

**DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION  
NO. 722 OF OCTOBER 30, 2007 ON THE INTRODUCTION OF AN  
AMENDMENT INTO THE BASIC PROVISIONS ON THE FORMATION  
AND THE STATE REGULATION OF PRICES OF GAS AND TARIFFS  
FOR TRANSPORTATION SERVICES ON THE TERRITORY OF THE  
RUSSIAN FEDERATION**

The Government of the Russian Federation resolves:

To approve the appended amendment to be introduced to the Basic Provisions on the Formation and the State Regulation of Prices of Gas and Tariffs for its transportation on the territory of the Russian Federation, endorsed by Decision by the Government of the Russian Federation No. 1021 of December 29, 2000 on the State Regulation of Prices of Gas and Service Tariffs on Its Transportation on the Territory of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii No. 2, 2001, item 175; No. 21, 2002, item 2001; No. 50, 2006, item 5354; No. 23, 2007, item 2798).

Chairman of the Government of the Russian Federation

Viktor Zubkov

**The Amendment to Be Introduced into the Basic Provisions on the  
Formation and the State Regulation of Prices for Gas and Service  
Tariffs on Its Transportation on the Territory of the Russian  
Federation (approved by Decision of the Government of the Russian  
Federation No. 722 of October 30, 2007)**

The text shall be supplemented by Section VI.1 that reads as follows:

**"VI.1. State Control in the Sphere of the Regulation of Tariffs for the  
Transportation of Gas**

**26.1.** The federal executive body in the sphere of the state regulation of prices (tariffs) shall exercise state control over the questions associated with the determination (establishment) and the use of prices (tariffs) (hereinafter referred to as state control) by the organisations rendering services connected with the transportation of gas by pipeline (hereinafter referred to as gas transportation organisations).

**26.2.** Other federal executive bodies, and also the executive bodies in the constituents of the Russian Federation may be involved in the measures of state control by agreement.

**26.3.** State control shall be exercised in the form of verifying the financial and economic activity of gas transporting organisations for the purpose of determining the validity of the economic substantiation of the expenses of the gas transporting organisations, recorded in the regulation

of the tariffs for the transportation of gas, the economic soundness of the actual expenditure of funds in the provision of services to transport gas, and also in the correct application of regulated tariffs.

**26.4.** Within the framework of the realisation of measures to exercise state control the federal executive body in the sphere of the state regulation of prices (tariffs) shall have the right to have unhindered access to information about the activity of gas transporting organisations available to executive bodies, local self-government bodies and gas transporting organisations.

At the demand of the federal executive body in the sphere of the state regulation of prices (tariffs) the executive bodies, the local self-government bodies and gas transporting organisations shall be obliged to submit documents, explanations in written and oral form and other information necessary to implement state control measures.

**26.5.** While carrying out state control measures, the federal executive body in the sphere of the state regulation of prices (tariffs) shall have the right to involve independent organisations for extract examination and research work.

**26.6.** Measures of state control shall be carried out on the basis of orders of the federal executive body in the sphere of the state regulation of prices (tariffs).

The order on state control measures shall indicate:

- a) the number and the date of the order on control measures;
- b) the name of the federal executive body in the sphere of the state regulation of prices (tariffs);
- c) the surname, name and patronymic and the post held by the person(s) authorised to carry out control measures;
- d) full name and address of the place of the state registration of an independent organisation, and also the full names and offices held by the co-workers of the organisation that takes part in control measures (in case of the involvement of such organisation in state control measures);
- e) the name of the gas transporting organisation, in respect of which control measures are carried out, and also the place of checking;
- f) the aims, tasks and the subject-matter of control measures;
- g) the legal grounds for carrying out measures, including the normative legal acts whose requirements are subject to verification;
- h) the date of the beginning and the end of control measures.

**26.7.** State control measures may be carried out only by the official (officials) indicated in the order of the federal executive body in the sphere of the state regulation of prices (tariffs) for state control measures.

During a field check the order on state control measures or a copy sealed with a stamp shall be presented by the official of the federal executive body in the sphere of the state regulation of prices (tariffs) that carries out these measures to the chief of the gas transporting organisation or any other person authorised by this organisation. During an inspection in

the location of the federal executive body in the sphere of the state regulation of prices (tariffs) a copy of the order shall be sent to the gas transporting organisation by registered mail with a notice of delivery.

**26.8.** The duration of state control measures shall not exceed one month.

In exceptional cases with a considerable volume of state control measures, on the basis of a motivated proposal made by the official who carries out these measures, the chief federal executive body in the sphere of the state regulation of prices (tariffs) or his authorised deputy may extend the period of the realisation of control measures for one month.

