



May 2016

MAIN GOALS AND OBJECTIVES FOR 2017

As part of the Investment Program, in 2017 the Corporation will continue implementing a number of large-scaled equipment modernization projects with the aim to increase generation, reduce electricity and heat transmission losses and improve environmental performance.

In 2017, the Corporation intends to increase electricity generation by 7% relative to the figure of 2016 (up to 7,526 mln kWh) and heat energy output by 0.1% against the level of 2016 (up to 6,477 thous. Gcal), which is associated with the planned volumes of heat energy supply to consumers.

In 2017, the Corporation intends to allocate 26.3 bln tenge for implementing the Investment Program.

CHPP-3 of PAVLODARENERGO JSC will continue the reconstruction of a turbine unit No. 6 with an increase in the installed electric capacity from 110 to 125 MW. Completion of works and commissioning of the turbine unit are expected in 2018. It is planned to perform works at Pavlodar CHPP-3 to equip a boiler No. 4 with an automated process control system (APCS), which will allow the company to increase the number of boilers equipped with the APCS up to 5 out of 6.

In 2017, it is planned to complete the construction (installation) of the second section and commence the construction of the third section of ash dumps at Pavlodar CHPP-2, CHPP-3, which will be completed in 2020-2021. In addition, the construction of the ash dump at Ekibastuz



CHPP will be continued and the works are expected to complete in 2018.

According to the plan, a project will be implemented at Petropavlovsk CHPP-2 of SEVKAZENERGO JSC to modernize and equip a turbine unit No. 2 with the APCS. In addition, it is planned to perform works in 2017 for reconstruction of the unloading device with the aim to increase its productivity and coal unloading rate.

In 2017, the Corporation will continue construction and reconstruction of heat pipelines using pre-insulated pipes with a length of 32.56 km, including: Pavlodar - 3,4 km, Ekibastuz - 21,8 km, Petropavlovsk - 7,36 km, as well as insulation restoration using PU foam coating on pipelines with a length of 6.74 km, including: Pavlodar - 1.03 km, Ekibastuz city - 4.01 km, Petropavlovsk - 1.7 km.

CAEPCO JSC key indicators:

1 203 MWinstalled electricity
capacity**2 953 Gcal/h**installed heating
capacity**2 791,2 mln kW-h**electric energy
generation**3 019,8 thous. Gcal**heat energy
generation**2 228,3 mln kW-h**transportation and
distribution of
electric energy**2 500,7 thous. Gcal**transportation and
distribution of
heat energy*(for 4 months of 2017)*

FROM LINE TO LINE

PREDC, JSC carries out a modernization of two overhead transmission lines in key directions: TL 35kV No.38 «Yermak — Stroitel'naya — Kalkaman» and TL 110kV No.117 «Otpaika Yuzhnaya — Nasosnaya Stantsiya No.1». Works are being performed under the investment program of Pavlodar REDC, JSC and will be completed in 2017.

Line No.38 «Yermak — Stroitel'naya — Kalkaman» was commissioned far back in 1962. Due to the tear and wear of wooden towers it was decided to construct a new parallel line. It was made of reinforced concrete poles with metal cross beams and equipped with modern polymer insulators and AC70 conductors.

TL 110kV No.117 «Otpaika Yuzhnaya —

Nasosnaya Stantsiya No.1» has being in operation since 1967. Old wooden towers will be replaced with new reinforced concrete ones using modern polymer insulators and AC 95/16 conductors.

Modernization of overhead transmission lines will allow achieving the reduction of standard losses when transmitting power and ensure an uninterrupted power supply of consumers.



RESULTS OF THE 2016–2017 HEATING SEASON

Heating season has completed in the north regions of Kazakhstan. Heat supply of consumers of Pavlodar, Ekibastuz, Petropavlovsk cities has been implemented pursuant to approved temperature schedule without deviations.

In Pavlodar and Ekibastuz, heating winter season started on the 1st October of 2016 and completed on the 22nd April of 2017. It was passed through under normal conditions without serious upsets in equipment operation. A certificate of readiness to heating season was obtained in time from the Housing and Public Utilities, Passenger Transport, and Motor Roads Department over Pavlodar city. From the beginning of the heating season, within a period of extra low ambient air temperatures, a round-the-clock work of control services' staff and emergency response and restoration teams of the Company was arranged for a prompt response, en-



abling timely taking measures on correction of heating networks damages. Number of heating networks damages over Pavlodar — 64 and over Ekibastuz — 171 that is 31.1% and 54.3% lower than last year values, respectively.

In Petropavlovsk, Petropavlovsk Heating Networks, LLP finalized results of the 2016–2017 heating season. Pursuant to resolution of the Akimat of the regional center, the 28th April became an official

date of the heating season completion. A program for disconnection of heat supply facilities took 15 days.

An ambient air average temperature in Petropavlovsk the last winter was 5.98°C, whereas an average temperature of heating medium in supply pipeline was 74.4°C, in return pipeline – 50°C.

375 complaints were received by the Company within the heating season. Specialists of the Company examined and adjusted temperature and hydraulic modes of house heating systems with respect to each of the complaints.

As noted by power engineers, the 2016–2017 heating season was trouble-free for Petropavlovsk Heating Networks, LLP and consumers of heat energy. This is made clear by the fact that number of process upsets in main heating systems reduced by 16% and was equal to 74 cases in comparison to the 2015–2016 heating season.

