

# Strategic tasks and ways of solution

## 1 IMPROVING THE RELIABILITY AND QUALITY OF ELECTRICITY TRANSMISSION SERVICES

### Tasks for 2019 – 2022

- Creation of a single control center and responsibility for the transfer of electrical energy
- Building an efficient system for the use of the Company resources through the implementation of the maintenance management system in the SAP software package
- Modernization of the automated system of the upper level of operational dispatch, technological and situational management of electric power industry facilities in the framework of digitalization programs
- Reduced depreciation of fixed assets through the implementation of the program for technical re-equipment and reconstruction
- Increase the volume of the repair program due to the use of funds from savings in trade and procurement procedures

### Implementation mechanisms

- A significant number of Local grid operators in the territory of presence of the Company operating electric grid assets in state / regional / municipal ownership increases the risks in relation to the operation of the electric grid and predetermines the non-optimal distribution of resources associated with its operation, maintenance and development.
- PJSC IDGC of Siberia plans to consolidate the electric grid assets of the constituent entities of the Russian Federation and municipalities in the regions where the Company operates within the framework of the cooperation agreements concluded
- Ensuring reliable, high-quality and safe energy supply to consumers

### Risks

#### KOR-013

The risk of failure to achieve the level of reliability of services for the transmission of electric energy, established during tariff regulation

#### KOR-014

The risk of failure to achieve the level of quality of services provided under the tariff established by the tariff regulation

#### KOR-012

The risk of failure to achieve the capacity utilization rate established for the planned period

## 2

**ENSURING THE SAFE AND SUSTAINABLE OPERATION  
OF THE DISTRIBUTION GRID COMPLEX****Tasks for 2019 – 2022**

- Implementation of the PR program Prevention of electrical injuries of third parties at the facilities of PJSC IDGC of Siberia. As part of the implementation of measures to prevent industrial injuries and injuries of third parties, with the aim of further improving the work on its prevention, on the basis of the order of PJSC Rosseti of March 29, 2018 No. 55 On approval of programs to reduce injuries at the facilities of the electric grid complex The company has developed and approved by the order of IDGC of PJSC of Siberia dated May 24, 2018 No. 353 Comprehensive program to reduce the risk of injuries of personnel and third parties at power grid facilities of PJSC IDGC of Siberia. The program to reduce the risk of injury to third parties for 2018 provides for 141 events, of which 17 events (12%) require material costs, and 129 events (88%) do not require costs. The cost of the program in 2018 amounted to 177724.16 thousand rubles, while the plan is 210143.00 thousand rubles. Physically, the program is 100% complete.
- In 2018 - conducting collective bargaining and concluding collective agreements of the Company branches for the period 2019-2021.

**Implementation mechanisms**

- Ensuring reliable, high-quality and safe energy supply to consumers
- Development of contractual relations between the parties to the social partnership of the Company
- Coordination of the interests of the parties to the social partnership of the Company in the regulation of social and labor relations
- Realization of social and economic rights and guarantees of employees, stipulated by the labor legislation of the Russian Federation
- Attraction and retention of qualified staff
- Compliance with labor and production discipline, requirements for labor protection, fire safety, safety measures, industrial hygiene
- Ensuring the social stability of the Company and the formation of the image of a socially responsible company

**Risks****KOR-015**

**The risk of an accident due to the fault of the Company**

**KOR-0016**

**The risk of deviation from the value of the indicator of productivity increase established in the business plan**

# 3

## IMPROVING OPERATIONAL EFFICIENCY AND FINANCIAL SUSTAINABILITY. INCREASED INVESTMENT ATTRACTIVENESS

### Tasks for 2019 – 2022

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- Implementation of the Program to improve operating efficiency and reduce costs for 2018–2022, providing for the reduction of managed operating expenses in accordance with Directive of the Government of the Russian Federation No. 2303p-P13 of April 16, 2015 by at least 2% annually. The program is aimed at increasing internal efficiency and ensuring profitability by optimizing internal business processes, including:
  - improving the efficiency of maintenance and repair of equipment, replacement of equipment for low-maintenance;
  - optimization of material costs, stocks;
  - reduction of costs associated with the maintenance and management of non-core assets;
  - increase of labor productivity by typing organizational and administrative documents;
  - reducing the level of overdue receivables for services for the transmission of electric energy, taking measures to reduce overdue receivables;
  - improving the efficiency of trade and procurement through the category of inventory management and centralization of procurement;
  - measures to improve energy efficiency.
  
