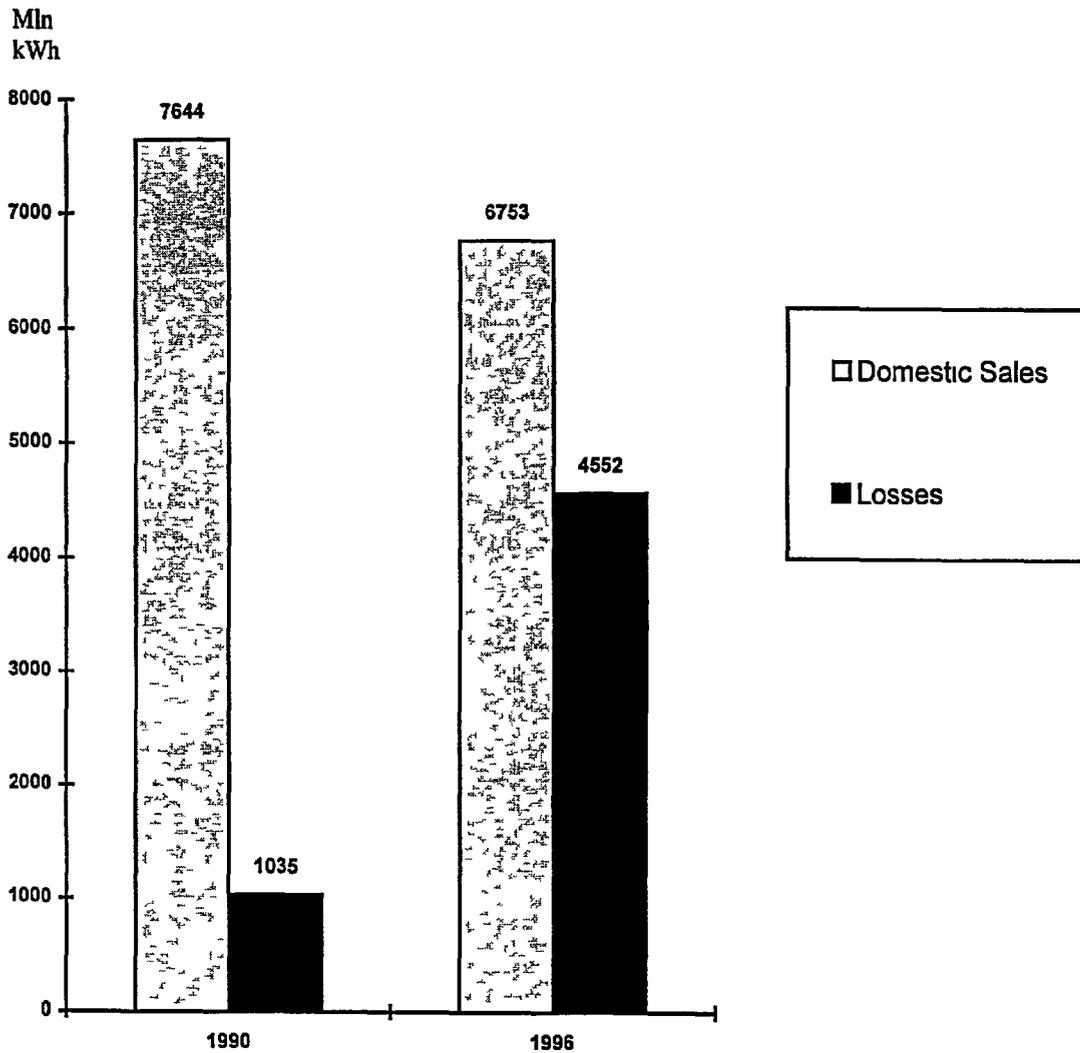
Growth of Consumption and Distribution Overload



* Small customer consumption now exceeds the limited capacity of distribution networks
 * Overload in 1996 is equal to total load 1990

