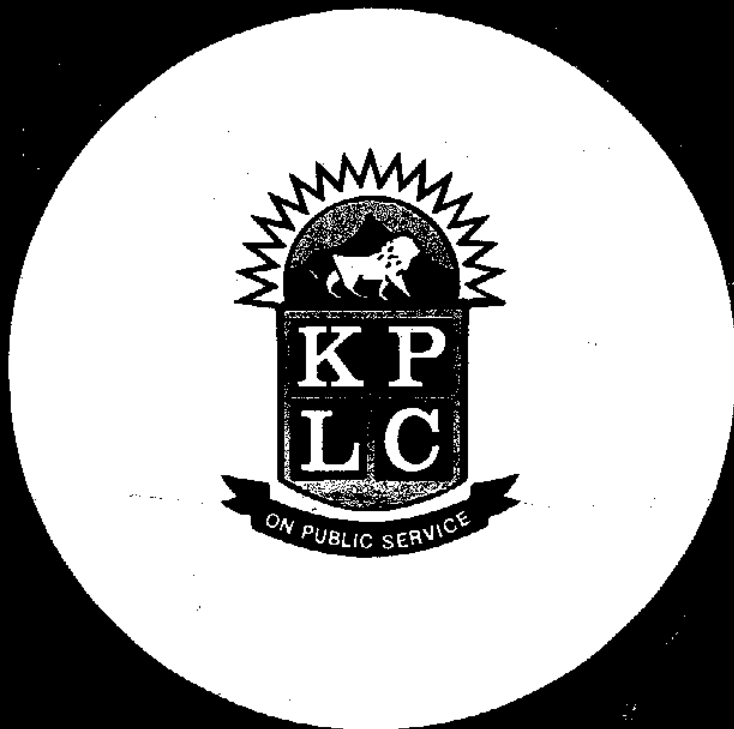


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The Kenya Power and Lighting Company Limited

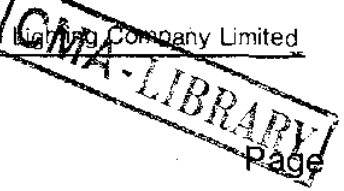


Report and Accounts for the year ended 30th June, 1991

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The Seventieth Report
and Accounts of
The Kenya Power and Lighting Company Limited



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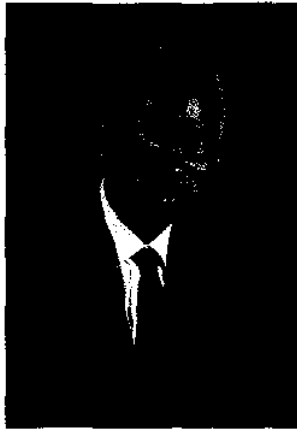
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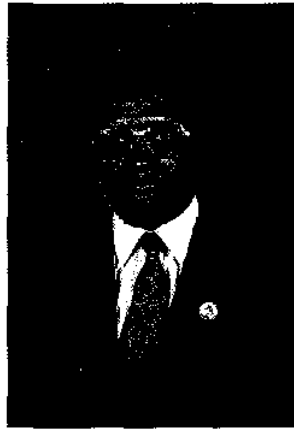


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Board of Directors



Dr. L.G. Sagini
Chairman



S.K. Gichuru
Managing Director



C.N. Mutitu



C.S. Mbindyo



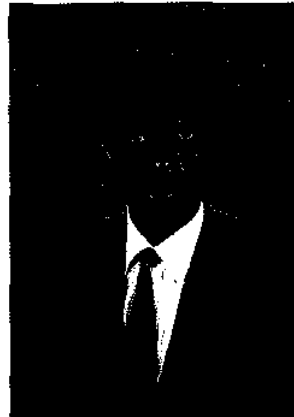
J.F. Kahumbu



S.O.J. Ambundo



Prof. B.W. Ogana



Prof. R.J. Akello



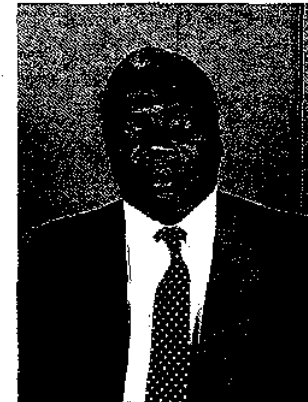
G.M. Nyaki



P.K. Chemng'orem



W.A.J. Tuva
(Alternate)



E. Komen
(Alternate)

2007/0972

Board of Directors

Directors

DR. L.G. SAGINI, E.G.H. (Chairman)

S.K. GICHURU, M.B.S.

C.N. MUTITU

C.S. MBINDYO

J.F. KAHUMBU

S.O.J. AMBUNDO

PROF. B.W. OGANA

PROF. R.J. AKELLO

G.M. NYAKI

P.K. CHEMNG'OREM

Alternate Directors

W.A.J. TUVA

E. KOMEN

Secretary and Registered Office

J.N. KIMANI

Electricity House, Harambee Avenue, Nairobi.

Bankers

THE STANDARD CHARTERED BANK KENYA LIMITED

Harambee Avenue, Nairobi.

Auditors

AUDITOR-GENERAL (CORPORATIONS)

Management

Managing Director

S.K. GICHURU, M.B.S., C.P.S.

Deputy Managing Director

L. KEITANY, B. Sc (Eng.), R. Eng., C. Eng., F.I.E.E.

Chief Projects Development Manager

E.D. WASUNNA, B.Sc. (Eng.)

Chief Generation Manager

N.K. GICHUKI, B. Sc. (Hons.), R. Eng., M.I. E.K.

Chief Distribution Manager

J.W. NJAAGA, B. Sc. (Eng.), R. Eng., C. Eng., M.I.E.E.

