








REGIONAL  
GAS COMPANY

# EVOLUTION OF GAS DISTRIBUTION: FROM "OBLGAS" TO SERVICE PROVIDER

# UKRAINE IS AMONG THE LARGEST EUROPEAN GAS MARKETS\*

					
	Germany	Italy	France	Spain	Ukraine
Number of connected customers, mln	14.6	22.5	12.1	7.4	13.1
TSO length, 1000 km	62.5	34.4	37.3	13.0	38.8
DSO length, 1000 km	371	249	203	64	347
Annual natural gas consumption, bcm	90	72	45	32	32



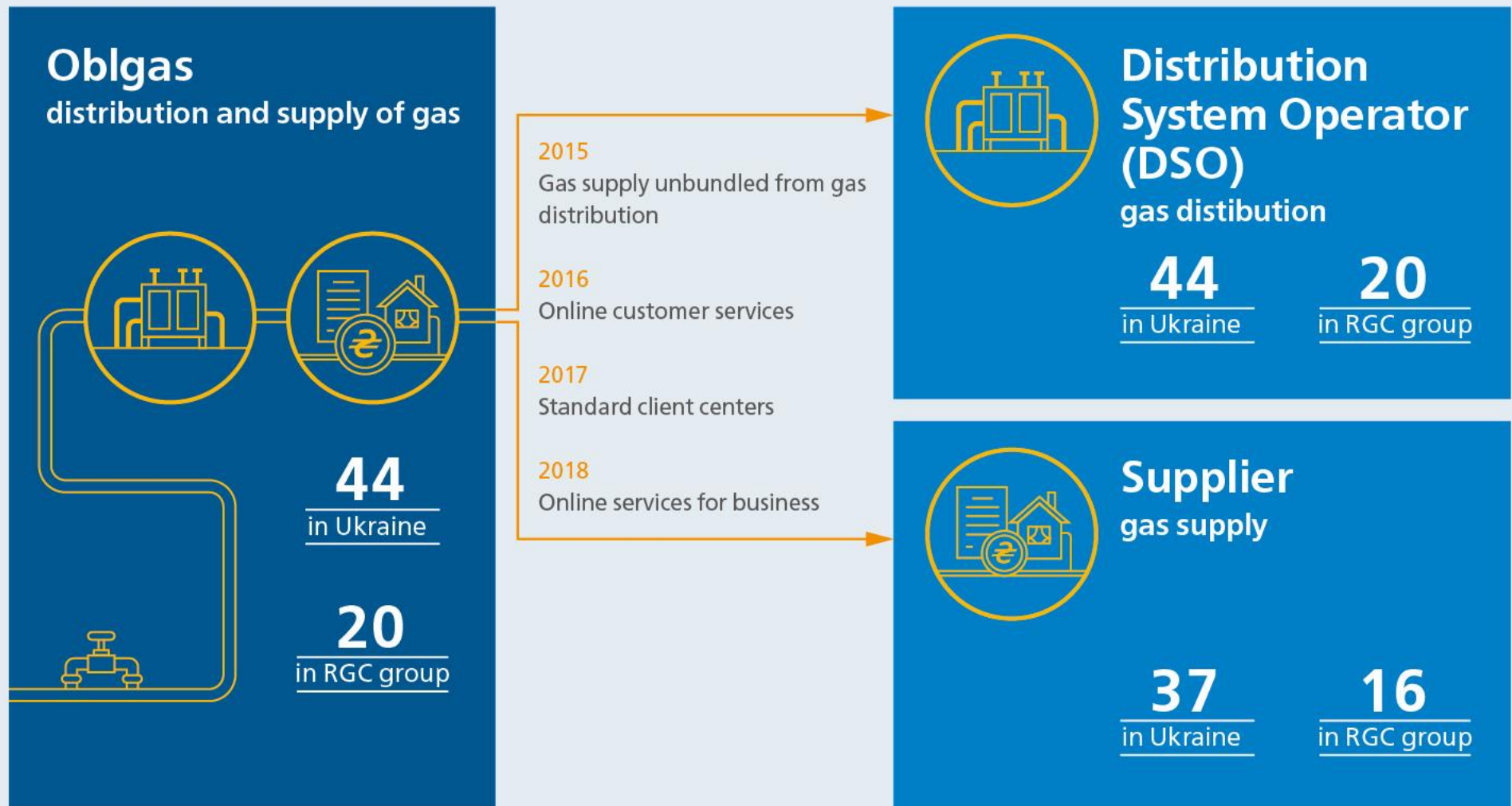
	Ukraine	Europe (Marcogaz)
Number of connected customers to gas network	13 mln	116 mln
Transmission network length	38,800 km	217,700 km
Distribution network length	347,000 km	1,640,700 km
Annual natural gas consumption	32 bcm	480 bcm

