

JSC Federal Grid Company of the Unified Energy System
Russian Federation, 117630, Moscow, Academica Chelomeya street, 5A
phone: 495 710 9000, fax: 495 710 9655

MINUTES №1 OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Full company name: Joint-stock company Federal Grid Company of the Unified Energy System
Residing location: 117630 Russia, Moscow, Academica Chelomeya street, 5A
Type of the general meeting: annual
Form of the meeting: meeting
Date of the meeting: June, 29 2007
Place of the meeting: 117630, Moscow, Academica Chelomeya street, 5A

Date of the drawing up the list of the persons entitled to attend in the General Shareholders meeting of the Joint-stock company Federal Grid Company of the Unified Energy System - May, 29th, 2007.

Registration time for members entitled to attend in the General Shareholders meeting: 11.00
Time of the Meeting opening: 12.00
Time of the meeting registration ending for members entitled to attend in the General Shareholders meeting: 11.50
Time of counting of votes: 12.40
Time of the meeting closing: 12.50
Date of drawing up protocol: July, 12 2007

Chairman of the General meeting of shareholders - Mr. Rappoport A.N. according to the p.p.10.11 of the s.10 of the Articles of Association of JSC FGC UES and to the p. 2 the s.67 of the Federal law «On joint-stock companies», functions of Presiding over annual General meeting of shareholders are carried out by the board member of the Company

The secretary of the General meeting of shareholders – Mr. Stapan D.A. the secretary of the Board of Directors of JSC FGC UES.

Tabulation commission - in accordance with the f. 56 of the Federal law «On joint-stock companies», and as on the basis of the decision of Board of Directors of JSC FGC UES (the Minutes № 44 from 29.05.2007) the functions of tabulation commission of the annual General meeting of shareholders are assigned to Mr. Stapan D.A., the secretary of the Board of Directors of JSC FGC UES

The general meeting of shareholders of JSC FGC UES was opened by the chairman of the General meeting of shareholders Mr. Rappoport Andrey Natanovich. For the announcement of the results of shareholders registration and also for an explanation of the voting procedure concerning the agenda the word was given to Mr. Stapan D.A., secretary of the Board of Directors of JSC FGC UES

By the data from the tabulation commission at the moment of the meeting there were registered shareholders and their authorized representatives which are possessing in aggregate voting actions 361 382 207 920 pieces that makes 100.00 % of voices from quantity of voices of the shareholders having the right to participate in General meeting of shareholders.

In accordance with the p.1 of the s. 58 of the Federal law «On joint-stock companies» the General meeting of shareholders is competent (quorum is obtained) if the shareholders cumulatively possessing more than half of the voting shares of the Company take part in it. The quorum was available and the General meeting of shareholders of JSC FGC UES has been recognized competent.

AGENDA:

1. Approvals of the annual report, annual accounting report, including profit and loss report of the Company.
2. Distribution of profits (inclusive of the dividends pay-off) and losses of the Company which are based on the results of the 2006 financial year.
3. Election of members of Board of Directors of the Company.
4. Election of members of audit commission of the Company.
5. Approval of auditor of the Company.
6. Introduction of Amendments and Additions to the Articles of Association of the Company.
7. Approval of the contract of trust management by the rights under shares of the Interregional Distribution Company (IDC) between RAO UES of Russia and JSC FGC UES, being interested party transaction.

The first question: Approvals of the annual report, annual accounting report, including the profit and loss report of the Company.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department of JSC FGC UES, spoke about the first question.

In the first part of the question (regarding the annual report of the Company) the information about the basic financial and operating results of Company activity was presented, as well as the information about the significant events for the JSC FGC UES and decisions made by the management of the Company.

In the second part of the question (regarding approving of the annual accounting report including also the profit and loss report of the Company) the meeting members were provided with information about the key figures of the accounting report and financial report on the 2006 year results.

The annual report and the annual accounting report of JSC FGC UES were approved earlier by the Boar of Directors of the Company (Minutes № 44 dated 29.05.2007).

There were no questions about the first question of the agenda.

The chairman of General meeting of shareholders suggested proceeding to the vote.

The decision about this question is accepted by simple majority of votes of shareholders the owners of voting shares of the Company and taking part in the meeting.