Company Secretary

J.N. KIMANI, C.P.S.

Chief Accountant

Z.O. AYIEKO, B. Com. (Hons.), C.P.A. (K).

Administration Manager

D.K.M. ROTICH, C.P.S.

Transport and Supplies Manager

M. NDETO, B. Sc. (Hons.)

Commercial Manager

J. OUMA, B. Sc. (Eng.), R. Eng., F.I.E.E., M.I.E.K.

Corporate Planning Manager

M.A. GUPTA, B.E., M.I.E.

Credit Control Manager

S. ODUORI

Ag. Personnel Manager

D. KIMANI, B.A. (Hons.)

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTIETH ANNUAL GENERAL MEETING of members will be held at the Head Office of the Company, 8th Floor, Electricity House, Harambee Avenue, Nairobi, on Friday, the 27th March, 1992, at 12.00 noon to transact the Ordinary Business of the Company.

By Order of the Board

J.N. KIMANI
Secretary

Nairobi
Kenya

5th March, 1992

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed with this booklet. To be valid, the form of proxy must be duly completed and must be lodged at the Registered Office of the Company or posted in time to reach there not later than 12.00 noon on Wednesday, 25th March, 1992.

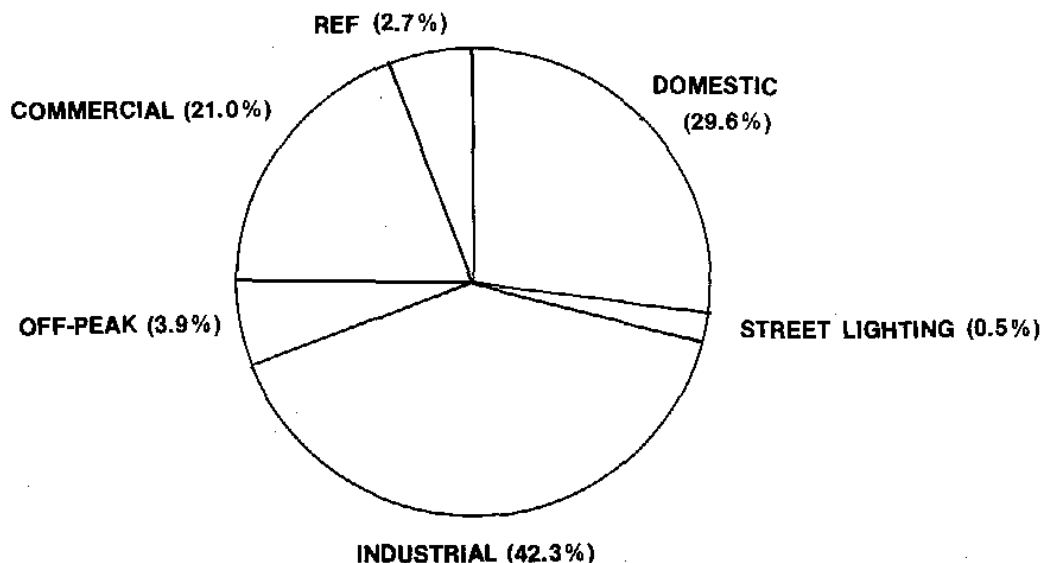
Chairman's review

In accordance with the Value Added Tax Act, 1989, VAT was charged to consumers at the rate of 1% of value of consumption compared to 1 cent per unit applicable in the previous year. These charges yielded Shs. 40,370,000 (year ended 30th June, 1990 — Shs. 26,269,000). The rate of VAT was raised to 5% value of consumption in June 1991, but effected in July 1991. Withholding tax paid to the Income Tax Department in respect of professional and management fees paid to non-residents amounted to Shs. 656,000 (year ended 30th June, 1990 — Shs. 1,112,000) while P.A.Y.E. deducted at source from Company employees' remuneration yielded Shs. 78,712,000 (year ended 30th June, 1990 — Shs. 84,752,000 which included PAYE on Union Staff salary arrears). Payment of customs duty and sales tax in respect of imported machinery, spares and other equipment amounted to Shs. 34,117,000 (year ended 30th June, 1990 — Shs. 18,807,000). The exemption enjoyed by the Company from payments of customs duty and sales tax on certain specified items from 1st July, 1989, was withdrawn in June 1991. This is expected to increase the cost of materials and spares during the financial year 1991/92.

Dividends

Preference dividends amounting to Shs. 1,930,000 were paid on their due dates. Your Directors recommend a first and final dividend of 16% absorbing a further Shs. 28,134,400, to be paid to the Ordinary Stockholders registered in the books of the Company at the close of business on 4th March, 1992. Out of the total dividends paid and payable, the Treasury being the majority stockholder, is entitled to Shs. 12,175,200. The dividends, together with the taxes (including Corporation Tax estimated at Shs. 19,000,000), bring the Company's direct contributions to the national revenue to Shs. 185,030,000 (year ended 30th June, 1990 — Shs. 146,864,000). The Company also made contributions to the Treasury amounting to Shs. 642,000 (year ended 30th June, 1990 — Shs. 1,485,000) in the form of various taxes on behalf of the Bulk Supply Companies.

SALES BY CONSUMER CATEGORY 1990/91



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Chairman's review

The adverse world economic conditions triggered by tension in the Gulf region and the subsequent war compounded by the global recession in the industrialised countries resulted in reduced consumption of our Country's exports and, consequently, the output of the major sectors of our economy was low. The performance of the agricultural based industry, for instance was severely affected. This had a direct bearing on consumption of your product. Under these harsh economic circumstances your Company achieved a modest growth of 4.4% in energy sales compared to 7.3% for the previous year.

