

Appendix # 16
to the decision of the Board of
Directors of
IDGC of Centre, JSC
(Minutes # 19/14 from 29.08.2014)



**The Policy of interaction with the public,
customers and authorities
of JSC "Rosseti"**

Moscow
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I. GENERAL PROVISIONS

This Policy of interaction with the public, customers and authorities of JSC "Rosseti" (hereinafter - the Policy) is an internal normative document of JSC "Rosseti" (hereinafter - the Company) in the area of creating relations of the Company and affiliated and dependent companies of JSC "Rosseti" (hereinafter - the SAC) with external stakeholders on the following functional lines of business of the Company and SAC:

- rendering of services in electric power transmission;
- power sales activity;
- rendering of services in grid connection;
- interaction with territorial grid organisations (hereinafter - TGO);
- interaction with federal and regional authorities (GR-communications);
- interaction with shareholders and investors (IR-communications);
- interaction with manufacturers of electrotechnical equipment;
- international activity;
- interaction with public organisations and mass-media (PR-communications).

This Policy establishes goals, tasks, administering principles, priority directions of development and substantive provisions in sphere of interaction with authorities, consumers, the society and other external stakeholders for achievement of target reference points of the Strategy of development of the electric grid complex of the Russian Federation confirmed by Order of the Government of the Russian Federation from April, 3rd, 2013 № 511-r (hereinafter - the Strategy of development of the electric grid complex).

Besides, the goals and tasks of the Policy, target vision and basic directions of development of the Group of Companies "Rosseti" in the area of creating relations with external stakeholders are determined by the following documents:

The Power Strategy of Russia for the period till 2030, confirmed by Order of the Government of the Russian Federation from 13.11.2009 №1715-r;

The Action Plan ("road map") «Increase of availability of power infrastructure», confirmed by Order of the Government of the Russian Federation from 30.06.2012 № 1144-r;

The concept of creation and development of mechanisms of public control over activity of subjects of natural monopolies with participation of consumers, confirmed by Order of the Government of the Russian Federation from 19.09.2013 № 1689-r;

The decision of the Management Board of JSC "Rosseti" «On approval of the list of names of internal documents-policies of JSC "Rosseti"» (Minutes from 10.12.2013 № 205pr).

This Policy is developed according to the current legislation of the Russian Federation and, along with other policies of the Company, is a top level document in relation to other existing and developed local regulations, organizational-administrative and other documents.

Observance of provisions and requirements of this Policy is obligatory for application by structural divisions of the Company at creation of processes of interaction:

with consumers at servicing and rendering of services in electric power transmission, grid connection and power sales activity;

with the society at realisation of the concept of corporate social responsibility, forming of a proactive information campaign based on openness and transparency of accepted decisions, and promotion of the brand of JSC "Rosseti";

with participants of the retail market of electric power on increase of system reliability and quality of power supply of end users, at the problem resolution of «patched-up» networks and ownerless networks;

with shareholders and investors on increase of investment appeal of the Company and provision of guarantees of accounting of interests of shareholders;

with public authorities at realisation of the state policy by them in the electric power industry;

with regional and local authorities at planning and realisation of programs of perspective development of the electric power industry of regions;

at cooperation with Russian and international expert and business communities and companies, with participation of the Company in Russian and international competitions and ratings of corporate social responsibility.

Concerning SAC this Policy contains provisions of general (methodological) character and it is recommended for application in work of SAC, performing activity on transmission and distribution of electric energy.

Provisions of this Policy are used by SAC as a basis for development of internal normative documents determining the goals, tasks and substantive provisions of work with external stakeholders.

Internal standard and organizational-administrative documents of SAC should not contradict provisions of this Policy.

Application of this Policy by other third-party organisations can be performed on the basis of corresponding contracts (agreements) with JSC "Rosseti".

II. THE ANALYSIS OF THE CURRENT SITUATION, KEY TENDENCIES AND PERSPECTIVES OF DEVELOPMENT

Activity of the Group of Companies "Rosseti" as the largest and backbone in industry is connected with expectations of the society, consumers, business community and authorities and is focused on achievement of the strategic priorities established by the Strategy of development of the electric grid complex.

Sustainable development of the electric grid complex of the Russian Federation is aimed at fulfilling requirements of national economy in all regions at unconditional provision of reliability and safety of power supply. Forming of requirements of economy in grid infrastructure should be performed taking into account positions of all stakeholders at constant interaction with them.

For provision of interests of consumers of services of electric grid companies the strategic priorities of development of the electric grid complex of the Russian Federation include: quality assurance of rendered services and care, increase of reliability of electrical supply with transition to the world standards. An integral part of realisation of specified events is construction of a system of authentic measurement and quality control and reliability of services on the basis of international standards, increase of responsibility of management of grid organisations for their observance.

Regular feedback is necessary for construction of an authentic and objective system of quality evaluation and reliability of services of grid organisations with consumers which is one of aspects of development of customer centric approach of activity of grid organisations.

The customer centric approach should be based on implementation of the Uniform quality standards of servicing by grid organisations of consumers of services, provide openness and transparency of activity of grid organisations for the public, availability and comfortable conditions of service to consumers of services. The most perspective direction in development of infrastructure of servicing of consumers is expansion of interactive services of rendering of services and servicing through the information-telecommunication network "Internet".

In interests of business community and consumers of services with a view of forming of a favourable business climate, improvement of quality of services of grid connection at the expense of reducing of terms and stages of realisation of connection of power installations of applicants to facilities of electric grid infrastructure by Order of the Government of the Russian Federation from 30.06.2012 № 1144-r the Action Plan ("road map") «Increase of availability of power infrastructure» (hereinafter - the Road map «Increase of availability of power infrastructure») was confirmed, directed on enhancement of the existing standard legal base regulating questions of grid connection.

Considering the importance of activity on grid connection of new consumers for a sustainable development of regions of the country, constant continued control over the processes connected with grid connection, through a system of quality

evaluation of services of SAC of the Company is required.

A separate mechanism of realisation of the principle of transparency of this Policy, which allows to involve stakeholders in development of offers on improvement of activity of grid organisations and to provide the balance of interests of all groups of consumers, is forming at controls of grid organisations of collegiate bodies - councils of consumers. Activity of councils of consumers is focused on increase of efficiency of perspective development, grid connection, realisation of investment programs of grid organisations and target values connected with them.

Expectations of end users of electric power concerning reliable and qualitative power supply at an acceptable level of the tariff are directly connected with priority tasks of the Strategy of development of the electric grid complex on reducing of degree of separation of grid infrastructure of the market of electric power industry and resolution of the problem of ownerless networks.

In interests of end users of electric power in the service area of the Company, one of the main principles of further development of grid infrastructure is observance by subjects of the market of electric grid services of uniform requirements of technical and operational policy, the uniform quality standards of services and servicing for all end users without dependence on their serving electric grid organisation.

For provision of system reliability and operational and technological management on territories of regions of presence of the Company, JSC "Rosseti" acts as the supporter of making economic stimulus of participants of the market to transfer their grid assets to management (property) of grid organisations which can provide the high quality standards and reliability of power supply of consumers and power security of regions.

Making economic stimulus for participants of the market through an establishment of base criteria of reference to TGO and quality standards will allow to create a yardstick competition element (on the best practice) in the market in interests of all groups of consumers.

Direct interaction with electric power consumers, developing at execution of functions of an electric power supplier of last resort by organisations entering into the Group of Companies "Rosseti" is also of essential value. Such organisations concern 8 SACs, 3 subsidiaries and affiliates of SACs, and also 5 IDGCs, which were assigned with the status of an electric power supplier of last resort (hereinafter - the supplier of last resort) in twelve regions of Russia. Thus in 5 regions the status of the supplier of last resort, as of May 2014, is transferred to winners of tenders, which were conducted by the Ministry of Energy of Russia.

The main tendencies of development of the electric power sector of Russia, influencing realisation of this Policy, are as follows.

Strengthening of requirements to reliability and quality of service from the state and end users. The given factor is a consequence of a rise in prices for electric energy and increase of culture of consumption of power resources from end users.

Constant growth of demand for grid connection to networks. Realisation of events provided by the Road map on grid connection confirmed by the Government of the Russian Federation, reduces number of bureaucratic procedures and decreases cost of grid connection to electric networks. In aggregate with growing requirements of economy it inevitably leads to growth of demand for grid connection to electric systems.

Non-uniformity of demand for electric power in regions of the Russian Federation. Subjects considerably differ on indicators of potential and current dynamics of industrial and economic growth. As a result of differently directed tendencies of demand for electric power and change of power consumption there is a requirement for maintenance of underloaded electric networks and requirement for new investments into electric networks on new sites.