Technical statistics 2013, Consumption 2017

\*except United Kingdom

# RGC – LEADER IN IMPLEMENTING GAS REFORMS

DSOs – the first and the only who completed unbundling





# RGC – MOST CONVENIENT SERVICE AMONG UTILITIES

RGC has been the first among Ukrainian utilities to provide various services for its customers

## PAST

### No service:

no online services, poor communication with a client, never ending lines and lack of comfort in old fashioned customer service points.



## PRESENT

### Services introduced to clients:

- online payments
- online accounts
- contact center



# CLIENT – OUR MOST VALUABLE ASSET



**50**  
million

customer contacts per year



## Online services 104.ua

Online accounts, 104 Mobile,  
104 Business Online

**2 million**

registered users



## Contact center

**300**

operators

**2 million**

contacts per month



## Customer service centers

**500**

officers

**1 million**

contacts per month

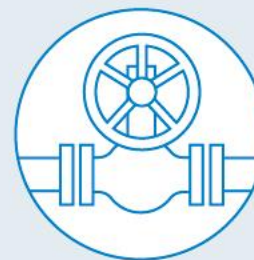


# RGC – MEMBER OF EUROPEAN ASSOCIATION MARCOGAZ

**marcogaz**

RGC is a member of European Association Marcogaz – the only representative body on all technical issues in EU gas industry.

RGC membership with Marcogaz will bring European safety and quality standards to gas distribution sector.



