VERIFICATION REPORT

PJSC “ODESAGAS”

VERIFICATION OF JI PROJECT

REDUCTION OF NATURAL GAS EMISSIONS AT OJSC “ODESAGAS” GATE STATIONS AND GAS DISTRIBUTION NETWORKS

9th periodic

FOR THE PERIOD OF 01/11/2012-31/12/2012

REPORT № UKRAINE-VER/0907/2013

REVISION № 02

BUREAU VERITAS CERTIFICATION

Date of first issue: 22/01/2013	Organizational unit: Bureau Veritas Certification Holding SAS
Client: PJSC "Odesagas"	Client ref.: Vitaliy Gerasymenko

Summary:

Bureau Veritas Certification has made the 9th periodic verification of PJSC "Odesagas" project "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks", which is implemented in Odesa city and cities of Odesa region, Ukraine, and uses a specific approach to JI projects, on the basis of UNFCCC criteria for the JI, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria (but for the crediting period) refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

The verification scope is defined as a periodic independent review and ex post determination by the Accredited Entity of the monitored reductions in GHG emissions during defined verification period, and consisted of the following three phases: i) desk review of the monitoring report against project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion. The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the verification process is a list of Clarification Requests, Corrective Actions Requests, Forward Actions Requests (CL, CAR and FAR), presented in Appendix A.

In summary, Bureau Veritas Certification confirms that the project is implemented according to determined changes. Installed equipment that is essential for generating emission reductions runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions. The GHG emission reduction is calculated without material errors, and the ERUs issued totalize 98 836 tonnes of CO_2 equivalent for the monitoring period from 01/11/2012 to 31/12/2012.

Our opinion relates to the project's GHG emissions and resulting GHG emission reductions reported and related to the approved project baseline and monitoring, and its associated documents.

Report No.: UKRAINE-ver/0907/2013	Subject Group: JI	
Project title: "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks"		
Work carried out by: V. Yeriomin – Team Leader, Climate Change Lead Verifier O.Kuzmenko - Team Member, technical specialist		
Work reviewed by: I.Sokolov – Internal technical reviewer V.Kobzar - Technical specialist		
Work approved by: Sokolov Ivan – Operational Manager		
Date of this revision: 12/02/2013	Rev. No.: 02	Number of pages: 26

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Bureau Veritas Certification Holding SAS

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1 INTRODUCTION

PJSC “Odesagas” has commissioned Bureau Veritas Certification to verify the emissions reductions of its JI project “Reduction of natural gas emissions at OJSC “Odesagas” gate stations and gas distribution networks”, (hereafter called “the project”) in Odesa city and cities in Odesa region, Ukraine.

This report summarizes the findings of the verification of the project, performed on the basis of UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting, as well as the host country criteria.

The verification covers the period from November 1, 2012 to December 31, 2012.

1.1 Objective

Verification is the periodic independent review and ex post determination by the Accredited Independent Entity (AIE) of the monitored reductions in GHG emissions during defined verification period.

The objective of verification can be divided in Initial Verification and Periodic Verification.

UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

1.2 Scope

The verification scope is defined as an independent and objective review of the project design document, the project’s baseline study, monitoring plan, monitoring report and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

The verification is not meant to provide any consulting towards the Client. However, stated requests for clarifications, corrective and/or forward actions may provide input for improvement of the project monitoring towards reductions in the GHG emissions.

1.3 Verification Team

The verification team consists of the following personnel:

V. Yeriomin

Bureau Veritas Certification, Team Leader, Climate Change Lead Verifier

O.Kuzmenko
Bureau Veritas Certification, Team Member, technical specialist

This verification report was reviewed by:
Ivan Sokolov
Bureau Veritas Certification, Internal Technical Reviewer

V.Kobzar
Bureau Veritas Certification, Technical specialist

2 METHODOLOGY

The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In order to ensure transparency, a verification protocol was customized for the project, according to the version 01 of the Joint Implementation Determination and Verification Manual, issued by the Joint Implementation Supervisory Committee at its 19th meeting on 04/12/2009. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from verifying the identified criteria. The verification protocol serves the following purposes:

- It organizes, details and clarifies the requirements a JI project is expected to meet;
- It ensures a transparent verification process where the verifier will document how a particular requirement has been verified and the result of the verification.

