

**FEDERAL LAW NO. 69-FZ OF MARCH 31, 1999 ON GAS SUPPLY IN THE RUSSIAN FEDERATION
(with the Amendments and Additions of August 22, 2004, December 23, 2005, February 2,
December 18, 2006, June 26, 2007)**

**Adopted by the State Duma on March 12, 1999
Approved by the Federation Council on March 17, 1999**

Chapter I. General Provisions

Article 1. The Purpose of the Present Federal Law

The present Federal Law determines the legal, economic and organizational principles of relations in the sphere of gas supply in the Russian Federation and is aimed at the satisfaction of the State's needs in the strategic type of power resources.

The provisions of this Federal Law are based on the provisions of the Constitution of the Russian Federation, in accordance with which questions bearing on the federal power systems, the legal principles of the single market, the principles of price policy, and the security of the Russian Federation relate to the jurisdiction of the Russian Federation.

Article 2. Basic Concepts

The following basic concepts are used for the purposes of the present Federal Law:

gas means natural gas, casing-head gas, stripped dry gas, gas from gas-condensate deposits, gas extracted and collected by oil-producing organizations, and gas produced by gas and oil processing organizations;

gas supply is one of the forms of power supply that represents the supply of consumers with gas, including the formation of a fund for the prospected gas deposits, the extraction, transportation, storage and supply of gas;

gas supply system means an asset production complex consisting of the production and other facilities, technologically, organizationally and economically interconnected and centrally managed and intended for the extraction, transportation, storage and supply of gas;

gas distribution system means an asset production complex consisting of the facilities organizationally and economically interrelated and intended for the transportation and supply of gas directly to its customers;

independent organization is an organization which produces and supplies gas; it is independent of the organizations owing gas supply systems and gas distribution systems;

gas transportation organization is an organization that transports gas and possesses gas mains, offtakes, compressor stations and other production facilities by right of ownership or any other lawful grounds;

gasification implies the realization of scientific-technical and project decisions, the performance of building and assembly works and of organizational measures aimed at the change-over of the municipal services, industrial and other facilities to the use of gas as a fuel and power resource;

protection area of gas-supply system facilities is a territory with special conditions of use, which is established in the order determined by the Government of the Russian Federation along the gas pipeline routes and around other facilities of a given gas supply system with the aim of providing normal conditions for the operation of such facilities and the execution of a possibility of their damage;

supplier (gas-supplying organization) is an owner of gas or a person authorized by it supplying gas to customers under contracts;

gas consumer (subscriber or subscriber of a gas-supplying organization) is a legal entity or natural person who acquires gas from a supplier and uses it as fuel or raw material.

Article 3. Legislative and Normative-and-Legal Regulation of Gas Supply in the Russian Federation

Legislative and normative-and-legal gas supply in the Russian Federation is based on the Constitution of the Russian Federation, the Civil Code of the Russian Federation, the Federal Law on Mineral Resources, the Federal Law on Natural Monopolies, the Federal Law on the Continental Shelf of the Russian Federation and consists of this Federal Law, of federal laws adopted in compliance with it, of normative legal acts of the Russian Federation and normative legal acts of municipal formations.

Chapter II. Principles of the State Regulation of Gas Supply in the Russian Federation

Article 4. Principles of State Policy in the Sphere of Gas Supply in the Russian Federation

In order to establish a single approach to the solution of questions of gas supply in the Russian Federation by the organs of state power of the Russian Federation and of the subjects of the Russian Federation, local self-government bodies, and also by the gas-supplying organizations of the Russian Federation, the following principles of state policy shall be proclaimed in the said sphere:

state support of the development of gas supply with the aim of improving the socio-economic conditions of the life of the population, ensuring technological progress and providing conditions for the development of the economy of the Russian Federation with an eye to industrial and ecological safety;

state regulation of the rational use of gas reserves, especially of strategically important gas reserves;

increase in the level of gasification of municipal services, industrial and other organizations located on the territory of the subjects of the Russian Federation, on the basis of the formation and realization of corresponding federal, interregional and regional gasification programmes;

the determination of principles of price policy vis-a-vis gas;

the creation of conditions for the wide use of gas as motor fuel and raw material for the chemical industry of the Russian Federation;

the provision of a safe raw material base for the extraction of gas;

the provision of power security for the Russian Federation.