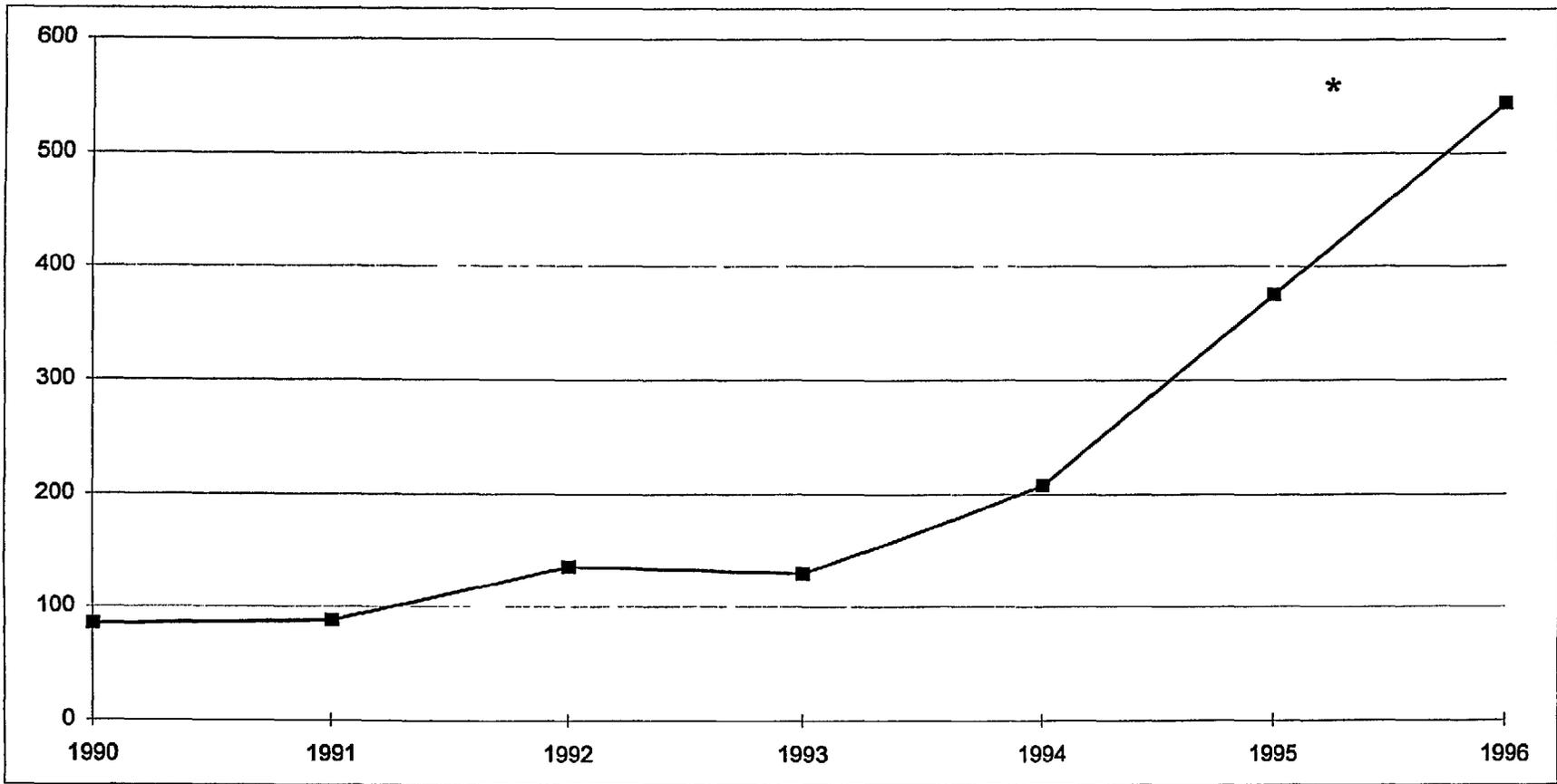
1/2

**Of every five kWh produced for Domestic Market in 1996,
KNEHC sold 3 and lost 2**

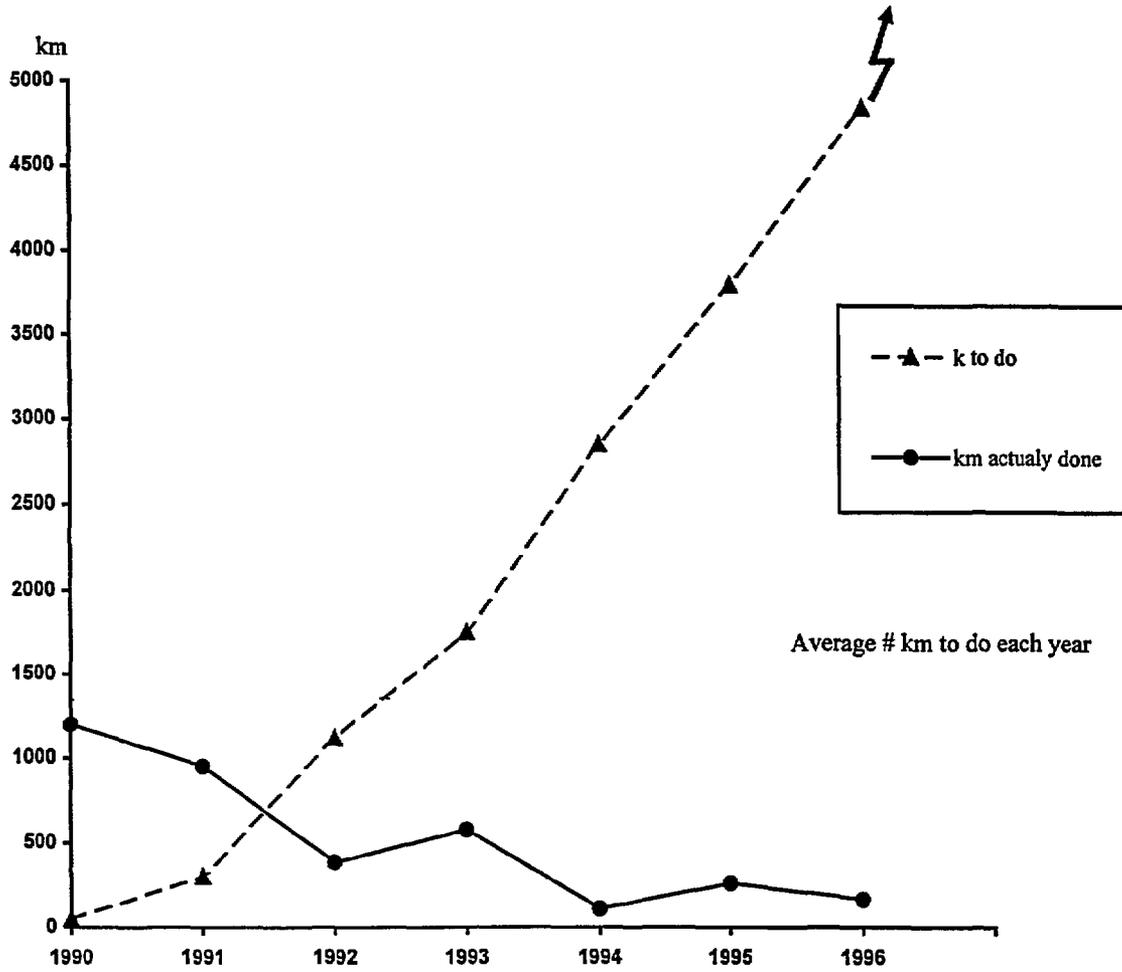


Source KNEHC (February 19, 1997)

The Failure Rate of Low-Voltage Transformers Was Six Times Higher In 1996 Than It Was In 1990

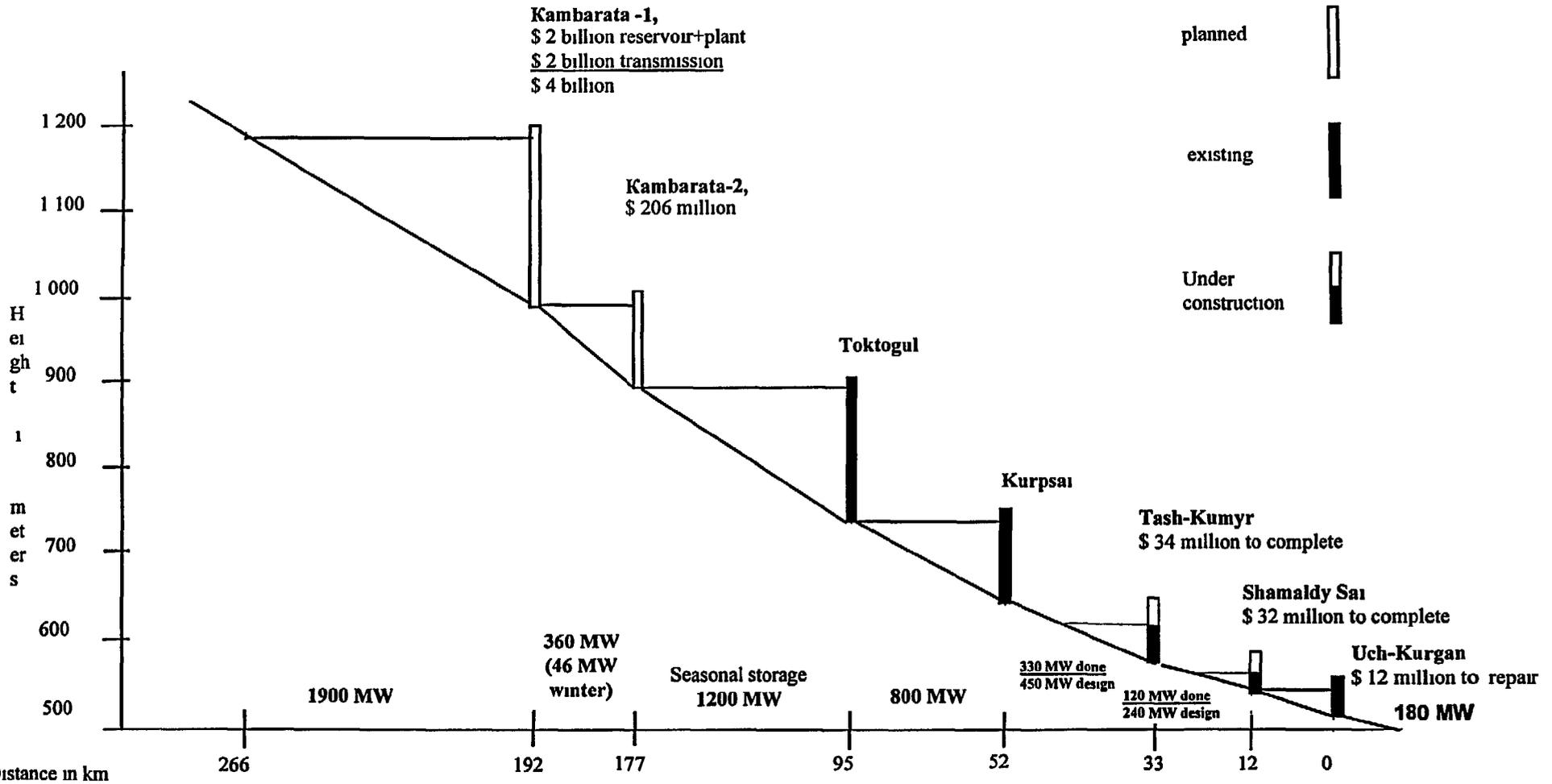


Backlog of Distribution Line Needing Reconstruction



The more we fall behind today - the more outages we will have tomorrow

EXISTING AND PROPOSED HYDRO PROJECTS ON THE NARYN RIVER



1/6

Questions to the TV program "Call us on Thursday"

Date May 22, 1997

Subject "Electricity Sector Restructuring"

Participants Chukin A T - Deputy-Chairman of the State Property Fund

Mateyev U A - Director of the SEA under the Government of KR

Omorov K - Head of the Privatization Department of
"Kyrgyzenergoholding"

- 1 Sapanova Alena, 20 years, a student
What should I do with coupons?
- 2 Akilova Mira, village Voенno-Antonovka
We are always disconnected It is humiliation! Aren't we people?
- 3 Grazhdankin, Bishkek
What measures are undertaken by the Government for assuring sufficient electricity supply for the Republic?
- 4 Andabekov Berdibek, Bishkek

Are there any places in Kyrgyzstan where people lack electricity? Who will solve these problems and when?
- 5 Polishchuk, JSC "Issyk-Kul Suu Kurulush"
What are the main trends of denationalization and privatization of the electricity complex?
- 6 Kim, pensioner, Bishkek
What bothers? Everything was sold already, the electricity sector is left only Now you want to get the titbit? You don't care about people !
- 7 Muradilov, Osh
We should not give our electricity sector to foreign investors! What part of it are you going to give them?
- 8 Nurkulov, Bishkek
To my point of view energy resources are very important for our economy, therefore it is crucial to keep the electricity sector in state ownership
- 9 Maimylov, Bishkek
I think that population should be against privatization of the electricity sector It is the treasury of all the people Do you really want to farm out the electricity sector to some group of business men?

