


Company presentation

We are a strategy consulting company specializing in Russian fuel and energy sector and natural monopolies. Our key areas of competence are:



Energy
Regulatory affairs
Transport
Aalytics

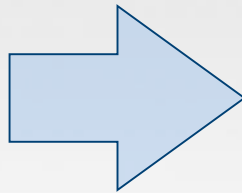
Independence: we are not affiliated with any big market players — what allows us to hold truly independent opinions.

What we do

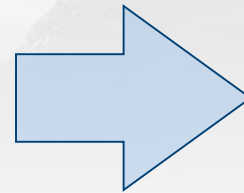


- Transfer of knowledge regarding Russian energy markets:

1



2



3

Introduction

For companies
newly entering the
market

Who is who

Opportunities,
risks, rules of
engagement

Strategy

Development
and support for
investment
programs

- Expert investment analysis
- Facilitating political agreements (with complete integrity)

The image features a background of a long, straight pipeline stretching into the distance, flanked by dense green forests under a clear blue sky. Overlaid on this is the 'ERT A' logo. The letter 'E' is white and set within a solid dark blue square. The letters 'R', 'T', and 'A' are white and positioned on a semi-transparent dark blue rectangular background that spans the width of the image.

ERT A

Energy Sector

ERTA analytical group was founded by the graduates of Moscow Physics and Technology University, who had previously formed the **gas department in the Russian Energy Ministry**. At present we continue to provide consulting services in the following areas:

- Natural gas
- Oil
- Electricity
- Heat supply

Among our clients



International companies:

- Shell
- Total S.A.
- Gaz de France
- Aladdin Oil&Gas
- CERA
- Enel
- Repsol
- Electricite de France

Russian companies:

- RAO UES of Russia
- Interros
- MMC NORILSK NICKEL
- ESN Group
- Eurosibenergo
- Kuzbassrazrezugol
- TNK-BP
- NOVATEK
- Norilskgazprom
- Gas Market Coordinator
- METALLOINVEST
- Transneft
- Sibur Holding
- SG-Trans
- Energy Forecasting Agency
- Gazprom Neft
- Mosgortrans
- SPIMEX
- Sayanskhimplast
- Russian Gas Society
- Gazprom Mezhhregiongaz
- Russian Energy Agency (REA)