The Company realised an increase in revenue of 31.8% compared to 10.4% in the previous year. This is attributable to the effect of the tariff increases during the period under review and growth in sales.

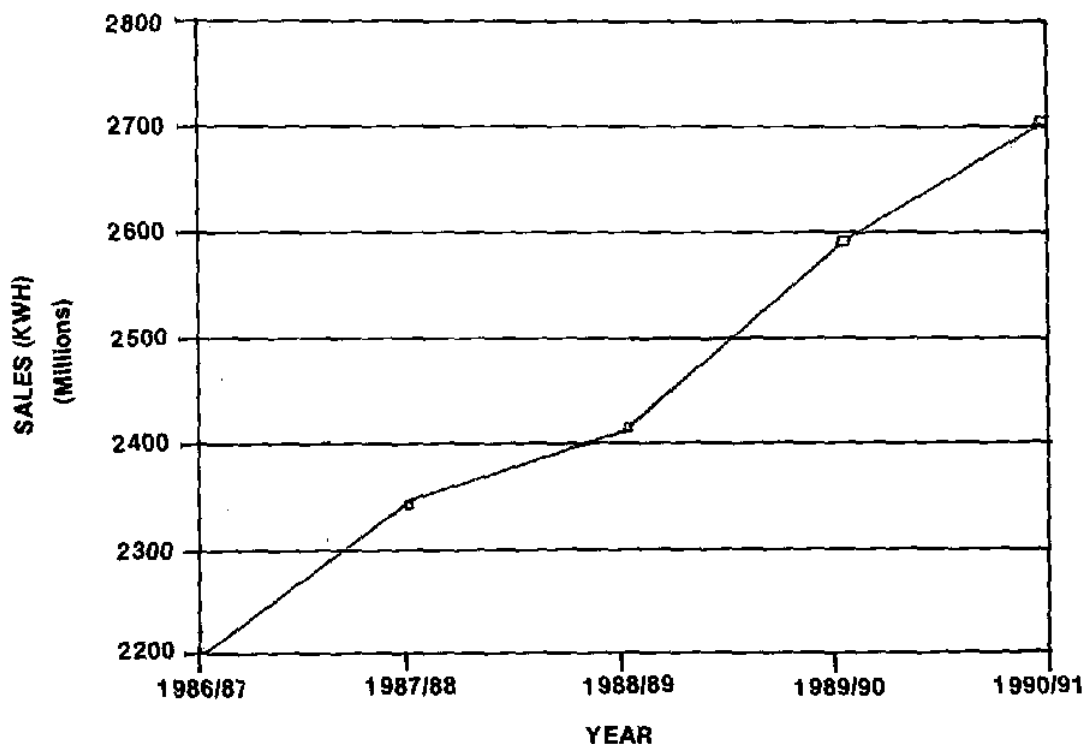
On the other hand the operating expenditure rose by 27.5% compared to 9.5% the previous year. This rise was mainly due to increase in the cost of debt service and development surcharge.

During the year the Company realised revenue amounting to Shs. 3,824,734,000 while total operating expenditure was Shs. 3,478,618,000 resulting in an operating income of Shs. 346,116,000. After allowing the net interest payable of Shs. 127,182,000 and the exchange losses of Shs. 61,261,000 on the Company's loan repayments, the Company made a trading profit before taxation of Shs. 157,673,000, compared to Shs. 82,637,000 made the previous year including the exceptional item.

Accounts

The total units sold were 2,708,146,000, an increase of 4.4% from 2,594,764,000 units sold in 1989/90. The revenue realised was Shs. 3,824,734,000. Revenue earned from sales during the year, therefore, increased by Shs. 922,894,000 (31.8%) from Shs. 2,901,840,000 in 1988/89. This increase is attributable mainly to the tariff increases effected in June 1990 and May, 1991 of Shs. 795,213,000 (27.4%) and to the growth in energy sales which yielded Shs. 127,681,000 (4.4%).

ANNUAL TOTAL SALES 1986/87 TO 1990/91



Chairman's review

Operating expenditure which includes debt service and development surcharge relating to bulk supply companies, on the other hand, rose from Shs. 2,728,444,000 in 1989/90 to Shs. 3,478,618,000 in 1990/91 representing an increase of Shs. 750,174,000 or 27.5%. The increase in revenue of Shs. 922,894,000 was, therefore, mainly applied towards the financing of the rise in operating expenditure. This rise is made up of the increases in the cost of debt service of the bulk supply companies of Shs. 391,581,000 (14.5%) (exchange losses — Shs. 208,958,000), development surcharge of Shs. 62,600,000 (2.2%), cost of fuel for the operation of power stations of Shs. 45,526,000 (1.7%) and general inflation of Shs. 250,467,000 (9.1%). The balance of Shs. 172,720,000 of the increase in revenue was applied towards financing of the rise in the Company's own debt service of Shs. 212,001,000.

The trading results for the year, therefore, reflect an operating income of Shs. 346,116,000 (year ended 30th June, 1990 — Shs. 173,396,000). Interest receivable amounted to Shs. 3,928,000 (year ended 30th June, 1990 — Shs. 21,408,000) while interest payable was Shs. 131,110,000 (year ended 30th June, 1990 — Shs. 67,569,000). Appreciation of major hard currencies against the Kenya Shilling resulted in exchange losses of Shs. 61,261,000 (year ended 30th June, 1990 — Shs. 51,935,000) on the Company's foreign loans. The net result of these transactions is a profit before taxation of Shs. 157,673,000 compared to Shs. 82,637,000 made the previous year including exceptional item.



The Managing Director, Mr. S.K. Gichuru, receiving a trophy from H.E. the President during the Agricultural Society of Kenya Show, Kakamega — 1990.

