

**DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 1021 OF DECEMBER 29, 2000 ON THE STATE REGULATION OF GAS PRICES AND GAS TRANSPORTATION SERVICES TARIFFS ON THE TERRITORY OF THE RUSSIAN FEDERATION (with the Amendments and Additions of May 22, 2002, December 7, 2006, May 28, October 30, 2007)**

For the purposes of implementing state policy in the field of gas supply in the Russian Federation the Government of the Russian Federation hereby resolves:

1. To endorse the Basic Provisions Governing Pricing and State Regulation Concerning Gas and Gas Transportation Services Tariffs on the territory of the Russian Federation attached hereto.

2. To establish that, effective from January 1, 2001, organisations performing the recovery, transportation and sale of natural gas shall keep separate records of products (services) and expenses incurred towards the production thereof by the type of activity as follows:

natural gas recovery;

the services of natural gas transportation via pipelines;

natural gas storage;

the services of supplying (selling) natural gas.

3. The federal executive body in the sphere of the state control of prices and tariffs, acting in agreement with the Ministry of Economic Development and Trade of the Russian Federation, shall endorse methodological directions on the calculation of regulated gas prices and gas transportation services tariffs, with federal statistical observation forms being modified in accordance with the established procedure if necessary.

4. In the first half of the year 2002 the Ministry of Economic Development and Trade of the Russian Federation jointly with the federal executive body in the sphere of the state control of prices and tariffs shall elaborate and endorse a methodology for appraising the amount of fixed assets, other tangible and financial assets used in regulated kinds of activity for the purposes of application to gas price and gas transportation services tariff regulation on the territory of the Russian Federation.

5. The the federal executive body in the sphere of the state control of prices and tariffs, in coordination with the Ministry of Economic Development and Trade of the Russian Federation, and with the participation of the Gazprom open joint-stock company shall work out and in the first half of 2002 approve:

- the methodology for the computation of tariffs on the services, involved in the transportation of gas along the main gas pipelines;

- the procedure for the settlements for gas, bought by import and realized on the domestic market of the Russian Federation;

Chairman  
of the Government  
of the Russian Federation

M.Kasyanov

**Basic Regulations on the Formation and the State Regulation of Prices for Gas and of Tariffs on the Services for Its Transportation on the Territory of the Russian Federation (Approved by Decision of the Government of the Russian Federation No. 1021 of December 29, 2000 (with the Amendments and Additions of May 22, 2002, December 7, 2006, May 28, October 30, 2007)**

**I. General Provisions**

1. The present Basic Regulations, elaborated in conformity with the Federal Law on the Gas Supply in the Russian Federation, define the principles for the formation of the prices for gas, extracted on the territory of the Russian Federation, and of the tariffs on the services, rendered for its transportation on the territory of the Russian Federation along the main gas pipelines and the gas-distribution networks.

2. The concepts, used in these Basic Regulations, mean the following:

**end consumer** - a legal entity or a natural person, making use of gas as fuel and (or) as a raw material;

**independent gas-transportation organization** - an organization, rendering services for the transportation of gas along the gas pipelines, belonging to it by the right of ownership or on another lawful ground, which is independent from the organizations - the owners of the gas supply systems (the Uniform Gas Supply System and the regional gas supply systems) and from the organizations - the owners of the gas-distribution systems;

**the wholesale price of gas estimated in the range between the maximum and minimum levels of wholesale prices** shall be a wholesale price of gas determined at the exit from the system of trunk gas pipelines by agreement between the parties upon the conclusion of contracts for the delivery of gas (including long-term contracts) to the end consumers of the relevant groups;

**the maximum level of wholesale gas prices** shall be the level of the wholesale prices, the exceeding of which shall not be allowed in contracts for the delivery of gas;

**the minimum level of wholesale gas prices** shall be the level of wholesale prices, below which the cost of gas in contracts for the delivery of gas shall not be allowed;

**regulated kind of activity** - the kind of activity, in the performance of which settlements for the supplied gas (for the services involved in its transportation) are made, proceeding from the prices and the tariffs, regulated by the state;

**retail price of gas** - the price for gas, realized to the population to meet the personal requirements;

**price for gas, tariffs on the services for the gas transportation, payment for the supply and sale services** - are a system of the price rates, by which the settlements are made for the supplied gas and the services, involved in its transportation or acquisition, are rendered;

**regulated wholesale price for gas** - the price for gas, approved in the established order, for which it shall be realized, as it goes out of the system of the main gas pipeline transport, by the gas suppliers (by the gas-supply organizations) directly to the end consumers, utilizing gas as fuel and (or) as a raw material, or to organizations for the further sale of gas to the end consumers;

**regulated payment for the supply and sale services** - the payment for the supply and sale services, rendered to the end consumers by the gas suppliers (by the gas supply organizations), collected above the regulated wholesale price for gas.