The completed verification protocol is enclosed in Appendix A to this report.

2.1 Review of Documents

The Monitoring Report (MR) submitted by PJSC “Odesagas” and additional background documents related to the project design and baseline, i.e. country Law, Project Design Document (PDD), Approved CDM methodology, Determination Report of the project issued by Bureau Veritas Certification Holding SAS No. UKRAINE-0062/2009 as of 18/04/2011, Guidance on criteria for baseline setting and monitoring, Host party criteria, the Kyoto Protocol, Clarifications on Verification Requirements to be Checked by an Accredited Independent Entity were reviewed.

The verification findings presented in this report relate to the Monitoring Report for the period from 01/11/2012 to 31/12/2012, version 01 as of January 16, 2013 and version 02 as of February 06, 2013 and the project as described in the determined PDD.

2.2 Follow-up Interviews

On 07/02/2013 Bureau Veritas Certification verification team visited the project implementation site and performed on-site interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of PJSC "Odesagas" and VEMA were interviewed. The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
PJSC "Odesagas"	➢ Organizational structure ➢ Responsibilities and authorities ➢ Personnel training ➢ Quality control procedures and technology ➢ Equipment use (records) ➢ Metering equipment control ➢ Metering record keeping system, database
Consultant: VEMA	➢ Baseline methodology ➢ Monitoring plan ➢ Monitoring report ➢ Deviations from the PDD

2.3 Resolution of Clarification, Corrective and Forward Action Requests

The objective of this phase of the verification is to raise the requests for corrective and forward actions as well as clarification requests and any other outstanding issues that needed to be clarified for Bureau Veritas Certification positive conclusion on the GHG emission reductions calculation.

If the Verification Team, in assessing the monitoring report and supporting documents, identifies issues that need to be corrected, clarified or improved with regard to the monitoring requirements, it should raise these issues and inform the project participants of these issues in the form of:

(a) Corrective action request (CAR), requesting the project participants to correct a mistake that is not in accordance with the monitoring plan;

(b) Clarification request (CL), requesting the project participants to provide additional information for the Verification Team to assess compliance with the monitoring plan

(c) Forward action request (FAR), informing the project participants of an issue, relating to the monitoring that needs to be reviewed during the next verification period.

The Verification Team will make an objective assessment as to whether the actions taken by the project participants, if any, satisfactorily resolve the issues raised, if any, and should conclude its findings of the verification.

To guarantee the transparency of the verification process, the concerns raised are documented in more detail in the verification protocol in Appendix A.

3 VERIFICATION CONCLUSIONS

In the following sections, the conclusions of the verification are stated.

The findings from the desk review of the original monitoring documents and the findings from interviews during the follow up visit are described in the Verification Protocol in Appendix A.

The Clarification, Corrective and Forward Action Requests are stated, where applicable, and are further documented in the Verification Protocol in Appendix A. The verification of the Project resulted in 5 Corrective Action Requests, and 2 Clarification Request.

The number between brackets at the end of each section corresponds to the DVM paragraph.

3.1 Remaining CL and FARs from previous verifications

There are no any remaining CL and FAR from previous verifications.

3.2 Project approval by Parties involved (90-91)

The project obtained approval by the Host party (Ukraine) - Letter of Approval №1566/23/7 dated 25/12/2009 issued by the National Environmental Investment Agency of Ukraine and written project approval by the party – buyer of emission reductions units (Denmark) - Letter of

Approval №1602/1102-0023 dated 21/12/2009 issued by the Danish Energy Agency, the Danish Ministry of Climate and Energy).
The abovementioned written approvals are unconditional.

The identified areas of concern as to the project approval by the parties involved, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 01).

3.3 Project implementation (92-93)

PJSC "Odesagas" is the company uniting gas supply facilities of 26 districts in Odesa region and gas supply facility in Odesa city, and providing natural gas transportation and supply to industrial and domestic consumers. PJSC "Odesagas" controls 1917 gas distribution points and cabinet-type gas distribution points, among them 1851 (GDP, CGDP) are the PJSC "Odesagas" property. The structure of current gas transport rates does not include depreciation and investment needs of gas distribution enterprises, which does not ensure receipt of funds for performance of necessary repair works and modernization of gas networks, purchase of appropriate engineering equipment and components, and also results in increase of natural gas leakage at the PJSC "Odesagas" facilities.