- Implementation of the Action Plan to improve the efficiency of the Company activities and improve its financial and economic condition. The plan includes the following tasks:
  - improving the efficiency of the Company investment activities;
  - ensuring break-even tariff regulation, making economically justified tariff-balance decisions, including compensation for lost income and return of borrowed funds attracted to the implementation of measures to ensure reliable electricity supply to consumers;
  - implementation of the incentive level of losses and ensuring the level of payment for services for the transmission of electrical energy both in the Company and in specific branches.
  
- In order to achieve the required level of electric power losses and increase the observability of the grid, it is planned:
  - conducting further modernization of electricity metering systems for consumers with the organization of automated data collection;
  - organization of the system of technical accounting of electric energy with automated data collection at the 10 (6) /0.4 kW transformer substation.

## Implementation mechanisms

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- Since 2010, the Company has faced problems impeding reliable and uninterrupted power supply (leaving large consumers to direct contractual relations with PJSC FGC UES in the absence of responsibility for cross-subsidization in the region of presence; non-payment of budget-dependent organizations; loss of income from preferential technological connection; unscrupulous TCO, whose activities lead to the withdrawal of funds from the boiler).
- In order to solve the accumulated problems in all the regions of presence of PJSC IDGC of Siberia, agreements on social and economic cooperation were concluded, minutes of a workshop on the implementation of agreements on interaction in the implementation of regulated activities were signed (\*see below).
- The Company has developed and successfully implements a number of programs for the management of operational efficiency, which includes all aspects of the Company operations.
- Programs approved by the Company Board of Directors, updated according to the results of the emergence of facts of economic activity that require solving problems of a strategic and operational nature. The implementation of the established targets is monitored on a regular basis (quarter, year).

## Risks

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### KOR-001

The risk of deviation of the volume of services for the transmission of electricity in comparison with a given value in the business plan

### KOR-002

The risk of deviation of the average tariff for electricity transmission services from the value used in the formation of the KOR-006 business plan. The risk of increasing the value of operating expenses from the established for the planning period

### KOR-008

The risk of deviation of the value of the debt / EBITDA indicator in comparison with the established value in the business plan

### KOR-009

The risk of deviation of net profit from the value set in the business plan

### KOR-010

The risk of non-fulfillment of the main parameters of the investment program

## 4 INCREASING THE AVAILABILITY OF POWER GRID INFRASTRUCTURE, IMPROVING THE WORK WITH CONSUMERS

### Tasks for 2019 – 2022

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- Implementation of the Digital CSC project within the framework of the innovative development program of PJSC IDGC of Siberia
- Development and promotion of new consumer services, taking into account the implementation of projects to transform the energy infrastructure through the introduction of digital technologies
- Increasing the level of automation of consumer information services single contact center of PJSC IDGC of Siberia
- Development and creation of a grid of charging stations in the territory of presence of PJSC IDGC of Siberia
- Development of customer interaction processes through the “Bright Country” portal
- Continuing the development of interaction with sales organizations in terms of customer service on the principle of a single window using electronic digital signature, as well as interaction with the MFC in the provision of services for receiving applications for technological connection
- Implementation of measures for the refinement and development of services of the corporate website of PJSC IDGC of Siberia
- Raising awareness and establishing feedback with consumers of services - organizing and conducting direct lines, personal and public meetings

### Implementation mechanisms

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- Stable socio-economic development of the regions of presence of the Company branches and increase their investment attractiveness
- Formation of customer loyalty due to quality service and full satisfaction of needs for services

### Risks

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#### KOR-003

The risk of deviation of volumes in the TP compared with the value set in the business plan