The regulated wholesale price of gas and the charge for supply and marketing services shall not apply to gas extracted by the organisations which are not affiliated persons of Gazprom, joint-stock company, and/or organisations owning the regional systems of gas supply or organisations set up in fulfilment of Decree of the President of the Russian Federation No. 1403 of November 17, 1992 on the Special Aspects of the Privatisation and the Transformation into Joint-stock Companies of State-owned Enterprises, Production and Scientific-Production Associations of the Oil and Oil Processing Industries and Oil Products Supply (Except for Organisations Owning Regional Systems of Gas Supply).

Other concepts, used in the present Basic Regulations, correspond to the definitions, contained in the Federal Law on the Gas Supply in the Russian Federation, as well as in the other legal normative acts.

**3.** The price for gas for the end consumer on the boundary of the gas-distribution networks and of the networks of the end consumer is formed from the regulated wholesale price for gas or from the wholesale price of gas determined by agreement of the parties with due account of the limit levels and the tariffs on the services for its transportation along the gas-distribution networks, and from the payment for the supply and sale services.

If the networks of the end consumer are directly connected to the system of the main gas pipeline transport, the price for gas for the end consumer on the boundary between the main gas pipelines and the networks of the end consumer is formed from the regulated price for gas or the wholesale price of gas determined by agreement between the parties with due account of the fixed limit levels and from the payment for the supply and sale services.

If several organizations are taking part in carrying out the supply of gas to the end consumer, the regulated payment for the supply and sale services, collected from the end consumers, shall be distributed among these organizations in accordance with an agreement between the parties.

## **II. State Regulation of the Prices (Tariffs)**

**4.** Subject to the state regulation on the territory of the Russian Federation are:

- a) the wholesale prices for gas;
- b) the tariffs on the services involved in the gas transportation along the main gas pipelines for independent organizations;
- c) the tariffs on the services for the gas transportation along the gas pipelines, belonging to independent gas transportation organizations;
- d) the tariffs on the services involved in the gas transportation along the gas-distribution networks;
- e) the size of the payment for the supply and sale services, rendered to the end consumers by the gas suppliers (if the wholesale prices for gas are regulated);
- f) the retail prices for gas, realized to the population.

**5.** The state regulation of the wholesale prices for gas and of the tariffs on the services involved in its transportation along the main gas pipelines for independent organizations shall be effected until going over to the state regulation of the tariffs for the services, involved in its transportation along the main gas pipelines on the territory of the Russian Federation, uniform for all the gas suppliers.

**6.** Going over from the state regulation of the wholesale prices for gas to the state regulation of the tariffs on the services for its transportation along the main gas pipelines on the territory of the Russian Federation is carried out by the stage.

At the first stage shall be effected the state regulation of the wholesale prices for gas and of the tariffs on the services rendered for its transportation along the main gas pipelines for independent organizations, the elaboration of the methodology for the computation of the tariffs on the services rendered in the gas transportation along the main gas pipelines and the approbation thereof, and the establishment of one or several gas transportation companies that will transport gas along the main gas pipelines, as well as the introduction in the sphere of services rendered for the gas transportation of a separate accounting of the products (the services) and of the outlays, referred onto the prime cost of the products (works, services).

At the second stage shall be prepared the substantiated base for the liberalization of prices for gas and for the restriction of the sphere of the state regulation of the gas industry by establishing tariffs on the services, rendered for the gas transportation along the main gas pipelines and the gas distribution networks.

### **III. Powers of the Regulating Bodies**

7. In conformity with Section II of the present Basic Regulations, the federal executive body in the sphere of the state control of prices and tariffs is carrying out the state regulation of:

- a) the wholesale prices for gas;
- b) the tariffs on the services rendered in the gas transportation along the main gas pipelines for independent organizations;
- c) the tariffs on the services for the transportation of gas along the gas pipelines, belonging to independent gas transportation organizations;
- d) the tariffs on the services rendered for the gas transportation along the gas distribution networks;
- e) the size of the payment for the supply and sale services, rendered to the end consumers by the gas suppliers (if the wholesale prices for gas are regulated).

