



“Interregional Distribution Grid Company of Centre”, Joint-Stock Company

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MINUTES

of the meeting of the Committee for Strategy and Development of the
Board of Directors of IDGC of Centre, JSC
(in the form of absent voting)

10 September, 2009.

Moscow

No. 07/09

Form of the meeting: **absent voting.**

Total number of members of the Committee for Strategy and Development: **9 persons.**

Participants of the voting: **A.M. Airapetyan, A.Yu. Voronin, A.V. Klaptsov, K.V. Kotikov, A.Yu. Perepelkin, R.A. Filkin, S.V. Chebotarev.**

The written opinion (questionnaire) of **S.A. Balaeva, E.A. Bronnikov** was taken into account at psephology,

Absent and did not provide questionnaires: **none.**

The quorum: **is present.**

Date of the minutes: 11.09.2009.

Present invited persons:

Representatives of the Company's Management:

Sergey Alexandrovich Arkhipov – Deputy Chairman of the Management Board, First Deputy General Director of IDGC of Centre, JSC.

Sabir Rafikovich Agamaliev – Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for Logistic Support.

Rustem Leronovich Nabiullin - Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for the Capital Construction.

Tatyana Anatolievna Kulbakina – Director for Corporate Relations of IDGC of Centre, JSC.

Vladislav Albertovich Kapitonov – Financial Director of IDGC of Centre, JSC.

Dmitry Mikhailovich Gilev - Chief of the Economy Department of IDGC of Centre, JSC.

Alexander Vladimirovich Skubilin - Chief of the Corporate Finance Department of IDGC of Centre, JSC..

Vasily Alexandrovich Potapov – Chief of the Department for tariffs formation of IDGC of Centre, JSC.

Pavel Sergeevich Tovkach – Head of the Division of Assets Transactions Guarantee of the Department for the Property Management.

Roman Rudolfovich Smirnov – Principal specialist of the Department for the Capital Construction.

AGENDA:

1. Preliminary approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 for the subsequent representation to the Company's Board of Directors.

2. Preliminary approval of the report of the Company's General Director on execution of the Investment Program for the 1st quarter 2009 for the subsequent representation to the Company's Board of Directors.

3. Preliminary Approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 2nd quarter 2009 for the subsequent representation to the Company's Board of Directors.

4. Preliminary approval of the report of the Company's General Director on execution of the Investment Program for the 2nd quarter 2009 for the subsequent representation to the Company's Board of Directors.

5. Recommendations for the Company's Board of Directors on item of definition of priorities: relating to transition to rate regulation concerning services for invested capital transfer by return method (RAB).

There was made the audio record of this meeting of the Committee for Strategy and Development, including the audio record of reporters' speech, of questions of the members of the Committee as well as of explanations and answers of the Company's officers на asked questions.

The audio record is kept in the materials to present meeting of the Committee for Strategy and Development.

Item 1: Preliminary approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 for the subsequent representation to the Company's Board of Directors.

Reporter: **Dmitry Mikhailovich Gilev** - Head of the Economy Department for IDGC of Centre, JSC.

D.M. Gilev's report (presentation) on item of approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 is kept in the materials to present meeting of the Committee for Strategy and Development.

During the discussion of the report the following members of the Committee asked questions: A.M. Airapetyan, S.V. Chebotarev.

The members of the Committee asked the following questions:

What caused the increase in revenues and net profit following the results of the 1st quarter 2009, what are the prognoses of the results of activity following the results 2009, what is the risk of shortfall in income due to refuse of consumers from the «last mile» contracts since 01.01.2009.

Explanations and answers to the asked questions were given by the Company's officers: S.A. Arkhipov, D.M. Gilev.

Decision:

1. To approve preliminary the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 according to the Appendix No.1 to this decision of the Committee for Strategy and Development.

2. To recommend the members of the Company's Board of Directors concerning the item «approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009» to take the following decision:

“To approve the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 according to the Appendix”.