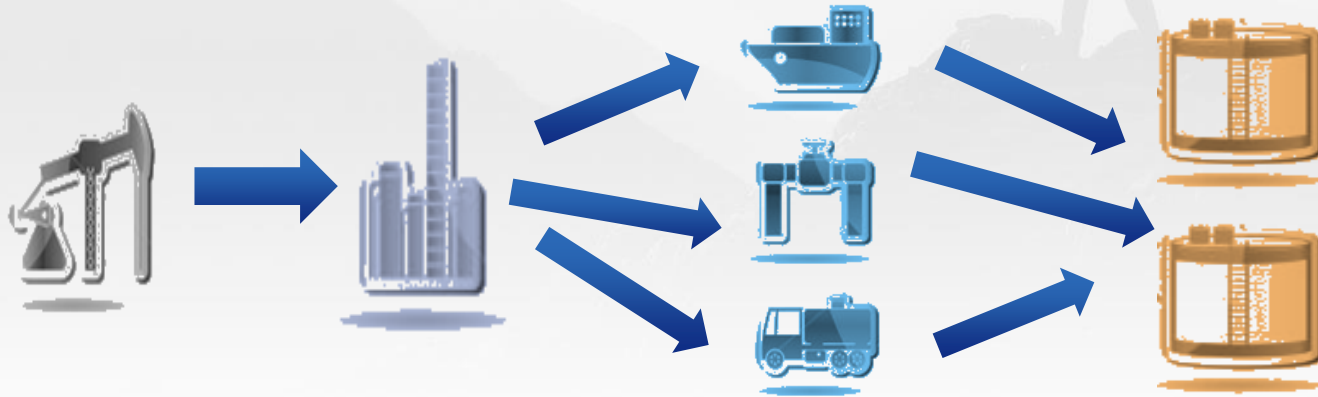
Sample energetics projects



- Comprehensive technical and economic analysis of the project of gas production and sales of **Kovykta gas condensate field** on behalf of one of the shareholders
- Comprehensive technical and economic analysis of the project of oil production and sales of **Yurubcheno-Tokhomskoye oil- gas condensate field** on behalf of one of the shareholders
- A **mathematical model of UES of Russia** power plants load optimization by request of the RF Federal Tariffs Service (FTS)
- Technical, economical and financial expertise of **OGK-3** by request of foreign investor
- **Analysis of heat supply problems** of several Russian cities by request of RAO UES

Oil and gas markets **E****R****T****A**

- Analysis of oil and gas markets in different regions



- Marketing review of the current state and prospects of the regional markets development allowing for the:
 - transport services,
 - recycling services,
 - sales & supply services,
 - access limits for the external suppliers and customers.

Transportation of oil and oil products



Our projects:

- Development of a model for **analyzing the impact of the main pipeline crude oil transportation network tariff** on the economy of the oil industry in Russia.
- Examination of target **use of** Transneft and Transnefteprodukt **tariff revenues**.
- Proposals for the tariff policy of **main pipeline transit transportation of crude oil** by foreign oil producers.
- Financial and economic expertise of proposals for the **development of crude oil and petroleum products transshipment capacities** at «Grushovaya» - «Sheskharis».
- Analysis of possible options of compensation Transneft's shortfall in income due to **unplanned underload of new oil main pipelines** by oil companies.
- Proposals for the introduction of the **«pump-or-pay» principle** for the main pipeline transportation of crude oil and petroleum products.



Transportation of oil and oil products



- **Development and unification of the principles of tariff regulation of pipeline transportation of crude oil and petroleum products** (development of a new version of the Resolution of the Government of the Russian Federation «About state regulation of tariffs for services of natural monopolies on the transportation of crude oil and petroleum products»).
- Proposals to **adjust the method of tariffs calculation** for transportation of crude oil and petroleum products.
- Analysis of the markets for the transportation of petroleum products in Russia, and the development of proposals for the **tariff deregulation of pipeline transportation of petroleum products**.

ERTA specialists are constantly participating in the work of the **Transneft Expert Council**.

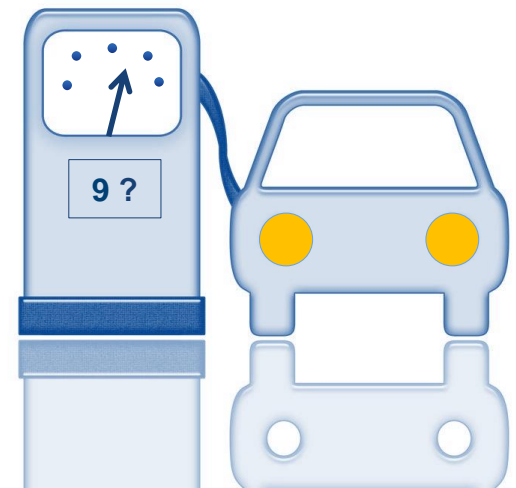
Fuel audit



Economical use of energy is one of the main problems existing in any company.

In the absence of diversified market of oil products, only those companies get a **competitive advantages** that increase the effectiveness of their own fuel delivery system (**FDS**).

We offer you the **Fuel Audit**. It is a solution to get an **independent assessment of FDS effectiveness** and to know how you can make it more **perfect**



The image features a background of a high-voltage electrical transmission tower against a blue sky with scattered white clouds. The tower is a lattice structure, and several power lines are visible stretching across the frame. Overlaid on the left side of the image is the logo for ERTA. The logo consists of the letters 'E', 'R', 'T', and 'A' in a bold, white, sans-serif font. Each letter is contained within a rectangular box. The 'E' and 'T' are in light blue boxes, while the 'R' is in a solid dark blue box. The 'A' is in a light blue box. The entire logo is positioned in the upper left quadrant of the image.

