

**Public Limited Company “Interregional Distribution Grid Company of the
Center and North Caucasus”
170001, 55, Kalinin Ave, City of Tver**

MINUTES

of the meeting of the Board of Directors of
IDGC of Center and North Caucasus, plc
(in the form of postal voting)

January 17, 2006

No001/06

Moscow

Holding form: **postal voting**

Total number of the members of the Board of Directors: **9**

Participated in the voting: **A.N. Rappoport, D. A. Burnashev, A. M. Branis, A. A. Demin, E. F. Makarov, A. E. Nikulov, M. Y. Tuzov, A. V. Chikunov, A. N. Chistyakov**

Didn't submit enquiry lists: **none**

Quorum secured

The written opinion of Ms. I. S. Demina, representative of the FAS of Russia, Head of the DFAS of Tver Region was taken into account while compiling the given Minutes.

Agenda:

1. On the approval of the Insurance Coverage Program of the Company in 2006.
2. On the priority guidelines of the Company's activities regarding the financial accounting as stated in IFRS.
3. On the determination of the fee for the services of the auditor of IDGC of the Center and North Caucasus, plc – Pricewaterhouse Coopers Audit Private Stock Corporation.
4. On the approval of the Contract with Pricewaterhouse Coopers Audit, psc on the rendering of auditing services.
5. On the foundation of the Committee of Reliability of the Board of Directors of IDGC of the Center and North Caucasus, plc.
6. On the alteration of the resolution of the Board of Directors of the Company of September 26, 2005 (Minutes No007/05) regarding item No2 “Provisions on Material Incentives for Top Managers of IDGC of the Center and North Caucasus, plc”.

ITEM No1: On the approval of the Insurance Coverage Program of the Company in 2006.

RESOLUTION:

To approve the Insurance Coverage Program of the Company in 2006-2007 as stated in Annex No1 of the present Minutes on the following terms:

- total sum of the insurance premium as stated in the Program – 7 175 779 rubles;
- including the sum of the insurance premium to be paid in 2006 – 2 956 489 rubles;

Voting results:

Andrey Natanovich Rappoport	- “yes”
Dmitry Alexandrovich Burnashev	- “yes”
Alexandr Markovich Branis	- “no”
Andrey Alexandrovich Demin	- “yes”
Evgeny Fedorovich Makarov	- “yes”
Alexandr Evgenievich Nikulov	- “yes”
Mikhail Yurievich Tuzov	- “yes”
Alexandr Vasilievich Chikunov	- “yes”
Alexandr Nikolaevich Chistyakov	- “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES”	8
“NO”	1
“ABSTAINED”	0

The resolution is agreed.

ITEM No2: On the priority guidelines of the Company’s activities regarding financial accounting as stated in IFRS.

RESOLUTION:

1. To consider financial accounting as stated in IFRS to be a priority guideline of the Company’s activities.
2. To instruct the General Director of the Company:
 - to draw up of the financial accounting in 2006 as stated in IFRS;
 - to establish the Department of financial accounting preparation as stated in IFRS in the Company;
 - to provide training of Company’s experts of the above mentioned Department in accordance with course program and training schedule.

Voting results:

Andrey Natanovich Rappoport	- “yes”
Dmitry Alexandrovich Burnashev	- “yes”
Alexandr Markovich Branis	- “yes”
Andrey Alexandrovich Demin	- “yes”
Evgeny Fedorovich Makarov	- “yes”
Alexandr Evgenievich Nikulov	- “yes”

Mikhail Yurievich Tuzov - “yes”

Alexandr Vasilievich Chikunov - “yes”

Alexandr Nikolaevich Chistyakov - “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES” 9

“NO” 0

“ABSTAINED” 0

The resolution is agreed.

ITEM No3: On the determination of the fee for the services of the auditor of IDGC of the Center and North Caucasus, plc – Pricewaterhouse Coopers Audit Private Stock Corporation.

RESOLUTION:

To determine the fee for the services of the auditor of the Company – Pricewaterhouse Coopers Audit, psc – for the auditing of the financial (bookkeeping) accounting of the Company in 2005 made in accordance with RSBK in the amount of 2 800 000 (two million eight hundred thousand) rubles (without VAT).

Voting results:

Andrey Natanovich Rappoport - “yes”

Dmitry Alexandrovich Burnashev - “yes”

Alexandr Markovich Branis - “yes”

Andrey Alexandrovich Demin - “yes”

Evgeny Fedorovich Makarov - “yes”

Alexandr Evgenievich Nikulov - “abstained”

Mikhail Yurievich Tuzov - “yes”

Alexandr Vasilievich Chikunov - “yes”

Alexandr Nikolaevich Chistyakov - “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES” 8

“NO” 0

“ABSTAINED” 1

The resolution is agreed.

ITEM No4: On the approval of the Contract with Pricewaterhouse Coopers Audit, psc on the rendering of auditing services.

RESOLUTION:

To approve the Contract on auditing services between IDGC of the Center and North Caucasus, plc and Pricewaterhouse Coopers Audit, psc, which is a transaction and may entail foreign currency liabilities (or liabilities the value of which is attached to the foreign currency).