The goal of the project is reduction of natural gas leakage in gas distribution points and in cabinet-type gas distribution points, which will result in reduction of methane emissions into the atmosphere, which is a greenhouse gas. The main sources of leakage are junctions of the elements of gas-distribution points and cabinet-type gas distribution points. Many connecting parts of GDP and CGDP require repair in the result of quick wear of compactor elements. Within the scope of the project for repair of GDP and CGDP equipment, for the purpose of leakage repair, modern compacting materials will be used, replacing service and repair practice based on rubberized asbestos fabric and rubber gaskets, and compacting padding made of cotton fiber with fat soakage and asbestos graphite filler, which results in additional methane leakage, which is a greenhouse gas.

The project activity includes:

- Implementation of purposeful examination and technical maintenance (PETM) of gas distribution points and cabinet-type gas distribution points – modern and the most economically efficient practice, which allows for not only detection of leaking areas, but also determination of leakage volume (i.e., potential volume of gas leakage reduction). This is a key information for substantiation of types of repair and priority choice of its objects, which is important under short financing for repair of all leakage. This activity will include purchase and calibration of

modern measuring equipment, appropriate training of employees, development of monitoring map with the list of all equipment components to be regularly examined, creation of leakage data collection and storage system, and implementation of internal audit and quality assurance system for repair and accounting of methane leakage.

- Detection and measurement of leakage: monitoring system of leakage, including repaired leakage (repaired equipment components) will be exercised on a regular basis (once per four days or once a week, depending on the type of equipment) by specially trained personnel. Each component will be checked according to the monitoring map, and detected leakage will be duly marked with individual number; gas leakage volumes will be measured and registered in the database.
- Repair of all detected leakage: repair of junctions of GDP and CGDP elements within the scope of this project will vary from replacement of gaskets and wedge plugs, use of new sealants or compacting materials, to capital repair and replacement of safety valves of pressure regulators, piston rods, installation of natural gas gauges. Repaired GDP and CGDP equipment components will be regularly checked as a part of a standard monitoring program (see above) to make sure they have not become the source of leakage again.

Duration of the project is not limited, as PETM, monitoring and leakage repair programs are aimed to become a part of work of PJSC “Odesagas”. Reduction of CO_{2e} emissions is stated for the crediting period of 18 years according to modality and Joint Implementation Mechanism Procedures.

According PDD version 06 the project boundary include the methane leakage places as a result non-hermetic gas equipment of gas-distributing posts (GDP) and cabinet gas-distributing posts (CGDP). Total it was included 1851 GDP (CGDP) into the project boundary. During from the beginning of the project (2005) to the beginning of accounting monitoring period at the frame of project was repaired (reconstructed, changed) 1851 GDP (CGDP), that is all GDP and CGDP which were included to the project boundaries. List of all repaired, reconstructed, replaced GDP (CGDP) during previous monitoring periods are in Appendixes A to the Monitoring Reports of previous periods.

The data of the spent works for reconstruction and replacement of gate-regulatory fittings of GDP (CGDP) by year are present in the Table 2.

Period	Quantity of repaired, reconstructed and replacement GDP (CGDP)
2005	124
2006	196
2007	113
2008	184
2009	185
2010	208
2011	351
from 01/02/2012 to 31/10/2012	490
Total	**1851**

Table 2 Number of repaired (reconstructed, replaced) GDPs (CGDPs) under the project in periods

The project activities for the current monitoring period are further carrying out of purposeful examination and technical maintenance (PETM) of all GDP (CGDP) gas equipment, which was repaired (reconstructed, replaced) during all JI project operation time.

Gas equipment repaired in previous periods of the project activities will be regularly checked as a part of a standard monitoring program to make sure it hasn't become the source of leakage again.
According to the Monitoring Plan in the PDD version 06 the regular repairs of gas equipment are done once per year, technical maintenance – once per half year.