- 10 Kydyrmanov Niyazbek, v Voенno-Antonovka
Mainly we have a lot of outages in winter Sometimes we are out of electricity for 1 or 2 weeks Are we being treated like human beings while we are suffering?
- 11 Smirnov, Bishkek
It would be interesting to know how much electricity (amount in money) is stolen by people
- 12 Abiljanov and Mirjalilov, Bishkek
What amount of energy is exported to our neighbors? Why can not we provide ourselves with the electricity and live well while we export energy? Nowhere else has such good conditions for energy generation
- 13 Ismailov, Bishkek, permanent TV viewer
Why are tariffs so high? How long will people be robbed?
- 14 Nurdavletova Jamal, Bishkek
Kyrgyzstan has a very rich reserve of the electric energy But why are prices increasing from year to year? Though we always pay in time
- 15 Beishekeyev, Cholpon-Ata
We have Baetov Street in our city People are disconnected there from 12 to 19 p m Why is it happening daily?
- 16 Smirnov, Bishkek
What are the functions of the SEA?
- 17 Mirgul, Bishkek
My question is about the Presidential Decree how many and what assets were devalued? Why? Who is to blame Mr Sarygulov? Or it is a kind of usual show off?
- 18 _____
Up to 70% will be offered to strategic investors Isn't it too much?
- 19 _____
We still remember that after our Republic became sovereign, people of Kyrgyzstan were often told that we would assure good economy through the export of electricity and we had a sufficient amount of it to become the second Kuwait What is the real situation in our electricity sector?
- 20 _____
4,5% will be offered for coupons, 3,5% - for the Social Fund, 1% - to employees, and 1% - as a reserve Why will only 4,5% be offered for the coupon auction, according to the Law on denationalization and privatization, 25% should be offered
- 21 Kiyazov
Why has Mr Tuleberdiev been dismissed? He worked well
- 22 Drozdova Elena Ivanovna, Bishkek
We give electricity to Uzbekistan for gas payment And we can not pay our debts Though not all Kyrgyz people consume gas Why is electricity so expensive?

- 23 Alverova, v Novo-Pavlovka
Why do we have permanent outages?
- 24 Asanova, Bishkek
Give me, please, the exact address where I can change coupons for shares of
"Kyrgyzenergoholding" and "Kyrgyzstan Aba Joldoru"?
- 25 Orozbekov Toktobaı, Bishkek
Will any other enterprises besides Kyrgyzenergoholding be offered for auction? In what
percentage?
- 26 Japarova, Dolinka village
Our house was built in 1962 At that time wires were laid under the plastering Now
there is damage What shall I do? We do not have electricity from 6 to 6 I am sick
- 27 Kyrgyzbaev, Bishkek
We pay for the electricity in time but even so there are a lot of outages Fridges do not work
We don't watch TV Comrade Z Akbagysheva, we can't watch your programs Will there
be any regime?
- 28 Meder Baetov, Bishkek
Was power earlier distributed in Uzbekistan? Where and how is it distributed now?
- 29 Berdibaev Asanbek, Osh
I have been holding my coupons for 3 years and waiting for the auction There is no
information about the auction Are coupons still valid?
- 30 Sayakbaeva, Naryn
I am still holding my coupons to exchange for shares But energy enterprises have not
been put into auctions Why?
- 31 Samokhvalova, pensioner
Why were the people not informed about the expiration date of the coupons? Tagaev told
about this a week ago We still have coupons Were we cheated again?
- 32 Asanov Kurman, Talas
A 110 kV line was to be constructed from Toktogul to Talas Will it be done this autumn?
- 33 Bazarbaev, Talas
We have electricity for only 10 hours daily Why?
- 34 Beregovaya, Bishkek
Please advice which company to invest coupons? I am old and would like to get
guarantees Please, I ask you
- 35 Kaiblydaev Talas, Bishkek
What is the deadline for turning in coupons I intended to put them in gold and energy

MEDIA CAMPAIGN

ATTACHMENT 7

**TV Program "Call on Thursday" with Almaz Chukin
of State Property Fund (June 25, 1998)**

**SUMMARY OF THE JUNE 25, 1997 TV PROGRAM "CALL ON THURSDAY"
CHUKIN A.T.**

Zamira Akbagysheva (Z A), Program Hostess, introduced Almaz Chukin, the Deputy Chairman of the State Property Fund (SPF), and said that he was invited to participate in the program again as there were a lot of questions from viewers about coupon auctions following the May 22, 1997 program on reforms in the energy sector. People were anxious to know how and where they could exchange their coupons for shares of JSC "Kyrgyzenergo" and other monopolist-companies.

Chukin described the coupon auction procedures again and stressed that people should not fear that there were not enough shares. It was not an ordinary auction where a person with lots of money could come and buy all the shares. He assured that everybody would be able to exchange their coupons for shares. He also enumerated the 18 companies whose shares would be available for exchange at coupon auctions. Those who failed for various reasons to get coupons, unfortunately, would not be able to participate at coupon auctions. The Government could not possibly extend the timeframe for coupon allocation any more. He also mentioned the recent Decree of the President of the Kyrgyz Republic under which 8% of shares of monopolist-companies would be distributed among socially vulnerable groups of people over the next 2 years.

The hostess expressed shareholders' concern about dividends and their rights. A viewer from Naryn wrote that he exchanged his coupons for shares of "Tamak-Ash" Concern in 1995, never had any dividends and had not heard of them for a long time. Chukin informed that dividends must be paid annually following the general meeting of shareholders on the performance results for the previous year (no later than April each year), and the amount of dividends depends on profitability of the company. The SPF has been developing a mechanism for communicating with shareholders through new types of investments funds. Big companies like "Kyrgyzenergo" have over 10,000 shareholders and they would have to rent a stadium to fit in all their shareholders. Therefore, it is more convenient for such big companies if their shareholders trust investment funds to deal with companies on issues concerning their shares. It would also be convenient for shareholders themselves as it would save them the cost of travelling to Bishkek from Osh, for example. There is another option: companies can mail a card to a shareholder with the agenda of the annual general shareholders' meeting and a list of issues on which he must vote. As for "Tamak-Ash" Concern, it was announced bankrupt. Chukin suggested that the shareholder addresses the liquidator of the Concern and claims his dividends. He was not sure whether the shareholder would get a compensation from the liquidator but he advised that the shareholder should try.

There was a question on current cross subsidies of the high cost of thermal energy through export of cheap electric energy. Who would be paying for the cost of thermal energy after privatization under the Privatization Program: foreign investors, Government or consumers? The answer was that the Privatization Program envisages reconstruction of Bishkek Thermal Plant to minimize cost of production, and there is a need to enforce energy saving policies, including hot water meters.

A lot of viewers were concerned that energy companies would be transferred to foreign investors, they would like them to stay under the Government control. Chukin assured that strategically important generation and transmission facilities will remain in the state ownership. The Privatization Program does not plan sale of the energy company. At this

stage it is becoming a joint-stock company 90% of shares of "Kyrgyzenergo" are owned by the state, and even the remaining 10% is not sold 10% of votes will be transferred to the people of Kyrgyzstan through coupon exchange while the property stays with the company It is much easier to find investments for strategically less important facilities if "Kyrgyzenergo" is a joint stock company because then it can sell 20% or 30% of its shares A joint-stock company will remain state-owned until the Government controls 51% of its shares If a company is entirely state-owned, it cannot be sold partially, the entire company has to be sold

TV Viewers' Questions:

1 Baisalov Kerez, Issyk-Kul Oblast

There is a great source of electricity in Kyrgyzstan I'm very proud of it, because it is an important asset Will new HPS be constructed in the nearest future?

2 Rudakova Alexandra, Bishkek

I'm a regular viewer I have been waiting for a program on the energy sector for a long time In my opinion, Kyrgyzstan could not survive without the energy sector Could you prepare a TV program on electricity topic more frequently?