Article 5. Gas supply Systems in the Russian Federation

The federal gas supply system is a totality of gas supply systems operating on the territory of the Russian Federation: the Single System of Gas Supply of Regional Gas Supply Systems, the gas-distribution systems and independent organizations. The federal gas supply system is one of the federal power systems of the Russian Federation.

Single the legal principles of the market formation and price policy and single requirements for power, industrial and ecological safety shall operate for the federal system of gas supply organizations, the owners of the Single System of Gas Supply, the owners of the regional gas supply systems, the organizations owning gas-distribution systems and the independent organizations, regardless of the forms of their property and organizational legal forms. These single legal principles have been established by the present Federal Law, other federal laws and other normative legal acts of the Russian Federation adopted with these principles.

Article 6. The Single Gas Supply System

The Single Gas Supply System is an asset production complex, which consists of production and other facilities, technologically, organizationally and economically interrelated, centrally managed and intended for the extraction, transportation, storage and delivery of gas, and which is owned by the organization set up in the form and the order established by civil legislation and which has received the facilities of the said complex into ownership in the process of privatization or which has set them up or acquired them on the other grounds provided for by the legislation of the Russian Federation. The Single Gas Supply System is the main gas supply system in the Russian Federation and its activity shall be regulated by the State in the order prescribed by the legislation of the Russian Federation.

Article 7. Regional Gas Supply Systems and Gas Distribution Systems

The regional gas supply system is an asset production complex, which consists of the production and other facilities, technologically, organisationally and economically interrelated, centrally managed and intended for the extraction, transportation, storage and delivery of gas; it shall be independent of the Single Gas Supply System and owned by the organization which has been set up in the organizational and legal form and order, established by the civil legislation, and which has received the facilities of the said complex into ownership in the process of privatization or has set them up or acquired them on other grounds provided for by the legislation of the Russian Federation. The regional gas supply system is the main system for gas supply of the territories of the corresponding subjects of the Russian Federation: its activity shall be controlled by the authorized organs of state power in the order prescribed by the legislation of the Russian Federation. The gas distribution system is an asset production complex which consists of facilities that are organisationally and economically interrelated and are intended for the transportation and supply of gas directly to its consumers on the corresponding territory of the Russian Federation. It shall be independent of the Single Gas Supply System and of the regional gas supply systems and owned by the organization which has been set up in the organizational and legal form and order established by the civil legislation and which has received the facilities of the said complex into ownership in the process of privatization or which has set them up or acquired them on other grounds provided for by the legislation of the Russian Federation and the legislation of the subjects of the Russian Federation. The organization that owns the respective gas distribution system shall be a specialized organization that shall operate and develop gas supply networks and their facilities on the corresponding territory, and shall also render services connected with the delivery of gas to consumers and their servicing. Gas distribution systems shall be controlled in the order established by the legislation of the Russian Federation.

The organisation of the population gas supply shall be within the scope of authority of local self-government bodies of settlements and shall be carried out in the procedure established by the laws of the Russian Federation and municipal normative legal acts.

The organisation of the population gas supply within the boundaries of a municipal district shall be within the scope of authority of local self-government bodies of the municipal district and shall be carried out in the procedure established by the laws of the Russian Federation and municipal normative legal acts.

In the event of purchase and sale of shares held by the owners of the regional gas supply systems and of gas distribution systems, of other transactions or operations connected with the change of the owners of the said shares, the stake of foreign nationals or foreign organizations shall not exceed 20 per cent of the total number of the ordinary shares of the owners of the said systems.

Article 8. The Powers of the Federal Organs of State Power in the Sphere of Gas Supply

The powers of the federal organs of state power in the sphere of gas supply include:
the formulation and realization of state policy in the sphere of gas supply;
the drafting and adoption of federal laws and other normative legal acts aimed at the realization of the state policy in the sphere of gas supply;
the elaboration and realization of the federal programme of gasification in the Russian Federation;
the state regulation of the use of strategic gas reserves, the supervision and control over the industrial and ecological safety of the production facilities of gas supply systems;
standardization and metrological provision and certification in the sphere of gas supply.