Toughening of price regulation in the industry. Requirements on decrease in price pressure of the industry of electric power on economy and, in particular, on the population, pushed at various levels, have stable and long-term character. In this connection price pressure of the industry of electric power upon economy will be transformed to competition strengthening for a share in the final price for electric energy among all participants of the process of generation, distribution and sale of electric energy.

Growth of requirements on increase of efficiency of grid organisations at all levels. Factors determining origin of inefficiency in operational and investment activity of grid organisations, it is necessary to refer considerable growth of quantity of TGO and ownerless electric grid facilities, which worsens quality of work of the electric grid complex and predetermines the non-optimal resource allocation, connected with its operation and development.

III. TARGET REFERENCE POINTS OF REALIZATION OF THE POLICY

The Company's mission in the field of realisation of the Policy is connected with the following interests and requirements of key stakeholders of JSC "Rosseti":

- provision of reliable and uninterrupted power supply of consumers and observance of standards of reliability and quality according to the world standards;

- provision of availability of power infrastructure for fulfilling requirements of the society and economy in regions of the service area;

- provision of control from the state and the society over activity on power supply of end users of electric power (at execution by SAC of JSC "Rosseti" of functions of an electric power supplier of last resort), provision of development of competition in the retail markets of electric power;

- implementation of customer centric approach in activity of the Group of Companies "Rosseti", provision of high level of service for consumers at rendering of services and observance of the Uniform quality standards of servicing by grid organisations of consumers of services;

- provision of high level of openness and transparency of activity of the Group of Companies "Rosseti" for the society, consumers and investment community;

increase and preservation of trust in JSC "Rosseti" from consumers and business community, strengthening of image and business reputation of the Company, as an open and fair participant of the market of the electric power industry;

provision of high level of corporate management, disclosure and transparency for the purpose of increase of investment appeal of the Company for shareholders and investors;

increase of loyalty of expert community and investment appeal of the Group of Companies "Rosseti";

provision of regular and effective interaction with public authorities of all levels on discussion and examination of drafts of decisions concerning regulation of the power industry, developed by public authorities;

provision of constant cooperation on the basis of agreements with authorities of subjects of the Russian Federation and municipal authorities on questions of planning and realisation of regional programs of territorial development of regions of the Russian Federation;

provision of close interaction with international partners concerning development of the electric power industry and international integration of grid infrastructure, implementation of the best international practice in the field of power supply.

1.RENDERING OF SERVICES IN ELECTRIC POWER TRANSMISSION

The main **objectives** of the Policy in the field of rendering of services in transmission of electric energy are:

provision of reliable and uninterrupted power supply of consumers and observance of the world standards of reliability and quality;

increase of efficiency of the electric grid complex.

Target reference points of the Policy in the field of rendering of services in transmission of electric energy:

steady increase of reliability until achievement of economically reasonable level. Provision of achievement by grid SACs of the established indicators of reliability and quality of rendered services;

implementation of a system of collection and authentic quality evaluation and reliability of power supply on the basis of indicators for TGO: SAIFI and SAIDI; for JSC «FGC UES» - amount of energy not supplied. Starting from 2017 with establishment of a target reference point on decrease in indicators and achievement of the level comparable to foreign peers.

implementation of comparative analysis of TGO on indicators of reliability and quality of services with a view of tariff regulation for strengthening of financial responsibility of grid organisations for reliability and quality of rendering of services;

decrease by 2017 of size of losses by 11 percent in relation to the level of 2012;

the level of distribution of smart devices of metering of electric energy within borders of balance participation of electric networks of SAC not less than 15 percent by 2017 (under condition of realisation of energy service contracts);

increase of loading of capacities (in percentage of the established capacity of transformers on all levels of voltage minus obligatory reservation);

reducing the indicator of accounts receivable turnover from 54 to 30 days by 2020 with annual decrease in the level of overdue accounts receivable for services in transmission of electric energy by 10 percent.

2. RENDERING OF SERVICES IN GRID CONNECTION

The main **objectives** of the Policy in the field of rendering of services in grid connection to electric systems are:

provision of availability of power infrastructure for satisfaction of requirements of the society and economy in regions of the service area;

increase of quality level of servicing of consumers at realisation of grid connection;

increase of efficiency of the electric grid complex.

Target reference points of the Policy in the field of rendering of services in grid connection:

improvement of quality of servicing of consumers (decrease in quantity of stages of grid connection to electric networks, by 2015 from 10 to 6 and by 2018 to 5; reducing terms of grid connection of power installations of applicants with capacity up to 150 kW to 40 days);

integration of an information portal on grid connection of JSC "Rosseti" with sites of SAC in the information-telecommunication network "Internet" for creation of a uniform information-technological and telecommunication infrastructure of electronic (interactive) servicing of consumers of services for the Group of Companies "Rosseti";

creation of the Internet platform for placing by consumers and grid organisations of information on availability of free capacity and publication of requests for concession (additional purchase) of capacity;

implementation of the Uniform quality standards of servicing by grid organisations of consumers of services and a system of indicators characterising quality of service of consumers;

implementation of a practice of periodic researches in the field of estimation of satisfaction of consumers with a degree of service and quality of service of electric grid organisations.

3. POWER SALES ACTIVITY

The main **objectives** of the Policy in the field of power sales activity are:

organisation of power sales activity according to the legislation of the Russian Federation;

increase of efficiency of power sales activity, including achievement of

100% level of collection of money funds in the retail markets of electric power and 100% level of payment in the wholesale market of electric power (energy) in all territories served by power sales SAC of JSC "Rosseti";

provision of qualitative rendering of services and care of consumers of electric power taking into account efficiency of activity within the limits of the current legislation;

provision of transparency of power sales activity, including at realisation of transfer of money funds from the retail markets of electric power to suppliers on the Wholesale market for electricity and power, and also to territorial grid organisations for rendered services in electric power transmission.

Target reference points of the policy in the field of power sales activity:

collection of money funds in the retail markets of electric power - at the level of 100%;

payment for electric power delivered in the wholesale market of electric energy (power) - at the level of 100%;

organisation of power sales activity in JSC "Rosseti" on the basis of noncommercial partnership;

provision of qualitative rendering of services and servicing of consumers of electric power taking into account efficiency of activity within the limits of the current legislation.

4. INTERACTION WITH TERRITORIAL GRID ORGANIZATIONS

The main **objectives** of the Policy in the field of interaction with TGOs is:

participation in creation of conditions for forming of the environment of qualified (professional) TGOs;

expansion of borders of functioning of the Group of Companies "Rosseti" at the expense of consolidation of electric grid property of grid organisations leaving the market.

Target reference points of the Policy in the field of interaction with TGOs:

steady growth of a share of the market of services in transmission of electric power of SAC of JSC "Rosseti" in «joint operation» revenue for transmission services received from regional consumers of electric power.

5. INTERACTION WITH FEDERAL AND REGIONAL AUTHORITIES

The main **objectives** of the Policy in the field of interaction with federal and regional authorities are:

provision of stable external conditions and creation of potential possibilities in the interests of the Company connected with interaction with all levels of the government, for achievement of target reference points of the Strategy of development of the electric grid complex;

increase of trust in JSC "Rosseti" and support from authorities;

enhancement of standard-legal provision of the Company.

6. INTERACTION WITH SHAREHOLDERS AND INVESTORS

The **objectives** of the Policy in the field of interaction with shareholders and investors are:

increase of transparency of the Company for shareholders and investors;

increase of investment appeal of the Company;

strengthening of the brand of JSC "Rosseti" as the leader of competence of the electric grid complex and increase of trust in JSC "Rosseti" from investment community.

7. INTERACTION WITH MANUFACTURERS OF ELECTROTECHNICAL EQUIPMENT

The policy in the field of interaction with manufacturers of electrotechnical equipment is focused on construction of effective and productive cooperation with manufacturers of electrotechnical equipment **for the purpose of:**

increase of power security of the state at the expense of assistance to creation and development of domestic productions of electrotechnical equipment complying with modern standards and requirements of quality and reliability;

assistance to innovative development and modernisation of enterprises of domestic power mechanical engineering;

forming in territory of the Russian Federation **of the competitive market of electrotechnical equipment;**

realisation of the Policy of innovative development, energy saving and increase of power efficiency of JSC "Rosseti", the Regulation on the uniform Technical policy of JSC "Rosseti" and the program of import substitution of electrotechnical equipment of JSC "Rosseti".

