

TERMS AND ABBREVIATIONS

ACS – automated control system.

Actual (reported) electricity losses – a difference between the amount of electric power supplied to the power grid from other grids or power producers and the amount of electric power consumed by the power receivers connected to the grid and transferred to other grid operators;

APCS – automated process control system.

Average headcount – the overall number of employees for each calendar day of a period including holidays (banking holidays) and days-off divided by the number of calendar days in the period.

c.u. – conventional units for electric equipment.

CAD – a computer-aided design system.

CES and FS – Commission for Emergency Situation and Fire Safety.

CL – cable power line.

Common pot tariffs for power transmission – uniform tariffs for power transmission services in Krasnodar territory and the Republic of Adygea for all consumers of power transmission services irrespective of which power grid organization they are connected to, differentiated according to the voltage levels.

Common-pot revenue requirement – economically feasible amount of funds necessary for the organization to perform regulated activities within the reporting period of regulation, taking into account the costs of services of territorial grid companies, FGC UES PJSC, and the purchase of electricity to compensate losses.

Company RR, Company revenue requirement – the economically feasible amount of funds necessary for the organization to perform regulated activities within the reporting period of regulation without the costs of services of territorial grid companies, FGC UES PJSC, and the purchase of electricity to compensate losses.

Corporate year – period between the election of members of the Board of Directors and the Auditing Commission at the General Meeting of Company Shareholders and the next Annual General Meeting of Company Shareholders.

DD – distribution device of a substation or a power plant.

DTS – distribution transformer substation.

EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) – profits before paying taxes depreciation costs and loan interest.

EPS sources – emergency power supply sources.

Excessive (commercial) electricity losses – the difference between actual and standard electricity losses, paid to the full extent by the operator of the grid where these excessive losses occurred;

FEC – Fuel & Energy Complex.

Feeder – a power line connecting bus bars of electric switchgear with distribution and consumer power grids powered from them.

FOCL – fiber-optic communication line.

Grid connection – technical connection of consumer terminals (power units) of legal and natural entities to the power grids of the company that provides electricity transmission services.

Grid operator, distribution grid company – an organization responsible for transmission and/or distribution of electricity in power grids.

Grid output – the amount of electric power, received in the distribution grid from the supply points of the uniform national power grid, generation points and other related systems, formed according to the voltage level on the balance responsibility border.

GS – grid section.

Guaranteeing energy supplier – a commercial organization obliged to enter in contracts for electricity sale and purchase with any electricity consumer or a person acting on behalf of such consumer willing to buy electricity in accordance with Federal Law No. 35-FZ on Electrical Power dated March 26, 2003 or voluntarily assumed liabilities.

HV – high voltage (110 kV or above).

Load electricity losses – losses depending on the load in transformers and lines occurring during power transmission.

Loss of revenue – a shortfall in the income of the regulated organization due to providing grid connection benefits to customers consuming less than 15 kW that occur because of the discrepancy between the actual expenses for grid connections made

and the payment received for them set in accordance with the current laws of the Russian Federation.

Losses of electric power:

LV – low voltage.

M&R – maintenance and repair.

MV1, MVI – medium voltage I (35 kV).

MV2, MVII – medium voltage II (1–20 kV).

OPL – overhead power line

PAMS – production asset management system.

PBU – accounting regulations

PDGA – energy transmitting areas of power distribution grid in branches of the Company, comprising several grid sections and supervisory, mechanical aid, and transport groups and controlling them (via the Head of PDGA).

PGA – power grid areas in the branches of the Company.

Power center – substation bars with a voltage of 110, 35, 6/10 kV.

PTL – power transmission line.

R&D – research and development.

RAS – Russian accounting standards.

Related grid operator – the grid operator than is a legal owner of the power grid facilities connected directly to the power grids of other operators (it cooperates with).

RES – renewable energy sources

Revenue requirement for the region, RR for the region – economically feasible amount of funds necessary for grid organizations functioning in Krasnodar territory and the Republic of Adygea to perform regulated activities related to power transmission during the reporting period of regulation.

RMUPL-01 – reflectometric monitoring unit for 35–220 kV power transmission lines.

ROE (Return On Equity) – cost-effectiveness of equities; represents performance efficiency; a ratio of net profits for the period divided by equities of an organization.

ROTA (Return on total assets) – cost-effectiveness of total assets; represents performance efficiency; a ratio of net profits (of before-tax profits) for the period divided by the total value of company assets for the period.

RPA setting – relay actuation (release) parameter or time set.

RPA – relay protection and automation.

RPC-PTD KT – Regional Power Commission – the price and tariff department of the Krasnodar Territory – an executive body of the Krasnodar Territory in state tariff regulation

S&A – subsidiaries and affiliates of the Company or Rosseti PJSC.

SCB – static capacitor battery

SS – substation.

SSIW – self-supporting insulated wire.

Standard electricity losses – calculated loss values set by authorized federal executive bodies for the aggregated power transmission lines and other facilities owned by the grid operator and differentiated according to the voltage levels; the cost of normal losses of electricity is included in the amount of the payment for the transmission of electricity (tariff);

Technical electricity metering – metering electricity consumption within power plants, substations, and companies to calculate and analyze the power losses in grids and account for the consumption of electric power for the company's own operational and production needs.

Technical losses – losses of electric power in power grid lines and equipment due to the physical processes occurring when transmitting power in accordance with the specifications and operating modes of grids and equipment taking into consideration the power consumption of substations.

Technical violations (accident) – an unauthorized disconnection of normal power grid operations.

TGO – local grid operator – a commercial organization that owns power grid facilities by right of property or other grounds set of in federal laws and provides power transmission services using those, performs proper grid connection of power recipients (power units) of legal and natural entities to power grids, apart from signing power transmission contracts using the power grid facilities outside the uniform national (Russian) power grid.

TS – transformer substation.

Undersupply – undersupply of electric power to consumers due to technological breakage in the power grid.

UNPG – Unified National (all-Russian) Power Grid.

Useful output of electricity – the amount of electric power transmitted (supplied) via distribution grids at power supply points of consumers and (or) downstream grid operators which was formed according to the voltage level on the balance responsibility borders. It corresponds with the physical process of power transmission via electric grids.

Volume of services rendered – the amount of electric power transmitted via the power grid facilities owned by the grid company on any grounds compliant with the laws of the Russian Federation.