3 Atakanov D , Bishkek

In Bishkek, "Kyrgyzenergoholding" is working very well I would like to address Omorov and wish him a great success in the development of electricity sector in Kyrgyzstan I want to ask you not to export our unique energy abroad We want to live well too

4 Joldosheva Janyl, Kara-Balta

Today Kyrgyzstan faces an incredible amount of problems, but we have one advantage, electric power And we should keep it, we can not loose it That is why I am asking you not to exchange it even for gold

5 Kiyzbaev Saltanat, Naryn

First of all, I'd like to wish success to all the workers of the energy system I have learned that we now have an opportunity to construct a new substation I think we will be able to do that only if we do not export our electric power abroad

6 Toktonaliev Medet, Kochkor

I truly believe that Kyrgyzenergoholding Co will lead us out of crisis, because it is the only one we still believe in I wish good health and good luck to all the workers of the company

7 Matveyev Boris, Kant

I understand that our Kyrgyzstan is in a difficult situation But I hope that our only treasure which we are now exporting from Kyrgyzstan will become our native

8 Urunchiev B , Osh

Electric power is our gold I am asking you not to give it away to anyone Please, think about our future

9 Korchakova Zina, Kara-Kol

Russia buys electricity and supplies it to its residents We hope that being so rich in the natural resources of electricity, we could provide ourselves not only with electricity but with other our natural resources as well

10 Baydyldaeva Anara, Sokuluk

Mr Chukin, you are our only hope, and we believe that you will lead us through this crisis You are a trustworthy person Good luck in your work

MEDIA CAMPAIGN

ATTACHMENT 8

**Results of Consumer Survey conducted by
Consumer Advocacy Association "Aikyn"**

24 08 98

Consumer Advocacy Association "Aikyn"

SURVEY RESULTS BY OBLASTS

Questionnaire on energy issues

<i>Questions</i>	<i>Optional answers</i>	<i>Number of responds</i>	<i>%</i>
Oblast	<u>Bishkek</u>		
Do you think a problem of power supply is important?			
	<u>Yes</u>	367	98%
	No	8	2%
Do outages happen in your area?			
	<u>Yes</u>	364	97%
	No	11	3%
How often?			
	Once a year	1	0%
	Once in 6 months	4	1%
	Once in 3 months	26	7%
	Once a month	53	14%
	<u>Once a week</u>	130	35%
	<u>Once a day</u>	139	37%
	Several times a day	17	5%
	No outages	1	0%
How long do outages last?			
	Less than an hour	15	4%
	<u>From 1 to 4 hours</u>	153	41%
	From 4 to 12 hours	85	23%
	Over 12 hours	116	31%
	No outages	5	1%
For how long have you had outages?			
	Less than a month	1	0%
	3 months	12	3%
	6 months	26	7%
	1 year	67	18%
	<u>From 1 to 5 years</u>	235	63%
	Over 5 years	25	7%
	Do not know	1	0%
	No outages	3	1%
Were you warned about outages?			
	Yes	10	3%
	<u>No</u>	364	97%
What are they related to?			
	<u>Do not know</u>	325	87%
	Substation	21	6%
	Nonpayment	1	0%
	Repairs	5	1%
	Other	22	6%

Does it cause you inconveniences?		
<u>Yes</u>	<u>342</u>	<u>91%</u>
No	31	8%
Did you have problems with your electric appliances due to outages and voltage instability?		
<u>Yes</u>	<u>276</u>	<u>74%</u>
No	98	26%
Did you have voltage instability cases?		
<u>Yes</u>	<u>312</u>	<u>83%</u>
No	42	11%
Do not know	21	6%
Do you incur any additional material losses?		
<u>Yes</u>	<u>316</u>	<u>84%</u>
<i>Material damage</i>	413,179	
No	59	16%
Do you suffer from any moral damage?		
Not possible to watch TV	19	5%
No	41	11%
Not possible to cook	9	2%
Not possible to prepare lessons	15	4%
Spoiled mood	54	14%
<u>Yes</u>	<u>237</u>	<u>63%</u>
<i>Moral damage</i>	80,120	
Have you been offered any compensation for inconveniences?		
Yes	2	1%
<i>Compensation</i>	0	
<u>No</u>	<u>373</u>	<u>99%</u>
Do you have an agreement with the energy company?		
Yes	72	19%
<u>No</u>	<u>303</u>	<u>81%</u>
Are terms of the agreement observed?		
Yes	29	8%
No	48	13%
<u>No agreement</u>	<u>298</u>	<u>79%</u>
Do you pay for electricity in time?		
<u>Yes</u>	<u>348</u>	<u>93%</u>
No	25	7%
Do you have accounts payable for electricity?		
Yes	16	4%
<i>Accounts payable</i>	10	
<u>No</u>	<u>359</u>	<u>96%</u>

Financial and material losses due to power problems

No	95	25%
TV	73	19%
Refrigerator	67	18%
Hi-fi/radio	13	3%
Vacuum cleaner	1	0%
Electric bulbs	12	3%
Other	96	26%
Food that gone bad	6	2%
<i>Number of cases</i>	3	
Total number of filled in questionnaires for the oblast:		373

Oblast	<u>Issyk-Kul</u>
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Do you think a problem of power supply is important?

<u>Yes</u>	<u>64</u>	<u>98%</u>
No	1	2%

Do outages happen in your area?

<u>Yes</u>	<u>64</u>	<u>98%</u>
No	1	2%

How often?

Once a week	3	5%
<u>Once a day</u>	<u>61</u>	<u>94%</u>
Several times a day	1	2%

How long do outages last?

From 1 to 4 hours	5	8%
From 4 to 12 hours	20	31%
<u>Over 12 hours</u>	<u>40</u>	<u>62%</u>

For how long have you had outages?

3 months	2	3%
6 months	1	2%
1 year	10	15%
<u>From 1 to 5 years</u>	<u>49</u>	<u>75%</u>
Over 5 years	3	5%

Were you warned about outages?

<u>No</u>	<u>65</u>	<u>100%</u>
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What are they related to?

<u>Do not know</u>	<u>43</u>	<u>66%</u>
Substation	16	25%
Nonpayment	2	3%
Repairs	1	2%
Other	2	3%

Does it cause you inconveniences?

<u>Yes</u>	<u>62</u>	<u>95%</u>
No	3	5%

Did you have problems with elec appliances due to outages and voltage instability?

<u>Yes</u>	<u>48</u>	<u>74%</u>
No	17	26%

Did you have voltage instability cases?		
<u>Yes</u>	<u>64</u>	<u>98%</u>
No	1	2%
Do you incur any additional material losses?		
<u>Yes</u>	<u>64</u>	<u>98%</u>
<i>Material damage</i>	127,575	
No	1	2%
Do you suffer from any moral damage?		
No	2	3%
Not possible to cook	16	25%
Not possible to prepare lessons	1	2%
Spoiled mood	1	2%
<u>Yes</u>	<u>45</u>	<u>69%</u>
<i>Moral damage</i>	0	
Have you been offered any compensation for inconveniences?		
<u>No</u>	<u>65</u>	<u>100%</u>
Do you have an agreement with the energy company?		
<u>No</u>	<u>65</u>	<u>100%</u>
Are terms of the agreement observed?		
No	1	2%
<u>No agreement</u>	<u>64</u>	<u>98%</u>
Do you pay for electricity in time?		
<u>Yes</u>	<u>60</u>	<u>92%</u>
No	5	8%
Do you have accounts payable for electricity?		
Yes	2	3%
Accounts payable	100	
<u>No</u>	<u>63</u>	<u>97%</u>
Financial and material losses due to power problems		
No	1	2%
TV	15	23%
Refrigerator	20	31%
H1-fi/radio	2	3%
Electric bulbs	4	6%
Other	17	26%
Food that gone bad	2	3%
<i>Number of cases</i>	12	
Total number of filled in questionnaires for the oblast.		64
<hr/>		
Oblast	Jalal-Abad	
<hr/>		
Do you think a problem of power supply is important?		
<u>Yes</u>	<u>57</u>	<u>100%</u>
Do outages happen in your area?		
<u>Yes</u>	<u>57</u>	<u>100%</u>