The second question: Distribution of profits (inclusive of the dividends pay-off) and loss of the Company which are based on the results of the 2006 financial year.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department the JSC FGC UES spoke out about the second question. He has presented the information about the profit of the Company received in 2006 following the results of activity and its distribution according to recommendations of board of directors (the Minutes № 44 dated 29.05.2007).

In addition the information about results of audit commission check-out the financial and operational activities has been heard.

There were no questions about the second question of the agenda.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

The decision about this question is accepted by simple majority of votes of shareholders the owners of voting shares of the Company and taking part in the meeting.

The third question: Election of members of Board of Directors of the Company.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department of the JSC FGC UES spoke out about the third question.

He has informed the meeting that offers on nomination of candidates to the board of directors of the Company have been presented by shareholders of the Company on the term established by the Articles of Association of the Company. The reached offers have been considered by the board of directors of the Company (the Minutes № 44 dated 29.05.2007); nominees are included in the list for voting by elections to the board of directors.

There were no questions about the third question of the agenda.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

The decision about this question is accepted by cumulative voting, candidates received the biggest amount of votes are considered to be elected as the Board of Directors members.

The forth question: Election of members of audit commission of the Company.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department the JSC FGC UES spoke out about the forth question.

He has informed the meeting that offers on nomination of candidates to the audit commission of the Company have been presented by shareholders of the Company on the term established by the Articles of Association of the Company. The reached offers have been considered by the board of directors of the Company (the Minutes № 44 dated 29.05.2007); nominees are included in the list for voting by elections to the audit commission.

There were no questions about the forth question of the agenda.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

The decision about this question is accepted by simple majority of votes of shareholders - the owners of voting shares of the Company and taking part in the meeting.

The fifth question: Approval of auditor of the Company.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department the JSC FGC UES spoke out about the fifth question and has presented the information on a nominee of the auditor. The auditor nominee was offered to the General meeting for approving by the board of directors of the Company (the Minutes № 44 dated 29.05.2007).

There were no questions about the fifth question of the agenda.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

The decision about this question is accepted by simple majority of votes of shareholders - the owners of voting shares of the Company and taking part in the meeting.

The sixth question: Introduction of Amendments and Additions to the Articles of Association of the Company.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department the JSC FGC UES spoke out about the sixth question.

The spokesman has reported to the General Shareholders meeting about the entered offers on the Introduction of Amendments and Additions to the Articles of Association JSC FGC UES with the object to develop the corporate governance system.

The project of Amendments and Additions to the Articles of Association of the Company was previously discussed and than offered for the approval from the General Shareholders meeting on the board of directors of the JSC FGC UES session (the Minutes № 44 dated 29.05.2007).

There were no questions about the sixth question of the order of business.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

The decision about this question gets out by a majority of three-quarter shareholders - owners of the Company voting shares and taking part in meeting.

The seventh question: Approval of the contract of trust management by the rights under shares of the Interregional Distribution Company (IDC) between RAO UES of Russia and JSC FGC UES, being the interested party transaction.

Mr. Perelygin Andrey Vitalevich, chief of the corporate governance department the JSC FGC UES spoke out about the seventh question.

There were no questions about the sixth question of the order of business.

The chairman of General meeting of shareholders has suggested proceeding to the vote.

According to the p. 4 of the s. 83 of the Federal law «On joint-stock companies», the decision about this question is accepted by majority of votes of shareholders - the owners of voting shares and uninterested in this transaction.

The chairman of the General meeting of shareholders declared ending of discussion of questions of the agenda of the annual General meeting of shareholders of JSC FGC UES, the termination of registration for members entitled to attend in the General Shareholders meeting and gave time for voting to the persons who have not voted up the agenda items until that time.

According to results of the voting, the chairman has announced the beginning of counting of the votes.

For the reporting on vote results and decisions concerning the agenda of the annual General meeting of shareholders of JSC FGC UES the word has been given to Mr. Stapan Dmitry Andreevich, secretary of the Board of Directors of JSC FGC UES, who bared functions of the tabulation commission of the annual General meeting of shareholders of JSC FGC UES.

The voting results on the first question: Approvals of the annual report, annual accounting report, including the profit and loss account of the Company.

| | |
|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shares and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| Voting options | Number of voices | % from the all voices |
|----------------|------------------|-----------------------|
| «FOR» | 361 382 207 902 | 100.00 |
| «AGAINST» | 0 | 0.00 |
| «ABSTAIN» | 0 | 0.00 |

The decisions about the first question are:

To approve the annual report of the Company for 2006, the annual accounting report, including the profits and losses report (accounts of the profits and losses) of the Company.

