

Revenue

Dynamics of change of the actual revenue in 2010-2014

Name of the indicator, RUB million	2010	2011	2012	2013	2014
Electricity transmission revenue	25,346	29,486	29,276	29,650	31,343
TC revenue	668	884	1,412	955	882
Electricity transmission revenue	0	0	0	10,799	11,017
Revenue from other activities	655	479	481	646	1,020
Total	26,669	30,849	31,169	42,050	44,262

In 2014, the total revenue of JSC IDGC of the North-West amounted to RUB 44,262 million, which is a RUB 2,212 million or 5.3% increase in comparison with 2013.

At the same time, the revenue from electricity transfer amounted to RUB 31,343 million (according to accounting data) and increased by RUB 1,693 million or 5.7% in comparison with the actual amount in the previous period.

In 2014, the Company's revenue for the rendered electricity transfer services including the 'internal service' amounted to RUB 32,759 million, which is a RUB 1,190 million or 3.8% increase in comparison with the actual amount in the previous period. The significant change of the revenue for electricity transfer services was due to the following factors:

- While the effective deliveries decreased by 2% as compared to last year, the increase of the revenue for electricity transfer services was provided by the 6.4% growth of the average sale tariff. This increase was due to the measures for compensation of the termination of 'the last mile' in the Company's regions of presence in 2014 and the efforts of the Company management to defend its interests in the part of tariff and balance solutions and provision of extra tariff growth during 2014.
- Change in the structure of the indicator of the share of the revenue for electricity transfer services, which is accounted as part of earnings under power supply contracts in the revenue from electricity sales.

The decrease in revenues from electricity transmission services as of 2014 compared to 2013 is non-uniform for the regions of JSC IDGC of the North-West responsibility area. The greatest increase of the electricity transfer revenue was recorded at Arkhenergo branch (+ RUB 318 million) and Karelnenergo (+ RUB 334 million). The differences in the dynamics of revenue from the main business are due to the non-uniformity of changes of the average tariff by the regions of presence.

- The revenue from grid connection services interest was RUB 73 million or 7.6% that the actual amount of 2013, which was largely due to the reduction of revenue at Karelnenergo (- RUB 567 million) and Vologdaenergo RUB (-1.4 million). At the other branch, the revenue increase was caused by the growth of the number of completed contracts, in particular:
 - Arkhenergo: revenue increase by RUB 227 million as compared to the actual amount of 2013;
 - Komienergo: revenue increase by RUB 163 million as compared to the actual amount of 2013;
 - Novgorodenergo: revenue increase by RUB 61 million as compared to the actual amount of 2013;
 - Pskovenergo: revenue increase by RUB 25 million as compared to the actual amount of 2013;
 - Kolenergo: revenue increase by RUB 20 million as compared to the actual amount of 2013;
- The electricity sales revenue was RUB 218 million or 2% greater than the actual amount of 2013. For comparison of the Company's revenue in 2014 and 2013, the dynamics of structural changes in the Company's earnings, which occurred due to the function of guaranteed supplier, should be taken into account.

JSC IDGC of the North-West was engaged in the energy sale business in the following regions:

- The Murmansk Region (JSC Kola Energy Sales Company) in the periods from 01.03.2013 to 31.12.13 (10 months) and from 01.01.2014 to 31.12.2014 (1 year);
- The Novgorod Region in the following periods:
 - Novgorodenergosbyt LLC from 01.04.2013 to 31.12.2013 (9 months), from 01.01.2014 the contract was terminated.
 - JSC Novgorodoblenergosbyt from 01.10.2013 to 31.12.2013 (2 months) and from 01.01.2014 to 01.10.2014 (9 months).

Therefore, the difference of sales revenue in 2013 and 2014 was due to the different duration of the time when the Company acted as guaranteed supplier in these periods.

The revenue from other activities increased by RUB 374 million or 58% in comparison with the actual amount of 2013, which is due to the transfer of energy facilities in the branches of Vologdaenergo (RUB 125 million), Komienenergo (RUB 169 million), and Arkhenergo (RUB 182 million); and the growth of the amount of services on the forward market operating and technical maintenance and repair of electric grid equipment and increase of the revenue from property lease and provision of property for fiber optic lines.

Dynamics of sales revenue, RUB mln