Target reference points of the Policy in the field of interaction with manufacturers of electrotechnical equipment - decrease in a share of import electrotechnical equipment in volume of the bought equipment by 2030 to the level no more than 5%.

8. INTERNATIONAL ACTION

In the field of international action the Policy is directed on provision of close interaction with international partners and international organisations for the purpose of:

implementation of the best practice of international asset management;

implementation of the best practice of application of modern equipment and technologies;

development and preservation of parallel work of UES of Russia with bordering states;

development of interstate sections, including, for the purpose of use of transit potential of Russia to receive the greatest benefit for national economy;

strengthenings of the position and increase of prestige of the Group of Companies "Rosseti" in the international arena.

Target reference point of the Policy in the field of international action: integration into the global international markets to receive the greatest benefit for national economy and provision of reliable electricity supply of consumers of the Russian Federation.

9. INTERACTION WITH HUMAN ORGANIZATIONS AND MASS-MEDIA

The main **objectives** of the Policy in the field of interaction with public organisations and mass-media:

increase of recognition and strengthening of the brand of JSC "Rosseti" as the leader of competence on management of the electric grid complex, including on international scene;

informing of consumers and stakeholders on all aspects of activity of the Group of Companies "Rosseti";

increase of trust and loyalty in the Group of Companies "Rosseti" from external target groups;

forming of uniform information field;

forming of investment appeal of the Company;

increase of transparency of the Group of Companies "Rosseti" for the public.

Target reference points of the Policy in the field of interaction with public organisations and mass-media:

progressive growth of the number of consumers and representatives of the wide public familiar with the Group of Companies "Rosseti" and various aspects of its activity;

growth of the number of publications in the Russian and foreign mass-media positively characterising activity of the Group of Companies "Rosseti".

IV. GENERAL PRINCIPLES OF REALIZATION OF THE POLICY

The priority objectives in all functional directions of this Policy are achieved on the basis of the following principles.

Observance of requirements of the legislation and other obligations accepted by the Company. The Company's activity is performed according to requirements of the Russian legislation. The Company carries out all obligations undertaken on as stated in internal documents, and also given publicly to stakeholders.

Provision of efficiency and productivity of activity of the Company. The Company bears responsibility for solving tasks put by this Policy and the Strategy of development of the electric grid complex of the Russian Federation, in particular, for achievement of operating efficiency of the Group of Companies "Rosseti".

Provision of regular and constructive mutual relations with all groups of stakeholders. The Company builds mechanisms of interaction with each of groups of stakeholders for provision of constant cooperation, and expansion of possibilities of representatives of the parties to take part in the Company's activity.

Aspiration to observance of the balance of interests of stakeholders in the course of activity. In the course of the activity the Company aspires to observe the balance of interests of all stakeholders. Revealing interests and expectations of stakeholders and their estimation is conducted in the Company on a regular basis.

Provision of disclosure and transparency. The Company aspires to disclose as much as possible complete and timely relevant information for stakeholders.

V. THE MAIN DIRECTIONS OF DEVELOPMENT

1. RENDERING OF SERVICES IN ELECTRIC POWER TRANSMISSION

The basic standard legal acts and organizational-administrative documents of JSC "Rosseti" in the field of rendering of services in transmission of electric energy are the documents specified in section I of this Policy, and as follows:

Federal act of the Russian Federation from 04.05.2012 №35-FZ «About electric power industry»;

Federal act of the Russian Federation from 23.11.2009 № 261-FZ «About energy saving and about increase of power efficiency and about modification of separate acts of the Russian Federation»;

The Rules of non-discriminatory access to services in transmission of electric energy and rendering of these services, confirmed by the governmental order of the Russian Federation from 27.12.2004 №861;

The Substantive provisions of functioning of the retail markets of electric energy and the Rules of complete and (or) partial restriction of a mode of consumption of electric energy, confirmed by the governmental order of the Russian Federation from 04.05.2012 № 442;

The Standards of disclosing of information by subjects of the wholesale and retail markets of electric energy, confirmed by the governmental order of the Russian Federation from January, 21st, 2004 №24;

The Regulation about determination of applied indicators of reliability and quality of delivered goods and rendered services while setting up long-term tariffs, confirmed by the governmental order of the Russian Federation from December, 31st, 2009 №1220;

The program of JSC "Rosseti" on increase of overall performance in the field of accounts receivable decrease for services in transmission of electric energy, confirmed by the decision of the Board of Directors of the Company from 12.02.2014 (Minutes from 14.02.2014 №144);

The concept of organisation of commercial metering of electric power in JSC "Rosseti", confirmed by Order of JSC "Rosseti" from 19.08.2013 №508;

The model regulation of work for SAC of JSC "Rosseti" on revealing, reducing and exclusion of non-contracted, non-metered electric energy consumption, confirmed by Order of JSC "Rosseti" from 15.04.2014 №162r;

Order of JSC "Rosseti" from 09.09.2013 № 561 «About organisation of work for energy saving and increase of power efficiency in JSC "Rosseti"»;

Order of JSC "Rosseti" from 17.09.2013 № 570 «About organisation of work for decrease of losses of electric energy in affiliated and dependent companies of JSC "Rosseti" and activity enhancement on forming of volume of rendered services in transmission of electric energy».

1.1. Increase of reliability and quality of electricity supply and provision of reliability of data

Increase of reliability and quality of power supply with transition to the world standards is the basic strategic reference point of development of the electric grid complex of the Russian Federation. An integral part of realisation of events for reliability provision is construction of a system of authentic measurement and quality control of services, increase of responsibility of management of grid organisations for their observance.

Key directions and events on increase of reliability and quality of electricity supply and provision of reliability of data:

1. Data acquisition organisation about reliability and quality of electricity supply for calculation of indicators by the international techniques. By 2017 for distribution grid organisations the indicators will be used: SAIFI and SAIDI for end users. For such SAC of the Company as JSC «FGC UES», the indicator of volume of energy not supplied will be applied. For transition to international standards implementation of an order of accounting of data with use of measuring devices, and also use of procedures of selective audit and methods of their comparison to arriving complaints of consumers is necessary.

2. Enhancement of regulation of reliability and quality of power supply. Quality of electric energy, delivered to the end user, depends on many parametres of functioning of the entire chain including generation, transmission and consumption. Many companies are involved in this chain, and the considerable role in this process is played by technical characteristics of power installations of the consumer and consumption modes.

Enhancement of regulation of reliability and quality of power supply should be directed on:

establishment of the mutual balanced responsibility between grid companies, sales companies, the System operator and the consumer;

implementation of comparative analysis of TGOs on indicators of reliability and quality of services with a view of tariff regulation for strengthening of their financial responsibility;

translation of effect from increase or decrease in the specified indicators of reliability and quality of power supply on a concrete end user.

1.2. Decrease in losses of electric energy

With a view of bringing the level of actual losses of electric energy to the values specified by the Strategy of development of the electric grid complex of the Russian Federation, realisation of programs of events for decrease in losses of

electric energy is performed. Decrease in actual losses of electric energy is necessary for restraint of growth rates of prices (tariffs) for electric energy for consumers.

According to existing structure of losses of electric energy SAC should carry out events to decrease technical losses, measures for decrease in commercial losses and activities for enhancement of electric energy metering devices.

The main effect in decrease of technical losses of electric energy can be received for the account of modernisation, reconstruction, increase of reliability of operation and transmission capacity of electric grids, balancing of operating modes, that is at the expense of capital-intensive events. Measures for decrease in technical losses are specified by the Regulation on the uniform Technical policy of JSC "Rosseti".

The basic direction in decrease of commercial losses of electric energy is a set of events for enhancement of electric energy metering, and also enhancement of activity of SAC on suppression of not metered consumption of electric energy.

The basic directions and events of this Policy on decrease in commercial losses:

1. Creation of automated databases on consumers of electric energy with binding to topology of electric networks for the control of dynamics of volume of consumption of electric energy.

2. Organisation of information exchange with suppliers of last resort (power sales, power supplying organisations) about concluded contracts of power supply (purchase and sale, delivery of electric energy).

3. Revealing of ownerless networks and accepting measures to transfer them on the balance sheet of municipal formations.

4. Toughening of measures of responsibility for not metered consumption of electric energy, adjustment of the Electrical installation code (EIC), building rates and rules (SNIIP) for protection of household electric meters against unauthorized intervention and deliberate destruction by consumers.

5. Modification of a system of motivation of personnel regarding stimulation of revealing of not metered consumption of electric energy.