Results of the voting:

Arman Mushegovich Airapetyan	- FOR
Alexei Yurievich Voronin	- FOR
Alexei Vitalievich Klaptsov	- FOR
Konstantin Viktorovich Kotikov	- FOR
Alexei Yurievich Perepelkin	- FOR
Roman Alexeevich Filkin	- FOR
Sergey Vladimirovich Chebotarev	- FOR

Total:

FOR	- «7»
AGAINST	- «0»
ABSTAINED	- «0»

Results of the voting by means of filling in questionnaires:

Svetlana Alexandrovna Balaeva	- FOR
Evgeny Alexeyevich Bronnikov	- FOR

Total:

FOR	- «2»
AGAINST	- «0»
ABSTAINED	- «0»

The decision is taken.

Item No. 2: Preliminary approval of the report of the Company's General Director on execution of the Investment Program for the 1st quarter 2009 for the subsequent representation to the Company's Board of Directors.

Reporter: **Rustem Leronovich Nabiullin** - Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for the Capital Construction.

Co-reporter: **Sabir Rafikovich Agamaliev** – Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for Logistic Support.

R.L. Naibullin's report (presentation) on item of approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 is kept in the materials to present meeting of the Committee for Strategy and Development.

Following the results of the report of R.L. Naibullin the Chairperson of the Committee for Strategy and Development A.M. Airapetyan made the remark to the reporter regarding the presentation of the information on item: it is necessary to show the obtained result following the results of the quarter and separately with growing result.

During the discussion of the report the following members of the Committee asked questions: A.M. Airapetyan, S.V. Chebotarev, R.A. Filkin.

The members of the Committee asked the following questions:

Why in July 2009 (that is already new the results for the 1st quarter 2009) were we approving the Investment Program for 2009 when at the result of which execution in the 1st quarter 2009 the Company had overfulfilled it.

Does overfulfillment of the Investment Program in the 1st quarter have critical nature.
Were the KPI for overfulfillment of the Investment Program fixed for Management of the Company.

What financing sources of the Investment Program relate to “other external” and which to “other proper”.

How does the Company plan “other external” and “other proper” sources in the Investment Program.

Will the Investment Program for 2009 be adjusted taking into account the predicted result.

Explanations and answers to the asked questions were given by: S.A. Arkhipov, S.R. Agamaliev, R.R. Smirnov.

Decision:

1. To approve preliminary the report of the Company’s General Director on execution of the Investment Program for the 1st quarter 2009 according to the Appendix No.2 to this decision of the Committee for Strategy and Development.

2. To recommend the members of the Company’s Board of Directors concerning the item “Approval of the report of the Company’s General Director on execution of the Investment Program for the 1st quarter 2009” to take the following decision:

“To approve the report of the Company’s General Director on execution of the Investment Program for the 1st quarter 2009 according to the Appendix”.

Results of the voting:

Arman Mushegovich Airapetyan	- FOR
Alexei Yurievich Voronin	- FOR
Alexei Vitalievich Klaptsov	- FOR
Konstantin Viktorovich Kotikov	- FOR
Alexei Yurievich Perepelkin	- FOR
Roman Alexeevich Filkin	- FOR
Sergey Vladimirovich Chebotarev	- FOR

Total:

FOR	- «7»
AGAINST	- «0»
ABSTAINED	- «0»

Results of the voting by means of filling in questionnaires:

Svetlana Alexandrovna Balaeva	- FOR
Evgeny Alexeyevich Bronnikov	- FOR

Total:

FOR	- «2»
AGAINST	- «0»
ABSTAINED	- «0»

The decision is taken.

Item No. 3: Preliminary Approval of the report of the Company’s General Director on execution of the Company’s Business Plan (including execution of the Investment Program) for the 2nd quarter 2009 for the subsequent representation to the Company’s Board of Directors.

Reporter: **Dmitry Mikhailovich Gilev** - Chief of the Economy Department of IDGC of Centre, JSC.

D.M. Gilev's report (presentation) on item of approval of the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 1st quarter 2009 is kept in the materials to present meeting of the Committee for Strategy and Development.

During the discussion of the report the following members of the Committee asked questions: A.M. Airapetyan, A.Yu. Perepelkin, S.V. Chebotarev, R.A. Filkin.

The members of the Committee asked the following questions:

What caused the increase of disputable debts. What measures for resolution relating to disputable debts as well as the adjustment of Business Plan and Investment Program of the Company, generation of reserve on doubtful debts were undertaken by the Management of the Company. How will disputable debts influence the financing result of the Company's work in 3,4 quarters and in 2009 in whole.