ERT A

Regulatory Affairs

R Regulation



The Russian state plays an **important role** on the country's energy markets.

Among our clients are all the **governmental agencies** related to the state energy policy.

We regard this as an **acknowledgement of our unique industry experience** and the quality of our independent expertise.

Our advantages



- ERTA employees have **experience in various governmental spheres**; so we understand the specifics of public sector.
- **Broad array of public sector clients** allows us to facilitate complicated approval processes among the different parties.
- **An extensive list of completed projects** is a proof of our reliability.

Among our clients:



- Federal Antimonopoly Service of the RF
- Russian Ministry of Energy
- State Committee of Mineral Reserves
- Ministry of Economic Development
- Federal Tariffs Service
- State Duma
- Russian President's Administration
(Presidential Executive Office)

Sample regulatory projects



Ministry of Energy
of the Russian Federation

- Concept of **termination of state gas price regulation by means of transition to a unified transport tariff.**
- Monitoring of realization of the **Eastern Gas program.**
- Analysis of the situation and proposals for **development of the sector of gas distribution and gasification.**
- Development of a new edition of **«Rules of gas supply»** and the procedure of formation of the **gas balance.**



Ministry of Economic
Development
of the Russian Federation

- The problems of the gas industry and recommendations on the **strategy of industry regulation.**
- Development concept of the **Domestic Natural Gas Market.**
- Development concept of the **Domestic Liquefied Gas Market.**

Sample regulatory projects



Federal Antimonopoly
Service of the Russian
Federation

- Development of the main provisions of the **methodology for calculating tariffs** for gas transportation services through main pipelines using the «**entry-exit**» method, which takes into account the peculiarities of state regulation and the topology of the Unified Gas Supply System.
- Proposals for the standardization of gas pricing on the exchange and over-the-counter markets in terms of accounting **fees for supply and sales services (PSSU)** and amendments to the **calorific value** in the wholesale price of gas in order to develop competition in gas markets.
- Analysis of the **wholesale gas market** in the zone of operation of the Unified Gas Supply System to justify the need for forced sale by gas producers share of produced natural gas on the exchange.
- Proposals for improving the content and forms of **mandatory disclosure of information** by the subjects of natural monopolies, providing services in the transportation of gas through pipelines.

Sample regulatory projects



Federal Tariff Service

- Participation in development of existing **tariff calculation method for gas transportation** through main gas pipelines.
- Expertise of proper use of **Transneft tariff revenue**.
- Expertise of **gasification programs**.
- Proposals on **tariff policy** for the foreign producers oil transit.
- Developing rules for establishing of **exceptional and local tariffs for railway transportation**.
- Developing guidelines to **regulate the retail prices of LPG and oil (associated) gas**.



State Committee on Mineral Reserves

- Regulatory support of **legislative initiatives**.
- Implementation and maintenance of **self-regulation**.
- Development of a new model of **subsurface use expertise**.

A photograph of a green and grey electric locomotive on a railway track. The locomotive has a red star on its front and the number 'ВЛ80^е2371' on its front. The word 'ERTA' is overlaid in large white letters, with the 'T' inside a blue square. The background shows overhead power lines and a clear blue sky.

