

# HISTORY OF ORIGIN AND DEVELOPMENT OF THE KUBAN ENERGY SYSTEM AND ROSSETI KUBAN JSC

**XIXth century** ▼ Start of the Kuban energy system — construction of small power plants in the region.

**1920** ▼ Establishment of Soviet rule in Kuban, nationalisation of all industrial enterprises.

Establishment of the Electricity Department under the Kuban Black Sea National Economic Council to manage power facilities in Kuban.

**1921** A total of 353 power plants with a total capacity of 13.7 MW were operating in Kuban. 16,200 light bulbs and 621 electric motors were connected to the power grid.

Establishment of the Vodeltram association, comprising the city and municipal and public water supply services, transport (tram) services and electricity supply services in Krasnodar. The length of the power transmission lines (PTLs) was 45 km. The power grids were rated for 2 kV.

**1930s** Establishment of the Northern Caucasus Energy Authority (Sevkavenergo), which also managed power facilities in Kuban.

Separation of Azcherenergo (Rostov-on-Don) from Sevkavenergo in 1934, transfer of power facilities of Kuban to Azcherenergo.

**1944** Spin-off of the Krasnodar District Energy Authority (Krasnodarenergo) from Azcherenergo, with its core activities being the generation, distribution and sale of electricity and heat, restoration and development of the energy system, control of energy consumption and operational supervision of Kuban power installations. Krasnodarenergo managed power stations, substations, power grid regions (PGR), electricity retailing services, a mechanical repair plant, a central warehouse, a design and survey bureau, a production and research laboratory as independent self-supporting entities.

**Late 1950s — early 1960s** Construction of 110 and 220 kV main PTLs to connect with the energy systems of Southern Russia and Transcaucasia. Electrification of the Krasnodar Krai railway network. Construction of electricity distribution grid facilities. Electrification of rural settlements.

**1963** Kuban urban and rural power grid organisations were transferred from the regional department for public utilities to Krasnodarenergo.

**1972–1975** Installation of two first gas turbine plants (GTP) in the USSR, each of 100 MW capacity, at Krasnodarskaya combined heat and power plant (CHPP). The total capacity of the CHPP, the block unit and the two GTPs was 959 MW.

**1970s — 1980s** Significant increase in the construction of new PTLs due to explosive growth in electricity consumption. Total PTL length grew to 90,000 km, and the 35–500 kV substations exceeded 700 in number.

**1988** Krasnodarenergo was wound up and transformed into the Krasnodar Production Association of Power Supply and Electrification (still named Krasnodarenergo).

**1993** Krasnodarenergo was privatised and reorganised into Kubanenergo OJSC. Apart from local power grid operators, Kubanenergo included the Krasnodarskaya CHPP, Energonadzor, repair and construction enterprises, a training school, a corporate spa resort, and a summer pioneer camp.

49% of Kubanenergo's shares were transferred to RAO UES of Russia OJSC as a payment for authorised capital, and remaining 51% were acquired by employees and other parties eligible for benefits according to the State Privatisation Programme<sup>1</sup>.

**2004–2005**

During the reformation stage of Russia's electric power industry, Kubanenergo OJSC was released from service and non-core activities and dispatching functions by splitting them off into separate companies. Thus, the operational dispatch management was transferred to SO UES OJSC; Krasnodarenergoremont OJSC and Krasnodarenergosetremont OJSC, Energetik Health Resort OJSC, Plamy Health Facility OJSC were established. Non-state non-profit educational institution Kubanenergo Training Centre was set up.

**2006**

The reforms taking place in the electric power industry resulted into Kubanenergo splitting into Kuban Generating Company OJSC (generating capacities), Kuban Main Grids OJSC (grid facilities), Kubanenergosbyt OJSC (guaranteeing electricity supplier, purchase of electricity in the wholesale market to deliver it to the end users).

**2008–2012**

Since 1 July 2008, Kubanenergo OJSC became an associate company in IDGC Holding OJSC, which received a block of voting shares in Kubanenergo OJSC by way of succession under the spin-off balance sheet after the restructuring of RAO UES of Russia OJSC.

**2012**

IDGC Holding OJSC acquired a block of additional shares in Kubanenergo OJSC, and the Company became a subsidiary to IDGC Holding OJSC.

The Company's primary function in IDGC Holding OJSC lied in partaking in how the national distribution grid complex evolves.

**2013**

Using Rosseti OJSC as a base, a single power grid management company was established (which included main power transmission and distribution lines) aimed to coordinate all grid operators in Russia in terms of tariffs, technical policy and investment planning, to ensure transparency of financial and business operations, and in anti-corruption efforts.

▼ Rosseti's share in the authorised capital of Kubanenergo OJSC rose to 92.24%

**2015**

▼ Kubanenergo brand name included an indication of the Company's public status — Kubanenergo PJSC.

**2017**

The Company became a key participant of a national-level project involving development of advanced energy infrastructure on the Taman Peninsula to ensure the regional growth and enable power supply to the dry-cargo area of the seaport of Taman.

**2018**

▼ The share of Rosseti PJSC in the authorised capital of Kubanenergo PJSC rose to 92.78%

**2019**

Commissioning of the Port 220 kV substation. Rosseti's share in the authorised capital of Kubanenergo PJSC rose to 93.44%

**2020**

While following the trend of transitioning to a single brand architecture of Rosseti Group in the Krasnodar Krai and the Republic of Adygeya, Kubanenergo PJSC was officially renamed into Rosseti Kuban PJSC.

**2022**

By the end of the reporting year, Rosseti's share in the total number of outstanding shares of the Company was 93.96%, and as of 9 January 2023 — 99.69%.

**2023**

▼ Investments made allowed to commission 606 MVA of transformer capacity and 1,052 km of PTLs.

**2024**

In accordance with Federal Law No. 35-FZ dated 26 March 2024 'On Electric Power Industry', orders of the Governor of the Krasnodar Krai dated 4 September 2024 No. 214-r and the Head of the Republic of Adygeya dated 4 September 2024 No. 229-rg, the Company was designated as a systemic territorial grid organisation (STGO) in the Krasnodar Krai and the Republic of Adygeya.

The follow-on offering of the Company's shares commenced in 2021 was completed, increasing the Company's authorised capital by 19.2%.

<sup>1</sup> State Programme of Privatisation of State and Municipal Enterprises in the Russian Federation for 1992 (approved by Resolution of the Supreme Soviet of the Russian Federation No. 2980-1 dated 11 June 1992) (revised on 1 July 1993).