

Legal Update No. 222

18 February 2011

Goltsblat BLP advises that Resolution No. 940 of the Government of the Russian Federation of 27 November 2010 "On Amendments to Certain Acts of the Government of the Russian Federation Pertaining to Utility Connection Rules", applicable to heat, gas and water supply and sewerage, has come into effect .

Key changes include:

- The connection time may not be more than 18 months from the connection agreement date, unless a longer term is set in the customer's application.
- The connection fee payment procedure has undergone substantial modification, for instance, payment by instalment is now possible, subject to the following:
 - up to 15% is paid within 15 days of the connection agreement date,
 - up to 35% is paid within 180 days of the agreement date (but no later than the actual connection date),
 - the rest is paid within 15 days of the parties signing a relevant deed of connection.
- The customer is responsible for arranging a capital structure's connection within the boundaries of the land plot it occupies, while the contractor takes the relevant steps beyond these boundaries. The connection points may not be located outside the land plot boundaries, unless the customer has no approved investment programme or the approved investment programme fails to mention any measures for stepping up capacity and/or through-capacity of the network to which the capital structure is to be connected. If the customer takes relevant steps to erect the facilities required to enable connection, the contractor only undertakes the actual connection of the facilities constructed by the customer to the existing networks, with no connection fee being charged to the customer.
- An opportunity for the customer to provide a reasoned refusal to sign the connection agreement if it disagrees with the draft connection agreement suggested by the contractor or if the agreement contravenes the effective legislation is another novelty.
- The customer's application is deemed cancelled if the contractor fails to receive the connection agreement, signed by the customer, or its reasoned refusal to sign it.
- The Resolution updates the list of data required for concluding a connection agreement and also introduces liability for failure to comply with the prescribed delivery times.
- The scope of the Connection Rules is also amended to make them apply to both capital structures under construction (renovation) and structures already built but not yet connected to utility networks.

For additional information, please contact:



Vitaly Mozharowski, Partner,
Real Estate and Construction
Goltsblat BLP;
T: +7 (495) 287 44 44,
E: info@gbplaw.com

www.gbplaw.com

Capital City Complex,
Moscow City Business Centre, 8,
8, Presnenskaya Nab., Bldg.1,
Moscow, 123100, Russia

T: +7 (495) 287 44 44
F: +7 (495) 287 44 45
E: info@gbplaw.com

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info@gbplaw.com

The amendments have been in effect since 21 December 2010.