

KUBANENERGO PJSC MARKET POWER

The primary mission of Kubanenergo PJSC – is to take a profit in the conditions of long-term provision of reliable, high-quality and affordable power supply to consumers in the Krasnodar Territory and the Republic of Adygea by organizing the most efficient management of the distribution network infrastructure on advanced technologies and innovations based on international standards for quality of services and best practice corporate governance.

Kubanenergo PJSC provides a transmission and distribution of electricity to consumers through the electric power networks 110 kV and lower between residential areas, to the rural settlements, separate cities and regional centers of the Krasnodar Territory (including the City of Sochi) and the Republic of Adygea.

The whole service area of Kubanenergo PJSC in Krasnodar Region and the Republic of Adygea has 83.3 thousand square km and a population of more than 6 million people.

The principal purpose of the Company is to provide reliable and stable energy supply to consumers of this region and to meet the growing needs of the regional economy in electricity.

Kubanenergo PJSC is the largest taxpayer, which takes an active part in the social and economic life of the region, ensuring jobs and employment for the supplier plants from related industries, and bringing about various social programs and conducting charity events.

Kubanenergo PJSC is a public Company, which shares were admitted to trading on the Russian stock exchange – Moscow Exchange PJSC.

The Company conducts its main activity in the conditions of a natural monopoly regulated by the state in terms of:

- tariffication for electricity transmission services and payments for technological connection of power receivers of consumers to the electrical network of the Company;
- ensuring the open, non-discriminatory access of consumers to the specified services of the Company on equal terms.

Kubanenergo PJSC – is the largest power grid Company in the Krasnodar Territory and the Republic of Adygea. The Company share in the regional market for electricity transmission services (from the necessary gross revenue of the region) amounted to 75.5% in 2018. The high rates of reconstruction and renewal of power grid facilities of the Company, the same as dynamic growth of technological connection volumes, let to conclude that the Company will retain a dominant position in the regional market for electricity transmission services in the future.

Key characteristics of the Company in 2018

The total length of power lines	91.0 thousand km
The maximum allowable design capacity of the power system ¹	7,464.7 MBA
The load level of the design capacity of the power system in 2018.	4,918 MVA (65.88% of the maximum capacity) incomplete loading of design capacity due to the need for spare capacity (back up) in case of emergency shutdown or scheduled maintenance
The total number of electricity metering points of consumers connected to the power grids of Kubanenergo PJSC under contractual electricity transmission	1,173,955
Grid branches	11

The Company's share in the regional market for electricity transmission services (based on the required gross revenues of the region) in 2016–2018, accounted for, in %

	2016	2017	2018
Share of Kubanenergo PJSC	73.9	73.9	75.5

The increase in the share of Kubanenergo PJSC is driven by the growth of the IGR for the maintenance of the electrical networks of Kubanenergo PJSC and the consolidation of power grid assets.

The following companies are among the largest companies carrying out similar activities in the Krasnodar Territory and the Republic of Adygea: JSC Independent Energy Service Company of Krasnodar region – NESK-Electricity Network, JSC Oboronenergo, JSC Russian Railways, JSC Neftegaztekhniya-Energy.

1. Only for 110 kV substations.

The main production assets of the Company in 2015–2018 at the end of the reporting year

ASSET TYPE	UNIT OF MEASURE	2015	2016	2017	2018
Substations	number	23,223	23,568	23,767	23,805
Installed capacity (total), including:	MegaVolt-Amper (MVA)	14,089.22	14,273.59	14,502.54	14,833.14
35–110 kV Substation	number	715	716	715	716
	MegaVolt-Amper (MVA)	9,432.7	9,519.1	9,696.63	9,924.07
Transformer substations, distribution transformer substations 6–10 (35) /0.4 kV	number	22,508	22,852	23,052	23,089
	MegaVolt-Amper (MVA)	4,656.516	4,754.491	4,819.34	4,909.07
The length of the overhead transmission line (OTL) on the highway (total), including:	km	86,003.2	86,169.4	86,545	86,480.71
OTL 220 kV and above	km	76.1	76.1	76.1	76.1
OTL 110–150 kV	km	4,962.8	4,908.3	4,907.21	4,924.34
OTL 35 kV	km	6,932.5	6,833.7	6,833.85	6,819.25
OTL 6–10 kV	km	32,556.276	32,621.765	32,710.729	32,382.92
OTL 0.4 kV	km	41,475.550	41,729.512	42,017.11	42,278.11
The length of cable lines (CL) (in total) including:	km	2,217.1	2,279.9	2,349.954	2,390.5
CL 110 кВ	km	78.75	81.05	93.35	93.35
CL 35 kV	km	0.46	0.944	1.33	3.05
CL 6–10 kV	km	1,663.414	1,722.563	1,777.95	1,813.54
CL 0.4 kV	km	473.429	475.316	477.32	480.56

BRANCHES OF THE COMPANY