ERTA

Transport

Our work in the field of transport started with calculating **gas transportation tariffs**. At present, we also:

- Create **methods** for tariffs' calculations
- **Assess** transportation costs
- Solve logistic **problems**

A typical task

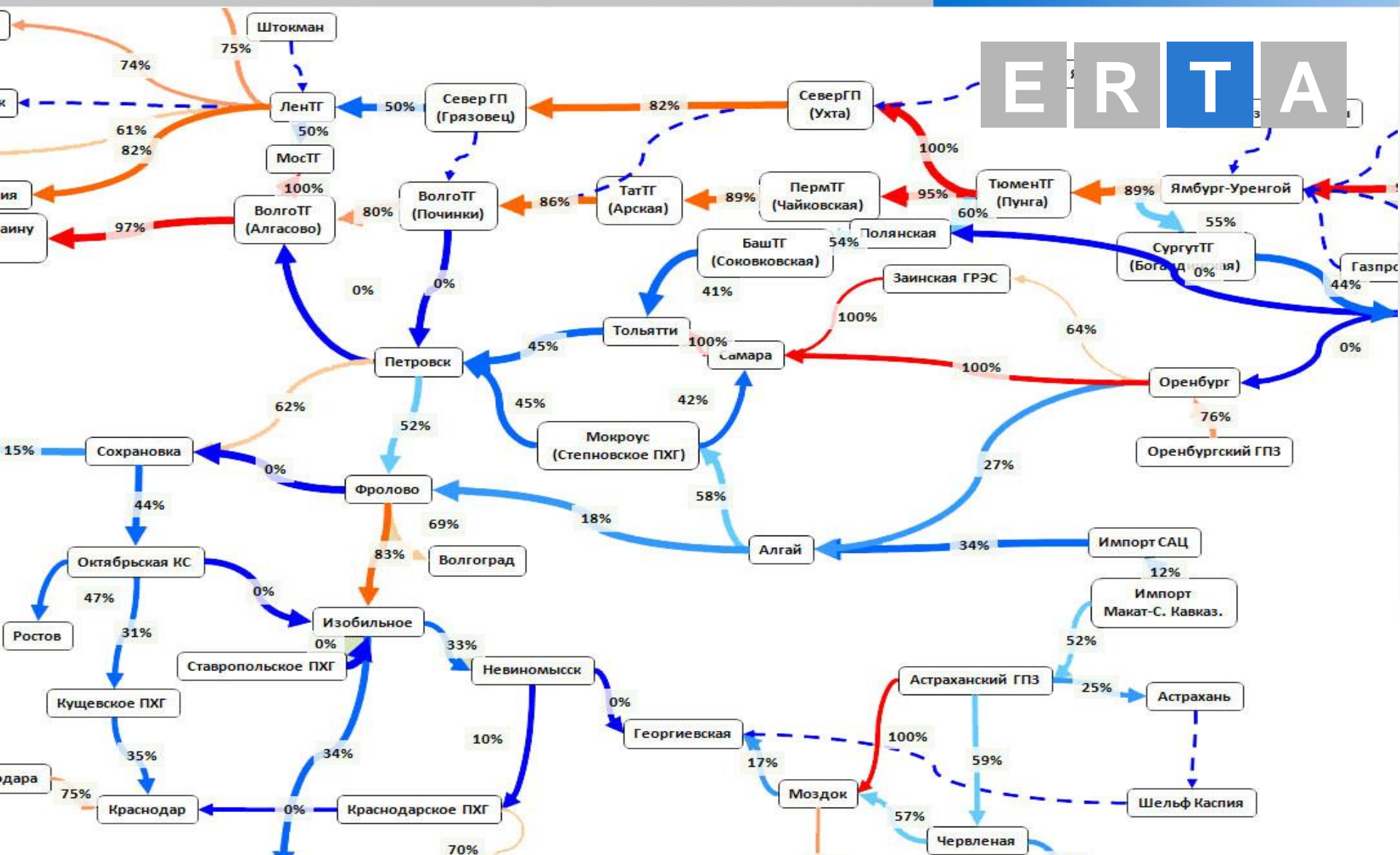
E R T A

Chose the best geographical market for a commodity given the price of transportation by various modes:



Our suggestions might be:

- a. Adjust the tariffs
- b. Recommend the best mode
- c. Optimize the routes



We have created a **unique model of Russian gas pipeline system** allowing to predict the load and opportunities for transit.

