

Independent auditor's report
on accounting (financial) statements of
**Open joint stock company "Interregional distribution grid company of the
South" for 2014
March 2015**

Independent auditor's report

To the shareholders of Open joint stock company

Interregional distribution grid company of the South

We have completed an audit of the attached hereto accounting (financial) statements of Open joint stock company Interregional distribution grid company of the South (hereinafter – the Company), which includes the following documents: balance sheet as of 31 December 2014, profit and loss statement for 2014, appendixes.

Responsibility of the audited entity for the accounting (financial) report

Management of the Company bears responsibility for preparation and credibility of the accounting (financial) statements drawn up in accordance with rules of Russian Federation for preparation of the accounting (financial) report and for the internal control system necessary for preparation of accounting (financial) report that do not contain material misstatements caused by fraud or faults.

Responsibility of the auditor

Our responsibility is to express opinion on the credibility of the consolidated financial statements on the basis of the carried out audit.

We have carried out the audit in accordance with the federal standards of audit activities applied in the Russian Federation and International Auditing Standards. The standards require the observance of code of ethics as well as planning and performing the audit so that to make sure that the accounting (financial) statements do not content material misstatements.

An audit contains the audit procedures aimed to find the audit evidences proving the figures in accounting statements and the disclosed information. The choice of the procedures is the subject-matter of our estimations that are based on the risk assessment of the material misstatements caused by fraud or faults. During the risk assessment the auditor checks the system of internal control, which provides preparation and credibility of accounting (financial) statements, in order to choose the appropriate audit procedures, but not with the purpose to evaluate the efficiency of

internal control system. An audit also includes the appraisal of the accounting policy and validity of estimated figures, as well as the appraisal of performance of accounting report in general.

We consider that the audit evidence we have obtained is sufficient and appropriate to express qualified opinion.

Reasons to express qualified opinion

As of 31 December 2013 the accounts receivable reported in balance sheet line code 1230 “Accounts receivable” there is doubtful accounts receivable of particular contractors in the total amount of 3 370 million rubles. The Company did not make allowance for doubtful accounts in respect of this receivables, which does not comply with requirements of clause 70 of Regulations on maintenance of accounting records and reporting of the Russian Federation No.34H dated 29 July 1998. Consequently, the indicator of code 1230 “Accounts receivable” as of 31 December 2013 was overstated, indicator of code 2350 “Miscellaneous expenses” in the profit and loss statement for 2013 was understated, indicator of code 2350 “Miscellaneous expenses” in the profit and loss statement for 2014 was overstated by 3 370 million rubles.

Qualified opinion

We believe that except influence of facts on accounting (financial) statements, specified in paragraph “Reasons to express qualified opinion”, the accounting (financial) statements truly depicts in all material respects the financial state of Open joint stock company Interregional distribution grid company of the South as of 31 December 2014, results of its business activity and cash flow in 2014 in accordance with Russian standards of preparing accounting (financial) statements.

Other information

Audit of accounting (financial) report for 2013 was carried out by other auditor that issued auditor’s report on 3 March 2014 with modified opinion in respect of the fact that as of 31 December 2013 the accounts receivable reported in balance sheet line

code 1230 “Accounts receivable” contained receivables from particular contractors in respect of which the Company did not make allowance for doubtful accounts.

Audit of accounting (financial) report for 2012 was carried out by other auditor that issued auditor’s report on 13 March 2013 with unmodified opinion.

The attached hereto accounting (financial) statement do not aim to show financial state and results of activity in accordance with principles or methods of accounting applied by countries or other municipal territories except for Russian Federation. Therefore, the attached hereto accounting (financial) report is not meant for persons unacknowledged with principles, methods and procedures of accounting in Russian Federation.

Kalmykova A.B.

Partner

Ernst & young LLC

3 March 2015

Information on the audited entity:

Name: IDGC of the South JSC

The entry made into Unified State Register of Legal Entities on 28 June 2007 with the assigned state registration number 1076164009096

Location: 49 Bolshaya Sadovaya str., Rostov-on-Don, Russia 344002

Information on the auditor:

Name: Ernst & Young LLC

The entry made into Unified State Register of Legal Entities on 5 December 2002 with the assigned state registration number 1027739707203

Location: 77 building 1 Sadovnicheskaya Naberezhnaya, Moscow, Russia 115035

Ernst & Young LLC is a Member of self-regulatory Non-profit partnership Audit Chamber of Russia. Ernst & Young LLC was included in controlled copy of registry of auditors and auditing organizations with the entry number 10201017420.

Balance sheet

31 December 2014

	Codes
Form No. 1 OKUD [Russian National Classifier of Management Documentation]	0710001
	Date
	31.12.2014
Organization: IDGC of the South, JSC	OKPO [Russian National Classifier of Businesses and Organizations]
	80380011
Taxpayer Identification Number	TIN
	6164266561
Type of activity electricity transmission	OKVED [Russian National Classifier of Types of Economic Activity]
	40.10.2
Organizational legal form/ownership form Open-End Joint-Stock Company / private property	OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]
	1 22 47 / 16
Unit: thousand RUR	OKEI [Russian National Classifier of Measurement Units]
Location (address) 49, Bolshaya sadovaya street, Rostov-on-Don 344002	384

notes	Indicator	Line code	as of 31.12.2014 (1)	as of 31.12.2013 (2)	as of 31.12.2012 (3)
5.1.1.- 5.2.2.	ASSETS I. NON-CURRENT ASSETS				
	Intangible assets	1110	9	38	40
5.2.2.	Including purchase of intangible assets in progress	1111	-	26	26
5.2.1.- 5.2.2.	Results of researches and developments	1120	26 438	80 545	54 414
5.2.2.	Including expenditures on researches in progress	1121	-	55 983	43 346
	Intangible development assets	1130			
	Tangible development assets	1140	-	-	-
5.3.1.- 5.3.6.	Fixed assets	1150	29 986 795	31 889 611	31 509 266
	land plots and environmental facilities	1151	22 035	16 434	12 033

	Buildings, vehicles, equipment, constructions	1152	27 434 158	28 584 999	26 170 491
	Other fixed assets	1153	295 324	359 382	354 532
5.3.5.	Construction in progress	1154	2 003 822	2 644 480	4 622 106
5.3.6.	Advances paid for capital construction and purchase of fixed assets	1155	8 913	12 599	142 642
	Raw materials and materials for production of fixed assets*	1156	222 543	271 717	207 462
5.3.1.	Income-bearing investments in tangible valuables	1160	-	-	-
	Property for leasing	1161	-	-	-
	Property provided under rent contract	1162	-	-	-
5.4.1.- 5.4.3.	Financial investments	1170	155 011	219 876	245 396
	Investments in affiliates	1171	151 711	215 979	236 513
	Investments in dependent companies	1172	-	-	-
	Investments in outside companies	1173	3 300	3 897	8 883
	Loans to organizations for more than 12 months	1174	-	-	-
	Financial investments	1175	-	-	-
5.7.2.	Deferred tax assets	1180	356 989	280 749	196 368
	Other non-current assets	1190	165 062	491 864	598 105
	TOTAL Section I	1100	30 690 304	32 962 683	32 603 589
	II. CURRENT ASSETS				
5.5.1.- 5.5.2.	Stock	1210	649 191	956 524	953 070
	Raw materials, supplies and other similar assets	1211	637 593	920 073	911 580
	Expenses on construction-in-progress	1212	-	-	-
	Finished products and goods for resale	1213	9 809	36 451	41 490
	Goods delivered	1214	1 789	-	-
	Other stock and expenses	1215	-	-	-
	Value added tax on valuables acquired	62 366	63 882	254 061	62 366
5.6.1.- 5.6.4.	Accounts receivable	9 330 109	11 482 427	8 262 868	9 330 109
	accounts receivable that are due beyond 12 months	1231	102 499	220 572	351 114
	Buyers and customers	123101	5 916	2 726	14 519
	Bills receivable	123102	-	-	-
	Advances paid	123103	2 364	11 688	16 368
	Other accounts receivable	123104	94 219	206 158	320 227

	accounts receivable that are due in the next 12 months	1232	9 227 610	11 261 855	7 911 754
	Buyers and customers	123201	7 855 569	10 285 579	6 307 790
	Bills receivable	123202	-	-	-
	Debts of affiliated and depended companies on interest	123203	-	-	-
	Debts of participants (founders) on share capital payment	123204	-	-	-
	Advances paid	123205	240 487	69 895	117 932
	Other accounts receivable	123206	1 131 554	906 381	1 486 032
5.4.1.- 5.4.3.	Financial investments	1240	-	-	-
	Loans granted to companies for a period of less 12 months	1241	-	-	-
	Other short-term financial investments	1242	-	-	-
f.4	Cash and equivalents	1250	716 955	1 177 472	1 738 812
	Cash bank	1251	181	133	169
	Operating account	1252	711 240	1 169 049	1 713 441
	Currency account	1253	-	-	-
	Other funds	1254	5 534	8 290	25 202
	Other current assets	1260	32 148	16 172	30 760
	TOTAL Section II	1200	10 790 769	13 696 477	11 239 571
	BALANCE	1600	41 481 073	46 659 160	43 843 160

	LIABILITIES	Line	as of 31.12.2014 (1)	as of 31.12.2013 (2)	as of 31.12.2012 (3)
1	2	3		4	5
	III. CAPITAL AND RESERVES				
3.1.	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	4 981 110	4 981 110	4 981 110
3.1.	Treasury stock bought out at from the shareholders	1320	-	-	-
3.1.	Revaluation of non-current assets	1340	14 710 817	14 727 032	14 744 980
3.1.	Additional capital (without revaluation)	1350	-	-	-
3.1.	Reserve capital	1360	150 095	148 736	148 736
3.1.	Unallocated profit (uncovered loss)	1370	(14 719 067)	(7 833 272)	(7 878 410)
	Past years	1371	(7 825 390)	(7 833 272)	(7 878 410)
	Reported period	1372	(6 893 677)	-	-
	TOTAL Section III	1300	5 122 955	12 023 606	11 996 416
	IV. LONG-TERM LIABILITIES				
5.6.7-	Borrowed funds	1410	19 744 299	13 241 321	16 500 000

5.6.8					
	Bank credits that should be repaid more than 12 months after reporting date	1411	19 744 299	13 241 321	11 942 322
	Credits that should be paid more than 12 months after reporting date	1412	-	-	4 557 678
5.7.2.	Deferred tax liabilities	1420	318 893	309 109	299 443
5.7.1.	Reserve for contingent liabilities	1430	-	-	-
5.6.5-5.6.6.	Other liabilities	-	-	-	-
	TOTAL Section IV	20 063 192	13 550 430	16 799 443	20 063 192
	V. SHORT-TERM LIABILITIES				
5.6.5.-5.6.6.	Borrowed funds	1510	5 123 128	8 748 032	2 841 890
	Bank credits that should be repaid more than 12 months after reporting date	1511	4 810 228	3 750 000	2 402 548
	Credits that should be paid more than 12 months after reporting date	1512	312 900	4 998 032	439 342
5.6.5-5.6.6.	Payables	1520	8 635 477	10 968 855	10 462 059
	Suppliers and contractors	1521	6 256 387	6 989 965	5 092 305
	Bills payable	1522	-	1 589 835	2 966 675
	Salaries payable	1523	229 592	197 138	10 888
	Debt to state extra-budgetary funds	1524	122 268	104 136	106 084
	Taxes payable	1525	648 039	445 506	37 530
	Advances received	1526	1 106 256	1 292 226	1 752 790
	Payable to the participants (founders) on income payment	1527	88	-	-
	Other accounts payable	1528	272 847	350 049	495 787
	Reserves for future expenses	1530	78 296	54 316	61 495
5.7.1.	Estimated liability	1540	2 458 025	1 313 921	1 681 857
	Miscellaneous liabilities	1550	-	-	-
	TOTAL Section V	1500	16 294 926	21 085 124	15 047 301
	BALANCE (assets)	1700	41 481 073	46 659 160	43 843 160

Director _____ Ebzeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

___ March 2015 (seal)

Profit and loss statement for 12 months of 2014

		Codes
Form No. 2 OKUD [Russian National Classifier of Management Documentation]		0710002
		Date
		31.12.2014
Organization: IDGC of the South, JSC	OKPO [Russian National Classifier of Businesses and Organizations]	80380011
Taxpayer Identification Number	INN [Taxpayer Identification Number]	6164266561
Type of activity electricity transmission	OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company / private property	OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	1 22 47 / 16
Unit: thousand RUR	OKEI [Russian National Classifier of Measurement Units]	384

	Indicator	Line	2014 (1)	2013 (2)
1	2	3		4
	Proceeds	2110	28 891 511	27 426 014
	Including			
	Income from electric energy transmission	2111	28 009 171	25 881 598
	Income from technical connection	2112	704 114	1 424 476
	Income from organization and development of UES of Russia in connection with distributional power grid	2113	-	-
	Income from reselling of electric energy and capacity	2114	-	-
	Income from participating in other organizations	2115	-	-
	Income from lease	2116	53 030	43 444
	Income from selling other products, goods, works, services of industrial type	2117	122 348	72 652
	Income from selling other products, goods, works, services of non-industrial type	2118	2 848	3 844
2.1.	Cost of sales	2120	(24 260 032)	(23 351 253)

	Including			
	Self-cost of energy transmission	2121	(23 949 997)	(23 001 692)
	Self-cost of technical connection	2122	(139 062)	(240 462)
	Self-cost of organization and development of UES of Russia in connection with distributional power grid	2123	-	-
	Self-cost of reselling of electric energy and capacity	2124	-	-
	Self-cost of participation in other organization	2125	-	-
	Self-cost of rent	2126	(16 876)	(16 949)
	Self-cost of other products, goods, works, services of industrial type	2127	(140 881)	(80 859)
	Self-cost of other products, goods, works, services of non-industrial type	2128	(13 216)	(11 291)
	Gross profit (loss)	2100	4 631 479	4 074 761
2.1.	Commercial expenses	2210	-	-
2.1.	Administrative expenses	2220	(565 768)	(657 195)
	Sales profit (loss)	2200	4 065 711	3 417 566
	Participation incomes	2310	10 878	699
	Interest receivable	2320	43 446	45 793
	Interest payable	2330	(2 236 080)	(1 853 230)
5.11	Other incomes	2340	2 889 650	2 981 937
5.11.	Other expenses	2350	(11 351 356)	(4 205 221)
	Profit (loss) before tax	2300	(6 577 751)	387 544
2.3.	Current profit tax	2410	(399 830)	(378 256)
2.3.	Including constant tax liabilities (assets)	2421	1 633 488	226 763
2.3.	Changes in deferred tax liabilities	2430	(10 674)	(9 934)
2.3.	Changes in deferred tax assets	2450	92 566	83 918
2.3.	Other	2460	2 012	(56 082)
	Net profit (loss)	2400	(6 893 677)	27 190
	FOR REFERENCE:	Line	2014 (1)	2013 (2)
5.1.1. 5.3.1.	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510	-	-
3.2.	Results of other operations not included into net profit (loss) of the period	2520	-	-
	Aggregate financial result of the period	2500	(6 893 677)	27 190
2.2.	Basis profit (loss) per share	2900	(0,1384)	0,0005

2.2.	Diluted profit (loss) per share	2910	(0,1384)	0,0005
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Director _____ Ebzeev B.B.
(signature)
___ March 2015

Chief accountant _____ Savin G.G.
(signature)

(seal)

Report on changes in equity for 2014

		Codes
Form No. 3 OKUD [Russian National Classifier of Management Documentation]		0710003
	Date	31.12.2014
Organization: IDGC of the South, JSC	OKPO [Russian National Classifier of Businesses and Organizations]	80380011
Taxpayer Identification Number	INN [Taxpayer Identification Number]	6164266561
Type of activity electricity transmission	OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company / private property	OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	12247/16
Unit: thousand RUR	OKEI [Russian National Classifier of Measurement Units]	384

3.1. Cash flow

Indicator description	Line code	Chartered capital	Treasury stock	additional capital	Reserve capital	Unallocated profit (uncovered loss)	Total
Balance as of December 31 2012 (1)	3100	4 981 110	-	14 744 980	148 736	(7 878 410)	11 996 416
2013 (2) Increase of capital - total:	3210	-	-	-	-	27 190	27 190
including:							
Net profit	3211	x	x	x	x	27 190	27 190
Revaluation of property	3212	X	X	-	X	-	-
Incomes directly related to increase of capital	3213	x	x	-	x	-	-
additional share issue	3214	-	-	-	X	x	-

increase of share nominal value	3215	-	x	x	x	-	x
legal entity reorganization	3216	-	-	-	-	-	-
Capital amount reduction – total:	3220	-	-	-	-	-	-
including:							
loss	3221	x	x	x	x	-	-
Revaluation of property	3222	x	x	-	x	-	-
expenditures directly related to decrease of capital	3223	x	x	-	x	-	-
reduction of share nominal value	3224	-	-	x	x	-	-
reduction of number of shares	3225	-	-	x	x	-	-
legal entity reorganization	3226	-	-	-	-	-	-
dividends	3227	x	x	x	x	-	-
Additional fund changing	3230	x	x	(17 948)	x	17 948	x
Reserve fund changing	3240	x	x	x	-	-	x
Value of capital as of 31 December 2013 (2)	3200	4 981 110	-	14 727 032	148 736	(7 833 272)	12 023 606
2014 (3)		-	-	-	-	(6 893 677)	(6 893 667)
Increase of capital - total:	3310						
including:							
Net profit	3311	x	x	x	x	(6 893 677)	(6 893 667)
Revaluation of property	3312	x	x	-	x	-	-
Incomes directly related to increase of capital	3313	x	x	-	x	-	-
additional share issue	3314	-	-	-	x	x	-
increase of share nominal value	3315	-	x	x	x	-	x
legal entity reorganization	3316	-	-	-	-	-	-
Capital amount reduction – total:	3320	-	-	-	-	(6 974)	(6 974)
including:							
Loss	3321	x	x	x	x	-	-
Revaluation of property	3322	x	x	-	x	-	-
expenditures directly related to decrease of capital	3323	x	x	-	x	-	-

reduction of share nominal value	3324	-	x	x	x	-	-
reduction of number of shares	3325	-	-	x	x	-	-
legal entity reorganization	3326	-	-	-	-	-	-
dividends	3327	X	x	x	x	(6 974)	(6 974)
Additional fund changing	3330	x	x	(16 215)	x	16 215	x
Reserve fund changing	3340	x	x	x	1 359	(1 359)	x
Value of capital as of 31 December 2014 (3)	3300	4 981 110	-	14 710 817	150 095	(14 719 067)	5 122 955

3.2. Amendments with regard of changes in accounting policy and correction of mistakes.

Indicator description	Line code	As of 31.12.2012	Capital changing in 2013		As of 31.12.2013
			At the expense of net profit	Due to other factors	
Capital – total					
Before correcting	3400	11 996 416	27 190	-	12 023 606
Correcting due to the fact of:					
Accounting policy changing	3410	-	-	-	-
Correction of mistakes	3420	-	-	-	-
After correcting	3500	11 996 416	27 190	-	12 023 606
Including:					
Undistributed profit (unrecovered loss):					
Before correcting	3401	(7 878 410)	27 190	17 948	(7 833 272)
Correcting due to the fact of:					
Accounting policy changing	3411	-	-	-	-
Correction of mistakes	3421	-	-	-	-
After correcting	3501	(7 878 410)	27 190	17 948	(7 833 272)
Other corrected capital articles:					
(under the article)					
Before correcting	3402	19 874 826	-	(17 948)	19 856 878
Chartered capital		4 981 110	-	-	4 981 110
Treasury stock		-	-	-	-
Additional capital		14 744 980	-	(17 948)	14 727 032
Reserve capital		148 736	-	-	148 734
Correcting due to the fact of:					

Accounting policy changing	3412	-	-	-	-
Correction of mistakes	3422	-	-	-	-
After correcting	3502	19 874 826	-	(17 948)	19 856 878

3.3 Net assets

Indicator description	Line code	as of 31.12.2014	as of 31.12.2013	as of 31.12.2012
Net assets	3600	5 201 251	12 077 922	12 057 911

Director _____ Ebzeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

___ March 2015

(seal)

3.4. Accounting of estimated value of net assets

Indicator		Line	as of 31 December 2014 (8)	as of 31 December 2013 (7)	as of 31 December 2012 (6)
1		2	3	4	5
I.	Assets				
1.	Intangible assets	1110	9	38	40
2.	Results of researches and developments	1120	26 438	80 545	54 414
3.	Intangible development assets	1130	-	-	-
4.	Tangible development assets	1140	-	-	-
5.	Fixed assets	1150	29 986 795	31 889 611	31 509 266
6.	Income-bearing investments in tangible valuables	1160	-	-	-
7.	Long-and short-term financial investments	1170 +	155 011	219 876	245 396
8.	Miscellaneous intangible assets ²	1180 +119 0	522 051	772 613	794 473
9.	Stock	1210	649 191	956 524	953 070
10.	Value added tax on valuables acquired	1220	62 366	63 882	254 061
11.	Accounts receivable ³	1230	9 330 109	11 482 427	8 262 868
12.	Cash and equivalents	1250	716 955	1 177 472	1 738 812
13.	Miscellaneous current assets ¹	1260	32 148	16 172	30 760
14.	Total assets taken for accounting, (sum of paragraphs 1-13)		41 481 073	46 659 160	43 843 160
II	Liabilities				

15.	Long-term borrowed funds	1410	19 744 299	13 241 321	16 500 000
16.	Deferred tax liabilities	1420	318 893	309 109	299 443
17.	Estimated liability	1430 +154 0	2 458 025	1 313 921	1 681 857
18.	Other long-term liabilities	1450	-	-	-
19.	Short-term borrowed funds	1510	5 123 128	8 748 032	2 841 890
20.	Bills payable ⁴	1520	8 635 477	10 968 855	10 462 059
21.	Miscellaneous short-term liabilities ⁵	1550	-	-	-
22.	Total for liabilities taken for accounting (sum of paragraphs 15-21)		36 279 822	34 581 238	31 785 249
23.	Cost of net assets of joint stock company (total for assets taken for accounting (line 12) minus total liabilities taken for accounting (line 20))		5 201 251	12 077 922	12 057 911

Director _____ Ebzeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

___ March 2015

(seal)

Statement on cash flow for 12 months of 2014

		Codes
Form No.4 OKUD [Russian National Classifier of Management Documentation]		0710004
	Date	31.12.2014
Organization: IDGC of the South, JSC	OKPO [Russian National Classifier of Businesses and Organizations]	80380011
Taxpayer Identification Number	INN [Taxpayer Identification Number]	6164266561
Type of activity electricity transmission	OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company, private property	OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	1 22 47 / 16
Unit: thousand RUR	OKEI [Russian National Classifier of Measurement Units]	384

Indicator	Line code	as of 12 months of 2014	as of 12 months of 2013
1	2	3	4
Cash flow from operating activities			
Income - total	4110	23 488 475	22 137 197
Including:			
From sales of products, goods, work and services	4111	22 968 579	21 275 084
Including from sales of products, goods, work and services to parent, affiliate and subsidiary companies	411101	161 703	-
Lease rents, license fee, royalties, commission and other payments	4112	36 935	36 384
Including from lease rents, license fee, royalties, commission and other payments from parent, affiliate and subsidiary companies	411201	8 912	121
From resale of financial assets	4113	-	-
including from resale of financial assets to parent, affiliate and subsidiary companies	411301	-	-
Other incomes	4119	482 961	825 729
Including other incomes from parent, affiliate and subsidiary companies	411901	142	-
Payments - total	4120	(23 993 399)	(22 368 955)
including:		(13 463 813)	(13 760 566)
to suppliers (contractors) for materials, stuff, work, services	4121		
Including to suppliers (contractors) for materials, stuff, work, services of parent, affiliate and subsidiary companies	412101	(5 802 779)	(156 837)
Due to the fact of payment for the labour of an employee	4122	(5 021 685)	(4 269 654)
Interest on debenture	4123	(2 419 394)	(1 964 236)
Including interest on debenture to parent, affiliate and subsidiary companies	412301	-	-
Tax on the profit of organizations	4124	(849 364)	(237 492)
Other payments	4129	(2 239 143)	(2 137 007)
Including other payments to parent, affiliate and subsidiary companies	412901	(59 438)	-
Balance of money flows from current operations	4100	(504 924)	(231 758)
Cash flow of investment activity funds			

Income – total	4210	97 265	10 828
Including:			
From sale of non-current assets (except financial assets)	4211	93 229	10 129
Including from sale of non-current assets (except financial assets) to parent, affiliate and subsidiary companies	421101	-	-
From sale of shares of other organizations (equity share)	4212	-	-
Including from sale of shares of other organizations (equity share) to parent, affiliate and subsidiary companies	421201	-	-
From returning of granted loans, from sale of debt securities (claim of monetary funds to others)	4213	4 000	-
Including from returning of granted loans, from sale of debt securities (claim of monetary funds to others) of parent, affiliate and subsidiary companies	421301	4 000	-
From dividends, percent from debt financial placements and similar incomes from share participation in other organizations	4214	36	699
Including from dividends, percent from debt financial placements and similar incomes from share participation in other organizations from parent, affiliate and subsidiary companies	421401	32	699
Other incomes	4219	-	-
Including other incomes from parent, affiliate and subsidiary companies	421901	-	-
Payments – total	4220	(1 512 832)	(2 959 033)
Including:			
Due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	4221	(1 479 071)	(2 953 272)
Including payments to parent, affiliate and subsidiary companies due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	422101	(5 932)	-
Due to the fact of purchasing shares of other companies (equity share)	4222	-	-
Including payments to parent, affiliate and subsidiary	422201	-	-

companies due to the fact of purchasing shares of other companies (equity share)			
Due to the fact of purchasing debt securities (claim of monetary funds to others), lending procurement to others	4223	(4 000)	-
Including payments to parent, affiliate and subsidiary companies due to fact of purchasing debt securities (claim of monetary funds to others), lending procurement to others	422301	(4 000)	-
Interest of debenture, included to value of investment asset	4224	(29 761)	(5 761)
Including interest of debenture, included to value of investment asset to parent, affiliate and subsidiary companies	422401	-	-
Other payments	4229	-	-
Including other payments to parent, affiliate and subsidiary companies	422901	-	-
Balance of money flows from current operations	4200	(1 415 567)	(2 948 205)
Cash flows from financial operations	Line	as of 12 months of 2014	as of 12 months of 2013
Income – total	4310	11 343 502	9 929 104
Including:			
Receiving the credits and loans	4311	11 307 678	9 929 104
Including receiving the credits and loans from parent, affiliate and subsidiary companies	431101		
From owners' lodgment (participants)	4312	-	-
Including from owners' lodgment (participants) of parent, affiliate and subsidiary companies	431201	-	-
From shares release, increasing share of participation	4313	-	-
From shares release, increasing share of participation of parent, affiliate and subsidiary companies	431301	-	-
From issue of bonds, bills and other debt securities and other	4314	-	-
From issue of bonds, bills and other debt securities and other of parent, affiliate and subsidiary companies	431401	-	-
Other incomes	4319	35 824	-
Other incomes from parent, affiliate and subsidiary companies	431901	-	-
Payments - total	4320	(9 883 528)	(7 310 481)

Including:			
To owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership	4321	-	-
Including to owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership of parent, affiliate and subsidiary companies	432101	-	-
To dividends and other payments under appropriation of profit in favor of owners (participants)	4322	-	-
Including to dividends and other payments under appropriation of profit in favor of owners (participants) of parent, affiliate and subsidiary companies	432201	-	-
Due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans	4323	(9 883 420)	(7 289 714)
Including due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans to parent, affiliate and subsidiary companies	432301	(1 575 742)	-
Other payments	4329	(108)	(20 767)
Including other payments to parent, affiliate and subsidiary companies	432901	-	-
Balance of money flows from current operations	4300	1 459 974	2 618 623
Balance of money flows in the accounting period	4400	(460 517)	(561 340)
Cash balance and money equivalent at the beginning of reporting period	4450	1 177 472	1 738 812
Cash balance and money equivalent at the end of reporting period	4500	716 955	1 177 472
Effect of exchange rate changes of rubles	4490	-	-

Director _____ Ezbeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

_____ March 2015

(seal)

Explanatory note
to balance sheet and profit and loss statement of 2014
IDGC of the South

1. Information on the Company

Open Joint Stock Company “Interregional Distribution Grid Company of the South” was established by decision of a founder (Order of Chairperson of Management Board of RAO UES of Russia No.192p) in accordance with Civil Code of RF, federal law “On Joint Stock Companies” and other legal documents.

Full company name of the Issuer

- in Russian: Открытое акционерное общество “Межрегиональная распределительная сетевая компания Юга”,
- in English: “Interregional Distribution Grid Company of the South”, Open Joint Stock Company.

Short company name of the Issuer

- in Russian: ОАО “МРСК Юга”,
- in English: “IDGC of the South”, JSC.

Location: 49 Bolshaya Sadovaya street, Rostov-on-Don, Russia, 344002

Postal address: 49 Bolshaya Sadovaya street, Rostov-on-Don, Russia, 344002

TIN (tax registration reason code): 6164266561 (997450001)

Principal state registration number: 1076164009096

Date of registration: 28.06.2007

Registering authority: the Federal Tax Service in Leninskiy district, Rostov-on-Don

Key Activities of the Company:

- electric power transmission
- electric power distribution
- grids performance assurance
- telephone service activities
- commercial activities and management consulting
- holding companies management

Data on the Issuer’ Licenses

Type	Number	Subject	Valid through
Licence	БЛГ № 01540БЭ	Extraction of underground water for domestic and industrial needs, irrigation of green spaces at Log worker's settlement, Ilovlipkiy district	01.01.2033
Licence	БЛГ № 01550БЭ	Abstraction of underground water for domestic and industrial needs, watering planted land of "Danilovka" Substation	01.01.2034
Licence	PCT №03017 БЭ	Extraction of underground water for water supply of industry facilities in Volgodonsk, Rostov region	29.12.2033
Licence	БЛГ № 01548БЭ	Abstraction of underground water for domestic and industrial needs, watering planted land of Voroshilovski district	01.01.2032
Licence	PCT №02227 БЭ	Extraction of groundwater on Zavetinsky land plot No.2 for water supply of the industrial facility from the water supply well in Zavetnoye village, Zavetinskiy district, Rostov region	04.10.2030
Licence	PCT №02228 БЭ	Extraction of groundwater on Volgodonsky land plot No.10 for water supply of the industrial facility from the water supply well in Volgodonsk, Rostov region	04.10.2030
Licence	PCT №02327 БЭ	Extraction of groundwater on Bolshemartynovskiy land plot No.2 for water supply of the grid facility in Bolshaya Martynovka village, Martynovskiy district	20.01.2031
Licence	PCT №02414 БЭ	Extraction of groundwater on Klyuchnikovskiy land plot No.1 for water supply of the industrial facility in Klyuchnikova Balka village, Neklinovskiy district,	20.04.2031

		Rostov region	
Licence	PCT №02024 BЭ	Water-point reconnaissance and extraction of groundwater for water supply of the industrial facility from the water supply well in Veshenskaya village, Sholokhovskiy district, Rostov region	30.06.2029
	PCT №02925 BЭ	Extraction of groundwater on Starostanichny land plot No.3 for water supply of the grid facility in Staraya Stanitsa village, Kamensky district, Rostov region	29.04.2033
Licence	PCT №02920 BЭ	Extraction of groundwater on Milyutinsky land plot No.5 for water supply of the grid facility in Milyutinskaya village, Milyutinsky district, Rostov region	29.04.2033
Licence	PCT №02921 BЭ	Extraction of groundwater on Tatsinsky land plot No.8 for water supply of the grid facility in Tatsinskaya village, Tatsynsky district, Rostov region	29.04.2033
Licence	PCT №02923 BЭ	Extraction of groundwater on Kolushkinsky land plo8 for water supply of the grid facility from the water supply well in Kolushkino village, Tarasovsky district, Rostov region	29.04.2033
Licence	PCT №02922 BЭ	Extraction of groundwater on Golubinsky land plot No.4 for water supply of the grid facility in Golubinka village, Belokalitvensky district, Rostov region	29.04.2033
Licence	PCT №02924 BЭ	Extraction of groundwater on Kalitvensky land plot No.1 for water supply of the grid facility in Kalitvenskaya village,	29.04.2033

		Kamensky district, Rostov region	
Licence	БЛГ№1549БЭ	Extraction of groundwater on the 2 nd km eastwards from Kalinina village, Sredneakhtubinsky district, Volgograd region for use as domestic potable water	01.01.2034
Licence	БЛГ№02041БЭ	Extraction of groundwater in Bykovo village, Bykovsky district, Volgograd region for technical use	24.01.2018
Licence	68956	Local telephony, except public pay telephone and common user facilities	06.08.2014
Licence	68957	Local telephony, except public pay telephone and common user facilities in Volgograd region	06.08.2014
Licence	68958	Local telephony, except public pay telephone and common user facilities in Rostov region	06.08.2014
Licence	120752	Local telephony, except public pay telephone and common user facilities	06.08.2019
Licence	0265.03-2011-6164266561-C-060	Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects	Perpetual licence
Licence	БП-29-001130	Operation and maintenance of explosion and fire hazardous facilities	15.01.2015
Licence	Licence	Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects	Perpetual licence
Licence	006756-P	Production and repair of metering devices	12.08.2015

According to provisions listed in cl. 8 of The Regulations on Licensing of the Activities of Companies, Institutions and Organizations against Handling of Services Related to Information Classified as State Secret, approved by Russian Federation

Government resolution No.33 dd. 15.04.1995; under supervision of Federal Security Service Directorate of Russian Federation (FSB of Russia) in Krasnodar Region “IDGS of the South”, JSC has obtained authorization on handling of services related to information classified as State Secret, valid through 01.07.2015. The Company has all necessary licences for its business activity.