**26.9.** For the purpose of state control the federal executive body in the sphere of the state regulation of prices (tariffs) shall carry out scheduled and unscheduled control measures.

At least once every two years planned control measure may be carried out in respect of a gas transporting organisation.

Unscheduled control measures in respect of gas transporting organisations may be carried out in the presence of sufficient data testifying to breaches of the requirements of the legislation of the Russian Federation on natural monopolies, contained in information (applications and complaints) received from individuals and juridical persons and from other sources and confirmed by documents and other evidence testifying to the existence of the signs of such breaches.

**26.10.** The officials of the federal executive body in the sphere of the state regulation of prices (tariffs) shall not have the right during the conduct of state control measures:

- a) to discharge functions not within the jurisdiction of the federal executive body in the sphere of the state regulation of prices or tariffs;
- b) to demand documents and information, unless they refer to the subject-matter of verification, and also to withdraw the originals of documents relating to the subject-matter of verification;
- c) to disseminate information which comprises a secret protected by law but which became known as a result of state control measures, except for the cases stipulated by the legislation of the Russian Federation;
- d) to exceed the fixed terms of the conduct of state control measures.

**26.11.** According to the results of the application of state control measures the official or officials of the federal executive body in the sphere of the state regulation of prices or tariffs, who carries out his inspection in the form approved by the federal executive body in the sphere of the state regulation of prices (tariffs), shall draw up a verification act in two copies, which indicates the following:

- a) the date, time and place of the compilation of the act;
- b) the name of the federal executive body in the sphere of the state regulation of prices or tariffs;
- c) the date and the number of the order, on the basis of which the federal executive body carried out its state control measure;

d) the full name and the post held by the person or persons who carried out the state control measure;

e) the name of the inspected gas transporting organisation, the full name and the office held by the representative of the gas transporting organisation who attended the state control measure;

f) the date, time and place of the state control measure;

g) information about the results of the state control measure, especially about the revealed breaches, their character and the persons charged with responsibility for these breaches;

h) information about the familiarisation of the chief of the gas transporting organisation or any other authorised person or the persons who attended the state control measure with this act or about the refusal to familiarise themselves with it, and also their signatures or their refusal to sign the act;

i) the signature of the official (officials) who carried out the state control measure.

**26.12.** One copy of the act with copies of appendices shall be handed over to the chief of the gas transporting organisation or to any authorised person) against a receipt or shall be sent by post with a notice of delivery attached to the copy of the act that remains in the file of the federal executive body in the sphere of the state regulation of prices or tariffs.

The minutes (conclusions) of expert examinations, the opinions of the officials of the federal executive bodies and of officials of the executive bodies in the constituents of the Russian Federation, involved in the conduct of state control measures, the explanations of the officials of gas transporting organisations and other documents or copies thereof bearing on the results of state control measures shall be appended to the act.

**26.13.** The results of state control measures containing information comprising a state secret shall be finalised in accordance with the requirements provided for by the legislation of the Russian Federation on the protection of state secrets.

**26.14.** The officials of the federal executive body in the sphere of the state regulations of prices or tariffs shall be obliged in the conduct of state control measures:

a) in due time and in full measure to exercise their powers of preventing, revealing and cutting short the breaches of the fixed requirements, granted to them in keeping with the legislation of the Russian Federation;

b) to observe the legislation of the Russian Federation, the rights and the lawful interests of gas transporting organisations;

c) to carry out measures of state control on the basis of, and in accordance with, the orders of the federal executive body in the sphere of the state regulation of prices or tariffs on the conduct of state control measures.

**26.15.** The chief of the gas transporting organisation or a different authorised person shall have the right in the exercise of state control measures:

- a) to attend the place for state control measures;
- b) to give explanations on the questions dealing with the subject-matter of verification;
- c) to familiarise himself with the results of state control measures and to indicate in acts that he has read, agreed or disagreed with them and the particular actions of the officials of the federal executive body in the sphere of the state regulation of prices or tariffs;
- d) to appeal against the actions or inaction of the officials of the federal executive body in the sphere of the state regulation of prices or tariffs in conformity with the legislation of the Russian Federation.

**26.16.** During field checking the gas transporting organisation shall ensure the presence of its officials whose official duties deal with state control measures at the demand of the federal executive body in the sphere of the state regulation of prices or tariffs.

**26.17.** The results of state control measures shall be used by the federal executive body in the sphere of the state regulation of prices or tariffs within its terms of reference delegated by the legislation of the Russian Federation and may also serve as grounds for the review of tariffs for the transportation of gas.