The second question: Distribution of profits (inclusive of the dividends pay-off) and losses of the Company basing on the results of the 2006 financial year.

| | |
|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shared and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |

| | |
|--|-----------------|
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| Voting options | Number of voices | % from the all voices |
|----------------|------------------|-----------------------|
| «FOR» | 361 382 207 902 | 100.00 |
| «AGAINST» | 0 | 0.00 |
| «ABSTAIN» | 0 | 0.00 |

The decisions about the second question are:

1. To approve the proposed distribution of profits and losses of the Company received in 2006 financial year:

| | Thousands rubles |
|--|------------------|
| Undistributed profits (losses) for the accounting period | 1 833 484 |
| Distributed for: Reserve capital | 1 245 636 |
| Dividends | 587 848 |
| Clearing of losses of previous years | - |

2. Pay dividends for ordinary shares of the Company based on the results of the 2006 year at the rate of 0.001626664 rubles for one ordinary share in the cash assets form within 60 days from the date of decision-making on their payment.

The third question: Election of members of Board of Directors of the Company.

| | |
|--|-------------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 3 975 204 287 120 |
| The number of votes, which the persons with outstanding shares and entitled to vote in the General Shareholders meeting possessed on the matter | 3 975 204 287 120 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 3 975 204 287 120 |
| The quorum for this matter (%) | 100.00 |

| № | Full name of nominates | The number of votes | % from the all voices |
|---------------------------|--|------------------------|-----------------------|
| «FOR» voices distribution | | | |
| 1 | Mr. Askinadze Denis Arkadyevich | 348 064 428 712 | 8.7558878 |
| 2 | Mr. Auev Boris Ilyich | 348 064 428 712 | 8.7558878 |
| 3 | Mr. Voloshin Aleksandr Stalyevich | 348 064 428 712 | 8.7558878 |
| 4 | Mr. Gref German Oskarovich | 348 064 428 712 | 8.7558878 |
| 5 | Mr. Dementyev Andrey Vladimirovich | 348 064 428 712 | 8.7558878 |
| 6 | Mr. Medvedev Uriy Mitrofanovich | 494 560 000 000 | 12.4411210 |
| 7 | Mr. Ponomarev Dmitry Valeryevich | 0 | 0.0000000 |
| 8 | Mr. Rappoport Andrey Natanovich | 348 064 428 712 | 8.7558878 |
| 9 | Mr. Rashevskiy Vladimir Valeryevich | 348 064 428 712 | 8.7558878 |
| 10 | Mr. Travin Vladimir Valentinovich | 0 | 0.0000000 |

| | | | |
|--|---|------------------------|------------------|
| 11 | Mr. Udaltzov Uriy Arkadyevich | 348 064 428 712 | 8.7558878 |
| 12 | Mr. Khristenko Viktor Borisovich | 348 064 428 712 | 8.7558878 |
| 13 | Mr. Chubais Anatoliy Borisovich | 348 064 428 712 | 8.7558878 |
| «AGAINST» | | 0 | 0 |
| «ABSTAIN» | | 0 | 0 |
| The number of votes in bulletins which are recognized as avoid | | | 0 |

The decision about the question №3 is:

In the board of directors are selected:

1. Mr. Askinadze Denis Arkadyevich
2. Mr. Auev Boris Ilyich
3. Mr. Voloshin Aleksandr Stalyevich
4. Mr. Gref German Oskarovich
5. Mr. Dementyev Andrey Vladimirovich
6. Mr. Medvedev Uriy Mitrofanovich
7. Mr. Rappoport Andrey Natanovich
8. Mr. Rashevskiy Vladimir Valeryevich
9. Mr. Udalycov Uriy Arkadyevich
10. Mr. Khristenko Viktor Borisovich
11. Mr. Chubais Anatoliy Borisovich

The forth question: Election of members of audit commission of the Company.