Methane leakage volumes from the repaired GDP (CGDP) gas equipment of PJSC "Odesagas" received in the result of measurements do not exceed the methane leakage volumes, which were measured after the first repair of equipment.

The identified areas of concern as to the project implementation, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 01, CAR 02, CAR 03).

3.4 Compliance of the monitoring plan with the monitoring methodology (94-98)

The monitoring occurred in accordance with the monitoring plan included in the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website.
To calculate the emission reductions such key factors as the rate of leakage for each leakage found, gas temperature and pressure, volume of

capacity, the concentration of methane in the sample, time for which the concentration of methane in the volume capacity reaches a certain level, experience in implementing measures envisaged by the project, the current practice that exists in Ukraine in this area, financial costs and the availability of expertise, legislation affecting the emissions in the baseline, level of activity on the project and the project emissions and risks associated with the project were taken into consideration.
Data sources used for calculating emission reductions, such as calibrated measuring equipment (gas analyzer), stop-watch timer 'SOS pr-2b-2', mercury glass thermometer of TL-4 type and flow meter, information from manufacturers and IPCC are clearly identified, reliable and transparent.

Emission factors, including default emission factors, are selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice.

The calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner.
Monitoring periods for each project component is clearly identified in the monitoring report and do not overlap with those for which verification has been made in the past and is considered final.

The identified areas of concern as to compliance of the monitoring plan with the monitoring methodology, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 03, CAR 04).

3.5 Revision of monitoring plan (99-100)

Not applicable.

3.6 Data management (101)

Data and their sources, which are contained in the monitoring report, are clearly defined, reliable and transparent.

Implementation of data collection procedures is carried out in accordance with the PDD monitoring plan, including quality control and quality assurance procedures.

Monitoring equipment function, including its calibration status, is in line with the requirements.
According to current legislation "On metrology and metrological activity", all measuring equipment in Ukraine must meet the specified requirements of relevant standards and is subject to a periodic verification. Calibration of measuring devices is conducted in accordance with national standards.

Actual data and records used for monitoring are duly verified.

Data collection and data management system of the project is in line with the PDD, the monitoring plan and consists of three parts:

1) Measurements of methane leakage value before the rehabilitation (hermetization) of the facility;
2) Measurements of methane leakage value after the rehabilitation (hermetization) of the facility;
3) Archiving and processing of obtained results.

To measure leakage volume of natural gas it was decided to use the method based on the Calibrated Bag Technology described in the approved baseline methodology AM0023 “Leak reduction from natural gas pipeline compressor or gate stations”. One of the problems incurred by using this method is difficult accounting of the volume of the fittings where measurements are done, and the initial air volume when determining gas volume received in the bag.
To solve these problems a special installation was made on the basis of plastic container of known volume (0.87 m^3), package, plastic hose and pressure gauge.

In order to ensure successful implementation of the project and the credibility and verifiability of the emissions reductions achieved, the project must have a well-organized management system.

Collection and processing of parameters, coordination of work of all departments and services of PJSC “Odesagas” related to the project implementation is done by specially created Working team. The structure of the Working team is shown in the Figure 1.

