

INTERNATIONAL PARTNERSHIP

PJSC IDGC OF SIBERIA, HEVEL GROUP OF COMPANIES AND THE FRENCH COMPANY SAFT SIGNED A MEMORANDUM OF COOPERATION AT THE SITE OF THE RUSSIAN ENERGY WEEK 2018 INTERNATIONAL FORUM.

As part of the agreements, a storage unit will be installed on the territory of Altay Republic to save electricity generated at solar capacity plants and to be transferred to consumers through the grid complex.

The first energy storage device with a capacity of 1 megawatt will be installed in the mountain Kosh-Agach village of Altay Republic where the largest solar capacity station with a capacity of 10 MW was built in Russia in 2014. In the next few years, thanks to the construction of new energy facilities by the Havel Group of Companies, the production of solar energy will increase to 140 MW with a peak consumption in the winter time of 110 MW. Surplus electricity will be saved using SAFT drives and sent to consumers through the networks of IDGC of Siberia, if necessary - for example, at night or during technological switching.

The implementation of a unique project will significantly improve the reliability of the region's energy supply, eliminate energy shortages, and create new jobs. IDGC of Siberia plans to implement similar projects in the Zabaikalye Region and Republic of Buryatia where the number of sunny days per year (over 300) allows us to develop solar generation and thus solve the problem of reliable capacity supply to consumers.

Gorny Altay is one of the most ecologically clean regions in the country. Therefore, we have relied on solar generation, which we are actively developing together with capacity engineers. Back in 2006, we didn't have our own generation at all, and after a few years we could forget what energy shortage is due to solar electricity, its accumulation and distribution across networks. This will increase the reliability of energy supply, as well as create new jobs in the region and increase the tax base.

Robert Paltaller

First Deputy Chairman of the Government of the Republic of Altai

Altay Region

There is a slight decline, both in the number of applications submitted, and in terms of the maximum capacity capacity planned for technological connection. This decrease is associated with an increase in control by PJSC IDGC of Siberia for the completeness and correctness of the information provided in applications for technological connection. The number of concluded contracts decreased accordingly. The decrease in the number of contracts executed in 2018 is mainly due to the lack of notifications of readiness for technological connection by the applicants. At the same time, there is an increase in capacity under the executed contracts, which is caused by the connection of larger consumers in comparison with 2017.

**APPLICATIONS SUBMITTED – 4,164 PCS
WITH MAXIMAL CAPACITY 52,601.7 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF APPLICATIONS: –1% (–32 PCS)**
- **CAPACITY FOR SUBMITTED APPLICATIONS: –9% (–27,678 KW)**

**CONTRACTS CONCLUDED – 3,753 PCS
WITH MAXIMAL CAPACITY 121,550 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF CONCLUDED CONTRACTS: –1% (–51PCS)**
- **CAPACITY FOR CONCLUDED CONTRACTS: –19% (–27,701 KW)**

**CONTRACTS EXECUTED – 3,466 PCS
WITH MAXIMAL CAPACITY 99,382.24 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF EXECUTED CONTRACTS : –5% (–607 PCS)**
- **CAPACITY FOR EXECUTED CONTRACTS: +18% (+15,512 KW)**

THE CONNECTION OF THE LARGE WOODWORKING INDUSTRY WAS PERFORMED IN 2018, –4,9 MW (PAVLOVSKIY DOK LLC) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, FACILITATE THE REGION WOOD INDUSTRY DEVELOPMENT.

Republic of Altay

A significant increase in applications submitted and contracts concluded during 2018 indicates an increase in the investment attractiveness of the region. At the same time, the decrease in the maximum capacity value of the submitted applications shows a high demand for technological connection services among small and medium businesses with relatively large consumers. The increase in the number of concluded contracts indicates an increase in the population's literacy in the preparation of a package of documents and a decrease in the number of rejected applications relative to 2017. Compared to 2017, the volume of executed contracts did not change significantly, the growth of the maximum capacity under executed contracts is due to the fulfillment by the applicants of their obligations under larger contracts for 2017.

