



# **THE BASIC INDICATORS OF ACTIVITY OF JSC "IDGC of NORTH-WEST"**

**For the I quarter 2010  
The newsletter**



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# SHARE CAPITAL STRUCTURE

**As at March, 31st, 2010 the Company's Authorized capital stock makes 9 578 592 313 roubles**

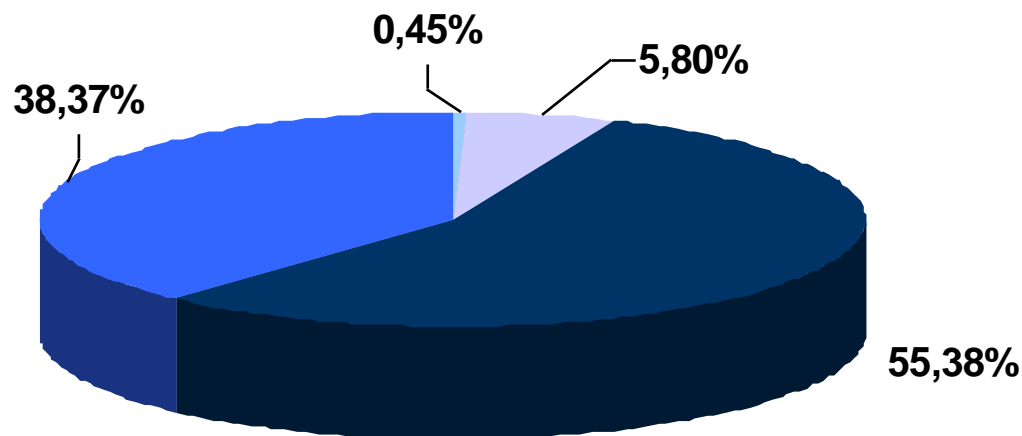
**Share capital structure of JSC "IDGC of North-West" :**

JSC «IDGC Holding» – 55,38%

Nominal holders – 38,37%

Natural persons – 5,80%

Legal bodies – 0,45%





# JSC "IDGC OF NORTH-WEST" AT THE STOCK MARKET

## Trading platform

JSC «Russian Trading System» Stock Exchange

«Extralist securities»

JSC «Stock Exchange MICEX»

The list «B»

## The beginning of the auctions

27.05.2008

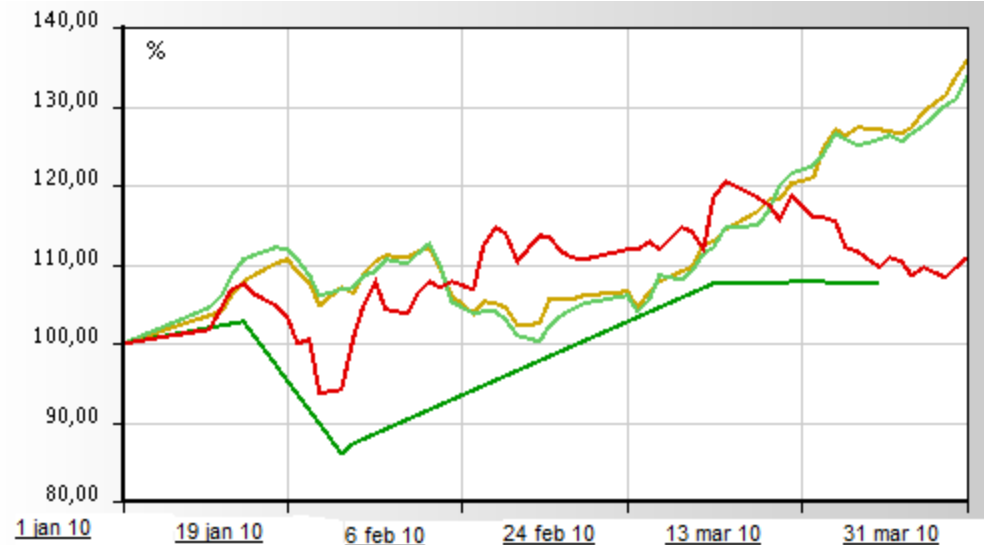
The classical market – MRKZ,  
The exchange market – MRKZG

