Ensuring the needs of the growing economy of Krasnodar Region in energy facilities, the transition to a unified scheme of forming and applying fees for technological connection and achieving a balance of interests in determining the cost of technological connection of consumers to electric networks is the goal in Kubanenergo PJSC connections in the near future.

The primary regulatory documents regulating the Company's activities on the technological connection of power receiving devices (power plants) of legal entities and individuals to the power grids of Kubanenergo PJSC<sup>1</sup>:

- Federal law dated March 26, 2003 No. 35-Φ3 "On Electric Power Industry";
- The instructions for technological connection of power receivers of consumers of electrical energy, facilities for the production of electrical energy, as well as electric grid facilities owned by grid organizations and other persons to electric networks, approved by the Decree of the Government of the Russian Federation of 27.12.2004, No. 861;
- Decree of the Government of the Russian Federation dated December 29, 2011 No. 1178 "Pricing in the field of regulated prices (rates) in the power industry";

 Order of the FAS of Russia of 29.08.2017 No. 1135/17 "On Approval of Guidelines for Determining the Amount of Payment for Technological Connection to Electric Grids."

The full list of regulatory legal documents, detailed information on the implementation of the technological connection procedure in Kubanenergo PJSC are available in the public domain on the Company's website www.kubanenergo.ru in the section "To Consumers/Technological Connection".

## EXECUTION OF CONTRACTS FOR TECHNOLOGICAL CONNECTION OF CONSUMERS

In the reporting year, the Company implemented 26,985 contracts for technological connection to the power grids of Kubanenergo PJSC. The total capacity under the executed grid connection agreements was 723 MW, which is 27% more than the planned amount.

## Capacity connected in 2018 by the class of customer, MW

	NUMBER OF EXECUTED CONTRACTS FOR TECHNOLOGICAL CONNECTION	
CLASS OF CUSTOMER	NUMBER	FOR A TOTAL POWER, MW
Up to 15 kW inclusive, total	25,170	292
including individuals	21,338	249
Over 15 and up to 150 kW inclusively	1,299	73
Over 150 kW and less than 670 kW	303	88
Not less than 670 kW	176	257
Power generation facilities	3	12
Total, excluding temporary technological connection	26,951	722
Emporary technological connection	34	1
Total, with account for the temporary technological connection	26,985	723

<sup>1.</sup> The full list of regulatory legal documents regulating the process of technological connection is available in open access on the Company's websitewww.kubanenergo.ruin the 'Consumers' section.

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The largest and most significant power facilities of the following applicants were connected to the Company's power grids in 2018



APPLICANT	CONNECTED CAPACITY, MW
JSC Tander	11
PJSC "NMTP"	9
JSC "International Airport" Krasnodar"	5
Federal state institution "2nd center of the customer-developer of internal troops of the Ministry of Internal Affairs of the Russian Federation"	2
JSC Vacation Hotel Primorye	3

A significant amount of electrical power in 2018 was allocated to meet the electricity needs of housing construction, the high rates of which have been observed in recent years in the Krasnodar Territory. In total, more than 1.1 thousand technological connection contracts for housing and utilities facilities with a total capacity of 123 MW were executed in the reporting year, including:

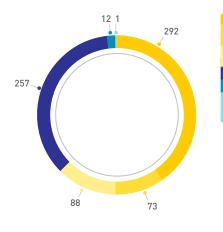
- residential complex with kindergarten and underground parking in the city of Krasnodar (developer LLC "YugStroyImperial 23");
- multi-apartment housing facilities in the city of Anapa (applicant LLC "New Lazurit");
- residential complex LLC METROPOLIS;
- multi-story complex residential development with elements of the social infrastructure of Oasis LLC in the City of Sochi.

In the economic structure of the South of Russia, the agricultural sector and the food industry traditionally play a strategic role, which needs no less power than other areas. In 2018 Kubanenergo executed over 800 contracts for technological connection of agricultural facilities with a total capacity of over 38 MW, the largest of them:

- the production base for the production of agricultural products of LLC KORK in the city of Timashevsk;
- the agricultural enterprise OJSC "Znamya Oktyabrya" in the village of Krylovskaya;
- facilities of the food industry enterprise LLC "Cheese of Kuban" in the village of Vyselky.

In addition, in 2019, it is planned to complete the measures for the connection of the power receiving devices of the livestock complex LLC "Ventsy-Zarya" in the Gulkevichsky district, the plant for the production of coated seeds LLC "Betagran Kuban" in the village of Platnirovskaya of the Korenovsky district, as well as the agricultural enterprise LLC Voronezh Champignon »In the village of October Krylovsky district.

The structure of the executed contracts of Kubanenergo PJSC for the connected capacity, MW



Up to 15 kW
Over 15 and up to 150 kW
Over 150 kW and less than 670 kW
Not less than 670 kW
Generation Facilities
Emporary technological connection