1.3. Provision of accurate metering of electric energy

In borders of functioning of SAC there are more than 21 million points of delivery. About 75 percent of points of delivery need modernisation or creation of modern systems of electric energy metering (taking into account individual devices of electric energy metering in multi-storeyed apartment houses connected to networks of SAC). There is much tension about the problem of financing of events for metering development since only 15 percent of points of delivery are provided with a source of financing from means of investment programs of SAC. In the conditions of restriction of growth rates of regulated prices (tariffs) of natural monopolies SACs are forced to reduce programs of development of electric energy metering for benefit of preserving of volumes of electric grid facilities construction

and grid connection.

Uniform requirements to creation of systems of commercial (control) and technical metering of electric power with automated data acquisition of the retail market in the distribution electric grid complex are specified by the Regulation on the uniform Technical policy of JSC "Rosseti".

Key directions of the Policy in the field of development of electric energy metering are:

1. Realisation of programs of perspective development of systems of electric energy metering in the retail markets of electric energy.

2. Development and use of high technologies of electric energy metering, duplicating of perspective solutions in the field of smart metering.

3. Attraction of additional sources of financing for creation (modernisation) of systems of electric energy metering, including at the expense of target programs, energy service agreements (contracts), contracts of paid rendering of services with consumers.

4. Enhancement of the Russian Federation legislation in the field of energy saving and increase of power efficiency in the direction of stimulation of consumers of electric energy to development of smart systems of metering of energy resources.

1.4. Increase of loading of grid capacity

Calculations show that average degree of use of maximum capacity by consumers is only about 50 percent. In spite of the fact that actual degree of use by consumers of grid infrastructure can be small, grid organisations are forced to contain necessary volume of the grid infrastructure corresponding to the maximum capacity of consumers, maintaining it in a ready state. Simultaneously with it, the grid organisations need investments on creation of new grid capacity for satisfaction of a growing demand for new connections, especially it is actual for the Moscow and St.-Petersburg agglomerations, for the Krasnodar territory and some other regions of the country.

Acting principles of tariff making do not consider specificity of rendering of service in transmission of electric energy assuming servicing of all existing grid infrastructure without dependence on actual volume of transmission of electric energy (power). The solution of this problem is stated in the framework of directions on enhancement of tariff regulation of the Economic policy of JSC "Rosseti".

The basic directions and events of this Policy on increase of loading of grid capacity on medium-term prospect:

1. Participation in enhancement of the legislation of the Russian Federation in the field of the electric power industry in the directions:

simplification of a legal mechanism of redistribution of free capacity;

implementation of a compulsory two-part tariff rate option for services in transmission of electric energy similar to the requirements shown to participants of the wholesale market of electric energy;

differentiation of services in transmission of electric energy taking into account payment of reserved maximum capacity with a view of stimulation of consumers to refusal of not used grid capacity and optimisation of a mode of consumption of electric energy.

2. Creation of conditions for active management of peak loads there where it is economically reasonable, including conditions of stimulation of consumers to active management of loading.

3. Creation of an information Internet platform on a portal on grid connection of JSC "Rosseti" for placing by consumers and grid organisations of information on availability of free capacity and publication of requests for a concession (additional purchasing) of capacity.

1.5. Improvement of quality of forming of volume of services in transmission of electric energy

The primary goal in the field of forming of volume of services in transmission of electric energy is reduction and gradual exclusion of volume of consumption of electric energy determined on the basis of readings of a metering device presented by the consumer and billing methods of electric energy (power) metering.

Transition from visual taking readings of a metering device to automated will allow to lower essentially costs of grid organisations for keeping the corresponding staff of inspectors, and also to bill volume of services in transmission of electric energy on the basis of actual readings fixed at one time, thereby having raised accuracy of forming of volume of services, drawing up of balance of electric energy and revealing of "centres" of losses. Forming of volume of services in transmission of electric energy with use of automated systems of electric energy metering should be performed by forces of grid organisations.

Key lines of business in the field of forming of volume of services in transmission of electric energy are as follows.

1. Provision of complete and authentic data on consumption of electric energy, including residential customers, proprietors and users of premises in multi-apartment houses and residential houses, when there are no individual metering devices, at non-presentation by the consumer of readings of the metering device within fixed terms and in the absence of a control metering device.

2. Formalisation of mutual relations of grid organisations and suppliers of last resort (power sales, power supplying organisations) in the field of commercial metering of electric energy.

3. Stimulation of consumers to use systems of electric energy metering in billing for electric energy and services in its transmission.

4. Implementation by SAC of typified specialised software solutions in the field of forming of volume of services in transmission of electric energy and balance of electric energy for grid elements.

1.6. Increase of discipline of payments for electric energy and service in its transmission

Since 2007, with the termination of participation of JSC "RAO UES of Russia" in the majority of suppliers of last resort - legal successors of joint stock companies of power and electrification, steady growth of indebtedness for services in transmission of electric energy to SACs is observed. For last four years the volume of total indebtedness to distribution grid companies increased more than 2 times and by the end of 2013 reached 99 billion roubles, accounts receivable turnover is 54 days.

Existence of challenged indebtedness bears serious negative consequences for SACs, expressed that until dispute resolution in judicial or non-judicial order SACs cannot undertake any actions concerning challenged indebtedness - neither to write off, nor to restructure, nor to collect.

Growth of overdue indebtedness first of all is connected with low discipline of payments of suppliers of last resort and TGOs. Growth of indebtedness of these groups of consumers of services is caused by both the objective reasons (low level of payment of the supplied electric energy by end users), and subjective (unconscientiousness and abusings from consumers of services). Entering of restriction of a mode of consumption of electric energy concerning the supplier of last resort and (or) termination with it of agreements of rendering of services in transmission of electric energy are impossible by force of law.

The problem becomes complicated with ambiguity of interpretation of some the norms of the legislation connected with application of variants of the tariff (one part/two part), determination of sizes of capacity, volume and cost of rendered services that has led to forming of considerable volume of disagreements between the grid organisations and consumers.

The decision of the Board of Directors of JSC "Rosseti" in February 2014 confirmed the JSC "Rosseti" Program on increase of overall performance with debt receivable for services in transmission of electric energy, planned for realisation in 2014-2015.

Key directions of the Policy in the field of increase of overall performance with debt receivable are as follows.

1. Approval of the standard contract of rendering of services in transmission of electric energy for each category of consumers with a view of exclusion of disputes and disagreements at its conclusion and execution.

2. Increase of transparency and provision of unambiguity of forming of obligations for services in transmission of electric energy for the purpose of decrease in volumes of the disagreements leading to increase of debt receivable to SACs.

3. Forming of standard intraorganizational conditions in which counterparts of SACs will avoid accumulating of overdue debt receivable.

4. Modification of a system of motivation of the personnel regarding stimulation for work on debt receivable decrease.

5. Participation in enhancement of the legislation of the Russian Federation in the field of electric power industry with a view of increase of payment discipline in billings for supplied electric power and services in its transmission.

2. RENDERING OF SERVICES IN GRID CONNECTION

The basic standard legal acts and organizational administrative documents of JSC "Rosseti" in the field of rendering of services in grid connection are the documents specified in section I of this Policy, and also the following:

Federal act of the Russian Federation from 04.05.2012 №35-FZ «About electric power industry»;

The Rules of grid connection of power receiving devices (power installations) of legal and physical persons to electric networks, confirmed by the governmental order of the Russian Federation from 27.12.2004 №861;

The Standards of disclosing of the information by subjects of the wholesale and retail markets of electric energy, confirmed by the governmental order of the Russian Federation from January, 21st, 2004 №24;

Order of JSC "Rosseti" from 29.12.2013 № 727 «About planning of development of electric networks»;

Order of JSC "Rosseti" from 30.12.2013 №731 «About enhancement of grid connection».

2.1. Enhancement of the process of grid connection in the Group of Companies "Rosseti"

During the past years within the limits of realisation of the Action plan ("road map") «Increase of availability of power infrastructure», there were essential changes, both in the procedure of grid connection, and the regulation model.

First of all the procedure of connection regarding simplification of the procedure and reducing of grid connection stages is improved. Secondly, the control of adherence to deadlines of realisation of grid connection through inclusion of a quality level of grid connection in the system of indicators of reliability and quality of rendered services which execution is considered at establishment of the tariff for services in transmission of electric energy, and through entering in the system of motivation for grid organisations of key performance indicators on quality of grid connection is strengthened.

The following **directions of the Policy** in the field of enhancement of the grid connection procedure are **key**.