APPLICATIONS SUBMITTED – 3,370 PCS WITH MAXIMAL CAPACITY 128,751 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF APPLICATIONS: +43%
(+1,009 PCS)
- CAPACITY FOR SUBMITTED
APPLICATIONS: –11% (–15,837 KW)

CONTRACTS CONCLUDED – 2,652 PCS WITH MAXIMAL CAPACITY 76,397 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF CONCLUDED CONTRACTS:
+47% (+847 PCS)
- CAPACITY FOR CONCLUDED
CONTRACTS: +30% (+17,505 KW)

CONTRACTS EXECUTED – 1,718 PCS WITH MAXIMAL CAPACITY 39,084 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF EXECUTED CONTRACTS:
+0,1% (+8 PCS)
- CAPACITY FOR EXECUTED
CONTRACTS: +24% (+7,525 KW)

THE CONNECTION OF THE ONGUDAY SOLAR ELECTRIC GENERATING STATION WAS PERFORMED IN 2018, – 5,0 MW (ALTAYSKIE SOLAR ELECTRIC GENERATING STATION LLC) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, FACILITATES THE REGION ALTERNATIVE ENERGY DEVELOPMENT, ALLOWS TO PROVIDE POPULATION OF FAR DISTRICTS WITH ADDITIONAL MAIN SUBSTATION.

Republic of Buryatia

Regarding the indices of 2017, the changes in the region are insignificant, which indicates the steady demand for the technological connection service and the absence of sharp fluctuations in this area in terms of the number of applicants. At the same time, an increase in the maximum capacity of applications submitted and contracts concluded indicates an increase in energy-intensive industries in the region. A slight decrease in the number of executed contracts is due to the lack of requests from applicants for readiness for technological connection.

**APPLICATIONS SUBMITTED – 3,912 PCS
WITH MAXIMAL CAPACITY 277,896 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF APPLICATIONS: +1% (+37 PCS)
- CAPACITY FOR SUBMITTED APPLICATIONS: +81% (+124,368 KW)

**CONTRACTS CONCLUDED – 3,146 PCS
WITH MAXIMAL CAPACITY 75,729 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF CONCLUDED CONTRACTS: +0,03% (+1 PCS)
- CAPACITY FOR CONCLUDED CONTRACTS: +7% (+4,884 KW)

**CONTRACTS EXECUTED – 2,953 PCS
WITH MAXIMAL CAPACITY 58,094 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF EXECUTED CONTRACTS : – 6% (–183 PCS)
- CAPACITY FOR EXECUTED CONTRACTS: –11% (–6,864 KW)

THE CONNECTION OF THE IRRIGATION SYSTEM PUMP STATION WAS PERFORMED IN 2018, –0,56 MW (YARIKTO LLC) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, FACILITATES THE REGION AGRICULTURAL DEVELOPMENT.

Krasnoyarsk Region

The increase in the amount of applications received and contracts concluded due to changes in federal legislation due to the expansion at the legislative level of the preferential category of technological connection (up to 150 kW), which makes the technological connection service more attractive for small and medium businesses. The significant increase in the number of executed contracts is due to the increased work in 2018 to eliminate overdue obligations under technological connection contracts. Number of organizational and administrative documents were issued, aimed at the most effective implementation of existing obligations on technological connection.

APPLICATIONS SUBMITTED – 11,598 PCS WITH MAXIMAL CAPACITY 649,711 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF APPLICATIONS: +8% (+830PCS)
- CAPACITY FOR SUBMITTED APPLICATIONS: +25% (+128,695 KW)

CONTRACTS CONCLUDED – 9,172 PCS WITH MAXIMAL CAPACITY 290,335 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF CONCLUDED CONTRACTS: +19 % (+1,473 PCS)
- CAPACITY FOR CONCLUDED CONTRACTS: +29 % (+65,450 KW)

CONTRACTS EXECUTED – 8,882 PCS WITH MAXIMAL CAPACITY 237,373 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF EXECUTED CONTRACTS : +22% (+1,579 PCS)
- CAPACITY FOR EXECUTED CONTRACTS: +18% (+35,649 KW)

THE CONNECTION OF THE WASTE RECYCLING MANUFACTORY FOR WOOD PROCESSING WAS PERFORMED IN 2018, 4,9 MW

(ZHAO JIJIJUN) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, DECREASE QUANTITY OF UNUSED WASTE FOR WOOD PROCESSING.