29.05.2008

MRKZ

**Market capitalization  
calculated on the basis of the data of JSC  
«MICEX» as of 3/31/2010  
Has constituted 24 655 296 616 rubles.**

- Stock price on RTS
- Stock price on MICEX
- Index of RTS of power industry
- Index of MICEX energy sector





# THE DECISIONS ACCEPTED BY BOARD OF DIRECTORS

## THE DECISIONS ACCEPTED BY BOARD OF DIRECTORS

26.02.2010

- The budgets of Committees of Board of directors of Entity were approved: on audit, on personnel and compensations, on strategy and development, on reliability, on technological joining for 1-2 quarters 2010.
- The report on execution of the Program of jobs of JSC "IDGC of North-West" on registration of the rights to objects of real estate, registration/renewal of rights of use on the ground areas till 2013 is taken into consideration.
- A decision on promotion by JSC "IDGC of North-West" of nominees for election in controls of the associated companies of JSC "IDGC of North-West" - JSC «Pskovenergoavto», JSC «Pskovenergoagent», JSC «Pskovenergosbyt», JSC " «Lesnaya skazka», JSC «CHOP "Energiya"» and bodies of the control of the associated companies which are carrying out profile kinds of activity was made .
- The report of Director General on observance of the Code of a corporate governance of Entity for the second half of year 2009 was approved
- The report on observance of the Statute of information policy of Entity for 4 quarter 2009 was taken into consideration.



# THE DECISIONS ACCEPTED BY BOARD OF DIRECTORS

## THE DECISIONS ACCEPTED BY BOARD OF DIRECTORS

05.03.2010

Offers of shareholders on promotion of candidates for the governing and the control bodies of the Entity for election on annual General meeting of shareholders of JSC "IDGC of North-West" are considered, offers of shareholders on entering of issues into the agenda of annual General meeting of shareholders of the Entity has not arrived.

**In the list of nominees for election in structure of Board of directors of JSC "IDGC of North-West" were included 15 nominees:**

**- From the shareholder of JSC "Holding MRSK":**

1. Perepelkin Alexey Jurevich - Member of board of administration, Deputy Director General on a corporate governance and property of JSC "IDGC Holding";
2. Kuhmaj Alexander Markovich - Director General of JSC "IDGC of North-West";
3. Shogenov Valery Muhamedovich - Deputy director of Department of Ministry of Energy of Russia;
4. Sinjansky Vasily Ivanovich - Director General of Branch of JSC «SO UES» UDA of Northwest;
5. Sannikov Alexey Valerevich - Member of board of administration, Deputy Director General of JSC "IDGC Holding";
6. Lukjanov Evgenie Vladimirovich - Deputy plenipotentiary of the President of the Russian Federation in North-West federal district;
7. Popov Alexander Albertovich - Deputy Director General - the head of the Apparat of JSC "IDGC Holding";
8. Jurchuk Sergey Evgenevich - Director of finance of JSC "IDGC Holding";
9. Mikheyev Dmitry Dmitrievich - Main expert of Division of the reporting, summary balances, decrease in losses of the electric power of Department of transport of the electric power and interaction with clients of JSC "IDGC Holding";
10. Korjakin Dmitry Anatolevich - Chief of Department of operatively-technological management of JSC "IDGC Holding";
11. Seliverstova Tatyana Aleksandrovna - Chief of the Division of securities of Department of a corporate governance and interaction with shareholders of JSC "IDGC Holding".