1. Optimisation of business processes on grid connection, including the principle realisation «single window» (creation of the uniform centre of responsibility on work with consumers and exclusion of necessity of interaction of consumers with other divisions of the grid organisation) and implementation of the service «grid connection on a turn-key basis».

2. Automation of activity and implementation of typified solutions on grid connection and interaction with consumers.

3. Carrying out of inventory of the maximum capacity of existing grid connections of consumers of SACs of JSC "Rosseti".

4. Creation of conditions of accessible grid connection at the expense of application of typified design solutions, conclusion of frame agreements of delivery

of goods, works and services for execution of activities for grid connection.

5. Implementation of typified regulations of realisation of grid connection to networks of SACs of JSC "Rosseti", including the order of interaction of SACs concerning grid connection.

6. Creation of uniform information-technological and telecommunication infrastructure of electronic (interactive) servicing of consumers of services of JSC "Rosseti", including development of the functionality of a uniform information portal on grid connection of JSC "Rosseti" and integration with interactive services of sites of SACs. Implementation of the procedure of giving and acceptance of requests for grid connection of applicants in the electronic form on the "Internet" will allow to simplify essentially the procedure of grid connection and to reduce quantity of visits to the grid organisation at connection.

2.2. Participation in enhancement of the legislation of the Russian Federation in the field of electric power industry on implementation of the balanced responsibility of consumers for observance of parameters of grid connection

Enhancement of the grid connection procedure regarding decrease in the size of payment and implementation of an institute of preferential connection has led to the following negative consequences:

disproportionate growth of number of requests for grid connection against moderate growth of power consumption;

untimely accomplishment of specifications on grid connection by consumers;

absence of the declared loading in a point of the performed grid connection;

refusal of the consumer from grid connection.

Also one of essential risk factors of successful realisation of events of the Road map is growth of not compensated shortfall in income of SACs of JSC «Rosseti» from activity on grid connection of power installations belonging to a preferential category of applicants. Growth of not compensated shortfall in income of SACs of JSC «Rosseti» interferes with realisation of grid connection of power installations of other categories of applicants in the terms regulated by the legislation as it leads to deficit of means in investment programs of SACs of JSC «Rosseti» on realisation of the given events. Adjustment of criteria of granting of the preferential rate of payment for grid connection is necessary to exit from the current situation.

Key directions and events of the Policy on enhancement of the legislation of the Russian Federation on implementation of the balanced responsibility of consumers for observance of parameters of grid connection:

1. The mechanism «Take or pay» implementation for the grid connection providing an obligation of the consumer to pay for the service in transmission, without dependence from actual loading, up to full reimbursement of expenses of the grid organisation on realisation of grid connection.

2. Revision of criteria of granting of the preferential rate of payment for grid connection.

3. Revision of principles of accounting of an investment component as a part of payment for grid connection.

In the conditions of restraint of growth of tariffs and restriction of investment possibilities of realisation of events for provision of availability of grid infrastructure it is necessary to review principles of accounting of an investment component as a part of payment for grid connections for heavy users.

Within the limits of the Economic policy of JSC "Rosseti" two approaches of realisation are offered.

1) Establishment of individual tariffs for services in transmission of electric power for heavy users, within the limits of individual long-term agreements on which payment of an investment component to cover the expenses connected with development of the existing network will be provided.

At realisation of the given alternative the consumer receives the option of payment of grid connection within the limits of the long-term tariff for rendering of services in transmission of electric energy with a view of which realisation of grid connection (regarding development of an existing network is performed).

2) Inclusion in the payment for grid connection of the investment component connected with development of the existing network for connection of the given consumer, with a view of decreasing the tariff loading for all other consumers to pay for rendering of services in electric power transmission.

Realisation of the given approach will allow to reduce volume of shortfall in income from rendering of services in provision of grid connection of consumers, to abandon the practice of "restacking" of the expenses incurred by the grid company within the limits of creation of possibility and the subsequent provision of grid connection of heavy users, on all consumers of services in transmission of electric energy in a region.

2.3. Strengthening of the role of JSC "Rosseti" at forming of regional plans of development and schemes of territorial planning

Availability of electricity supply is provided, first of all, with qualitative planning and timely realisation of plans for development of electric networks of regions. Now the procedure of development of regional programs of development and territorial schemes of planning contains the following essential lacks:

development is led by a principle of summation of all requests without critical estimation of their realizability;

absence of timely actualisation by results of monitoring of the scheme realisation and development program;

actual documents of the top level (the Scheme and the Program of development of UES of Russia, the General scheme of placing, the Scheme of territorial planning of the Russian Federation) are not considered;

actual investment programs of subjects of electric power industry (including electric grid organisations), performing economic activities in territory of the subject of the Russian Federation are not considered.

The given factors lead to insufficient quality of regional programs of development and territorial schemes of planning, absence of synchronisation on terms of realisation of technologically connected investment projects of various proprietors and do not allow to use to the full the given institute for effective investment planning. Besides, there are problems with allocation of land plots for electric grid construction and, as consequence, with provision of availability of grid connection.

Key directions and events for strengthening of a role of JSC "Rosseti" at forming of regional plans of development and schemes of territorial planning:

1. Participation in enhancement of the legislation of the Russian Federation in the field of electric power industry in terms of:

conducting the obligatory coordination of regional plans of development and schemes of territorial planning with JSC "Rosseti". Additionally it is reasonable to establish a norm on obligatory accounting in programs of development of requests for grid connection of consumers with capacity more than 5 MW;

establishments of the balanced responsibility of consumers and the regional authorities for essential changes of parametres of grid connection during its realisation.

2. Monitoring of realisation and actualisation of regional plans of development and schemes of territorial planning.

2.4. Implementation of a customer centric approach and increase of trust of consumers

The policy in the field of interaction with consumers of the grid organisation consists in provision of a customer centric approach at realisation of activity of the Group of Companies "Rosseti".

The main objective of the customer centric approach - forming of loyalty of consumers of services to SACs of JSC «Rosseti» at the expense of qualitative servicing and satisfaction of their requirements for services in short - and long-term prospects.

For forming of bases of development of the customer centric approach and servicing quality improvement JSC "Rosseti" defined the following administering principles.

Quality assurance of services according to the current legislation of the Russian Federation.

Territorial availability and comfortable conditions of internal service in regions of the service area of JSC "Rosseti". The arrangement of infrastructural elements of internal service (offices of servicing of consumers) provides for covering of a service area of a SAC and availability of servicing of consumers of services. Internal service is convenient for all groups of consumers and is organised with observance of the Uniform quality standards of servicing by grid organisations of consumers of services.

Availability and efficiency of correspondence and electronic (interactive)

servicing. The grid organisation provides for the round-the-clock access to telephone servicing and quick response to inquiries of consumers. The electronic (interactive) servicing on the "Internet" has convenient and high-speed access, the interface and toolkits of interactive service are ergonomic and intuitively clear for consumers.

Transparency and disclosure of activity of the Group of Companies "Rosseti" for consumers.

Taking into account a demand for electronic servicing through the "Internet" from small and average business the basic accent in development of the customer centric approach is made on development of interactive services for electronic support of the grid connection procedure and receipt of the address information on stages of rendering of services.

Key directions and events for the implementation of the customer centric approach and increase of trust of consumers:

1. Development of electronic (interactive) servicing of consumers on the "Internet". At the first stage of development it is necessary to create uniform information-technological and telecommunication infrastructure of electronic (interactive) servicing of consumers of services for the Group of Companies "Rosseti" through integration of an information portal on grid connection of JSC "Rosseti" with services of sites of SACs on the «Internet», such as «Personal customer account», "Internet reception", «Calculator of grid connection cost».

The second stage of development of electronic servicing of consumers will be directed on expansion of target audience of visitors of the portal on grid connection of JSC "Rosseti" for the account of:

business applications for third party TGOs on information disclosing according to the current legislation on a portal of grid connection;

creation of a uniform public platform for the purpose of discussion of questions and offers on grid connection for all interested persons;

study of a question of inclusion in the list of services of the Federal state information system «Uniform portal of the state and municipal services (functions)» of services to accept requests for grid connection in the electronic form, including participation in enhancement of standard legal acts in areas of communication and mass communications of the Russian Federation and the electric power industry.

2. Modernisation and development of an infrastructure of internal servicing of SACs of JSC «Rosseti». For optimum location of offices of servicing in the territory of operational responsibility of SACs of JSC "Rosseti" such parametres are specified as number and population density, demand for internal servicing from the population. The further development of the internal infrastructure of servicing of the Group of Companies "Rosseti" is planned taking into account requirements of the Uniform quality standards of servicing by grid organisations of consumers of services.