How often?		
Once a month	3	5%
<u>Once a week</u>	<u>22</u>	<u>39%</u>
<u>Once a day</u>	<u>29</u>	<u>51%</u>
Several times a day	3	5%
How long do outages last?		
Less than 1 hour	1	2%
<u>From 1 to 4 hours</u>	<u>23</u>	<u>40%</u>
<u>From 4 to 12 hours</u>	<u>28</u>	<u>49%</u>
Over 12 hours	5	9%
For how long have you had outages?		
3 months	1	2%
6 months	9	16%
<u>1 year</u>	<u>26</u>	<u>46%</u>
<u>From 1 to 5 years</u>	<u>20</u>	<u>35%</u>
Were you warned about outages?		
Yes	11	19%
<u>No</u>	<u>46</u>	<u>81%</u>
What are they related to?		
<u>Do not know</u>	<u>27</u>	<u>47%</u>
<u>Other</u>	<u>30</u>	<u>53%</u>
Does it cause you inconveniences?		
<u>Yes</u>	<u>55</u>	<u>96%</u>
No	2	4%
Did you have problems with your electric appliances due to outages and voltage instability?		
<u>Yes</u>	<u>50</u>	<u>88%</u>
No	7	12%
Did you have voltage instability cases?		
<u>Yes</u>	<u>50</u>	<u>88%</u>
No	5	9%
Do not know	2	4%
Do you incur any additional material losses?		
<u>Yes</u>	<u>50</u>	<u>88%</u>
<i>Material damage</i>	56,100	
No	7	12%
Do you suffer from any moral damage?		
Not possible to watch TV	9	16%
No	7	12%
Spoiled mood	8	14%
<u>Yes</u>	<u>33</u>	<u>58%</u>
<i>Moral damage</i>	43,000	
Have you been offered any compensation for inconveniences?		
<u>No</u>	<u>57</u>	<u>100%</u>
Do you have an agreement with the energy company?		
Yes	6	11%
<u>No</u>	<u>51</u>	<u>89%</u>
Are terms of the agreement observed?		
Yes	6	11%
<u>No agreement</u>	<u>51</u>	<u>89%</u>

Do you pay for electricity in time?		
<u>Yes</u>	<u>55</u>	<u>96%</u>
No	2	4%
Do you have accounts payable for electricity?		
Yes	9	16%
<i>Accounts payable</i>	30	
<u>No</u>	<u>48</u>	<u>84%</u>
Financial and material losses due to power problems		
<u>No</u>	<u>27</u>	<u>47%</u>
TV	8	14%
Refrigerator	6	11%
Hi-fi/radio	1	2%
Other	11	19%
Food that gone bad	3	5%
Number of cases	0	
Total number of filled in questionnaires for the oblast 56		
<hr/>		
Oblast	<u>Naryn</u>	
<hr/>		
Do you think a problem of power supply is important?		
<u>Yes</u>	<u>37</u>	<u>97%</u>
No	1	3%
Do outages happen in your area?		
<u>Yes</u>	<u>38</u>	<u>100%</u>
How often?		
<u>Once a day</u>	<u>13</u>	<u>34%</u>
<u>Several times a day</u>	<u>25</u>	<u>66%</u>
How long do outages last?		
From 1 to 4 hours	6	16%
<u>From 4 to 12 hours</u>	<u>27</u>	<u>71%</u>
Over 12 hours	5	13%
For how long have you had outages?		
<u>1 year</u>	<u>15</u>	<u>39%</u>
<u>From 1 to 5 years</u>	<u>22</u>	<u>58%</u>
Over 5 years	1	3%
Were you warned about outages?		
<u>No</u>	<u>37</u>	<u>97%</u>
What are they related to?		
<u>Do not know</u>	<u>28</u>	<u>74%</u>
Substation	1	3%
Other	8	21%
Does it cause you inconveniences?		
<u>Yes</u>	<u>33</u>	<u>87%</u>
No	4	11%
Did you have problems with el appliances due to outages and voltage instability?		
<u>Yes</u>	<u>28</u>	<u>74%</u>
No	9	24%
Did you have voltage instability cases?		
<u>Yes</u>	<u>37</u>	<u>97%</u>
Do not know	1	3%

Do you incur any additional material losses?		
<u>Yes</u>	35	92%
<i>Material damage</i>	18,160	
No	2	5%
Do you suffer from any moral damage?		
No	1	3%
Not possible to cook	1	3%
Not possible to watch TV	9	24%
<u>Yes</u>	27	71%
Moral damage	2,600	
Have you been offered any compensation for inconveniences?		
<u>No</u>	38	100%
Do you have an agreement with the energy company?		
Yes	2	5%
<u>No</u>	36	95%
Are terms of the agreement observed?		
No	1	3%
<u>No agreement</u>	37	97%
Do you pay for electricity in time?		
<u>Yes</u>	28	74%
No	10	26%
Do you have accounts payable for electricity?		
Yes	8	21%
<i>Accounts payable</i>	0	
<u>No</u>	30	79%
Financial and material losses due to power problems		
No	3	8%
<u>TV</u>	13	34%
Refrigerator	5	13%
Hi-fi/radio	5	13%
Other	5	13%
Food that gone bad	6	16%
Number of cases	0	
Total number of filled in questionnaires for the oblast		
	37	
Oblast: Talas		
Do you think a problem of power supply is important?		
<u>Yes</u>	4	100%
Do outages happen in your area?		
<u>Yes</u>	4	100%
How often?		
<u>Once a week</u>	2	50%
<u>Several times a day</u>	2	50%
How long do outages last?		
<u>From 1 to 4 hours</u>	4	100%
For how long have you had outages?		
<u>From 1 to 5 years</u>	4	100%
Were you warned about outages?		
<u>No</u>	4	100%

What are they related to?		
<u>Do not know</u>	4	100%
Does it cause you inconveniences?		
<u>Yes</u>	4	100%
Did you have problems with el appliances due to outages and voltage instability?		
<u>Yes</u>	3	75%
No	1	25%
Did you have voltage instability cases?		
<u>Yes</u>	3	75%
No	1	25%
Do you incur any additional material losses?		
<u>Yes</u>	2	50%
<i>Material damage</i>	0	
<u>No</u>	2	50%
Do you suffer from any moral damage?		
No	1	25%
<u>Yes</u>	3	75%
<i>Moral damage</i>	0	
Have you been offered any compensation for inconveniences?		
<u>No</u>	4	100%
Do you have an agreement with the energy company?		
<u>No</u>	4	100%
Are terms of the agreement observed?		
<u>No agreement</u>	4	100%
Do you pay for electricity in time?		
<u>Yes</u>	4	100%
Do you have accounts payable for electricity?		
Yes	1	25%
<i>Accounts payable</i>	0	
<u>No</u>	3	75%
Financial and material losses due to power problems		
<u>No</u>	4	100%
Total number of filled in questionnaires for the oblast 4		
<hr/>		
Oblast	<u>Chui</u>	
<hr/>		
Do you think a problem of power supply is important?		
<u>Yes</u>	134	100%
Do outages happen in your area?		
<u>Yes</u>	132	99%
No	2	1%
How often?		
Once in 6 months	1	1%
Once a month	2	1%
Once a week	25	19%
<u>Once a day</u>	71	53%
Several times a day	34	25%

How long do outages last?		
Less than 1 hour	2	1%
From 1 to 4 hours	43	32%
From 4 to 12 hours	46	34%
Over 12 hours	42	31%
No outages	1	1%
For how long have you had outages?		
3 months	2	1%
6 months	12	9%
1 year	47	35%
From 1 to 5 years	65	49%
Over 5 years	7	5%
No outages	1	1%
Were you warned about outages?		
Yes	6	4%
No	127	95%
What are they related to?		
Do not know	119	89%
Substation	2	1%
Other	12	9%
Does it cause you inconveniences?		
Yes	129	96%
No	5	4%
Did you have problems with el appliances due to outages and voltage instability?		
Yes	87	65%
No	47	35%
Did you have voltage instability cases?		
Yes	117	87%
No	10	7%
Do not know	7	5%
Do you incur any additional material losses?		
Yes	119	89%
Material damage	54,776	
No	15	11%
Do you suffer from any moral damage?		
Not possible to watch TV	4	3%
No	5	4%
Not possible to cook	6	4%
Not possible to prepare lessons	6	4%
Spoiled mood	51	38%
Yes	62	46%
Moral damage	800	
Have you been offered any compensation for inconveniences?		
No	134	100%
Do you have an agreement with the energy company?		
Yes	35	26%
No	99	74%