| | |
|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shared and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| № | Full name of nominates | «FOR» | | «AGAINST» | «ABSTAIN» |
|---|------------------------------------|------------------------|-----------------------|---------------------|-----------------------|
| | | The number of votes | % from the all voices | The number of votes | The number of votes |
| 1 | Baitov Anatoliy Valeryevich | 316 422 207 920 | 87.558% | 0 | 44 960 000 000 |
| 2 | Gabov Andrey Vladimirovich | 316 422 207 920 | 87.558% | 0 | 44 960 000 000 |
| 3 | Lelekova Marina Alekseevna | 316 422 207 920 | 87.558% | 0 | 44 960 000 000 |
| 4 | Morozov Mikhail Afonasyevich | 0 | 0.00% | 0 | 361 382 207 920 |
| 5 | Sidorov Sergey Borisovich | 316 422 207 920 | 87.558% | 0 | 44 960 000 000 |

| | | | | | |
|---|--|------------------------|----------------|----------|----------|
| 6 | Chernyshov Vladimir Vladimirovich | 361 382 207 920 | 100.00% | 0 | 0 |
|---|--|------------------------|----------------|----------|----------|

The decision about the question №4 is:

In the audit commission are selected:

1. Mr. Baitov Anatoliy Valeryevich
2. Mr. Gabov Andrey Vladimirovich
3. Ms. Lelekova Marina Alekseevna
4. Mr. Sidorov Sergey Borisovich
5. Mr. Chernishov Vladimir Vladimirovich

The fifth question: Approval of auditor of the Company

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|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shared and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| Voting options | Number of voices | % from the all voices |
|----------------|------------------|-----------------------|
| «FOR» | 361 382 207 902 | 100.00 |
| «AGAINST» | 0 | 0.00 |
| «ABSTAIN» | 0 | 0.00 |

The decision on the fifth question is:

To confirm ZAO «PricewaterhouseCoopers Audit» as the auditor of the Company.

The sixth question: Introduction of Amendments and Additions to the Articles of Association of the Company.

The subquestion №6.1:

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|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shared and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| Voting options | Number of voices | % from the all voices |
|----------------|------------------|-----------------------|
| «FOR» | 361 382 207 902 | 100.00 |
| «AGAINST» | 0 | 0.00 |
| «ABSTAIN» | 0 | 0.00 |

The decision on the question №6.1 is:

To make the following changes and additions in the Articles of Association of the Company:

In the section 15:

The subparagraph 32) of the paragraph 15.1. shall be amended as follows:

«32) the definition of the Company purchasing policy, Including the Position statement about the procedure of carrying out the regulated purchases of the goods, works, services, the statement of the head of the Company's central purchasing authority and also acceptance of other decisions in correspondence with the documents confirmed in the Company which are regulating purchasing activity of the Company.»

The subquestion №6.2:

| | |
|--|-----------------|
| The number of votes, which the persons included in the list of members entitled to take part in the General Shareholders Meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons with outstanding shared and entitled to vote in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The number of votes, which the persons who took part in the General Shareholders meeting possessed on the matter | 361 382 207 902 |
| The quorum for this matter (%) | 100.00 |

| Voting options | Number of voices | % from the all voices |
|----------------|------------------|-----------------------|
| «FOR» | 361 382 207 902 | 100.00 |
| «AGAINST» | 0 | 0.00 |
| «ABSTAIN» | 0 | 0.00 |

The decision on the question №6.2 is:

To make the following changes and additions in the Articles of Association of the Company:

In the section 20:

The paragraph 20.5 shall be amended as follows:

«20.5 The labor contract with the chairman of the Company Management Board for the period of 5 years is subscribed by the person authorized by the Board of Directors.»

The seventh question: Approval of the contract of trust management rights for the shares of the Interregional Distribution Companies (MMSKs) between RAO UES of Russia and JSC FGC UES, being the interested party transaction.

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|---|----------------|
| The number of votes of the persons included in the list of members entitled to attend and vote in the General Shareholders meeting of the Company and uninterested in this transaction, possessed on the matter | 44 960 000 000 |
| The number of votes of the persons with outstanding stock and entitled to vote in the General Shareholders meeting of the Company and uninterested in this transaction, possessed on the matter | 44 960 000 000 |
| The number of votes of the persons who took part in the General Shareholders meeting of the Company and uninterested in this transaction, possessed on the matter | 44 960 000 000 |
| The quorum for this matter (%) | 100.00 |

The decisions about the seventh question are:

7.1. Approve the contract of trust management rights for the shares of the Interregional Distribution Grid Company (MMSKs) between the RAO “UES of Russia” and the JSC FGC UES (hereinafter – the Contract), being the interested party transaction with the following essential conditions:

7.1.1. JSC RAO “UES of Russia” (Trust settler) transfers to JSC FGC UES (Trust manager) set of the rights, certified by ordinary registered shares of MMSKs, belonging on property right to the Trust management (Appendix 1).