For creation of comfortable conditions for consumers at servicing in a CSC modernisation and upgrade of premises of the CSC with modern equipment for

mass servicing, such as electronic queuing, terminals for acceptance of fee and self-service help terminals is conducted.

3. Optimisation of correspondence servicing by phone (call-centres, hot lines, trust telephone lines) of SACs of JSC «Rosseti», including the organisation of mass informing at technological infringements with mass outages of consumers of electric power.

4. Forming of feedback with consumers of services of SACs of JSC «Rosseti» on a constant basis, including carrying out of researches to evaluate satisfaction of consumers with service quality on grid connection and transmission of electric energy.

5. Modification of a system of motivation of the Company regarding realisation of the customer centric approach, improvement of quality of services and a degree of service of consumers.

6. Direction development on rendering of value-added services of SACs of JSC «Rosseti» will allow to provide the complex approach to servicing of consumers, including at the expense of rendering of services "on a turn-key basis".

Rendering of services "on a turn-key basis" on grid connection will allow to minimise quantity of iterations (stages) and internal visits of the consumer to the grid organisation, to force out "a shadow" segment of firms-intermediaries from the market of electric grid services, and also to lower reputational risks of SACs caused by low quality of services of firms-intermediaries and overestimated cost of their work.

3. POWER SALES ACTIVITY

Now the current legislation of the Russian Federation (article 6 of Federal act from March, 26th, 2003 №35-FZ and point 11 of the list of orders of the Governmental commission concerning electric power industry development (№VP-P9-9378 from February, 11th, 2012)) forbids combination of types of activity on purchase and sale and transmission of electric power.

On June, 19th, 2013 Letter TSA/23599/13 of the FAS of Russia specified the necessity of prompt elimination of affiliation between grid and sales companies and noted share transfer of power sales companies to noncommercial partnership as a possible lawful method of elimination of affiliation.

Thus, for accomplishment of requirements of the law it is necessary to alienate stocks of power sales companies belonging to JSC "Rosseti" for the purpose of elimination of affiliation between the electric grid and power sales companies.

On the basis of the Concept of the organisation of power sales activity in the companies of the Group of Companies "Rosseti", including in the North Caucasian region and in the territory of the Chechen Republic, confirmed by Minutes of the Management Board of JSC "Rosseti" №199pr/2 from 14.10.2013, it is planned to transfer the stocks of power sales companies belonging to JSC "Rosseti" and its SACs to Noncommercial partnership of subjects of infrastructure of the retail market of electric power.

Till the moment of share transfer of the power sales companies to the noncommercial partnership JSC "Rosseti" implements a set of measures directed on achievement of the 100 % level of collection of monetary funds in the retail markets of electric energy and the 100 % payment level in the wholesale market of electric energy (power) in all territories, served by power sales companies of SACs of JSC «Rosseti».

4. INTERACTION WITH TERRITORIAL GRID ORGANIZATIONS

The basic standard legal acts and organizational administrative documents of JSC "Rosseti" in the field of interaction with TGOs are the documents specified in section I of this Policy, and also the following:

Federal act of the Russian Federation from 04.05.2012 №35-FZ «About electric power industry»;

The Rules of grid connection of power receiving devices (power installations) of legal and physical persons to electric networks, confirmed by the governmental order of the Russian Federation from 27.12.2004 №861;

The Substantive provisions of functioning of the retail markets of electric energy and the Rules of complete and (or) partial restriction of a mode of consumption of electric energy, confirmed by the governmental order of the Russian Federation from 04.05.2012 № 442.

4.1. Development of the uniform concept of the Group of Companies "Rosseti" on consolidation of electric grid assets and mechanisms of its realisation

The existing economic situation in Russia and the restrictions connected with it to increase tariff on electric power transmission impose essential restrictions on financing and realisation of the events connected with acquisition of power facilities of other TGOs.

Organisations of the Group of Companies "Rosseti" have developed, confirmed and since 2011 have implemented the Programs of consolidation of electric grid assets (hereinafter - the PCEGA).

The PCEGA of SACs of the Company was approved for 2011-2015, and further on (unlike Business plans, Scenary conditions, Investment programs etc.), as a rule, were not reviewed. In connection with situation changes in electric power industry in comparison with 2011 (including in connection with formation of new and reorganisation of old TGOs), actualisation of the existing scheme of consolidation in SACs of the Company is necessary taking into account solving tasks provided by the Strategy of development of the electric grid complex.

Key directions and events for development of a uniform policy for consolidation of electric grid assets and its realisation:

1. Development of the concept of the Group of Companies "Rosseti" on consolidation of electric grid assets, including development of criteria of estimation and a decision making order about expediency of realisation of

transactions on acquisition/consolidation of electric grid assets.

2. Development/actualization of programs of consolidation of electric grid assets in SACs of JSC «Rosseti».

In particular, forming of a list of TGOs and electric grid facilities is supposed in which consolidation the organisations of the Group of Companies "Rosseti" are interested in medium-term prospect and the operating plan on realisation of concrete programs of consolidation on short-term prospect.

3. Realisation by SACs of JSC «Rosseti» of programs of consolidation of electric grid property of organisations, including not corresponding to criteria of reference of owners of electric grid facilities to TGOs or being low efficient.

4.2. Organisation of interaction of the Company with Noncommercial partnership TGO concerning power equipment operation.

«Patched-up» electric grid (when sections of a grid belong to different proprietors) influences level of reliability of electricity supply of consumers, creates difficulties at operation and liquidation of failures at electric grid facilities.

Poor-quality accomplishment of maintenance service and equipment repairs (use of unskilled operational personnel, or its total absence) directly influences level of reliability of electricity supply of consumers.

Absence or limited interaction between adjacent grid organisations does not allow to optimise terms of elimination of damages to an electric network.

Application of various technical solutions and use of different equipment complicate realisation of investment programs at adjacent electric power facilities.

One of the basic tools of qualitative interaction with TGOs concerning power equipment operation is Noncommercial partnership TGO.

Key directions and events for the organisation of interaction of the Company with Noncommercial partnership TGO concerning operation of power facilities:

1. Promotion of the Technical policy of the Group of Companies "Rosseti" as the basic document determining the main technical directions at operation and development of electric grid facilities for TGOs - members of NP TGO.

2. Creation of uniform information space between members of NP TGO on various questions (typified infringements in work, defects of electrotechnical equipment, problems of interaction with manufacturers of the electrotechnical equipment etc.).

3. Estimation of expediency and development of schemes of interaction concerning operation of electric grid facilities and liquidation of infringements in work of electric grid equipment at facilities of SACs of the Company and adjacent TGOs (taking into account places of storage of emergency reserve, production bases, first responding mobile crews etc.).

4.3. Participation in enhancement of the legislation of the Russian Federation in the field of electric power industry regarding interaction of grid organisations and state regulation of activity of grid organisations

Simplicity of reception of the status of a TGO and existence of a significant amount of electric grid facilities belonging in the past to large industrial organisations to which indirectly small consumers are connected – subscribers, over the last years caused sharp growth of the number of TGOs. Interested persons acquire rights of possession and using of electric grid facilities and without effort receive the TGO status. Now in the territory of the Russian Federation more than 3,000 TGOs are registered. The given fact (artificial splitting of the grid complex between various legal persons) predetermines non-optimal resource allocation, connected with its operation and development.

In the conditions of restriction of growth of uniform (joint operation) tariffs for services in transmission of electric energy appearance of new TGOs leads to reduction of required gross revenue of SACs of JSC «Rosseti». Thus in a number of regions the cost of servicing one standard unit of electrotechnical equipment is 2-3 times more expensive, than at organisations of the Group of Companies "Rosseti".

The main reasons of the failure to perform by other TGO obligations on payment for transmission of electric energy and compensation of losses:

poor performance and high level of above-standard losses of TGOs and, as consequence, - impossibility to perform the obligations to counterparts;

deliberate evasion from the obligation fulfilment, insufficient level of legislative regulation of activity of TGOs;

non-observance by third party TGOs of requirements of the legislation of the Russian Federation in the field of electric power industry (provision of appropriate metering of electric energy, official registration of papers about grid connection, determination of sizes of reserved maximum capacity, etc.) that does not allow SAC-joint operation operators to execute corresponding agreement obligations to suppliers of last resort;

increase at existing TGOs of volume of property/assets and accordingly volume of rendered services in the middle of the calendar year leads to occurrence at SAC-joint operation operators of not compensated expenses connected with payment of the increased volume of services of such TGOs under earlier established individual tariff for mutual settlements.

