

TARIFF POLICY

Electricity transmission tariffs

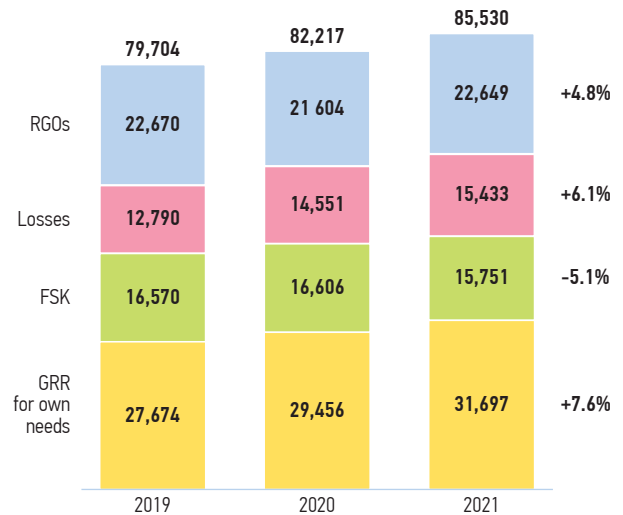
Permenergo	INDEX	5 years (2018–2022)
Sverdlovenergo	RAB	13 years (2011–2023)
Chelyabenergo	INDEX	5 years (2018–2022)

In 2021, the regulators applied the return on invested capital method (RAB) to Sverdlovenergo and method of long-term indexation of the gross revenue requirement (INDEX) to Permenergo and Chelyabenergo.

Uniform (“pie”) tariffs comprise expenses of all grid companies operating in the region to be annually prescribed for the next year during the long-term regulation period. Pursuant to existing tariff regulation laws, a gross revenue requirement is subject to annual fine-tuning, adjusted for changed real and target calculations, executed investment program and achieved reliability and quality of service indicators. Uniform (“pie”) electricity transmission tariffs to be enforced in 2021 were approved by the tariff decisions of the relevant regional regulators^{21–23}:

Uniform (“pie”) electricity transmission tariffs for 2021 were set by the regulators of the Sverdlovsk and Chelyabinsk regions in line with the FAS-approved minimum and maximum levels of tariffs. Uniform (“pie”) electricity transmission tariffs for 2021 in the Perm region were set by the regulator above maximum levels of tariffs²⁴.

OAo IDGC of Urals’ GRR composition and its YoY changes, RUB million



Information hereof complies with the 2019–2021 tariff model, used by the regulators in setting of the 2019–2021 tariffs for electricity transmission.

Key factors that changed the “pie” gross revenue requirement in 2021, RUB million

Factor	2019	2020	2021	2021/ 2020, %	Explanations on 2021/2020 changes
Permenergo: electricity transmission GRR approved in the tariffs, incl:					
GRR for own needs	20,813	21,861	22,738	104.01%	Growth of unified (pie) tariffs
Payments to FSK UES	9,668	10,351	10,544	101.86%	
Loss compensation	3,266	3,354	3,376	100.66%	Growth of UNES tariffs
Payments to RGOs (in line with the contracts)	4,796	4,943	5,164	104.47%	Growth of loss purchase price
Sverdlovenergo: electricity transmission GRR approved in the tariffs, incl:					
GRR for own needs	3,083	3,213	3,654	113.73%	Growth of individual tariffs for RGOs
GRR for own needs	36,386	37,852	39,332	103.91%	Growth of unified (pie) tariffs
Payments to FSK UES	10,413	11,351	11,868	104.55%	
Loss compensation	7,983	7,894	7,833	99.23%	Reduction of contracted capacity of UNES services
Payments to RGOs (in line with the contracts)	4,390	4,915	5,214	106.08%	Growth of loss purchase price
Chelyabenergo: electricity transmission GRR approved in the tariffs, incl:					
GRR for own needs	13,600	13,692	14,417	105.30%	Growth of individual tariffs for RGOs
GRR for own needs	22,505	22,504	23,460	104.25%	Growth of unified (pie) tariffs
Payments to FSK UES	7,593	7,754	9,285	119.74%	Acceptance of grid assets from other RGOs
Loss compensation	5,321	5,358	4,542	84.77%	Reduction of contracted capacity of UNES services
Payments to RGOs (in line with the contracts)	3,604	4,693	5,055	107.71%	Growth of loss purchase price and growth of normative losses
Payments to RGOs (in line with the contracts)	5,987	4,699	4,578	97.42%	Acceptance of grid assets from other RGOs