Branches of the Company:

	Branch	Location
1.	“Astrakhanenergo” branch of “IDGC of the South” JSC	32 Krasnaya Naberezhnaya, Astrakhan 414000
2.	“Volgogradenergo” branch of “IDGC of the South” JSC	15 Lenin prospect, Volgograd, 400066
3.	“Kalmenergo” branch of “IDGC of the South”, JSC	Northern industrial area, Elista, Republic of Kalmykia, 358007
4.	“Kubanenergo” branch of “IDGC of the South”, JSC	2 Stavropolskaya st., Krasnodar, 350033
5.	“Rostovenergo” branch of “IDGC of the South”, JSC	49 Bolshaya Sadovaya st., Rostov-on-Don

The average number of employees of the Company in 2014 was 13 392 employees, in the previous year – 13 681, in the year preceding the previous – 14 072.

The founding documents regulating the activities of the Company (including the number of ordinary shares and preferred registered shares):

The Company operates under the Charter of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (as amended), registered by the Inspectorate of the Federal Tax Service of the Leninsky district of Rostov-on-Don on 11 July 2011.

The authorized capital of “IDGC of the South” JSDC is 4 981 109 606 (four billion nine hundred eighty-one million one hundred and nine thousand six hundred and six)

rubles 40 kopecks, divided into 49 811 096 064 ordinary shares of nominal value of 10 kopecks each. The preference shares were not issued. The authorized capital is fully paid. All shares of “IDGC of the South” JSC are in circulation.

Company’s registrar:

Full company name: Open Joint Stock Company “Registrar R.O.S.T.”

Short company name: “Registrar R.O.S.T.”, JSC

Location: 18/13 Stromynka St., Moscow, 107996

Postal address: 18/13 Stromynka St., Moscow, 107996

Phone: (495) 771-73-35; e-mail: rist@rrost.ru

Data on the license for keeping the register of securities holders

Number: 10-000-1-00264

Issuing date: 13.12.2002

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer’s bearer securities holders by the Registrar: 18.12.2010

Company’s auditor:

Full company name: Limited Liability Company “Ernst and Young”

Abbreviated name: “Ernst and Young”, LLC

Legal address: 77/1 Sadovnicheskaya Naberezhnaya, Moscow, Russia 115035

Location: 77/1 Sadovnicheskaya Naberezhnaya, Moscow, Russia 1123317

TIN: 7709383532

PSRN: 1027739707203

phone: (495) 755-97-00

fax: (495) 755-97-01

Information on membership of the auditor at self-regulating organizations of auditors

Member of Non-profit partnership Audit Chamber of Russia

IDGC of the South JSC management bodies are:

- General shareholders' meeting
- Board of Directors
- Management Board
- Director general

On 28 July 2014 Ebzeyev Boris Borisovich was elected by resolution of the Board (minutes of meeting No.139/2014 dated 31.07.2014).

Chief Accountant - Head of financial records, accounts and tax returns department: Savin Grigory Grigorievich.

The Board of Directors of IDGC of the South JSC was elected by the General Meeting of Shareholders of IDGC of the South JSC on 25 June 2014 (Minutes No. 11 dated 25.06.2014):

	Name	Position occupied as of the moment of nomination
1.	Belenkiy Dan Borisovich, Chairperson of the BoD	First deputy Director General in charge of investments activity, Rosseti JSC
2.	Ivanov Vitaliy Valerievich, deputy Chairperson of the BoD	Deputy Director General in charge of emergency control, Rosseti JSC
3.	Branis Aleksandr Markovich	Director of Prosperity Capital Management (RF) Ltd
4.	Filkin Roman Alekseevich	Co-director, power industry, machine construction, of Representative office of Prosperity Capital Management (RF) Ltd
5.	Shevchyuk Aleksandr Viktorovich	Executive director of Non-profit Partnership Association for protection of Investors' rights
6.	Repin Igor Nikolaevich	Deputy executive director of Non-profit Partnership Association for protection of Investors' rights
7.	Serebyakov Konstantin Sergeyeovich	Head of Directorate for corporate events at affiliated and dependent companies, Corporate governance and shareholders relations department,

		Rosseti, JSC
8.	Terekhov Dmitriy Yurievich	Head of Budgeting Division, Department of Economic Planning and Budgeting of Rosseti, OJSC
9.	Kharin Andrei Nikolaevich	Deputy Director for Corporate Management, Pricing Environment and Auditing in Fuel and Energy Complex of RF Ministry of Energy
10.	Airapetian Arman Mushegovich	Director of Property Recording and Management Department, Rosseti, JSC
11.	Piotrovich Nikolai Borisovich	Deputy head of Directorate for Arrangement of Management Bodies' Activity, Rosseti JSC

Management Board was elected by the resolutions of the Board of Directors of “IDGC of the South”, JSC on 15.08.2014 (Minutes of Meeting No.141 dated 18.08.2014), 21.04.2014 (Minutes of Meeting No.131 dated 23.04.2014), 30.09.2013 (Minutes of Meeting No.116 dated 03.10.2013), 26.02.2013 (Minutes of Meeting No. 104 dated 01.03.2013), 30.05.2011 (Minutes of meeting No.65/2011 dated 01.06.2011), 16.09.2011 (Minutes of Meeting No. 72 dated 19.09.2011):

	Name	Position
1.	Ebzeev Boris Borisovich	Director General of IDGC of the South JSC
2.	Alaev Timur Ulyumdzhevich	Deputy Director General — Director of branch of IDGC of the South JSC — Astrakhanenergo
3.	Goncharov Pavel Viktorovich	Deputy Director General for Technical Issues – Chief Engineer of IDGC of the South JSC
4.	Kiyok Oleg Petrovich	Deputy Director General — Chief of Staff of IDGC of the South JSC
5.	Rybin Alexey Alexandrovich	Deputy General Director for Economics and Finance, IDGC of the South JSC
6.	_Savin Grigoriy Grigorievich	Head of financial records, accounts and tax returns department IDGC of the South JSC
7.	Chekmaryov Sergey	Deputy Director General — Director of the Branch of

	Alexeyevich	IDGC of the South, JSC — Rostovenergo
8.	Chasovskoi Aleksandr Aleksandrovich	Deputy Director General for Safety, IDGC of the South JSC

Information on members of auditing committee of the Company elected by annual general meeting of shareholders of IDGC of the South on 25 June 2014 (Minutes of meeting No.11 dated 25.06.2014)

	Name,	Company, position
1	Shmakov Igor Vladimirovich	Head of Directorate of control and risks at Internal audit and Control Department, Rosseti, JSC
2	Kirillov Artyom Nikolaevich	Head of sector for investments audit at Directorate of investments activity and internal audit, Department of internal audit and control, Rosseti, JSC
3	Bunyaeva Maria Viktorovna	Leading expert of Directorate of inspection activity and internal audit at Department of internal audit and control, Rosseti, JSC
4	Guseva Yelena Yurievna	Leading expert of Directorate of inspection activity and internal audit at Department of internal audit and control, Rosseti, JSC
5	Ochikov Sergey Ivanovich	Leading expert of Audit activities and internal audit directorate at Department of internal audit and control, Rosseti, JSC

Information on affiliated and depended companies (list of such companies and company's participation share):

	Company name	Share in authorized capital	Location	Activity
1.	Open Joint Stock Company "Volgogradsetremont"	100%	1a Granovitaya Str., Volgograd, Russia	Overhaul of power lines of 35-220kV; maintenance and overhaul of substation equipment; repair and replacement of metering equipment at distribution devices; repair of grounding system;

				overhaul of power lines of 0.4-20kV (0.38-10 kV); foreign economic activity in accordance with RF legislation; The Company has a right to perform other activities not prohibited by RF law
	Open Joint Stock Company "Agricultural Enterprise named after Grechko A.A."	100%	21 Teatralnaya Str., Kuybyshevo, Kuybyshevskiy area, Rostov Region, Russia	Corn farming, potato farming, oil crop production, vegetable production, seed production, berry growing, vine growing, pig breeding, bee raising, fish farming, poultry raising, retail and wholesale trade; activities ensuring maximum efficiency of the company. The Company has a right to perform other activities not prohibited by RF law.
	Open Joint Stock Company "Agricultural Enterprise Sokolovskoye"	100%	32 Kurskaya Str., Sokolovo-Kundryuchenskiy area, Novoshakhtinsk, Russia	corn farming, potato farming, oil crop production, vegetable production, seed production, berry growing, vine growing, pig breeding, bee raising, fish farming, poultry raising, retail and wholesale trade; ctivities ensuring maximum efficiency of the company The Company has a right to perform other activities not prohibited by RF law
	Open Joint Stock Company "Recreation centre" Energetik"	100%	3 Shkolnaya, Shepsi, Tuapsinskiy area, Krasnodar region, Russian Federation	Activities of a health resort on medical maintenance and rehabilitation (recreation) of adults, parents with children (from the age of 5) and organized groups of schoolchildren, rendering utility services, tourist and excursion services as well as cultural and recreational services; The Company has a right to perform other activities not prohibited by RF law.
	Open Joint Stock Company "Energoservis Yuga"	100%	49 Bolshaya Sadovaya St., Rostov-on-Don, Russian Federation 3440 02	Project works, construction works, hot and cold running water works, ensuring functioning of electric and heat networks,. The Company has a right to perform other activities not prohibited by RF law.

In 2014 a uniform ("boiler") method of tariff formation on transport of electric energy is in force on the territory of all territorial subdivisions of the RF within responsibility area of IDGC of the South JSC. The peculiarity of the method is that electricity is

transmitted to absolutely all consumers of one and the same voltage class at a uniform tariff, irrespective of the type of company they are connected to.

Thus, pursuant to Resolution of the RF Government dated 29 December 2011 No. 1178 the uniform (boiler) tariffs for the transmission of electrical energy in 2014 are set for each half-year, with periods:

- from 1 January 2014 to June 30, 2014;
- from July 1, 2014 to December 31, 2014

The main consumers of the Company's services on electricity transmission are:

- energy selling companies – participants of the wholesale and retail markets that operate on the sale of electricity to end customers connected to the power grids of the Company's subsidiaries and the grids of other organizations;
- end users of electric energy;
- territorial grid companies - participants of the wholesale and retail markets that transmit electricity to end users via own grids.

Branch of “IDGC of the South” JSC - “Astrakhanenergo”

“Boiler” model in the region – “boiler above”. The holder of the “boiler” is “Astrakhanenergo” branch of “IDGC of the South” JSC. “Astrakhanenergo” branch of “IDGC of the South” JSC collects gross revenue requirement from the selling companies of the region at “boiler” tariffs and pays for transmission via grids of local grid organizations’ at individual tariffs. All the consumers of transport services pay “Astrakhanenergo” branch of “IDGC of the South” JSC at flat-rate tariffs.

“Boiler” tariffs for 2014 were determined by the Decree of Tariff Service of Astrakhan region No. 9 dated 27 March 2014.

The required gross revenue of the branch of IDGC of the South – “Astrakhanenergo” for 2012 – 2017 was formed by return on invested capital method (RAB).

Branch of “IDGC of the South” JSC - “Volgogradenergo”

In 2014 “mixed boiler” pattern of tariff settling was introduced in the region, “Volgogradenergo” branch of “IDGC of the South” JSC being the holder of the boiler. “Volgogradenergo” branch of “IDGC of the South” JSC receives revenue from transport service from consumers at boiler and flat-rate tariffs (from “Volgogradoblelektro” JSC, “Volgograd Interdistrict Electric Grids” Municipal Unitary Manufacturing Enterprise, “Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise, “Oboronenergo” JSC). Consumers of services on transport of electric energy pay “Volgogradenergo” branch of “IDGC of the South” JSC at both two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2014 are calculated by long-term indexation method and approved by Resolution of Regional Tariffs Service of Volgograd region No. 62/4 on 19 December 2013 (with amendments from Tariff regulation Committee of Volgograd region dated 30 June 2014 No.24/1, 18 July 2014 No.28/4m 13 August 2014 No.31/7, 25 December 2014 No.55). Individual tariffs for mutual settlements between “Volgogradenergo” branch of “IDGC of the South” JSC and abovementioned grid operators were approved by Resolution of Tariff regulation Committee (Volgograd region) No.62/5 on 19 December 2014 (with amendments from the order of the Tariff regulation Committee (Volgograd region) No.55 dated 25 December 2014).

The required gross revenue of the branch of IDGC of the South – “Volgogradenergo” for 2014-20108 was formed by method of long-term indexation.

Branch of “IDGC of the South” JSC – “Kalmenergo”

“Boiler from below” pattern of payment is used in the region. “Kalmenergo” branch of “IDGC of the South” JSC makes up its revenue according to “boiler” tariffs for productive supply to consumers of “Kalmenergosbyt” JSC connected to grids of “Kalmenergo” branch of “IDGC of the South” JSC and at residential rates of output of the grid of “Kalmenergo” branch of “IDGC of the South” JSC to grids of Territorial Grid Companies. Service consumers pay to “Kalmenergo” branch of “IDGC of the South” JSC at flat-rate tariffs.

“Boiler” tariffs and residential rates for 2014 have been calculated by return on invested capital method (RAB method) and are approved by Order of Regional Tariffs Service of Republic of Kalmykia No. 100-/П/э (with amendments introduced by Order of Regional Tariffs Service of Republic of Kalmykia on 25 March 2014 No.27-П-э).

The necessary gross income for 2012-2017 is formed by method of RAB.

Branch of “IDGC of the South” JSC - “Rostovenergo”

“Two Boilers” pattern of settling is used in the region. There are two big grid companies in the region which are “boiler” holders: “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC. “Rostovenergo” branch of “IDGC of the South” JSC collects its share of the grid “boiler” from all Power Supply Companies as per “boiler” tariffs and at residential rates - from “Donenergo” JSC. The company shares part of its grid receipt with its subordinate Territorial Grid Companies at residential rates. “Donenergo” JSC collects its share of the grid boiler from “Donenergobyt” LLC, “Energobyt Rostovenergo” JSC as per boiler tariffs and shares the revenue with “Rostovenergo” branch of “IDGC of the South” JSC and the subordinate Territorial Grid Companies at residential rates. Transport service consumers settle with “Rostovenergo” branch of “IDGC of the South” JSC as per two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2014 were calculated by return on invested capital method (RAB method) and approved by Resolution of Regional Tariffs Service of Rostov region No. 70/23 dated 19 December 2013 (with amendments introduced by Resolutions of Regional Tariffs Service of Rostov region No.17/7 dated 29 April 2014, No.43/2 dated 12 August 2014).

Residential rates for settling between “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC are approved by Resolution of Regional Tariffs Service of Rostov region No. 70/9 dated 19 December 2013 for the 1st half of 2014 and Resolution of Regional Tariffs Service of Rostov region No.32/11 dated 30 June 2014 for the 2nd half of 2014.

The necessary gross income for 2012-2017 is formed by method of RAB.

Transmission Tariffs for the period of 1 January 2014 to 30 June 2014

Unified (Boiler) Transport Service Tariffs for 01.01.2014-30.06.2014					
No., date of tariff design/consumer group		Two-rate tariff			Flat-rate tariff (rbs/MW* h)
		Rate of electric grid maintenance (rbs/MWmont h)	Rate of payment for electric energy losses in grids (rbs/MW*h)		
“IDGC of the South” JSC					
“Astrakhanenergo”					
1	Resolution of tariffs service of Astrakhan region No. 9 dated 27.03.2014	HV	221 952.36	488.70	800.50
		MV1	295 14.46	472.21	1 039.32
		MV2	635 233 57	376.90	1 672.90
		LV	949 164.40	745.34	2 369.19
		Population and consumers considered as population			1 497.32
“Volgogradenergo”					
2	Order of Tariffs Regulation Committee of Volgograd region No.62/4 dated 19.12.2013	other consumers			
		HV1	494 431.10	64.08	-
		HV	750 520.46	69.85	941.29
		MV1	915 595.01	110.88	1 397.14
		MV2	1 212 760.94	256.78	2 436.73
		LV	1 214 339.23	838.73	3 503.64
		Urban consumers and consumers considered as urban			1 194.73
		Rural consumers and urban with electric ovens			415.07
		“Kalmenergo”			
3	Order of Regional Tariffs Service at Kalmykiya Republic No.100-П-Э dated 20.12.2013	other consumers			
		HV	796 853.94	125.45	2 133.49
		MV1	1 034 126.07	247.93	2 853.88

		MV2	1 252 035.51	396.05	3024.82
		LV	1 530 780.19	547.18	3 804.43
		Urban consumers and consumers considered as urban			1 879.845
		Rural consumers and urban with electric ovens			990.015
“Rostovenergo”					
	Order of Regional Tariffs Service at Rostov region No.70/23 d 19.12.2013	other consumers			
		HV1	796 853.94	125.45	2 133.49
		HV	1 034 126.07	247.93	2 853.88
		MV1	1 252 035.51	396.05	3 024.82
		MV2	1 530 780.19	547.18	3 804.43
		LV			
		Urban consumers and consumers considered as urban			1 879.845
		Rural consumers and urban with electric ovens			990.015

Individual Tariffs for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for the period of 01.01.2014-30.06.2014

No.	No. and date of tariff design adoption	Name of entity	Two-part tariff		Flat-rate tariff
			maintenance	electric energy losses payment	
			rbs/MWmo	rbs/MWh	Rbs/MWh
“IDGC of the South” JSC					
“Volgogradenergo”					
1	Resolution of Regional Tariffs Committee of Volgograd region No.62/5 dd 19.12.2013	“Volgogradoblelectro” JSC	0,00	138.53	138.53
		“Volgograd Interdistrict Electric Grids” Municipal Unitary Operational Enterprise	253 630.49	221.85	858.51
		“Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise	0.0	323.27	323.27

		“Oboronenergo”, JSC	798 805.41	519.23	2349.06
“Kalmenergo”					
2	Order of Regional Tariffs Service of Kalmykia Republic No. 100-п/э. Dd. 20.12.2013	“Kalmykia Energy Company” JSC	528 586.689	220.213	1 414.067
		“Multi-Industry Production Association of Communal Services at Iki-Burulsky Rural Municipality of Republic of Kalmykia” Municipal Unitary Enterprise	387 528.915	339.269	1 215.373
		“Gazpromenergo” LLC	1 368 963.321	362.402	2 651.835
		“Russian Railways” JSC	337 848.369	1453625	980.037
“Rostovenergo”					
3	Resolution of Regional Tariffs Service of Rostov Region 70/9 dd 19.12.2013	“Donenergo” JSC	56 914.38	236.74	336.51

Transmission Tariffs for the period of 1 July 2014 to 31 December 2014

Unified (Boiler) Transport Service Tariffs for 01.07.2014-31.12.2014					
No., date of tariff design/consumer group	Two-rate tariff			Flat-rate tariff (rbs/MW* h)	
	Rate of electric grid maintenance (rbs/MWmonth)	Rate of payment for electric energy losses in grids (rbs/MW*h)			
“IDGC of the South” JSC					
“Astrakhanenergo”					
1	Resolution of tariffs service of Astrakhan region No. 9 dated 27.03.2014	HV	221 952.36	488.70	800.50
		MV1	295 14.46	472.21	1 039.32
		MV2	635 233 57	376.90	1 672.90
		LV	949 164.40	745.34	2 369.19
		Population			1 620.40
“Volgogradenergo” (01.07.2015-29.12.2014)					
2	Order of Tariffs Regulation Committee of Volgograd region No.62/4 dated	other consumers			
		HV1 (01.07.2014-	494 431.10	64.08	-

	19.12.2013	31.07.2014)					
		01.08.2014-31.12.2014		220k V and lower	330k V and higher	-	
		HV	750 520.46	69.85		941.29	
		MV1	915 595.01	110.88		1 397.14	
		MV2	1 212 760.94	256.78		2 436.73	
		LV	1 214 339.23	838.73		3 503.64	
		Urban consumers and consumers considered as urban				1 195.73	
		Rural consumers and urban with electric ovens				381.87	
		“Kalmenergo”					
		3	Order of Regional Tariffs Service at Kalmykiya Republic No.100-П-Э dated 20.12.2013	other consumers			
HV	796 853.94			125.45	2 133.49		
MV1	1 034 126.07			247.93	2 853.88		
MV2	1 252 035.51			396.05	3024.82		
LV	1 530 780.19			547.18	3 804.43		
Urban consumers and consumers considered as urban					1 935.361		
Rural consumers and urban with electric ovens					1 003.158		
“Rostovenergo”							
	Order of Regional Tariffs Service at Rostov region No.70/23 d 19.12.2013	other consumers					
		HV1 (01.07.2014-31.07.2014)	575 850.02	66.115		-	
		HV1 (01.08.2014-31.12.2014)		220k V and lower	330k V and higher	-	
		HV	643 664.93	820.91		1 958.76	
		MV1	678 826.04	902.96		2 152.72	
		MV2	990 857.57	943.70		2 168.13	

	LV	1 283 635.24	952.57	2 742.50
	Urban consumers and consumers considered as urban (within the limits of social norm of consumption)			1 748.66
	Rural consumers and urban with electric ovens(within the limits of social norm of consumption)			858.83
	Urban consumers and consumers considered as urban (exceeding the limits of social norm of consumption)			2 536.80
	Rural consumers and urban with electric ovens(exceeding the limits of social norm of consumption)			1 410.53

Individual Tariffs for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for the period of 01.07.2014-31.12.2014

No.	No. and date of tariff design adoption	Name of entity	Two-part tariff		Flat-rate tariff
			maintenance	electric energy losses payment	
			rbs/MWmo	rbs/MWh	Rbs/MWh
“IDGC of the South” JSC					
“Volgogradenergo”					
1	Resolution of Regional Tariffs Committee of Volgograd region No.62/5 dd 19.12.2013	“Volgogradoblectro” JSC	0,00	138.53	138.53
		“Volgograd Interdistrict Electric Grids” Municipal Unitary Operational Enterprise	253 630.49	221.85	858.51

	(newspaper “Volgogradskaya Pravda” dated 25.12.2013 No.242)	“Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise	0.0	323.27	323.27
		“Oboronenergo”, JSC	798 805.41	519.23	2349.06
“Kalmenergo”					
2	Order of Regional Tariffs Service of Kalmykia Republic No. 100-п/э. Dd. 20.12.2013 (newspaper “Khalmt Unn” No.234 (16842) dated 24.12.2013) (with amendments introduced by order dated 25.03.2014 No.27-п/э) (the text of the order was published in newspaper “Khalmt Unn” No.51 dated 29 march 2014)	“Kalmykia Energy Company” JSC	560 942.728	209.748	1 450.037
		“Multi-Industry Production Association of Communal Services at Iki-Burulsky Rural Municipality of Republic of Kalmykia” Municipal Unitary Enterprise	325 882.241	341.982	1 072.202
		“Gazpromenergo” LLC	1 381 426.256	363.447	2 635.711
		“Russian Railways” JSC	210 740.600	206.147	726.080
“Rostovenergo”					
3	Resolution of Regional Tariffs Service of Rostov Region 32/11 dd 30.06.2014	“Donenergo” JSC	56 914.38	279.61	375.06

Electricity transmission tariffs for “Volgogradenergo” branch of IDGC of the South JSC for the period from 30 December 2014 to 31 December 2014

Unified (Boiler) Transport Service Tariffs for 31.12.2014 – 31.12.2014					
No., date of tariff design/consumer group	Two-rate tariff			Flat-rate tariff (rbs/MW* h)	
	Rate of electric grid maintenance (rbs/MWmonth)	Rate of payment for electric energy losses in grids (rbs/MW*h)			
“IDGC of the South” JSC					
“Volgogradenergo”					
2	Order of Tariffs Regulation Committee of Volgograd region No.62/4 dated 19.12.2013 (with amendments	other consumers			
		HV	861 321.32	73.56	1 073.89

	issued by Tariff Regulation Committee of the Volgograd region on 25.12.2014 order No.55)	MV1	1 047 098.81	115.94	1 605.73
		MV2	1 353 389.12	265.27	2 792.02
		LV	1 355 132.89	849.61	4 028.40
		Urban consumers and consumers considered as urban			1 195.73
		Rural consumers and urban with electric ovens			381.87

**Individual tariffs for services on electricity transmission for settlements between
“Volgogradenergo” branch of IDGC of the south JSC and allied grid companies
30.12.2014 – 31.12.2014**

No.	No. and date of tariff design adoption	Name of entity	Two-part tariff		Flat-rate tariff
			maintenance	electric energy losses payment	
			rbs/MWmo	rbs/MWh	
“IDGC of the South” JSC					
“Volgogradenergo”					
1	Resolution of Regional Tariffs Committee of Volgograd region No.62/5 dd 19.12.2013(with amendments issued by Tariff Regulation Committee of the Volgograd region on 25.12.2014 order No.55)	“Volgogradoblectro” JSC	0,00	0,00	0,00
		“Volgograd Interdistrict Electric Grids” Municipal Unitary Operational Enterprise	198 536.81	0.00	498.37
		“Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise	0,00	0,00	0,00
		“Oboronenergo”, JSC	918 858.46	436.06	2 540.89

**Grid connection tariffs 2014
“Astrakhanenergo” branch of IDGC of the South JSC**

Date of setting the tariff	Category of connection		Unit of measurement	Payment rate (VAT excluded)
	Capacity, kW /type of wire/ Transformer capacity	Voltage level at connection point, kV		
Order of Tariff service of Astrakhan region	Standardized tariff rate to cover, expenditure on grid connection of consumers of electric energy, transmission facilities owned by the network organizations and other persons, not including the construction and reconstruction of electric grid facilities (current prices VAT excluded)			

dated 0.12.2013 No.249 (published at: official webpage of Tariff service of Astrakhan region, “Digest of laws and regulations of astrakhan region” No.56 dated 20.12.2013)	Standardized tariff rate for the connection of consumers up to 15 kW, provided that the distance from boundaries of an applicant’s land plot to power grid facilities of voltage class necessary to an applicant, is more than 300 meters in cities and towns and more than 500 meters in rural areas and (or) technological connection of energy receiving devices of the same person carried out more than once in 3 years within the boundaries of municipalities and urban districts	LV	rubles/kW	697,73	
		MV2			
	Standardized tariff rate for the connection of the consumers from 15 to 150 kW inclusive	LV	rubles/kW	128.50	
		MV2		111.80	
	Standardized tariff rate for the connection of the consumers from 150 to less than 670 kW inclusive	LV	rubles/kW	25.22	
		MV2		22.43	
	Standardized tariff rate for the connection of the consumers from less than 670	LV	rubles/kW	10.28	
		MV2			
	Standardized tariff rate to cover expenditure on grid connection of consumers of electric energy, transmission facilities owned by the network organizations and other persons, including expenses on the construction and reconstruction of overhead lines for the 3 rd category of consumers (prices of 2001)				
	Construction of 1 km of overhead lines for the connection of applicants up to 15 kW inclusive, provided that the distance from site boundaries of an applicant to the power grid facilities of voltage class necessary to an applicant, is more than 300 meters in cities and towns and more than 500 meters in rural areas and (or) technological connection of power devices of the same person was carried out more than once in 3 years within the boundaries of municipalities and urban districts	LV	rubles/km	163 388	
MV2		rubles/km	225 594		

Construction of 1 km of overhead lines for the connection of applicants from 15 kW to 150kW inclusive	LV	rubles/km	182 576
	MV2	rubles/km	225 594
Construction of 1 km of overhead lines for the connection of applicants from 150 kW to less than 670kW inclusive	LV	rubles/km	184 91 3*
	MV2	rubles/km	234612
Construction of 1 km of overhead lines for the connection of applicants less than 670kW	LV	rubles/km	184 91 3*
	MV2	rubles/km	234 61 2*
Standardized tariff rate to cover expenditure on grid connection of consumers of electric energy, transmission facilities owned by the network organizations and other persons, including expenses on the construction and reconstruction of cable lines for the 3 rd category of consumers (prices of 2001)			
Construction of 1 km of cable lines for the connection of applicants up to 15 kW inclusive, provided that the distance from site boundaries of an applicant to the power grid facilities of voltage class necessary to an applicant, is more than 300 meters in cities and towns and more than 500 meters in rural areas and (or) technological connection of power devices of the same person was carried out more than once in 3 years within the boundaries of municipalities and urban districts	LV	rubles/km	146 568
	MV2	rubles/km	191 133
Construction of 1 km of cable lines for the connection of applicants from 15 kW to 150kW inclusive	LV	rubles/km	150 377
	MV2	rubles/km	203 721
Construction of 1 km of cable lines for the connection of applicants from 150 kW to less than 670kW inclusive	LV	rubles/km	201 97 7**
	MV2	rubles/km	403 904
Construction of 1 km of cable lines for the connection of applicants less than 670kW	LV	rubles/km	249 12 5***
	MV2	rubles/km	488 05 4***
Standardized tariff rate to cover expenditure on grid connection of consumers of electric energy, transmission facilities owned by the network organizations and other persons, including expenses on the construction of substations for			

connection of the 3 rd category of consumers (prices of 2001)			
Construction of 1 substation for the connection of applicants up to 15 kW inclusive, provided that the distance from site boundaries of an applicant to the power grid facilities of voltage class necessary to an applicant, is more than 300 meters in cities and towns and more than 500 meters in rural areas and (or) technological connection of power devices of the same person was carried out more than once in 3 years within the boundaries of municipalities and urban districts	LV	rubles/km	2 962,97
	MV2	rubles/km	
Construction of 1 substation for the connection of applicants from 15 kW to 150kW inclusive	LV	rubles/km	748,75
	MV2	rubles/km	
Construction of 1 substation for the connection of applicants from 150 kW to less than 670kW inclusive	LV	rubles/km	608,01
	MV2	rubles/km	
Construction of 1 substation for the connection of applicants less than 670kW	LV	rubles/km	608,01
	MV2	rubles/km	
Construction of distribution station for the connection of applicants from 15 kW to 150kW inclusive	LV	rubles/km	701.35
	MV2	rubles/km	
Construction of 1 sectionalizing station for the connection of applicants from 15 kW to 150kW inclusive	LV	rubles/km	2 165,97
	MV2	rubles/km	
Construction of 1 sectionalizing station for the connection of applicants from 150 kW to less than 670kW inclusive	LV	rubles/km	379,49
	MV2	rubles/km	
Construction of 1 sectionalizing station for the connection of applicants less than 670kW inclusive	LV	rubles/km	129,42
	MV2	rubles/km	
Charges for unit of the maximum capacity for technological connection, are calculated without the investment component (funds for construction and			

reconstruction of electric grid)			
For electricity supply of the applicant who needs electric power up to 15 kW, provided that the distance from the site boundaries of an applicant to the power grid facilities of the voltage class necessary for the applicant, is more than 300 meters in cities and towns and more 500 meters in rural areas and (or) technological connection of power devices of the same person was carried out more than once in a period of 3 years within the boundaries of municipalities and urban districts, total, including	-	rubles/kW	697,73
Preparation and delivery by a grid company of technical conditions	-	rubles/kW	256,32
The development by grid company of design documentation for the construction of the "last mile"	-	rubles/kW	-
Grid company's activities related to the construction of the "last mile"	-	rubles/kW	-
Checking by the grid company the applicants fulfilling technical conditions	-	rubles/kW	139,11
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	-	rubles/kW	-
The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/kW	302,30
For the electricity supply to the applicant, who requires electrical power from 15 to 150 kW inclusive, total, including	LV	rubles/km	128,50
	MV2	rubles/km	111,80
Preparation and delivery by a grid company of technical conditions	LV	rubles/km	47,21
	MV2	rubles/km	41,07

