

***Address of Deputy Chairman of the Board of FNC of
Russia Mr. V.V. Dorofeev.***

European Electricity Regulatory Forum

Recent developments in Russian electricity market



October 17-18, 2002

Rome

Structure of the report

1. General structure of RAO “UES of Russia” today

2. Legislative base of restructure

3. Main principles, directions and terms of restructure



RAO UESR on a Country's Energy Sector Scale



**2,7 mln. km of power transmission lines:
96 % of total Russia's extent**



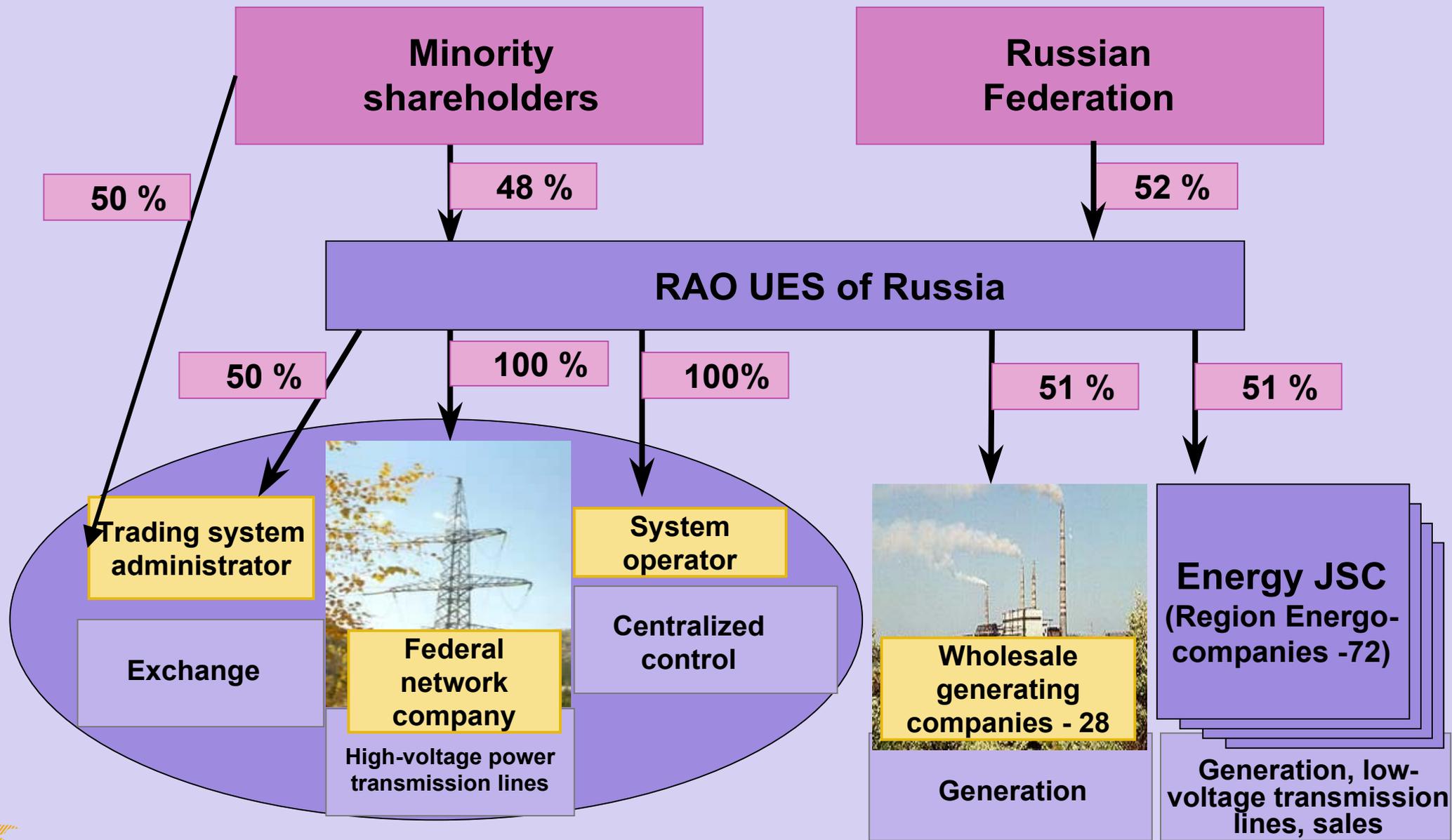
407 thermal and hydro power plants. Total installed capacity 156 MWt



