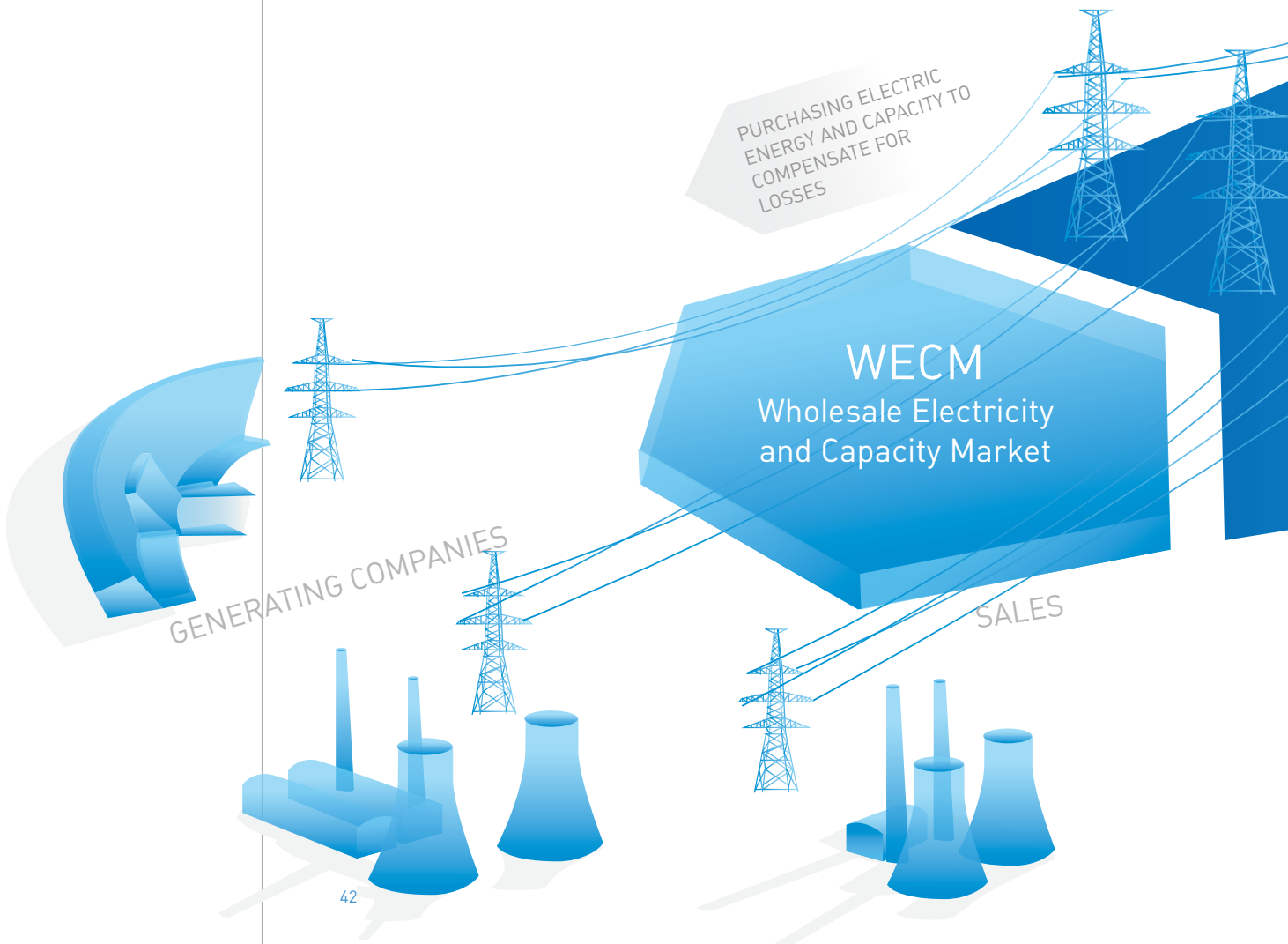


# Electricity Transmission

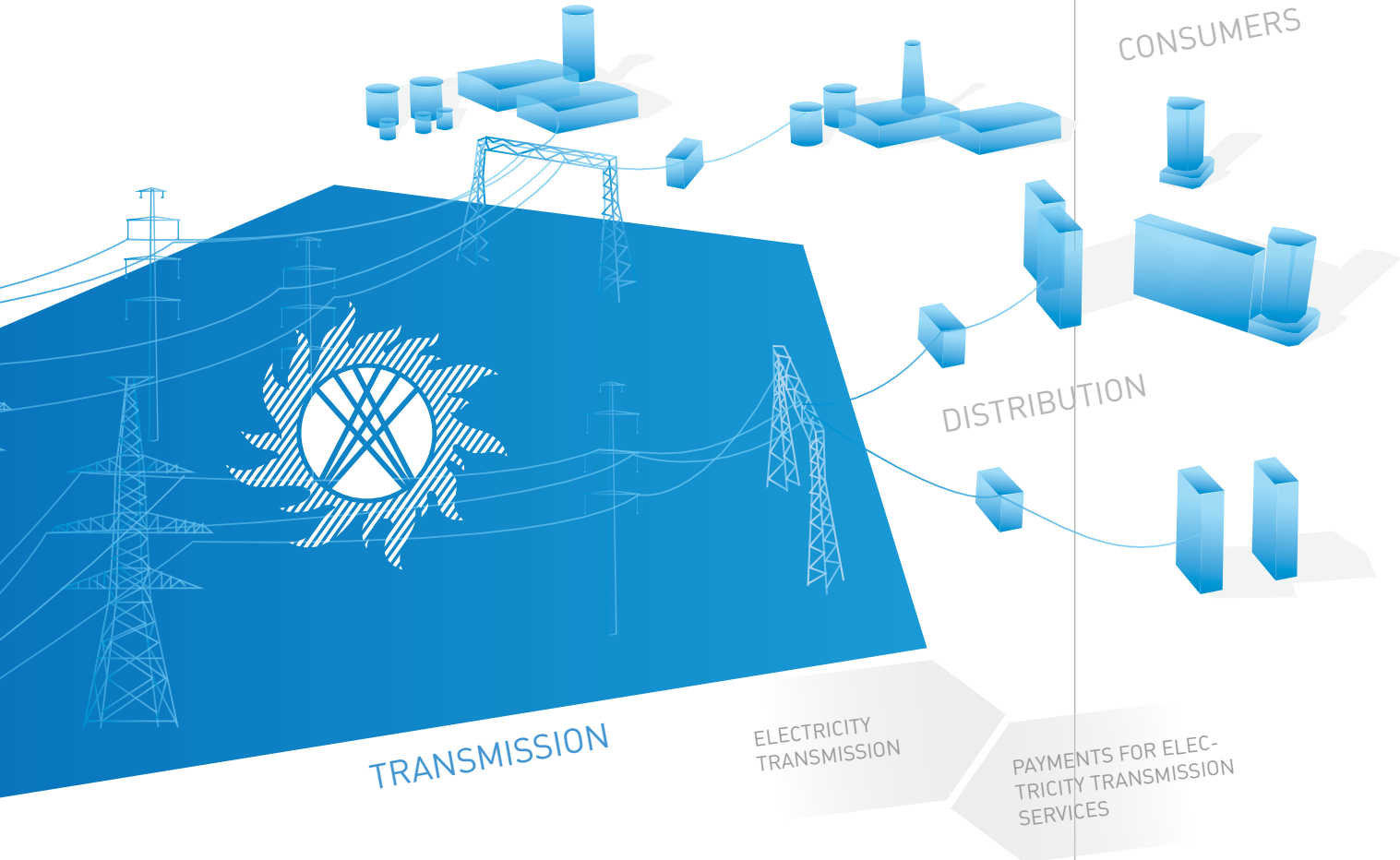
Electricity transmission through the Unified National (all-Russian) Electric Grid (UNEG) is one of the biggest tasks of the country's energy sector and the main activity of our Company. Payments for electricity transmission services are the primary revenue source for Federal Grid Company.

According to Russian law, the UNEG electricity transmission services are the domain of Federal Grid Company, which manages the UNEG. The UNEG electricity transmission services are classified as a monopolistic activity regulated by the State.



The price of electricity transmission services is determined by corresponding rates set for different constituent territories of the Russian Federation by the Russian Federal Tariffs Service (FTS), taking into account process losses of energy during electricity transmission over the UNEG. Rates approved by the Russian Ministry of Energy are set as follows:

- The price of electricity transmission services to maintain UNEG electric facilities;
- The price of normative process electricity losses in the UNEG.



In 2012, the Company supplied its consumers with 517,130.7 million kWh.