Analysis of revisions of the average electricity transmission tariff (adjusted for net supply on generator voltage level), RUB/kWh

Branch	2019	2020	2021
Permenergo	1.356	1.425	1.482
Sverdlovenergo	1.283	1.357	1.402
Chelyabenergo	1.473	1.463	1.516
Total	1.351	1.402	1.453
Growth, %	3.6%	3.8%	3.6%

Information hereof complies with the 2019–2021 tariff model, used by the regulators in setting of the 2019–2021 tariffs for electricity transmission

Technological connection fee

Pursuant to the Guidelines on calculating a connection fee²⁵ the regulators of the Perm, Sverdlovsk and Chelyabinsk regions have set the 2021 standardized tariff rates (Section II of the Guidelines), maximum capacity unit rates (Section III of the Guidelines) and connection fee formulas.

The regulators have set a RUB 550.0 (plus VAT) connection fee for all Company's branches to be applied to applicants, requesting connection of grid equipment with the capacity of 0–15 kW inclusive (incl. previously connected capacity at the point), when facilities, referred to the 3rd reliability category (from one source of electricity supply), are connected, provided that the distance between the boundaries of an applicant's land plot and Company's facilities at 20 kV inclusive does not exceed 300 m in urban areas (cities and small towns) and 500 m in rural areas.

The 2020 connection fees were approved by the regional regulators^{26–28}.

Company's average connection fee per maximum capacity unit, as compared to 2020, increased in 2021 mainly due to rate indexation, changes of structure of revenues from connection resulting from changes in the number of connection contracts and volumes of connected capacity per one connection. Reduction of average standardized rate for execution of organizational and technical measures is influenced by reduced standardized tariff rates C_1 for the Perm and Sverdlovsk regions.

During 2021, the Company decided to connect 3 facilities to the network under individual projects:

- SNT Truboprockatchik 1 (RUB 652.3 thousand, net of VAT, connected capacity: 250 kW) in the Chelyabinsk region;
- PAO T Plus (RUB 880.7 thousand, net of VAT, connected capacity: 29,900 kW) in the Perm region;
- OOO Energoservis Zvezdnyi (RUB 801.5 thousand, net of VAT, connected capacity: 2,326 kW) in the Perm region.

	MU	2019	2020	2021	2021/2020, %
Electricity transmission GRR approved in the tariffs, incl:	RUB million	79,704	82,217	85,530	104,03%
GRR for own needs	RUB million	27,674	29,456	31,697	107,61%
Payments to FSK UES	RUB million	16,570	16,606	15,751	94,85%
Loss compensation	RUB million	12,790	14,551	15,433	106,06%
Payments to RGOs (in line with the contracts)	RUB million	22,670	21,604	22,649	104,84%
"Pie" net supply	million kWh	58,986	58,632	58,868	100,40%
Average transmission tariff (breakdown by branches)	RUB/kWh	1.351	1.402	1.453	103,61%
Average connection fee per capacity unit *	RUB/kW	3,446	3,061	3,258	6,4%
Average connection fee C_1 **	RUB per one connection	17,606	18,040	16,846	-6,6 %

* Average connection fee per capacity unit is computed using 3-year average of connection volumes and approved rates for a corresponding year.

** Average connection fee C_1 per one connection is computed using 3-year average of number of connection contracts and approved rates for a corresponding year.