Kemerovo Region

The growth in the number of applications filed and contracts concluded is due to a change in federal legislation due to the expansion at the legislative level of the preferential category of technological connection (up to 150 kW). This factor is due to a significant increase in the maximum capacity of the applications received. However, due to the smaller number of large applicants relative to 2017, the volume of capacity under the concluded contracts decreased. The increase in the number of executed contracts is due to the ongoing work on the elimination of overdue obligations under technological connection agreements. A number of organizational and administrative documents were issued, aimed at the most effective implementation of existing obligations on technological connection.

APPLICATIONS SUBMITTED – 3,522 PCS WITH MAXIMAL CAPACITY 528,955 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF APPLICATIONS: +14% (+430 PCS)
- CAPACITY FOR SUBMITTED APPLICATIONS: +11% (+52,866 KW)

CONTRACTS CONCLUDED – 3,076 PCS WITH MAXIMAL CAPACITY 151,336 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF CONCLUDED CONTRACTS: +19% (+498 PCS)
- CAPACITY FOR CONCLUDED CONTRACTS: –22% (–43,336 KW)

CONTRACTS EXECUTED – 2,991 PCS WITH MAXIMAL CAPACITY 150,730 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF EXECUTED CONTRACTS: +3% (+84 PCS)
- CAPACITY FOR EXECUTED CONTRACTS: +8% (+11,079 KW)

THE CONNECTION OF THE RESIDENTIAL HOUSES, SOCIAL AND CULTURAL FACILITIES WAS PERFORMED IN 2018, 2,8 MW (SDS-STROY LLC) CONNECTION OF THE OBJECT PROVIDES POPULATION WITH RESIDENTIAL APARTMENTS, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS.

Omsk Region

A slight decrease in the number of applications filed, concluded and executed contracts is due to the work being done to strengthen control over the completeness and accuracy of the information provided in applications for technological connection. A significant increase in maximum capacity caused by one-time applications of large consumers and is not systemic. The implementation of technological connection of large consumers is a long-term procedure and will be implemented in the following reporting periods. This explains the lack of growth of the maximum capacity value under the executed agreements on the implementation of technological connection in 2018.

**APPLICATIONS SUBMITTED – 4,309 PCS
WITH MAXIMAL CAPACITY 350,090 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF APPLICATIONS: –7% (–320 PCS)
- CAPACITY FOR SUBMITTED APPLICATIONS: +116% (+188,075 KW).

**CONTRACTS CONCLUDED – 3,805 PCS
WITH MAXIMAL CAPACITY 92,685 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF CONCLUDED CONTRACTS: –6% (–227 PCS)
- CAPACITY FOR CONCLUDED CONTRACTS: +22% (+16,951 KW).

**CONTRACTS EXECUTED – 4,145 PCS
WITH MAXIMAL CAPACITY 115,041 KW
CHANGES AS COMPARED TO 2017:**

- NUMBER OF EXECUTED CONTRACTS : –2% (–69 PCS)
- CAPACITY FOR EXECUTED CONTRACTS: –47% (–103,897 KW).

THE CONNECTION OF THE HOG-RAISING FARM PEDIGREE BREEDING UNIT FOR LIVESTOCK UNIT WAS PERFORMED IN 2018, 1,16 MW (OB PJSC) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, INCREASE REGIONAL PROVISION OF THE POPULATION WITH MEAT PRODUCTS, FACILITATES THE REGION AGRICULTURAL DEVELOPMENT.

Republic of Khakassia

Significant growth of contracts submitted and contracts concluded during 2018 are due to the activities of the executive capacity of the Republic of Khakassia on the implementation of the program for the allocation of land plots for individual housing construction in connection with the expansion at the legislative level of the category of "preferential" technological connection (up to 150 kW). The decrease in the number and, accordingly, the maximum capacity under the executed contracts, is caused by the smaller number of notifications on gas transmission to technological connection on the part of the applicants during 2018.