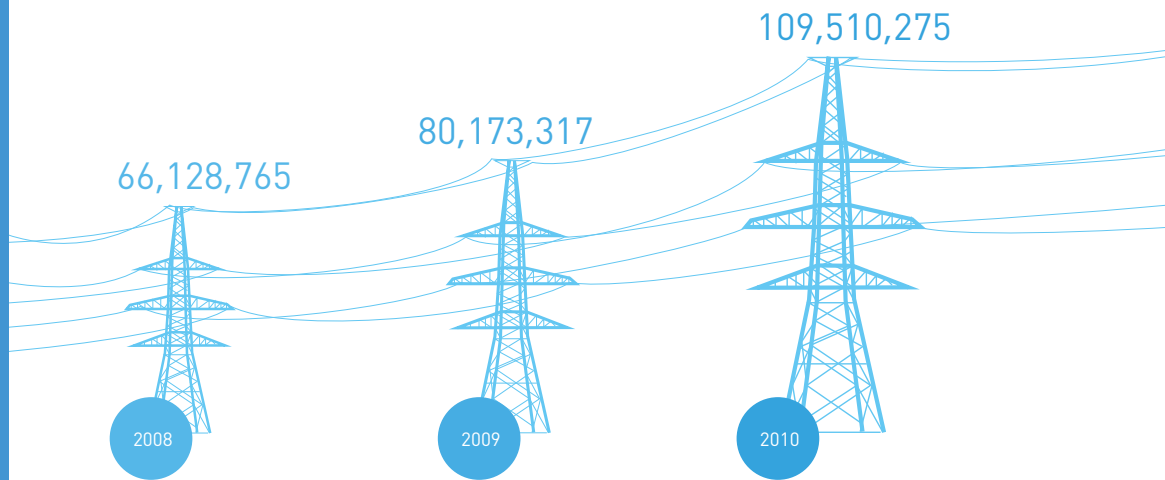
Our Company independently purchases electric energy on the Wholesale Electricity and Capacity Market (WECM) to compensate for actual UNEG losses, after deducting losses recorded and paid for by WECM participants at equilibrium prices.

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RUBLES,  
REVENUE FROM ELECTRICITY TRANSMISSION SERVICES

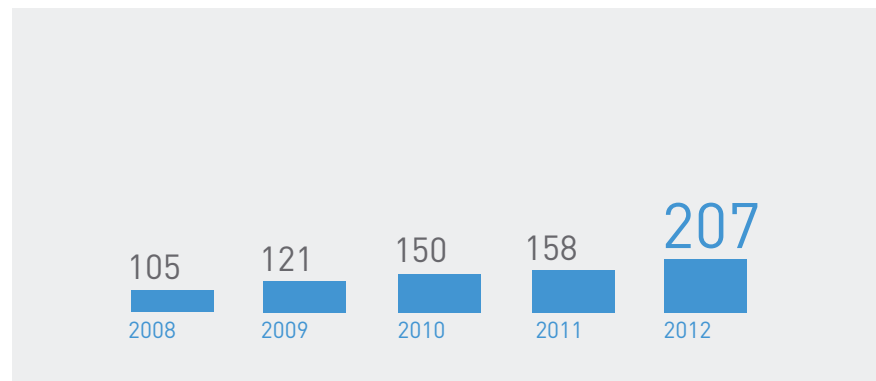
## Electricity Transmission Services

In 2012, the volume of electricity transmission services amounted to RUR136,581,431 thousand.