In accordance with the Federal Law on the Government of the Russian Federation the Government of the Russian Federation shall exercise the following powers:

it shall establish the order of forming and approving the long-range balance of the extraction and sale of gas in the Russian Federation proceeding from gas resources, the technical possibilities of the gas supply systems and the forecast of the needs for power resources;

it shall approve the rules for the delivery of gas, the rules for the use of gas and the granting of services for gas supply, the federal gasification programme in the Russian Federation, the rules for the protection of the pipeline mains, gas distribution networks and other facilities of gas supply systems, the order of access of independent organizations to gas transportation and gas distribution networks, the order of the use of gas as fuel and the list of consumers, including organizations which have the priority right of using gas as fuel and to which the gas supply is not subject to limitation or termination (hereinafter referred to as non-switched-off consumers);

it shall establish the principles of the formation of prices of gas and of tariffs on its transportation by gas transportation and gas distribution networks, the order of the compensation of the losses sustained by gas distribution organizations during the delivery of gas to the population in accordance with the privileges provided for by the legislation of the Russian Federation.

Article 9. Abolished from January 1, 2005.

Chapter III. Specific Use of Gas Deposits

Article 10. Grounds for, and Order of, the Attribution of Gas Deposits to Federal Facilities

The federal facilities include the gas deposits of strategic importance for gas supply in the Russian Federation. The substantiation of the need for the attribution of a gas deposit to federal facilities, and also the proposal on its attribution to such facilities in conformity with the Federal Law on the Introduction of Amendments and Addenda to the Law of the Russian Federation on Subsoil shall be submitted for the consideration of the Government of the Russian Federation by a federal executive body in charge of power industry.

The attribution of a gas field to federal facilities shall be effected by the Government of the Russian Federation.

Article 11. The Formation of a Federal Stock of Reserve Gas Deposits

In order to secure the power security of the Russian Federation, a part of federal gas deposits whose utilization is referred to a subsequent period in the order prescribed by the federal law may be included in the federal stock of reserve gas deposits by a decision of the Government of the Russian Federation upon the proposal of the federal executive body in charge of power industry. The federal stock of reserve gas deposits shall be formed from among the opened and prospected gas fields whose development has not been licensed.

Upon the inclusion in the federal stock of reserve gas deposits a gas deposit whose search and exploration have been carried out by an organization at the expense of its own funds, the said organization shall receive compensation from the federal budget resources in the procedure established by the Government of the Russian Federation.

A decision on the putting of a gas field into operation from the federal stock of reserve gas deposits shall be taken by the Government of the Russian Federation.

Article 12. Procedure for Putting Federal Gas Fields into Operation

In order to ensure safe gas supply in the Russian Federation, the Government of the Russian Federation may, without holding a tender, adopt a decision on the transfer of a federal gas field for utilization to the organization that has carried out the search and exploration of the said field at the expense of its own funds, the owner of the Single Gas Supply System, the organization that owns a regional gas supply system or take a decision on holding a tender on the transfer of the said field for its utilization.

A license completed in the order established by the legislation of the Russian Federation shall be granted to the organization to which the federal gas field has been transferred.

Chapter IV. Legal Principles of the Functioning and the Development of the Single Gas Supply System

Article 13. The Powers of the Organization Which Owns the Single Gas Supply System

In order to ensure safe gas supply and to implement the international treaties of the Russian Federation and its agreements on the deliveries of gas, the organization owning the Single Gas Supply System shall:

secure the construction, operation, reconstruction and development of the facilities of the Single Gas Supply System;

exercise continuous supervisory control over the functioning of the facilities of the Single Gas Supply System, and also of the gas supply facilities linked to it in points of connection;

govern the functioning of the Single Gas Supply System;

use power-saving and ecologically pure equipment and technological processes in the facilities of the Single Gas Supply System;

carry out measures aimed at the industrial and ecological safety of the facilities of the Single Gas Supply System, the protection of the environment;

carry out measures aimed at the prevention of potential breakdowns and disasters, the liquidation of their consequences in the facilities of the Single Gas Supply System.