The development by grid company of design documentation for the construction of the "last mile"	LV	rubles/km	-
	MV2	rubles/km	-
Grid company's activities related to the construction of the "last mile"	LV	rubles/km	-
Checking by the grid company the applicants fulfilling technical conditions	MV2	rubles/km	-
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	LV	rubles/km	-
	MV2	rubles/km	-
The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/kW	55,67
For the electricity supply to the applicant, who requires electrical power from 150 to less than 670 kW inclusive, total, including	LV	rubles/km	48,44
	MV2	rubles/km	25,22
Preparation and delivery by a grid company of technical conditions	LV	rubles/km	22,43
	MV2	rubles/km	-
The development by grid company of design documentation for the construction of the "last mile"	LV	rubles/km	-
	MV2	rubles/km	-
Grid company's activities related to the construction of the "last mile"	LV	rubles/km	-
	MV2	rubles/km	-
Checking by the grid company the applicants fulfilling technical conditions	LV	rubles/km	4,47
	MV2	rubles/km	3,98
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	LV	rubles/km	2,41
	MV2	rubles/km	2,15
The actual actions for connection and ensuring the operation of devices in electrical network	LV	rubles/kW	9,72
	MV2	rubles/kW	8,64

	For the electricity supply to the applicant, who requires electrical power less than 670 kW inclusive, total, including	-	rubles/km	10,28
	Preparation and delivery by a grid company of technical conditions	-	rubles/km	4,21
	The development by grid company of design documentation for the construction of the "last mile"	-	rubles/km	-
	Grid company's activities related to the construction of the "last mile"	-	rubles/km	-
	Checking by the grid company the applicants fulfilling technical conditions	-	rubles/km	1,43
	Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	-	rubles/km	1,54
	The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/km	3,11
	The applicant for technological connection - a legal entity - non-profit organization for the electricity supply to citizens - members of the organization, paying using the common meter on service point provided that each member of the organization is connecting more than 15 kW		for connection	N*466,1
	An applicant submitting an application for technological connection of power devices with connected capacity not exceeding 15 kW, provided that the distance from the land plot of an applicant to the power grid facilities of voltage class necessary for an applicant is not more than 300 meters in cities and urban-type settlements and not more than		for connection	466,1

	500 meters in rural areas			
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N – amount of members (customers) of Organization;

*- due to the fact the maximum cross section of the produced electrical conductors is limited, the installation of power lines is performed using several lines, with division of a total load of the consumer on the different power receivers. In this case, when using the standardized rates as a "base" section we use cross-section of 95 mm²; when calculating the payment for technological connection the rate shall be multiplied by the required number of power lines with cross-section 95 mm²;

** - due to the fact that the maximum cross section of the produced by electrical conductors is limited, installation of power lines is performed using several lines, with division of a total load of the consumer on the different power receivers. In this connection, when using standardized rates as a "base" section we use cross-section of 150 mm² and when calculating the connection rate it is necessary to multiply by the required number of power lines with cross-section 150 mm²;

*** - due to the fact that the maximum cross section of the produced by electrical conductors is limited, installation of power lines is performed using several lines, with division of a total load of the consumer on the different power receivers. In this connection, when using standardized rates as a "base" section we use cross-section of 240 mm² and when calculating the connection rate it is necessary to multiply by the required number of power lines with cross-section 240 mm².

Tariffs on grid connection 2014
“Volgogradenergo” branch of IDGC of the South JSC

Date of setting the tariff	Category of connection		Unit of measurement	Payment rate (VAT excluded)
	Capacity, kW /type of wire/ Transformer capacity	Voltage level at connection point, kV		
Resolution of the Committee of the tariff regulation of the Volgograd region. dated 13.12.2013 No.60/5	Standard tariff rates for technological connection			
	Standard tariff rate to cover expenses for technological connection of power receivers of electricity consumers, transmission facilities owned by network organizations and other persons for activities referred to in paragraph		rubles/kW	396,56

<p>“On the establishment of standardized tariff rates and the rates per unit maximum capacity for determining the amount of payment for technological connection to electric networks of IDGC of the South (branch “Volgogradenergo”)” Source of publication – “Volgogradskaya Pravda”, No.237, 18.12.2013</p>	16 of the Guidelines for determining the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia dated 11 September 2012 No.209-e / 1 (except subparagraphs "b" and "c") (at current prices without VAT):				
	Preparation and issue by the grid company of technical specifications and their coordination with the system operator		rubles/kW		71,25
	Checking by the grid company of technical conditions of the applicants		rubles/kW		79.06
	Inspection (examination) of the connecting devices carried out by an official of the federal executive authority for Technological Supervision with the participation of grid organization and the owner of such devices (these expenses are accounted for in accordance with applicable law).		rubles/kW		13.68
	The actual actions for connection of applicant’s facilities and starting of switching devices		rubles/kW		232.57
	Standard tariff rate to cover expenses of the grid organization for the construction of overhead power lines in the i-th level of voltage in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 per 1 km of the line (without VAT in prices of 2001, excluding income tax):				
	Construction of 1 km of 0.4 overhead line	0,4	rubles/km	135	507,67
	Construction of 1 km of 0.4 insulated overhead line	0,4	rubles/km	188 460,7 9	
	Construction of 1 km of 6(10) overhead line	6-10	rubles/km	432 955,2 0	
	Construction of 1 km of 6(10) insulated overhead line	6-10	rubles/km	211 342,9 0	
	Standard tariff rate to cover expenses of the grid organization for the construction of cable lines in the i-th level of voltage in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 per 1 km of the line (without VAT in prices of 2001., excluding income tax):				
	Construction of 1 km of 0.4 cable line	0,4	rubles/km	376 014,1 8	
	Construction of 1 km of 6 (10) cable line	6-10	rubles/km	758 686,8 9	
	Standard tariff rate to cover expenses of the grid organization for the construction of substations in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to				

electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 on the i-eh voltage level (VAT excluded in the prices of 2001, excluding income tax):			
Construction of transformer station 6 (10) up to 250kVA inclusive	6-10	rubles/km	458,70
Construction of transformer station 6 (10) up to 400kVA	6-10	rubles/km	378,58
Construction of transformer station 6 (10) up to 630kVA	6-10	rubles/km	366,55
Construction of transformer station 6 (10) up to 2*250kVA inclusive	6-10	rubles/km	493,46
Construction of transformer station 6 (10) up to 2*400kVA inclusive	6-10	rubles/km	565,44
Construction of transformer station 6 (10) up to 2*630kVA inclusive	6-10	rubles/km	423,15
Construction of transformer station 6 (10) up to 2*1000kVA inclusive	6-10	rubles/km	446,73
Construction of transformer station 6 (10) up to 2*1250kVA inclusive	6-10	rubles/km	320,32
Rates for the unit maximum capacity for the connection fee, including:			
Standard tariff rate to cover expenses for technological connection of power receivers of electricity consumers, transmission facilities owned by network organizations and other persons for activities referred to in paragraph 16 of the Guidelines for determining the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia dated 11 September 2012 No.209-e / 1 (except subparagraphs "b" and "c") (at current prices without VAT):		rubles/kW	396,56
Preparation and issue by the grid company of technical specifications and their coordination with the system operator		rubles/kW	71,25
Checking by the grid company of technical conditions of the applicants		rubles/kW	79.06
Inspection (examination) of the connecting devices carried out by an official of the federal executive authority for Technological Supervision with the participation of grid organization and the owner of such devices		rubles/kW	13.68

(these expenses are accounted for in accordance with applicable law).		
The actual actions for connection of applicant's facilities and starting of switching devices	rubles/kW	232.57
Standard tariff rate to cover expenses of the grid organization for the construction of overhead power lines in the i-th level of voltage in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 per 1 km of the line (without VAT in current prices, excluding income tax):		
Construction of 0.4kV overhead lines	rubles/kW	5 257.69
Construction of 6-20kV overhead lines	rubles/kW	5 102.78
Standard tariff rate to cover expenses of the grid organization for the construction of cable lines in the i-th level of voltage in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 per 1 km of the line (without VAT in current prices, excluding income tax):		
Construction of 0.4kV cable lines	rubles/kW	4 071.52
Construction of 6-20kV overhead lines	rubles/kW	4 463.72
Standard tariff rate to cover expenses of the grid organization for the construction of substations in accordance with Appendix 1 to the Guidelines for the determination of the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11 September 2012 №209-э/1 on the i-th voltage level (VAT excluded in the current prices, excluding income tax):		
Construction of transformer station 6 (10) up to 250kVA inclusive	rubles/kW	2 720,09
Construction of transformer station 6 (10) up to 400kVA	rubles/kW	2 244,98
Construction of transformer station 6 (10) up to 630kVA	rubles/kW	2 173,64
Construction of transformer station 6 (10) up to 2*250kVA inclusive	rubles/kW	2 926,22
Construction of transformer station 6 (10) up to 2*400kVA inclusive	rubles/kW	3 353,06
Construction of transformer station 6 (10) up to 2*630kVA inclusive	rubles/kW	2 509,28
Construction of transformer station 6 (10) up to 2*1000kVA inclusive	rubles/kW	2 649,11
Construction of transformer station 6 (10) up to 2*1250kVA inclusive	rubles/kW	1 899,50

Tariffs on grid connection 2014
"Kalmenergo" branch of IDGC of the South JSC

Date of setting the	Category of connection	Unit of	Payment rate
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tariff	Capacity, kW /type of wire/ Transformer capacity	Voltage level at connection point, kV	measurement	(VAT excluded)
Order of Regional Tariffs Service of Kalmykia No. 104-п/э dated 24.12.2013 (with amendments introduced by the order No97- п/ТПЭ on 21.11.2014, published at official webpage of Regional Tariffs Service of Kalmykia on 27.12.2013 and 21.11.2014, in newspaper “Khalmg Unn” No.238 dated 27.12.2013 and 2111 dated 26.11.2014.)	Standardized tariff rate to cover, expenditure on grid connection of consumers of electric energy, transmission facilities owned by the network organizations and other persons, for activities referred to in paragraph 16 of the Guidelines (except paragraphs b) and c)), per 1kW of maximum capacity(prices of 2014,VAT excluded)			
	Standardized tariff rate for the connection of consumers up to 15 kW, provided that the distance from site boundaries of an applicant to power grid facilities of voltage class necessary to an applicant of grid organization to which the application was sent, is more than 300 meters in cities and towns and more than 500 meters in rural areas	LV	rubles/kW	609.16
		MV2		
	Standardized tariff rate for the connection of the consumers from 15 to 150 kW inclusive	LV	rubles/kW	236,38
		MV2		305,16
	Standardized tariff rate for the connection of the consumers from 150 to less than 670 kW inclusive	LV	rubles/kW	71,11
		MV2		81,87
	Standardized tariff rate for the connection of the consumers from 670 and lower than 8900 kW inclusive	LV	rubles/kW	13,45
		MV2		
	Standardized tariff rate to cover expenditure on construction of overhead lines, per 1 km (in prices of 2001)			
	overhead line 0.4kV (self-supporting insulated conductor 2 3*70 +1*54,6 with branches)		rubles/km	189 551,18
	overhead line 0.4kV (self-supporting insulated conductor 4 2*16)		rubles/km	127 986,58
	overhead line 0.4kV (self-supporting insulated conductor 4 4*16)		rubles/km	124 324,54
	overhead line 0.4kV (self-supporting insulated conductor 4 4*25)		rubles/km	130 853,42
	overhead line 0.4kV (self-supporting insulated conductor 2 50mm2 with branches 16mm2)		rubles/km	169 808.14
overhead line 0.4kV with wire A-50 trunk main +16mm2 branches		rubles/km	245 651,25	
overhead line 0.4kV with wire A-25 trunk main +16mm2 branches		rubles/km	205 704,07	
overhead line 0.4kV with wire AC-50		rubles/km	194 432,16	

overhead line 10kV with self-supporting insulated conductor-3, cross section 50mm ²	rubles/km	99 644,71	
overhead line 10kV with self-supporting insulated conductor-3, cross section 70mm ²	rubles/km	107 566,85	
overhead line 10kV with self-supporting insulated conductor-3, cross section 70mm ² , two circuits	rubles/km	147 589,69	
overhead line 10kV wire type A-50	rubles/km	177 537,87	
overhead line 10kV wire type A-70	rubles/km	196 768,64	
overhead line 10kV wire type A-70, two circuits	rubles/km	264 174,99	
overhead line 10kV wire type AC-95	rubles/km	208 358,63	
overhead line 35kV wire type A-70	rubles/km	471 671,25	
Standardized tariff rate to cover, expenditure of grid company on construction of substations (prices of 2001)			
Transformer station 10/0.4kV with capacity of 25kVA	rubles/kW	10 071.6	
Package transformer substation 10/0.4kV with capacity of 400kVA	rubles/kW	1 942.63	
Automatic vacuum circuit recloser PBA/TEL-10-12.5/630	rubles/kW	41.69	
Charges for unit of the maximum capacity for technological connection, are calculated without the investment component (funds for construction and reconstruction of electric grid)			
For the power supply of the applicant who needs electric power up to 15 kW, provided that: - the distance from the borders of the applicant's land plot to the grid facilities of the necessary voltage level is more than 300 meters in cities and towns and more than 500 meters in rural areas; - the distance from the borders of the applicant's land plot to grid facilities of the required voltage level does not exceed 300 meters in cities and urban-type settlements and is not more than 500 meters in rural areas, and within the limits of municipal districts, urban districts the same person carried out technological connection of power devices that belong to the person by right of ownership or on other legal grounds, the payment for technological connection in the amount not exceeding 550 rubles, not more than once every 3 years.			
Preparation and issue by a grid company of technical conditions	-	rubles/kW	107,05
The development by grid company of design documentation for the construction of the "last mile"	-	rubles/kW	-
Grid company's activities related to the construction of the "last mile"	-	rubles/kW	X
Construction of overhead lines	0.4	rubles/kW	66 471.27

0.4kV			
Construction of overhead lines 10kV	10	rubles/kW	365 295.32
Construction of package transformer stations, distribution transformer station with level of voltage up to 35kV, transformer unit 10/0.4 25 kVA		rubles/kW	58 717.43
Checking by the grid company the applicants fulfilling technical conditions	-	rubles/kW	136.30
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	-	rubles/kW	-
The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/kW	365.81
For the electricity supply to the applicant, who requires electrical power from 15 to 150 kW inclusive, total, including			
Preparation and issue by a grid company of technical conditions	LV	rubles/km	63.13
	MV2	rubles/km	80.38
The development by grid company of design documentation for the construction of the "last mile"	LV	rubles/km	-
	MV2	rubles/km	-
Grid company's activities related to the construction of the "last mile":	LV	rubles/km	x
	MV2	rubles/km	x
Construction of overhead lines 0.4kV	LV	rubles/km	18 643.54
	MV2	rubles/km	-
Construction of overhead lines 0.4kV	LV	rubles/km	-
	MV2	rubles/km	21 333.95
Construction of package transformer stations, distribution transformer station with level of voltage up to 35kV, transformer unit 10/0.4 25 kVA	LV	rubles/km	-
	MV2	rubles/km	58 717,43
Checking by the grid company the applicants fulfilling technical conditions	LV	rubles/km	62,5
	MV2	rubles/km	78,52

Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	LV	rubles/km	-
	MV2	rubles/km	-
The actual actions for connection and ensuring the operation of devices in electrical network	LV	rubles/km	110,75
	MV2	rubles/km	146,26
For the electricity supply to the applicant, who requires electrical power from 150 to 670 kW inclusive, total, including			
Preparation and issue by a grid company of technical conditions	LV	rubles/km	20,71
	MV2	rubles/km	20,26
The development by grid company of design documentation for the construction of the "last mile"	LV	rubles/km	-
	MV2	rubles/km	-
Grid company's activities related to the construction of the "last mile"	LV	rubles/km	X
	MV2	rubles/km	X
Construction of overhead lines 0.4kV	LV	rubles/km	724,68
	MV2	rubles/km	-
Checking by the grid company the applicants fulfilling technical conditions	LV	rubles/km	19,3
	MV2	rubles/km	21,15
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	LV	rubles/km	-
	MV2	rubles/km	
The actual actions for connection and ensuring the operation of devices in electrical network	LV	rubles/km	31,1
	MV2	rubles/km	40,46
For the electricity supply to the applicant, who requires electrical power from 670 to 8900 kW inclusive, total, including			
Preparation and issue by a grid company of technical conditions	MV2	rubles/km	5,59
The development by grid company of design documentation for the construction of the "last mile"	MV2	rubles/km	-
Grid company's activities related to the construction of the "last mile"	MV2	rubles/km	-

Construction of overhead lines 10kV	MV1 MV2	rubles/km	1 283,41
Construction of overhead lines 35kV	MV1 MV2	rubles/km	857,58
Construction of sectionalizing units (vacuum reclosers)	MV1 MV2	rubles/km	333,11
Checking by the grid company the applicants fulfilling technical conditions	MV2	rubles/km	4.09
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	MV2	rubles/km	0.82
The actual actions for connection and ensuring the operation of devices in electrical network	MV2	rubles/km	2.95
For applicants applying for grid connection with capacity up to 15 kW, classified as the third category of reliability (one source of power supply) with the previously connected at this point of connection of power devices, provided that the distance from boundaries of an applicant's land plot to power grid facilities IDGC of South – "Kalmenergo" with voltage level of 20kV, is not more than 300 meters in cities and urban-type settlements and not more than 500 m in the countryside		For connection	466.1 (VAT excluded)
The applicants - legal entities - non-profit organizations for the delivery to the citizens - members of these organizations that pay using the common meter, amounting to 550 rubles (including VAT), multiplied by the number of members (subscribers) of that organization provided that each member's maximum connected capacity does not exceed 15 kW.			

Tariffs on grid connection 2014
"Rostovenergo" branch of IDGC of the South JSC

Date of setting the tariff	Category of connection		Unit of measurement	Payment rate (VAT excluded)
	Capacity, kW /type of wire/ Transformer capacity	Voltage level at connection point, kV		
Order of Regional Tariff Service of	Standard tariff rates for grid connection			
	The rate for covering the costs of grid connection except for activities related to			

Rostov region No.71/2 dated 25.12.2013 *(published in newspaper "Nashe vremya" No.763- 765 on 31.12.2013)	the construction of the "last mile" and development by the organization of design documentation (at current prices):			
	Rate, total, including:	-	rubles/kW	798.03
	Preparation and issue by a grid company of technical conditions	-	rubles/kW	327,74
	Checking by the grid company the applicants fulfilling technical conditions	-	rubles/kW	204,71
	Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	-	rubles/kW	-
	The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/kW	265,85
	The rate for covering the costs of grid company on construction of overhead power lines at i-th level of voltage (prices of 2001)			
	-	LV	rubles/km	220 411,3
		MV2		362 774,73
	The rate for covering the costs of grid company on construction of cable lines at i-th level of voltage (prices of 2001)			
	-	LV	rubles/km	291 225,00
		MV2		506 795,75
	The rate for covering the costs of grid company on construction of substations (prices of 2001), including			
	Construction of sectionalizing units (vacuum reclosers, distribution units)	LV	rubles/kW	-
		MV2		219
	Construction of package transformer stations, distribution transformer station with level of voltage up to 35kV	LV	rubles/kW	685,12
		MV2		685,12
	Construction of main substations, substations of 35kV and higher	LV	rubles/kW	-
		MV2		1 206,57
	Charges for unit of the maximum capacity for technological connection			
The rate per unit of maximum capacity for the implementation of Organizational activities, except activities related to the construction of the "last mile" and development by the organization of the project documentation (current prices)				
Rate, total, including:	-	rubles/kW	798.03	
Preparation and issue by a grid company of technical conditions	-	rubles/kW	327,74	

Checking by the grid company the applicants fulfilling technical conditions	-	rubles/kW	204,71
Participation of an official from Rostekhnadzor (Russian Technical Supervisory Authority) in inspection of the power receiving devices	-	rubles/kW	-
The actual actions for connection and ensuring the operation of devices in electrical network	-	rubles/kW	265,85
Rate on the activities of the "last mile" for the construction of overhead lines (in prices of 2001)			
-	LV	rubles/km	2 894,83
	MV2		687,25
Rate on the activities of the "last mile" for the construction of cable lines (in prices of 2001)			
-	LV	rubles/km	758,83
	MV2		1 067,09
Rates for the unit maximum capacity for the activities related to construction sectionalizing points, complete transformer substations, distribution transformer substations) with voltage level up to 35 kV, main substations, substations of 35 kV and higher) (in prices of 2001):			
Construction of sectionalizing units (vacuum reclosers, distribution units,)	LV	rubles/kW	219,00
	MV2		
Construction of package transformer stations, distribution transformer station with level of voltage up to 35kV	LV	rubles/kW	-
	MV2		685,12
Construction of main substations, substations of 35kV and higher	LV	rubles/kW	-
	MV2		1 206,57
Applicant for technological connection of legal entity, non-profit organization for the electricity supply to citizens - members of the organization, paying using the common meter on service point provided that each member of the organization is connecting not more than 15 kW	-	For connection	N*466.1
Applicant submitting an application for technological			466.1

	connection of power receivers with maximum connected capacity not exceeding 15 kW provided that the distance from the boundaries of an applicant's land plot to power grid facilities of voltage class necessary for an applicant, is not more than 300 meters cities and towns and no more than 500 meters in rural areas			
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2. Basis of presentation of information in the accounting statements

Accounting statements are prepared in accordance with the accounting policies of the Company for 2014, approved by the order of IDGC of the South JSC No.725 dated 26.12.2013.

Regulation “On the Company's accounting policy” was developed in accordance with the requirements of regulations on accounting, as well as the requirements of the tax and civil legislation of the Russian Federation.

IDGC of the South JSC arranges and maintains accounting records, prepares financial statements in accordance with the Federal Law No. 402-FZ “On Accounting” dated 6 December 2011; the Regulations on accounting and financial reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation dated 29.07.98. No.34H; the Regulations on accounting “Corporate accounting policy” Accounting regulation 1/2008 approved by the order of RF Ministry Finance of the RF No.94n dated 31.10.2000, Single corporate accounting principles under the RAS for the Group Russian Grids JSC approved by the Order of Rosseti JSC No.547 dated 02.09.2013 and other legal documents in the field of accounting.

The Company’s accounting policy was fixed on the basis of the following assumptions:

- continuity of operations
- material detachment of the enterprise;

- consistent application of accounting policies;
- the accrual principle assumption.

To record the assets and liabilities for accounting the Company makes their evaluation in terms of money. The property is evaluated as follows:

- property purchased for a fee shall be evaluated by the amount of expenses actually incurred for its acquisition;
- property produced by departments of the Company shall be evaluated at cost of manufacture (the actual costs associated with the production of the object of property);
- tangible assets, left after the write-off of unfit for recovery and further use of fixed assets and equipment, spare parts, resulting from recovery of fixed assets (reconstruction, modernization, repair) shall be evaluated at the current market value as of the date of disposal of fixed assets or the date of accounting spare parts;
- property received for free and assets identified during the inventory of assets and liabilities shall be evaluated at current market value as of the date of acceptance of property for accounting.

The current market value is the amount of cash that may be received from the sale of the asset as of date of entry in accounting records.

The current market price is formed on the basis of prices that are valid at the given or similar type of property. The data on the current price should be documented or proved by expert opinion. The expert opinion is a report of independent expert or an authorized expert (experts) of the Company, having specialized knowledge and skills. These specialists are appointed by the head of the Company or its authorized representatives as members of the permanent committee for the adoption of accounting or write-off of property.

The property received by the Company under contracts presupposing the fulfillment of obligations (payment) not in cash (in particular, exchange contracts),

is estimated at a cost of assets transferred or to be transferred by the Company. The cost of assets transferred or to be transferred by the Company, is established on the basis of the price at which in similar conditions the Company shall determine the value of similar values.

When evaluating the property purchased for any reasons, the actual cost is formed with the addition of the costs incurred by the Company on bringing the property to a condition suitable for use. Expenditures on state registration of the acquired real estate and vehicles are included in the actual cost of the property, if they are made before the receiving of the object to be recorded as fixed assets. If the expenses incurred for official registration were made later than the time of taking the object to be recorded as fixed assets, they are recognized by the Company as other expenses of the current period.

Evaluation of fixed assets purchased for foreign currency is made in rubles by transferring foreign currencies at the exchange rate of the Central Bank of the Russian Federation actual as of the date of acceptance of the facility for accounting purposes as investments in non-current assets.

The value of assets in which it is taken for accounting purposes is not subject to change, except as required by laws of the Russian Federation.

For non-current assets (excluding intangible assets) changes in the value are allowed in the event of completion of construction, retrofit, renovation, modernization, partial liquidation and revaluation of fixed assets.

The changing of the value of current assets is permitted only if the inventory is obsolete, completely or partially lost their original quality.

For investments that may be determined in the manner prescribed by the current market value, adjustment of the carrying value to the market value is made.

In case by the time of receipt of the property (fixed assets, inventories, etc.) the documents on the cost are absent, the objects they are recorded in the qualified

opinion, taking into account the cost of the contract, the costs of shipping, determined according to the overhead rail transport and other transport documents.

When accounting the property as a fixed asset, the amount of the actual costs of its production that was reported as a capital investment in the property, forms the initial cost of fixed assets.

Accounting of investments in non-current assets is usually made for general construction, investments related to specific sites on the technological structure of the costs on the construction project.

Accounting of the costs for the construction project is cumulative from the beginning of construction of the facility in the context of the reporting periods prior to putting into effect or complete production.

In order to determine the process of accounting the capitalized costs in terms of interest on the loans and credits the Company distinguished among projects for investments the investment assets. Investment assets are understood as objects of property, preparation for the usage of which (including new construction, renovation, modernization, technical re-equipment) requires considerable time (over 6 months), as well as the high cost of acquisition and (or) construction (property complexes and other similar assets).

2.1 Recording of fixed assets

The Company acknowledges as fixed assets those that satisfy all of the following conditions simultaneously:

- the assets are expected to be used in production, in the course of production or rendering services or for administrative needs over a long useful life period (12 months if the useful life or normal operating cycle if it exceeds 12 months);
- the assets will bring economic benefits in the future, and the entity does not plan to resell the assets later.

Assets fulfilling the above conditions and costing not more than 40000 rubles per item shall be recorded as a part of inventories, with the exception of electric grid

equipment, mobile and radio sets, sources of backup power supply. For the purposes of safekeeping of these items in the process of production or operation, quantitative record shall be kept.

An inventory item shall be regarded as an accounting unit of fixed assets. An inventory item of fixed assets shall be understood as an item with all attachments and accessories or a structurally separate item meant for the performance of certain functions of its own. For the purpose of accession record of fixed assets the ledger card (FA-6) shall be used.

Fixed assets are included for accounting purposes at their initial cost which is determined depending on the method of receipt – purchase, production using own resources (construction), gratuitous receipt, etc.

Concerning the fixed assets purchased from leasing, their initial cost is formed from the sum of all payments on leasing contract (total cost of leasing payments and redemption value). The sum leasing payments taken into account during the validity of leasing contract is recorded on debit 01 and credit 02.

Real estate, property rights, which are not registered in the manner prescribed by law, are accepted for accounting as fixed assets with segregation in the analytical accounting.

The costs related to the fulfillment of all types of repairs of fixed assets (current and capital) shall be included in the expenses on ordinary types of activities in the period in which repair works (stages of repair works) have been completed and accepted. Provision for basic funds repairing or repair fund shall not be made.

Useful life of fixed assets items shall be determined with consideration of expected physical depreciation, depending on operation conditions, natural conditions and corrosive medium influence, the system of carrying out repairs. Useful life of fixed assets items shall be determined within the limits stipulated by the decree of the Russian Federation Government No. 1 dated 01.01.2002, according to the list approved by the head of the Company or by an authorized

person.

Useful life of fixed assets items shall be determined when taking them on discount on the basis of item certificate, other technical documents or on the basis of appraisal made by Company's technical services by a decision of permanently active commission.

For gratuitously received items as well as for fixed assets acquired with attraction of funds from target financing, at the moment of their inclusion for accounting purposes the entries of the record account of investments in non-current assets (account 08 "Investments in non-current assets") shall be made and other revenues (account 91 "Other revenues and expenses") shall be recognized.

The Company shall use a straight-line method of accrual of fixed assets amortization. Amortization in connection with each inventory item shall be accrued monthly by means of appliance of established norms fixed depending on useful life period of the item.

The accrual of amortization of the property received by the Company under a lease contract and entered in hereof balance sheet shall be carried out using the method stipulated by the contract.

Amortization on gratuitously received fixed assets as well as fixed assets acquired with funds targeted financing is calculated according to the established order.

Amortization shall not be accrued: in relation to fixed assets items used for realization of the Russian Federation legislation concerning the preparedness activity and mobilization, which are not used in output production, in works performance and rendering of services, for administrative needs of an organization or for provision by an organization for a fee in temporary possession and use or in temporary use; in relation to units of housing facilities acquired during the period from 01.01.2002 till 01.01.2006 (that do not make profit); in relation to fixed assets items the consumer properties of which do not change in the course of time (plots

of land; nature management facilities; objects related to museum pieces and museum collections etc.).

The accrual of amortization shall be suspended in relation to the fixed assets transferred for laying-up.

In order to determine the procedure of accounting the capitalized costs in part of interest on the loans and credits, the Company allocates investment assets among the objects of investments. An item is acknowledged as investment asset when the following criteria are observed:

preparation of an item for its use requires considerable time (more than 6 months), as well as the high cost of purchase and (or) construction (property complexes and other similar assets);

in the current period in relation to this item is carried out work on the preparation of the item for its intended use. This includes in particular, technical and administrative work prior to the creation of the asset (the activities associated with obtaining permits to start construction). All expenses for the preparation of such item of the property are acknowledged as significant.