627 bln. kWh of electricity generated - 72% of the overall generation in Russia



RAO UES of Russia: Reform of 2002 - 2003



Legislative base of restructure

Package of bills of electric power industry is approved by the State Duma of the RF at 2002/10/09

Federal Law “ About electric power industry”

Changes in Federal Law “About natural monopolies”

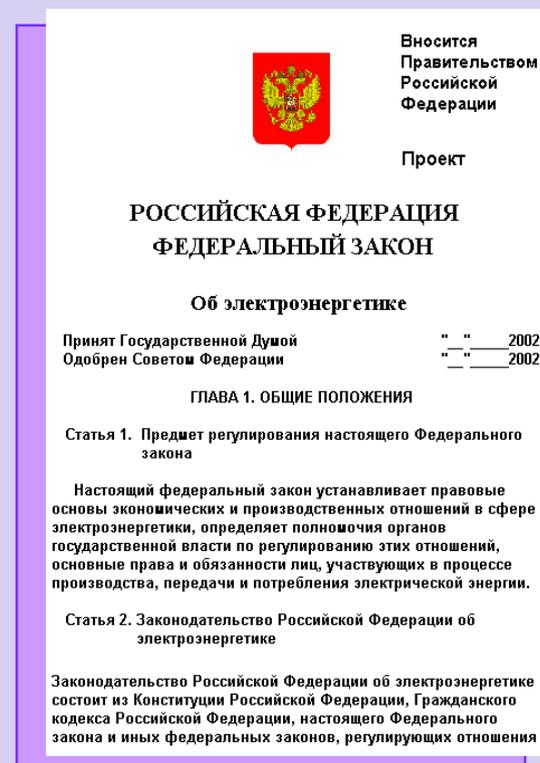
Changes in the Civil code

Changes in Federal Law

“ About power savings”

Changes in Federal Law “About State regulation of tariffs»

Federal law “ About introduction in action of the Federal Law on electric power industry »



- - Fixed key parameters of restructure of RAO “UES of Russia”, providing protection of rights minority shareholders and the state
- - fixed cases when overlapping natural-exclusive and competitive sectors is supposed within the framework of one company (stage-by-stage division)
- - determined terms of restructure of RAO ”UES of Russia” and start of the market



The maintenance of the Federal Law on electric power industry



Вносится
Правительством
Российской
Федерации

Проект

РОССИЙСКАЯ ФЕДЕРАЦИЯ ФЕДЕРАЛЬНЫЙ ЗАКОН

Об электроэнергетике

Принят Государственной Думой " " 2002
Одобен Советом Федерации " " 2002

ГЛАВА 1. ОБЩИЕ ПОЛОЖЕНИЯ

Статья 1. Предмет регулирования настоящего Федерального закона

Настоящий федеральный закон устанавливает правовые основы экономических и производственных отношений в сфере электроэнергетики, определяет полномочия органов государственной власти по регулированию этих отношений, основные права и обязанности лиц, участвующих в процессе производства, передачи и потребления электрической энергии.

