

Changes to pricing principles on the retail market

In 2018, the basic principles of a new tariff regulation methodology for guaranteed suppliers using the comparative method¹ took effect along with guidelines which specify the main rules for calculating the supply margin of guaranteed suppliers and which are intended for use by the executive authorities of the Russian Federation in charge of state tariff regulation².

Under the new methodology, calculations are made based on the best practices for the operation of guaranteed suppliers on the territory of the Russian Federation, cost standards, and their differentiation depending on the region of the Russian

Federation and the company's scale, and are further applied by regional regulatory bodies when establishing the supply margins of guaranteed suppliers for 2018 and beyond. Given that the guaranteed suppliers of the Inter RAO Group regularly take measures to improve business processes and optimize costs, the new methodology has had a positive impact on the bottom line of the Inter RAO Group's guaranteed suppliers for 2018.

ASSETS INCLUDED IN THE SEGMENT

ST. PETERSBURG, LENINGRAD REGION

- JSC St. Petersburg Power Supply Company
- JSC UISC LR

VLADIMIR REGION

- LLC Energosbyt Volga

MOSCOW, MOSCOW REGION

- JSC Mosenergosbyt
- LLC Moscow Region UISC

ORYOL REGION

- LLC Oryol Power Supply Company

TAMBOV REGION

- PJSC Tambov Power Supply Company

SARATOV REGION

- PJSC Saratovenergo

REPUBLIC OF BASHKORTOSTAN

- LLC Energy Retail Company of Bashkortostan
- LLC Inter RAO - UISC

ALTAI TERRITORY, ALTAI REPUBLIC

- JSC Altayenergosbyt

OMSK REGION

- JSC St. Petersburg Power Supply Company

TOMSK REGION

- PJSC Tomskenergosbyt

- Guaranteed Supplier
- Unified Information and Settlement Center

¹ Resolution No. 863 of the Government of the Russian Federation dated July 21, 2017

² Order No. 1554/17 of the Russian Federal Antimonopoly Service dated November 21, 2017

INDEPENDENT POWER SUPPLY COMPANY

Company name	Territory where present
JSC Mosenergosbyt	Altai Territory, Astrakhan Region, Belgorod Region, Bryansk Region, Vladimir Region, Volgograd Region, Vologda Region, Voronezh Region, Ivanovo Region, Irkutsk Region, Kaliningrad Region, Kaluga Region, Kemerovo Region, Kirov Region, Kostroma Region, Krasnodar Territory, Krasnoyarsk Territory, Kurgan Region, Kursk Region, Leningrad Region, Lipetsk Region, Nizhny Novgorod Region, Novgorod Region, Novosibirsk Region, Omsk Region, Orenburg Region, Oryol Region, Perm Region, Republic of Adygea, Republic of Bashkortostan, Republic of Tatarstan, Rostov Region, Ryazan Region, Samara Region, St. Petersburg, Saratov Region, Sverdlovsk Region, Smolensk Region, Stavropol Territory, Tver Region, Tomsk Region, Tula Region, Tyumen Region, Udmurt Republic, Ulyanovsk Region, Chelyabinsk Region, Chuvash Republic, and Yaroslavl Region.
LLC RN-Energo	Altai Territory, Astrakhan Region, Belgorod Region, Bryansk Region, Vladimir Region, Volgograd Region, Vologda Region, Voronezh Region, Ivanovo Region, Irkutsk Region, Kaluga Region, Kemerovo Region, Kirov Region, Kostroma Region, Krasnodar Territory, Krasnoyarsk Territory, Kursk Region, Leningrad Region, Lipetsk Region, Moscow, Moscow Region, Nizhny Novgorod Region, Omsk Region, Orenburg Region, Oryol Region, Penza Region, Primorsky Territory, Pskov Region, Republic of Altai, Republic of Bashkortostan, Republic of Mari El, Republic of Mordovia, Republic of Tatarstan, Republic of Khakassia, Rostov Region, Ryazan Region, Samara Region, St. Petersburg, Saratov Region, Sverdlovsk Region, Smolensk Region, Stavropol Territory, Tambov Region, Tver Region, Tomsk Region, Tula Region, Tyumen Region, Udmurt Republic, Ulyanovsk Region, Khabarovsk Territory, Khanty-Mansi Autonomous District-Yugra, Chelyabinsk Region, Chuvash Republic, Yamalo-Nenets Autonomous District, and Yaroslavl Region.
LLC RT-ET	Bryansk Region, Leningrad Region, Moscow Region, Nizhny Novgorod Region, Novosibirsk Region, Samara Region, Saratov Region, Sverdlovsk Region, Republic of Bashkortostan, Republic of Mordovia, Republic of Tatarstan, Udmurt Republic, Ulyanovsk Region, and Chita Region.

Improving operational efficiency

In an effort to improve the quality of services and slash operating costs, the Inter RAO Group has developed a framework program for the digital transformation of supply companies in 2019-2021. The program also aims to develop the following segments:

- remote data collection
- electronic document workflow
- receivables management
- customer service
- digital integration with external systems
- enhancing the effectiveness of the contact center

Billing

Two projects were implemented in the Billing segment in 2018.

A project to standardize settlements with individual consumers for power supply companies of the Inter RAO Group

In 2018, the following work was completed:

- transition to the Unified Methodology for Working with Individual Consumers
- standardization of settlements with individuals at LLC Energy Retail Company of Bashkortostan
- standardization of settlements with individuals at LLC Energosbyt Volga