Taxation

Taxation has been provided for in the accounts at Shs. 19,000,000 (year ended 30th June, 1990 — Shs. 3,408,000) leaving a net profit after taxation of Shs. 138,673,000 (year ended 30th June, 1990 — Shs. 79,229,000).

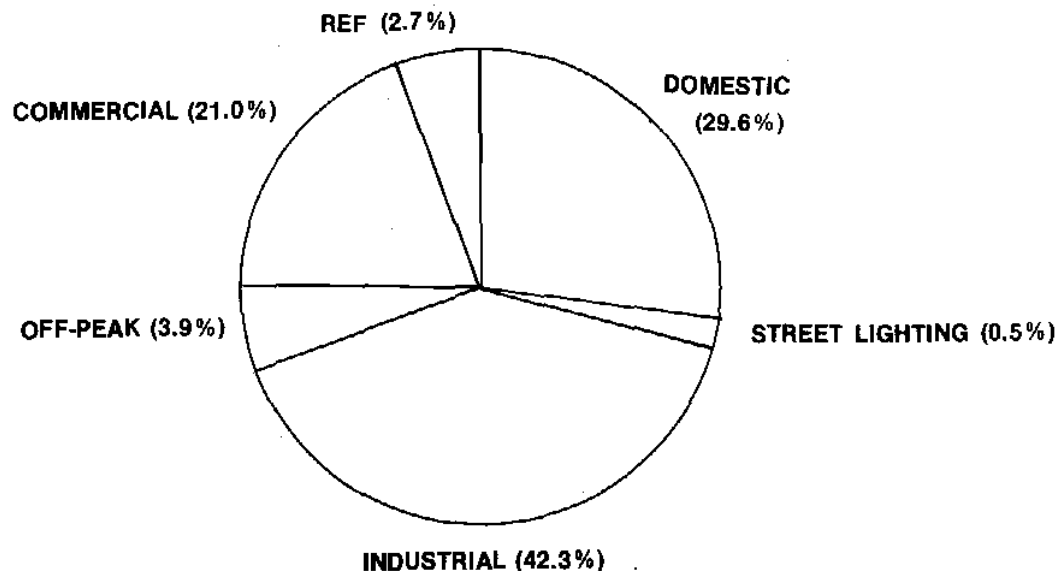
Chairman's review

In accordance with the Value Added Tax Act, 1989, VAT was charged to consumers at the rate of 1% of value of consumption compared to 1 cent per unit applicable in the previous year. These charges yielded Shs. 40,370,000 (year ended 30th June, 1990 — Shs. 26,269,000). The rate of VAT was raised to 5% value of consumption in June 1991, but effected in July 1991. Withholding tax paid to the Income Tax Department in respect of professional and management fees paid to non-residents amounted to Shs. 656,000 (year ended 30th June, 1990 — Shs. 1,112,000) while P.A.Y.E. deducted at source from Company employees' remuneration yielded Shs. 78,712,000 (year ended 30th June, 1990 — Shs. 84,752,000 which included PAYE on Union Staff salary arrears). Payment of customs duty and sales tax in respect of imported machinery, spares and other equipment amounted to Shs. 34,117,000 (year ended 30th June, 1990 — Shs. 18,807,000). The exemption enjoyed by the Company from payments of customs duty and sales tax on certain specified items from 1st July, 1989, was withdrawn in June 1991. This is expected to increase the cost of materials and spares during the financial year 1991/92.

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SALES BY CONSUMER CATEGORY 1990/91



Chairman's review

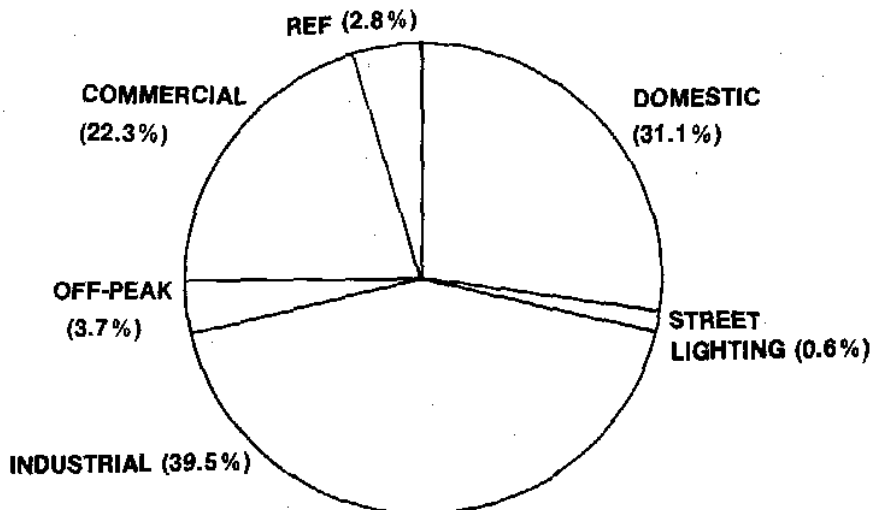
Net Profit

The balance of the net profit amounting to Shs. 108,609,000 will be carried forward resulting in retained profits carried forward to 1991/92 of Shs. 896,529,000. Retained profits are applied towards financing Company's capital development and debt service requirements. For instance, over the last 10 years (1981-1991) the retained profits amounting to Shs. 829,739,000 was utilised towards development capital of Shs. 4,207,088,000 and debt service of Shs. 546,554,000.



The then Minister for information and Broadcasting, Mr. Nahashon Kanyi presents a long-service certificate to a recipient during the long service awards and accident-free bonus ceremony for Mt. Kenya Area, in Nyeri, August 1990.