Explanations and answers to the asked questions were given by: S.A. Arkhipov, K.V. Kotikov, V.A. Kapitonov, A.V. Skubilin, D.M. Gilev.

Decision:

1. To approve preliminary the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 2nd quarter 2009 according to the Appendix No.3 to this decision of the Committee for Strategy and Development.

2. To recommend the members of the Company's Board of Directors:

2.1. concerning the item "the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 2nd quarter 2009" to take the following decision:

"To approve the report of the Company's General Director on execution of the Company's Business Plan (including execution of the Investment Program) for the 2nd quarter 2009 according to the Appendix.

2.2. To adjust the Company's Business Plan for 2009.

2.3. To consider the item «Consideration of information of IDGC of Centre, JSC concerning the performed analysis of disagreements with sale companies and of proposals on its resolving» at the meeting of the Company's Board of Directors.

Results of the voting:

Arman Mushegovich Airapetyan	- FOR
Alexei Yurievich Voronin	- FOR
Alexei Vitalievich Klaptsov	- FOR
Konstantin Viktorovich Kotikov	- FOR
Alexei Yurievich Perepelkin	- FOR
Roman Alexeevich Filkin	- FOR
Sergey Vladimirovich Chebotarev	- FOR

Total:

FOR	- «7»
AGAINST	- «0»
ABSTAINED	- «0»

Results of the voting by means of filling in questionnaires:

Svetlana Alexandrovna Balaeva	- FOR
Evgeny Alexeyevich Bronnikov	- FOR

Total:

FOR	- «2»
AGAINST	- «0»
ABSTAINED	- «0»

The decision is taken.

Item No. 4: Preliminary approval of the report of the Company’s General Director on execution of the Investment Program for the 2nd quarter 2009 for the subsequent representation to the Company’s Board of Directors.

Reporter: **Rustem Leronovich Nabiullin** - Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for the Capital Construction.

Co-reporter: **Sabir Rafikovich Agamaliev** – Member of the Management Board, Deputy General Director of IDGC of Centre, JSC for Logistic Support.

R.L. Nabiullin’s report (presentation) on item of approval of the report of the Company’s General Director on execution of the Company’s Business Plan (including execution of the Investment Program) for the 2nd quarter 2009 is kept in the materials to present meeting of the Committee for Strategy and Development.

Following the results of the report of R.L. Nabiullin the Chairperson of the Committee for Strategy and Development A.M. Airapetyan made the remark to the reporter regarding the presentation of the information on item: it is necessary to show the obtained result following the results of the quarter and separately with growing result.

During the discussion of the report the following members of the Committee asked questions: A.M. Airapetyan, A. Yu. Voronin, A.Yu. Perepelkin, S.V. Chebotarev, R.A. Filkin.

The members of the Committee asked the following questions:

What is the reason of reduction of development of capital investments concerning the branch of IDGC of centre, JSC – “Belgorodenergo” in the 1st half-year 2009 while there is increase concerning the other branches.

Explanations and answers to the asked questions were given by: S.R. Agamaliev.

Decision:

1. To approve preliminary the report of the Company’s General Director on execution of the Investment Program for the 2nd quarter 2009 according to the Appendix No.4 to this decision of the Committee for Strategy and Development.

2. To recommend the members of the Company’s Board of Directors on item “Approval of the report of the Company’s General Director on execution of the Investment Program for the 2nd quarter 2009” to take the following decision:

“To approve the report of the Company’s General Director on execution of the Investment Program for the 2nd quarter 2009 according to the Appendix”.

Results of the voting:

Arman Mushegovich Airapetyan	- FOR
Alexei Yurievich Voronin	- FOR
Alexei Vitalievich Klaptsov	- FOR
Konstantin Viktorovich Kotikov	- FOR
Alexei Yurievich Perepelkin	- FOR
Roman Alexeevich Filkin	- FOR
Sergey Vladimirovich Chebotarev	- FOR

Total:

FOR	- «7»
AGAINST	- «0»
ABSTAINED	- «0»

Results of the voting by means of filling in questionnaires:

Svetlana Alexandrovna Balaeva	- FOR
Evgeny Alexeyevich Bronnikov	- FOR

Total:

FOR	- «2»
AGAINST	- «0»
ABSTAINED	- «0»

The decision is taken.

Item No. 5: Recommendations for the Company’s Board of Directors on item of definition of priorities: relating to transition to rate regulation concerning services for invested capital transfer by return method (RAB).

