



IDGC OF CENTRE

**Investment Program
of IDGC of Centre, JSC
for 2012**

Investment program for 2012 was formed on the basis of current production goals, objectives and development plans of the Company and the Regions where it operates, based on the investment programs of branches of IDGC of Center approved by bodies of executive power of the RF entities.

When forming the Investment program the provisions of the Scenario conditions of electric utilities development for the period up to 2030, the requirements of the industry technical policy and data of socio-economic development of the Regions in the service area, were taken into account.

Target principles of the Investment programs of the Company:

- ensuring the reliability of electricity supply without load restriction, in compliance with regulatory requirements to the quality of electric energy;
- provision of sufficient flexibility of the electric grid for its gradual evolution and adaptation to the changes of load growth;
- electric energy losses reduction in the electric distribution grid, increase of energy efficiency of operation and reduction of costs of the Company;
- alignment of parameters of electric grid facilities to regulatory requirements, step by step elimination of existing gaps in the level of technological development and efficiency with international standards by improving technology, patterns of operation, including innovations in the existing technological and operational and supervisory platforms.

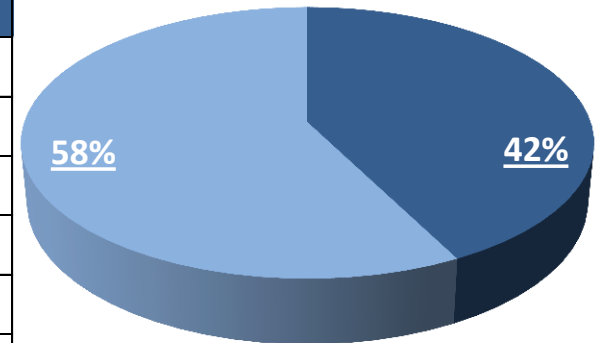
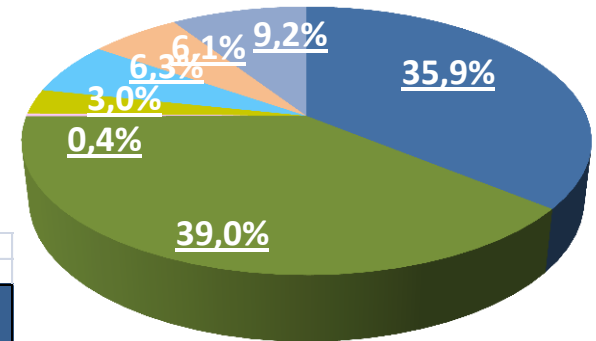
Key parameters of the Investment Program of IDGC of Centre for 2012, broken down by branches

		Disbursement	Financing
		million RUR without VAT	million RUR with VAT
1	Belgorodenergo	3 939	4 734
2	Bryanskenergo	597	752
3	Voronezhenergo	1 038	1 228
4	Kostromaenergo	856	1 010
5	Kurskenergo	821	1 047
6	Lipetskenergo	2 051	2 404
7	Orelenergo	515	655
8	Smolenskenergo	1 160	1 365
9	Tambovenergo	647	772
10	Tverenergo	1 492	1 579
11	Yarenergo	1 220	1 419
	Executive Office	12	14
	IDGC of Centre	14 348	16 980

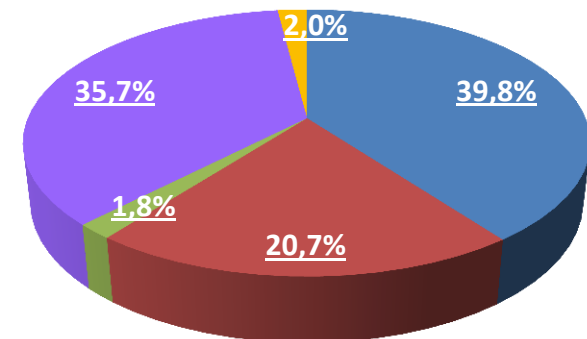
The structure of Investment Program-2012 by main areas, structure of the Program financing sources