Статья 2. Законодательство Российской Федерации об электроэнергетике

Законодательство Российской Федерации об электроэнергетике состоит из Конституции Российской Федерации, Гражданского кодекса Российской Федерации, настоящего Федерального закона и иных федеральных законов, регулирующих отношения

General provisions

Bases of the organization of electric power industry in RF

National United electric grid (network)

Operative-dispatching management in electric power industry

System of State regulation and the control in electrical power industry

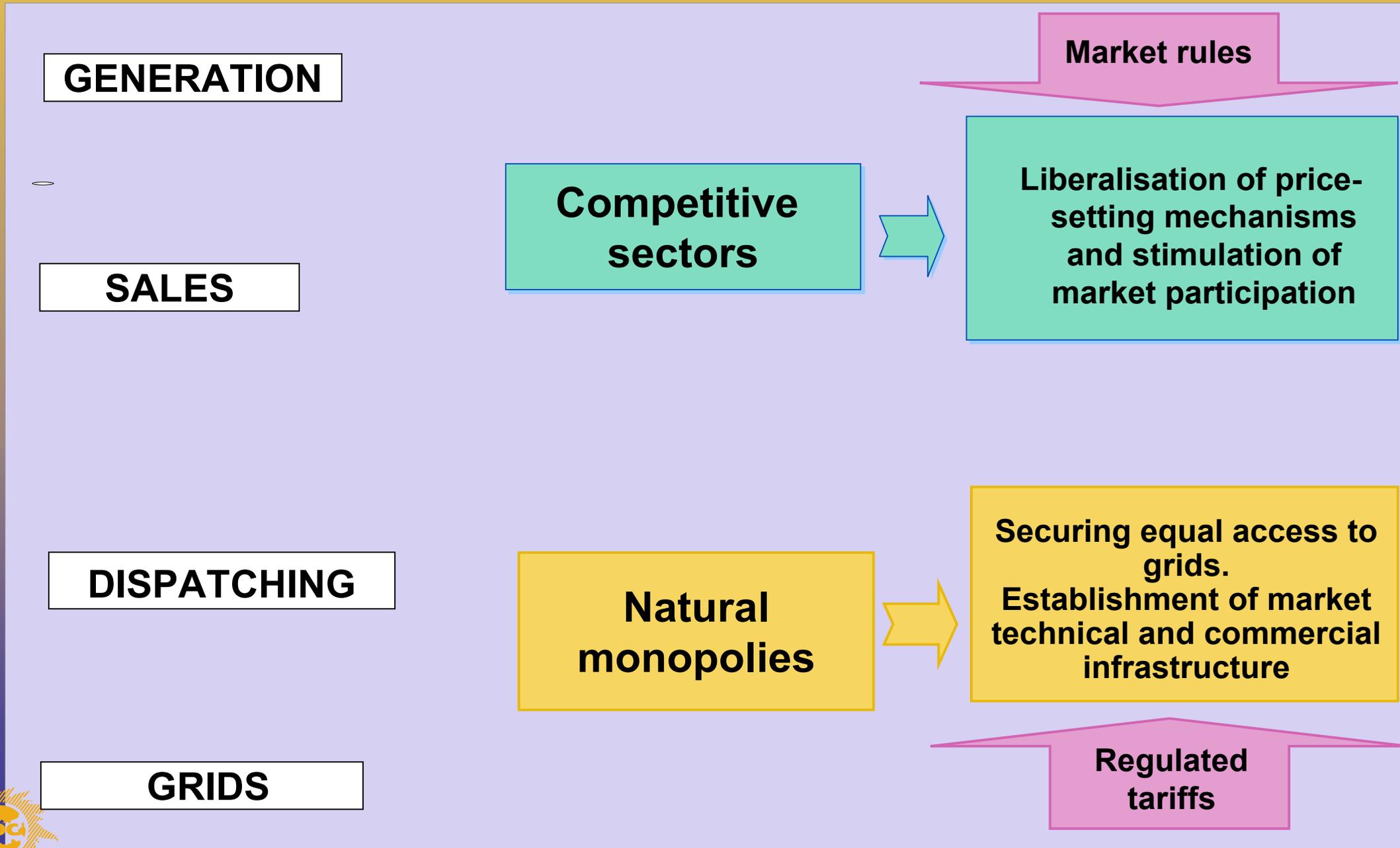
The wholesale market of electrical energy