8. The retail prices for gas, realized to the population, shall be regulated in the order established by the Government of the Russian Federation.

9. The federal executive body in the sphere of the state control of prices and tariffs has the right to delegate in the established order to the regional energy commissions the powers for the regulation of the tariffs on the services, rendered for the gas transportation along the gas distribution networks, and the size of the payment for the supply and sale services, rendered to the end consumers by the gas suppliers.

10. Regulation of the retail prices for gas, of the tariffs on the services involved in the transportation of gas along the gas distribution networks and of the size of the payment for the supply and sale services, rendered to the end consumers by the gas suppliers, shall be effected in conformity with the methodological instructions, approved by the federal executive body in the sphere of the state control of prices and tariffs in agreement with the Ministry of Economic Development and Trade of the Russian Federation.

### **IV. Principles for the Formation and the State Regulation of Prices for Gas and of Tariffs on the Services for Its Transportation**

11. The state regulation of the prices for gas and of the tariffs on the services rendered for its transportation shall be effected by establishing the fixed prices (tariffs) or the ultimate levels thereof, proceeding from:

a) the recompense to the organizations, performing the regulated kinds of activity, of the economically substantiated outlays, involved in the extraction, the transportation, processing, storage, distribution and supply (realization) of gas (if the wholesale prices are regulated), as well as from the compensation for the economically substantiated outlays, involved in the transportation and in the distribution of gas (if the tariffs are regulated);

b) the establishment for the organizations, engaged in the regulated kinds of activity, of the substantiated rate of profit on the capital, used in the regulated kinds of activity (until the methodology is elaborated for defining the size of the fixed assets and of the other material and financial assets, used in the regulated kinds of activity, into account shall be taken the size of the profit, necessary to provide for the above-mentioned organizations the funds for servicing the attracted capital, for the development of the production and for financing the other well-substantiated expenditures);

c) the satisfaction of the solvent demand for gas, the achievement of the balance between the extraction and the realization of gas in the Russian Federation;

d) taking into account in the structure of the regulated prices (tariffs) of all the taxes and of the other obligatory payments in conformity with the legislation of the Russian Federation;

e) taking into account the difference in the cost of the services, involved in the transportation and in the supply (in the realization) of gas to different groups of consumers and to different regions;

f) the development of the internal-industry (in the sphere of gas deliveries) and of the inter-industry (between the replacing kinds of fuel) competition.

**11.1.** The wholesale prices of gas shall be regulated by proceeding from the stage-by-stage achievement of the equal profitability of deliveries of gas to the internal and external market and with an eye to the value of alternative kinds of fuel.

The regulation of gas prices or the tariffs for the services for its transportation to consumers, the delivery of gas to which has become possible thanks to the creation of new regional gas supply systems, trunk gas pipelines and gas distribution networks, and also thanks to the development, reconstruction, expansion and modernisation of the existing trunk gas pipelines and gas distribution networks for the purpose of extending their throughput capacity, shall be carried out by proceeding from the need to ensure the time of the payback of the investment project of building new facilities of the infrastructure and the level of profitability of the invested capital with the federal executive body in the sphere of the state control of prices or tariffs. In this case, during the calculation of the controlled prices or tariffs it is necessary to take into account the predicted level of the load of gas pipelines, the degree of the technological separation of new facilities from the existing infrastructure, and also the confirmed solvent demand for gas of the end consumers. After the end of said period of the payback of the investment project prices or tariffs shall be calculated in the general order.

**12.** The computation of the regulated prices (tariffs) shall be effected on the ground of the methodological instructions, approved by the federal executive body in the sphere of the state control of prices and tariffs in agreement with the Ministry of Economic Development and Trade of the Russian Federation, separately for every organization engaged in the regulated kinds of activity, proceeding from the separate accounting of the products (services) and of the outlays on their output.

**13.** Seen as the initial data for the calculation of the regulated prices (tariffs) shall be:

- the estimate volume of the products (services) for the period of regulation, defined proceeding from the balance between the extraction and the realization of gas in the Russian Federation;

- the estimate summary volume of the earnings (for the period of regulation), required to compensate for the economically substantiated outlays, referred onto the prime cost of the products (works, services), and to ensure for the organizations engaged in the regulated kinds of activity, the profit, sufficient for their self-financing, as well as the funds for the payment of all the taxes and for making all the other obligatory payments in conformity with the legislation of the Russian Federation.