# THE DECISIONS ACCEPTED BY BOARD OF DIRECTORS

## **- From the shareholder Power union Holdings Limited:**

1. Dronova Tatyana Petrovna - Deputy Director General of CJSC «Investment holding «Power Union».

## **- From shareholder HQ Bankaktiebolag:**

1. Remes Seppo Juha - Director General of LLC "Kiuru";
2. Kulikov Denis Viktorovich - Executive Director of Association on protection of the rights of investors;
3. Shevchuk Alexander Viktorovich - Deputy Executive Director of Association on protection of the rights of investors.

- Insurance organisations candidates as insurers of JSC “IDGC of North-West“ in 2010 were approved.
- The position on voting of representatives of JSC “IDGC of North-West“ concerning agendas of sessions of boards of directors of the associated companies of JSC “IDGC of North-West“ - JSC «Pskovenergoavto», JSC «Pskovenergoagent», JSC «Pskovenergosbyt», JSC " «Lesnaya skazka», JSC «CHOP "Energiya“» regarding target meanings of key indicators of efficiency for 2010 was defined.



# THE BASIC FINANCIAL AND ECONOMIC INDICATORS

The indicator name	The plan of 2010, thousand rbl.	1 quarter 2010, thousand rbl.	
		The plan	The fact
Gain from realisation	26 467 870	7 129 191	7 235 135
EBITDA	2 347 435	869 873	1 163 803
Total profit	960 235	536 522	765 472
Net profit (loss) for the period	-1 050 023	-15 561	247 556

The actual gain of Entity for the 1 quarter 2010 has constituted 7 235 135 thousand rbl. at the plan of 7 129 191 thousand rbl. The greatest relative density the gain from rendering of services in a transmission of electrical energy (6 940 161 thousand rbl. minus the loading losses paid on WEM, or 95,9 % from total amount of a gain of Entity) has constituted.

The gain from other production of primary activity (minus a gain from manufacture and realization of energy DES) for the 1 quarter 2010 has constituted 55 936 thousand rbl. at the plan of 62 787 thousand rbl. For short-reception of a gain from other primary activity decrease in a payment for services in maintenance and repair of networks of UNES, in connection with organization by JSC «FGC UES» its own divisions for realization of this activity and refusal of services of our branches has influenced.

At the analysis of financial indicators of the Company following the results of the 1 quarter 2010 it is necessary to consider that the gain added by the Entity is not in full provided by receipt of money resources from consumers - the power marketing companies of the North-West so far as there are not settled disagreements with consumers of services in volumes of rendered services.





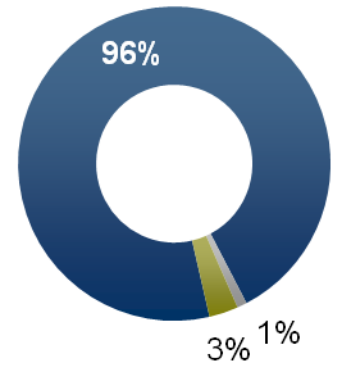
# STRUCTURE OF A GAIN FROM REALIZATION OF SERVICES

## The plan of 2010

Gain from transfer of electric power – **96%**

Gain from the technological joining – **1%**

Gain from other activity – **3%**

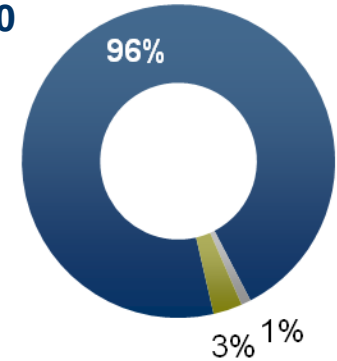


## The fact of the 1 quarter 2010

Gain from transfer of electric power – **96%**

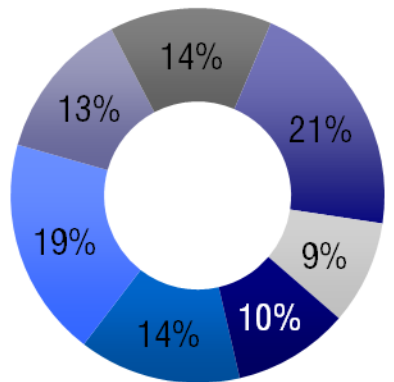
Gain from the technological joining – **1%**