Useful life of fixed assets items shall be reconsidered annually to make it accurate. In the event of a significant change in the length of the period during which the Company expects to use the asset, its useful life is subject to change. In case of improvement (increase) of primarily accepted standard indices of item functioning as a result of completion, providing with additional equipment, reconstruction or modernization. In this case the increase of useful life period is allowed to be carried out within the terms stipulated for amortization group in which this fixed asset has been included. The increase in the useful life of fixed assets may be carried out within the time limits set for the amortization group in which this basic means are included.

The value of property, in which they are included for accounting purposes, shall be no subject to alternation with the exception of cases stipulated by the Russian

Federation legislation.

It is allowed for non-current assets (except for intangible assets) in case of completion, providing with additional equipment, reconstruction, modernization, partial liquidation and revaluation of items of fixed assets. Leased fixed assets shall be recorded in the account 01 “Fixed Assets”, but be separated in analytical accounting.

Fixed assets received for operation shall be recorded in the off-balance account 001 “Rented Fixed Assets” according to inventory numbers of the lessor. Fixed assets received on lease shall be recorded in the off-balance account 001 “Rented Fixed Assets” according to inventory numbers of the lessor.

2.1 Accounting of intangible assets

The recording of intangible assets of the Company shall be kept in accordance with the Regulations on accounting “Recording of Intangible Assets” (Accounting Regulations 14/2007) approved by the Order of the Ministry of Finance of the RF No.153H dated 27.12.2007.

An accounting unit of intangible assets is considered to be an inventory item. An inventory item of intangible assets shall be recognized as a collection of rights arising from a patent, certificate, contract on the forfeiture of the exclusive right to intellectual activity result or to the individualization means, or according to the diverse procedure stipulated by the law, intended for the performance of certain functions of their own.

An intangible asset shall be included for accounting purposes according to actual (original) cost determined as of the date of including hereof for accounting purposes.

The actual (original) cost of an intangible asset acquired by the contract specifying the execution of obligations (payment) by non-monetary funds, shall be determined on the basis of assets value, transferred or being subject to transfer by the Company. Assets value, transferred or being subject to transfer by the Company, shall be fixed proceeding from the price at which under comparable conditions the organization usually determines the value of similar assets.

When it is impossible to determine the value of assets, transferred or being subject to transfer by an organization according to such contracts, the value of intangible asset, received by the organization shall be fixed on the basis of the price at which under comparable conditions similar intangible assets are acquired.

The actual (original) cost of an intangible asset at which it has been included for accounting purposes shall not be changed.

The useful life period of intangible assets shall be determined by the commission of experts and be approved by the head of the Company (or by a person specially authorized by him/her) when taking the item on discount proceeding from the following regulations:

- regarding the rights granted on the basis of patents, certificates and other similar protection documents containing the information on their duration, or having the duration stipulated by the law – proceeding from the period specified in the document;
- regarding the rights acquired on the basis of author`s contracts, assignment contracts and other similar contracts containing concrete terms for which intangible assets are purchased – proceeding from the terms stipulated by the contracts;
- regarding other items of intangible assets – proceeding from the expected useful life period of the item during which the Company will derive economic profits from the usage of the assets;
- items of intangible assets for which it is impossible to determine the useful life period shall be regarded as intangible assets with indeterminate useful life period;
- useful life of business reputation shall be fixed at 20 years (but no more than the duration of an organization)

The Company annually within the framework of inventory shall check the useful life period of an intangible asset with a view to decide whether it needs being specified. In case of a substantial change in the duration of the period during which the Company intends to use the asset the useful life period hereof shall be subject to

specification. When calculating the depreciation the new useful life is applied to the residual value of intangible assets.

The revaluation of intangible assets shall not be performed.

Amortized deductions related to all types of intangible assets shall be made based on the straight-line method.

2.3 Recognition of expenses on research, development and technological works

Accounting of research and development, testing and technological works of the Company is carried out in accordance with the Regulations on accounting “Accounting of research, developmental and technological works” (PBU 17/02), approved by Order of the Ministry of Finance No.115H dated 19.11.2002, as amended. Write-off of costs on R&D activities is carried out using the straight-line method. Period over which expenses on R&D are written off, which gave a positive result is determined for each project, based on the expected use of the results, in which the organization can receive economic benefits (income), but no more 5 years. The depreciable life of every project is approved by the head of the Company (branch).

2.4 Financial investments accounting

The Company regards as financial investments the assets that do not have a physical nature and are capable to provide economic benefits (return) in the period ahead as interests, dividends or increment of value (as difference between the selling price (paying off) and the cost) as a result of their exchange, usage in repayment of obligations, increase of current market value.

Recording of financial investments shall be carried out based on centralized direction in the Company, by the accounting and tax department of the Company’s executive bodies. Analytical recording of financial investments shall be performed in relation to short-term and long-term financial investments. Investments made with the intention to earn revenue from them in the period of more than a year shall be referred to long-term financial investments. Other financial investments shall be regarded as short-term ones.

All the costs directly connected with the acquisition of assets as financial investments irrespective of their amount shall be included in the original cost of financial investments if they have been made before the moment or at the moment of taking on discount and shall be written off being referred to sundry expenses in case they have been made after the moment of taking the financial investments on discount.

Financial investments which according to the established procedure make it possible to determine the current market value shall be reflected in accounting at the end of the reporting year at the current market value by adjusting their appraisal related to the previous reporting date.

Financial investments which do not make it possible to determine the current market value shall be recorded in the accounting statement at the original cost.

In case of retirement of financial investments, on the basis of which the current market value is not defined, their cost shall be defined as follows: investments in authorized capitals of other organizations (with the exception of shares of joint stock companies), loans granted to other organizations, deposits in lending agencies, accounts receivable, acquired on the basis of assignment of the right of claim, shall be evaluated at the original cost of each retired item from the items of financial investments specified herein; securities (shares and bonds) to be retired shall be evaluated at the average original cost which is defined for each type of securities; purchased bills to be retired (payment for the works performance (goods, works, services)) shall be evaluated at the prime cost; other financial investments – at the original prime cost of each item to be retired.

Financial investments in the securities circulating at the share market (stock exchange, auction) the quotations of which are regularly published shall be referred to financial investments which make it possible to determine the current market value. All the rest shall be referred to financial investments which do not make it possible to determine the current market value.

In case of retirement of assets taken on discount as financial investments, on the

basic of which the current market value is defined, their cost shall be defined proceeding from the last valuation.

Bills issued by the buyers of goods, works and services of the Company, received by a Company from a drawer when settling for these goods, works and services shall not be regarded as financial investments and shall be reflected in accounting and reporting as accounts receivable of buyers and customers ensured by the bills received.

2.5 Selected methods for recording inventories

The following assets shall be recognized as inventories:

- materials used for rendering the services of transfer and transit of electric power, technological support for the works performance (production of outputs aimed at selling) including special instrument, special implements, special equipment, working clothes;
- intended for selling – goods;
- used for administrative needs of the Company.

The valuation of inventories for the accounting purpose shall depend on the reasons for receipt: acquisition for payment, in-house production, gratuitous receipt etc.

The sum of the Company's actual costs on acquisition, with the exception of value-added tax or other repaid taxes shall be regarded as the actual prime cost of materials acquired for payment.

Nomenclature number or affinity group (depending on the type of inventories) is considered to be an accounting unit of inventories.

Inventories that do not belong to the Company by a possessory right, received hereby under the contract of commission agency, storage contract etc., shall be recorded off the balance in the account 002 "Inventory Holdings Received for Responsible Storage" according to the valuation stipulated by the corresponding contracts and transfer and acceptance documents (certificates, bills of lading etc.)

The cost of working clothes having service life of more than 12 months shall be repaid with the use of the straight-line method taking into account the useful life period

defined in conformity with the standards. Writing off shall be carried out starting with the month when working clothes were brought into operation.

Inventories written off to production, sold to outside parties, retiring because of some other grounds, shall be evaluated at the average prime cost of each stock category of an operating development.

The average evaluation of actual prime cost of materials shall be carried out by defining the actual prime cost of the material at the moment of hereof issue (rolling valuation).

Inventories (including the spare parts) recorded as received as a result of retirement from fixed assets under restoration shall be regarded as other revenues and be evaluated at the book value of similar spare parts being the latest according to the time of purchase taking into account the percent of actual depreciation of credited items (no less than the cost of scrap metal) in case of lack of this information on current market value.

Inventories used as raw materials, etc. during the production of fixed assets for own use, are recognized in the balance sheet as non-current assets. If at the time of purchase of inventories and till the time of use their appointment is not known, their value is recognized in the balance sheet under the general procedure established for inventories.

The actual prime cost of materials acquired for payment shall include:

- the cost of materials according to contractual prices;
- non-refundable taxes paid in connection with the purchase of units of inventories
- expenses related to agency contracts concluded with the aim of carrying out the procedures of inventory purchase;
- transportation and procurement costs;
- expenses related to bringing the materials in such condition that they can be used to satisfy the Company's goals;
- other expenses directly related to the purchase of materials.

Inventories (including the spare parts) recorded as received as a result of retirement from fixed assets under restoration shall be regarded as other revenues and be evaluated at the book value of similar spare parts being the latest according to the time of purchase taking into account the percent of actual depreciation of credited items (no less than the cost of scrap metal) in case of lack of this information on current market value.

2.6 Recognition of income and expenditure

The Company divides the revenues into the ones collected from usual kinds of activity and other revenues.

As revenue from the core activities of the Company recognizes the revenue from the sale of goods (works, services) received from the core activities. The Company recognizes the following types of revenues as revenues from basic activity:

- revenues from electric-power transmission services;
- revenues from services related to technological connection to electricity networks;
- revenues from rent;
- revenues from sales of other works and services
- of industrial character;
- of non- industrial character

All revenues that are not related to the implementation of works and services on core activities are regarded as miscellaneous income.

Company's revenues in accordance with the accrual basis of accounting shall be recorded in the reporting period in which they took place irrespective of the actual time of receipt of cash assets connected with these facts.

The Company divides the expenses into the ones spent on usual kinds of activity and other expenses The Company divides the revenues into the ones collected from usual kinds of activity and other revenues.

Expenses on ordinary activities are the costs associated with the manufacture and sale of products, purchase and sale of goods, the costs associated with the production of works and services, the implementation of which is related to normal activities of the Company.

Recognition of expenses on implementation of electric power transmission services and technological connection to the networks is carried out in the context of subdivision that incur expenses that are related to maintaining and operating of transmission lines, switchgears, substations, and other facilities and equipment intended for the transmission and distribution of electricity and performing services of technological connection to the networks, and in terms of expenditure headings.

Expenses incurred by the organization in the reporting period but related to future reporting periods are recognized in the balance sheet in accordance with the terms of the recognition of assets established by normative legal acts on accounting and are subject to writing off in the 'procedure established for the depreciation of assets of this type.

Selling expenses shall be included in full in the prime cost of rendered services, performed works in its entirety in the reporting year when they were recognized as expenses on usual kinds of activities.

2.7 Selected methods of accounting equity (capital)

The reserve capital is formed by the Company from its profits on the basis of statutory documents and decisions of the founders (shareholders).

In section III of the balance (capital and reserves) in line “Revaluation of fixed assets” is reflected the amount of increase in the value of non-current assets based on their revaluation passed by the opening balance at the Company's reorganization through merger.

As a result of the reorganization of the distribution network companies by joining to IDGC of the South JSC, held on 30.03.2008 (the transfer act, approved by the Extraordinary General Meeting of Shareholders of “Astrakhanenergo” JSC dated 18

January 2008 (minutes # 6/н dated 21.01.2008), the transfer act, approved by the Extraordinary General Meeting of Shareholders of “Volgogradenergo” JSC dated 18 January 2008 (Minutes # 1/08 dd 28.01.2008.), the transfer act, approved by the Extraordinary General Meeting of Shareholders of “Rostovenergo” JSC dated 18 January 2008 (minutes # 6/н dd 21.01.2008), the transfer act approved by the Extraordinary General Shareholders' Meeting of “Kalmenergo” JSC dated 18 January 2008 (minutes # 3 dd 21.01.2008.), in retained earnings is recognized as part of the difference between the net asset value and the nominal value of shares to which it was joining in the amount of 1 319 417 thousand rubles, in the result summation (addition or subtraction in the presence of uncovered loss of past years) retained earnings (uncovered loss) of consolidated companies.

The amounts of capital gains from the revaluation are used for price mark-down of the objects of property, which had previously been subjected to revaluation surplus, and only in the amounts accrued for each individual inventory item. At the moment of writing off of the object from the register (for any reason) the amount accumulated on it written off revaluation surplus to retained earnings of the Company.

Guided by the principle of rationality, analytical accounting of gains on the revaluation of property, is carried by a branch of the Company, which is on the balance of the property.

2.8 Selected methods of liabilities accounting

Accounting unit of settlements with suppliers and contractors calculations with suppliers and contractors is accounts payable (receivable) to each supplier (contractor), every contract, every document against payment.

The amount payable is determined on the basis of the price and conditions established by the contract. Along with it, the accounts payable are recognized in the full amount of the contract, whether the advance was paid or there was a prepayment against delivery. The amount of the advance payment is accounted towards performance of obligations under the contract.

In order to assess the payables arising from contracts which provide significant deferral or installment payments, the accounts payable is accounted as equal to the nominal price of the contract minus the amounts paid.

Borrowing and credit costs are acknowledged as miscellaneous expenses of the reporting period. An exception is interest on loans and credits that are subject for inclusion in the value of investment assets.

Costs (interest) on loans and borrowings for the purposes of division of information by geographical segments (subjects of the federation on the territory of which the rates are established) are distributed among the branches of the Company in accordance with the methodology developed by the Company.

Additional costs on loans and credits are included in miscellaneous expenses in the period in which they were produced.

Prepaid insurance contracts are reflected in the sub-accounts of the account settlements in respect of property and personal insurance and are recognized as expenses of the Company so far as the expiry of the insurance period. The calculation of the monthly write off of expenses is carried out in days.

2.9 Events after the reporting date

In accordance with Accounting Regulations 7/98 “Events After the Reporting Date” the Company shall record in the accounting statements the events after the reporting date which had or can have influence on the financial condition, cash flow or on the results of Company’s functioning and which took place in the period between the reporting date and the date of signing the accounts of a reporting year.

Events after the reporting date shall be recorded in accounting statements by means of ascertainment of data on corresponding assets, liabilities, capital, receipts and expenditures of the Company and the corresponding information shall be disclosed in the explanatory note to balance sheet and financial statements.

2.10 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes the estimated liability when conditions of recognition are

fulfilled in respect of the following obligations (in accordance with Accounting Regulations 8/2010, approved by the order of RF Ministry of Finance No.167n dated 31.12.2010):

judicial proceedings are not completed as at the balance sheet date, where the judicial proceedings in which the Company acts as plaintiff or defendant, and on which decisions can be taken only in the next reporting periods, leading to an outflow of economic benefits of the Company;

disagreements with the tax authorities on payments to the budget are not settled;

the restructuring of the Company, the sale or termination of any activities of the Company, the closure of subdivisions of the Company, or their movement to another geographic region, etc.; conclusion of knowingly loss-making contracts;

payment of employee benefits; other similar obligations.

For the purposes of impact assessment shall be analyzed all of the above-mentioned circumstances, the consequences of which exceeds 500 thousand rubles.

The estimated liability is recognized in the accounting records of the Company in the amount necessary for the performance itself (repayment) obligation at the balance sheet date or to transfer the obligation to another person as at the balance sheet date.

Estimated liability (reserve) is created for contingent liabilities, the estimated money value of which exceeds 5 million. This criterion is not applicable to estimated liabilities on employee benefits.

The value of a provision is determined by the Company on the basis of the facts of economic life of the Company, the experience in the performance of similar obligations, and, if necessary, expert opinion. The Company shall provide documentary proof of feasibility of such an assessment. As documentary evidence of the value of estimated liabilities can be used: contracts, certificates and calculations of relevant departments, the conclusion of the legal service of the Company, etc.

Contingent assets and contingent liabilities (including the disacknowledged estimated liabilities) in the accounting records are not recorded and information is

disclosed in the notes to the balance sheet and financial results. Disclosure of information in the financial statements is based on calculations compiled by structural subdivisions (departments, agencies, sectors) to which, in accordance with the functions performed, these events refer.

On each reporting date, the Company forms an estimated liability for payment of holidays. The calculation of estimated liability is carried out monthly for each employee, in accordance with the method developed by the Company.

Estimated liability for payment of the annual bonuses by the results of the year is recognized if at the end of the year the conditions set out in the by-laws of the Company, under which workers gets the right to receive such bonuses, are met. A provision for estimated liabilities on payment of the annual bonuses by the results of the year is created on the last day of the reporting year.

Estimated liability for payment of quarterly bonuses by the results of the quarter is recognized if at the end of the quarter the conditions set out in the by-laws of the Company, under which workers gets the right to receive such bonuses, are met. A provision for estimated liabilities on payment of the quarterly bonuses by the results of the quarter is created on the last day of the reporting quarter.

Provision for estimated liability for the payment of monthly remuneration by the results of December is created on the last day of the reporting year, if the conditions set out in the by-laws of the Company, under which workers acquire the right to receive remuneration, are met. A provision for the estimated obligation to pay the monthly remuneration by the results of work in January - November is not created, the current expenses are recognized as at the last day of the month in which the remuneration was actually accrued.

2.11 Information on related parties

In accordance with Accounting Regulations 11/2008 “Information on Related Parties”, requirements of EKUP of Rosseti Group, the Company shall include information on related parties as a separate section in the explanatory note which is a

part of accounting statements. In this case the specified data shall not be taken into account when preparing the accounts for internal purposes as well as accounts drawn up for the state statistical observation and for a credit agency or for other special purposes.

The list of related parties the information on which is disclosed in the accounting statements shall be determined by the Company on an independent basis proceeding from the substance of relations between the Company and a related party in consideration of the substance over form requirement.

Taxes and levies

The Company calculates and pays taxes and fees in accordance with the legislation of the Russian Federation on taxes and fees, the legislation of territorial subjects of the Russian Federation on taxes and duties, the legislative acts of local governments on taxes and fees.

Taxes and levies calculated and paid by the Company's Executive office in the centralized way:

value added tax (in the exercise of tax agent functions as well);

profit tax (including profit tax on revenues in the form of dividends).

Tax record registers are kept with the use of special forms and certificates approved by the Company, on paper and in electronic format of software applied in the Company.

Tax recording is kept with the use of tax ledgers and bills.

Value added tax

The following operations are considered to be value added tax objects:

– sale of products (works, services) on the territory of the Russian Federation, including sale of pledged items and transfer of goods (results of operations performed, services) on accord and satisfaction agreement or on novation, and property right transfer. Gratuitous transfer of property right for goods, results of operations performed, services is considered to be sale of goods (works, services);

- transfer of goods (results of operations performed, services) on the territory of the Russian Federation for own needs if expenditure is not written off (including the way of depreciation deductions) on calculation of profit tax;
- performing construction and installation operations for own use (using one's own resources);
- entry of goods to the customs area of the Russian Federation.

Thus, operations on goods (works, services) transfer for the purposes of advertisement, expenditure on purchase (creation) of items that cost over 100 rubles each are considered to be tax objects.

According to paragraph 8 of article 149 of the Tax Code when considering transactions subject to VAT, as qualifying, the taxpayers apply the procedure for determining the tax base, which was in force at the date of shipment of goods, regardless of the time of their payment. When determining the tax base the revenue from sale of goods (works, services), transfer of property rights is determined on the basis of all revenues associated with the calculations for payment of goods (works, services), property rights, obtained in cash and (or) natural forms, including payment securities.

The tax base for the sale of goods (works, services), according to paragraph 1 of article 154 of the Tax Code, is defined as the cost of these goods (works, services), calculated on the basis of prices determined in accordance with article 40 of the Tax Code, subject to excise taxes (for excisable goods) and without inclusion of VAT.

The tax base of the transactions involving the transfer of goods (works, services) for own use, the costs on which are not deductible when calculating income tax, defined as the value of the goods (works, services), calculated on the basis of sales prices of identical (and in their absence - homogeneous) goods (similar works, services), operating in the previous fiscal period, and in their absence - on the basis of market prices taking into account the excise tax (for excisable goods) and

without inclusion of VAT.

In case information on market prices is not available, cost of goods, works, services transferred for own needs is assessed on the basis of their cost on the balance sheet.

Amount of tax accrued is not included on expenditure structure for the purpose of profit taxation.

If construction and installation operations are performed for own needs, tax base is defined as cost of operations fulfilled calculated on the basis of all taxpayer's actual expenditures in this connection, including expenses of the restructured entity (entity under restructuring).

Construction and installation operations for own consumption include, among the rest, operations on construction and renovation of buildings and structures carried out with the use of one's own resources.

For tax base computation, only accounting record data of construction and installation operations for the quarter are used.

Property tax

Property tax base is defined in conformance with requirements of Chapter 30 of the RF Tax Code and laws of areas, regions, and republics "On Property Tax".

Valuation of property is performed on the basis of book value (written down value estimated according to requirements of accounting). For objects depreciated according to requirements of RA 6/01, book value for tax base calculation is determined as original (replacement) cost less depreciation. In order to calculate replacement cost of the objects, depreciation accrual and deduction are performed each month.

When applying the benefits under paragraph 11 of article 381 of chapter 30 of the Tax Code, the list of objects used, as approved by the Government of the Russian Federation on 30.09.04 No. 504 in order to correctly use tax credits, the separate accounting of the property which is subject to discounts in accordance with the laws of property tax.

Transport tax

Transport tax base is determined according to requirements of Chapter 28 of the RF Tax Code and laws of the RF subjects. Tax is paid in the area of vehicles' location. Place of state registration is considered to be area of location.

The Company estimates the amount of advance tax payments at the end of each reporting period in the amount of one-fourth of multiplying the corresponding tax base and the tax rate.

Calculations on insurance fees for compulsory pension insurance, mandatory social insurance, compulsory health insurance

Calculation and payment of insurance fee on mandatory pension insurance, mandatory social insurance, compulsory health insurance (hereinafter referred to as insurance fees) is regulated by the Federal Law of the Russian Federation dated 24.07.2009 No. 212-FZ "On the insurance fees to the pension fund of the Russian Federation, the social insurance fund of the Russian Federation, the Federal compulsory medical insurance fund and territorial compulsory medical insurance funds".

The object of taxation of insurance fees are recognized as payments and other remunerations paid to individuals (citizens of the Russian Federation) on labor and civil contracts, the subject of which is the performance of work, rendering of services, as well as other rewards and benefits accruing to individuals, subject to compulsory social insurance in accordance with federal laws on specific types of insurance.

Personal income tax

Tax base on income of physical persons in relation to whom the Company functions as tax agent are determined in conformance with requirements of Chapter 23 of the RF Tax Code.

Other taxes and fees

Accrual and payment of land tax, water tax, state duty and other taxes and fees shall be fulfilled in accordance with the legislation on taxes and fees, regulating the procedure of calculation and payment of applicable taxes and fees.

2.13. Changes in accounting policies

Changes in the accounting policies of the Company are made in cases of changes in the legislation and (or) legal acts on accounting, the development organization of new accounting methods.

Any change in the accounting policy shall be approved by the organizational and administrative documents of the Company.

In 2015, changes to the accounting policy will not be introduced.

The Company does not have any plans and intentions with respect to the termination of activity, reduction or sale of the business as well as in relation to the cessation of production of any products, services.

3. Notes to the balance sheets

3.1. Intangible assets

The Company did not make revaluation of intangible assets in 2014.

Explanation of the presence and movements of intangible assets of the Company as at 31.12.2014 is shown in the notes, table 5.1.1.

3.2 Research, development and technological works (R&D)

Write-off of in the prescribed manner of expenses on R&D, the results of which are used for production and management needs of the organization, in 2014 was carried out with the use of the account 05 “Amortization of intangible assets”.

There are no unexecuted documents on research, development and engineering works in the Company in 2014.

Information about the presence and movement of the R&D results and costs of unfinished research and developments is provided in the tables 5.2.1., 5.2.2.

The following works are part of the R&D results as of 31.12.2014:

thousand rubles

#	R&D	Initial cost	Depareciation	Depreciated book value
1.	Climatic zoning map	5 507	5 507	0
2.	The concept of intelligent automated control system of	400	60	340

	distribution network based on the principles of “smart grids”			
3.	A mathematical model to determine the performance indicators of transport of electrical energy	7 627	3 416	4211
4.	Microelectronic and microprocessor systems of electromagnetic locking of disconnecting switch 110kV	2 905	581	2 324
5.	Examination of non-linear and traction loads of 10kV grids	10 169	4 555	5 614
6.	Experimental-industrial prototype device of short time circuit neutral network	10 169	4 555	5 614
7.	Experimental-industrial prototype device of short time circuit neutral network based on recloser	10 169	4 555	5 614
8.	Regulations on energy management in affiliates of Rosseti JSC	4 995	1 249	3 746
9.	Construction Standards for determining the cost of repair and maintenance of electrical installations	10 219	1 534	8 685
10.	Technical specifications and characteristics of DC control power sources in power distribution station 6-10 kV	2 669	1 151	1 518
	Total	47 153	20 715	26 438

3.3 Fixed assets, including income-bearing investments in tangible assets

The presence and movement of fixed assets during the reporting period is reflected in the table 5.3.1.

Plant and equipment in the process of state registration

thousand rubles

#	Inventory number	Fixed assets	Group of fixed assets	in operation (yes/no)	Initial cost
1.	300000022183	power distribution station -5 Dzhurak (f.13 Prikaspyiskaya substation)	vehicles, equipment, transportation	yes	1 659
2.	300000022184	power distribution	vehicles, equipment,	yes	1 659

		station 1 F 24 substation Funtovo	transportation		
3.	300000022185	power distribution station 2 F 27 substation Funtovo	vehicles, equipment, transportation	yes	1 935
4.	300000022186	power distribution station 6 Beregovaya, f5 Nikolo-Komarovka substation, f4 Naganskaya substation	vehicles, equipment, transportation	yes	3318
5.	300000022187	power distribution station f. 33 substation Funtovo (Yaksativi village)	vehicles, equipment, transportation	yes	4 367
6.	300000022188	power distribution station 9 f. 12,35 substation Funtovo (Osypnoi Bugor village)	vehicles, equipment, transportation	yes	4 372
7.	300000023438	Power line-110 kV (AC 240/32), L - 1909 M	installations	yes	23 150
8.	300000023959	Cable line-110kV 170 (Cable line 11kV Astrakhan combined- cycle plant 235- central power distribution station)	installations	yes	93 769
9.	300000023960	Cable line -110 kV 466 (Cable line 110 kV Astrakhan combined-cycle plant - 235-Buzanskaya)	installations	yes	111002
10	300000023961	Cable line -110kV 463 (Cable line 110 kV Astrakhan combined- cycle plant - 235- Kiri-Kili №1)	installations	yes	59 186
11	300000023962	Cable line -110 kV 464 (Cable line -110 kV Astrakhan combined-cycle plant - 235- Kiri-Kili №2)	installations	yes	54 355
12	300000023983	Power line -110 kV combined cycle gas turbine power plant – Kapustin Yar-1	installations	yes	288

		(substation Kapustin Yar -pylon №1) wire AC-150/24, L=0,034km			
13	300000023984	Power line -110 kV combined cycle gas turbine power plant - Kapustin Yar p-1 (pylon №10 - combined cycle gas turbine power plant) wire AC-150/24, L=0,067km	installations	yes	585
14	300000023985	Power line -110 kV combined cycle gas turbine power plant - Kapustin Yar -1 (pylon №1 - pylon №10) wire AC- 15 0/24, L= 1,107km	installations	yes	9 374
15	300000023986	Power line -110 kV combined cycle gas turbine power plant - Kapustin Yar -2 (substation Kapustin Yar-pylon №1/wire AC- 150/24, L=0,032km	installations	yes	244
16	300000023987	Power line -110 kV combined cycle gas turbine power plant - Kapustin Yar -2 (pylon №11 - combined cycle gas turbine power plant - Kapustin Yar) wire AC-150/24, L- 0,051km	installations	yes	389
17	300000023988	Power line -110kV combined cycle gas turbine power plant - Kapustin Yar -2 (pylon №1/pylon,№2)L=0,09 5km;(pylon №2- pylon,№11)L=0,095k km; wire AC-150	installations	yes	8 941
18	300000023989	Power line -110 kV	installations	yes	9 342

		combined cycle gas turbine power plant - Sovetskaya (pylon №1/ pylon №10) wire AC-150/24, L=1, 137km			
19	300000023990	Power line -1 ЮкV combined cycle gas turbine power plant - Советская (pylon №10 - combined cycle gas turbine power plant) wire AC-150/24, L=0,030km	installations	yes	146
20	300000024347	Power line -35kV substation Ilinka 1,2 - 8 km	installations	yes	15 330
21	340000000564	Single-storey brick building with accessory building	buildings	yes	297
22	340000000566	Single -storey building of a garage	buildings	yes	793
23	340000000565	Single -storey multipurpose welding shop and warehouse	buildings	yes	279
24	345100021172	Transformer room	buildings	yes	1 234
25	345400010382	Garage on the territory of Logovsky distribution zone	buildings	yes	251
26	345500019140	Two-storey production building	buildings	yes	1428
27	345500019138	Multipurpose building of a garage	buildings	yes	1 378
28	345500019142	Single-storey wooden building of dispatching office	buildings	yes	30
29	345500019143	Single-storey reinforced-concrete building of a warehouse	buildings	yes	222
30	345500019147	Single-storey brick building of a warehouse	buildings	yes	415
31	345500019144	Warehouse for balloon storage	buildings	yes	7
32	345500019145	Warehouse for balloon storage	buildings	yes	3

33	345500019146	Warehouse for balloon storage	buildings	yes	6
34	345500019141	Service building	buildings	yes	18
35	345500019139	Part of a two-storey building of a garage	buildings	yes	699
36	611200010858	Power line 35 kV in sizes of Power line - 110 kV	transmission facilities	yes	74 284
37	611200599101	Substation building M	buildings	yes	197
38	611200599103	Garage building C	buildings	yes	174
39	611200599104	Garage building B	buildings	yes	195
40	611200599105	check passage building D	buildings	yes	381
41	612000001214	Transformer T-1	plant and equipment	yes	9 214
42	612000001215	Transformer T-1	plant and equipment	yes	9 214
43	612000001216	switchgear - 35 kV	plant and equipment	yes	15 126
44	612000001217	Fence of a substation	plant and equipment	yes	2 142
45	612000001218	Light tower	plant and equipment	yes	1 184
46	612000001219	Sector of power line- 35 kV	transmission facilities	yes	1 429
47	611000001853	Power line 110 kV C2-III44-H3HII	installations	yes	43 235
48	611000008503	Power line 110 kV H8-H3HII	installations	yes	28 645
49	61100000920S	Power line 110 kV HVL branch line from or 1u Power line 110 kV C2-III44-H3HII to mechanical hydraulic control system	installations	yes	17 381
50	611000009209	Power line 110 kV HVL branch line from 2u Power line 110 kV C2-III44-H3HII to mechanical hydraulic control system	installations	yes	21 158
51	612500017311	Building for temporary accommodation of security 23 Levoberezhnaya street	buildings	yes	0
52	61200000646	Power line -35kV Vinogradnaya-Potapovskaya	installations	yes	35 294
53	61200000647	Power line -35kV Approach line at substation	installations	yes	1 581

		Vinogradnaya (double-circuit)			
54	61200000648	Power line -35kV Approach line at substation Potapovskaya (double-circuit)	installations	yes	2 695
55	610900000385	Roads and territories of substation R-22 switch station 110kV	installations	yes	1 471
56	610900000383	Roads and territories of substation R-22	installations	yes	3 042
57	610900004200	Approach line of high- voltage line 110kV R4-AS6 to substation AS-15	installations	yes	10317
58	610900000343	Building of substation 110 kV AS-15	buildings	yes	28 456
59	610900000342	Building of substation R-22	buildings	yes	67 264
60	610900008427	Building of distribution substation-10 kV “Komstroi”	buildings	yes	1 655
61	610900007900	Building of distribution substation/transformer substation 10/0,4 kV located at 1056 km of highway M-4 “Don”	buildings	yes	3 116
62	610900000392	Fence substation 110kV AS-15	installations	yes	4 171
63	610900000384	Fence substation R-22	installations	yes	1 057
64	610900000386	Fence of substation R- 22, switch station 110kV	installations	yes	1 351
65	610900000388	Supporting wall substation R-22	installations	yes	79 468
66	610900000390	Substation 110 kV AS-15. Roads and territories	installations	yes	1 012
67	610900010078	Substation R-27 “Tsentralnaya”. Roads, passages, territories	installations	yes	8 889
68	610900010077	Substation R-27 “Tsentralnaya”.	installations	yes	191

		External supply lines of water pipes and sewers			
69	610900010076	Substation R-27 "Tsentralnaya". Fence	installations	yes	537
70	610900000391	10 KV substation AS-15 asphalt coat	installations	yes	6 621
Итого					892 618

As of 31.12.2014 the Company had on preservation status the fixed assets, with the total value of 786 207 thousand rubles, among which 751 903 thousand rubles – constructed and/or reconstructed fixed assets by the Company under a contract of technological connection to electric networks of "KTK-R" CJSC. Objects transferred to conservation because of a change (prolongation) of the period of performance of technical conditions by the applicant under the contract as of December 2015.