Reporter: **Vasily Alexandrovich Potapov** – Chief of the Department of for tariffs formation of IDGC of Centre, JSC.

Co-reporter: **Alexei Yurievich Voronin** – Deputy Chief of the Department for tariffs formation of IDGC of Centre, JSC.

A.V. Potapov’s report (presentation) on item of transition to rate regulation concerning services for invested capital transfer by return method (RAB) is kept in the materials to present meeting of the Committee for Strategy and Development.

Following the results of the report of R.L. Naibullin the Chairperson of the Committee for Strategy and Development A.M. Airapetyan made the remark to the reporter regarding the preparation and presentation of the report. He noticed that the report was not informative.

During the discussion of the report the following members of the Committee asked questions: A.M. Airapetyan, A.V. Klaptsov, S.V. Chebotarev, R.A. Filkin.

The members of the Committee asked the following questions:

How does the Management:

- plan to reduce the base but OPEX to leave at the same level.
- plan to engage the sources.

What growth of tariffs does the Company consider to be acceptable.

What growth of tariffs is taken at the method of smoothing.

What measures were taken by the Management of the Company for transition of left Branches to RAB:

- is such transition accorded with regulators
- were negotiations conducted with administrations.

Explanations and answers to the asked questions were given by A.Yu. Voronin, S.A. Arkhipov, V.A. Potapov, V.A. Kapitonov.

After all reports and answers to the questions the Chairperson of the Committee for Strategy and development A.M. Airapetyan asked every member of the Committee (S.V. Chebotarev, R.A. Filkin, A.V. Klaptsov) – representative of minority shareholder to advance opinion concerning the transition to RAB.

S.V. Chebotarev advanced opinion that in the conditions of economic crisis it is unreasonable to transfer the left 8 Branches to RAB.

R.A. Filkin advanced opinion “”For” transition to RAB. The situation in whole may be estimated only after some time passed.

A.V. Klaptsov advanced opinion “”For” transition to RAB.

Decision:

1. To recommend the Company’s Board of Directors to admit the transition to rate regulation concerning services for invested capital transfer by return method (RAB) to be the priorities.
2. To charge the member of the Committee For Strategy and Development E.A. Bronnikov - Deputy General Director of IDGC of Centre, JSC with improving of the materials concerning the item “definition of priorities: relating to transition to rate regulation concerning services for invested capital transfer by return method (RAB)” in part of

representation of information regarding the arrangements on transition of the Branches of IDGC of Centre, JSC to RAB made till 01.09.2009 to the meeting of the Company's Board of Directors called on 15 September. 2009.

3. To recommend the Company's Board of Directors to charge the Company's General Director Генеральному:

3.1. With taking of appropriate measures for to transition to rate regulation concerning services on electric power transmission by invested capital return method (RAB) since 01.01.2010.

3.2. With reporting the Board of Directors on progress of charge execution monthly since October 2009 until the correspondent decisions will be taken by bodies of executive power in the field of rate regulation carrying out the rate regulation in the constituent entities of the Russian Federation where the Company operates.

4. To recommend the Company's Board of Directors to charge the Committee for Strategy and Development with preliminary consideration of monthly reports of the Company's General Director concerning the made arrangements on transition to rate regulation concerning services on electric power transmission by invested capital return method (RAB).

Results of the voting:

Arman Mushegovich Airapetyan	- FOR
Alexei Yurievich Voronin	- FOR
Alexei Vitalievich Klaptsov	- FOR
Konstantin Viktorovich Kotikov	- FOR
Alexei Yurievich Perepelkin	- FOR
Roman Alexeevich Filkin	- FOR
Sergey Vladimirovich Chebotarev	- ABSTAINED

Total:

FOR	- «6»
AGAINST	- «0»
ABSTAINED	- «1»

Results of the voting by means of filling in questionnaires:

Svetlana Alexandrovna Balaeva	- FOR
Evgeny Alexeyevich Bronnikov	- FOR

Total:

FOR	- «2»
AGAINST	- «0»
ABSTAINED	- «0»

The decision is taken.

**Chairperson of the Committee for
Strategy and Development of the Board of
Directors of IDGC of Centre, JSC**

A.M. Airapetyan

Secretary of the Committee

S.V. Lapinskaya