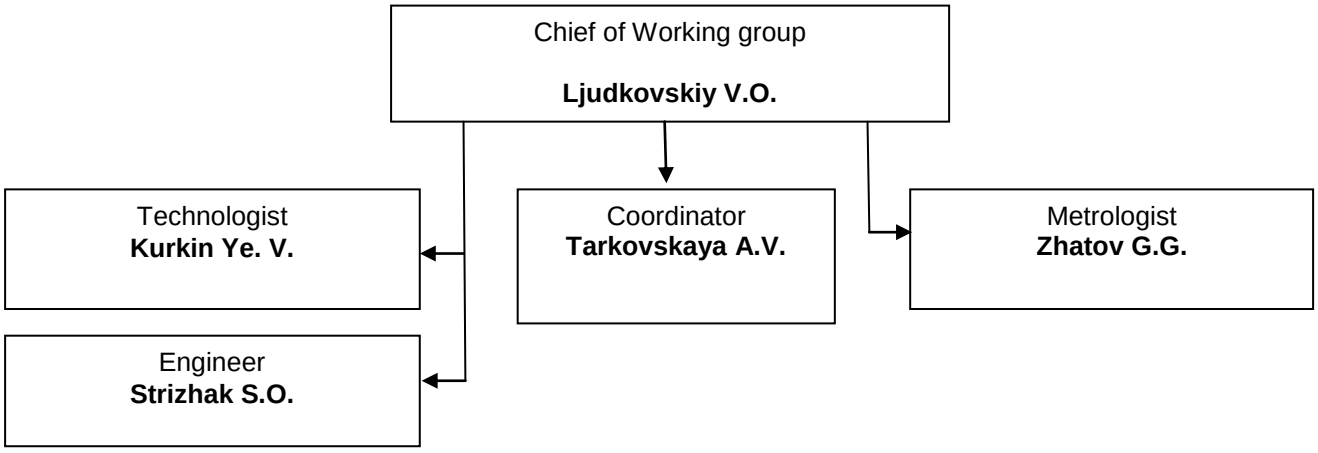

Figure 1 Structure of the Working team

Kurkin Ye.V. are responsible for collection of all information provided by the monitoring plan and execution of all necessary calculations. Archiving of all obtained information as a result of conducted measurements and calculations shall be made under the direction of Tarkovskaya A.V. On the basis of obtained information the chief of task group

(Ljudkovskiy V.O.) shall determine the plan of measures as regards the JI Project and volume of necessary resources. Strizhak C.O. are responsible for organization of leakages measurements and its removal. Zhatov G.G. are providing the presence of certificated measurement equipment during JI Project execution.
Regular maintenance of GDP (CGDP) gas equipment is carried out once per year, technical maintenance - once per half year.

All the necessary information on monitoring of GHG emissions is stored in paper and/or electronic form and will be stored until the end of the crediting period and two years after the last transaction with emission reduction units.

The monitoring Report version 02 provides sufficient information about the intended role, responsibilities and authorities for implementing and maintaining monitoring procedures, including data management. Verification group confirms the effectiveness of existing management system and operating system and considers them suitable for reliable monitoring of the project.

The identified areas of concern as to data managment, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CL 01, CL 02).

3.7 Verification regarding programs of activities (102-110)

Not applicable.

4 VERIFICATION OPINION

Bureau Veritas Certification has performed the 9th periodic verification of the "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks" Project for the period of November 1, 2012 – December 31, 2012, which applies the JI Specific Approach. The verification was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The verification consisted of the following three phases: i) desk review of the monitoring report against the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion.
PJSC "Odesagas" management is responsible for the preparation of data which serve as the basis for estimation of GHG emission reductions. CEP VEMA S.A. provides PJSC "Odesagas" with consultative support in the issues relating to organization of data collection and is responsible for

developing the monitoring report based on the Project Monitoring Plan included in the final PDD version 06.

Bureau Veritas Certification verified the Project Monitoring Report version 02 for the reporting period from 01/11/2012 to 31/12/2012 as indicated below. Bureau Veritas Certification confirms that the project is implemented as per approved PDD version. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions.

Bureau Veritas Certification can confirm that the GHG emission reduction is calculated without material misstatements. Our opinion relates to the project's GHG emissions and resulting GHG emissions reductions reported and related to the approved project baseline and monitoring, and its associated documents. Based on the information we have seen and evaluated, we confirm the following statement:

Reporting period: from 01/11/2012 to 31/12/2012
Baseline emissions : 114 878 tonnes CO_2 equivalent;
Project emissions : 16 042 tonnes CO_2 equivalent;
Emission Reductions : 98 836 tonnes CO_2 equivalent.

5 REFERENCES

Category 1 Documents:

Documents provided by the project participants that relate directly to the GHG components of the project.