Gain from other activity – **3%**

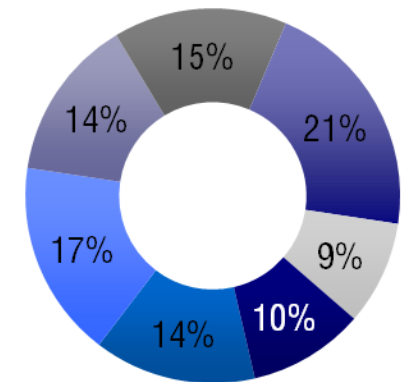


## Gain structure on regions

- Arhenergo – **14%**
- Vologdaenergo – **19%**
- Karelenergo – **13%**
- Kolenergo – **14%**
- Komienergo – **21%**
- Novgorodenergo – **9%**
- Pskovenergo – **10%**



- Arhenergo – **14%**
- Vologdaenergo – **17%**
- Karelenergo – **14%**
- Kolenergo – **15%**
- Komienergo – **21%**
- Novgorodenergo – **9%**
- Pskovenergo – **10%**





# THE COST PRICE

The indicator name	The plan of 2010, thousand rbl.	1 quarter 2010, thousand rbl.	
		The plan	The fact
<b>The cost price in all</b>	<b>25 507 634</b>	<b>6 592 669</b>	<b>6 469 663</b>
<b>Material expenditures</b>	<b>5 869 948</b>	<b>1 852 638</b>	<b>1 807 437</b>
The purchased electric power on indemnification of losses	4 204 327	1 409 937	1 389 564
Purchased energy for industrial and economic needs	329 339	143 125	148 200
Raw product and materials	1 336 282	299 577	269 673
<b>Jobs and services of industrial character</b>	<b>9 216 407</b>	<b>2 243 975</b>	<b>2 234 381</b>
Services of JSC «FGC UES»	7 136 663	1 801 643	1 814 967
Services of TSO	1 340 883	344 305	309 820
Services of the commercial account of the electric power	103 532	25 828	26 215
Other services of industrial character	635 329	72 199	83 379
<b>Expenses for a remuneration of labour</b>	<b>5 431 608</b>	<b>1 243 089</b>	<b>1 188 421</b>
<b>UST</b>	<b>1 278 499</b>	<b>323 378</b>	<b>308 919</b>
<b>Other expenses</b>	<b>3 711 173</b>	<b>929 588</b>	<b>930 504</b>

The general cost price of the services rendered by Entity for the 1 quarter 2010 has constituted 6469663 thousand rbl. at the plan of 6592669 thousand rbl. (economy of 123006 thousand rbl. or 2 %), including expenses for rendering of services in electric power transfer have constituted 6258417 thousand rbl., or 96,7 %.

From the basic articles of expenses the greatest relative density occupy fee of JSC «FGC UES» for services in electric power transfer in networks UNES (29,0 %), a payment (together with UST - 22,7 %), purchase of the electric power with a view of indemnification of losses (22,2 %).



# THE BASIC INDICATORS OF TRANSPORT OF THE ELECTRIC POWER

Branch	The plan of 2010			The plan / the fact of the 1 quarter 2010		
	Distribution in the network, million kWh	Transfer from the network, million kWh	The general losses, %	Distribution in the network, million kWh	Transfer from the network, million kWh	The general losses, %
<b>Arhenergo</b>	3 957	3 446	12,9	1 227/1 245	1 046/1 069	14,7/14,1
<b>Vologdaenergo</b>	8 602	8 150	5,3	2 285/2 378	2 133/2 221	6,6/6,6
<b>Karelenergo</b>	7 151	6 768	5,4	1 948/2 091	1 825/ 1 966	6,3/6,0
<b>Kolenergo</b>	10 983	10 568	3,8	3 048/3 179	2 909/3 057	4,6/3,8
<b>Komienergo</b>	6 058	5 420	10,5	1 709/1 673	1 500/1 465	12,2/12,4
<b>Novgorodenergo</b>	3 534	3 175	10,2	987/1 054	861/914	12,8/13,3
<b>Pskovenergo</b>	1 899	1 630	14,2	559/567	473/480	15,5/15,4
<b>IDGC of North-West</b>	42 184	39 157	7,2	11 763/12 188	10 747/11 172	8,6/8,3