The retail markets of electrical energy

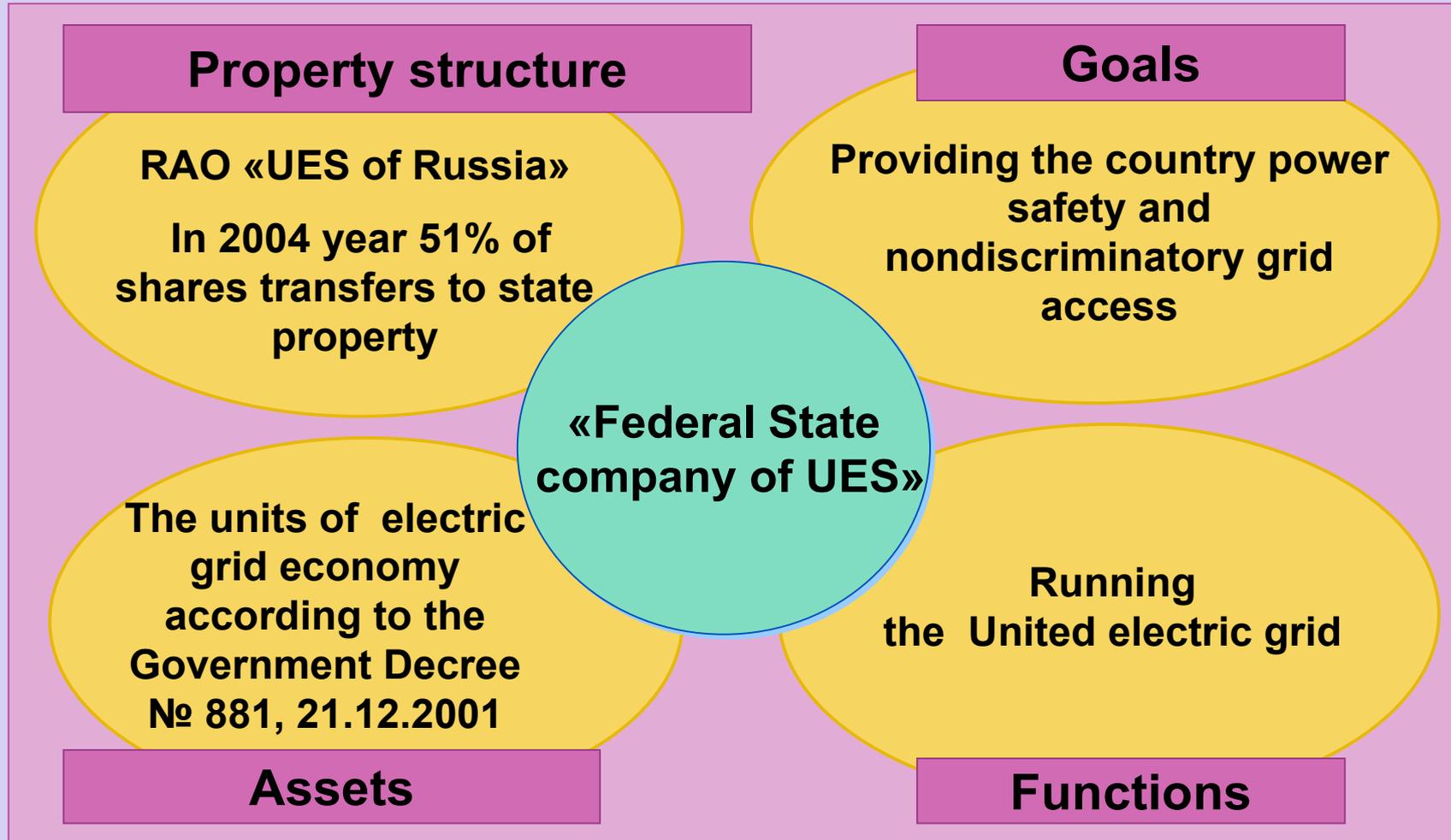
Separate features of realization of economic activities