In order to increase the effectiveness of the Single Gas Supply System in the process of its functioning, the organization that owns the Single Gas Supply System may take measures for the improvement of the structure of this gas supply system without breaking the reliability of gas supply.

Article 14. The Indivisibility of the Single Gas Supply System

To ensure reliable gas supply, the safe and stable functioning of the facilities of the Single Gas Supply System connected by a common technological regime of the extraction, transportation and delivery of gas, no division of the Single Gas Supply System is admitted. The organization owning the Single Gas Supply System may be liquidated only by a federal law.

The technological and supervisory management of the facilities linked to the Single Gas Supply System, regardless of which ownership it is held in, shall be effected in a centralized way by the organization owning the Single Gas Supply System. The organization that owns the facilities linked to the Single Gas Supply System may not lay it off without agreement with the organization owning the Single Gas Supply System during the validity term of the mutual agreement on the connection.

Article 15. Shares of the Organisation - Owner of the Integrated System of Gas Supply and the Peculiarities of Their Turnover

The total proportion of ordinary shares of the organisation - owner of the Integrated System of Gas Supply which are in the ownership of the Russian Federation and in the ownership of joint-stock companies, of which shares more than 50 per cent are owned by the Russian Federation, may not be less than 50 per cent plus one share of the total number of ordinary shares of the organisation-owner of the Integrated System of Gas Supply. The sale and other methods of alienation of ordinary shares may be carried out on the basis of a federal law.

Chapter V. Legal Principles of the Development of the Single Gas Market on the Territory of the Russian Federation

Article 16. Principles of the Formation and development of the Single Gas Market

The principles of the formation and development of the single gas market on the territory of the Russian Federation include the following:

the formation of a range of gas consumers on the basis of a wide use of gas as a power and fuel resource in production and domestic life on the territory of the subjects of the Russian Federation - the development of gasification;

the creation of economically mutually beneficial relations between consumers and suppliers of gas;

the creation of conditions for the reliable supply of gas to the consumers of various categories; the pursuit of state policy of pricing aimed at the development of the single gas market.

Article 17. Legal Principles of the Development of Gasification of the Territories of the Russian Federation

The gasification of the territories of the Russian Federation shall be developed on the basis of the long-range balance of the extraction and consumption of gas, and also of the statutory federal, interregional and regional programmes of gasification of the municipal services, industrial and other organizations. The order of the elaboration and realization of the said federal programmes shall be established by the Government of the Russian Federation. The federal programmes of gasification of the municipal services, industrial and other organizations may be financed from the federal budget resources, the budgets of the corresponding subjects of the Russian Federation and from other sources which are not banned by the legislation of the Russian Federation.

Special surcharges on gas transportation rates may be introduced by gas distribution organizations in the order prescribed by the Government of the Russian Federation in order to finance the programmes of gasification of the municipal services, industrial and other organizations located on the territories of the subjects of the Russian Federation. In this case the executive bodies of the subjects of the Russian Federation shall exercise control over the target-oriented use of the financial resources received as a result of the introduction of the said surcharges.

Article 18. Legal Principles of Gas Delivery

Gas shall be delivered on the basis of contracts between suppliers and consumers, regardless of the forms of property, in accordance with the civil legislation and the rules for gas delivery and the rules for gas use in the Russian Federation, approved by the Federal Government, and also with other normative acts issued in fulfilment of the present Federal Law.

The preferential right to conclude contracts of gas delivery shall belong to its buyers to meet state or municipal needs, the communal and social needs of people, and also to its buyers in respect of whom the effective contracts of gas delivery are extended.

The Government of the Russian Federation shall introduce the order of the obligatory conclusion of state contracts of gas delivery for the organizations financed from the federal budget in accordance with the order of the supply of products to meet federal state needs established by the legislation of the Russian Federation.

When making a state or municipal contract of gas supply to meet state or municipal needs, it must take into account the volume of gas consumption coordinated by a state or municipal customer in the procedure established by the Government of the Russian Federation.