Key directions on participation in enhancement of the legislation of the Russian Federation in the field of electric power industry regarding interaction of grid organisations and state regulation of activity of grid organisations are as follows.

1. Participation in development of criteria of reference of owners of electric grid facilities to TGOs. Conformity to requirements will become obligatory to receive the right to render services in transmission of electric energy with use of belonging electric grid facilities after establishment of tariff for services in transmission of electric energy.

2. Participation in development of a procedure of transfer of electric grid facilities of owners, who do not correspond to established criteria, to management of qualified grid organisations. Thereby the mechanism of "taking over" of electric grids of unskilled TGOs is being created.

3. Implementation of comparative cost analysis of TGOs for tariff regulation.

Regional regulation authorities apply various approaches to regulation of SACs of JSC «Rosseti» and other TGOs, which frequently leads to decrease in required gross revenue of SACs of JSC "Rosseti" for benefit of other TGOs, including new coming, which receive higher in comparison with SACs required gross revenue per unit of the equipment, increased at disproportionately high rates.

With a view of exclusion of the given negative factor for calculation of costs at tariff regulation the level of costs of the most effective grid organisations will be used.

5. INTERACTION WITH FEDERAL AND REGIONAL AUTHORITIES

5.1. Participation of the Company in standard-legal activity

The basic directions and events of the Policy on participation of the Company in the standard-legal activity are:

1. Construction of regular and effective interaction with public authorities in the processes of:

planning of the Company's rule-making activity;

constant monitoring of legal space for the purpose of immediate reaction to legislation changes;

preparation of offers on enhancement of the acting standard legal acts infringing the Company's interests;

development of drafts of legislative and other legal acts with a view of forming of the standard-legal base of functioning of the Company;

preparation of amendments for drafts of the federal acts which are on consideration of chambers of the Federal Assembly of the Russian Federation;

preparation of remarks, offers and expert judgements for drafts of the standard legal acts infringing the Company's interests;

supports in chambers of the Federal Assembly of the Russian Federation of drafts of federal acts and amendments to them, corresponding to interests of the Company;

participation in working groups of federal enforcement authorities on development of drafts of standard legal acts.

2. Provision of representation of the Company in events, organized and held at the initiative of chambers of the Federal Assembly of the Russian Federation, including in parliamentary hearings, «round tables», conferences, meetings, in events, organized by the Government of the Russian Federation, federal enforcement authorities, authorities of subjects of the Russian Federation,

plenipotentiaries of the President of the Russian Federation in federal districts, business communities and public organisations, including:

information support of the Company's management about prepared and accepted decisions of chambers of the Federal Assembly, the Government of the Russian Federation and federal enforcement authorities, regional bodies of legislative and executive power;

formation of necessary contacts and organisation of «negotiation platforms» for discussion of questions considered in federal authorities, authorities of subjects of the Russian Federation;

organisation and carrying out of events for protection of interests of the Company and SACs at decision making by federal authorities, authorities of subjects of the Russian Federation.

with a view of enhancement of procedures of participation of the Company in processes of development, examination, discussion and support in public authorities of drafts of standard legal acts, for provision of coordination of corresponding activity according to Order from 30.07.2013 № 448 the Company created the rule-making Committee of JSC "Rosseti", and also approved the Provision about standard-legal work in JSC "Rosseti" and the procedure of interaction with public authorities.

5.2. Provision of cooperation with authorities concerning planning and realisation of regional programs of territorial development

The main events for the task are stated in section 2.3. «Strengthening of the role of JSC "Rosseti" at formation of regional plans of development and schemes of territorial planning».

6.INTERACTION WITH SHAREHOLDERS AND INVESTORS

6.1. Provision of equal and timely access to material information

For provision of equal and timely access to material information on activity of the Group of Companies "Rosseti" and its results, and also information, capable to affect value of securities, this Policy provides the following key events for all shareholders and investors.

1. Disclosure on official sites of the Group of Companies "Rosseti":

material information according to rules of disclosing;

financial results prepared according to the International Financial Reporting Standards (IFRS);

The financial results prepared according to the Russian Accounting Standards (RAS).

2. Annual preparation and disclosure of Annual Reports for the purpose of increase of knowledge of shareholders of the Group of Companies "Rosseti" and other stakeholders according to requirements of the Russian legislation and the best

world practices.

3. Annual preparation and publication of Reports of the Group of Companies "Rosseti" about social development and corporate sustainable development according to requirements of the Russian legislation and the regulation on the reporting in the field of sustainable development GRI and with use of the best world practice of disclosure.

4. Annual preparation of Reports of the management of the Group of Companies "Rosseti" according to requirements of the legislation of Great Britain, shown to the companies which have passed listing at the London stock exchange.

6.2. Provision of regular and effective bilateral communications with shareholders and investors

For provision of regular and effective bilateral communications with Russian and foreign shareholders and investors, professional participants of a securities market, including for increase of liquidity of securities of the Group of Companies "Rosseti" the following **key events** are provided.

1. Regular oral and written communications with analysts of stock market and investment community. The Group of Companies "Rosseti" in due time presents the information on the activity. Answers to inquiries of analysts and investors are given within as much as possible short terms.

2. Carrying out of group and individual meetings with shareholders and investors. The Group of Companies "Rosseti" regularly holds group and individual meetings with shareholders, investors and professional participants of a securities market, organises visiting of production facilities, participates in investment and branch conferences, conducts international road-shows for the purpose of provision of deeper understanding of fundamental bases of business of JSC "Rosseti" and SACs, discussions of technical details, and also providing to analysts and investors possibility directly to communicate with the Company's management and to understand its position on the main questions of activity of the Group of Companies "Rosseti".

6.3. Provision of shareholders' rights to manage the Group of Companies "Rosseti"

For provision of the rights of all shareholders to manage the Group of Companies "Rosseti" the Policy in the field of interaction with shareholders and investors provides for Annual Shareholders' General Meetings, and in case of need extraordinary Shareholders' General Meetings at which shareholders make decisions on the major events of activity of the Group of Companies "Rosseti".

During shareholders' meetings work of a reception office for shareholders is organised in which shareholders receive detailed information about activity of the Group of Companies "Rosseti".

The Group of Companies "Rosseti" aspires to hold the Day of the investor/analyst annually for provision of more complete understanding by

shareholders and other representatives of investment community of current activity of the Group of Companies "Rosseti".

7. INTERACTION WITH MANUFACTURERS OF ELECTROTECHNICAL EQUIPMENT

Within the limits of realisation of the Policy the Group of Companies "Rosseti" leads work with manufacturers of electrotechnical equipment on activity coordination in terms of:

stimulation of development in territory of the Russian Federation of the competitive market of modern electrotechnical equipment;

stimulation of development of complex branch innovative infrastructure;

stimulation of development and enhancement of production technologies, manufacture of new kinds of electrotechnical equipment;

enhancement of normative and technical base and methodical provision of interaction with manufacturers of electrotechnical equipment;

increase of transparency of purchasing activity of the Company.

7.1. Stimulation of development in territory of the Russian Federation of the competitive market of modern electrotechnical equipment

For stimulation of development of the competitive market of modern electrotechnical equipment the following **key events** are provided by the Policy.

1. Formation and execution of programs of import substitution of the Group of Companies "Rosseti" for the purpose of development of production technologies and increase in volume of produced modern electrotechnical equipment in the territory of the Russian Federation.

2. Creation and development of forms of support (including state) of domestic producers of electrotechnical goods with a view of realisation of programs of import substitution of the Company and SACs.

3. Assistance in localisation by foreign companies of production of electrotechnical equipment and element base for it in the territory of the Russian Federation.

4. Rendering of assistance to domestic producers on attraction of foreign technological partners, including provision of transfer of advanced foreign production technologies of electrotechnical equipment, accessories, materials and systems.

5. Rendering of assistance to manufacturers of electrotechnical equipment at interaction with authorities and other stakeholders for the purpose of decrease in the cost value of electrotechnical equipment produced in the territory of the Russian Federation.

7.2. Stimulation of development of complex branch innovative infrastructure

For stimulation of development of complex branch innovative infrastructure the following **key events** are provided by the Policy.

1. Implementation of modern electrotechnical equipment at electric grid facilities of SACs of JSC «Rosseti».

2. Creation of a system of verification and quality control of purchased equipment, technologies, systems and materials, responsible for prevention of deliveries of poor-quality equipment with a view of qualitative servicing at operation, timely repair and replacement of equipment.

3. Creation of the Federal test centre, satisfying to requirements of the electrotechnical industry, support of development of a network of test centres in the Russian Federation.