/1/	The PDD of "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks" JI Project, version 06, dated December 10, 2009
/2/	Determination Report of "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks" JI Project, issued by Bureau Veritas Certification Holding SAS dated April 18, 2011
/3/	Monitoring Report of "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks" JI Project, version 01, dated January 16, 2013
/4/	Monitoring Report of "Reduction of natural gas emissions at OJSC "Odesagas" gate stations and gas distribution networks" JI Project, version 02, dated February 06, 2013
/5/	Appendix A. Calculations of greenhouse gases emission reductions at PJSC "Odesagas" gate stations and gas distributing networks for 2 months (from the 1st of November to the 31st of December 2012).
/6/	Letter of Approval №1566/23/7 dated 25/12/2009 issued by the National Environmental Investment Agency of Ukraine
/7/	Letter of Approval №1602/1102-0023 dated 21/12/2009 issued by the Danish Energy Agency, the Danish Ministry of Climate and Energy)

Category 2 Documents:

Background documents related to the design and/or methodologies employed in the design or other reference documents.

/1/	Instruction for exploitation of gas-analyzer EX-TEC® SR5
/2/	Appearance of gas-analyzer EX-TEC® SR5
/3/	Calibration certificate of gas-analyzer EX-TEC® SR5
/4/	Appearance of thermometer TL-4
/5/	Passport of thermometer TL-4
/6/	Stop-watch timer with passport TL-4
/7/	Manual of barometer D-59H-100-1.0 6 kPa
/8/	The device of measuring leakage in operation
/9/	Gauge D-59-N
/10/	Working gas analyzer
/11/	General appearance of GDP

/12/	Output latch at GDP
/13/	Staff gauge at GDP
/14/	Regulator of gas flow at GDP
/15/	Maintenance logbook of GDP
/16/	The form of leakage records
/17/	Metering Device Calibration Certificate No. 80195/24 (EX-TEC® SR5), dated 23/03/2013
/18/	Metering Device Calibration Certificate No. 80319/26 (EX-TEC® SR5), dated 23/03/2013
/19/	Passport of barometer-aneroyd metrology BAMM-1
/20/	Metering Device Calibration Certificate No. 73 (BAMM-1), dated May, 2012
/21/	Metering Device Calibration Certificate No. 72 (BAMM-1), dated May, 2012
/22/	Metering Device Calibration Certificate No. 10215-P (stop-watch timer 'SOS pr-2b-2'), dated 23/04/2012
/23/	Metering Device Calibration Certificate No. 2001- tt (mercury glass thermometer of TL-4 type), dated 07/10/2011

Persons interviewed:

List of persons interviewed during the verification or persons that contributed with other information that is not included in the documents listed above.

	Name	**Organization**	**Position**
/1/	Gerasymenko V.O.	PJSC "Odesagas"	Executive director
/2/	**Ljudkovskiy V.O.**	PJSC "Odesagas"	Head of production and technical department
/3/	**Tarkovskaya A.V.**	PJSC "Odesagas"	Engineer of control group
/4/	**Kurkin Ye. V.**	PJSC "Odesagas"	Engineer of production and technical department
/5/	**Strizhak S.O.**	PJSC "Odesagas"	Head of SEUG and DV
/6/	**Zhatov G.G.**	PJSC "Odesagas"	Deputy Head of the metrological service
/7/	Belov E.V.	"CEP" LLC	Consultant of VEMA

APPENDIX A: COMPANY PROJECT VERIFICATION PROTOCOL

BUREAU VERITAS CERTIFICATION HOLDING SAS

JI PROJECT VERIFICATION PROTOCOL

Check list for verification, according to the JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL (Version 01)