# THE BASIC INDICATORS OF TRANSPORT OF THE ELECTRICAL POWER

Volumes of a transmission of electrical energy on networks of JSC "IDGC of North-West" have constituted for 1 quarter 2010 11 172 million kWh that above level of last year on 7,4 % and above sizes of the business plan for 4,0 %.

The maximum growth of a power consumption in JSC "IDGC of North-West" there was in branches "Vologdaenergo", "Karelenergo", "Kolenergo".

In the Vologda area growth of consumption of electric energy has constituted 10,3 % in relation to 2009. The increase in consumption of electric energy was affected basically by growth of manufacture of such large industrial manufacturing enterprises, as JSC "Severstal" - 19 %, CJSC «Vologda bearing factory» - 42 %, CJSC "Severstal-hardware" - 24 %.

In Republic Kareliya the increase in useful distribution of the electric power is connected with growth of consumption of JSC "Kondopoga" (KCBK) - 6 %, JSC «Karelian Pellet» - 44 %, JSC "NAZ-SUAL" (Nadvoitsky aluminium factory) - 15 %.

In Murmansk area have increased manufacture of the enterprise of mining branch of JSC «Kovdorsky GOK» by 15 %, JSC «Centre of ship repair "Zvezdochka"» on 8 %, JSC «Kola GMK» on 5 %, and also consumption growth on FSUE «110 ES VMFy» MF of the Russian Federation on 44 % and JSC «Monchegorsk electrical networks» on 15 % that has affected transfer growth on a branch network on 6 %.



# TOTAL PARAMETERS OF INVESTMENT ACTIVITY

## On development of capital investments

The indicator name	The plan of 2010, thousand rbl.	1 quarter 2010, thousand rbl.	
		The plan	The fact
Investments, total	2 338 573	140 702	225 730
Modernisation and reconstruction	1 740 371	113 943	187 200
New building and expansion of working objects	593 976	23 094	36 005
Acquisition of fixed assets	4 226	3 664	2 505
<b>Input of key assets</b>			
Input of key assets	2 248 247	62 948	97 185
Modernisation and reconstruction	1 681 082	46 348	74 200
New building and expansion of working objects	561 975	11 972	14 706
Acquisition of fixed assets	5 191	4 629	8 127

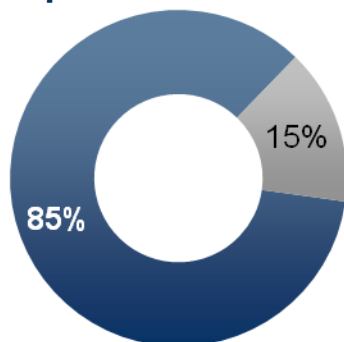
## Input of capacities

	km/MWA	km/MWA	km/MWA
Input of capacities , total	456,39/205,46	28,33/2,88	105,47/21,80
Modernisation and reconstruction	339,83/171,06	15,86/1,16	20,50/2,94
New building and expansion of working objects	115,00/33,59	10,91/0,92	17,99/1,45
Acquisition of fixed assets	1,56/0,80	1,56/0,80	66,98/17,41 13