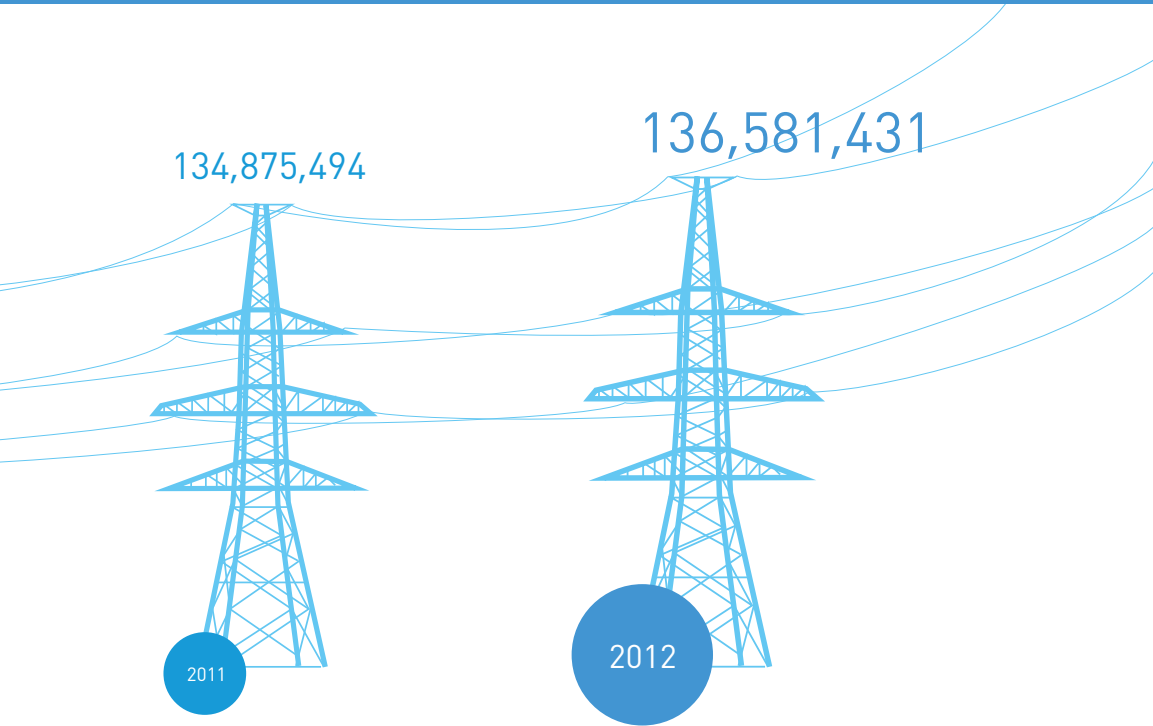


### Number of the Company's Contractors

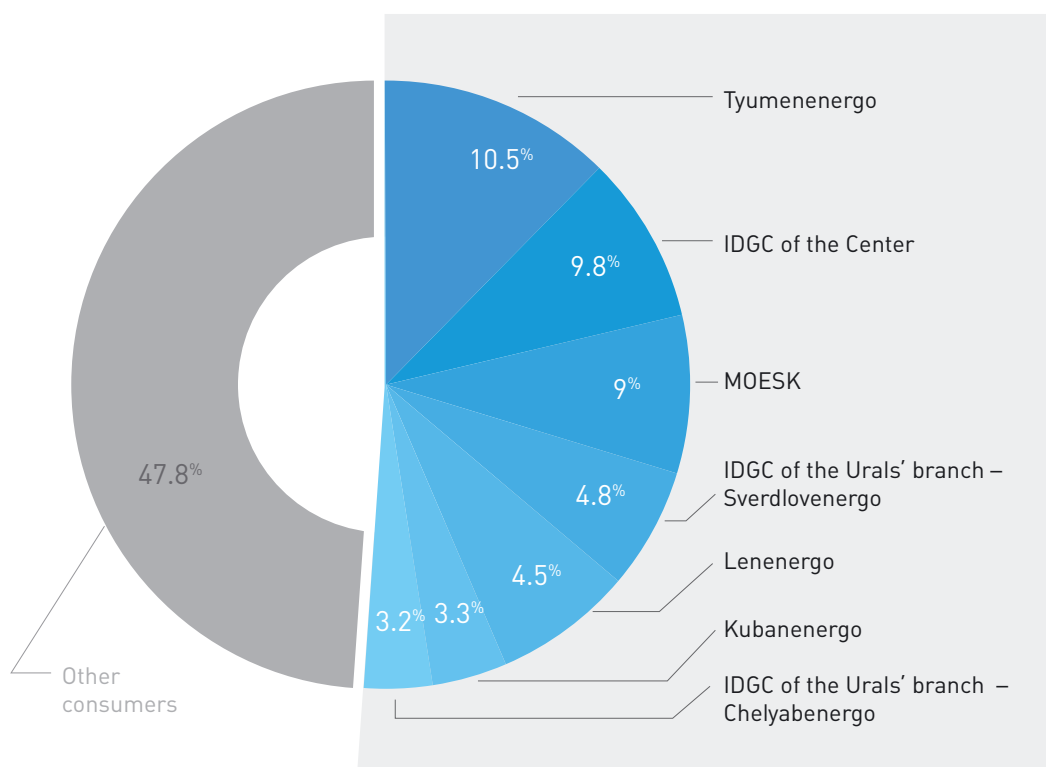
Furthermore, the number of contractors with which the Company signed agreements for electricity transmission through the UNEG has significantly increased during the 2008-2012 period. It is predicted that in the next few years, the number of Company contractors will continue to grow due to the implementation of new technological connections to the UNEG, satisfying judgments that require the Company to enter into direct contracts with contractors and gradually terminating the last mile\* mechanism.



\* "The Last Mile" is a type of cross-subsidization, under which large industrial users connected directly to Federal Grid Company's backbone grids also pay the tariffs of the IDGC Holding's distribution networks to which part of the Company's grid facility was leased (the "last mile").



The share of the Company's largest consumers in 2012 revenues from UNEG-based electricity transmission services



52.2%

SHARE OF THE COMPANY'S  
LARGEST CONSUMERS IN  
2012 REVENUES