<u>Are terms of the agreement observed?</u>		
Yes	25	19%
No	13	10%
No agreement	96	72%
<u>Do you pay for electricity in time?</u>		
Yes	126	94%
No	8	6%
<u>Do you have accounts payable for electricity?</u>		
Yes	9	7%
<i>Accounts payable</i>	160	
No	125	93%
<u>Financial and material losses due to power problems</u>		
No	19	14%
TV	25	19%
Refrigerator	27	20%
Hi-fi/radio	3	2%
Vacuum cleaner	1	1%
Electric bulbs	10	7%
Other	40	30%
Food that gone bad	8	6%
<i>Number of cases</i>	2	
Total number of filled in questionnaires for the oblast	133	

MEDIA CAMPAIGN
ATTACHMENT 9

Report on Kyrgyzenergo's Media Campaign

Report on Publications of JSC Kyrgyzenergo in the media

№	Action	Location	Author	Time
	TELEVISION			
1	On limitations, tariffs and construction of new sources of electric energy	State TV@Radio Co, "Ata-Jurt" Program	B Sartkaziev, General Director of JSC Kyrgyzenergo	02 12 97
2	On tariffs and construction of electric transmission lines	State TV@Radio Co, "Jetigen" Program	B Sartkaziev, General Director of JSC Kyrgyzenergo	13 12 97
3	Live show Answers to questions of TV viewers	State TV@Radio Co, "Kosh Kelingizder" Program	R Mamyrov, Deputy General Director of JSC Kyrgyzenergo, A.Tynybekov, Director of Chui PES	01 12 97
4	On limitations of electric energy consumption and accounts receivable	State TV@Radio Co, "Kyrgyz Okmotyndo" Program	K Abasbekov, Deputy General Director of JSC Kyrgyzenergo	05 12 97
5	Live show "Energy Problems" Sociological poll Answers to TV viewers' questions	State TV@Radio Co, "Zamana" Program, 70 minutes	B Sartkaziev, General Director of JSC Kyrgyzenergo	27 12 97
6	"Today is the Day of Energy Specialists of the Kyrgyz Republic"	State TV@Radio Co	I Davydov, 1 st Deputy General Director of JSC Kyrgyzenergo	22 12 97
	Film about energy sector	State TV@Radio Co		22 12 97
7	Energy sector - its problems, payment of electricity bills, limitations, accounts receivable, energy saving	Jalal-Abad oblast TV studio "Mars"	E Torobaev, Director of J-Abad PES, D Mashrapov, Chief Engineer of J-Abad PES	20 12 97
8	"Energy Sector" Program on performance of Chui PES, results of inspection arranged jointly with legal authorities	Chui oblast TV studio "Sary Ozon"	B Takyrbashev, Deputy Chief Engineer of Chui PES	weekly from July 1, 1997
9	Regime of electricity consumption, tariffs, observance of limitations of electricity consumption, energy saving	Naryn oblast TV studio	E Abdykerimov, Head of Sales Department of Naryn PES	05 12 97
10	Presentation of a speech dedicated to the Day of Energy Specialists	Osh oblast TV studio	M Alykulov, Director of Osh PES	19 12 97
11	Energy problems in Osh	Osh oblast TV studio	K. Chymynov, Head of Osh RES	21 12 97
12	On autumn-winter peak loads	Issyk-Kul oblast TV studio	R Abdykasymov, Director of I-Kul PES	07 12 97
13	"Today is the Day of Energy Specialists"	Issyk-Kul oblast TV studio	R Abdykasymov, Director of I-Kul PES	21 12 97

	RADIO			
1	Live presentation Answers to radio listeners' questions	State TV@Radio Co 60 minute live presentation	K Abasbekov, Deputy General Director of JSC Kyrgyzenergo	05 12 97
2	On electric energy sales	Naryn oblast TV@Radio studio	Deputy heads of RES of Naryn PES	December, 1997
3	On electric energy saving and accounts receivable	Chui oblast TV@Radio studio "Sary Ozon"	B Takyrbashev, Deputy Chief Engineer of Chui PES, A Tairov, Head of Alamedin RES	December, 1997
4	On autumn-winter peak loads and observance of electricity consumption limitations	Issyk-Kul oblast TV@Radio studio	R Abdykasymov, Director of I-Kul PES	26 12 97

	NEWSPAPERS			
1	Energy sector there's no need for surprises (I Davydov, 1 st Deputy General Director of Kyrgyzenergo answers the questions of journalists)	<i>Slovo Kyrgyzstana</i>	L Kondrashevski, journalist	23 10 97
2	Our HPSs are raising their capacity	<i>Slovo Kyrgyzstana</i>	O Bakiev, Director of the Enterprise of HPS under construction	11-12 10 97
3	A sensation for tomorrow Toktogul's bottom is close (A Zyryanov, Head of the Hydrotechnical Service of Kyrgyzenergo, answers the journalist's questions)	<i>Nasha Gazeta</i>	A Bogdanov, journalist	06 12 97
4	"Electrification minus Soviet power Energy specialists guarantee light and heat"	<i>Utro Bishkeka</i>	V Yuzhin, journalist	13 12 97
5	"Those who bring light and heat"	<i>Slovo Kyrgyzstana</i>	B Sartkaziev, General Director of JSC Kyrgyzenergo	18 12 97
6	"There would not be any light here without you"	<i>Dlya Vas</i>	V Tsurkanenko, journalist	19 12 97
7	West will help our energy specialists again	<i>Slovo Kyrgyzstana</i>	L Sergeev, journalist	25 12 97
8	Electric energy means light and heat in every home	<i>Temir Too</i>	B Ismailov, Director of Naryn PES	20 12 97
9	Bringing joy to every home with light and heat	<i>Akyikat jarchysy (J-Abad PES)</i>	A Janybaeva, journalist	19 12 97
10	Schedule of electricity consumption limitations and Resolution of the local administration on electricity saving	<i>Selskaya Nov</i> Moskovski rayon, Chui oblast		06 12 97

11	Schedule of electricity consumption limitations and Resolution of the local administration on depriving consumers who violate the regime of consumption, steal electricity and do not pay bills, of the rights to use electricity for heating	<i>Novoye Vremya</i> , Jayil rayon, Chui oblast		21 12 97
12	To bring light and heat	<i>Novoye Vremya</i>	N Alferov, Chief Engineer of Jayil RES	21 12 97
13	Schedule of electricity consumption limitations How to pay electricity bills	<i>Znamya Pobedy</i> Kant rayon Chui oblast	A Batkin, Head of Kant RES, Chui PES	20 12 97
14	Electricity thieves are on line (based on materials of inspection organized by Osh PES with a journalist)	<i>Echo Osha</i>		09 12 97
15	"Energy must be economical"	<i>Echo Osha</i>	S Slascheva, journalist	04 12 97
16	"Energetik" newspaper of JSC Kyrgyzenergo, #10, 11, 12			
17	Briefing with journalists	<i>Kabar</i>	I Davydov, 1 st Deputy General Director of Kyrgyzenergo, L Vasilyev, Director of Bishkek Thermal Plant	December 1997