As the part of fixed assets of the Company there are a fully depreciated fixed assets of recoverable amount of 3 062 393 thousand rubles.

The useful live and depreciation methods applied to groups of fixed assets are presented in the Explanatory Notes (Table 5.3.2.).

Change in the value of fixed assets as a result of completion, refitting, reconstruction and partial liquidation for 2014 and 2013 is presented in the Explanatory Notes (Table 5.3.3.).

Revaluation of fixed assets in 2014 was not carried out.

Other use of fixed assets is presented in the Explanatory Notes (Table 5.3.4.).

The balance sheet line 1150 "Fixed assets" includes assets under construction.

The presence and movement of unfinished capital investments is reflected in the Explanatory Notes, table 5.3.5.

Line "Fixed assets" also includes advance payments for capital construction and purchased goods and materials for capital construction of 8 913 and 222 543 thousand rubles as at 31 December 2014 (31 December, 2013 - 12 599 and 271 717 thousand rubles) (the Explanatory Notes, table 5.3. 6.).

The results of the inventory that was carried out prior to the preparation of the annual financial statements: in the process of inventory as at 30.12.2014 the surplus of fixed assets amounted to 27 839 thousand rubles, shortage of fixed assets amounted to 2664 thousand rubles.

3.4 Financial Investments

The structure of the investments as of 31.12.2014:

Long-term investments in securities of the Company as at the end of the year was 155 011 thousand rubles, which mainly represent investments in subsidiaries and affiliates of IDGC of the South JSC in the amount of 151 711 thousand rubles, or 97.9% of total financial investments.

the Company has no short-term investments as of 31.12.2014.

Revaluation of financial investments at current market value due to changes in the value of the stock price of "Volgogradenergosbyt" and "FGC UES" JSC on the MICEX Stock Exchange " amounted (- 597.2) thousand rubles as of 31.12.2014.

3.5 Inventories

IDGC of the South JSC in accordance with the regulations, approved by Order #757 dated 12.12.2012 (amended by order #838 dated 09.12.2014) the inventories are evaluated at the following groups (types):

- The emergency reserve - special stock of inventory, consisting of equipment and materials intended for rescue and recovery operations associated with massive damage of the electric networks owned by the branches of IDGC of the South, and their components and the violation of power supply to large power consumers, operational support priority actions to restore the normal operation of power facilities and electricity supply to consumers as soon as possible;
- Fund for reallocation and sales – part of the stock of unclaimed within the approved programmes of the branches;
- Illiquid assets to be written off - the goods, morally or physically worn out or lost their original properties, not suitable for use in IDGC of the South are to be written off;

- Illiquid assets for sale - products that are not suitable for use in IDGC of the South, which can be used outside of IDGC of the South, are to be sold;

- Current stock - the part of the stock planned to be written off for the production within the approved production programmes of the year;

- Involved stock - the part of the stock planned to be written off in the production within the approved production programmes in future periods.

According to the estimates, starting from 01.01.2013 the quarterly report is formed based on the type of reserve, on the basis of which is organized a systematic process of redistribution of unclaimed materials and equipment between the branches, sale of unclaimed materials and equipment and the sale of illiquid assets and write-off of non-liquid assets.

Also in accordance with the requirements of the order of IDGC of the South from 03.20.2014 #165 all applications for the supply of materials and equipment shall be agreed by the Department of logistics and procurement (tested for ability to meet requirements from existing stocks).

Due to the implementation of measures for managing inventory in 2014 the company achieved the maximum benefit from the optimization of stocks of materials and equipment.

In the result of inventory of assets as of 08.12.2014 there was an excess of inventory - tangible assets in the amount of 124 thousand rubles, shortage of inventory in the amount of 79.6 thousand rubles.

The presence and movement of inventories, - the cost of unpaid inventories are reflected in the Explanatory notes in table 5.5.1, 5.5.2.

3.6 Receivables and payables

accounts receivable

As of December 31, 2014 accounts receivable of the Company amounted to 9 330 109 thousand rubles (minus provision for doubtful debts) based on the advances paid

to suppliers of fixed assets and for capital construction, including debt amounting 5 550 955 thousand rubles.

thousand, rubles

	31.12.2014	31.12.2013	change, %
Buyers and customers	7 861 485	10 288 305	-24%
including transmission service consumers	7 637 629	10 149 484	-25%
Advances paid	242 851	81 583	198%
Other receivables	1 225 773	1 112 539	10%
Total	9 330 109	11 482 427	-19%

During 2014 there was a reduction of accounts receivable by 2 152 318 thousand rubles, including overdue - by 2 325 655 thousand rubles due to creating provision for doubtful debts.

As of 31 December 2014 the amount of provision for doubtful debts was 8 705 027 thousand rubles, an increase compared with the beginning of 2014 amounted to 4 447 849 thousand rubles, or 104%.

Provision for doubtful debts as at 31.12.2014

thousand rubles

	31.12.2014	31.12.2013	change, %
Buyers and customers	7 861 485	10 288 305	-24%
including transmission service consumers for grid connection	7 540 322	2 714 597	178%
payment for other types of activity	43 590	58 393	-25%
Advances paid	406 571	573 083	-29%
Other receivables	3 602	4 443	-19%
Total	710 942	906 662	-22%
Total	8 705 027	4 257 178	104%

Overdue receivables that are recognized as doubtful by the results of the inventory as at 31.12.2014 was attributed to the provision for doubtful debts, such debt takes 48.3% of the total accounts receivable. The percentage of overdue receivables for services on electric power transmission is 86% from total amount of allowance for

doubtful accounts. In this case, from the total provision for doubtful debts as of 31.12.2014 the share of the branches of the Company was:

1. "Volgogradenergo" branch - 82.8%
2. "Astrakhanenergo" branch - 10.9%
3. "Rostovenergo" branch - 2.5%
4. Executive Office - 0.2%
5. "Kalmenergo" branch - 3.6%.

The most part of overdue accounts receivable (including the accounted in the provision for doubtful debts) for electricity transmission services for the counterparties:

1. "Volgogradenergo" branch:

"Volgogradenergosbyt" JSC – 3 229 288 thousand rubles (in reserve 3 229 288 thousand rubles);

Municipal production plant “Volgograd regional electric grids” – 3 314 596 thousand rubles (in reserve 1 501 074 thousand rubles);

"Khimprom" JSC - 994 125 thousand rubles (in reserve 994 125 thousand rubles);

2. "Astrakhanenergo" branch:

"Astrakhan Energy Selling Company" JSC – 1 439 747 thousand rubles (in reserve 754 698 thousand rubles);

3. "Rostovenergo" branch:

"Energosbyt Rostovenergo" JSC - 847 232 thousand rubles (in reserve 77 864 thousand rubles);

4. "Kalmenergo" branch:

"KalmEnergoKom" JSC - 867 779 thousand rubles (in reserve 204 324 thousand rubles).

Analysis of the growth of receivables for electricity transmission services (including unrecorded in the allowance for doubtful accounts) in the context of contractors:

"Volgogradenergo" branch:

As at 31.12.2014, the receivables of the branch amounted 9 275 241 thousand rubles, including overdue – 8 509 368 thousand rubles. The increase in accounts receivable for 2014 amounted to 176 817 thousand rubles. The main debtors of the branch are:

guaranteeing supplier “Volgogradenergosbyt” JSC which account receivables as of 31.12.2014 amounted 3 546 060 thousand rubles, including overdue – 3 229 288 thousand rubles. All overdue receivables are included in the allowance for doubtful accounts as of 31.12.2014. The growth of debt is explained by non-payment of the counterparty, by the existence of disagreements in payments for electricity transmission services.

territorial network organization Municipal production plant “Volgograd regional electric grids”: receivables as of 31.12.2014 is 3 483 335 thousand rubles, including overdue - 3 314 596 thousand rubles. The growth of debt for 2014 amounted to 912 535 thousand rubles. The increase in debt is explained by non-payment for electricity transmission services, the introduction of bankruptcy proceedings against the debtor (the stage of bankruptcy proceedings).

Branch "Astrakhanenergo":

As at 31.12.2014, the receivables of the branch amounted 2 063 585 thousand rubles, including overdue – 1 542 686 thousand rubles. The growth in accounts receivable for 2014 amounted to 748 331 thousand rubles. The main debtors of the branch are:

guaranteeing supplier "Astrakhan Energy Selling Company" JSC: the debt as of 31.12.2014 amounted 1 904 978 thousand rubles, including overdue – 1 439 747 thousand rubles. The growth of debt for 2014 amounted to 625 231 thousand rubles. The increase in debt is explained by disagreements in the calculation of the volume of electricity transmission services in relation to population and a violation of the counterparty contract terms for payment in terms of the undisputed charges.

"Oboronenergosbyt" JSC: the debt as of 31.12.2014 amounted 125 790 thousand rubles, including overdue - 100 878 thousand rubles.

The growth of debt for 2014 in the amount of 99 941 thousand rubles is explained by non-payment of the counterparty due to the lack of budget financing of "Oboronenergosbyt".

"Kalmenergo" branch:

As at 31.12.2014, the receivables of branch amounted 936,207 thousand rubles, including overdue - 885 449 thousand rubles. The growth of receivables of the branch for 2014 amounted to 306 939 thousand rubles.

The main debtor of the branch is the territorial network organization of "KalmEnergoKom" which receivables as of 31.12.2014 amounted 913 904 thousand rubles, for 2014 the debt has increased by 303 712 thousand rubles. The overdue of the counterparty amounted 867 779 thousand rubles. The increase is due to non-payment of debt for electricity transmission services, the implementation of a bankruptcy procedure in respect of the debtor.

"Rostovenergo" branch:

As at 31.12.2014, the receivables of the branch amounted 2 902 918 thousand rubles, including overdue – 1 638 709 thousand rubles. The increase in accounts receivable for 2014 amounted to 1 081 784 thousand rubles.

The main debtor of the branch is a guaranteeing supplier "Energoby Rostovenergo" JSC which receivables as of 31.12.2014 amounted 1 622 223 thousand rubles, including overdue amounting 847 232 thousand rubles.

The growth of debt was caused by the failure to perform the contractual obligations regarding payment for electricity transmission services.

The amount written-off irrecoverable accounts receivable as of 2014 with expired limitation period amounted to 5 579 thousand rubles.

Accounts payable

As of 31.12.2014 Company's accounts payable amounted 8 635 477 thousand

rubles. By the results of 2014 the accounts payable have reduced by 2 333 378 thousand rubles or by 21.3%. The share is liability structure makes 20.8 %. The accounts payable as of 31.12.2014 are short-term accounts payable.

thousand rubles

	31.12.2014	31.12.2013	changes, %
Supplier and buyers	6256 387	6 989 965	-10,5%
including construction organizations, suppliers of property, plant and equipment	940 050	1 625 082	-42,2%
Bills payable	-	1 589 835	-100%
Budget and funds	770 307	549 642	40,2%
Advances received	1 106 256	1 292 226	-14,4%
Including advance s for grid connection	1 048 199	1 250 797	-16,2%
Other accounts payable	502 527	547 187	-8,2%
Total	8 635 477	10 968 855	-21,3%

The main share in accounts payable belongs to accounts payable to suppliers and contractors in the amount of 6 256 387 thousand rubles or 73% of total debt.

Decrease in accounts payable in 2014 was due to the repayment of promissory notes in the amount of 1 589 835 thousand rubles, and the repayment of debts to construction companies and suppliers of property, plant and equipment by 42.2%. The largest share in the volume of debts to suppliers and contractors in the amount of 65.0% belongs to accounts payable for transmission services, which at 31.12.2014 year amounted to 4 063 960 thousand rubles, the growth by the results of 2014 amounted to 325 980 thousand rubles. The reason for growth is the failure to perform the contractual obligations by guaranteeing suppliers and marketing companies and pay for services on electric power transmission.

At the end of 2014 the written off accounts payable with expired legal term amounted 36 933 thousand rubles.

On 30 December 2011 the Company issued its own ordinary interest-bearing notes amounting to 2 723 000 thousand rubles in order to repay the debt to FGC UES JSC.

Bill of exchange payment period – at sight; but not earlier than 18 months from the date of making; the interest rate - 8.9% annual:

Thousand rubles

Branch	amount of a bill
Astrakhanenergo	142 146
Volgogradenergo	1 349 047
Kalmenergo	21 330
Rostovenergo	1 210 477
Total	2 723 000

As of 31.12.2013 the debt on bill amounted to 1,589,835 rubles in the 1st quarter of 2014, this debt has been repaid.

Borrowings

In 2014, the Company attracted long-term loans to finance current operations and refinance previous loans and borrowings.

thousand rubles

Bank	2014			
	Beginning balance	Attracted	Paid	Ending balance
Short-term credits and loans				
Joint-Stock Commercial Bank NOVIKOMBANK	-	2 000 000	-	2 000 000
Sberbank of Russia Joint-Stock Company	3 750 000	2 804 700	3 750 000	2 804 700
Credit agreement #20 dated 24.02.2011	300 000	-	300 000	-
Credit agreement #24 dated 25.02.2011	900 000	-	900 000	-
Credit agreement #46 dated 28.04.2011	500 000	-	500 000	-
Credit agreement #47 dated 28.04.2011	500 000	-	500 000	-
Joint-Stock Commercial Bank NOVIKOMBANK	-	2 000 000	-	2 000 000
Contract #156 dated 08.11.2010	1 000 000	-	1 000 000	-
Contract #12-98 dated	-	404 700*	-	404 700*

28.09.2012				
Contract #13-104/2 dated 11.09.2013	-	300 000*	-	300 000*
Contract #13-104/3 dated 19.09.2013	*	700 000*	-	700 000*
Contract #13-105/3 dated 12.08.2013	-	400 000*	-	400 000*
Contract #13-106/2 dated 20.08.2013	-	500 000*	-	500 000*
Contract #13-107/3 dated 29.08.2013	*	500 000*	-	500 000*
bonded loan	4 557 678*	-	4 557 678	“
loan via a promissory note	312 900	-	-	-
interest on loan against bonds	127 454	240 726	368 180	-
short-term interest	-	305 778	305 778	-
long-term interest	-	1 719 336	1 713 808	5 528
Total short-term credits and loans	8 748 032	7 070 540	10 695 444	5 123 128
Long-term credits and loans				
Gazprombank JSC	2 437 000		2 437 000	
Credit agreement #2114-003 dated 31.01.2014	-	500 000	-	500 000
Credit agreement #2114-007 dated 31.01.2014	-	500 000	-	500 000
Credit agreement #2114-008 dated 31.01.2014	-	500 000	-	500 000
Credit agreement #2114-021 dated 13.03.2014	-	350 000	-	350 000
Credit agreement #2114-022 dated 12.03.2014	-	350 000	-	350 000
Credit agreement #2114-023 dated 13.03.2014	-	237 000	-	237 000
Joint-stock bank “Rossiya”		15 000		15 000
Contract # 00.02-1-2/01/188/14 dated 19.08.2014	-	10 000	-	10 000
Contract # 00.02-1-2/01/189/14 dated 19.08.2014	-	5 000	-	5 000
Sberbank of Russia Joint-Stock Company	13 241 321	6 855 678	2 804 700	17 292 299
Contract #12-98 dated	404 700*	-	404 700*	-

28.09.2012				
Contract #13-104/2 dated 11.09.2013	300 000*	-	300 000*	-
Contract #13-104/3 dated 19.09.2013	700 000*	-	700 000*	-
Contract #13-105/3 dated 12.08.2013	400 000*	-	400 000*	-
Contract #13-106/2 dated 20.08.2013	500 000*	-	500 000*	-
Contract #13-107/3 dated 29.08.2013	500 000*	-	500 000*	-
Contract #13-174 dated 18.12.2013	500 000	-	-	500 000
Contract #13-180 dated 19.12.2013	500 000	-	-	500 000
Contract #13-181 dated 23.12.2013	500 000	-	-	500 000
Contract #13-182 dated 23.12.2013	348 999	-	-	348 999
Contract #14-125 dated 08.08.2014	-	1 000 000	-	1 000 000
Contract #14-126 dated 08.08.2014	-	1 000 000	-	1 000 000
Contract #14-127 dated 08.08.2014	-	300 000	-	300 000
Contract #14-48 dated 21.03.2014	-	500 000	-	500 000
Contract #14-49 dated 21.03.2014	-	500 000	-	500 000
Contract #14-50 dated 21.03.2014	-	550 000	-	550 000
Contract # 14-51 dated 21.03.2014	-	900 000	-	900 000
Contract #14-52 dated 21.03.2014	-	900 000	-	900 000
Contract #18 dated 18.06.2013	550 000	-	-	550 000
Contract #46/3 dated 24.09.2014	-	500 000	-	500 000
Contract #47/2 dated 24.09.2014	-	485 000	-	485 000
Contract #76 dated 29.08.2013	500 000	-	-	500 000
Contract #81 dated 06.09.2013	350 000	-	-	350 000
Contract #98 dated 29.11.2013	500 000	-	-	500 000

Contract #16 dated 22.04.2013	1 000 000	-	-	1 000 000
Contract #15 dated 22.04.2013	900 000	-	-	900 000
Contract #17 dated 22.04.2013	900 000	-	-	900 000
Contract #83/596 dated 07.07.2011	842 322	-	-	842 322
Contract #84/597 dated 07.07.2011	1 000 000	-	-	1 000 000
Contract #120/919 dated 01.11.2011	2 045 300	-	-	2 045 300
Credit agreement 20/43 dated 24.02.2011	-	220 678	*	220 678
Total long-term credit and loans	13 241 321	9 307 678	2 804 700	19 744 299
Total credit and loans	21 989 353	16 378 218	13 500 144	24 867 427

* In connection with the maturing of the debt within 12 months after the reporting date (under the loan agreements with Sberbank of Russia), the long-term liability was transferred into the short-term liability.

In the structure of the loan portfolio as of 31.12.2014 the long-term loans make 79.42% of the total loan portfolio.

During 2014 the Company attracted long-term loans with a maturity of 3 years and long-term loan with "NOVIKOMBANK" JSC with maturity period of each tranche not more than 365 days.

The structure of the loan portfolio by maturity, taking into account the expected attraction

Thousand rubles

Maturity year	2015	2016	2017	2018
loans	4 804 700	13 642 299	10 102 000	2 804 700

As of 31.12.2013 the Company had 1 442 322 its own bonds and 4 557 678 bonds in circulation. Bonded loan was repaid on 26 August 2014.

The accrued and unpaid interest

In 2014 there were 2 265 841 thousand rubles accrued as interest on credits and loans, including loans 2 025 115 thousand rubles, on the bonded loan – 240 726

thousand rubles. In 2014, the interest has been paid in the amount of 2 387 755 thousand rubles, including interest on loans – 2 019 586 thousand rubles, on the bonded loan –368 180 thousand rubles.

thousand rubles.

Bank	2014			
	Beginning balance	Accrued	Paid	Ending balance
Short-term credits				
Sberbank of Russia Joint-Stock Company	-	218154	218 154	-
Joint-stock commercial bank NOVIKOMBANK	-	87 624	87 624	-
Total short-term credits	-	305 778	305 778	-
bonded loan	127 454	240 726	368 180	-
Total short-term loans	127 454	240 726	368 180	-
Total short-term liabilities	127 454	546 504	673 958	-
Long-term credits				
Sberbank of Russia Joint-Stock Company	-	1 506 371	1 506 371	-
Gazprombank JSC	-	212 603	207 075	5 528
Joint-stock bank “Rossiya”	-	362	362	-
Total long-term liabilities	-	- 1 719 336	1 713 808	5 528
Total	127 454	2 265 840	2 387 766	5 528

The average rate on borrowings as at the beginning of the year was 8.99% per annum and as at the end of the year – 10.44% per annum.

Increase in the average interest rate is explained by the changes in market conditions and financial resources and as a result the rising interest rates both in the existing and the newly attracted loans.

During the reporting period there are no overdue payables on principal and interest on credit obligations.

From the total amount of interest accrued the sum of capitalized interest in investing activities amounted to 29 762 thousand rubles.

As of 31.12.2014, the Company has the following lease contracts.

Contractor	leasing subject	# and date of the contact	contract time
“Fuel and energy hire purchase and leasing company” CJSC	Astrakhan grid control center	01-05-10 dated 24.05.2010	4 years

In the subsequent reporting period, the company will make lease payments in the amount of 0 rubles. By the end of the lease contract – 0 rubles.

Payments to the budget and extra-budgetary funds

In accordance with the accounting policy, "IDGC of the South" for tax purposes shall calculate and pay taxes and fees in accordance with the legislation of the Russian Federation on taxes and fees, the legislation of the territorial subjects of the Russian Federation on taxes and duties or regulations of local governments on taxes and fees.

Payments to the budget:

thousand rubles

Indicator	2014					
	Overdue as of 01.01.2014		Accrued	Paid	Overdue as of 31.12.2014	
	debits	credits	credits	debits	debits	credits
VAT	15	343 222	2 338 805	2 142 858	-	539 154
Property tax	-	44 424	238 322	227 399	-	55 347
Profit tax	160 465	-	356 803	433 369	237 031	-
Land tax	852	2 038	9 596	8 627	219	2 374
Personal income tax	1	52 032	631 776	634 734	133	49 206
Transport tax	2	3 543	9 173	10 763	3	1 954
Other taxes and fees	7 228	2	19 214	16 191	4 206	3
Total taxes:	168 563	445 261	3 603 689	3 473 941	241 592	648 038
Penalties on taxes	668	-	-	-	668	-
Fines on taxes	323	-	702	704	325	-
Total:	169 554	445 261	3 604 391	3 474 645	242 585	648 038

Accounts receivable on taxes as of 31.12.2014 was formed mainly due to the income tax, the share of which in the structure amounted to 98% of the total debt.

Accounts receivable on income tax at the end of the reporting period was formed due to the fact that the tax base for 2014 is less than the tax base for the first 9 months of 2014. Offset and (or) returns of receivables in accordance with Article 88 of the Tax Code will be carried out after 3 months from the date of the tax return – after 28 June 2015.

Accounts receivable is considered as current, the repayment of which will be carried out on the terms of payment of taxes established by the legislation of the Russian Federation.

The financial statements include the detailed amount of the deferred tax asset and deferred tax liability.

- For 2014 the income tax amounted to 399 830 thousand rubles. In accounting by Accounting Regulations 18/02 the sum of the tax is reflected as follows:

- - nominal income – 1 315 550 thousand rubles;
- - permanent tax liabilities – 1 633 488 thousand rubles;
- - deferred tax assets - 92 566 thousand rubles;
- - deferred tax liabilities - 10 674 thousand rubles

Permanent tax liabilities was reduced by permanent tax asset, received in the results of the inclusion of the tax loss of 2010 in the costs of 2014, that was formed from the translation of income tax on revenue and expenditure, identified in later tax periods, but related to 2010; the total sum amounted 255 764 thousand rubles.

The main reasons for filing amended tax returns for income tax is the reversal of revenue for electricity transmission through judicial decisions and agreements on the settlement of disputes by the branches of IDGC of South - "Volgogradenergo" and "Rostovenergo", and as a result - a tax loss.

Deferred tax assets and deferred tax liabilities written off in connection with the disposal of assets and liabilities (sale and liquidation of fixed assets, special clothing) amounted to 16 326 thousand rubles and 890 thousand rubles.

Distribution of taxes by budget levels
thousand rubles

Indicator	2014					
	Liability as of 01.01.2014		Accrued	Paid	Liability as of 31.12.2014	
	debits	credits	credits	debits	debits	debits
Taxes - total:	169 554	445 261	3 604 391	3 474 645	242 585	648 038
Federal budget	24 220	343 223	2 396 437	2 190 626	14 343	539 157
Budget of territorial entities of the RF	144 482	99 999	1 198 349	1 275 381	228 022	106 507
Municipal treasury	852	2 039	9 605	8 638	220	2 374

Insurance payments to compulsory insurance funds

thousand rubles

indicator	2014					
	Liability as of 01.01.2014		Accrued	Paid	Liability as of 31.12.2014	
	debits	credits	credits	debits	debits	credits
Social security system	54	4 903	151 108	149 874	426	6 509
Settlements in respect of pension provision	-	81 826	1 038 735	1 025 175	-	95 386
Settlements in respect of compulsory medical insurance	-	17 407	230 918	227 952	-	20 373
Total insurance payments	54	104 136	1 420 761	1 403 001	426	122 268
Fines	4	-	46	47	5	-
Penalties	-	-	-	-	-	-
Payments to non- budgetary fund - total	58	104 136	1 420 807	1 403 048	431	122 268
Unified social tax	-	-	-	-	-	-
Tax sanction	-	-	-	-	-	, -
Unified social tax and Tax sanction - total	-	-	-	-	-	-
Total for account 69:	58	104 136	1 420 807	1 403 048	431	122 268

3.7 Contingencies and estimated liabilities

The Company recognizes the estimated liability for unused vacation pay, remuneration by the results of activity in 2014, remuneration for the work results for the 4th quarter of 2014, remuneration by the results of activity in December 2014 and lawsuit proceedings unaccomplished as of the reporting date (Explanatory Notes, table 5.7 .1.).

Provision for estimated liabilities on lawsuit proceedings

Contractor	beginning balance	Accrued provision	Recovered provision	Provision used	ending balance
Oboronenergo JSC	-	59 092	9014	50 078	-
Astrakhan Energy Selling Company JSC	639 152	267 804	-	-	906 956
Energiya JSC	-	723 089	128 330	-	594 759
Energosbyt-Rostovenergo JSC	-	212 035	-	-	212 035
Volgogradenergosbyt JSC	65 425	6	9 980	55 445	-
Total	704 577	1 262 020	147 324	105 523	1 713 750

Disagreements on purchase of electric energy for compensation of energy losses were accrued in the part of provision for estimated liabilities:

"Astrakhan Energy Selling Company" JSC - 267 805 thousand rubles;

"Energosbyt -Rostovenergo" JSC - 212 035 thousand rubles;

Territorial grid companies:

"OBORONENERGO" JSC - 59 092 thousand rubles;

“Energiya” JSC - 723 088 thousand rubles.

These sums were included in the reserve on the basis of consideration of the results of similar court judgments, estimates of the probability of satisfying the claims not in favour of the Company at the meetings of the committees working with receivables and payables that were held during 2014.

As at 31.12.2014, compared to 31.12.2013, there has been a growth in balances of reserves for estimated liabilities associated with future vacation payments by 27 334 thousand rubles or 14% due to growth in average wages and the calculation of premiums that are included in the provision for remuneration for 2014 without recourse.

As at 31.12.2014, compared to 31.12.2013, there was a growth of reserve balance by 1 009 173 thousand rubles or 143% in the estimated liabilities on unaccomplished lawsuit proceedings, the growth occurred due to the accrual of differences in payment for electricity transmission services in 2014.

3.8 Deferred taxes

Accounting of deferred tax liabilities and deferred tax assets is carried out on the basis of primary accounting documents and tax ledgers. In analytical accounting the temporary differences are taken into account on a basis of the types of assets and liabilities and liabilities in evaluation of which a temporary difference has occurred.

The financial statements include the detailed sum of the deferred tax asset and deferred tax liability. (Explanatory Notes, table 5.7.2.).

3.9 Provision

In 2014, the Company has neither received or nor issued the collateral for obligations. As of 31.12.2014 as part of provisions for liabilities and payments received, a bank guarantee was recognized in the amount of 51 839 thousand rubles as

a security for performance of the contract of property insurance of IDGC of the South JSC, concluded with SOGAZ JSC:

thousand rubles

Bank that provided a guarantee	# and date of contract	Sum of guarantee
Gazprombank JSC	11RTK1124/1 dated 31.12.2011	51 839

As of 31.12.2014 the Company does not have pledged assets. (Table 5.8.)

3.10 Government assistance

During the reporting period the Company received from the federal budget a grant in the amount of 35 689 thousand rubles for reimbursement of losses on replenishment of the emergency stock of diesel generator plants used for provision of reliable power supply to socially important consumers in the Russian Federation during the summer season 2014-2015, in connection with the relocation of respective capacities in Crimea Federal District.

3.11 Information on presence of valuables being accounted on off-balance accounts

In accordance with the order of the Russian Ministry of Finance # 34n dated 29.07.1998 "Regulations on accounting and financial reporting in the Russian Federation" in the annex to the balance sheet of the Company the following information shall be disclosed: information on the presence and movement of property which is temporarily in use (disposal) of the Company, and also on particular business transactions:

The assets received for operating lease are recorded on off-balance account 001 "Leased fixed assets" with the inventory numbers of the lessor. The fixed assets received on lease are accounted for on off-balance account 001 "Leased fixed assets" with the Company's inventory numbers.

Intangible assets received for use, are recorded on off-balance account "Intangible assets acquired for use" in the assessment determined on the basis of the amount of remuneration specified in the contract.

Values accepted for safekeeping are recorded in the accounting records and recognized in the financial statements in the prices stipulated in the acceptance delivery act or in the accounts of payment demands.

Raw materials of the customer, accepted for processing, are recorded at the prices stipulated in the contracts.

Goods accepted for commission are reflected in accounting and reporting in the prices stipulated in acceptance certificates. (Explanatory Notes, table 5.12.)

4. Notes to the statement of financial results

Revenues and expenses of the Company for the financial year are reflected in the income statement separately from ordinary activities (regulated and unregulated) in other income and expenses with explanations on the types and quantities.

Revenue from electricity transmission, grid connection to the network and from other services rendered by the Company are recognized on the basis of the Acts of executed works (services) on the date of signing the Act.

The recognition of revenue from the sale of products and other assets is carried out by the Company at the time of transfer of ownership of the property to the buyer. Moment of transfer of ownership is determined in accordance with the terms of contracts, usually at the time of product shipment.

Revenues of the Company in accordance with the principle of accrual are recognized in the accounting period in which they took place, irrespective of the actual time of receipt of funds related to these facts.