**14.** When considering the economic substantiations of the outlays and of the profit, the regulating bodies shall take into account:

a) the forecast prices (tariffs) for (on) the products (services), consumed by the organizations, performing the regulated kinds of activity, as well as the taxes and the other obligatory payments in conformity with the legislation of the Russian Federation;

b) the forecast profit from gas deliveries for export;

c) the size of the profit, necessary to provide the said organizations with the funds for servicing the borrowed capital, for the development of the production, for the payment out of the dividends and for other well-substantiated outlays;

d) the plans for the capital investments of the said organizations and the sources for financing thereof, aimed at taking into account in the structure of the prices (tariffs) the outlays on making borrowings and the other sources for financing the investments, as well as the reports on the use of the investment funds in the previous periods;

f) the dynamics of the outlays and of the profit in the previous period of regulation, as well as the indices of the inflation in the expired period.

**15.** The prices on gas and tariffs on the services, rendered for the gas transportation in the gas-distribution networks and the size of the payment for the supply and sale services, rendered to the end consumers by the gas suppliers, may be differentiated by the consumer groups, depending on the latter's connection to the networks with different pressure, price belts, seasons, the time of the conclusion of contracts and the validity terms of these contracts for the delivery of gas, on the gas in-take regimes, on the gas consumption volumes, and on other factors.

**15.1.** Wholesale prices of gas produced by the Gazprom, public joint-stock company, and its affiliated persons shall be determined at the exit from the system of trunk gas pipeline transportation by the agreement of the parties upon the conclusion of the contracts for the delivery of gas (long-term contracts included), including cases of its resale, in the range between the maximum and minimum levels of wholesale prices with an eye to the specific aspects defined by the federal executive body in the sphere of the state control of prices and tariffs for the following groups of consumers (except for households):

a) the end consumers which concluded contracts for the delivery of gas for the first time with the beginning of deliveries after July 1, 2007 (except for organisations set up as a result of the reorganisation of the bodies which earlier bought gas produced by the Gazprom public joint-stock company, and its affiliated persons, or organisations which acquired (by way of legal continuity included) the gas

consuming equipment that was fed with gas produced by the Gazprom public joint-stock company, and its affiliated persons);

b) end consumers that buy gas over and above the volumes fixed in the contracts for gas delivery for 2007 (disregarding the additional volumes of gas stipulated by additional agreements to said contracts);

c) end consumers, the delivery of gas to which is carried out in connection with the works of expanding the Single Gas Supply System.

**15.2.** Use shall be made of the controlled wholesale prices of gas as a minimum level of wholesale gas prices, which are fixed by the Government of the Russian Federation on the basis of the average rates of the rise of wholesale prices.

As a maximum level of wholesale gas prices use shall be made of the controlled wholesale gas prices, which are fixed on the basis of the average rates of the rise of wholesale prices determined by the Government of the Russian Federation and shall be increased in 2007 by 60 per cent, in 2008 - by 50 per cent, from January 2009 - by 40 per cent, from July 1, 2009 - by 30 per cent, from January 1, 2010 - by 20 per cent, and from July 1, 2010 - by 10 per cent.

**15.3.** The suppliers shall sell gas produced by the Gazprom public joint-stock company, and its affiliated persons, at the wholesale prices fixed by agreement of the parties in accordance with Items 15.1 and 15.2 of the present Basic Provisions, provided that annual obligations are fulfilled under the contracts for the delivery of this gas in the volumes fixed in the contracts for the delivery of gas for 2007 (disregarding additional volumes of gas, stipulated by additional agreements to said contracts).

## **V. Procedure for Considering the Materials, Submitted for the Establishment (Alteration) of the Prices (Tariffs)**

**16.** The state regulation of the prices (tariffs) shall be effected in the established order on the ground of the applications from the organizations, engaged in the regulated kinds of activity, and also at the initiative of the regulating bodies.

**17.** The organization, performing the regulated kinds of activity, shall present to the regulating body an application for the establishment (the alteration) of the prices (tariffs), with an enclosure of the materials, named in Item 24 of the present Basic Regulations. The regulating body shall register the application on the day of its receipt. If the application does not satisfy the established demands, the regulating body shall return it for being worked up within a seven-day term as from the day of its receipt.

**18.** When the prices (tariffs) are established (altered) at the initiative of the regulating bodies, the latter shall issue to the organizations, performing the regulated kinds of activity, an instruction for submitting the corresponding proposals on the establishment (the alteration) of the prices (tariffs).