4. Assistance in carrying out of testing of innovative electrotechnical equipment, technologies and materials in the territory of the Russian Federation.

5. Assistance in carrying out of certification and performance review of innovative developments of electrotechnical goods in the territory of the Russian Federation.

6. Forming of requirements for innovative electrotechnical goods for needs of the electric grid industry.

7. Development of the information portal «Manufacturers of electrotechnical equipment of the Russian Federation» with indication of a list of manufacturers with geographical binding to federal districts.

7.3. Stimulation of development and enhancement of production technologies, manufacture of new kinds of electrotechnical equipment

For stimulation of development and enhancement of production technologies and manufacture of new kinds of electrotechnical equipment the following **key events** are provided by the Policy.

1. Attraction of manufacturers to forming and realisation of a program of research and development of the Company.

2. Realisation of joint with manufacturers of the equipment financing of research and development under specialized subjects for JSC "Rosseti".

3. Rendering to a manufacturer assistance in choosing facilities to implement innovative electrotechnical equipment, technologies, materials and systems.

4. Support of manufacturers at implementation and trial operation of innovative equipment created as a result of research and development.

5. Assistance to manufacturers in promotion on the market of innovative breakthrough developments and technologies, their commercialisation.

6. Provision of a guarantee of nondisclosure (without the consent of the manufacturer) of confidential information about new developments of manufacturers before registration of the rights to intellectual property.

7. Support in promotion of domestic innovative electrotechnical goods abroad.

8. Provision of active support and participation of manufacturers in congress-exhibition activity, technical meetings and seminars devoted to

organisation of new productions and kinds of electrotechnical goods.

7.4. Enhancement of normative and technical base and methodical provision Interactions with manufacturers of the electrotechnical equipment

For enhancement of normative and technical base and methodical provision the following **key events** are provided by the Policy.

1. Development of technical requirements and standards of the organisation by kinds of electrotechnical goods, materials and technologies, taking into account requirements on reliability, power efficiency and innovation.

2. Attraction of manufacturers to forming of documents of the Company regulating the basic production processes and development of the electric grid complex.

7.5. Increase of transparency of purchasing activity of the Company

The basic directions of increase of transparency of purchasing activity of the Group of Companies "Rosseti", including for manufacturers of electrotechnical equipment, are specified by the Purchasing Policy of JSC "Rosseti".

8. INTERNATIONAL ACTIVITY

For realisation of the main objectives of the Policy in the field of international activity JSC "Rosseti" conducts the work directed on the solution of the following tasks:

use of the best practices of the international management, study of the international experience of application and implementation of modern equipment and technologies, creation of the long-term partnership providing knowledge sharing;

participation in forming and management of the international company assets, interaction with international organisations;

development and preserving of parallel work of the UES of Russia with power supply systems of foreign countries;

development of interstate sections, including, for the purpose of use of transit potential of Russia to receive the greatest benefit for national economy;

participation in international congress-exhibition events for the purpose of attraction of potential partners;

expansion of presence in foreign markets.

8.1. Implementation of the best practices of the international management

For implementation of the best practices of the international management the Policy provides for the following **key directions of development**.

1. Study of the international experience of management of electric grid assets.

2. Participation in forming and management of international assets.

3. Expansion of forms of property management with participation of

potential of foreign companies, diversification of markets of services.

8.2. Development and preserving of parallel work of the UES of Russia with the adjacent states

For development and preserving of parallel work of the UES of Russia the following **directions** are provided by the Policy.

1. Provision of deliveries of electric energy for export and import, and also realisation of transit of electric energy through grids of foreign states.

2. Development of interstate sections, including, for the purpose of use of transit potential of Russia and to receive the greatest benefit for national economy.

3. Participation in electric grid construction in the territory of the third countries.

4. Entrance to the international market for the purpose of acquisition of experience of the transmission grid operator on territory of a foreign state.

5. Participation in enhancement of the legislation of the Russian Federation in the field of electric power industry for provision of parallel work of the UES of Russia.

8.3. Implementation of the best international practices of application of modern equipment and technologies

For implementation of the best international practice of application of modern equipment and technologies regarding interaction with manufacturers of electrotechnical equipment the Policy provides for the directions stated in section 7.1 of this Policy, and also the following.

1. Study of the international experience of application of modern equipment and technologies and their implementation.

2. Organisation of bilateral (multilateral) cooperation with foreign power companies and manufacturers of electrotechnical equipment.

8.4. Organisation of interaction with international organisations

Within the limits of the organisation of interaction with international companies the Policy provides for the following directions.

1. Participation in international congress – exhibition events for the purpose of attraction of potential partners.

2. Organisation and carrying out of the international forum UPGrid for the purpose of development of dialogue of the state, fundamental and applied science, project institutes and the industry for determination of the most perspective directions of modernisation of the electric grid complex.

3. Participation in work of international committees and commissions for the purpose of representation of interests of the Company with reflection of a position of the electric grid complex of the Russian Federation.

9. INTERACTION WITH HUMAN ORGANIZATIONS AND MASS-MEDIA

9.1. Increase of recognition and strengthening of the brand of JSC "Rosseti" as a leader of the competence on management of the electric grid complex of the Russian Federation

In view of features of current perception of JSC "Rosseti" as a new brand at various target audiences and communities the system of communications should include the **following directions**.

1. Development of a system of "feedback" with consumers and the public for the purpose of studying of the attitude to the Group of Companies "Rosseti", entering of corrective amendments into processes of operational activity for conformity to requirements and expectations of consumers of SACs.

2. Expansion of channels of communications. Using as platforms not only traditional mass-media, but also the social media, allowing to be built in communication circles of various groups of users, operatively to react to information inquiries/conflict situations.

3. Development of work with expert and investment communities on various specialized debatable platforms, creation of joint working and (or) expert groups.

4. Creation of own pool of internal and external experts.

5. Work with employees of the company on increase in their loyalty to the JSC "Rosseti" brand.

6. Creation and production of own intracorporate mass-media of the Group of Companies "Rosseti".

9.2. Implementation of uniform standards of interaction of the Group of Companies "Rosseti" with the public and mass-media

Realisation of the Policy regarding implementation of uniform standards of interaction with the public and mass-media includes the **following key events**.

1. Forming of the uniform standards regulating activity on development of external and internal communications of the Group of Companies "Rosseti" with a single system of ideas, facts and arguments at interaction with mass-media, partners and other third parties.

2. Carrying out of continuous monitoring of an information field in the context of activity of the Group of Companies "Rosseti".

3. Forming of ideas for mass-media on all lines of business of the Company, for the purpose of their further use in information work.

4. Timely reaction to inquiries of mass-media.

5. Organisation of visits to facilities of electric grid infrastructure of SACs (federal/regional levels).

6. Preparation of reference, information-analytical and presentation materials showing efficiency of the Group of Companies "Rosseti".

7. Carrying out congress-exhibition and press events with attraction of representatives of executive and regulation authorities, branch experts, public and political figures.

VI. CONTROL OVER REALIZATION OF THE POLICY AND ITS ACTUALIZATION

Control over realisation of this Policy is performed at interaction with external stakeholders in functional directions of the Policy by specialized structural divisions of the Company and SACs (in case of its approval in SACs as an internal document) within the competence.

The decision on the approval of the Policy and its updates, and also about modification (addition) of the Policy is accepted by the Company's Board of Directors. First deputies and deputies to General director of the Company can be initiators of changes in the Policy.

Basis for actualisation of the Policy is:

essential change of external factors and general context of realisation of the Policy and the Company's activity:

change of the legislation of the Russian Federation in the field of electric power industry;

essential change of rates or characteristics of development of domestic economy;

appearance of new technologies, essentially changing conditions and possibilities of this Policy realisation.

essential change of internal conditions of the Policy realisation, including preschedule achievement of the target values established in this Policy.

Terms, determinations and abbreviations

SAC - affiliated and dependent companies and organisations of the Company, legal persons, stocks (shares) of which the Company owns and performs concerning SAC the rights of the shareholder (participant) of SAC.

Group of Companies "Rosseti" - JSC "Rosseti" and SACs of JSC "Rosseti".

supplier of last resort - default provider of electric energy.

R&D - research and development.

Policy - the policy of interaction with the society, customers and authorities of JSC "Rosseti".

PCEGA - the program of consolidation of electric grid assets.

Wholesale market for electric energy and power - the wholesale market of electric energy and capacity.

TGO - territorial grid organisations.

CSC - customer service centre.

Yardstick-competition - indirect or «criterion» competition whose tool of realisation is benchmarking.