Among our clients in **E R T A** transport projects:

- Russian Railways
- Transneft
- SG-Trans
- TNK - BP
- Kuzbassrazrezugol
- Metalloinvest
- Federal Tariffs Service

Sample transport projects



- Justification of a **method of exclusive and local tariffs**.
- Analysis of feasibility of creation of the **Central Directorate of Track Machines**.
- Development and implementation of the **environmental strategy**.



- Development of **network tariff-making principles**.
- Assessment of changes in the **supply streams and necessary tariffs** after startup of the **East Siberia – Pacific Ocean (ESPO) pipeline**.



- Forecasts of the **possibility of natural gas supply** through main pipelines to consumers in several regions of Russia.

Railway experience in Russia



Russian Railways

ERTA was accredited by JSC "Russian Railways" (competitive qualification selection in 2007 and 2011).

ERTA is the official JSC "RZD" consulting company as the company to form development concepts, business plans, technical and economic analysis before the creating of subsidiaries and affiliates JSC "RZD" and other corporate development projects for the needs of JSC "RZD".

Sample railway transport projects for JSC "RZD":

- Principles and mechanisms to make [contract tariffs for railway transport services](#) JSC "RZD".
- [Corporate standard](#) to carry out technological and price [audit](#) of JSC "RZD" investment projects JSC "RZD".
- [Environmental Strategy](#) of JSC "RZD"
- Development [grid concept](#) of JSC "RZD" to form grid business and be effective in it