APPLICATIONS SUBMITTED – 4,939 PCS WITH MAXIMAL CAPACITY 156,171 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF APPLICATIONS: +15% (+635 PCS)
- CAPACITY FOR SUBMITTED APPLICATIONS: +35% (+40,785 KW)

CONTRACTS CONCLUDED – 4,244 PCS WITH MAXIMAL CAPACITY 88,141 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF CONCLUDED CONTRACTS: +27% (+904 PCS)
- CAPACITY FOR CONCLUDED CONTRACTS: +44% (+27,090 KW)

CONTRACTS EXECUTED – 2,835 PCS WITH MAXIMAL CAPACITY 50,483 KW CHANGES AS COMPARED TO 2017:

- NUMBER OF EXECUTED CONTRACTS : – 20% (–725 PCS)
- CAPACITY FOR EXECUTED CONTRACTS: –20% (–12,492 KW)

THE CONNECTION OF THE CEMENT RECYCLING AND THE FABRICATED METAL PRODUCTS MANUFACTORY WAS PERFORMED IN 2018, 0,43 MW (NON PROFIT COMPANY HOUSING FUND OF ABAKAN) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, INCREASE REGIONAL PROVISION OF THE POPULATION WITH MEAT PRODUCTS, FACILITATES THE REGION CONSTRUCTION INDUSTRY DEVELOPMENT.

Zabaikalye Region

Regarding the indicators of 2017, the changes in terms of the number of applications from applicants and the number of contracts for the implementation of technological connection in the region are insignificant; technological connection (up to 150 kW). A significant increase in the number of executed contracts was caused by the work carried out in 2018 to eliminate overdue obligations under technological connection contracts. A number of organizational and administrative documents were issued, aimed at the most effective implementation of existing grid connection obligations.

**APPLICATIONS SUBMITTED – 3,478 PCS
WITH MAXIMAL CAPACITY 139,802 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF APPLICATIONS: +2%
(+63 PCS)**
- **CAPACITY FOR SUBMITTED
APPLICATIONS: +15% (+17,900 KW)**

**CONTRACTS CONCLUDED – 3,014 PCS
WITH MAXIMAL CAPACITY 68,636 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF CONCLUDED CONTRACTS:
+0,01% (+4 PCS)**
- **CAPACITY FOR CONCLUDED
CONTRACTS: +12% (+7,291 KW)**

**CONTRACTS EXECUTED – 2,634 PCS
WITH MAXIMAL CAPACITY 95,251 KW
CHANGES AS COMPARED TO 2017:**

- **NUMBER OF EXECUTED CONTRACTS :
+7% (+161 PCS)**
- **CAPACITY FOR EXECUTED
CONTRACTS: +115% (+50,986 KW)**

THE CONNECTION OF THE MINING AND PROCESSING PLANT FOR DEVELOPING BEREZOVSK IRON ORE DEPOSIT WAS PERFORMED IN 2018, 0,4 MW (MINING COMPANY LUNEN LLC) CONNECTION OF THE OBJECT PROVIDES WITH ADDITIONAL WORK PLACES, INCREASE THE SCOPE OF CAPACITY FLOW IN PJSC IDGS OF SIBERIA GRIDS, INCREASE REGIONAL PROVISION OF THE POPULATION WITH MEAT PRODUCTS, FACILITATES THE REGION METAL MINING DEVELOPMENT.

The number of socially significant projects includes connected facilities from 11 educational institutions: kindergartens, schools, educational centers with a total capacity of 0.39 MW; 4 health care facilities: hospitals, clinics, obstetric centers, with a total capacity of 0.09 MW and others: boiler houses, a cultural center, a recreation park of a natural park, a gas pipeline – 0.12 MW.

INCREASING THE REGION ATTRACTIVENESS ON THE DOING BUSINESS INDEX

As part of the execution of the target model of simplifying business procedures and increasing the investment attractiveness of the constituent entities of the Russian Federation¹, PJSC IDGC of Siberia carried out the following measures

1. A calculator was created for preliminary and control calculations directly on the corporate website of PJSC IDGC of Siberia of technological connection fees by type of rates and composition of measures in technical terms
2. The possibility of signing a draft agreement in the "Personal Account" on the website of PJSC IDGC of Siberia by means of an electronic digital signature (EDS)
3. The work has been organized to ensure the preparation and issuance to the applicant of the act on the implementation of technological connection and other documents related to technological connection, at the stage of actual supply of voltage to the applicant's receiving capacity devices
4. The system has been introduced for the procurement of construction (reconstruction) of capacity grids by the grid organization for the planned volumes of technological connection using framework agreements
5. Work was carried out with the executive authorities of the regions located in the area of presence of PJSC IDGC of Siberia, to issue a regulatory document providing for the elimination of the need to obtain permits for the construction of capacity grid facilities of voltage class up to 20 kW inclusive, required for technological connection (adopted in all regions of presence of PJSC IDGC of Siberia)
6. At the regional level, commissions have been set up to coordinate projects for the construction of linear facilities, consisting of representatives of all owners of linear facilities in the area, and representatives of local governments