Voting results:

Andrey Natanovich Rappoport	- “yes”
Dmitry Alexandrovich Burnashev	- “yes”
Alexandr Markovich Branis	- “yes”
Andrey Alexandrovich Demin	- “yes”
Evgeny Fedorovich Makarov	- “yes”
Alexandr Evgenievich Nikulov	- “abstained”
Mikhail Yurievich Tuzov	- “yes”
Alexandr Vasilievich Chikunov	- “yes”
Alexandr Nikolaevich Chistyakov	- “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES”	8
“NO”	0
“ABSTAINED”	1

The resolution is agreed.

ITEM No5: On the foundation of the Committee of Reliability of the Board of Directors of IDGC of the Center and North Caucasus, plc.

RESOLUTION:

1. To form the Committee of Reliability of the Board of Directors of the Company.
2. To approve the Provisions on the Committee of Reliability of the Board of Directors of the Company as stated in Annex No2 of the present Minutes.
3. To approve the following staff of the Committee of Reliability of the Board of Directors of the Company:
 - V.V. Dorofeev – Chairman of the Committee of Reliability of the IDGC of the Center and North Caucasus, plc, Deputy Chairman of the Board of Directors of FGC UES, plc;
 - S.A. Shumacher – Deputy Chairman of the Committee of Reliability of the IDGC of the Center and North Caucasus, plc, Technical Director of IDGC of the Center and North Caucasus, plc;

- I.N. Polyakov – Deputy Director of the Control Center of Interregional Distribution Grid Complex FGC UES, plc;
- O.V. Zuikova – Head of Grid Control Department of the IDGC of the Center and North Caucasus, plc;
- I.V. Sokolov – Chief Engineer of Tulenergo, plc.

Voting results:

Andrey Natanovich Rappoport	- “yes”
Dmitry Alexandrovich Burnashev	- “yes”
Alexandr Markovich Branis	- “abstained”
Andrey Alexandrovich Demin	- “yes”
Evgeny Fedorovich Makarov	- “yes”
Alexandr Evgenievich Nikulov	- “yes”
Mikhail Yurievich Tuzov	- “yes”
Alexandr Vasilievich Chikunov	- “yes”
Alexandr Nikolaevich Chistyakov	- “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES”	8
“NO”	0
“ABSTAINED”	1

The resolution is agreed.

ITEM No6: On the alteration of the resolution of the Board of Directors of the Company of September 26, 2005 (Minutes No007/05) regarding the item No2 “Provisions on Material Incentives for Top Managers of IDGC of the Center and North Caucasus, plc”.

RESOLUTION:

1. To consider the Provisions on Material Incentives for Top Managers of IDGC of the Center and North Caucasus, plc, approved by the resolution of the Board of Directors of the Company of September 26, 2005 (Minutes No007/05) inoperative as of December 1, 2005.
2. To consider the List of Positions of the top manager category approved by the resolution of the Board of Directors of the Company of September 26, 2005 (Minutes No007/05) inoperative as of December 1, 2005.
3. To approve the Provision on Material incentives for Top Managers of IDGC of the Center and North Caucasus, plc as stated in Annex No3 of the present Minutes.
4. To consider the Provision on Material incentives for Top Managers of IDGC of the Center and North Caucasus, plc operative as of December 2, 2005.

5. To approve the redrafted List of Positions of the top manager category of IDGC of the Center and North Caucasus, plc:

1 category:

Director of Strategic Management;
Director of Economy and Finance;
Director of Corporate Management;
Technical Director;
Director of Information Policy;
Director of Investment and Logistics;
Director of the Southern Affiliate;
Director of the Western Affiliate;
Director of the Upper-Volga Directorate;
Director of the Black Earth Directorate;
Managing Director.

2 category:

Deputy Technical Director;
Deputy Director of the Southern Affiliate of Technical Policy;
Deputy Director of the Southern Affiliate of Economy;
Deputy Director of the Southern Affiliate of Management Systems;
Deputy Director of the Western Affiliate of Technical Policy;
Deputy Director of the Western Affiliate of Economy;
Deputy Director of the Western Affiliate of Management Systems;
Deputy Director of the Upper-Volga Affiliate of Technical Policy;
Deputy Director of the Upper-Volga Affiliate of Economy;
Deputy Director of the Upper-Volga Affiliate of Management Systems;
Deputy Director of the Black Earth Affiliate of Technical Policy;
Deputy Director of the Black Earth Affiliate of Economy;
Deputy Director of the Black Earth Affiliate of Management Systems.

6. To consider the List of Positions of the top manager category of IDGC of the Center and North Caucasus, plc operative as of December 2, 2005.

Voting results:

Andrey Natanovich Rappoport	- “yes”
Dmitry Alexandrovich Burnashev	- “yes”
Alexandr Markovich Branis	- “no”
Andrey Alexandrovich Demin	- “yes”
Evgeny Fedorovich Makarov	- “yes”
Alexandr Evgenievich Nikulov	- “yes”
Mikhail Yurievich Tuzov	- “yes”
Alexandr Vasilievich Chikunov	- “yes”
Alexandr Nikolaevich Chistyakov	- “yes”

There are no objections to the draft resolution from the representative of the FAS of Russia, Head of the DFAS of Tver Region.

Total:

“YES”	8
“NO”	1
“ABSTAINED”	0

The resolution is agreed.

Chairman of the Board of Directors

A.N. Rappoport

Secretary of the Board of Directors

K.V. Kotikov