Foreign railway experience

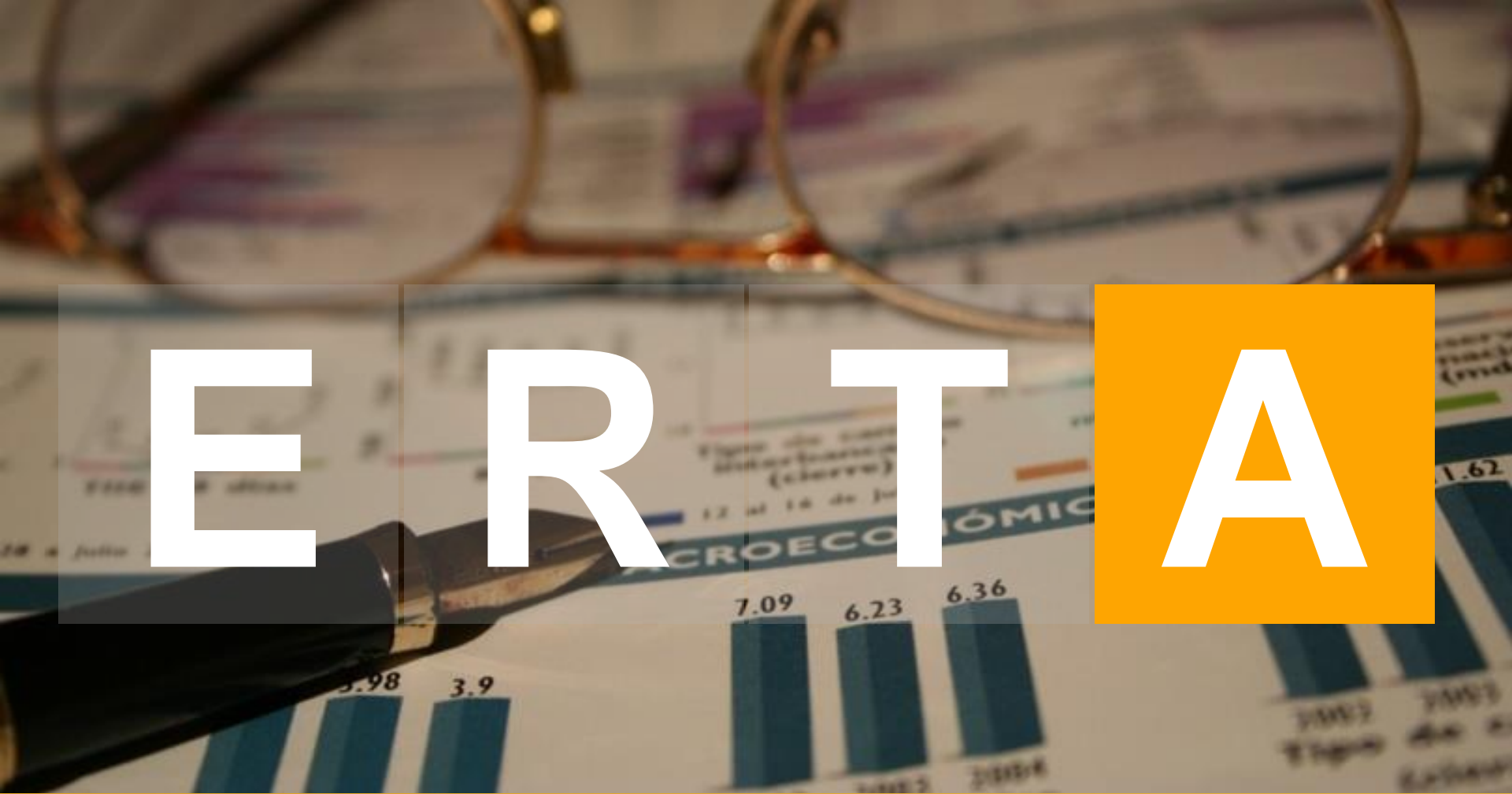


We also have a lot of practice of successful joint transport projects with our foreign partners, such as [Deutsche Bahn AG](#), [MATISA](#), [Bombardier](#), [Vossloh](#), [Thales](#), [Avaya](#) etc.

Sample projects:

- Implementation of [innovative technology](#) of continuously permanent way laying
- Development and reconstruction of [rail networks](#)
- Creating the joint company of manufacturing [rail fastenings](#)
- Strategies and business plans of creating modern manufacturing base of railway [automatics and telemechanics](#)
- Technological and price [audit](#) of investment transport projects





ERT A

Analytics

A nalytics

Sometimes we solve complex and interesting tasks **outside our traditional industry expertise**. Why do we do it?

For instance, because :

- It is a part of a **large-scale project**
- Our **clients trust** that our analytical skills can help us to tackle the problem
- The task lies at the **intersection of different industries**

Sample analytics projects:



- Market and sociological research
- Decision-making support for the director's board
- Business plan expert analysis
- Support for Kyoto protocol procedures
- Developing an outsourcing solution, selling of the non-core business assets
- Mediating an agreement between conflicting parties within a large natural monopoly

Market research



The main components of market research and sociological interviewing:

- Focus group selection
- Developing questionnaire
- Carrying out the pilot research and a subsequent correction of questionnaire, if it is needed
- Conducting market/sociological research

Organization of market research:

- Interviewers hiring
- Quality control of the collected information

Results:

- Analysis of collected information and expert-conclusion for correct decision making

Sample market research projects



- Research for JSC “Central PPK”
- Result: we developed the new methods of **tariffs’ calculations for Moscow and Moscow region railway passenger transportation**
- Research on the effectiveness of the use of **Muscovite Social Card in Moscow subway** by retirees
- Interviewing of subway passengers at Novokosino station to analyze how **the travel time** from home to work **reduced**
- Measuring the amount of passengers arriving at Novokosino station by intercity commercial transport to **analyse the effectiveness of the railway and land transportation systems**



ДЕПАРТАМЕНТ
ТРАНСПОРТА И РАЗВИТИЯ
ДОРОЖНО-ТРАНСПОРТНОЙ
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ГОРОДА МОСКВЫ

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