REVENUE BY CONSUMER CATEGORY 1990/91



Chairman's review

Industrial Relations

The two year Collective Bargaining Agreement with the Union expired on 31st December, 1990. Negotiations on the terms of renewal of the Agreement were carried out and have since been successfully concluded.

Personnel and Training

The Company had a labour force of 10,895 at the close of the year compared to 10,831 the previous year.

A total of 417 new employees joined the work force compared to 2,512 during the previous year. The previous year's number included absorptions into the permanent work force of 2,279 who had been working in the Company as casual employees.

353 employees left the Company compared to 214 during the previous year representing a labour turnover of 3.2% and 1.9%, respectively. Out of those who left, 94 had attained the retirement age, 44 passed away and the rest left for various reasons.

A sum of Shs. 89 million was spent on training 899 employees at the Company's training school and the national polytechnics while an amount of Shs. 6.3 million was spent on management training and development for 198 senior staff.



The Managing Director, Mr. S.K. Gichuru, addressing participants at the Team Building Seminar at Masinga in June, 1991.

Public Relations and Welfare

We participated in 10 Agricultural Society of Kenya and 8 Harambee shows throughout the country and won first prize in 10 of them.

In the sporting arena, the Inter-Area Annual Athletics Championships and Inter-Area Annual Sports Championships were held successfully in Nakuru and Eldoret respectively. Several of our employees represented the country in various international sports meetings in Europe, Africa and India.

Chairman's review



The KPLC athletes in action during the Annual Athletes Championships, Nakuru, June, 1981.

The second Annual Music Festival was successfully staged at Lenana High School. Our choirs and dance troupes enthralled audiences at various company and public functions including national celebrations.

The Company honoured a total of 352 employees in recognition of their service ranging from 15 to 35 years. Out of these, 225 employees had served the Company for 20 years and above.



The KPLC volleyballers during the Annual Inter-Area Sports Championships in October, 1990.

Chairman's review

Development

In order to cope with the rising demand for electricity it is necessary to have a matching development programme. During the year, therefore, the Company undertook a review of the 1986 National Power Development Plan and continued with the various projects preparatory study. However, due to delays in securing financing, implementation of medium term projects identified in the programme is behind schedule by about two years. This is likely to lead to shortfalls in the electricity production in the medium term and the Company is closely consulting with the government on this matter.

The status of various development projects is outlined below.

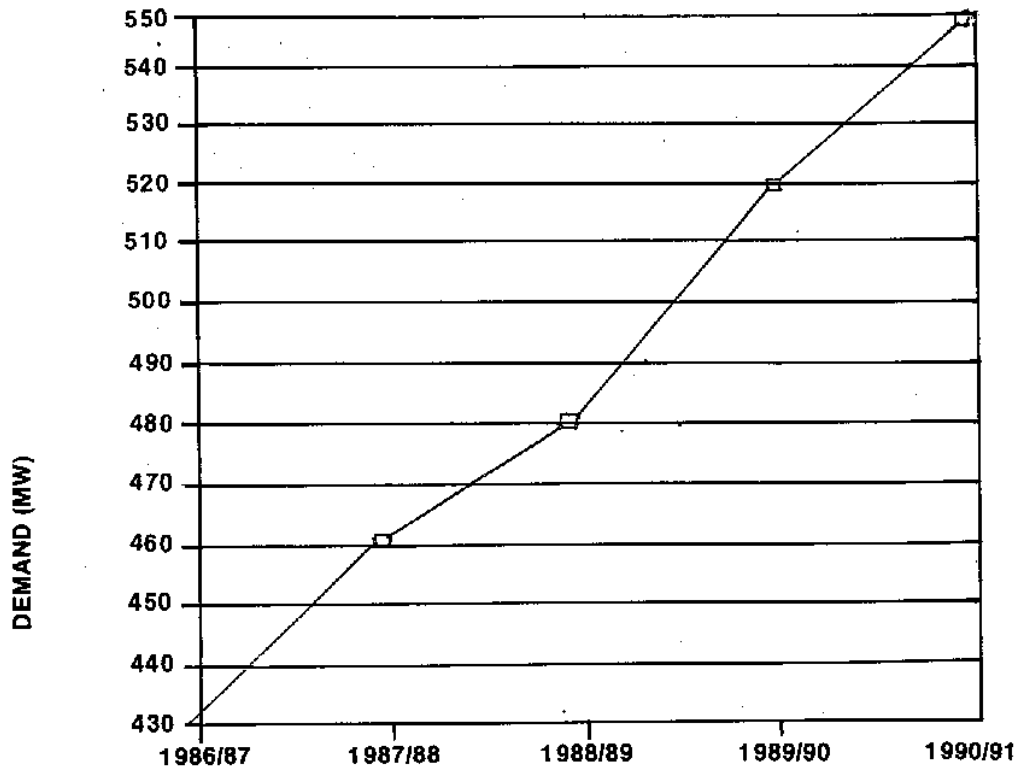
Geothermal

Following the Scientific Review Meeting for Eburru held in March 1990, it was decided that two additional wells should be drilled in order to determine more accurately the field's potential. These were drilled and completed in December 1990. Another Scientific Review meeting was held in October 1991, which established that the field had a potential of about 20MW. An economic evaluation of the results is underway, the results of which will be compared with those of other potential sources of generation to determine the feasibility and timing of the development.

In my previous report, I stated that 9 more wells would need to be drilled at Olkaria North East field to provide adequate steam for the proposed geothermal power station and facilities for reinjection of discharged thermal fluids. 7 wells have been completed bringing the total number to 27 with an estimated output of 68MW. The detailed engineering design and preparation of tender documents for the power station continued and completion is projected for May 1992. Negotiations for funding of the 64MW power station development are currently going on with IDA.

The environmental assessment study of the field, which commenced during the year, made good progress and the final report is expected by April 1992.

