KUBANENERGO PJSC ANNUAL REPORT 2018

QUALITY MANAGEMENT OF CAPITAL CONSTRUCTION

As a part of the implementation of the Government of the Russian Federation Decree No. 468 of June 21, 2010 "On the Procedure for Conducting Construction Control during Construction, reconstruction and overhaul of capital construction objects "in order to verify compliance of work performed in the process of construction, restoration, primary repair of capital construction objects, requirements of project documentation, technical regulations, urban development plan of the land, the results of engineering surveys carried out construction control.

Of the 18 facilities with a voltage of 35 kV and above, which meet the scenario conditions of organizing independent construction control, in which construction and installation works were completed in 2018, eight sites were covered by independent construction controls, that is, 44.4%.

KEY INVESTMENT PROJECTS COMPLETED IN 2018

The most important objects of the investment program of Kubanenergo PJSC, introduced into fixed assets in 2018

| | CONSTRUCTION PERIOD | | POWER INPUT | | |
|--|---------------------|------------|-------------|-----------------------------|--|
| ENERGY FACILITY NAME | THE BEGINNING | THE ENDING | КМ | MEGAVOLT- AMPER (MVA) | VOLUME OF INPUT, MILLION RUBLES, EXCLUDING VAT |
| Reconstruction of the "Yugo-Zapadnaya" Substation 110/10 kV. Installation of a third transformer with a capacity of 40 MVA | 2016 | 2018 | | 40 | 288.5 |
| Reconstruction of the substation "Severo-Vostochnaya" 110/6-10 kV . Installation of a third transformer with a capacity of 40 MVA | 2016 | 2018 | | 40 | 267 |
| Reconstruction of the 35/10 kV Shapsug substation with conversion to 110/35/10 kV voltage with two transformers of 40 MVA each | 2016 | 2018 | | 80 | 416 |
| Reconstruction of the substation "Turgenevskaya" 110/10 kV. Installation of a third transformer with a capacity of 40 MVA | 2016 | 2018 | | 40 | 385.5 |
| Reconstruction of the substation 35/10 kV "Kalinino". Replacement of 2 \times 10 MVA transformers with 2 \times 16 MVA | 2016 | 2018 | | 32 | 295 |
| Construction of Substation "Lazurnaya" 110 kV with overhangs of overhead lines 110 kV | 2016 | 2018 | 0.3 | 20 | 402 |

The increase in transformer capacity at the commissioned facilities will allow the Company to increase the reliability of power supply and create the possibility of connecting additional consumers in the city of Krasnodar, Takhtamukaysky district of the Republic of Adygea and the city of Tuapse.

The technical re-equipment of the substations will provide a reliable power supply to consumers of the regional center, the Republic of Adygea and the city of Tuapse.