# RGC IMPLEMENTED NEW TECHNICAL STANDARDS

## PAST



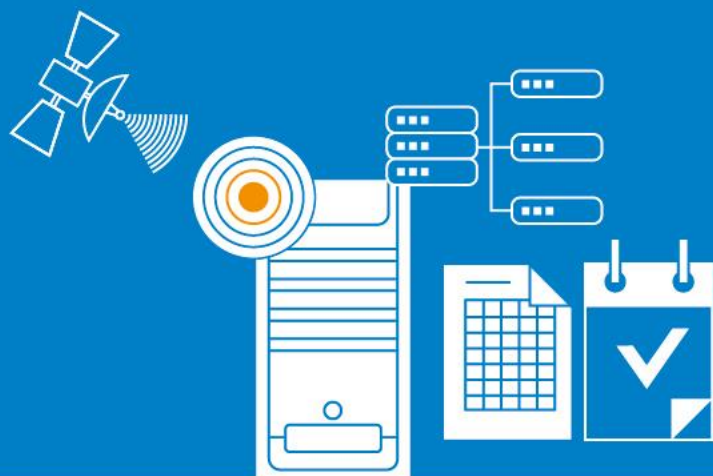
## PRESENT





# RGC IMPLEMENTED DAILY BALANCING

RGC daily balancing platform  
available to DSOs since May 2018

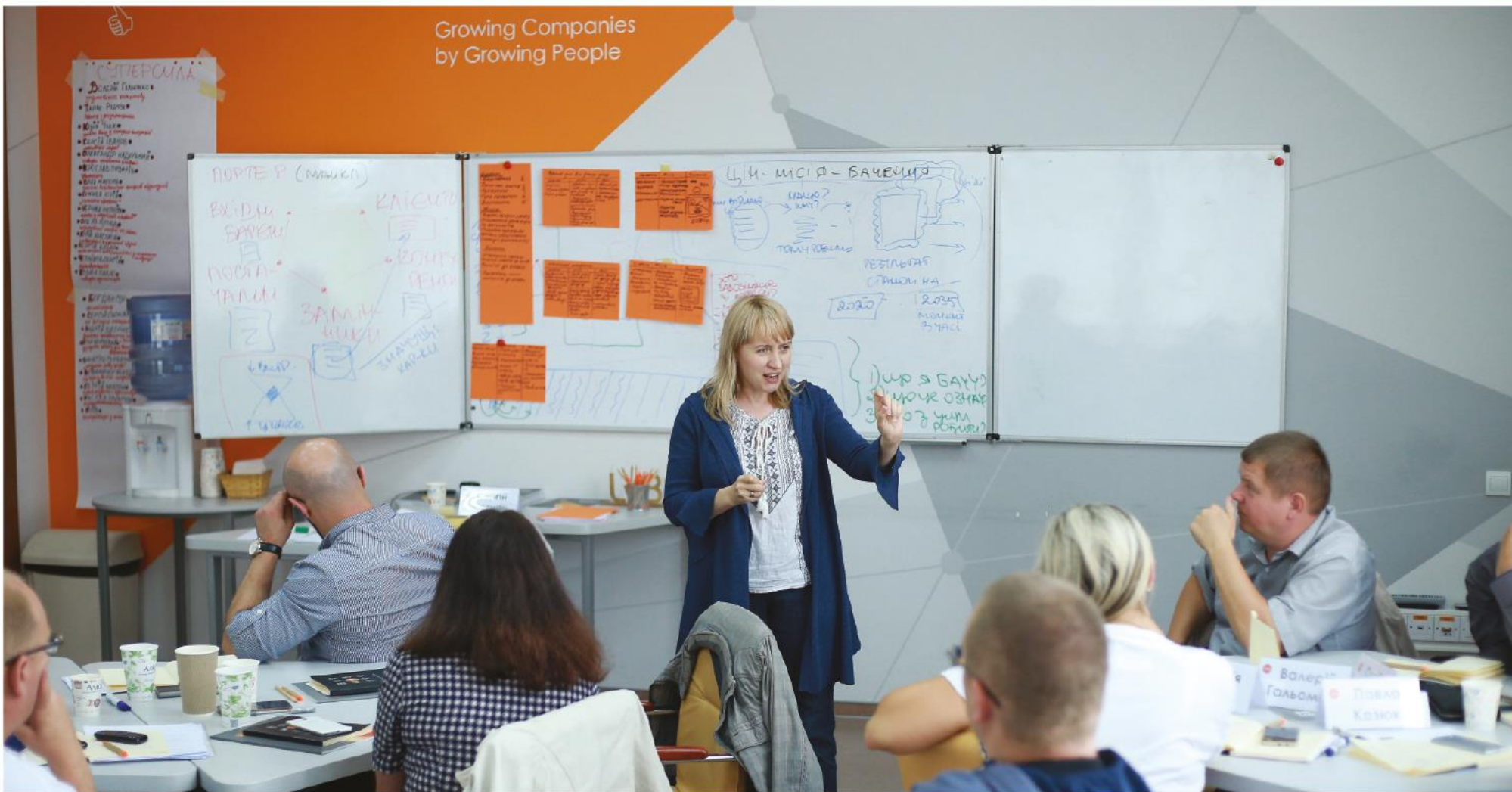




## RGC'S HR DEVELOPMENT PROGRAMS

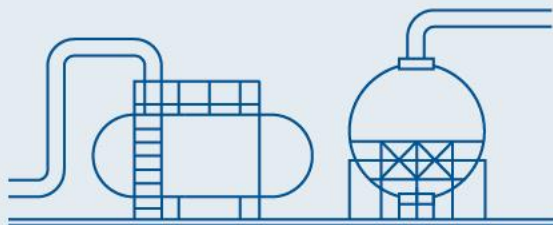
## Leadership program in cooperation with two leading Ukrainian business schools

## Cooperation with Ukrainian technical schools in specialists training



# RGC SUPPORTS REAL LIBERALIZATION

## STATE MONOPOLY



### Gas sources

**79%**

State companies dominate in natural gas production and imports

## STATE CONTROL



### Payments

**62%**

of payments for gas are made by subsidies at the expense of State budget

## STATE CONTROL



### Payment mechanisms

**100%**

of payments for gas go through special accounts in state banks and market players have no access to these accounts

**2/3** of the gas market is under the state control



# OPEN GAS MARKET

## 4 CONSECUTIVE STEPS

STEP 1



### INDEPENDENT GAS MARKET OPERATOR

It is necessary to establish independent market operator not bound by state or a single market player

STEP 2



### EQUAL ACCESS TO GAS RESOURCES

Guarantee equal access for all gas market players to local gas resources

STEP 3



### COMPETITION AMONG SUPPLIERS

Monetization of housing subsidies at customer level to give customers freedom of choosing own gas supplier

STEP 4



### ESTABLISH MARKET PRICES FOR GAS

Gas prices for all categories of consumers should be market based. State pricing can be void



# Thank you

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