SECOND MUTUAL AUDIT OF OCCUPATIONAL HEALTH AND SAFETY

In April of 2017, the second mutual audit of occupational health and safety (OHS) was conducted at enterprises of SEVKAZENERGO, JSC.

Mutual audit is a measure that allows sharing the best practices on creation of safe working conditions, effective OHS management, record keeping, maintaining of technical and online documentation, injury prevention, as well as prevention of incidents and accidents during the operation of power and process equipment.

During the audit, managers of OHS services of CAEPCO, JSC's subsidiaries visited the Petropavlovsk CHP-2, North-Kazakhstan Regional Electric Distribution Company, JSC, Petropavlovsk Heating Networks, LLP, and Sevkazenergosbyt, JSC. At enterprises, members of the audit team noticed positive moments, identified disadvantages, and provided their recommendations with respect to OHS documentation keeping, introduction of OHS corporate procedures, regulations, and standards.

Larichev Leonid Viktorovich, General Director of SEVKAZENERGO, JSC, and CEOs of SEVKAZENERGO, JSC's subsidiaries noticed the importance of mutual audits that allow evaluating the OHS work sideways.



RISKS UNDER CONTROL

In March of the current year, the Risk Management Department of PAVLODARENERGO, JSC arranged a seminar for employees, a major subject of which was risk management and internal control systems.



Heads of subdivisions and key specialists of Pavlodar CHP-3 and CHP-2, Ekibastuz CHP, Administration of PAVLODARENERGO REDC, JSC, Pavlodar Heating Networks, LLP, Pavlodarenergosbyt, LLP took part in the seminar.

An objective of such training seminars is raising a general level of risk management culture, development of all risk management mechanisms, and explanation that risk management is an integral part both of production activity and everyday life to the Company's personnel.

A basis of training was existing procedures and methods used in the group of PAVLODARENERGO companies on risk management and internal control systems. Presentations and reports were used during lectures, and the training itself was built in form of dialogue. It helped to reveal a set of problems, with respect to which the risk takers decided to hold institutional arrangements to increase the efficiency of the enterprise operation on the whole. Much attention was given to such moments as identification and evaluation of risks, development of risks minimization and relevant reports processing action plans, forms and mandatory requirements to business process description.

LET US WORSHIP THE GREAT YEARS

The events dedicated to celebration of Victory Day in the Great Patriotic War have passed in SEVKAZENERGO JSC. For power engineers, it became a good tradition on the eve of May 9 to visit veterans who gave many years of their life for labor at Petropavlovsk CHP-2 and other energy enterprises in postwar period. Homefront workers, veterans of labor and persons equated to veterans of GPW didn't remain forgotten either. They were invited to the plant for specially prepared concert program organized by employees of SEVKAZENERGO JSC.



72 years passed from the Day of Victory over fascist invaders, but a memory on a heroic deed of the generation of people, who became participants and direct witnesses of those terrible events, is undying. War veterans, war workers, fore-

most workers are dignified and brave heroes and winners — today, tomorrow, and many years hence we will yield to them gratefully and be astonished with their bravery, superhuman will, and lust for life.

CLUB FOR THE LIGHTHEADED AND QUICK-WITTED IN SUPPORT OF OCCUPATIONAL HEALTH AND SAFETY

PAVLODARENERGO, JSC pays great attention to the occupational health and safety. One of the reporting formats became the Club for the Lightheaded and Quick-Witted devoted to the OHS Day. The event turned out powerful both by composition of teams and by emotions of viewers, participants, and judges. Probably because that such project was implemented for the first time in the Company – the joke tilting-yard was a seething cauldron of emotion.

Six teams — representatives of PREDC, JSC, Pavlodar Heating Networks, LLP, Ekibastuz CHP, Pavlodar CHP-2, Pavlodar CHP-3, and Pavlodarenergosbyt, LLP — prepared to the contest of the lightheaded and quick-witted very seriously, and each of them had its own style. Organizers of the Club for the Lightheaded and Quick-Witted became employees of OHS Department of PAVLODARENERGO, JSC. The jury was headed by Ruslan Zinatulin, Head of Health, Safety and Environment Department of PTD of CAEPCO, JSC.



LABOR DAY IN AEDC, JSC

In the run-up to the World Day for Safety and Health at Work, several events were implemented in AEDC, JSC under the auspices of trade union organization.

Professional competitions of operation and maintenance personnel on distribution networks operation, that had been held in Akmola and Stepnogorsk MPNs (main power networks), were completed. Competitions consisted of six stages, three of which were related to occupational health and safety.

1st Stage. Check of crew outfits, tool, appliances, and protective means of a crew vehicle.

2nd Stage. Check of knowledge of safety procedures, operating and maintenance rules, fire safety rules, and safety standards and instructions.

3rd Stage. Relief of an injured of current effect at TL-10 kV tower and premedical first aid.

According to results of competitions the best line foreman areas were determined. Winners were awarded with gifts of money from funds of trade union committees of Akmola and Stepnogorsk MPNs.

Simultaneously with professional competitions, an attestation of crews with respect to readiness to repair campaign of 2017 was conducted. 248 crews consisting of 982 persons were checked in total. All these crews were rewarded with gifts of money from funds of trade union committees. Gross violations with regard to occupational safety and health were not revealed; violation certificates were not withdrawn during the performance of works.