

# TERMS AND ABBREVIATIONS

Average Headcount is an 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

Commercial Metering of Electricity (Capacity) is the process of measuring the amount of electricity and determining the amount of capacity, as well as collecting, storing, processing, transmitting the results of these measurements and generating, including by calculation, data on the amount of electricity (capacity) produced and consumed for mutual settlements for the supplied electricity and capacity, as well as for services related to the said supplies

Corporate Year is a 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

CPL – Cable Power Line

Delivery to the Grid is the amount of electric power received in the distribution grid from the delivery points of the Uniform National Power Grid, generation points and other related systems, formed according to the voltage level on the balance responsibility border

DPGR are distribution power grid regions in branches of the Company's branches, comprising and controlling (via the Head of DPGR) several grid sections and the following groups: operational dispatch group, mechanical aid group, and energy transport group

DTS – Distribution Transformer Substation

EBITDA – Earnings before Interest, Taxes, Depreciation, and Amortisation

Electricity Losses:

Actual (Reported) Electricity Losses stand for 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

Standard Electricity Losses stand for calculated loss values set by authorised federal executive bodies for the aggregated electricity 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)

Electricity Metering Device is a measuring device designed to determine the amount of active and/or reactive electrical energy that passed through it in a certain period of time to the place of consumption of electrical energy.

Excessive (Commercial) Electricity Losses stand for a 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 – Fibre-Optic Communication Line

Grid Connection is a 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 Organisation, Distribution Grid Company is an organisation responsible for transmission and/or distribution of electricity in power grids

GS – Grid Section

Guaranteeing Energy Supplier is a commercial organisation 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 26 March 2003 or voluntarily assumed liabilities

Load-Caused Electricity Losses are losses depending on the load in transformers and lines occurring during electricity transmission

Loss of Revenue is a shortfall in the income of the regulated organisation 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

M&R – Maintenance and Repair

Net Delivery is 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 electricity transmission via power grids

OCB – Oil Circuit Breaker

OPL – Overhead Power Line

PAMS – Production Asset Management System

PBU – Accounting Regulations

PG – Power Grids

PGR – Power Grid Regions in the Company's Branches

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

Process-Related Disturbances (Emergency) is an unauthorised disconnection of normal power grid operations

PTL – Power Transmission Line

R&D – Research and Development

RAS – Russian Accounting Standards

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

Required Gross Revenue, RGR of the Company is an economically feasible amount of funds necessary for the organisation 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

Required Gross Revenue, RGR of the Region is an economically feasible amount of funds necessary for grid organisations functioning in the Krasnodar Territory and the Republic of Adygea to perform regulated activities related to power transmission during the reporting period of regulation

Required single-pot gross revenue is an economically feasible amount of funds necessary for the organisation to perform regulated activities within the reporting period of regulation, taking into account the costs of services of territorial grid companies, PJSC FGC UES, and the purchase of electricity to compensate losses.

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

ROTA (Return on total assets) is 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 is a relay actuation (release) parameter or time set

S&A – Subsidiaries and Affiliates of the Company or PJSC Rosseti

SG – Switchgear (of a substation or a power plant)

Single-Pot Tariffs for Electricity Transmission are uniform tariffs for electricity transmission services in the Krasnodar Territory and the Republic of Adygea for all consumers of electricity transmission services irrespective of which power grid organisation they are connected to, differentiated according to the voltage levels

SS – Substation

STRD-KT – State Tariff Regulation Department of the Krasnodar Territory – an executive authority of the Krasnodar Territory in the field of state regulation of tariffs

Technical Electricity Metering is metering to control electricity consumption within power plants, substations, businesses, buildings, flats, etc. Meters used for technical metering are called technical meters

Technical Losses are 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

TGO (territorial grid organisation) is a commercial organisation that owns power grid facilities by right of property or other grounds set of in federal laws and provides electricity 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

Underdelivery is insufficient delivery of electric power to consumers due to disturbances in the power grid

UNPG – Unified National Power Grid (of Russia)

Volume of Services Rendered is 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