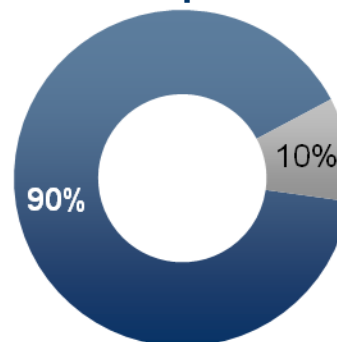
# TOTAL PARAMETERS OF INVESTMENT ACTIVITY BY SOURCES OF FINANCING

## The plan of 2010



Own sources – **85%**  
External sources – **15%**

## The fact of the 1 quarter 2010



Own sources – **90%**  
External sources – **10%**

Capacity deficiency liquidation in load units and decrease in deterioration of fixed assets - problems without which performance realization of strategy of the Entity now is impossible. With this purpose Entity generated the investment program for 2010 in volume of 2 338 573 thousand rbl.

All planned purposes and the investment problems put by the investment program of Entity for the I quarter 2010, were executed:

- ✓ At the plan of capital investments of 140 702 thousand rubles it is actually drew 225 730 thousand rubles of investments or 160 %.
- ✓ The plan of input of a key assets - 62 948 thousand rubles. Actual input has constituted 97 185 thousand rubles or 154 %.
- ✓ At the plan of input of capacities of 28,33 km and 2,88 MWA, 105,47 km of ETL and 21,8 MWA of transformer capacity are actually placed in operation.

The overfulfillment of the plan of development of capital investments and input of a key assets is connected with performance of jobs on technological joining of consumers, and also an advancing of some contract organizations of the schedule of performance of jobs.

Financing of the investment program is carried out by Entity at the expense of own and involved means, thus capital investments first of all are financed at the expense of the sums of the added amortisation, and also at the expense of the received profit and extra sources. In the 1 quarter 2010 for realisation of capital investments own means in volume of 202 678 thousand roubles have been used, external sources have constituted 23 052 thousand roubles.



# THE REALISED PROJECTS

**Branch of JSC "IDGC of North-West" "Kolenergo"** has finished reconstruction of a sector of the overhead line-35 kW №M-46 in industrial branch «Northern electrical networks». As a result of the executed jobs reliability of an electrical supply of consumers of the Kola area is raised.

Object reconstruction has been planned for 2009. It was planned to make reconstruction of sector of pylon №15 - pylon №26, length 2,17 km with replacement of 12 wooden pylons. However, because of backlog of a contract organization from the building schedule in 2009 0,54 km of a line have been reconstructed.

In the I quarter 2010 reconstruction of the remained sector with input of a line of 1,55 km has been finished. Expenses for project realization have constituted 7,017 million rubles without the VAT.

**Branch of JSC "IDGC of North-West" "Novgorodenergo"** has finished expansion of a glade of the overhead line 110 kW Moshenskaja-1.

Object input has been planned for the II quarter 2010, however, in connection with an advancing a contract organization of the schedule of performance of jobs, reconstruction has been finished in the I quarter 2010.

The reconstructed sector passes on a big stand (height of trees of 30-40 meters). At wind strengthening there is a falling of trees on the overhead line-110 kW that leads to line disconnect for long time.

At reconstruction jobs on deforestation till design width and arrangement of plank road are performed. Input of a fixed capital has constituted 14,764 million rubles without the VAT.



# CUSTOMER SERVICE CENTRES

- **6/16/2008** by JSC "IDGC of North-West" order № 71r «About the statement of documents» was accepted and installed «Regulations about a procedure for registration and considerations of complaints (references) of consumers» which defines a uniform and obligatory order of reception, registration, consideration of references of physical and legal bodies concerning field of activity of JSC "IDGC of North-West" , and also control over their solution and working out of correcting actions.
- **6/16/2008** by JSC "IDGC of North-West" order № 71r «About the statement of the documents regulating actions on the organization of customer servicing» were accepted and installed «Rules of behavior of employees at internal, correspondence and interactive servicing» in which requirements to appearance of employees of CSC and the general principles of business etiquette at internal service, and also uniform rules of business etiquette at telephone conversations and business correspondence had been defined ;
- **7/18/2008** by the Board of directors was approved "The standard of servicing of customers of JSC "IDGC of North-West" which establishes the general requirements to customer service, including rules and characteristics of internal and correspondence service, and defines specificity of job with consumers at realization of different kinds of activity.
- **12/25/2008** was accepted and installed "Position about additional paid services»

On the beginning of April, 2010 in JSC "IDGC of North-West" branches works 23 CSC in which works 71 persons, in addition 87 experts - responsible for the organization of job with clients , carry out functions of customer servicing centre in industrial branches.