PEAK POWER DEMAND BY CONSUMERS IN THE LAST FIVE YEARS



Chairman's review

Moi South Lake Road

The improvement of the 25 kilometres of Moi South Lake Road leading to the Olkaria Geothermal project site and access roads was completed in December 1991 at a total cost of Shs. 106 million. This has improved communication and is expected to significantly reduce the maintenance costs on Company vehicles serving the power station.

Turkwel Hydro Power Station

At the end of the last review period this project was substantially completed and the station was undergoing semi-commercial operation. During the period under review the finishing works progressed well. The commissioning tests have since been successfully completed and the station handed over to the Company by Keriq Valley Development Authority (KVDA), who were the developers, for commercial operation. Completion of the station has added 106MW of generating capacity to the System.

Kiambere Nairobi 220kV Transmission Line

Efforts to identify financing for the project continued with various funding agencies.

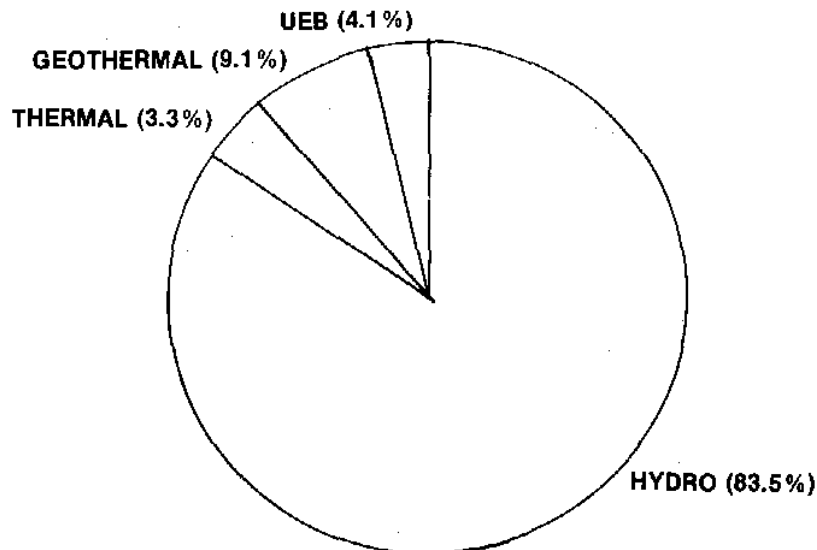
Sondu Miriu Power Station

The work on detailed design, engineering, specifications and preparation of tender documents, which was in progress in the year under review, was completed on schedule in July 1991. Tender and prequalification documents were submitted in October 1991. An application for funding of this project is pending with the Japanese Government and tenders are expected to be issued when funding arrangements are concluded.

Magwagwa Multipurpose Project

The feasibility study progressed well during the year. An interim report was submitted in March 1991 while the draft final feasibility study report was completed and submitted on schedule in August 1991. Since then the feasibility study has been completed and the final report is expected to be issued early 1992.

POWER GENERATION (GWhr) BY SOURCE 1990/91



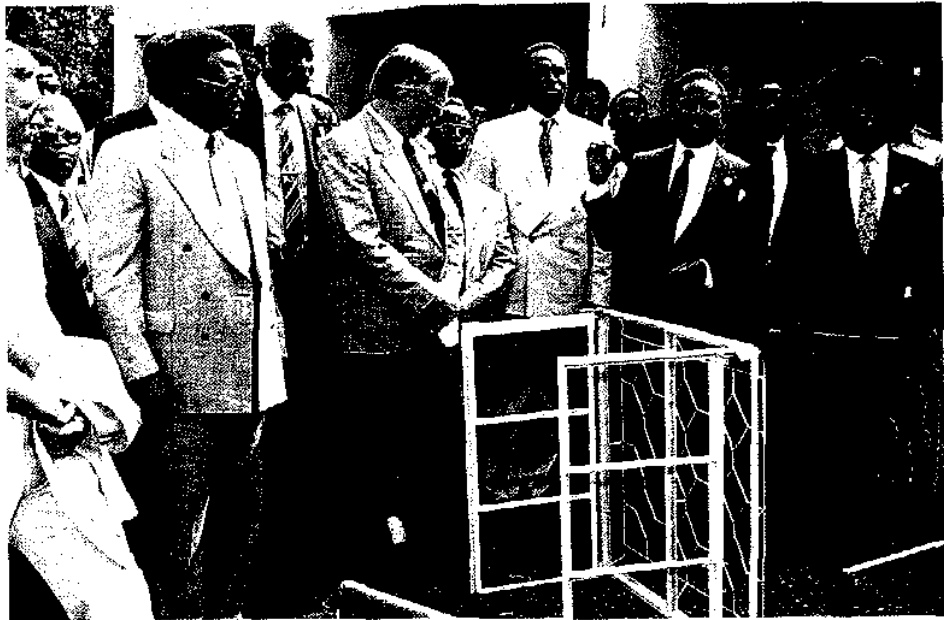
Chairman's review

Munyu Dam Project

The feasibility study made good progress during the year. The site investigation drilling contract was awarded in January 1991 and work was completed in July 1991. The feasibility report was submitted in December 1991. The agricultural study and geotechnical investigation are in progress.

Ewaso Ngiro (South) Multipurpose Project

The prefeasibility study report on the multipurpose development of the river basin was submitted by the consultant Knight Piesold (formerly Watermeyer Legge Piesold and Uhlmann) in December 1990. The study identified potential for three hydropower projects with total installed capacity of 133MW, a water transfer scheme that would increase the firm energy and installed capacity of these stations by 68MW to 211MW, and an irrigation scheme covering an estimated area of 3,000 hectares. It is on this basis that a decision was taken to proceed with full feasibility study. The same consultant was commissioned to undertake work with funding under a credit facility arranged with ANZ Grindlays and guaranteed by the Export Credit Guarantee Department (ECGD). The facility will not only be utilised on the study but will also be available, if the project feasibility is proved, for detailed design, preparation of tender documents and engineering services during and after construction of the power station.