B E Sartkaziev
General Director of JSC Kyrgyzenergo

Report on Publications of JSC Kyrgyzenergo in the media

№	Action	Location	Author	Time
	TELEVISION			
1	"Where has electricity gone?" (filming at Alamedin RES (Rayon Distr Co) of Chui PES (Oblast Distr Co), Eastern RES of Bishkek PES at microrayon "Kok-Jar")	State TV@Radio Co, "Dostuk" Program		26 01 98 30 01 98 06 02 98
2	"Energy Sector" Program about activities of Chui PES, results of the inspection with legal authorities at Issyk-Ata, Jayil, Chui, and Tokmok RES	Chui oblast TV studio "Sary-Ozon"		weekly
3	On the state of electrical installation, observance of schedules of electricity consumption, timely payment of bills, and electric boilers operation during peak loads	Jalal-Abad oblast TV studio	E Torobaev, Director of J-A PES, S Avazov, Deputy Director of J-A PES, B Kyrgyzbaev, head of J-A RES, R Aldosov, head of the energy monitoring group	17 01 98 31 01 98 (30 minutes program)
4	On observance of schedules of daily consumption	State TV@Radio Co, "Ala-Too" Program	A.Mashrapov, chief engineer of J-A PES	03 02 98
5	On results of electricity consumers' inspection	State TV@Radio Co, "Zamana" Program	A Tagaev, Head of Nooken RES of J-A PES, Kurbanov, Deputy Head	04 02 98
6	On status of energy supply in Issyk-Kul oblast in the light of decisions of the Security Council	Issyk-Kul oblast TV studio	R.Abdykasymov, Director of Issyk-Kul PES	11 01 98
7	On theft of elements of metallic bearings	State TV@Radio Co, "Ala-Too" Program, Issyk-Kul oblast TV studio	D Sadyrbaev, chief engineer of Issyk-Kul PES	25 01 98
8	On results of inspection on electric energy theft	Naryn oblast TV studio, "Naryn presents"		18 01 98 25 01 98
9	Rules of using electric energy and accounts receivable	Naryn oblast TV studio, "Naryn presents"	M Dosmambetov, Deputy Director of Naryn PES, K Nasyrov, Head of Naryn RES of Naryn PES	25 01 98
10	Performance of Talas RES	State TV@Radio Co, "Ala-Too" Program	M Eshaliev, Head of Talas RES	15 01 98
11	Violation of rules of using electric energy Issues of accounts receivable	"Pyramid" channel	T Atabaev, Director of Bishkek PES	26 12 97
12	Violation of rules of using electric energy	"Pyramid" channel	T.Atabaev, Director of Bishkek PES	10 01 98
13	Information on inspection of violation of rules of using electric energy in the area of "Archa-Beshuk", and at the Osh market	"Pyramid" channel	A.Abdykadyrov, Deputy Chief Engineer of Bishkek PES	22 01 98

	NEWSPAPERS			
1	Schedule of electricity supply limitations	<i>Novoye Vremya</i>	Jayil RES of Chui PES	09 01 98
2	Electricity tariffs will be increased	<i>Chuiskiye Izvestiya</i>	Journalists of the newspaper	20 01 98
3	Tenant's immunity	<i>Znamya Pobedy</i>	V Murzov, journalist	10 01 98
4	Thieves under voltage	<i>Alamedin Vestnik</i>	A.Osmonaliev, Deputy Head of Alamedin RES of Chui PES	12-18 01 98
5	Schedule of local load shedding at Alamedin RES	<i>Alamedin Vestnik</i>	Alamedin RES, Chui PES	19-25 01 98
6	On status of energy supply in Issyk-Kul oblast in the light of the decisions of the Security Council	<i>Issyk-Kul Kabarlary, Vesty Issyk-Kulya</i>	R.Abdykasymov, Director of I-Kul PES	05 01 98 06 01 98
7	Kilowatts are stolen, not a penny is paid	<i>Utro Bishkeka</i>	T Atabaev, Director of Bishkek PES	06 02 98
8	"Energetic" newspaper of JSC Kyrgyzenergo, #1, 1998			

I Davydov
1st Deputy General Director of JSC Kyrgyzenergo

State Energy Company of the Kyrgyz Republic
Chui Distribution Company

ORDER

#130, 05 03 98

RAISING AWARENESS OF ENERGY SUPPLY ISSUES IN THE MEDIA

Reliable operation of the energy system, and continuous energy supply are the main conditions of viability of all the economic sectors in the oblast

However, reliable operation of the energy system is constrained by the following circumstances

- failure of companies, organizations and residential customers to pay electricity bills in time,
- electricity and equipment theft,
- insufficient supply of coal to companies, organizations and residential customers

To raise awareness of energy supply issues jointly with the media, and to ensure timely payment of electricity bills and efficient use of electric equipment and to implement requirements of JSC Kyrgyzenergo in letter #402-3/5, 27 01 98

I ORDER that

- 1 Duishenov N B , chief engineer, Toktogulov T Kh , Deputy Director, heads of departments, services, and RES and Amankulova N K , research engineer, must
- 1 1 strictly implement the Program of Raising Awareness of Chui Distribution Company's Activities in the Media within defined terms,
- 2 Amankulova N K , research engineer, must
- 2 1 make contracts with the oblast TV@Radio studio "Sary-Ozen", "Pyramid" channel and newspapers, and submit reports on implementation of the program to the research section of JSC Kyrgyzenergo Timing urgent
- 2 2 Information on implemented activities must be submitted to the research sector of JSC Kyrgyzenergo on monthly basis (not later than the 5th of each month) Timing monthly
- 2 3 Copies of articles published in the local newspapers must be sent to the research section of JSC Kyrgyzenergo to be published in newspaper "Energetik", section "They wrote about us" Timing continuously
- 3 Duishenov N B , Chief Engineer, is responsible for implementation of this order

Tynybekov A K
Director of Chui PES

Cc Chief Engineer, Deputy Director for Marketing, Heads of Services and Departments

Approved
Director of the Chui DC

_____ Tynybekov A K
5/03/1998

PROGRAM
for reflecting the Chui DC activity
in the mass media
for 1998

No	Publication	Mass media entity	Person in charge	Terms
	Organize TV and Radio programs dedicated to the electric system operation (4 times per month)			
1	Chui DC operation within autumn and winter seasons of 1997/98	Sary-Ozen	Information Engineer	March
2	The "round table" with the Government, local administration and Kyrgyzenergo (KE) representatives	TV and Radio Broadcast Co Pyramid	Information Engineer	March
3	Electricity theft by the consumers and actions for its abolish	Sary-Ozen, Pyramid	Information Engineer	twice per month
4	New tariffs Clarification of payment for electric power	Sary-Ozen	Information Engineer	March
5	Issues of power supply Why the limited schedules were promoted for electricity release	Sary-Ozen	Information Engineer	March
6	Power system status after the loads growth (technical and commercial losses in the network)	Pyramid	Information Engineer	April
7	Account of electric power Program for meters replacement	Pyramid	Information Engineer	April
8	Security Council of the Kyrgyz Republic (SCKR) - about power safety and measures for providing electric safety within KR, and Governmental Decree "Of the SCKR decisions implementation" dated 29 12 97, No 762	Sary-Ozen, Pyramid	Information Engineer	April
9	Equipment thievery Measures of struggle with the thievery	Sary Ozen, Pyramid	Information Engineer	twice per month
10	Surprise inspections with the local administration and police representatives	Pyramid, Sary-Ozen	Information Engineer	twice per month
11	Mutual experiences of DC and local administration based upon Kant DC activity	Pyramid	Information Engineer	May

No	Publication	Mass media entity	Person in charge	Terms
12	Actions for the debts reduction	Sary-Ozen	Information Engineer	June
13	Process of power system adaptation to the winter season of 1998/99	Pyramid	Information Engineer	June
14	Power-savings Problems and solutions	Pyramid	Information Engineer	July
15	Process of distribution lines adaptation to the winter season of 1998/99		Information Engineer	July
16	Sales of electric power (oblast operation, problems, etc)	Sary-Ozen	Information Engineer	Sept
17	Process of power system adaptation to the winter season of 1998/99	Pyramid	Information Engineer	Sept
18	Debts issues (residential subscribers)	Pyramid, Sary-Ozen	Information Engineer	twice per month
19	Debts issues (business subscribers)	Pyramid, Sary-Ozen	Information Engineer	twice per month
20	Providing residents and budget entities with the fuel and power resources and local administration work with that	Sary-Ozen	Information Engineer	Oct
21	Actions for commercial losses reduction	Pyramid, Sary-Ozen	Information Engineer	twice per month
22	Electric power supply problems within winter period of 1998/99	Pyramid	Information Engineer	Nov

Chief Engineer _____ Dushenov V

Distribute filing, chief engineer, deputy director on sales, administrative executive, supervisors of DC

Information Engineer
Amankulova N K.
Tel 3-07

To Davydov I A.
 First Deputy General Director of
 JSC "Kyrgyzenergo"

REPORT
 of Chui Distribution Company for February 1998
 on implementation of Order #402-3/11, 24 02 98