The Government of the Russian Federation, executive bodies of the subjects of the Russian Federation and local self-government bodies shall annually provide for funds in the appropriate budgets for financing the supplies of gas whose volume of consumption is coordinated.

Article 19. Quality of Supplied Gas

Gas shall be delivered to consumers only if the quality of supplied gas corresponds to state standards and in the presence of certificates of compliance.

Chapter VI. Principles of Economic Relations in the Sphere of Gas Supply

Статья 20. Principles of the state pricing policy in the sphere of gas supply

The state pricing policy in the sphere of gas supply shall be realized on the basis of the following principles:

the creation of favourable conditions for the exploration, prospecting and development of gas deposits, the extraction, transportation, storage and supply of gas and for the self-financing of the organizations of gas supply systems;

the extension of the spheres of application of gas market prices and the services of gasification of the municipal economy, industrial and other organizations, taking account of the cost, quality consumer properties of power resources alternative to gas and for the purpose of forming a market of energy resources;

control over the observance of government-regulated prices and rates in the sphere of gas supply;

the satisfaction of the effective demand for gas;

the stimulation of the use of gas as a motor fuel for transport vehicles with the aim of reducing pollutant emissions to the environment and of raising the economic effectiveness of the use of fuel resources;

the maintenance of the competitive capacity of Russian gas on the world power market;

the reparation of the actual losses of the organization that owns a gas supply system in the amount of the formed indebtedness for the payment for the gas by the non-switched-off consumers from the resources of the appropriate budgets.

Article 21. The Regulation of Prices of Gas and Rates of Gas Transportation Services

The state regulation of rates of gas transportation services referred by the Federal Law on Natural Monopolies to the sphere of the activity of the subjects of natural monopolies shall be effected by the federal executive body responsible for tariffs' regulation.

By decision of the Government of the Russian Federation the regulation of the rates of gas transportation services may be replaced by the state regulation of prices of gas for end consumers using it as fuel and/or raw material, and also of rates of gas transportation services for independent organizations in the order prescribed by the Government of the Russian Federation. When the State regulates prices gas and rates of gas transportation services, it is necessary to take into account the economically sound costs and profit, and also the level of the provision of organizations owning gas supply systems with financial resources for the extension of the extraction of gas, gas pipeline networks and subterranean gas reservoirs.

The organization that owns the given system shall determine internal accounting prices of gas and internal accounting rates of gas transportation services, in order to make settlements between the organizations of the gas supply system.

Article 22. Abolished from January 1, 2005.

Article 23. The Regulation of Rates on the Services of Gas Distribution Organizations

The federal executive body responsible for tariffs' regulation shall endorse the rates on the services of the organizations owning gas distribution systems for gas transportation and the procedure for their application. The said rates may be differentiated with an eye to the economic and social conditions of the gas supply of parts of the territories of the subjects of the Russian Federation.

Article 24. Social Guarantees for Low-Income Individuals

The social guarantees for low-income individuals, as regards the reimbursement of their expenses on the acquisition of gas, and the list of such categories of individuals shall be determined by the laws and other normative legal acts of the subjects of the Russian Federation.

Article 25. Guarantees of the Payment for Delivered Gas and Its Transportation Services

The consumers shall be obliged to pay for gas deliveries and rendered services on the basis of contracts of gas delivery and contracts of its transportation services. If consumers fail to observe the contract terms, the suppliers shall have the right to reduce or stop gas deliveries in the order prescribed by the Government of the Russian Federation.

In the event of the non-observance of the said contracts by non-switched-off consumers whose activity is financed from the federal budget or the budgets of the subjects of the Russian Federation, the responsibility for the payment of gas deliveries and rendered gas supply services shall be vested with the corresponding government customer.