For the first quarter by workers of CSC have been rendered 32 470 thousand consultations (written by inquiries and oral), it is accepted and transferred to consideration 952 complaints, the help in registration is rendered and 3 019 demands for technological joining to the networks of JSC "IDGC of North-West" are accepted. Under each complaint correcting actions are accepted, and on the basis of analyzing the causes of conflict developed corrective actions to prevent repeated or similar complaint.

For the 1 quarter 2010 through CSC of JSC "IDGC of North-West" has been given 4 516 additional paid services for a total sum of 17,716 million rubl. The essential part of a gain has given by performance of building and assembly jobs. The number of the additional paid services rendered by the centers of servicing of branch, also includes maintenance service and repair of electroinstallations of consumers, servicing of networks of street illumination, transport services.

The further expansion of the list of the additional paid services rendered through CSC, is the important tool of client aimed politics for the purpose of increase in additional incomes of the company.





# OPERATING TARIFFS FOR TECHNOLOGICAL JOINING BY SOCIETY BRANCHES

U, kW	Attached capacity	Arh energo	Vologda energo	Karel energo	Komienergo			Novgorod energo
					MF UD «Syktyvkar»	MF UD «Uhta»	Other territory of Komi republic	
0.4-1 kW	To 30 kWТ* inclusive	14 095,79	3 004	8 494	8 429,1	5 903	5 810,4	928
	From 30 to 100 kWТ inclusive	14 046,02	3 004	8 604	15 685,3	6 873,8	6 183	568
6 kW and above**	To 100 kWТ inclusive	10 706,32	3 004	12 023	-	-	-	527
	From 100 to 750 kWТ inclusive	10 617,86	189	12 280	16 453,9	10 885	7 954,1	249
	Above 750 kWТ	Individually	187	Individually		Individually		Individually



# OPERATING TARIFFS FOR TECHNOLOGICAL JOINING BY SOCIETY BRANCHES

		Pskovenergo			
U, kW	Attached capacity	Municipal formations: «Pskov city», «Velikie Luki city»		Other territory of the Pskov area	
		The 3 category of reliability of an electrical supply	The 2 category of reliability of an electrical supply	The 3 category of reliability of an electrical supply	The 2 category of reliability of an electrical supply
0.4-1 kW	From 15,1 kWt inclusive*	10 845	15 826	4 785	7 414
	From 30 to 100 kWt inclusive	10 845	15 826	4 785	7 414
	To 100 kWt inclusive	10 845	15 826	4 785	7 414
6 kW and above**	From 100 to 750 kWt inclusive	10845	15 826	4 785	7 414
	Above 750 kWt	Individually			



# OPERATING TARIFFS FOR TECHNOLOGICAL JOINING BY SOCIETY BRANCHES

U, kW	Attached capacity	Kolenergo	
		Territory of Murmansk and the Kola area	At the territory of other MF of Murmansk area
0.4-1 kW	To 15 kWт inclusive	2 290	2 290
	From 15 to 100 kWт inclusive	6 185	5 250
6 kW and above**	From 100 to 750 kWт inclusive	16 086	5 820
	Above 750 kWт	18 841	6 620

\*Amount of payments for technological joining of power accepting devices with the maximum rating not exceeding 15 kWt inclusive, is established proceeding from cost of actions for technological joining at a rate of no more than 550 rubles including the VAT.

\*\*The size of a payment for technological joining of capacity of 10 000 kw and above on a voltage of 35kW and above is calculated individually for each applicant.