- New construction of electric grid facilities (SS, OPL, CL;)
- Replacement of main power equipment (SS, OPL, CL)
- Acquisition of electric grid complexes
- Design and survey work
- Secondary systems (automatic dispatcher control system, communications, IT) *
- Creation/upgrade of metering systems *

As at 12.09.2011				
1 000				
Adjusted Investment program for 2011				
Areas of Capital Investments	New construction	Retooling and	Disbursement, million RUR without VAT	Percentage in the adjusted Investment Program
New construction of electric grid facilities (SS, OPL, CL;)	4 984		5 155	35,9%
Retooling and reconstruction (SS, OPL, CL)	0	5 657	5 600	39,0%
Acquisition and integration of electric grid complexes	151	0	52	0,4%
Design and survey work	195	444	430	3,0%
Secondary systems (automatic dispatcher control system, communications, IT)	194	910	910	6,3%
Creation/upgrade of metering systems	498	368	878	6,1%



- Substations and power lines 35-110 kV
- Substations and power lines 0,4-20 kV



- Depreciation for investments
- Profit from operations
- New connection fee
- Borrowed funds
- Other borrowed funds (advances)



Item #	Main areas of investments	Amount, million RUR	Percent age, %	Deliverables and effects
Required areas to be implemented		12 371	86,2%	
1	Technological connection of consumers under contract with the term of execution in 2012	5 487	38,2%	41 350 NC contracts with a total capacity 2480 MW are being performed. As a result of the program implementation to connect consumers it is planned to commission 628 MVA of facilities and 2462 km of power lines to connect customers.
2	Reconstruction of power grid facilities	2 865	20,0%	It is planned to reconstruct 1549 km of power lines (0.4% of the total length) and 182 MVA of transformer capacity (0.4% of installed capacity). In 2011 more than 8 thousand complaints were received, it is necessary to replace the 311 package transformer substations and 938 km of power lines. The reconstructed facilities are in poor health.
3	The target program on reliability, approved by Board of Directors	1 188	8,3%	It is planned to reconstruct 450 facilities, including replacement of 634 circuit breakers, 11 Switchgear-35 kV, 16 substation control buildings, 103 bays, 24 disconnectors
4	ROW clearing	617	4,3%	It is provided for the expansion of 4137 hectares of ROWs, which is 12% of the required volume.
5	Data collection and transmission software, automation and communication	781	5,4%	According to the data collection and transmission software program it is planned to install remote control at 49 SS and construct communication channels to 121 SS
6	Arrangements for counter-terrorism security	125	0,9%	Reconstruction of Substation fences, CCTV and fire alarm systems
7	Development of metering systems (10% of the program without New Connections)	878	6,1%	It is planned to install 75.2 thousand meters. As a result, it is planned to reduce losses in the amount of 57.8 million kWh, or 1% of the total losses in the grid.
8	EAD of future years	430	3,0%	It is scheduled to perform EAD for 1186 facilities of the investment program for 2013
Other areas		1 979	13,8%	
9	New construction of electric grid facilities	423	2,9%	Completion of construction of Cable Line 110 kV Voronezhenergo - 163 million rubles, CL construction at the request of Heads of Authorities of the Lipetsk region
10	Automation and Communication	129	0,9%	Expenses for replacing legacy communication and telecommunication systems
11	Special vehicles and operation vehicles	464	3,2%	It is planned to purchase 389 pieces of vehicles that is 5% of the entire fleet of vehicles
12	Equipment does not require installation	247	1,7%	Replacement of 620 instrumentation pcs., replacement of worn-out tools and small-scale mechanization
13	Reconstruction of buildings and facilities	501	3,5%	It is planned to reconstruct 29 Distribution Zone depots Construction of Innovation Center (42 million rubles)
14	Relocation of power lines	175	1,2%	The cost of removal of power lines is fully covered by the payment of applicants
15	Integration	40	0,3%	It is planned to purchase electric grid facilities with the parameters of 7 MVA and 24 km
Total for Investment Program 2012		14 348	100,0%	