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
Project approvals by Parties involved				
90	Has the NFPs of at least one Party involved, other than the host Party, issued a written project approval when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest?	The project has been approved by both parties. The Letters of Approval were presented to the verification team. Letters of Approval by both Parties were submitted to the secretariat on the final determination stage.	OK	OK
91	Are all the written project approvals by Parties involved unconditional?	Yes, all the written project approvals by Parties involved are unconditional.	OK	OK
Project implementation				
92	Has the project been implemented in accordance with the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	Yes, the project has been implemented in accordance with the PDD, which is listed on the UNFCCC JI website. The goal of the project is reduction of natural gas leakage in gas distribution points and in cabinet-type gas distribution points, which will result in reduction of methane emissions into the atmosphere, which is a greenhouse gas.	**CAR 01** **CAR 02** **CAR 03**	OK OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		The main sources of leakage are junctions of the elements of gas-distribution points and cabinet-type gas distribution points. Many connecting parts of GDPs and CGDPs require repair in the result of quick wear of compactor elements. Within the scope of the project for repair of GDP and CGDP equipment, for the purpose of leakage repair, modern compacting materials will be used, replacing service and repair practice based on rubberized asbestos fabric and rubber gaskets, and compacting padding made of cotton fiber with fat soakage and asbestos graphite filler, which results in additional methane leakage, which is a greenhouse gas. **CAR 01.** The date of issue of Determination report is not correct. **CAR 02.** The name of methodology used to determine the baseline does not match the name specified in the PDD. **CAR 03.**The version of used methodology is specified incorrect.		
93	What is the status of operation of the project during the monitoring period?	The Project was operational for the whole monitoring period, which is 01/11/2012 – 31/12/2012.	OK	OK
Compliance with monitoring plan				
94	Did the monitoring occur in accordance with the monitoring plan included in the	Yes, the monitoring was carried out in accordance with the monitoring plan included in	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website.		
95 (a)	For calculating the emission reductions or enhancements of net removals, were key factors, e.g. those listed in 23 (b) (i)-(vii) above, influencing the baseline emissions or net removals and the activity level of the project and the emissions or removals as well as risks associated with the project taken into account, as appropriate?	To calculate the emission reductions such key factors as the rate of leakage for each leakage found, gas temperature and pressure, volume of capacity, the concentration of methane in the sample, the time for which the concentration of methane in the volume capacity reaches a certain level, experience in implementing measures envisaged by the project, the current practice that exists in Ukraine in this area, financial costs and the availability of expertise, legislation affecting the emissions in the baseline, level of activity on the project and the project emissions and risks associated with the project were taken into consideration. **CAR 04.** Please in Section B.2.2. in Table 3 of MR specify that 4th parameter determine for methane. **CAR 05**. Please in Section D of MR provide a description of the parameters under deteminated PDD.	**CAR 04** **CAR 05**	OK OK
95 (b)	Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	Yes, data sources used for calculating emission reductions, such as calibrated measuring equipment (gas analyzer), stop-watch timer 'SOS pr-2b-2', mercury glass	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		thermometer of TL-4 type and flow meter, information from manufacturers and IPCC are clearly identified, reliable and transparent.		
95 (c)	Are emission factors, including default emission factors, if used for calculating the emission reductions or enhancements of net removals, selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice?	Yes, emission factors, including default emission factors, that were used for calculating the emission reductions or enhancements of net removals, were selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice.	OK	OK
95 (d)	Is the calculation of emission reductions or enhancements of net removals based on conservative assumptions and the most plausible scenarios in a transparent manner?	Calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner.	OK	OK
Applicable to JI SSC projects only				
96	Is the relevant threshold to be classified as JI SSC project not exceeded during the monitoring period on an annual average basis? If the threshold is exceeded, is the maximum emission reduction level estimated in the PDD for the JI SSC	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	project or the bundle for the monitoring period determined?			
Applicable to bundled JI SSC projects only				
97 (a)	Has the composition of the bundle not changed from that is stated in F-JI-SSCBUNDLE?	N/a	N/a	N/a
97 (b)	If the determination was conducted on the basis of an overall monitoring plan, have the project participants submitted a common monitoring report?	N/a	N/a	N/a
98	If the monitoring is based on a monitoring plan that provides for overlapping monitoring periods, are the monitoring periods per component of the project clearly specified in the monitoring report? Do the monitoring periods not overlap with those for which verifications were already deemed final in the past?	N/a	N/a	N/a
Revision of monitoring plan				
Applicable only if monitoring plan is revised by project participant				
99 (a)	Did the project participants provide an appropriate justification for the proposed revision?	N/a	N/a	N/a
99 (b)	Does the proposed revision improve the accuracy and/or applicability of information collected compared to the original monitoring plan without changing conformity with the relevant rules and	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	regulations for the establishment of monitoring plans?			
Data management				
101 (a)	Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality assurance procedures?	Yes, the implementation of data collection procedures is in accordance with the monitoring plan, including the quality control and quality assurance procedures.	OK	OK
101 (b)	Is the function of the monitoring equipment, including its calibration status, is in order?	Yes, the function of the monitoring equipment, including its calibration status is in order. **CL 01.** Please provide calibration certificates of metering device which is used for monitoring.	**CL 01**	OK
101 (c)	Are the evidence and records used for the monitoring maintained in a traceable manner?	Yes, the evidence and records used for the monitoring are maintained in a traceable manner	OK	OK
101 (d)	Is the data collection and management system for the project in accordance with the monitoring plan?	The data collection and management system of the project is in accordance with the monitoring plan. Verification team confirms the effectiveness of existing management system and operating system and considers them to be suitable for reliable monitoring of the project. **CL 02.** Please check the numbering of tables and Figures in the MR.	**CL 02**	OK
Verification regarding programs of activities (additional elements for assessment)				
102	Is any JPA that has not been added to the JI PoA not verified?	N/a	N/a	N/a
103	Is the verification based on the	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	monitoring reports of all JPAs to be verified?			
103	Does the verification ensure the accuracy and conservativeness of the emission reductions or enhancements of removals generated by each JPA?	N/a	N/a	N/a
104	Does the monitoring period not overlap with previous monitoring periods?	N/a	N/a	N/a
105	If the AIE learns of an erroneously included JPA, has the AIE informed the JISC of its findings in writing?	N/a	N/a	N/a
Applicable to sample-based approach only				
106	Does the sampling plan prepared by the AIE: (a) Describe its sample selection, taking into account that: (i) For each verification that uses a sample-based approach, the sample selection shall be sufficiently representative of the JPAs in the JI Project. Such extrapolation to all JPAs identified for that verification is reasonable, taking into account differences among the characteristics of JPAs, such as: − The types of JPAs; − The complexity of the applicable	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	technologies and/or measures used; − The geographical location of each JPA; − The amounts of expected emission reductions of the JPAs being verified; − The number of JPAs for which emission reductions are being verified; − The length of monitoring periods of the JPAs being verified; and − The samples selected for prior verifications, if any?			
107	Is the sampling plan ready for publication through the secretariat along with the verification report and supporting documentation?	N/a	N/a	N/a
108	Has the AIE made site inspections of at least the square root of the number of total JPAs, rounded to the upper whole number? If the AIE makes no site inspections or fewer site inspections than the square root of the number of total JPAs, rounded to the upper whole number, then does the AIE provide a reasonable explanation and justification?	N/a	N/a	N/a
109	Is the sampling plan available for submission to the secretariat for the	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	JISC.s ex ante assessment? (Optional)			
110	If the AIE learns of a fraudulently included JPA, a fraudulently monitored JPA or an inflated number of emission reductions claimed in a JI PoA, has the AIE informed the JISC of the fraud in writing?	N/a	N/a	N/a