Other revenues are revenues that are not related to the processes of production and circulation. These revenues include revenues from the receipt of interest and penalties, compensation for damages incurred by the Company, gratuitous receipt of property, write-off of unclaimed accounts payable, the currency differences, etc.

The revenues arising as a consequence of force majeure of economic activity (natural disasters, fire, accidents, nationalization, etc.) are also recognized as other revenues:

- the insurance compensation;
- losses from extraordinary events (fires, accidents, etc.)
- disposal value of unsuited property.

Current expenditures of the executive office of the Company minus allocated are recognized as management costs. These expenses for the purpose of management accounting (tariff formation, etc.) are distributed by activity and geographical segment (subjects of the federation, the territory where the tariffs are formed) in accordance with the methodology developed by the Company.

Business expenses in the full amount are recognized in the cost of services provided, completed works in the reporting year, they were recognized as expenses on ordinary activities. (Explanatory notes, tables 2.1., 2.2., 2.3., 5.11.)

Profit and loss from ordinary activities for 2014 are shown in the table below:
thousand rubles

Indicator	Revenue from sales	cost of goods sold	gross profit (loss)
Revenue from electricity transmission	28 009 171	23 949 997	4 059 174
Revenue from grid connection	704 114	139 062	565 052
Rental income	53 030	16 876	36 154
Other activities (industrial character)	122 348	140 881	(18 533)
Other activities (non-industrial character)	2 848	13 216	(10 368)

5. Other explanations

5.1. Inventory of property and liabilities

Inventory of property and liabilities is held by the Company in accordance with Article 11 of the Federal Law No.402-FZ dated 06.12.2011 “On Accounting” and the Guidelines for the inventory of property and financial liabilities, approved by Order of the RF Ministry of Finance No.49 dated 13.06.1995 in order to ensure the reliability of accounting data and financial statements.

All types of property and liabilities are subject to inventory, including property (regardless of location), owned by the Company on the right of ownership, the volume

of work in progress, in-progress investments in current and non-current assets, accounts payable and capital items, property not owned by the Company, but included in off-balance sheet accounts (those in custody, received for sale on commission contract, lease, etc.).

The procedure for conducting inventory (amount of inventories in the reporting year, the date and time, the list of assets and liabilities that are subject to checking) are determined by the orders of the Company.

The inventory of fixed assets is held by the Company annually, inventory of library funds is conducted once every five years.

The inventory is carried out by special stocktaking teams which are approved by order of the Company, and for the branches by in order of the Company's branches.

Discrepancy between the actual property and accounting records are specified in accounting in accordance with the paragraph 28 of the Regulations on Accounting and Reporting in the Russian Federation approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29.07.1998.

5.2 Segment information (Accounting Regulations 12/2010)

As primary information for the purpose of generating data by reportable segments is considered geographical segment information, as the risks and profits of the Company are determined by differences in the activity of the various geographical regions. Each business unit of the Company operates in a separate geographic region. The secondary is the information for the operating segments. (Explanatory notes, table 5.13.).

Buyers that make minimum 10% of the Company's total revenue, thousand rubles

#	Buyer (customer)	Total revenue	Including: electricity transmission	Including: other services
1	Astrakhan energy selling company JSC	3 742 305	3 741 387	918
2	Volgogradenergoby JSC	2 763 918	2 763 843	75
3	Energoby-Rostovenergo JSC	8 131 445	8 125 532	5 913

5.3. Discontinuing operation (Accounting Regulations 16/02)

Information on discontinuing operation as of the date of making the report is

absent.

5.4. Information on participation in joint activity (Accounting Regulations 20/03)

thousand rubles

#	Joint activity participant, the subject of joint activities	Amount of investment as of 31.12.2014	Target of investments (profit, other goals)	Financial result as of the reporting period
1	RusHydro JSC	7 838	Construction of generating capacities for 22MW pilot wind-power plant in Kalmykia; Provision of Kalmykia with its own capacities; Use of unconventional renewable power sources; production of electric energy and its selling for the purposes of gaining an income.	Construction in progress
2	Rosseti JSC	40 425	Construction of generating capacities for pilot Elista hydro power station of 320MW; production of electric energy and its selling for the purposes of gaining an income.	Construction in progress
	Total	48 263		

Construction of Kalmytskaya wind power plant (hereinafter – the wind power plant) was performed under the contract of joint activity No.29 dated 15.09.1993, signed between RAO "UES of Russia" and «Kalmenergo" JSC. After the reorganization of RAO "UES of Russia" and the reform of the industry in general, "RusHydro" JSC and "IDGC of the South" JSC became legal successor of the contract. The contract has expired on 31.12.2010.

The Parties have in common share ownership 14 facilities of unaccomplished contract of the wind power plant. Construction of the wind power plant was terminated at an early stage due to the lack of funding. It is not planned to finish the construction works in this facility at the expense of "RusHydro" JSC or "IDGC of the South". For "IDGC of the South" JSC, the production of electric energy does not correspond to the principal activity. Significant funds are required for completion of this project.

In response to instructions from the Order of the RF Ministry of Energy No.D-9-14 dated 07.02.1992, the Decision of the Government of the Russian Federation No.389 dated 20.04.1995 "On the stabilization of the economy of the Republic of Kalmykia" and Decree of the Government of the Russian Federation No.3030 dated 14.03.1997 "The federal target programme of social and economic development of the Republic of Kalmykia and the national and cultural revival of the Kalmyk people" since 1993 under the agreement on joint activity between RAO "UES of Russia" and "Kalmenergo" JSC No.28 dated 15.09.1993 was launched a construction of combined-cycle power plant Elista (Elista CCGT) 320 MW.

Project documentation for construction of Elista combined-cycle electric generating plant 320 MW (4 units 80 MW each) was prepared by "Selenergoproekt" JSC in Moscow in 1992, project documentation for the technological equipment was prepared by the company "Module" of Kirov plant in St. Petersburg.

Construction was carried out from 1993 to 2001. Construction consisted of two stages, the first stage included start-up facilities.

In 2001, the construction of Elista combined-cycle electric generating plant was discontinued due to lack of funding from RAO "UES of Russia" and "Kalmenergo" JSC.

Because of the reorganization of RAO "UES of Russia" and "Kalmenergo" JSC the successors to the agreement on joint activities became "Rossetti" JSC and "IDGC of the South" JSC. According to the act of reconciliation on 30.06.2012 the funds of the parties are: from the part of "Rossetti" - 40 323 thousand rubles (49.94%), from the part of "IDGC of South" - 40 425 thousand rubles (50.06%). The contract of a joint construction was terminated on 31.12.2010.

Completion of construction of Elista combined-cycle electric generating plant at the expense of "Rossetti" JSC and "IDGC of the South" JSC is not planned, because the production of electricity is not the main activity of "Rossetti" JSC and "IDGC of the South" JSC.

Due to the termination of these agreements, as well as the activity on construction of Elista combined-cycle electric generating plant and Kalmykia win power plant, as well as due to absence of necessity in construction of these plants, due to the fact that the property in joint ownership is outdated and the equipment cannot be used without revaluation in accordance with the new environmental requirements, due to impossibility to return or sale the property, in 2012 the Company made an investment depreciation reserve under joint operating agreements in the amount of 48 263 thousand rubles.

5.5. Information on cash flows (Accounting Regulations 23/2011)

As a part of the funds for the purposes of the Statement on cash flows the Company recognizes:

- cash in hand;
- money on accounts, special, transit, exchange accounts, accounts of corporate cards and other bank accounts;
- amounts in transit (balanced).

Financial documents are not recognized as cash and are not included in the statement of cash flows.

As cash equivalents the Company recognizes deposits with maturities up to 3 months and bills of commercial banks with maturity "at sight".

Cash flows that characterize mainly not the Company's activities, but the activities of its counterparties, and (or) when the proceeds from one individual cause the corresponding payments to other persons are recognized by the Company and briefly reflected in the statement of cash flows. Transient cash flows include:

- cash flow from commission merchant or agent (except payment for the services themselves);
- indirect taxes as a part of revenues from customers, payments to suppliers and contractors and payments to the budget system of the Russian Federation and compensation from it;

- payments for the reimbursement of utility bills, and the implementation of these lease payments and other similar terms;
- receipts from staff for the trips that are purchased by the Company from third-party organizations and payments to third parties for the acquisition of the permit;
- reimbursement of the costs of the event, and payments for the organization of the event;
- sums wrongly received from third parties and written off by the bank;
- refunds of previously made payments for these incorrect details and for other reasons;
- received and returned sums of collateral for requests of bidders and participants of auctions;
- payment of sick-leaves and allowances at the expense of Social Insurance Fund and the corresponding receipts from the Social Insurance Fund.

The statement on cash flows of the Company includes an indirect tax (VAT) in the part of revenues from customers, payments to suppliers and contractors and payments to the budget system of the Russian Federation or compensation from it.

The company did not perform highly liquid investments (cash equivalents) that can be easily converted to in a-priori known amounts of cash and which are subject to an insignificant risk of changes in value for the period from 01.01.2014 to 31.12.2014.

Cash flows between the Company and its subsidiaries, affiliated companies, and between the Company and the parent company "Rossetti" are disclosed in the Statement of Cash Flows.

Company's untapped line of credit.

thousand, rubles

Creditor bank	Number and data of contract	Amount of unutilized limits	Interest rate, %
Sberbank of Russia Joint-Stock Company	No.20 dd. 24.02.2011	79 322	12,3
Sberbank of Russia Joint-Stock Company	No.24 dd. 24.02.2011	900 000	12,3

Sberbank of Russia Joint-Stock Company	No.47 dd. 24.09.2014	15 000	12,3
Sberbank of Russia Joint-Stock Company	No.48 dd. 24.09.2014	550 000	12,3
ROSSIYA Joint-Stock Bank	No.00.02-1-2/01/188/14	390 000	12,95
ROSSIYA Joint-Stock Bank	No.00.02-1-2/01/189/14	495 000	12,95
SMI Bank JSC	70-2014/KL	300 000	12,75
Total		2 729 322	

The sum of minimum cash balance on accounts of the Company as of 31.12.2014 amounted 103 920 thousand rubles.

thousand rubles

№	Grounds (additional agreement, confirmation of transaction)	Starting date of transaction	Expiration date of transaction	Interest rate	Amount of minimum precautionary balance
1	2	3	4	5	6
1	Verification No.17 (Agreement No. 1-/14-c/0830 on general conditions of operation with precautionary balance)	31.12.2014	12.01.2015	18	103 920
Total					103 920

The Company did not attract cash on the terms of overdraft in 2014.

As of 31.12.2014 there are no third-party guarantees, received and unused by the Company for the loan, funds in letters of credit opened in favour of the Company, cash (or cash equivalents) that are not available for use by the Company.

As of 31.12.2014, the Company's bank accounts were seized with total sum of 34 752 thousand rubles, as security for possible future civil actions within a criminal

investigation #137132900638 dated 07.12.2013, launched against a supplier of "IDGC South" JSC – Managing company "Stavropolenergiyainvest" LLC. Assets were seized in accordance with the provisions of the Industrial District Court of Stavropol. The Company has no information on the possible timing of the investigation and results of this case.

thousand, rubles

	Sum of arrested account	Bank	Bank account number
LLC Managing company "Stavropolenergiya-invest"	34 752	Astrakhan Sberbank branch No.8625	40702810605000003020

Cash (or equivalents) that are not available for use by the Company (for example, open to other organizations letters on unaccomplished transactions on the balance sheet date) are absent as of 31.12.2014

As of 31.12.2014 there are no funds in letters of credits, opened in favour of the Company.

Information on the cash flows by segments for 2014

Indicator	IDGC of the South	Executive body	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo
Balance of cash flows from current transactions	504 924	-1 944 115	937 832	344 684	-844 597	1 001 272
Balance of cash flows from investment activities	-1 415 566	-10 797	- 280 434	-263 444	- 24 598	-836 292
Balance of cash	1 459 901	1 460 009	-108			73

flows from financial transactions						
Balance of cash flows for the reporting period	- 460 517	- 494 904	657 290	81 240	-869 195	165 052

5.6. Information on corrections made to the financial statements (Accounting Regulations 22/2010)

Due to the correction of an error in the accounting (financial) statements, there were amends in accordance with the requirements of Accounting Regulations 22/2010 "Correcting of errors in the financial accounting and reporting" in connection with the following circumstances:

Incorrect representation of reserves that are used for production of fixed assets in the part of current assets on the line "Inventories" instead of reflecting them in non-current assets on the line "Fixed assets" as of December 31, 2012 in the amount of 207 462 thousand rubles and as of 31.12.2013 in the amount of 271 717 thousand rubles, respectively. This error has been corrected retrospectively by changing the inventory intended for use as raw materials, etc. the production of fixed assets for their own use, namely the sum of inventories was transferred from line "Inventories" to non-current assets in the line "Fixed assets". This has had a significant impact on these indicators of the balance sheet as at December 31, 2013 and December 31, 2012

Correction of errors are as follows:

Indicator	Code	31.12.2013 according to data from report for 2013	Reclassification	31.12.2013 according to data from report for 2014	31.12.2012 according to data from report for 2013	Reclassification	31.12.2013 according to data from report for 2014
Fixed assets	1150	31 617 894	271 717	31 889 611	31 301 804	207 462	31 509 266
Materials used for production of fixed	1156	0	271 717	271717	0	207 462	207 462

assets							
Stock, including	1210	1 228 241	-271 717	956 524	1 160 532	-207 462	953 070
Raw products, materials and other similar values, including	1211	1 191 790	-271 717	920 073	1 119 042	-207462	911 580
Petroleum, oil and lubricants	121101	26 586	0	26 586	20967	0	20 967
Repair parts	121102	154 537	0	154 537	140 276	0	140 276
Other raw products and materials	121103	1 010 667	-271 717	738 950	957 799	-207 462	750 337

In connection with the changes, the reflected sum of basic and diluted revenue (loss) per share for 2013 remained unchanged and amounted 0.0005 thousand rubles and 0.0005 thousand rubles.

5.7. Information on related parties (Accounting Regulations 11/2008)

The related parties of the Company are entities of the Group "Rosseti", subsidiaries of the Company, the Board of Directors and the Management Board and other legal entities and individuals.

A complete list of affiliated entities is shown in the official website of "IDGC of the South": <http://oao-mpck-yuga.pф/show/listpersons>.

Non-governmental pension fund

Non-state pension fund of electric power industry and the Company is governed by agreements on non-state pension provision of employees.

Transactions with related parties (excluding VAT):

thousand rubles

Name of related parties (type of relations)	2014
Services are rendered to the Company:	
“Rosseti” JSC (services)	157 656
“FGC UES” JSC (services on transmission of electric energy,	5 935 029

lease)	
“Kubanenergo” JSC	3
“Kalmenergosbyt” JSC	156 901
“IT Energy Service” LLC	8 878
“Donenergo” JSC	1 674
“Moscow communication centre” JSC	21
“IDGC of the Centre” JSC	1 540
Research and development engineering centre of IDGC, JSC	5 932
“Head power grid service company of Unified national power grid” JSC	76
Total	6 267 710
Services rendered by the Company:	
“Rosseti” JSC	1 641
“Energoservice Yuga” JSC (services)	112
“FGC UES” JSC (lease and other)	8 861
“Volgogradsetremont” JSC (lease and other)	334
“Kalmenergosbyt” JSC (services on power transmission, lease)	352 863
“Kubanenergo” JSC (lease and other)	40 689
“Donenergo” JSC	2 114 362
Total	2 518 863
Other income	
“Kubanenergo” JSC	4 420
“FGC UES” JSC	13 989
Non-State pension fund of power industry	10518
TOTAL	28 927
Other expenses	
“Kalmenergosbyt” JSC	4 198

“IDGC of Volga” JSC	2 034
“Kubanenergo” JSC	4 305
“FGC UES” JSC (fines, penalties and forfeitures, losses of past years)	251 995
“Agricultural enterprise named after Grechko A.A.” JSC (reserve on devaluation of financial investments)	12 680
“Volgogradsetremont” JSC (reserve on devaluation of financial investments)	4 170
“Sokolovskoe Subsidiary Agricultural Enterprise” JSC (reserve on devaluation of financial investments)	43 462
“Recreation centre Energetic” JSC (reserve on devaluation of financial investments)	4 144
“Donenergo” JSC	26
Total	327 014

Settlements with related parties

As of 31 December 2014 accounts payable and receivable on settlements with related parties are the following:

Name of related parties	As of 31 December 2014
Company’s account receivable	
“PSKh named after Grechko A.A.” JSC	100
“Recreation Centre Energetic” JSC	108 808
“Kubanenergo” JSC	142 526
“FGC UES” JSC	14 570
“Kalmenergosbyt” JSC	3 199
“Mobile gas-turbine power stations” JSC	166
“Energoservice Yuga” JSC	22

“Donenergo” JSC	893 382
Total	1 162 772
Company’s loan payable	
“Volgogradsetremont” JCS	2 324
“Rosseti” JSC	10 106
“IT Energy Service” LLC	4 029
“Kubanenergo” JSC	14
“FGC UES” JSC	3 833 059
“IDGC of Volga” JSC	1 572
“Kalmenergo” JSC	1 017
“IDGC of the Centre” JSC	1 817
“Donenergo” JSC	15 358
Total	3 869 296

Loans granted to related parties

In 2014 the Company provided a loan to "Agricultural Enterprise Sokolovskoye" in the amount of 4000 thousand rubles, for the use of the loan the interest was accrued in the amount of 148 thousand rubles. In July 2014 the loan and interest were fully repaid.

Loans to related parties.

The balance of the loan from "Rossetti" JSC as of 31.12.2014 totaled 312 900 thousand rubles.

5.8. Payment of remuneration

Payment of remuneration and compensation to the members of the Board of Directors shall be carried out in accordance with the Regulation on the payment of remunerations and compensations to members of the Board of Directors of Open Joint Stock Company "Interregional Distribution Grid Company of South" in the new editions, approved by the Annual General Meeting of Shareholders of "IDGC of the South" JSC (Minutes of meeting No.1 dd 04.06. 2008).

The total remuneration paid to the members of the Board of Directors for 2014, including all types of remuneration (salary, bonus, and other compensation costs.) amounted 12 711 thousand rubles.

In accordance with the employment agreements between the Company and Management Board members, the remuneration to members of the Board shall be paid in the amount and manner prescribed by the Regulations on material incentives and benefits of Top Managers of "IDGC of the South" in the new edition; approved by the Board of Directors on 14.06.2011 (Minutes of meeting No.67/2011 dated 16.06.2011).

On the basis of the decisions of the Board of Directors of "IDGC of the South" JSC (Minutes of meeting dated 22.05.2008 No.13/2008, Minutes of meeting dated 01.12.2008 No.20/2008, Minutes of meeting dated 11.02.2009 No.22/2009, Minutes of meeting dated 25.12.2009 No.38/2009 protocol of 05.02.2010 No. 39/2010, Minutes of meeting dated 28.04.2010 No. 44/2010, Minutes of meeting dated 28.06. 2010 No. 49/2010, Minutes of meeting dated 08.07.2010 No. 50/2010, Minutes of meeting dated 01.09.2010 No. 53/2010 protocol of 29.10.2010 No. 55/2010, Minutes of meeting dated 24.12.2010 No. 57/2010, Minutes of meeting dated 01.06.2011 No.65/2011, Minutes of meeting dated 30.08.2011 No. 71/2011, Minutes of meeting dated 19.09.2011 No. 72/2011 protocol of 26.12.2011 No. 77/2011, Minutes of meeting dated 30.07.2012 No.92/2012 Minutes 01.03.2013No. 104/2013, Minutes of meeting dated 03.10.2013 No. 116/2013), Minutes of meeting dated 23.04.2014 No.131/2014 Minutes of meeting dated 18.08.2014 No. 141/2014 on determining the number of members of the Management Board and the election of members to the Management Board, and in accordance with Article 21 of the Charter of "IDGC of the South" JSC, Articles 15 and 57 of the Labour Code additional agreements to the labour contracts are concluded with the members of the Management Board for the implementation of duties of a member of the collegial executive body - the Management Board.

From the date of establishment of the Management Board of "IDGC of the South" JSC (19.05.2008) till 31.08.2011 for implementation of their duties the members of the

Management Board of the Company were paid a monthly remuneration in the amount of 5 (five) minimum monthly tariff rates of a first category established by the industrial tariff agreement in electric power complex of the Russian Federation.

Starting from 01.09.2011 for implementation of their duties the members of the Management Board are paid monthly remuneration in the amount of 11% from the salary of a top manager.

The total remuneration paid to the members of the Board of "IDGC of the South" JSC for 2014, including all types of remuneration (salary, bonus, and other compensation costs), amounted 64 644 thousand rubles.

Questions of material incentives to General Director of the Company are regulated in accordance with the terms of the employment contract and in accordance with the Regulations on material incentives for the General Director of "IDGC of the South" (as amended); approved by the Board of Directors (Minutes of meeting No.67/2011 dated 16.06 2011) as amended (Minutes of meeting No.85/2012 dated 26.04.2012 and No.102/2012 dated 13.01.2013).

5.9. Information on transactions in foreign currencies (Accounting Regulations 3/2006)

In 2014 the Company did not make transactions with foreign currency.

5.10. Information on energy efficiency (Federal Law No.261-FZ dated November 23, 2009).

The information is provided in accordance with the Federal Law No. 261-FZ dated November 23, 2009 «On energy saving and increasing energy efficiency, and on amending certain legislative acts of the Russian Federation".

Expenses on power resources in n 2014:

1) purchase of electric energy in order to compensate for losses in the networks of branches of "IDGC of South" JSC – 5 271 941 thousand rubles without VAT.

Costs for the purchase of electric energy in order to compensate for losses in the networks of branches of "IDGC of the South" are calculated in accordance with the

terms of service contracts with the guarantee suppliers, on the basis of actually existing volumes within the limit of unregulated price according to paragraph 108 (1) of the Regulations on functioning of retail electricity markets, approved by the RF Government Decree No. 530 dated 31.08.2006 (as amended).

2) purchase of electric energy for needs of administrative buildings of structural divisions of the branches of "IDGC of South" JSC - 197 880 thousand rubles.

Costs for the purchase of electric energy for domestic needs were calculated according to electricity meters on the basis of the contracts for electricity supply concluded with energy suppliers (power supply companies) within the limits of unregulated prices according to paragraph 108 (1) of the Regulations on functioning of retail electricity markets, approved by the RF Government Decree No. 530 dated 31.08.2006 (as amended).

3) purchase of heat energy for needs of buildings and constructions of structural units of the branches of "IDGC of the South" JSC – 14 840 thousand rubles.

Costs for the purchase of heat energy were calculated according to meters based on the contract signed with heating energy suppliers (power supply companies).

4) purchase of gas for needs of buildings and structures of production departments of the branches of "IDGC of South" JSC – 10 470 thousand rubles.

Costs for the purchase of gas were calculated according to metering devices on the basis of gas supply contracts concluded with suppliers of energy resources.

5.11. Information on risk management

With a view to the integrated management of all possible risks, "IDGC of the South" has introduced and started to use an integrated system of internal control and risk management, which is an integral part of the overall management system.

In accordance with the decision of the Board of Directors (Minutes No.142/2014 dated 09.08.2014) the improvement of the system of internal control and risk management is considered as priority activity for the Company. The risk management system allows

management bodies to adopt the most effective and economically feasible decisions, improving transparency and management efficiency, and investment attractiveness.

Risk management is regulated by the following local regulations:

- Risk management policies and internal control policy approved by the Board of Directors on 09.04.2014 (Minutes of meeting No. 142/2014 dated 08.09.2014); they define the development strategy of the internal control and risk management;
- Guidelines for risk management, approved by the order of “IDGC of the South” JSC» No.538 dated 07.09.2011, that define the basic methods of identification, assessment, monitoring and management of risks;
- Regulations on the Control Environment and Risks of business processes, approved by the order of “IDGC of the South” JSC» No.500 dated 13.09.2012.

Under the current risk management system the risk owners, secured by the order of "IDGC of the South", on a quarterly basis carry out identification and evaluation of risks, development and implementation of risk management, risk monitoring.

For more information on the risks inherent to the Company is disclosed in the quarterly reports of the issuer at: <http://oao-mpck-yoga.pp/pages/show/ezhekvartal-nyy-otchet-emitenta>.

5.12. Events after the reporting date (Accounting Regulations 7/98)

Subsidiary "Volgogradsetremont" JSC was closed down on 17 February 2015.

5.13. Information on continuity of operations.

The accounting (financial) statements of "IDGC of the South" JSC for 2014 have been prepared on a going concern basis, which assumes that the Company is able to sell its assets and discharge its liabilities in the normal course of business for the foreseeable future. As reflected in the accounting (financial) statements of the Company's the net loss for 2014 amounted to 6 893 677 thousand rubles (2013 - net profit amounted 27 190 thousand rubles), and a working capital deficit (excess of current liabilities over current assets) as of 31 December 2014 totaled 5 504 157 thousand rubles. Short-term liabilities of the Company as at 31 December 2014 amounted to 16 294 926 thousand

rubles, including the obligations on borrowed funds in the amount of 5 123 128 thousand rubles.

As of 31 December 2014 the Company has a loan agreement signed with "Sberbank" JSC, "joint-stock bank Rossiya" JSC, "SMP Bank" JSC on revolving lines of credit with the unused portion of the credit line in the amount of 2 729 322 thousand rubles). Taking into account the planned refinancing of short-term loans in the amount of 4 804 700 thousand rubles in 2015, according to our estimates, the net cash flow from operating activities of the Company in 2015 will be sufficient to meet our obligations payable in 2015.

Thus, in spite of the shortage of working capital, the Company's management believes that the Company will be able to meet all its current obligations during 2015.

5.14. Business environment

Economic reforms and development of legal, tax and regulatory frameworks are being carried out in Russia in accordance with the market economy. Stability of the Russian economy mainly depends on these reforms as well as on the effectiveness of measures taken by the Government in the field of economic, financial and monetary policy.

In 2014, a significant decline in oil prices and a significant devaluation of the Russian ruble had a negative impact on the Russian economy, as well as the sanctions imposed on Russia by some countries. In December 2014 interest rates in rubles were significantly increased as a result of the Bank of Russia raising the key rate to 17%. The combination of these factors has led to a decrease in the availability of capital, increase of the cost of capital, increase of inflation and uncertainty about the economic growth, which may in the future adversely affect the financial condition, results of operations and business prospects of the Company. The Company's management believes that it is taking appropriate measures to support the sustainability of the Company in the current environment.

2.1. Cost of goods, services and works sold

Indicator	Code	2014	2013
1	2		3
Production costs	6510	24 260 032	23 351 253
including			
direct materials costs	6511	14 374 090	14 061 280
labour costs	6512	4 391 714	4 055 942
fringe benefit expenses	6513	1 307 310	1 194 848
depreciation	6514	2 837 912	2 682 898
miscellaneous expenditures	6515	1 349 006	1 356 285
For reference: changes in inventory and provision (augmentation [+], reduction [-]):	6520	(24 853)	(5 039)
including			
production-in-progress	6521	-	-
products for sale	6522	-	-
purchased products	6523	(26 642)	(5 039)
products shipped	6524	1 789	-
auxiliary material	6525	-	-
Total cost of sold products (goods, services, works)	6500	24 260 032	23 351 253
including			
cost of goods sold	6530	-	-
management services for third parties	6540	-	-

Business expenses	6550	-	-
including			
materials costs	6551	-	-
labour costs	6552	-	-
fringe benefit expenses	6553	-	-
depreciation	6554	-	-
miscellaneous expenses	6555	-	-
Administrative expenses	6560	565 768	657 195
including			
materials costs	6561	26 825	28 075
labour costs	6562	346 081	354 556
fringe benefit expenses	6563	79 577	77 293
depreciation	6564	20 859	38 820
miscellaneous expenses	6565	92 426	158 451

Director _____ Ebzeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

___ March 2015

(seal)

2.2 Profit per share, diluted profit per share

Indicator	Code	2014	2013
1	2	3	4
Net profit (uncovered loss) of the reporting period	6610	(6 893 677)	27 190
Dividends on preferred shares	6611		
Base earnings (loss) of the reporting period	6612	(6 893 677)	27 190
Average amount of ordinary shares in circulation within the reporting period	6613	49 811 096	49 811 096
Base earnings (loss) per share (rubles)	6620	(0.138396)	0.000546
Average market cost of one ordinary share	6621	-	-
Possible growth of profit and average amount of shares in circulation	6630	X	X
Result of conversion of preferred shares into ordinary	6631	X	X
possible growth of profit	66311		
additional amount of shares	66312		
Result of conversion of obligations into ordinary shares	6632	X	X
possible growth of profit	66321		
additional amount of shares	66322		
Result of contract on purchase-sale of shares at price lower than the market price	6633	X	X
contract price	66331	-	-
possible growth of profit	66332	-	-

additional amount of shares	66333	-	-
Diluted profit per share (rubles)	6640	(0.1384)	0.0005
adjusted base earning	6641		
adjusted amount of average amount of ordinary shares in circulation	6642	-	-

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Chief accountant _____ Savin G.G.
(signature)

_____ March 2015

(seal)

2.3. Profit taxation

Indicator	Code	2014	2013
1	2	3	4
Profit (loss) before the taxation	6710	(6 577 751)	387 544
including 20% rate	67101	(6 577 751)	387 544
other rates	67102		
non-taxable	67103	-	-
Permanent difference	6711	8 167 441	1 133 813
For reference only: permanent differences, corresponding with temporary difference	67111	-	-
Change of deductible temporary differences	6712	462 829	419 592
Change of taxable temporary differences	6713	(53 371)	(49 671)
Tax base	6714	1 999 148	1 891 278
Expenditure (revenue) on profit tax	6720	(1 315 550)	77 509
Conventional expenditure (revenue) on profit tax	6721	(1 315 550)	77 509
Permanent tax liability (asset)	6722	1 633 488	226 763
For reference only: change of deferred taxes, posted to profits and losses	67221	-	-
Expenditure (revenue) on deferred taxes	6723	81 892	73 984
including:	67231		
asset		92 566	83 918
change of deferred tax liability	67232	(10 674)	(9 934)
Current profit tax	6724	(399 830)	(378 256)
Sums specification of profit tax for past tax periods	6725	-	-
Other tax payments and sanctions from profit	6730	2 012	(56 082)
including those on essential items	6731	-	-

Profit (loss) from ordinary activities	6740	(6 893 677)	21 190
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(signature)

Chief accountant _____ Savin G.G.
(signature)

_____ March 2015
(seal)

5.1. Intangible assets
5.1.1. Availability and flow of intangible assets

Indicator			As of year's beginning				Changes for period							As of period's end				
Name	Code	Period	Initial/c urrent market value	Accu mula ted depre ciatio n	I m pa ir m en t lo ss es	Resi dual value	enter ed	Changes for period			Acc rued depr eciat ion	Im pair ment loss	Reassessment		Initial /curre nt marke t value	Accu mulate d deprec iation	Im pair ment loss es	Resid ual value
								Initia l/curre nt mark et value	Accu mula ted depre ciatio n	Im pair ment loss es			Initial/c urrent market value	Accu mula ted depre ciatio n				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17	19
Intangible assets - totally	5100	for 2014 (1)	24	(12)	-	12	-	-	-	-	(3)	-	-	-	24	(15)	-	9
	5110	for 2013 (2)	24	(10)	-	14	-	-	-	-	(2)	-	-	-	24	(12)	-	12
Objects of intellectual property(exclusive rights for results of intellectual property)	5101	for 2014 (1)	24	(12)	-	12	-	-	-	-	(3)	-	-	-	24	(15)	-	9
	5111	for 2013 (2)	24	(10)	-	14	-	-	-	-	(2)	-	-	-	24	(12)	-	12
including:																		
at a patent holder for inventions, industrial sample, useful model	5101 1	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5111 1	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
at a right holder for Computer programs, databases	5101 2	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5111 2	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
at a right holder for topologies of integrated microcircuits	5101 3	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	5111 3	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
at owner for trade mark, service mark, name of place of origin of goods	5101 4	for 2014 (1)	24	(12)	-	12	-	-	-	-	(3)	-	-	-	24	(15)	-	9
	5111 4	for 2013 (2)	24	(10)	-	14	-	-	-	-	(2)	-	-	-	24	(12)	-	12
Company's business reputation	5102	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5112	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	5103	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5113	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5.2.1. Availability and flow of R&D results

