
State Grid Shanghai Electric Power Company Document

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The State Grid Shanghai Municipal Electric Power Company Action Plan of Continuously Optimizing "Getting Electricity" Business Environment by Promoting a Series of New Initiatives "5 Decreases & 5 Reduces"

To All Subsidiaries:

To thoroughly implement Xi Jinping's socialist ideology with Chinese characteristics in the new era and the spirit of the Nineteenth National Congress of the Party, comprehensively implement the work plan of the State Council on optimizing business environment, based on the implementation achievements of early reform measures, SMEPC focuses on changes in customer demand and bottlenecks in power supply service, further intensifies reform efforts, deepens and expands new measures for reform, hereby formulates and issues *The State Grid Shanghai Municipal Electric Power Company Action Plan of Continuously Optimizing "Getting Electricity" Business Environment by Promoting a Series of New Initiatives "5 Decreases & 5 Reduces" (Free 2.0)*. Relevant departments and units of the company are requested to comply with the implementation.

Appendix: The State Grid Shanghai Municipal Electric Power Company, Action Plan of
Continuously Optimizing Business Environment and Promoting Standard of Power Supply
Service

The State Grid Shanghai Municipal Electric Power Company

December 6th, 2018

(The announcement shall be delivered to the headquarters and their subsidiaries of the
receiving companies)

Appendix

The State Grid Shanghai Municipal Electric Power Company

Action Plan of Continuously Optimizing "Getting Electricity"

Business Environment by Promoting a Series of New Initiatives "5

Decreases & 5 Reduces"

(Free 2.0)

To thoroughly implement Xi Jinping's socialist ideology with Chinese characteristics in the new era and the spirit of the Nineteenth National Congress of the Party, comprehensively implement the work plan of the State Council on optimizing business environment and *The State Grid Corporation of China, Notice of The Company's Two-year Action Plan (2019-2020) to Continuously Optimize Business Environment and Promote Standard of Power Supply Service*, based on the implementation achievements of early reform measures, SMEPC focuses on changes in customer demand and bottlenecks in power supply service, further intensifies reform efforts, deepens and expands new measures for reform, hereby formulates FREE 2.0 reform measures of continuously optimizing "Getting Electricity" business environment, specific content as follows:

1. General Guidelines

Focusing on the enterprise purpose of "People's Electricity Industry for People", to implement new strategies and new requirements in new era, to deepen the customer-centered service concept, to establish the optimal path of improving service assurance ability as to meet the customer demand for electricity and to optimize their demand and then to create values for customers, to establish new point of good quality power supply service, to create an international first-class business environment of getting electricity, and to better service economic and social transformation and upgrading. On the basis of earnestly evaluating the company's ten initiatives of "5 saves & 5 raises", SMEPC closely adheres to the main line of high-quality development, comprehensively implements the new reform measures of "5 decreases & 5 reduces": "decrease customer investment, decrease related fee, decrease usage cost, decrease approving time, decrease construction time" and "reduce connection procedure, reduce counter visit, reduce quantity of document, reduce outage frequency, reduce outage duration", and establishes new mode of power supply service making customer feel more convenient, efficient, trouble-saving and reliable.

2. Working goals

To positively respond to the national requirements of continuously optimizing business environment, to benchmark internationally highest standard and greatest level, to further deepen reform measures, to reduce connection cost, time and procedures, to improve transparency of electricity connection and power supply reliability, to elevate the rank of "Getting Electricity" and to steadily promote the rank of World Bank in 2019.

3. Reform measures--"FREE" new upgrading of quality service

On the basis of original core measures, "FREE2.0" expands benefiting scopes, deepens service content, improves power supply quality, and continuously promotes customer experience. Specific content as follows:

I. F(free) - consolidate measures, expand benefiting scope

(1). Decrease investment from customers

SMEPC will standardize the investment interface between SMEPC and customers and **consolidate** the reform measure - "**zero investment**" from customers.

(2). Decrease related fee

SMEPC will cancel **temporary capacity usage fee, substation space usage fee** and several other service fees. The cost of **greening and pavement compensation** will be standardized and reduced.

(3). Decrease usage cost

SMEPC will continue deepening the "1+N" comprehensive energy services, e.g. **energy efficiency diagnosis, equipment maintenance, multi-energy complementary**, improving the efficiency of power consumption and reducing customers' costs.

II. R(rapid) - cooperate with governments, shorten connection time

(4). Decrease approving time

Relying on the **government's electronic approving platform**, SMEPC will work closely with the government to reduce the approving time of excavation permits of 10kV high-voltage projects in accordance with the time limits of low-voltage projects. Furthermore, the reform will reach 35kV high-voltage projects before long.

(5). Decrease construction time

SMEPC will further reduce construction time by delegating implementation authority of projects, realizing full coverage of physical reserves of low-voltage material, integrating feasibility study and design, adopting EPC and other measures, so as to reduce construction time for low-voltage customers to **no more than 15 days**, 10kV customers to **no more than 70 days**, 35kV customers to **no more than 160 days**.

III. E(easy) - "SGCC online", decrease connection procedures

(6). Reduce connection procedures

SMEPC will build an "**SGCC online**" service platform, docking the government's "One website, all services" platform, to enhance customer experience. The platform

will provide services such as online application, online submission of documents, online evaluation of service quality, etc.

(7). Reduce visits to counters

SMEPC will publicize the progress information of procedures and approval processes to customers, so as to reduce customers' visits to counters for inquiry. The full cycle of the process will be available online, transparently and publicly.

(8). Reduce number of documents

SMEPC will cooperate closely with the government to build a platform that shares customers' information. Required information, such as ID, business licenses, etc., can be obtained automatically from the platform so that SMEPC can process customers' application with any one of customers' documents. The release of the platform will further facilitate the application process.

IV. E(excellent) - innovate techniques, improve supply quality

(9). Reduce frequency of outages

SMEPC will continuously increase its investment to **the smart grid**, upgrading its **distribution automation system**, leveling up its power service command platform, improving the intelligence of its **smart operation on distribution networks**. On the other hand, SMEPC is pushing "overhead line to cable" project to raise up Shanghai's cabling rate and reduce times of power outages, achieving SAIFI down for 3%.

(10). Reduce duration of outages

SMEPC fully conducts **live line work**, increases **maintenance outposts and squads**, makes full use of **remote maintenance terminals**, achieving SAIDI up down 3%. New initiatives are named "5 Decreases & 5 Reduces", focusing on benefiting high-voltage projects and further enhancing customer experience on "Getting Electricity" in Shanghai.

4. Relevant requirements

On the basis of early reform measures of "5 saves & 5 raises", SMEPC implements the new reform measures of "5 decreases & 5 reduces", to promote service measures and procedures to be institutionalized, standardized and normalized, and to expand reform measures to high voltage capacity expansion; to continuously improve the convenience, satisfaction and achievement on "Getting Electricity" of enterprises and people. New reform measures are formally executed on December 1st in 2018.

Taking on great responsibility, implementing working plans. All power supply companies and relevant subsidiaries should comprehensively implement working plans, intensify the sense of urgency, the sense of crisis, and the sense of responsibility, to specify the person in charge and to ensure all measures to be executed thoroughly.

Dealing with concrete work, striving for support. To communicate with relevant departments, to actively advocate company claims, to strive for understanding and support, to coordinate the optimization work of approving procedures, and to fasten

the approval rates of planning and construction.

Simplifying the structure, intensifying the management. All power supply companies and relevant subsidiaries should continuously reduce the time of internal procedures, intensify supervision on process, to ensure the work to be executed in order and the measures to be implemented thoroughly.