The Danish Ambassador, Mr. Erik Fill with the then Minister for Energy, Mr. Nicholas Biwott and the Minister for public works, Mr. Timothy Mibei, at a Jua Kari workshop in Roret after the inauguration of the Liten Substation in Kericho, February, 1991.

Chairman's review

Work on the feasibility study commenced. This included photogrammetric mapping, hydrology, geophysical survey and power scheme, environmental impact, agricultural and rural development studies.

The contracts for site investigation drilling, site camp and access roads were awarded in October 1991 to Costain International, Mzima Safaris and Skanska International, respectively.

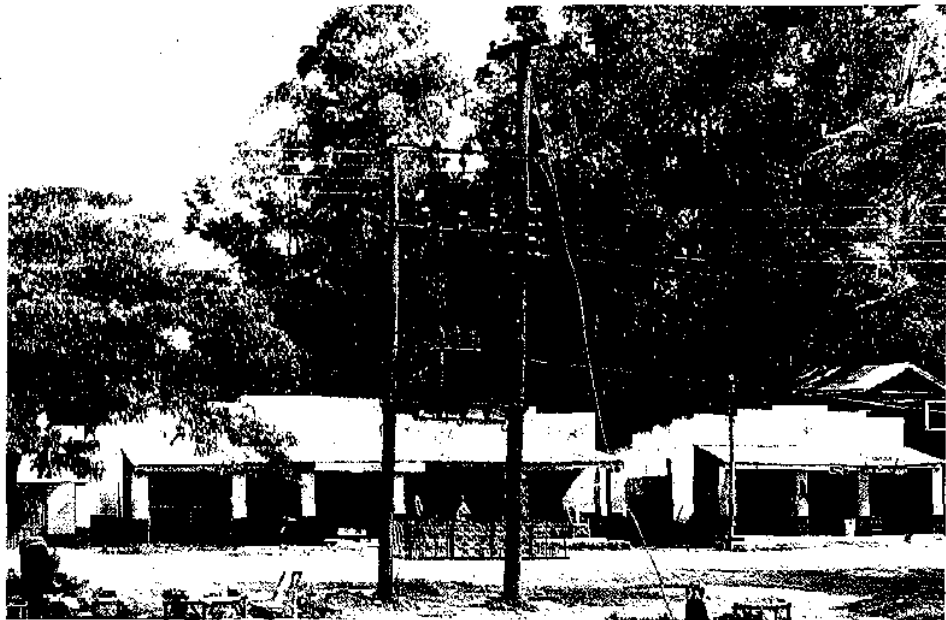
The feasibility study is making good progress and is expected to be completed by October 1992.

Nairobi-Rabai 220kV Transmission Line

The Consultancy Agreement for the feasibility study was signed with Electricite de France (EDF) in December 1990 and work commenced in February 1991. The study made good progress and the draft final Interim Report has since been submitted.

Rural Electrification

Your Company continued implementation of the Rural Electrification Programme funded by the Government, the Company and friendly donor countries.



***Rural Electrification Programme — Kima market — Vihiga Division,
Kakamega District.***

Chairman's review

The number of consumers rose by 6,020 or 32.6% from 18,471 the previous year to 24,491. Units sold rose from 66,500,000 to 76,300,000, an increase of 9,800,000 or 14.7% from the previous year. Revenue realised was Shs. 109,438,000, an increase of Shs. 33,839,000 or 44.8% from Shs. 75,599,000 realised during the previous year.

Operating expenditure, on the other hand, increased by 23.1% from Shs. 137,232,000 to Shs. 168,885,000 resulting in a net operating loss of Shs. 59,446,000.

During the year, 205,720,000 was spent on the programme. This brings the total capital expenditure incurred since inception to Shs. 1,435,028,000 from Shs. 1,229,308,000, the previous year. Various schemes were completed throughout the country at a total cost of Shs. 26,005,000. At the same time 129 schemes were in progress.

The success of the rural electrification programme has been made possible substantially by the generous financing support from donor countries over the years. During the period under review the Governments of Finland and Denmark, through their international development agencies FINNIDA and DANIDA, continued active involvement in the implementation of the programme. To date FINNIDA has contributed Shs. 535 million towards the cost of rural electrification since 1981 while DANIDA has committed an amount of Shs. 230 million on the implementation of schemes in various parts of the country. On your behalf I wish to thank the Governments and people of the two countries for their contributions towards realisation of the national objective of improving the standard of living of the people of Kenya.

Future Prospects

The prevailing recession and the deterioration of the Kenya Shilling against the hard currencies, the high interest and inflation rates, are likely to continue to depress demand of your product and aggravate debt servicing financial burden on your company. They are also likely to make efforts of raising funds for development more onerous at a time when the industry requires substantial capital for development of electricity. We are still waiting for the outcome of the Company's application for permission to increase tariffs and our efforts to identify other ways of raising capital continue. With all these uncertainties on the foregoing factors in perspective, it is prudent for your Company to brace for what may be a more difficult year than the one under review.

Directorate

No changes occurred on the Board during the period.

Chairman's review

Acknowledgement

The staff at all levels throughout the Company worked tirelessly and with dedication to see the Company through a difficult year. On your behalf, and on behalf of the Board, I would like to express gratitude to them all. May I also take this opportunity to thank my colleagues on the Board for their valuable contribution throughout the period.