TV programs	Kyrgyz State TV&Radio Co Joint program of the rayon state administration and Kant DC	1 program
	Sary Ozen Studio Inspection at Tokmok DC	1 program
	Pyramid Channel Seminar at Kant DC	1 program
Publications	<i>Chuiskiye Izvestiya</i> 3 publications a month	Advertisement on hiring of meter readers
	<i>Slava Trudu</i> Panfilov DC	Customers complained - DC answers
	<i>Chuiskiye Izvestiya</i> Twice a month	Advertisement on replacement of meters
	<i>Slava Trudu</i> Panfilov DC	Electric DC comments
	<i>Alamedinski Vestnik</i>	Schedule of load shedding at Alamedin DC
	<i>Nasha Gazeta</i>	Advertisement on hiring of meter readers
	<i>Vecherny Bishkek</i>	Advertisement on hiring of meter readers
	<i>Ogn Balasagyna</i>	One good turn reserves another

Dushenov N B
 Chief Engineer of Chui Distribution Company

Chuskiye Izvestiya, #10

ENERGY IS A COMMODITY TOO AND IT CAN BE STOLEN

We were given a task to inspect all the electricity consumers and check their meters. The inspection revealed numerous violations, especially among customers who live in 2-3 storied villas with saunas and swimming pools. We estimated that such consumers would have to pay electricity bills of, at least, 1,000 Som monthly. In fact, they do not pay their bills for 2-3 months. We took the cases to the Rayon Attorney who said that the new Criminal Code does not envisage responsibility for theft of electric energy.

A Babkin,
Head of Kant RES

A.N. Bochkarev, Head of the Juridical Department of JSC Kyrgyzenergo, is commenting on the above question

JSC Kyrgyzenergo (95% of shares belong to the state) produces electric and thermal energy which it sells through its regional companies to other companies, organizations (juridical persons) and residents (physical persons). Sales are based on tariffs set by the State Energy Agency under the Kyrgyz Government.

According to the energy supply contracts, customers must pay the bills for the previous month no later than the 10th of the following month. But accounts receivable still make hundreds of millions Som. Moreover, energy supply companies encounter numerous facts of energy theft, i.e., use of energy by connecting to transmission lines past meters, unauthorized use of energy for operating machines, welding equipment, electric saws, etc.

Such unauthorized unpaid use of electricity is classified as theft in Article 3 of the Energy Law of the Kyrgyz Republic. The same definition is given in Article 24 of the Electricity Law of the Kyrgyz Republic which says "Consumers bear administrative and criminal liability for theft of electric and thermal energy, meter tampering and their damage, unauthorized connection to electric and thermal lines and other illegal activities classified as theft of property of juridical and physical persons".

Article 164 of the Criminal Code of the Kyrgyz Republic provides for criminal liability for theft, i.e., "secret misappropriation of someone else's property", and Article 169 of the Criminal Code of the Kyrgyz Republic envisages criminal liability for "theft of someone else's property in particularly large amounts".

It is obvious from the above articles of the Criminal Code that they do not define theft of specific items of property - clothes, cars, money or other things, only a general notion of "someone else's property" is given. Electric and thermal energy is a production output and the property of energy producing system. Therefore, references of Kant and rayon attorneys that there is no direct indication at energy theft and their unwillingness to initiate criminal cases against energy thieves are, at least, incompetent.

Slovo Kyrgyzstana
January 21, 1998

IMMUNITY OF A LODGER

Strong efforts of Kant rayon-level DC's staff to get debts repaid and cease thefts through court did not yield positive effects yet Power customers owe Kant rayon-level DC (this entity was found the best according to performance results of 1997) 10,000,000 som

Rayon-level distribution companies operate now under very strict conditions they must make a complete payment for electric energy supplied by Kyrgyzenergo within the strictly determined term whereas they cannot receive their debts from the customers for years "Pervoye Maya," an association of voluntary farmers is among the "leading" debtors of Kant rayon-level DC that owes 10,700,000 som Regular outages are of no use, because every time energy staff had to retreat after requests and promises to pay and assurance of high officials to "understand" and "to put themselves in association's place " On the other hand, it is impossible to disconnect the farm and village where this association is found As a result, association's debt is increasing like a snowball

It is entirely impossible to disconnect rayon hospital and municipal water service though they owe energy company more than a 500,000 som Kant energy company is intending to address arbitrary court to make municipal water service, "Pervoye Maya" (association of voluntary farmers), manufacturer of local binding material and some other large debtors pay their debts True enough, they realize that it won't give an impressive result, even if there is any Public prosecutor's office achieved nothing from "Pervoye Maya" (association of voluntary farmers) as it is deep in debts Manufacturer of local binding material has nothing to pay as it has not been operating for 2 years

Energy staff make painstaking efforts to make a part of residents (that ceased to pay, but impudently continue stealing) to pay As a rule, these are well-to-do people that got used only to seize, but not to pay They owe 3,000-7,000 som Musabekova, the "champion"(lives in Kant) owes 10,000 som They do not treat outages as trouble, because they connected their houses to transmission lines illegally It is impossible to assign a meter reader to each house

Kant rayon-level DC addressed court with a request to deal with seven violent debtors in September, 1997, but no measure was not taken against them since that time Sometimes the court gives a rather strange reason for its refusal to hold the debtors liable - they are not house owners, they are just lodgers, tenants

V Murzov
Kant

Comments made by "Slovo Kyrgyzstana"

We are quite experienced in demanding, and can we say that we feel quite responsible when we must give instead of obtaining? There is a term called "payment discipline " Complete disorder will keep on as long as we do not understand this True, the Government will be the only one to blame. What about you?

**KYRGYZSTAN: REPORT ON
MEDIA CAMPAIGN AGAINST THEFT
(Deliverable 2.5, Volume 2)
NIS Institutional Based Services Under the
Energy Efficiency and Market Reform Project
Contract No. CCN-Q-00-93-00152-00**

**Kyrgyzstan Energy Sector Regulatory Reform
and Restructuring
Delivery Order No. 6**

Final Report

Prepared for

U S Agency for International Development
Bureau for Europe and NIS
Office of Environment, Energy and Urban Development
Energy and Infrastructure Division

Prepared by

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September 25, 1998

EXECUTIVE SUMMARY

Deliverable 2 5

Volume 2 Media Campaign

While planning for the incorporation of Kyrgyzenergo and its first-step privatization through the Coupon Auction, the State Property Fund decided that the public needed to know the facts about Kyrgyzenergo's financial condition. Most people in Kyrgyzstan think of Kyrgyzenergo as the country's "crown jewel," as the press often calls it, a highly profitable company that would pay handsome dividends to those who acquired its shares in the Auction.

The State Property Fund asked USAID/Hagler Bailly to assist in drafting a series of articles to dispel the four key "myths" about the energy sector: 1) that Kyrgyzenergo is in good shape and very profitable, 2) that state ownership is the best way to protect customers from monopoly abuse, 3) that the price of electricity won't have to go up because most of Kyrgyzstan's electricity comes from "free" hydropower, and 4) that the sector can be developed without having to privatize it. The State Property Fund and the State Energy Agency signed the articles which ran once a week for a month in Russian and Kyrgyz newspapers under the title, "Reform It to Save It."

Two TV talk shows about the Coupon Auction and unbundling and privatization of Kyrgyzenergo followed closely after the articles, which broke new ground by explicitly mentioning the huge and growing problem of electricity theft.

Within a few weeks the press started running stories about outages, theft, and other problems in the electric sector. This was new.

In October, 1997, the Prime Minister personally asked for USAID assistance to launch a media campaign against theft of electricity. USAID/Hagler Bailly, working with USAID/Counterpart Consortium, helped organize a Media Task Force and put the efforts of a grass-roots consumer advocacy group called "Aikyn" on center stage.

The results of the campaign, which specifically avoided the old style slogan-based methods, are that electricity theft is now commonly talked about in the media, and there is significantly heightened awareness of the link between the increasingly noticeable service interruptions and Kyrgyzenergo's deteriorating financial performance, mostly due to the high rate of theft that was allowed to develop as a matter of informal social policy.

While waiting for the TV cameras to start rolling one night, the Director of the State Energy Agency said, "I can't believe this. Theft used to be a taboo word, and here we are devoting an entire TV program to it!" And, one afternoon while waiting for multicolor charts about the technical degradation of the system and the high theft rates to come off the printer, our local engineer said, "We would have been killed in former times if we'd done charts like these." USAID programs making a difference in more ways than one.

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