7.1.2. The trust management is carried out in interests of the RAO “UES of Russia” and is connected only with Trust manager realization of rights for shares.

Contract period of validity is from 2nd June, till 10th July, 2008. In the absence of notifications of one of the parties for a termination of the contract, upon termination of the Contract it is stipulated to be prolonged for another 6 months on the same conditions.

The rate of JSC FGC UES compensation fee is not a constant and consists of the basic remuneration and an extra fee.

7.1.3. While calculation of the compensation of the Trust manager, achievement of the following purposes as well as management efficiency are counted, including reforming of the distribution grid complex, including:

- reliability control of functioning of the distribution grid complex in reforming period;
- increasing of the capitalization of the distribution grid companies;
- reliability control on the process of interregional grid companies (MMSK) for a sole share;
- formatting of effective and transparent system of the tariff fixing, stimulating activity of the distribution grid complex;
- meeting of deadlines for plan-schedule of reforming MMSK, approved by the Trust settler;
- introduction of uniform principles of formatting of investment programs and the technical policy of the distribution grid companies;
- managing of the distribution grid complex on the basis of criteria and standards of operation of the distribution grid objects;
- providing the dividend yield under shares of the distribution grid companies;
- providing the technical and technological control over operation in the objects, equipment and constructions of the distribution grid complex, including questions of a labor safety, industrial and fire safety;
- providing the entering into secretariat of the Government of the Russian Federation the project of changes in the order of the Government of the Russian Federation dated 26.01.2006 № 77-r not later than in the III quarter 2007;
- state registration of the inter-regional distribution grids companies with regard to the configuration confirmed by the decision of Board of directors of JSC RAO “UES of Russia”, not later than in the III quarter 2007;
- joining of the distribution grid companies (RSKs) which management has made all necessary decisions on reorganization, to the MMSK - II - III quarters 2008;

- enter into the profile ministries and departments the changes into the legislation of the system of regulation tariff design on the basis of RAB (Regulated Asset Base) - III quarter 2007.

7.1.4. The rate of commission pays off as follows:

The Source of payment of compensation for the Trust manager is the gain of actual size of the dividends paid by interregional distribution grid companies (MMSK) in favor of the Trust settler, including the results of regional distribution grid company (RSK) work, for previous year (hereinafter referred to as Gain). Thus Gain calculation does not join the size of the dividends paid by MMSK from dividends of RSK received to it on which (RSK) hasn't the task about dividends (including zero).

The gain is defined as a difference between the sum of actually added (declared) dividends under all shares the rights on which are transferred in control, following the results of the accounting period and the sum of the dividends established in the Task under dividends behind a deduction of the tax to incomes. The gain is distributed between the Trust settler and the Trust manager as follows: first of all the Trust settler pays to the Trust manager the sum of the basic compensation of the size defined as follows:

- From the moment of the conclusion of the Contract till December, 31st, 2007 - no more than 169 564 679 (hundred sixty nine millions five hundred sixty four thousand six hundred seventy nine) rubles 50 copeck;
- Concerning the subsequent period of trust management - the size of compensation should be no more than the sizes established by the decision of the Trust settler.

7.1.5. If the Gain size appears less than sums of the basic compensation, fee of the Trust manager is carried out at a rate of the Gain.

7.1.6. The rest of the Gain after payment of the basic compensation is distributed as follows: 70 % (seventy percent) remain at the disposal of the Trust settler, 30 % (thirty percent) are paid by the Trust settler in the form of compensation to the Trust manager. The specified size of compensation includes VAT.

7.1.7. When the purposes provided in paragraphs 11-14 of item 7.1.3. are not achieved in the provided terms, the Trust manager doesn't get the extra fee stipulated in item 7.1.6 of the present Minutes for the corresponding year.

7.2. To define the price of services of the Trust manager under the concluded Contract of trust management of the MMSK shares between JSC RAO "UES of Russia" and JSC FGC UES can not make 2 and more percent of balance value of actives of JSC RAO "UES of Russia" as it is given in the accounting reporting of JSC RAO "UES of Russia" dated 01.06.2007.

Chairman of the General Shareholders meeting

Secretary of the General Shareholders meeting