

POWER TRANSMISSION

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Delivery and distribution of electricity to customers via 110 kV or lower-voltage grids is Rosseti Kuban's core business. The Company's share in the regional electricity transmission market was 77.5% of the regional revenue requirement (RR) in 2020. In 2020, the Company did achieve its KPI targets for electricity loss in transmission, which totalled 10.04% or 0.47 p.p. below the planned value. The loss reduction actions saved 186.5 mln kWh in 2020”.



Deputy General Director for Service Sales
Oleg Nishchuk

Key indicators

The Company's production results (mln kWh)

Indicator	2018	2019	2020	Change 2020/2019 (%)
Grid output	23,032.535	22,850.669	23,007.998	0.6
Electricity delivered from the grid to customers and related local grid operators within the area of balance and operational responsibility	20,442.390	20,424.279	20,697.235	1.3%
Loss of electricity in transmission:				
mn kWh	2,590.145	2,426.390	2,310.764	-4.8
%	11.25	10.62	10.04	-0.58
Power transmission services provided:				
mn kWh	18,766.494	18,874.183	19,108.142	1.2
RUB mn	45,583.484	46,515.696	48,101.880	3.4

Over the reporting year, the actual electricity losses of Rosseti Kuban totalled 2,311 mln kWh in its grids, or 10.04% of grid output. This was a 0.58 p.p. reduction in losses year-on-year. Actual electricity losses decreased by 116 mln kWh year-on-year.

In 2020, the Company delivered a total of 19,108 mn kWh, a 234 mn kWh or 1.2% increase year-on-year. The decrease

in the actual revenue for electricity transmission services by 5% relative to the planned parameters was due to a reduction in the volume of electricity transmission services by 3% resulting from the measures taken to counter the spread of the new coronavirus infection (COVID-19) in the territory of the Russian Federation.

Measures to Reduce Power Losses

One of the most important Company's activities is reducing power losses.

As of the end of 2020, the effect of implementing measures aimed at reducing power losses during transmission totalled 186.5 mln kWh (RUB 723.5 mln), including due to:

- administrative procedures - 30.9 mln kWh (RUB 44.8 mln);
- engineering - 7.0 mln kWh (RUB 25.8 mln);
- improvement of power metering - 148.6 mln kWh (RUB 653.0 mln).

This work will continue.

The loss reduction program initiatives were completed in the reporting year, the target program indicator, i.e. power loss factor was achieved.

Power Metering State

As of December 31, 2020, the number of power supply points equipped with energy meters registered at Rosseti Kuban was as follows:

- 105,004 points of legal entities;
- 1,051,486 points of household consumers.

In the reporting year, in accordance with Federal Law No. 522-FZ dated December 27, 2018 "On Amending Certain Legislative Acts of the Russian Federation in Connection with the Development of Electric Energy (Power) Metering

Systems in the Russian Federation" and the Smart Metering Development Concept of PJSC Rosseti in the retail markets, the Company developed and implemented the Smart Metering Development Program for 2020–2030. The program was approved by the decision of the Board of Directors of the Company (Minutes No. 374/2020 dated January 21, 2020).

Implementing the Smart Metering Development Program

Indicator	Target (2020)	Actual (2020)	Plan fulfillment (%)
The scope of modernization (creation of information and metering systems for measuring the volume of electricity (power) at the point of delivery), metering points	100,271	119,901	119.6
Including:			
• creation of metering systems to comply with the Federal Law No. 522-FZ dated December 27, 2018	27,082	27,082	100.0
• automation of metering points	61,532	61,676	100.2
Program costs (including the payment under the energy services contracts of prior periods), RUB mln	1,956.174	2,158.899	110.4

The excess of the target expenditures was caused by an increase in the actual effect of implementing energy service contracts relative to the planned indicators, which led to an increase in payments to investors under the contracts concluded, and also by overfulfillment of the plan for installation of electricity meters.

Implementing Automated Meter Reading and Control System

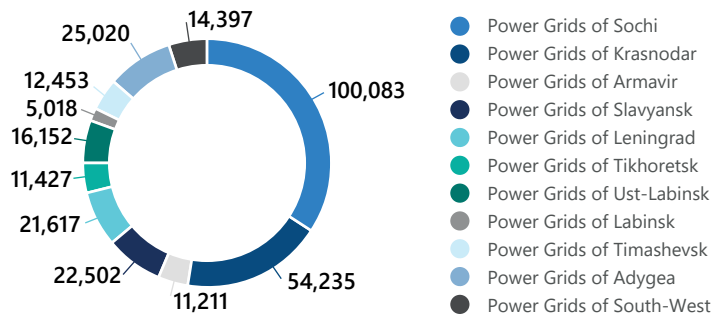
As part of implementing energy service contracts, out of 79,806 meters installed by energy service companies, 59,918 were automated in the reporting year (the target for 2020 was 59,776 meters). Also, 1,746 technical metering devices were installed and automated at the TSs under the Company's Investment Program for 2020.

As of the end of the reporting year, the number of the Company's automated electricity meters with remote data acquisition amounted to 294,915 devices (including those automated under the energy service contracts).

The introduction of metering devices with remote data acquisition has proven to be effective in reducing electricity losses: actual losses in 2020 decreased by 4.8% year-on-year, or 0.48 p.p.

In 2021, the Company will continue implementing meters with remote data acquisition under the energy service contracts, as well as the installation and automation of technical metering systems at the Company's TSs and substations under the Investment Program. It is planned to automate 25,218 metering points and by the end of 2021, to increase the number of automated meters with remote data acquisition to 320 thousand devices, which is 26.73% of the total number of meters in the Company.

Total number of automated metering devices with remote data collection as of December 31, 2020, also under the energy service agreements across branches of Rosseti Kuban, pcs



Metering devices automated in 2020 under the energy service agreements across branches of Rosseti Kuban, pcs.