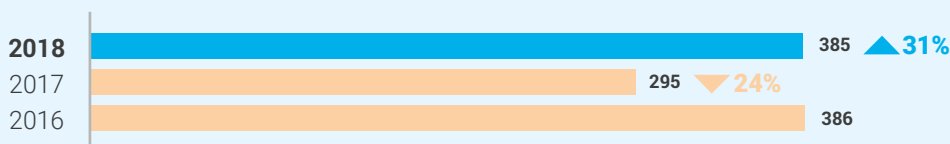
PAYMENT FOR TECHNOLOGICAL CONNECTION

Payment for technological connection services is carried out in accordance with the current legislation on the basis of the amount of fees approved by the authorized executive authorities in the field of state regulation of tariffs.

The cost of technological connection of capacity receiving devices with a maximum capacity of up to 15 kW does not exceed 550 rub. In 2018, the average rate for technological connection for the Company as a whole increased by 31% and amounted to 385 rub/kW.

The increase is due to the entry into force of the Guidelines for determining the amount of payment for technological connection to electric networks.

Dynamics of rate average per capacity unit, rub/kW



1. Order of the Government of the Russian Federation of January 31, 2017 No. 147-p

The increase in the rate is due to the change in the method of forming tariff rates. According to the Order of the Federal Antimonopoly Service of Russia No. 1135/17b dated August 29, 2017¹, when calculating tariff rates, data not only of PJSC IDGC of Siberia, but also of other local grid operators is taken into account. So, when calculating uniform standardized tariff rates and rates per unit of maximum capacity, data provided by all territorial grid organizations are taken into account.

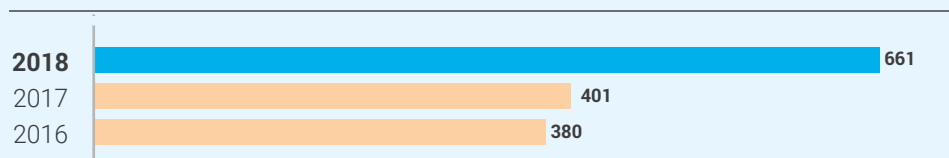
From 2018, the rates of payment for technological connection according to Methodological Guidelines 1135 are set uniform for the whole network organizations by the method of comparing analogues based on the data provided by the network organizations on actual costs of technological connection for each of the last 3 years. Until 2018, the rates for technological connection were set on the basis of the planned expenses for each Network Organization sent by the Network organizations.

Additional

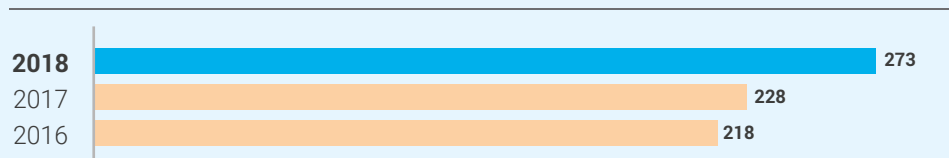
The company actively uses existing technical capabilities and unique competencies of highly qualified employees to develop additional services. Among the most sought-after were: testing electrical equipment and elements of electrical networks, the provision of road transport services, installation and replacement of metering devices, customer disconnection/connection services, the provision of a diesel generator set (display electronic unit), analysis of transformer oil, development of design and estimate documentation in 2018. The consumer service center, consumer offices and PDZ on the stands and on the Company's website www.mrsk-sib.ru contain information about the additional services provided. The site also provides information on the cost of services. Customer service centers provide verbal information to consumers applying for technological connection about the possibility of obtaining services related to technological connection and other types of additional services implemented by the Company's branches.

At the end of 2018, revenue from the sale of additional services amounted to 661 mln rub. The largest share is accounted for by services on changing network topologies (under reorganization agreements) – 59% (388 mln rub.).

Revenue from additional services, mln rub.



Revenue from additional services, excluding network topologies services, mln rub.



1. Approved by the order of the Federal Antimonopoly Service of Russia dated August 29, 2017 No. 1135/17 (Methodical instructions No. 1135/17)