**19.** For a preliminary consideration of proposals on the establishment (the alteration) of the prices (tariffs), submitted by the organizations, engaged in the regulated kinds of activity, and for preparing the draft decision, the regulating body shall appoint an authorized person from among the members of the board and shall set up an expert group, the conclusion of which shall contain:

- an assessment of the authenticity of the data, supplied in the proposals on the establishment (the alteration) of the prices (tariffs);
- an analysis of these proposals, proceeding from all the factors, taken into consideration by the regulating bodies when establishing (altering) the prices (the tariffs) in conformity with the present Basic Regulations.

**20.** A notification on the date, the hour and the place of holding a session of the board, as well as the materials, prepared for holding such (an application for the establishment /the alteration/ of the prices /the tariffs/), or a copy of the decision on the consideration of the question about the establishment /the alteration/ of the prices /the tariffs/ at the initiative of the regulating body, the conclusion of the expert group and the draft decision of the board of the regulating body), shall be forwarded to the members of the board and to the organizations, performing the regulated kinds of activity, not later than five days before holding the session.

**21.** The session of the board of the regulating body, at which proposals on the establishment (on the alteration) of the prices (the tariffs) are considered, shall be seen as possessing legal power, if it is attended by more than a half of the board membership. To the session shall be invited the representative (representatives) of the organization, engaged in the regulated kinds of activity.

If the representative of the said organization is absent, the session shall be put off by decision of the board of the regulating body for no more than ten days. In case of the repeated non-attendance of the representative, the session may be held in his absence.

**22.** The decision of the board of the regulating body on the establishment (on the alteration) of the prices (tariffs) shall be adopted by the majority vote of the attending members of the board. If the votes fall equal, the vote of the chairing person shall be seen as deciding.

If the members of the board of the regulating body and the representative of the organization, performing the regulated kinds of activity, hold a special opinion, it shall be rendered in writing and enclosed to the protocol of the session.

The decision on the establishment (on the alteration) of the prices (tariffs) shall be taken by the board of the regulating body in the course of 40 working days as from the date of receiving an application for the establishment (for the alteration) of the prices (tariffs).

**23.** The decision of the board of the regulating body shall be directed to the organization, engaged in the regulated kinds of activity, within a five-day term as from the date of its adoption.

## **VI. Materials to Be Submitted to the Regulating Bodies by Organizations, Carrying Out the Regulated Kinds of Activity**

**24.** To an application for the establishment (for the alteration) of the prices (the tariffs) shall be enclosed the following materials:

a) the calculation of the prices (the tariffs), made in conformity with the methodological instructions, approved by the federal executive body in the sphere of the state control of prices and tariffs in agreement with the Ministry of Economic Development and Trade of the Russian Federation;

b) the business accounting balance sheet of the organization, performing the regulated kinds of activity as on the last accounting date;

c) the by-the-item substantiation of the alteration of the size of the outlays, referred onto the prime costs of the products (works, services), proceeding from a separate recording of the products (services) and of the outlays on their output;

d) the substantiation of the necessary profit;

e) the plans for the capital investments of the said organization for the corresponding year, aimed at recording in the structure of the prices (the tariffs) the outlays on attracting the borrowings and the other sources of financing in accordance with these plans, as well as the reports on the use of the investment funds for the previous periods;

f) comparison data on the items of the outlays and on the size of the balance profit for the three previous years.

**25.** The forms of submitting by the organizations, engaged in the regulated kinds of activity, the materials, envisaged in Item 24 of the present Basic Regulations, shall be established by the federal executive body in the sphere of the state control of prices and tariffs in conformity with the demands, made on the compilation of the business accounting, statistical and other reports.

**26.** Non-presentation by the organizations, performing the regulated kinds of activity, of a part of the materials, mentioned in Item 24 of the present Fundamental Provisions, shall be seen as a ground for the refusal to consider the proposals on the establishment (on the alteration) of the prices (the tariffs) until all the materials are submitted.

### **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.

## **VII. Final Provisions**

**27.** The regulating body shall bear responsibility, in conformity with the legislation of the Russian Federation, for the economic substantiation of the established prices (tariffs) and for the timeliness of introducing such, as well as for the divulgence of information, comprising a commercial secret.

**28.** The disputes and the differences of opinion, connected with the application of the regulated prices (tariffs), shall be considered in conformity with the legislation of the Russian Federation, and in the pre-trial order - by the regulating bodies within the scope of their competence.