Chapter VII. Antimonopoly Regulation of Gas Supply

Article 26. Antimonopoly Rules for Organizations Owning Gas Supply Systems

The organizations owning gas supply systems, the gas suppliers or the organizations authorized by them shall be forbidden to perform actions violating antimonopoly legislation, including the following actions:

the imposition on gas consumers of contract terms which do not concern their subject-matter;
the inclusion in contracts of terms which place one consumer in an unequal position with regard to other consumers;

the violation of the order of price formation established by normative acts;
ill-founded refusals to conclude contracts with particular consumers in the presence of gas resources and the possibilities of its transportation;

the creation of obstacles to the access of independent organizations to the gas market;
the reduction of the volume of output and delivery of gas for the purpose of sustaining monopoly high prices.

Article 27. The Access of Organizations to Gas Transportation and Gas Distribution Networks

The organizations owning gas supply systems shall be obliged to provide non-discriminatory access for any organizations operating on the territory of the Russian Federation to the free capacities of the gas transportation and gas distribution networks belonging to them in the order prescribed by the Government of the Russian Federation. The quality of gas intended for transportation by the said organizations shall correspond to state standards and be confirmed with certificates of compliance with standard requirements.

Chapter VIII. Legal Principles of the Mutual Relations Between the Organizations Owning Gas Supply Systems and the Organizations in Other Branches of the Economy

Article 28. The Legal Regulation of Land Use During the Building and Operation of Facilities of Gas Supply Systems

Land plots for the construction, operation and repair of facilities of gas supply systems shall be transferred to the organizations owning gas supply systems in the order determined by the legislation of the Russian Federation.

The organizations in charge of the facilities of the gas supply system located in forests shall be obliged:

to keep the protective zones of the facilities of the gas supply system in a safe fire-prevention condition;

to perform the planned works, to fell trees or shrubs in protective zones of the gas supply system facilities and beyond such zones in the order established by the forest legislation of the Russian Federation.

With the occurrence of a breakdown or disaster in the gas supply system facility the organization owning such system or the operating organization authorized by it shall have the right of the unhindered delivery of necessary resources and personnel to the place of the breakdown or disaster and shall be obliged to compensate in full for the damage it has inflicted on the owner of the land plot, through which the necessary resources and personnel have been delivered.

Protective zones with special conditions of the use of land plots shall be established on the land plots referred to the lands of transport. The boundaries of the protective zones of the facilities of the gas supply system shall be defined on the basis of construction norms and rules, the rules for the protection of pipeline mains and other normative documents approved in the statutory order. The owners of the said plots used for household purposes may not erect any buildings, structures and installations within the fixed minimum distances to the facilities of the gas supply system without getting agreement from the organization that owns the gas supply system or from the organization authorized by it; such owners shall have no right to raise obstacles to the organization owning the gas supply system or the organization authorized by it in the performance of their works of servicing and repairing the facilities of the gas supply system and in the liquidation of the aftermath of relevant breakdowns or disasters.

Article 29. Legal Principles of the Cooperation Between the Gas Supply Systems and the Electric Power Supply Systems

In order to ensure the safe functioning of the gas supply system and the organizations working on gas fuel and providing electricity and heat, the following measures shall be implemented for the coordination of the cooperation of the said systems:

the organizations owning the said systems shall work out agreed balances of the consumption of gas, electric and thermal power for their effective functioning;

the organization owning the gas supply system and the organization owning the electric power and that supply system shall conclude a long-term contract of delivering electric and thermal power to the facilities of the gas supply system and gas to the facilities of the electric power and heat and gas supply system with an indication of special conditions for such deliveries and payment for the supplied gas, electric and thermal power.

Chapter IX. Legal Principles of the Industrial Safety of Gas Supply Systems of the Russian Federation

Article 30. The Legal Regulation of Industrial Safety in Gas Supply

The legal regulation of industrial safety in the organizations engaged in gas supply in the Russian Federation shall be effected in accordance with Federal Law on the Industrial Safety of Dangerous Production Facilities, the Law of the Russian Federation on the Protection of the Environment, Federal Law on Ecological Expert Examinations, the present Federal Law and other federal laws and other normative legal acts of the Russian Federation.

The procedure for drafting and confirming norms in the sphere of the industrial safety of gas supply system facilities shall be established by the federal executive body specially authorized in the field of industrial safety.