Indicator name	Code	Period	As of year's beginning		Changes for period				As of period's end	
			initial cost	part of cost, written off to expenses	entered	retired		part of cost, written off to expenses for period	initial cost	part of cost, written off to expenses
						initial cost	part of cost, written off to expenses			
1	2	3	4	5	6	7	8	9	10	11
R&D, totally	5140	for 2014 (1)	36 535	(11 973)	10 618	-	-	(8 742)	47 153	(20 715)
	5150	for 2013 (2)	18 136	(7 068)	18 399	-	-	(4 905)	36 535	(11 973)
among them:									-	-
Expenses for R&D, the results of which are used for production needs	5141	for 2014 (1)	-	-	-	-	-	-	-	-
	5151	for 2013 (2)	-	-	-	-	-	-	-	-
Patentable results of fulfilled R&D	5142	for 2014 (1)	-	-	-	-	-	-	-	-
	5152	for 2013 (2)	-	-	-	-	-	-	-	-
Expenses for R&D, made in-house	5143	for 2014 (1)	-	-	-	-	-	-	-	-
	5153	for 2013 (2)	-	-	-	-	-	-	-	-
Expenses for R&D, fulfilled by external agencies	5144	for 2014 (1)	36 535	(11 973)	10 618	-	-	(8 742)	47 153	(20 715)
	5154	for 2013 (2)	18 136	(7 068)	18 399	-	-	(4 905)	36 535	(11 973)

5.2.2. In-progress and unregistered R&D and operations to acquire intangible assets in-progress

Indicator name	Code	Period	As of year's beginning	Changes for period			As of period's end
				expenses for period	expenses written off as those which haven't given positive result	entered in accounting records in the capacity of intangible assets or R&D	
1	2	3	4	5	6	7	8
Expenses on researches and developments in progress - total	5160	for 2014 (1)	55 983	11 661	-	(67 644)	-
	5170	for 2013 (2)	43 346	32 689	(1 653)	(18 399)	55 983
including:							
Scientific and research works	5161	for 2014 (1)	18 024	5 730	-	(33 720)	(9 966)
	5171	for 2013 (2)	23 744	11 427	(1 653)	(15 494)	18 024
Design and experimental works	5162	for 2014 (1)	37 959	5 931	-	(13 890)	30 000
	5172	for 2013 (2)	19 602	21 262	-	(2 905)	37 959
Technological works	5163	for 2014 (1)	-	-	-	-	-
	5173	for 2013 (2)	-	-	-	-	-
Others	5164	for 2014 (1)	-	-	-	(20 034)	(20 034)
	5174	for 2013 (2)	-	-	-	-	-
Operations to acquire intangible assets in-progress- total	5180	for 2014 (1)	26	-	(26)	-	-
	5190	for 2013 (2)	26	-	-	-	26
including:							
from a patent holder for inventions, industrial sample, useful model	5181	for 2014 (1)	-	-	-	-	-
	5191	for 2013 (2)	-	-	-	-	-
from a right holder for Computer programs, databases	5182	for 2014 (1)	-	-	-	-	-
	5192	for 2013 (2)	-	-	-	-	-
from a right holder for topologies of integrated microcircuits	5183	for 2014 (1)	-	-	-	-	-
	5193	for 2013 (2)	-	-	-	-	-
from owner, for trade mark, service mark, appellation of origin of goods	5184	for 2014 (1)	26	-	(26)	-	-
	5194	for 2013 (2)	26	-	-	-	26
Others	5185	for 2014 (1)	-	-	-	-	-
	5195	for 2013 (2)	-	-	-	-	-

5.3.1. Availability and flow of fixed assets

Indicator	Code	Period	As of year's beginning			Changes for period							As of period's end		
			initial cost	accumulated depreciation	residual value	entered	accumulated depreciation on entered facilities			depreciation, accrued	reassessment		initial cost	accumulated depreciation	residual value
								initial cost	accumulated depreciation		initial cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (net of income-bearing investments into tangible assets) - totally	5200	2014	42 148 661	(13 187 846)	28 960 815	1 715 389	(1 235)	(117 457)	56 826	(2 862 821)	-	-	43 746 593	(15 995 076)	27 751 517
	5210	2013	37 020 212	(10 483 156)	26 537 056	5 256 910	(16 719)	(128 461)	46 107	(2 734 078)	-	-	42 148 661	(13 187 846)	28 960 815
including:															
Depreciable fixed assets – totally:	5201	2014	42 132 227	(13 187 846)	28 944 381	1 709 788	(1 235)	(117 457)	56 826	(2 862 821)	-	-	43 724 558	(15 995 076)	27 729 482
	5211	2013	37 008 179	(10 483 156)	26 525 023	5 252 509	(16 719)	(128 461)	46 107	(2 734 078)	-	-	42 132 227	(13 187 846)	28 944 381
including:															
production buildings	52011	2014	4 130 463	(658 165)	3 472 298	78 238	-	(43 235)	9 644	(132 355)	-	-	4 165 466	(780 876)	3 384 590
	52111	2013	3 910 634	(530 932)	3 379 702	240 545	-	(20 716)	1 150	(128 383)	-	-	4 130 463	(658 165)	3 472 298
constructions, except for PTL	52012	2014	1 290 112	(405 967)	884 145	26 607	(1 004)	(2 052)	1 172	(80 461)	-	-	1 314 667	(486 260)	828 407
	52112	2013	1 146 846	(324 672)	822 174	143 837	(1 668)	(571)	392	(80 019)	-	-	1 290 112	(405 967)	884 145
power transmission lines and devices to them	52013	2014	20 322 816	(5 832 963)	14 489 853	613 214	-	(15 503)	7 710	(1 212 710)	-	-	20 920 527	(7 037 963)	13 882 564
	52113	2013	18 275 043	(4 673 119)	13 601 924	2 059 934	(2 002)	(12 161)	9 939	(1 167 781)	-	-	20 322 816	(5 832 963)	14 489 853
machinery and equipment to produce electric power,	52014	2014	15 501 891	(5 763 188)	9 738 703	970 668	-	(49 883)	32 074	(1 352 965)	-	-	16 422 676	(7 084 079)	9 338 597
	52114	2013	12 886 004	(4 519 313)	8 366 691	2 703 768	-	(87 881)	28 082	(1 271 957)	-	-	15 501 891	(5 763 188)	9 738 703

substations, equipment to transform electric power															
production stock and household equipment	52015	2014	99 565	(73 120)	26 445	13 708	-	(3 726)	3 475	(8 506)	-	-	109 547	(78 151)	31 396
	52115	2013	90 921	(67 002)	23 919	11 468	-	(2 824)	2 730	(8 848)	-	-	99 565	(73 120)	26 445
others	52016	2014	787 380	(454 443)	332 937	7 353	(231)	(3 058)	2 751	(75 824)	-	-	791 675	(527 747)	263 928
	52116	2013	698 731	(368 118)	330 613	92 957	(13 049)	(4 308)	3 814	(77 090)	-	-	787 380	(454 443)	332 937
Indicator name	Code	Period	As of beginning of the year			Changes for period							As of the end of period		
			initial cost	accumulated depreciation	residual value	entered	accumulated depreciation on entered facilities			depreciation, accrued	reassessment		initial cost	accumulated depreciation	residual value
								initial cost	accumulated depreciation		initial cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Facilities with unrestricted useful life, not depreciable - totally	5202	2014	16 434	-	16 434	5 601	-	-	-	-	-	-	22 035	-	22 035
	5212	2013	12 033	-	12 033	4 401	-	-	-	-	-	-	16 434	-	16 434
including:															
land plots	52021	2014	16 434	-	16 434	5 601	-	-	-	-	-	-	22 035	-	22 035
	52121	2013	12 033	-	12 033	4 401	-	-	-	-	-	-	16 434	-	16 434
objects of nature management	52022	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	52122	2013	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital investments for fundamental improvement of lands	5203	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	5213	2013	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounted in composition of income-bearing	5220	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
		2013	-	-	-	-	-	-	-	-	-	-	-	-	-

investments into tangible assets - totally	5230														
including:			-	-	-	-	-	-	-	-	-	-	-	-	-
property to be transferred on lease	5221	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	5231	2013	-	-	-	-	-	-	-	-	-	-	-	-	-
property submitted under a lease contract	5222	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	5232	2013	-	-	-	-	-	-	-	-	-	-	-	-	-

5.3.2. Useful life and methods for depreciation accrual

Indicator name	Code	Established useful life (in months)	Methods for depreciation accrual
1	2	3	4
Production buildings	7001	61-2136	straight-line
Construction, except for PTL (power transmission lines)	7002	61-853	straight-line
Power transmission lines and devices to them	7003	36-951	straight-line
Machinery and equipment to produce electric power, substations, equipment to transform electric power	7004	24-883	straight-line
Production stock and household equipment	7005	24-300	straight-line
Miscellaneous	7006	13-838	straight-line

5.3.3. Cost change of the fixed assets as a result of further construction, further equipping, reconstruction and partial liquidation

Indicator name	Code	2014	2013
1	2	3	4
Cost increase of the items of the fixed assets as a result of a further construction, further equipping, reconstruction - totally	5260	799 265	1 774 684
including:			
production buildings	5261	31 726	163 561
construction, except for PTL (power transmission lines)	5262	-	76 881
power transmission lines and devices to them	5263	263 907	520 062
machinery and equipment to produce electric power, substations, equipment to transform electric power	5264	294 832	801 280
production stock and household equipment	5265	-	-
others	5266	208 800	212 900
Cost decrease of the items of the fixed assets as a result of a partial liquidation - totally	5270	(2 634)	(17 121)
including:			
production buildings	5271	(58)	(129)
construction, except for PTL (power transmission lines)	5272	-	(6)
power transmission lines and devices to them	5273	(2 141)	(1 632)
machinery and equipment to produce electric power, substations, equipment to transform		(338)	(15 248)

electric power	5274		
production stock and household equipment	5275	-	-
miscellaneous	5276	(97)	(106)

5.3.4. Other use of the fixed assets

Indicator name	Code	As of 31.12.2014 (1)	As of 31.12.2013 (2)	As of 31.12.2012 (3)
1	2	3	4	5
Leased out fixed assets, being on the books	5280	229 491	578 449	394 365
Leased out fixed assets, being off the books	5281	39 103	21 747	21 979
Taken on lease fixed assets, being on the books	5282	-	-	-
Taken on lease fixed assets, being off the books	5283	5 303 017	5 609 204	5 276 107
Items of immovable property, accepted for operation and used actually, being in the state registration process	5284	892 618	955 214	636 369
Fixed assets transferred to standby	5285	786 207	760 682	795
Other use of fixed assets (pledge etc.)	5286	-	-	-

5.3.5. Capital investments in progress

Indicator name	Code	Period	As of year's beginning	Changes for period			As of period's end
				expenditures for period	written off	entered in accounting records as fixed assets or cost is increased	
1	2	3	4	5			8
Construction-in-process and unaccomplished operations in respect to acquisition, renovation etc. of the fixed assets - total	5240	For 2014 (1)	2 916 197	1 307 998	(375 637)	(1 622 193)	2 226 365
	5250	For 2013 (2)	4 829 568	3 918 031	(659 563)	(5 171 839)	2 916 197
including:							
of Industrial purpose	5241	For 2014 (1)	2 915 647	1 307 998	(375 309)	(1 622 193)	2 226 143
	5251	For 2013 (2)	4 829 018	3 918 031	(659 563)	(5 171 839)	2 915 647
construction-in-process	52411	For 2014 (1)	2 292 953	1 111 035	(80 039)	(1 554 678)	1 769 271
	52511	For 2013 (2)	4 398 176	2 947 219	(57 265)	(4 995 177)	2 292 953
fixed assets acquisition	52412	For 2014 (1)	1 403	60 783	-	(61 914)	272
	52512	For 2013 (2)	30 409	143 749	(493)	(172 262)	1 403
equipment to be installed	52413	For 2014 (1)	349 126	46 938	(162 247)	-	233 817
	52513	For 2013 (2)	192 255	501 358	(344 487)	-	349 126
miscellaneous	52414	For 2014 (1)	272 165	89 242	(133 023)	(5 601)	222 783
	52514	For 2013 (2)	208 178	325 705	(257 318)	(4 400)	272 165
of non-industrial purpose	5242	For 2014 (1)	550	-	(328)	-	222
	5252	For 2013 (2)	550	-	-	-	550
construction-in-process	52421	For 2014 (1)	550	-	(328)	-	222
	52521	For 2013 (2)	550	-	-	-	550
fixed assets acquisition	52422	For 2014 (1)	-	-	-	-	-
	52522	For 2013 (2)	-	-	-	-	-
equipment to be installed	52423	For 2014 (1)	-	-	-	-	-
	52523	For 2013 (2)	-	-	-	-	-
miscellaneous	52424	For 2014 (1)	-	-	-	-	-
	52524	For 2013 (2)	-	-	-	-	-

5.3.6. Advances paid for capital construction and fixed assets acquisition

Indicator name	Code	Period	As of the beginning of the year		Changes within the period							As of the end of the period	
			accounted under contract's clauses	amount of provision for doubtful debts	entrance			retirement				accounted under contract's clauses	amount of provision for doubtful debts
					as a result of economic operations (debt sum on a transaction)	other accruals	accrual of a reserve	repayment	writing off owing to reserve, accrued earlier	writing off to financial result	recovery of a reserve		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Advances paid for capital construction	5291	2014 (1)	41 258	(28 659)	3 564	-	-	(24 874)	(276)	-	(17 624)	19 672	(10 759)
	5292	2013 (2)	171 309	(28 667)	306 939	-	-	(436 982)	(8)	-	-	41 258	(28 659)
including:													
capital construction	52911	2014 (1)	37 173	(28 383)	513	-	-	(18 169)	-	-	(17 624)	19 517	(10 759)
	52921	2013 (2)	169 675	(28 383)	302 470	-	-	(434 972)	-	-	-	37 173	(28 383)
fixed assets acquisition	52912	2014 (1)	4 085	(276)	3 051	-	-	(6 705)	(276)	-	-	155	-
	52922	2013 (2)	1 634	(284)	4 469	-	-	(2 010)	(8)	-	-	4 085	(276)
miscellaneous	52913	2014 (1)	-	-	-	-	-	-	-	-	-	-	-
	52923	2013 (2)	-	-	-	-	-	-	-	-	-	-	-

5.4.1. Availability and flow of financial investments

Indicator	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			initial cost	accumulated adjustment	entered	retired (repaid)		interest accrual (including the initial cost bringing to nominal cost)	current market value (impairment losses)	initial cost	accumulated adjustment
						initial cost	accrued adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Long-term FI - total	5301	2014 (1)	395 123	(175 247)	-	-	-	-	(64 865)	395 123	(240 112)
	5311	2013 (2)	455 540	(210 144)	-	(60 417)	60 417	-	(25 520)	395 123	(175 247)

Contributions in other entities' charter (joint-stock) capitals – totally	53021	2014 (1)	346 860	(126 984)	-	-	-	-	(64 865)	346 860	(191 849)
	53121	2013 (2)	407 277	(161 881)	-	(60 417)	60 417	-	(25 520)	346 860	(126 984)
including:											
of subsidiary economic entities	530211	2014 (1)	341 432	(125 453)	-	-	-	-	(64 268)	341 432	(189 721)
	531211	2013 (2)	401 849	(165 336)	-	(60 417)	60 417	-	(20 534)	341 432	(125 453)
of dependent economic entities	530212	2014 (1)	-	-	-	-	-	-	-	-	-
	531212	2013 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	530213	2014 (1)	5 428	(1 531)	-	-	-	-	(597)	5 428	(2 128)
	531213	2013 (2)	5 428	3 455	-	-	-	-	(4 986)	5 428	(1 531)
State and municipal securities	53022	2014 (1)	-	-	-	-	-	-	-	-	-
	53122	2013 (2)	-	-	-	-	-	-	-	-	-
Other entities' securities - totally	53023	2014 (1)	-	-	-	-	-	-	-	-	-
	53123	2013 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530231	2014 (1)	-	-	-	-	-	-	-	-	-
	531231	2013 (2)	-	-	-	-	-	-	-	-	-
Loans granted	53024	2014 (1)	-	-	-	-	-	-	-	-	-
	53124	2013 (2)	-	-	-	-	-	-	-	-	-

Deposits	53025	2014 (1)	-	-	-	-	-	-	-	-	-
	53125	2013 (2)		-	-	-	-	-	-	-	-
Miscellaneous	53026	2014 (1)	48 263	(48 263)	-	-	-	-	-	48 263	(48 263)
	53126	2013 (2)	48 263	(48 263)	-	-	-	-	-	48 263	(48 263)
Long-term FI having current market value- totally	5302	2014 (1)	3 749	(1 531)	-	-	-	-	(597)	3 749	(2 128)
	5312	2013 (2)	3 749	3 455	-	-	-	-	(4 986)	3 749	(1 531)
Contributions in other entities' charter (joint- stock) capitals – totally	53031	2014 (1)	3 749	(1 531)	-	-	-	-	(597)	3 749	(2 128)
	53131	2013 (2)	3 749	3 455	-	-	-	-	(4 986)	3 749	(1 531)
including:											
of subsidiary economic entities	530311	2014 (1)	-	-	-	-				-	-
	531311	2013 (2)	-	-	-	-				-	-
of dependent economic entities	530312	2014 (1)	-	-	-	-				-	-
	531312	2013 (2)	-	-	-	-				-	-
Miscellaneous	530313	2014 (1)	3 749	(1 531)	-	-	-	-	(597)	3 749	(2 128)
	531313	2013 (2)	3 749	3 455	-	-	-	-	(4 986)	3 749	(1 531)
State and municipal securities	53032	2014 (1)	-	-	-	-				-	-
	53132	2013 (2)	-	-	-	-				-	-
Other entities' securities -	53033	2014	-	-	-	-				-	-

totally		(1)									
	53133	2013 (2)	-	-	-	-				-	-
including:											
debt securities (bonds, bills)	530331	2014 (1)	-	-	-	-				-	-
	531331	2013 (2)	-	-	-	-				-	-
Miscellaneous	53034	2014 (1)	-	-	-	-				-	-
	53134	2013 (2)	-	-	-	-				-	-
Long-term FI on which no current market value is determined - totally	5303	2014 (1)	391 374	(173 716)	-	-	-	-	(64 268)	391 374	(237 984)
	5313	2013 (2)	451 791	(213 599)	-	(60 417)	60 417	-	(20 534)	391 374	(173 716)

5.4.1. Availability and flow of financial investments (continued)

Indicator	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			initial cost	accumulated adjustment	entered	retired (repaid)		interest accrual (including the initial cost bringing to nominal cost)	current market value (impairment losses)	initial cost	accumulated adjustment
						initial cost	accrued adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Short-term FI - total	5305	2014 (1)	-	-	4 000	(4 000)	-	-	-	-	-
	5315	2013 (2)	116 000	(116 000)	-	(116 000)	116 000	-	-	-	-
Contributions in other entities' charter (joint-stock) capitals – total	53061	2014 (1)	-	-	-	-	-	-	-	-	-
	53161	2013 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53062	2014 (1)	-	-	-	-	-	-	-	-	-
	53162	2013 (2)	-	-	-	-	-	-	-	-	-
Other entities' securities - total	53063	2014 (1)	-	-	-	-	-	-	-	-	-
	53163	2013 (2)	-	-	-	-	-	-	-	-	-
including:			-	-	-	-	-	-	-	-	-
debt securities (bonds, bills)	530631	2014 (1)	-	-	-	-	-	-	-	-	-

	531631	2013 (2)	-	-	-	-	-	-	-	-	-	-
Loans granted	53064	2014 (1)	-	-	4 000	(4 000)	-	-	-	-	-	-
	53164	2013 (2)	-	-	-	-	-	-	-	-	-	-
Deposits	53065	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53165	2013 (2)	-	-	-	-	-	-	-	-	-	-
Miscellaneous	53066	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53166	2013 (2)	116 000	(116 000)	-	(116 000)	116 000	-	-	-	-	-
Short-term FI having current market value- total	5306	2014 (1)	-	-	-	-	-	-	-	-	-	-
	5316	2013 (2)	-	-	-	-	-	-	-	-	-	-
Contributions in other entities' charter (joint-stock) capitals – total	53071	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53171	2013 (2)	-	-	-	-	-	-	-	-	-	-
State and municipal securities	53072	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53172	2013 (2)	-	-	-	-	-	-	-	-	-	-
Other entities' securities - total	53073	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53173	2013 (2)	-	-	-	-	-	-	-	-	-	-
including:			-	-	-	-	-	-	-	-	-	-
debt securities (bonds, bills)	530731	2014 (1)	-	-	-	-	-	-	-	-	-	-
	531731	2013 (2)	-	-	-	-	-	-	-	-	-	-
Miscellaneous	53074	2014 (1)	-	-	-	-	-	-	-	-	-	-
	53174	2013 (2)	-	-	-	-	-	-	-	-	-	-
Short-term FI on which no current market value is determined - total	5307	2014 (1)	-	-	-	-	-	-	-	-	-	-
	5317	2013 (2)	116 000	(116 000)	-	(116 000)	116 000	-	-	-	-	-
Financial investments - total	5300	2014 (1)	395 123	(175 247)	4 000	(4 000)	-	-	(64 865)	395 123	(240 112)	
	5310	2013 (2)	571 540	(326 144)	-	(176 417)	176 417	-	(25 520)	395 123	(175 247)	

5.4.2. Adjustments of financial investments' assessments

Indicator	Code	As of the beginning of the year	Changes for period			As of the end of the period
			Increase	Decrease	Retirement under writing off of FI (financial investments)	
1	2	3	4	5	6	7
Long-term financial investments	7100	(175 247)	434	(65 299)	-	(240 112)
Difference between the current market value of the financial		(1 531)	434	(1 031)	-	(2 128)

investments and their previous assessment	7110					
including:						
Contributions in other entities' charter (joint-stock) capitals – total	7111	(1 531)	434	(1 031)	-	(2 128)
including:						
of subsidiary economic companies	71111	-	-	-	-	-
of dependent economic entities	71112	-	-	-	-	-
miscellaneous	71113	(1 531)	434	(1 031)	-	(2 128)
State and municipal securities	7112	-	-	-	-	-
Other entities' securities - total	7113	-	-	-	-	-
including:						
debt securities (bonds, bills)	71131	-	-	-	-	-
Miscellaneous	7114	-	-	-	-	-
Difference between the current cost of the debt securities and their initial cost	7120	-	-	-	-	-
including:						
Other entities' securities - total	7121	-	-	-	-	-
including:						
debt securities (bonds, bills)	71211	-	-	-	-	-
Miscellaneous	7122	-	-	-	-	-
Provision for impairment of financial investments, on which no market value is determined	7130	(173 716)	-	(64 268)	-	(237 984)
including:						
Contributions in other entities' charter (joint-stock) capitals – total	7131	(125 453)	-	(64 268)	-	(189 721)
including:						
of subsidiary economic companies	71311	(125 453)	-	(64 268)	-	(189 721)
of dependent economic entities	71312	-	-	-	-	-
miscellaneous	71313	-	-	-	-	-
State and municipal securities	7132	-	-	-	-	-

Other entities' securities – total	7133	-	-	-	-	-
including:		-	-	-	-	-
debt securities (bonds, bills)	71331	-	-	-	-	-
Loans granted	7134	-	-	-	-	-
Deposits	7135	-	-	-	-	-
Miscellaneous	7136	(48 263)	-	-	-	(48 263)

Indicator	Code	As of the beginning of the year	Changes for period			As of the end of the period
			Increase	Decrease	Retirement under writing off of FI (financial investments)	
1	2	3	4	5	6	7
Short-term financial investments	7200	-	-	-	-	-
Difference between the current market value of the financial investments and their previous assessment, on which it was determined	7210	-	-	-	-	-
including:		-	-	-	-	-
Contributions in other entities' charter (joint-stock) capitals – total	7211	-	-	-	-	-
including:		-	-	-	-	-
of subsidiary economic companies	72111	-	-	-	-	-
of dependent economic entities	72112	-	-	-	-	-
Miscellaneous	72113	-	-	-	-	-
Other entities' securities – total	7212	-	-	-	-	-
including:		-	-	-	-	-
debt securities (bonds, bills)	72121	-	-	-	-	-
Miscellaneous	7213	-	-	-	-	-
Difference between the current value of the debt securities and their initial value	7220	-	-	-	-	-
including:		-	-	-	-	-
Other entities' securities – total	7221	-	-	-	-	-

including:		-	-	-	-	-
debt securities (bonds, bills)	72211	-	-	-	-	-
Miscellaneous	7222	-	-	-	-	-
Provision for impairment of financial investments, not having a market value	7230	-	-	-	-	-
including:		-	-	-	-	-
Contributions in other entities' charter (joint-stock) capitals – total	7231	-	-	-	-	-
including:		-	-	-	-	-
of subsidiary economic companies	72311	-	-	-	-	-
of dependent economic entities	72312	-	-	-	-	-
Miscellaneous	72313	-	-	-	-	-
State and municipal securities	7232	-	-	-	-	-
Other entities' securities – total	7233	-	-	-	-	-
including:		-	-	-	-	-
debt securities (bonds, bills)	72331	-	-	-	-	-
Loans granted	7234	-	-	-	-	-
Deposits	7235	-	-	-	-	-
Miscellaneous	7236	-	-	-	-	-

5.4.3. Other use of financial investments

Indicator	Code	As of 31 December 2014 (1)	As of 31 December 2013 (2)	As of 31 December 2012 (3)
Pledged financial investments – total	5320	-	-	-
including		-	-	-
bonds	5321	-	-	-
bills	5322	-	-	-
shares	5323	-	-	-
Financial investments transferred to third party (except selling) - total	5325	-	-	-

including		-	-	-
bonds	5326	-	-	-
bills	5327	-	-	-
shares	5328	-	-	-
Other use of financial investments	5329	-	-	-

5.5.1. Availability and flow of inventories

Indicator	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			prime cost	reserve amount for cost reduction	receipts and expenditures	retired		losses from cost reduction	inventory turnover within groups (types)	prime cost	reserve amount for cost reduction
						prime cost	reserve for cost reduction				
1	2	3	4	5	6	7	8	9	10	11	12
Inventories - total	5400	2014 (1)	956 524	-	704 643	(1 011 976)	-	-	x	649 191	-
	5420	2013 (2)	953 070	-	784 783	(781 329)	-	-	x	956 524	-
raw material and materials	5401	2014 (1)	920 073	-	701 631	(984 111)	-	-	-	637 593	-
	5421	2013 (2)	911 580	-	783 449	(774 956)	-	-	-	920 073	-
production-in-process	5402	2014 (1)	-	-	-	-	-	-	-	-	-
	5422	2013 (2)	-	-	-	-	-	-	-	-	-
goods delivered	5403	2014 (1)	-	-	1 789	-	-	-	-	1 789	-
	5423	2013 (2)	-	-	-	-	-	-	-	-	-
finished products and goods	5404	2014 (1)	36 451	-	1 223	(27 865)	-	-	-	9 809	-
	5424	2013 (2)	41 490	-	1 334	(6 373)	-	-	-	36 451	-
miscellaneous inventories and expenditures	5405	2014 (1)	-	-	-	-	-	-	-	-	-
	5425	2013 (2)	-	-	-	-	-	-	-	-	-

5.5.2. Pledged inventory

Indicator	Code	As of 31 December 2014 (1)	As of 31 December 2013 (2)	As of 31 December 2012 (3)
Inventory unpaid as of the reporting date - total	5440	401 241	629 233	471 619
including raw materials	5441	401 190	629 233	471 619
construction in-progress	5442	-	-	-
goods dispatched	5443	-	-	-
finished products and goods	54441	51	-	-
miscellaneous goods and expenses	54442	-	-	-
Pledged inventory under the contract – total	5445	-	-	-
including raw materials	5446	-	-	-
goods dispatched	5447	-	-	-
finished products and goods	5448	-	-	-
miscellaneous goods and expenses	5449			