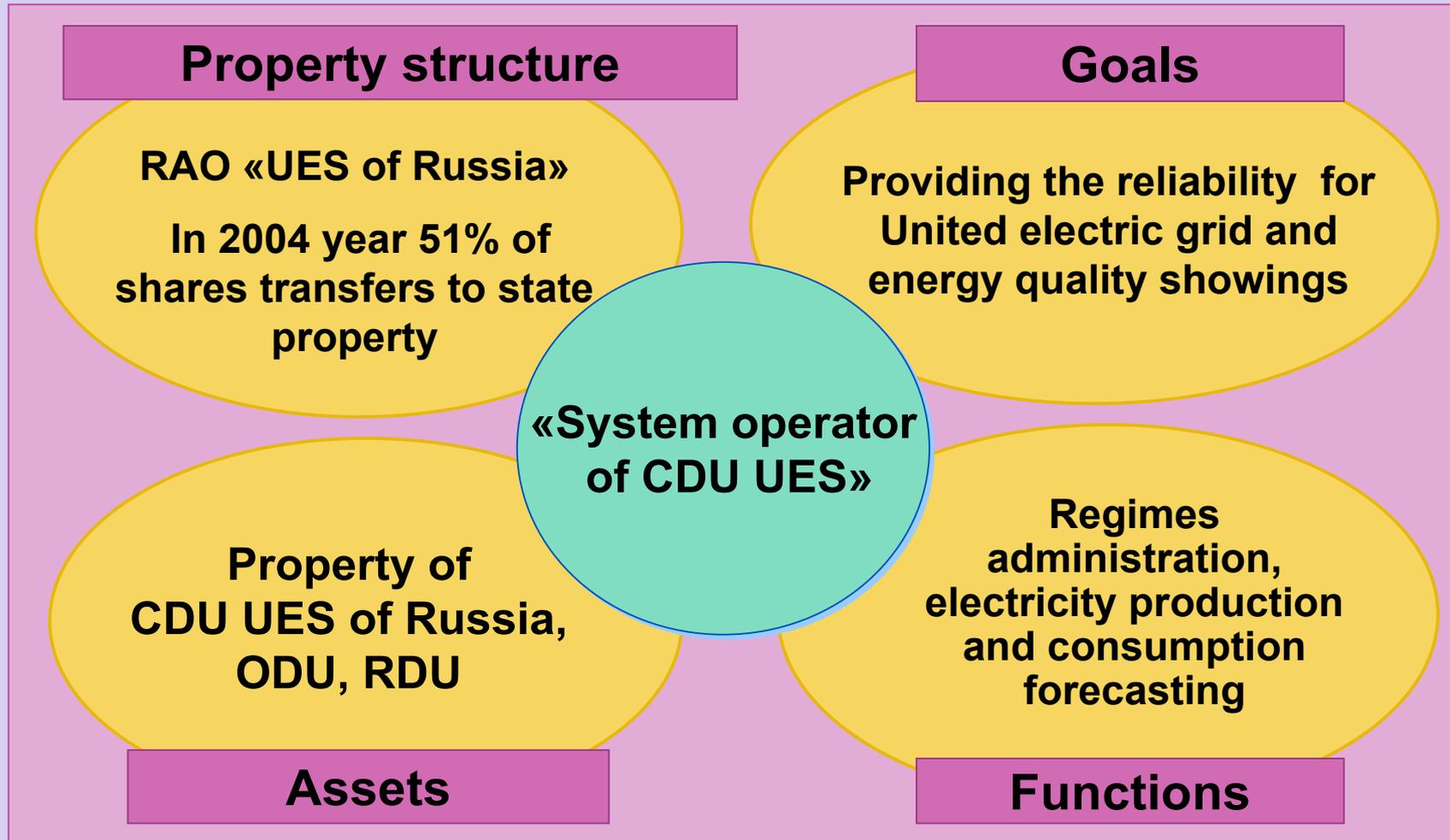
Reform base: separation of monopoly and competitive sectors