Article 31. Forecasting of the Probability of Occurring Breakdowns and Disasters in the Gas Supply System Facilities

The probability of occurring breakdowns or disasters shall be forecast in respect of each facility of gas supply systems on a permanent basis. The requirements, norms, rules and methods of forecasting the probability of arising breakdowns or disasters in the gas supply system facilities shall be endorsed by the federal executive body specially authorized in the sphere of industrial safety.

Article 32. Specific Features of the Industrial Safety of the Gas Supply System Facilities

In addition to the measures provided for by the legislation of the Russian Federation in the sphere of industrial safety, the organization that owns a gas supply system shall be obliged to implement a set of special measures for the safe functioning of the facilities, the localization and the reduction of the consequences of breakdowns and disasters at the stages of designing, building and operating gas supply system facilities.

Legal entities and natural persons guilty of breakdowns or disasters in gas supply system facilities, including breakdowns or disasters which occurred due to hidden defects of materials and equipment and to low-quality performance of building and assembly works, shall bear responsibility in accordance with the legislation of the Russian Federation.

The executive bodies, officials and individuals guilty of breaking the rules for the protection pipeline mains, gas distribution networks and other facilities of gas supply systems, guilty of the construction of buildings, structures and installations without observing safe distances to gas supply system facilities or of their deliberate blocking or damage, and of other illegal actions breaking the uninterrupted and safe work of the gas supply system facilities, shall bear responsibility in keeping with the legislation of the Russian Federation.

Buildings, structures and installations constructed located closer than the distances, fixed by building norms and rules to the facilities of gas supply systems, shall be pulled down at the expense of the legal entities or natural persons who have made these breaches.

It shall be forbidden to interfere in the work of the facilities of the gas supply systems on the part of the legal entities and natural persons who are not authorized therefor.

The material damage inflicted to the organization owning a gas supply system as a result of its deliberate blocking or breakage or of any other illegal actions violating the uninterrupted and safe work of the gas supply system facilities shall be compensated in the statutory order by guilty persons or by persons who have taken unlawful decisions.

The material damage inflicted to the organization owning a gas supply system owing to force majeure shall be compensated at the expense of obligatory insurance funds.

Article 33. The Readiness of a Dangerous Gas Supply System Facility for the Localization of Disasters or Breakdowns and the Liquidation of Their Consequences

The organization owning a dangerous gas supply system facility shall ensure its readiness for the localization of potential breakdowns or disasters, the liquidation of consequences in case of their occurrence by implementing the following measures:

it shall set up a salvage and rescue service or attract appropriate specialized services;

it shall work out plans for the localization of potential breakdowns or disasters and the liquidation of their consequences;

it shall set up engineering systems of control and prevention of potential breakdowns or disasters, systems of warning, communication and protection;

it shall create stocks of material and technical means;

it shall train the workers of a dangerous gas supply system facility in the matter of the localization of potential breakdowns or disasters and the liquidation of their consequences.

The list of measures to secure the readiness of the dangerous gas supply system facility for the localization of potential breakdowns or disasters, the liquidation of their consequences shall be prepared by the organization that owns the gas supply system and shall be agreed upon with the territorial agency of the federal executive body specially authorized in the sphere of industrial safety.

Article 34. Accounting and Reporting Time for the Gas Supply System Facilities

The Government of the Russian Federation shall establish a single accounting and reporting time for the gas supply system facilities, regardless of the place of location of such facilities. This time shall fix the beginning of accounting days, the accounting month, and the accounting year for all the organizations engaged in the extraction transportation and delivery of gas.

Chapter X. Concluding Provisions

Article 35. The Entry into Force of the Present Federal Law

1. The present Federal Law shall come into force from the day of its official publication.

2. The President of the Russian Federation shall be proposed and the Government of the Russian Federation shall be instructed to bring their normative acts into conformity with the present Federal Law.

The Government of the Russian Federation shall be instructed to submit in the statutory order to the State Duma of the Federal Assembly of the Russian Federation its proposals on the bringing the legislative acts of the Russian Federation into conformity with the present Federal Law.

President of the Russian Federation

Boris Yeltsin

Moscow, The Kremlin