5.6.1. Availability and flow of accounts receivable

Indicator name	Code	Period	As of year's beginning		Changes for period								As of period's end	
			accounted under contract's clauses	amount of provision for doubtful debts	entrance			repayment	writing off owing to reserve accrued earlier	writing off to financial result	reserve recovery	transfer from long-term into short-term indebtedness	accounted under contract's clauses	amount of provision for doubtful debts
6	7	8	9	10	11	12	13							
Long-term accounts receivable - total	5501	2014 (1)	227 960	(7 388)	6 497	-	-	(2 606)	-	-	5 526	(127 490)	104 361	(1 862)
	5521	2013 (2)	351 114	-	(1 112)	-	(7 388)	(113 823)	-	-	-	(8 219)	227 960	(7 388)
including:														
Settlements with buyers and	5502	2014 (1)	10 114	(7 388)	5 684	-	-	(2 450)	-	-	5 526	(5 570)	7 778	(1 862)
	5522	2013 (2)	14 519	-	3 568	-	(7 388)	(842)	-	-	-	(7 131)	10 114	(7 388)

customers														
including:														
with respect to electric power transmission	55021	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55221	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to grid connection	55022	for 2013(1)	965	-	5 198	-	-	(1 777)	-	-	-	(44)	4 342	-
	55222	2013 (2)	97	-	1 149	-	-	(184)	-	-	-	(97)	965	-
with respect to organization of functioning and development of UES of Russia as to the distribution electric grid complex	55023	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55223	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to resale of electric power and capacity	55024	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55224	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to revenues from lease	55025	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55225	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to others	55026	2014 (1)	9 149	(7 388)	486	-	-	(673)	-	-	5 526	(5 526)	3 436	(1 862)
	55226	2013 (2)	14 422	-	2 419	-	(7 388)	(658)	-	-	-	(7 034)	9 149	(7 388)
Advances paid	5503	2014 (1)	11 688	-	813	-	-	-	-	-	-	(10 137)	2 364	-
	5523	2013 (2)	16 368	-	(4 680)	-	-	-	-	-	-	-	11 688	-
Bills receivable	5504	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5524	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5505	2014 (1)	206 158	-	-	-	-	(156)	-	-	-	(111 783)	94 219	-
	5525	2013 (2)	320 227	-	-	-	-	(112 981)	-	-	-	(1 088)	206 158	-
including:														
non-interest bearing bills	55051	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55251	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
others	55052	2014 (1)	206 158	-	-	-	-	(156)	-	-	-	(111 783)	94 219	-
	55252	2013 (2)	320 227	-	-	-	-	(112 981)	-	-	-	(1 088)	206 158	-
From total sum of long-term accounts receivable:	5506	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5526	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
indebtedness of subsidiary	55061	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55261	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-

companies														
indebtedness of dependent companies	55062	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55262	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Short-term accounts receivable - total	5510	2014 (1)	15 511 645	(4 249 790)	38 699 064	8 274	(6 616 635)	(34 834 861)	(1 035 389)	(545 448)	1 127 871	127 490	17 930 775	(8 703 165)
	5530	2013 (2)	11 931 017	(4 019 263)	37 399 591	(3 915)	(1 628 542)	(32 445 730)	(468 577)	(908 960)	929 438	8 219	15 511 645	(4 249 790)
including:														
Settlements with buyers and customers	5511	2014 (1)	13 624 264	(3 338 685)	34 124 811	-	(6 448 379)	(30 683 170)	(686 348)	(540 937)	1 112 095	5 570	15 844 190	(7 988 621)
	5531	2013 (2)	9 824 966	(3 517 176)	32 455 443	(3 915)	(1 208 064)	(27 312 157)	(458 512)	(888 692)	928 043	7 131	13 624 264	(3 338 685)
including:														
with respect to electric power transmission	55111	2014 (1)	12 864 081	(2 714 597)	33 070 650	-	(6 434 338)	(29 686 385)	(530 762)	(539 633)	1 077 851	-	15 177 951	(7 540 322)
	55311	2013 (2)	9 070 222	(2 888 720)	30 566 207	-	(1 175 212)	(25 452 946)	(446 588)	(872 814)	902 747	-	12 864 081	(2 714 597)
with respect to grid connection	55112	2014 (1)	76 950	(58 393)	828 094	-	(263)	(791 265)	(2 817)	-	12 249	44	111 006	(43 590)
	55312	2013 (2)	76 307	(64 939)	1 680 853	-	(5 069)	(1 652 936)	(11 615)	(15 756)	-	97	76 950	(58 393)
with respect to organization of functioning and development of UES of Russia as to the distribution electric grid complex	55113	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55313	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to resale of electric power and capacity	55114	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55314	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
with respect to revenues from lease	55115	2014 (1)	2 230	(340)	30 000	-	(13)	(29 755)	-	-	-	-	2 475	(353)
	55315	2013 (2)	5 227	(23)	29 258	(3 915)	(317)	(28 340)	-	-	-	-	2 230	(340)
with respect to others	55116	2014 (1)	681 003	(565 355)	196 067	-	(13 765)	(175 765)	(152 769)	(1 304)	21 995	5 526	552 758	(404 356)
	55316	2013 (2)	673 210	(563 494)	179 125	-	(27 466)	(177 935)	(309)	(122)	25 296	7 034	681 003	(565 355)
Advances paid	5512	2014 (1)	74 338	(4 443)	2 825 591	-	-	(2 664 452)	(841)	(684)	-	10 137	244 089	(3 602)
	5532	2013 (2)	123 593	(5 661)	2 007 666	-	(358)	(2 055 345)	(1 576)	-	-	-	74 338	(4 443)
Bills receivable	5513	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5533	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-

indebtedness of participants (founders) as regards contributions into the charter capital	5514	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5534	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Indebtedness of subsidiary and dependent entities as regards dividends	5515	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5535	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5516	2014 (1)	1 813 043	(906 662)	1 748 662	8 274	(168 256)	(1 487 239)	(348 200)	(3 827)	15 776	111 783	1 842 496	(710 942)
	5536	2013 (2)	1 982 458	(496 426)	2 936 482	-	(420 120)	(3 078 228)	(8 489)	(20 268)	1 395	1 088	1 813 043	(906 662)
including:														
non-interest bearing bills	55161	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55361	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
overpayment in respect to taxes and levies	55162	2014 (1)	169 565	-	438 397	-	-	(365 359)	-	(18)	-	-	242 585	-
	55362	2013 (2)	671 573	-	169 554	-	-	(671 427)	-	(135)	-	-	169 565	-
sale of property	55163	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55363	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
others	55164	2014 (1)	1 643 478	(906 662)	1 310 265	8 274	(168 256)	(1 121 880)	(348 200)	(3 809)	15 776	111 783	1 599 911	(710 942)
	55364	2013 (2)	1 310 885	(496 426)	2 766 928	-	(420 120)	(2 406 801)	(8 489)	(20 133)	1 395	1 088	1 643 478	(906 662)
From total sum of short-term accounts receivable	5517	2014 (1)	121 664	-	132	-	(12 680)	(110)	-	-	-	-	121 686	(12 680)
	5537	2013 (2)	121 786	-	232	-	-	(354)	-	-	-	-	121 664	-
indebtedness of subsidiary companies	55171	2014 (1)	121 664	-	132	-	(12 680)	(110)	-	-	-	-	121 686	(12 680)
	55371	2013 (2)	121 786	-	232	-	-	(354)	-	-	-	-	121 664	-
indebtedness of dependent companies	55172	2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55372	2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	5500	2014 (1)	15 739 605	(4 257 178)	38 705 561	8 274	(6 616 635)	(34 837 467)	(1 035 389)	(545 448)	1 133 397	-	18 035 136	(8 705 027)
	5520	2013 (2)	12 282 131	(4 019 263)	37 398 479	(3 915)	(1 635 930)	(32 559 553)	(468 577)	(908 960)	929 438	-	15 739 605	(4 257 178)

5.6.2. Provision for doubtful debts

Indicator		As of the beginning of the year	Changes for period		As of the end of the period
	Code		Creation of reserve	Writing off of reserve	
1	2	3	4	5	6
Settlements with buyers and customers	7310	3 346 073	6 448 379	(1 803 969)	7 990 483
including:					
in respect to electric power transmission	7311	2 714 597	6 434 338	(1 608 613)	7 540 322
in respect to grid connection	7312	58 393	263	(15 066)	43 590
in respect to organization of functioning and development of UES of Russia as to the distribution electric grid complex	7313	-	-	-	-
in respect to resale of electric power and capacity	7314	-	-	-	-
in respect to revenues from lease	7315	340	13	-	353
others	7316	572 743	13 765	(180 290)	406 218
Advances paid	7330	38 261	-	(21 964)	16 297
Other accounts receivable	7320	906 662	168 256	(363 976)	710 942
Total	7300	4 290 996	6 616 635	(2 189 909)	8 717 722

5.6.3. Overdue accounts receivable

Indicator name	Code	As of 31.12.2014 (1)		As of 31.12.2013 (2)		As of 31.12.2012 (3)	
		accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)	accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)	accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)
1	2	3	4	5	6	7	8
Total	5540	14 259 055	5 550 955	12 145 302	7 876 610	9 481 672	5 428 582

including: Settlements with buyers and customers, including	5541	13 147 710	5 166 849	10 934 687	7 605 758	8 750 540	5 230 034
in respect to electric power transmission	55411	12 576 214	5 035 892	10 201 641	7 487 044	8 012 489	5 123 769
in respect to grid connection	55412	57 717	14 126	75 235	16 842	72 554	7 615
in respect to organization of functioning and development of UES of Russia as to the distribution electric grid complex	55413	-	-	-	-	-	-
in respect to resale of electric power and capacity	55414	-	-	-	-	-	-
in respect to revenues from lease	55415	43 742	43 402	30 220	29 880	24 633	24 611
others	55416	470 037	73 429	627 591	71 992	640 864	74 039
Other accounts receivable	5542	1 111 345	384 106	1 210 615	270 852	731 132	198 548

5.6.4. Disputes with Sales Companies

Counterparty	As of the beginning of the year		Changes for period				As of the end of the period	
			Accrued for the period (turnover on accounts receivable, RUR ths.)		Paid for the period (turnover on accounts payable, RUR ths.)			
	Company's data	Counterparty's data	Company's data	Counterparty's data	Company's data	Counterparty's data	Company's data	Counterparty's data
1	2	3	4	5	6	7	8	9
“AESC” JSC	1 279 747	340 153	4 321 935	4 033 951	3 696 704	3 696 704	1 904 978	677 400
“Oboronenergobyт” JSC	25 850	25 850	163 309	163 134	63 369	63 369	125 790	125 615
“Volgogradenergobyт” JSC	4 584 901	3 734 507	3 401 851	2 916 734	4 440 692	3 714 837	3 546 060	2 936 404

“MagnitEnergo” JSC	1 553	1 553	29 403	26 760	27 436	27 435	3 520	878
“MegaVoltAmperEnergobalans” LLC	3 598	3 598	46 551	38 753	38 316	38 316	11 833	4 035
“Kalmenergosbyt” JSC	17 192	14 126	413 414	410 755	427 947	424 881	2 659	0
“Energosbyt Rostovenergo” JSC	949 758	825 568	9 590 394	9 555 248	8 917 929	8 896 281	1 622 223	1 484 535
“Rusenergoresurs” LLC	-	-	227 777	226 343	226 343	226 343	1 434	-
“Donenergo” JSC	252 999	208 988	2 429 942	2 419 234	1 815 149	1 771 138	867 792	857 084

5.6.5. Availability and flow of accounts payable

Indicator	Code	Period	Balance as of year’s beginning	Changes for period					Balance as of period’s end
				entrance			transfer from long-term into short-term indebtedness		
				as a result of economic operations (debt amount on a transaction, operation)	accrued interest, penalties and other accruals	repayment	writing off to financial result		
1	2	3	4	5	6	7	8	9	10
Long-term accounts payable – total	5551	for 2014 (1)	-	-	-	-	-	-	-
	5571	for 2013 (2)	-	-	-	-	-	-	-
including:									
accounts payable of suppliers and contractors	5552	for 2014 (1)	-	-	-	-	-	-	-
	5572	for 2013 (2)	-	-	-	-	-	-	-
including:									
construction	55521	for 2014 (1)	-	-	-	-	-	-	-
	55721	for 2013 (2)	-	-	-	-	-	-	-
others	55522	for 2014 (1)	-	-	-	-	-	-	-
	55722	for 2013 (2)	-	-	-	-	-	-	-
Other accounts payable	5553	for 2014 (1)	-	-	-	-	-	-	-
	5573	for 2013 (2)	-	-	-	-	-	-	-

From total sum of long-term indebtedness	5554	for 2014 (1)	-	-	-	-	-	-	-
	5574	for 2013 (2)	-	-	-	-	-	-	-
indebtedness towards subsidiary companies	55541	for 2014 (1)	-	-	-	-	-	-	-
	55741	for 2013 (2)	-	-	-	-	-	-	-
Indebtedness towards dependent companies	55542	for 2014 (1)	-	-	-	-	-	-	-
	55742	for 2013 (2)	-	-	-	-	-	-	-
Short-term accounts payable - total	5560	for 2014 (1)	10 968 855	40 620 166	166 720	(43 083 390)	(36 874)	-	8 635 477
	5580	for 2013 (2)	10 462 059	39 980 113	426	(39 471 461)	(2 282)	-	10 968 855
including:									
Settlements with suppliers and contractors	5561	for 2014 (1)	6 989 965	20 141 592	-	(20 872 731)	(2 439)	-	6 256 387
	5581	for 2013 (2)	5 092 305	21 208 353	-	(19 309 981)	(712)	-	6 989 965
including:									
construction	55611	for 2014 (1)	1 456 009	788 537	-	(1 401 607)	(452)	-	842 487
	55811	for 2013 (2)	1 825 869	2 790 321	-	(3 160 181)	-	-	1 456 009
others	55612	for 2014 (1)	5 533 956	19 353 055	-	(19 471 124)	(1 987)	-	5 413 900
	55812	for 2013 (2)	3 266 436	18 418 032	-	(16 149 800)	(712)	-	5 533 956
Advances received	5562	for 2014 (1)	1 292 226	6 416 090	-	(6 601 494)	(566)	-	1 106 256
	5582	for 2013 (2)	1 752 790	8 442 410	-	(8 901 725)	(1 249)	-	1 292 226
including:									
in respect to electric power transmission	55621	for 2014 (1)	34 917	5 691 116	-	(5 684 987)	-	-	41 046
	55821	for 2013 (2)	399 259	6 920 420	-	(7 284 762)	-	-	34 917
in respect to grid connection	55622	for 2014 (1)	1 250 797	591 449	-	(793 556)	(491)	-	1 048 199
	55822	for 2013 (2)	1 346 876	1 459 274	-	(1 554 104)	(1 249)	-	1 250 797
in respect to organization of functioning and development of UES of Russia as to the distribution electric grid complex	55623	for 2014 (1)	-	-	-	-	-	-	-
	55823	for 2013 (2)	-	-	-	-	-	-	-
from resale of electric power and capacity	55624	for 2014 (1)	-	-	-	-	-	-	-
	55824	for 2013 (2)	-	-	-	-	-	-	-
in respect to participation in other entities	55625	for 2014 (1)	-	-	-	-	-	-	-
	55825	for 2013 (2)	-	-	-	-	-	-	-
in respect to lease services	55626	for 2014 (1)	257	11 016	-	(11 197)	-	-	76
	55826	for 2013 (2)	54	2 265	-	(2 062)	-	-	257

in respect to others	55627	for 2014 (1)	6 255	122 509	-	(111 754)	(75)	-	16 935
	55826	for 2013 (2)	6 601	60 451	-	(60 797)	-	-	6 255
Indebtedness to participants (founders) as regards the revenues payout	5563	for 2014 (1)	-	88	-	-	-	-	-
	5583	for 2013 (2)	-	-	-	-	-	-	-
Bills payable	5564	for 2014 (1)	1 589 835	-	-	(1 589 835)	-	-	-
	5584	for 2013 (2)	2 966 675	186 527	-	(1 563 367)	-	-	1 589 835
Indebtedness towards state non-budgetary funds	5565	for 2014 (1)	104 136	1 421 704	-	(1 403 572)	-	-	122 268
	5585	for 2013 (2)	106 084	1 277 660	92	(1 279 700)	-	-	104 136
Settlements in respect to taxes and levies	5566	for 2014 (1)	445 506	8 260 253	-	(8 057 720)	-	-	648 039
	5586	for 2013 (2)	37 530	2 746 484	334	(2 338 842)	-	-	445 506
Indebtedness towards organization's personnel	5567	for 2014 (1)	197 138	2 106 639	-	(2 074 185)	-	-	229 592
	5587	for 2013 (2)	10 888	4 536 955	-	(4 350 705)	-	-	197 138
Other accounts payable	5568	for 2014 (1)	350 049	2 273 800	166 720	(2 483 853)	(33 869)	-	272 847
	5588	for 2013 (2)	495 787	1 581 724	-	(1 727 141)	(321)	-	350 049
From the total sum of short-term indebtedness	5569	for 2014 (1)	461	1 843	-	(410)	-	-	1 894
	5589	for 2013 (2)	9 976	-	-	(9 515)	-	-	461
indebtedness towards subsidiary entities	55691	for 2014 (1)	461	1 843	-	(410)	-	-	1 894
	55891	for 2013 (2)	9 976	-	-	(9 515)	-	-	461
indebtedness towards dependent companies	55692	for 2014 (1)	-	-	-	-	-	-	-
	55892	for 2013 (2)	-	-	-	-	-	-	-
Total	5550	for 2014 (1)	10 968 855	40 620 166	166 720	(43 083 390)	(36 874)	-	8 635 477
	5570	for 2013 (2)	10 462 059	39 980 113	426	(39 471 461)	(2 282)	-	10 968 855

5.6.6. Overdue accounts payable

Indicator name	Code	As of 31.12.2014 (1)	As of 31.12.2013 (2)	As of 31.12.2012 (3)
1	2	3	4	5
Total	5590	5 022 904	5 070 643	1 798 234
including: Settlements with suppliers and contractors	5591	4 338 228	4 690 023	1 286 518
including: construction	55911	451 503	865 686	164 525

others	55912	3 886 725	3 824 337	1 121 993
Indebtedness to participants (founders) in respect to revenues payout	5592	-	-	-
Indebtedness towards state non-budgetary funds	5593	-	-	-
Settlements in respect to taxes and levies	5594	-	-	-
Indebtedness towards organization's personnel	5595	-	-	-
Other accounts payable	5596	684 676	380 620	511 716

5.6.7. Credits and loans

Indicator name	Code	Period	As of year's beginning	Changes for period					As of period's end
				Entrance	Accrual of interest	Repayment of indebtedness's principle amount	Repayment of interest	Transfer from long-term into short-term indebtedness	
1	2	3	4	5	6	7	8	9	10
Long-term borrowed funds - total	7410	2014 (1)	13 241 321	9 307 678	1 719 336	-	(1 713 808)	(2 810 228)	19 744 299
	7430	2013 (2)	16 500 000	9 929 104	1 437 214	(4 880 105)	(1 437 214)	(8 307 678)	13 241 321
including:									
Credits	7411	2014 (1)	13 241 321	9 307 678	1 719 336	-	(1 713 808)	(2 810 228)	19 744 299
	7431	2013 (2)	11 942 322	9 929 104	1 192 442	(4 880 105)	(1 192 442)	(3 750 000)	13 241 321
Loans	7412	2014 (1)	-	-	-	-	-	-	-
	7432	2013 (2)	4 557 678	-	244 772	-	(244 772)	(4 557 678)	-
Short-term borrowed funds - total	7420	2014 (1)	8 748 032	2 000 000	546 504	(8 307 678)	(673 958)	2 810 228	5 123 128
	7440	2013 (2)	2 841 890	-	340 192	(2 400 000)	(341 728)	8 307 678	8 748 032
including:									
Credits	7421	2014 (1)	3 750 000	2 000 000	-	(3 750 000)	-	2 810 228	4 810 228
	7441	2013 (2)	2 400 000	-	-	(2 400 000)	-	3 750 000	3 750 000
Interest on credits	74211	2014 (1)	-	-	305 778	-	(305 778)	-	-
	74411	2013 (2)	2 548	-	215 783	-	(218 331)	-	-
Loans	7422	2014 (1)	4 998 032	-	240 726	(4 557 678)	(368 180)	-	312 900
	7442	2013 (2)	439 342	-	124 409	-	(123 397)	4 557 678	4 998 032

5.6.8. Expenditures in respect to credits and loans

Indicator		In respect to long-term credits and loans	In respect to short-term credits and loans
Name	Code		
1	2	3	4
Expenditures on credits, total:	7510	1 719 336	305 778
written off to other expenditures	7511	1 690 583	304 769
included in the assets' cost	7512	28 753	1 009
Expenditures on loans, total:	7520	-	240 726
written off to other expenditures	7521	-	240 726
included in the assets' cost	7522	-	-
From total expenditures on loans and credits:	7530	1 719 336	546 504
accrued %	7531	1 719 336	546 504
other expenditures	7532	-	-

5.7.1. Estimated liabilities

Indicator		Balance as of year's beginning	Acknowledged	Repaid	Written off as excess sum	Balance as of period's end
Name	Code					
1	2	3	4	5	6	7
Estimated liabilities - total	5700	1 313 921	2 519 182	(1 165 985)	(209 093)	2 458 025
including:						
Payment of forthcoming vacation leaves	5701	194 902	524 921	(497 587)	-	222 236
Payout of remuneration following a year's results	5702	252 049	357 810	(234 459)	(19 666)	355 734
In respect to fixed assets' repair	5703	-	-	-	-	-
In respect to works associated with seasonal nature of production	5704	-	-	-	-	-
guarantee liabilities and reclamation	5705	-	-	-	-	-
liquidation liabilities	5706	-	-	-	-	-
court proceedings not completed as of reporting date	5707	704 577	1 262 020	(105 523)	(147 324)	1 713 750
claims of tax authorities following results of tax audits, not settled as of reporting date	5708	-	-	-	-	-
other estimated liabilities	5709	162 393	374 431	(328 416)	(42 103)	166 305
From total sum of contingent liabilities:						
Created owing to expenditures in respect to ordinary types of activities	5710	1 203 841				
Created owing to other expenditures	5720	1 262 747				
Included in asset's cost	5730	52 594				

5.7.2. Deferred taxes

Name	Code	Deductible temporary	Deferred tax assets	Taxable temporary	Deferred tax liabilities
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		differences		differences	
1	2	3	4	5	6
Balance as of reporting year's beginning	7700	1 403 738	280 749	1 545 543	309 109
Revenue	7710	1 604 625	320 925	330 080	66 016
Expenditure	7720	(1 221 900)	(244 380)	(280 675)	(56 135)
Result of tax rates' change	7730	X	-	X	-
Result of elimination of errors of past years	7740	-	-	-	-
Permanent differences in cost of assets and liabilities	7750	-	-	-	-
Writing off, not bringing about tax implications	7760	(1 525)	(305)	(485)	(97)
Balance as of reporting period's end	7800	1 784 938	356 989	1 594 463	318 893

5.8. Collaterals

Indicator		As of 31.12.2014 (1)	As of 31.12.2013 (2)	As of 31.12.2012 (3)
	Code			
1	2	3	4	5
Received – total	5800	51 839	51 839	148 886
including:				
bills	5801	-	-	-
pledged property	5802	51 839	51 839	148 886
among it:				
items of fixed assets	58021	-	-	-
securities and other financial investments	58022	51 839	51 839	148 886
others	58023	-	-	-
others, received	5803	-	-	-
Given out against own liabilities – total	5810	-	140	140
including:				
bills	5811	-	-	-
pledged property	5812	-	-	-
among it:				
facilities of fixed assets	58121	-	-	-
securities and other financial investments	58122	-	-	-
others	58123	-	-	-
others, given out	5813	-	140	140

5.9. State assistance

Indicator name	Code	For 2014 (1)	For 2013 (2)
1	2	3	4
Received budgetary funds - total	5900	35 689	-

including:									
for current expenditures	5901		-					-	
compensations to Chernobyl cleanup veterans	5902		-					-	
for tasks fulfillment in mobilization trainings	5903		--					-	
for liquidation of inter-territorial cross-subsidization	5904		-					-	
for investments in non-current assets	5905		35 689					-	
other goals	5906		-					-	
Indicator name	Code	As of year's beginning	Received for year	Returned for year	As of year's end	As of year's beginning	Received for year	Returned for year	As of year's end
Budget credits - total	5910	-	-	-	-	-	-	-	-
including:									
preventive measures financing to reduce production injuries and occupational diseases	5911	-	-	-	-	-	-	-	-
financing of profound medical inspections of employees, engaged in work associated with harmful and (or) hazardous production factors	5912	-	-	-	-	-	-	-	-
others	5913	-	-	-	-	-	-	-	-

5.10 Government subsidies conditions for provision of which were not met

Indicator	Code	2014 (1)		2013 (2)	
		Refundable	Refunded	Refundable	Refunded
1	2	3	4	5	6
Budget funds conditions for provision	7910	-	-	-	-

of which were not met					
including funds for		-	-	-	-
operating costs	7911	-	-	-	-
compensations to Chernobyl veterans	7912	-	-	-	-
mobilization training	7913	-	-	-	-
dissolution of inter-territorial cross-subsidy	7914	-	-	-	-
miscellaneous	7915	-	-	-	-
Public budget loans conditions for provision of which were not met	7920	-	-	-	-
including		-	-	-	-
funding of activities for prevention of workplace injuries and occupational diseases	7921	-	-	-	-
funding of profound medical examination of employees involved in harmful and/or hazardous occupational factors	7922	-	-	-	-
miscellaneous	7925	-	-	-	-

5.11. Other revenues and expenditures

Indicator		For 2014 (1)	For 2013 (2)
1	Code		
1	2		
Other revenues total	8000	2 889 650	2 981 937
including:			
From sale of fixed assets, except for flats	8001	49 317	6 028
From sale of flats	8002	255	916
From sale of business inventories	8003	18 529	36 171
From sale of currency	8004	-	-
From sale of intangible assets	8005	-	-
From sale of securities	8006	-	-
From sale of other assets	8007	32 872	11 202
From joint activities	8008	-	-
Profit of 2011, revealed in reporting period	8009	32 057	-
Profit of 2010, revealed in reporting period	8010	116 109	73 255
Profit of 2009, revealed in reporting period	8011	350 747	7 756
Profit before 01.01.2009, revealed in reporting year	8012	112 097	23 571
Acknowledged penalties, fines and forfeits or on which court's decisions (arbitration court's decisions) are got on their collection	8013	548 754	221 876
Accounts payable in respect to which a limitation period has expired (over three years)	8014	36 933	2 282
Currency differences	8015	-	-

Property in surplus following results of inventory taking	8016	27 894	2 607
Donated assets, except for fixed assets and intangible assets	8017	-	-
Revenue from donated fixed assets, determined according to an established procedure	8018	11 708	14 111
Cost of material valuables, remained from writing off of assets, which are not eligible for recovery and further use	8019	-	-
Reassessment of financial investments on current market value	8020	434	220
Revenue from decrease (writing off) of provision for doubtful debts	8021	1 154 194	929 438
Revenue from decrease (writing off) of reserve for estimated liabilities	8022	209 093	1 352 133
Revenue from decrease (writing off) of reserve for cost reduction of business inventories	8023	-	-
Revenues on claim assignment agreements	8024	-	-
Revenue from revealed non-contractual consumption of electric power	8025	119 060	26 558
Insurance payments receivable	8026	14 967	51 476
Revenues tied with participation in other organizations' charter capitals	8027	-	-
Recovery of accounts receivable written off earlier	8028	194	111
Discount on bills	8029	-	-
Compensation for difference in tariffs (budgetary financing)	8030	-	-
Revenue from decrease (writing off) of reserve for possible losses of financial investments	8031	-	176 442
Final appraisal of fixed assets	8032	-	-
Others	8033	54 436	45 784
Other expenditures total	8100	(11 351 356)	(4 205 221)
including:			
From sale of fixed assets, except for flats	8101	(17 189)	(5 058)
From sale of flats	8102	(286)	(945)
From sale of business inventories	8103	(14 803)	(29 948)
From sale of currency	8104	-	-
From sale of intangible assets	8105	-	-
From sale of securities	8106	-	-
From sale of other assets	8107	(23 699)	(10 520)
Other taxes	8108	(28)	(813)

Expenditures in respect to banks' services payment	8109	(65 519)	(21 699)
Expenditures to performance of service financial investments	8110	-	-
Provision for doubtful debts	8111	(6 616 635)	(1 635 930)
Reserve for possible losses of financial investments	8112	(64 268)	(20 560)
Reserve for cost reduction of material valuables	8113	-	-
Reserve for discontinuing operation	8114	-	-
Reserve for estimated liabilities	8115	(1 262 124)	(633 123)
Retirement of income less assets	8116	(12 525)	(26)
VAT on donated property	8117	(2 179)	-
Loss of 2011, revealed in reporting period	8118	(739 165)	-
Loss of 2010, revealed in reporting period	8119	(338 805)	(435 205)
Loss of 2009, revealed in reporting period	8120	(504 380)	(150 030)
Loss before 01.01.2009, revealed in reporting period	8121	(161 369)	(407 669)
Acknowledged penalties, fines and forfeits or on which court's decisions (arbitration court's decisions) are got on their collection	8122	(326 389)	(159 529)
State duties in respect to economic contracts	8123	(9 214)	(3 736)
Reassessment of financial investments on current market value	8124	(1 032)	(5 206)
Discount on bills	8125	-	-
Expenditures under claim assignment agreements	8126	-	-
Non-reimbursable VAT	8127	(8 998)	(15 758)
Expenditures in respect to revealed non-contractual consumption of electric power	8128	(7 272)	(16 239)
Contributions in incorporations and funds	8129	(4 353)	(5 458)
Accounts receivable in respect to which a limitation period has expired (over three years)	8130	(5 579)	(11 835)
Currency differences	8131	-	-
Court costs	8132	(29 752)	(24 072)
Plundering, deficiencies	8133	(1)	(2 401)
Costs in respect to enforcement proceedings	8134	(4 208)	(2 990)
Cost redemption of employees' flats	8135	-	-
Other material (financial) aid and other payments to employees	8136	(159 865)	(171 433)
Material aid to pensioners (including lump sum payments, compensations of community charges	8137	(4 663)	(8 527)

Expenditures to carry out sporting events	8138	(896)	(3 256)
Expenditures to carry out social activities	8139	(5 086)	(3 695)
Expenditures for charitable cause	8140	-	-
Final appraisal of fixed assets	8141	-	-
Others	8142	(961 074)	(419 560)

Director _____ Ebzeev B.B.
(signature)

Chief accountant _____ Savin G.G.
(signature)

___ March 2015

(seal)

5.12. Reference on assets booked on off-balance-sheet accounts

Indicator name	Code	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
1	2	3	4	5
Leased fixed assets	8200	5 303 017	5 609 204	5 276 107
including: on leasing	82001	65 369	153 564	166 613
Goods and materials accepted for custody	8201	138 000	187 400	65 451
Materials accepted for processing	8202	-	-	-
Goods accepted on commission	8203	232	235	238
Equipment accepted for installation	8204	-	-	-
Insolvent debtors' indebtedness written off to loss	8205	467 428	309 693	167 666
Wear of land improvement facilities and other similar facilities	8206	-	-	12
Strict accounting forms	8207	119	178	192
Federally owned property	8208	12 818	12 535	12 657
Intangible assets acquired for use	8209	415 910	615 655	617 006
Property transferred into charter capital against payment of acquired valuables	8210	-	-	-

5.13. Reportable segments information

	Code	Period	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo	Other segments	Total
1	2	3	4	5	6	7	9	10
Proceeds from outside buyers	8310	2014	4 569 188	9 410 525	870 554	13 988 368	52 876	28 891 511
	8310	2013	4 392 439	9 335 984	1 266 811	12 413 286	17 494	27 426 014
Proceeds from sales between segments	8320	2014	-	-	-	-	-	-
	8320	2013	-	-	-	-	-	-
Proceeds of segment, total	8300	2014	4 569 188	9 410 525	870 554	13 988 368	52 876	28 891 511
	8300	2013	4 392 439	9 335 984	1 266 811	12 413 286	17 494	27 426 014
including								-
proceeds from transmission	8301	2014	4 300 907	9 353 758	689 774	13 664 732	-	28 009 171
	8301	2013	3 912 876	9 271 752	626 971	12 069 999	-	25 881 598
proceeds from grid connection	8302	2014	243 480	28 871	165 261	266 502	-	704 114
	8302	2013	459 420	36 056	626 463	302 537	-	1 424 476
other proceeds	8303	2014	24 801	27 896	15 519	57 134	52 876	178 226
	8303	2013	20 143	28 176	13 377	40 750	17 494	119 940
Interest receivable	8330	2014	9 309	8 881	2 332	22 905	19	43 446
	8330	2013	-	-	-	164	45 629	45 793
Interest payable	8340	2014	(200 524)	(937 077)	(385 734)	(707 616)	(5 129)	(2 236 080)
	8340	2013	(168 012)	(753 838)	(225 657)	(666 513)	(39 210)	(1 853 230)
Profit tax expenditures	8350	2014	(85 788)	(398 912)	7 213	162 396	(835)	(315 926)
	8350	2013	(325 926)	8 223	34 007	(90 220)	(4 340)	(378 256)
Profit/loss of segment	8360	2014	(46 721)	(4 992 757)	(934 056)	(959 209)	39 066	(6 893 677)
	8360	2013	597 844	261 881	55 564	(679 028)	(209 071)	27 190
Assets of segments	8370	2014	6 615 015	10 069 542	3 397 073	19 744 127	1 655 316	41 481 073
	8370	2013	6 579 405	14 700 590	3 454 823	19 591 375	2 332 967	46 659 160
including non-current assets	8371	2014	5 033 792	6 620 819	2 492 286	16 033 852	509 555	30 690 304
	8371	2013	5 369 851	7 067 804	2 616 133	17 227 510	681 385	32 962 683
Liabilities of segments	8380	2014	2 273 604	2 567 281	301 047	5 484 667	25 731 519	36 358 118
	8380	2013	2 009 922	2 953 850	461 827	5 030 208	24 179 747	34 635 554
Depreciation of fixed assets and intangible assets	8390	2014	531 422	586 122	152 837	1 570 322	30 863	2 871 566
	8390	2013	418 517	574 658	142 487	1 555 602	47 721	2 738 985