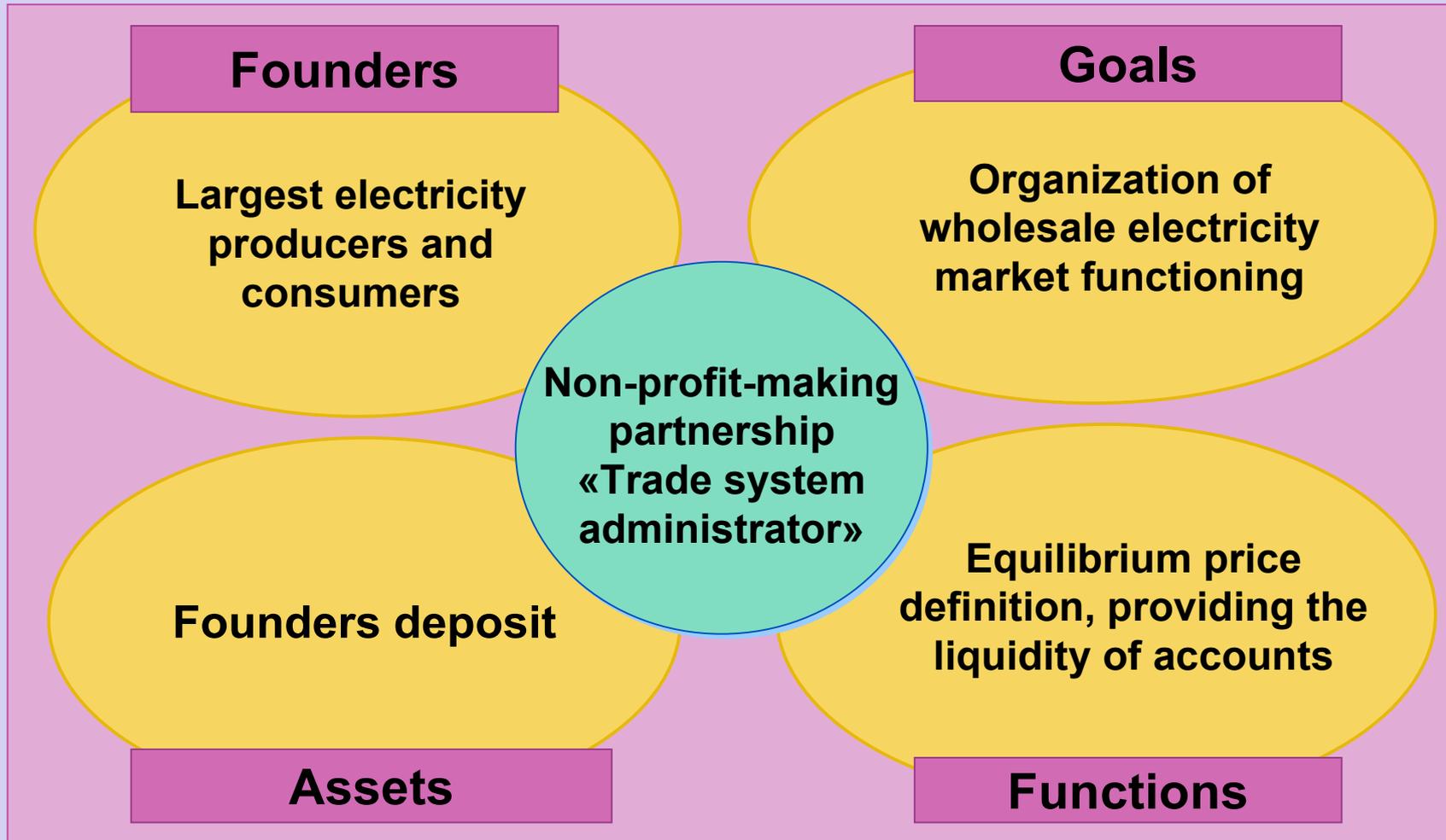
The Federal State Company Creation



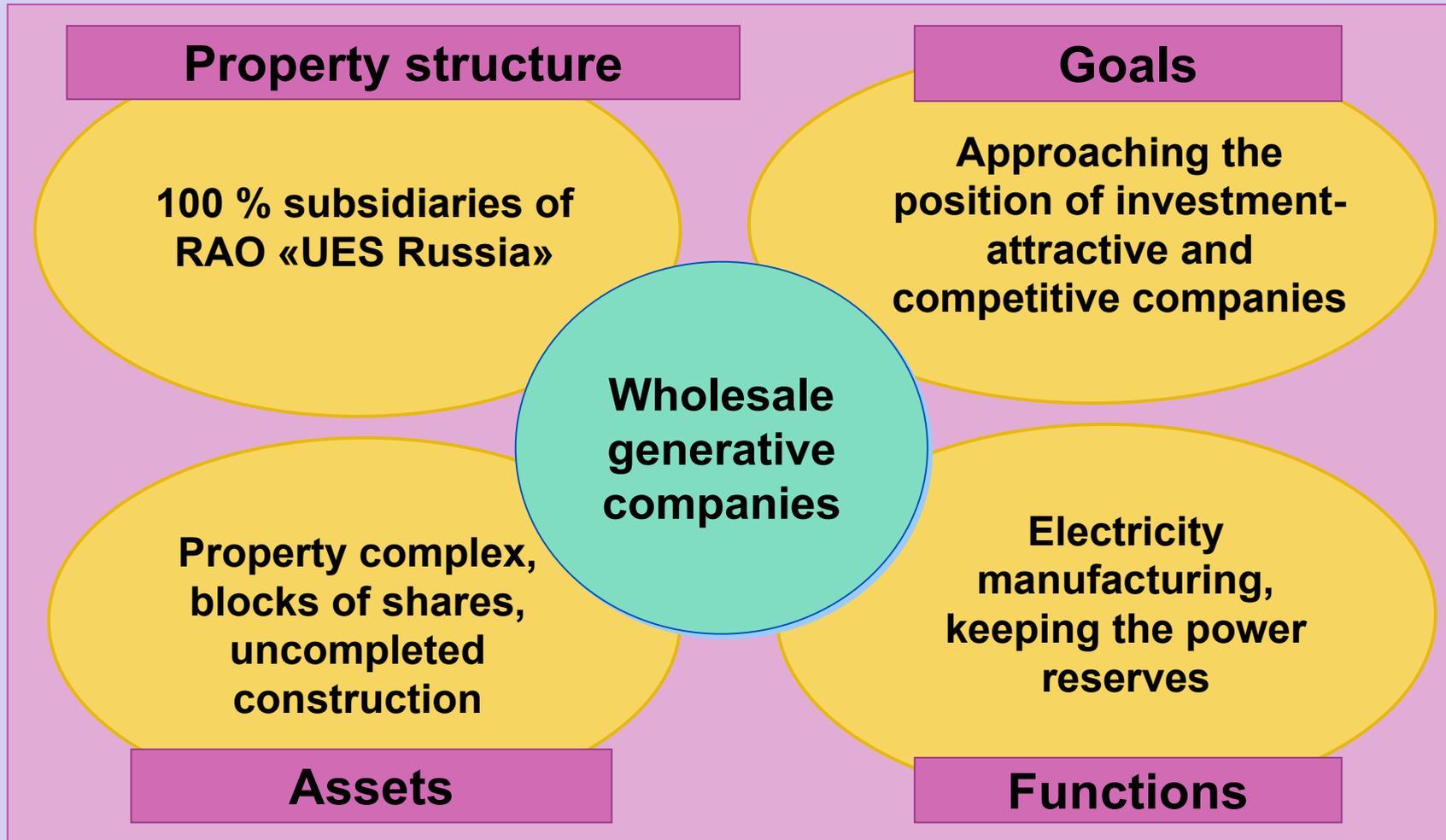
The System Operator



The Trade System Administrator



The Wholesale Generative Companies



Federal power industry structure in 2004-2005

