

Putin Grills Rushydro CEO Over Contracts

By [The Moscow Times](#)

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President Vladimir Putin has lashed out at state-owned Rushydro and its CEO Yevgeny Dod for purportedly dubious business practices in distributing contracts during construction of the Zagorskaya hydropower plant in the Moscow region, a government official told journalists Thursday.

Putin's criticism came during Wednesday's meeting of the presidential commission in charge of Russia's energy sector, Vedomosti reported.

"Twelve billion rubles (\$400 million) has been appropriated for this construction, Hydrostroi [a Rushydro subsidiary] received 6 billion as the general contractor, then Hydrostroi concluded subcontracts with several firms that had staff consisting of only two employees, with no additional personnel, transport or equipment," Interfax quoted Putin as saying.

Putin brushed aside Dod's explanations blaming Rushydro's financial problems on the

previous management and blasted him for his failure to work with law enforcement agencies to recover lost funds.

Despite Dod's promise to conduct a "thorough check of the facilities under construction involving any outside experts," the main question now is whether he will keep his post following the spat with Putin, Vedomosti reported.

Perhaps, his future will depend on the outcome of the behind-the-scenes power struggle for the control of the energy sector between various political factions in the presidential administration and the Cabinet, insiders say.

Political infighting has a negative effect on the whole Russian energy sector, whose capitalization has been steadily decreasing, experts say.

"I would rather spend money on charity than invest it in shares of energy companies under the current regulatory conditions," investment fund manager Stephen Dashevsky told Vedomosti.

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