TABLE 2 RESOLUTION OF CLARIFICATION AND CORRECTIVE ACTION REQUESTS

Clarification and corrective action requests issued by the verification team	Ref to checklist question in Table 1	Summary of project participant's response	Verification team conclusion
CAR 01. The date of issue of Determination report is not correct.	92	Determination report № UKRAINE-0062/2009 dated 18/04/2011.	Corrections made in MR, the issue is closed.
CAR 02. The name of methodology used to determine the baseline does not match the name specified in the PDD.	92	Methodology AM0023 "Leak reduction from natural gas pipeline compressor or gate stations".	The issue is closed based on the necessary changes made.
CAR 03. The version of used methodology is specified incorrect.	92	Approved methodology AM0023 version 03	The issue is closed based on the necessary changes made.
CAR 04. Please in Section B.2.2. in Table 3 of MR specify that 4th parameter determine for methane.	95 (a)	GWP_{CH4} - Methane Global Warming Potential.	The issue is closed based on the necessary changes made.
CAR 05. Please in Section D of MR provide a description of the parameters under deteminated PDD.	95 (a)	Descrription of parameters is provided under determinated PDD. See MR version 02.	The issue is closed based on the necessary changes made.
CL 01. Please provide calibration certificates of metering device which is used for monitoring.	101 (b)	Relevant documentation was provided to verification teem.	The issue is closed based on provided idocumentation.
CL 02. Please check the numbering of tables and Figures in the MR.	101 (d)	Appropriate corrections were made in the MR version 02.	The issue is closed based on the changes made.