Dr. L.G. SAGINI
Chairman

Report of the Directors

The Directors submit their report together with the audited accounts for the year ended 30th June, 1991.

Results

	Shs '000	Shs '000
Profit before taxation		157,673
Deduct:		
Provision for taxation	19,000	
Preference dividends paid for the year on:		
350,000 7% Cumulative Preference Stock Units (gross)	490	
1,800,000 4% Cumulative Preference Stock Units (gross)	1,440	20,930
Leaving a profit of		<u>136,743</u>
The Directors recommend a first and final dividend for the year of 16% on 8,792,000 Ordinary Stock Units absorbing		<u>28,134</u>
Retained profit for the year		108,609
Balance brought forward		787,920
Balance carried forward		<u><u>896,529</u></u>

Activities

The principal activity of the Company continued to be the distribution and sale of electricity in the country from energy purchased from the Bulk Supply Companies and from the Company's own generating stations. Unit sales of electricity for the year amounted to 2,708 million kilowatt-hours.

Capital Expenditure

During the year, a total of Shs. 378,632,000 was spent on fixed assets. Capital contributions received from consumers amounted to Shs. 124,459,000, resulting in a net capital cost to the Company of Shs. 254,173,000. Net capital work in progress as at 30th June, 1991, amounted to Shs. 669,821,000.

Directorate

In accordance with Regulation 120 of the Company's Articles of Association, Prof. B.W. Ogana, Prof. R.J. Akello and Mr. P.K. Chemng'orem retire by rotation and, being eligible, offer themselves for re-election.

Auditors

The Auditor-General (Corporations) will continue to act in accordance with section 29 (1) of the Exchequer and Audit (Amendment) Act 1985.

Nairobi, Kenya

7th November, 1991

By Order of the Board

J.N. Kimani
Secretary

Certificate of the Auditor- General (Corporations)

CERTIFICATE OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30TH JUNE, 1991.

I have examined the accounts of The Kenya Power and Lighting Company Limited for the year ended 30th June, 1991 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the Companies Act, (Cap 486).

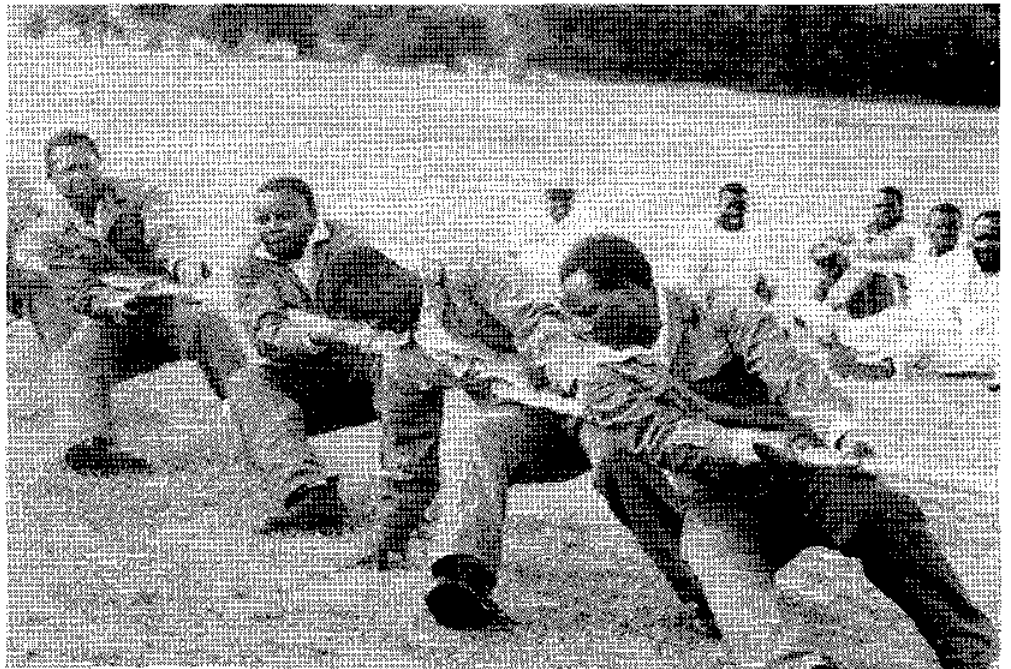
In my opinion, and except for the matters referred to in my report for the year, the accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the Company as at 30th June, 1991 and of its profit and source and application of funds for the year ended on that date.

A.J. OKOTH
AUDITOR-GENERAL (CORPORATIONS)

4th March, 1992



The Chairman, Dr. Sagini presenting a trophy during 1990 Athletics in Nyeri.



A KPLC team takes the strain during the Annual Athletics Championship in Nakuru in 1991.

Revenue Account and Statement of Retained Earnings

for the year ended 30th June, 1991

	Notes	1991 Shs '000	1990 Shs '000
REVENUE		3,824,734	2,901,840
OPERATING EXPENSES	2	3,478,618	2,728,444
OPERATING INCOME		346,116	173,396
EXCHANGE LOSS	3	61,261	51,935
NET OPERATING INCOME		284,855	121,461
INTEREST	4	127,182	46,161
PROFIT BEFORE EXCEPTIONAL ITEM		157,673	75,300
EXCEPTIONAL ITEM		—	7,337
PROFIT BEFORE TAXATION		157,673	82,637
TAXATION	5	19,000	3,408
PROFIT AFTER TAXATION		138,673	79,229
DIVIDENDS-GROSS	6	30,064	24,789
PROFIT RETAINED FOR THE YEAR	10	108,609	54,440
EARNINGS PER ORDINARY STOCK UNIT	7	15.55	8.79
STATEMENT OF RETAINED PROFITS			
As previously stated		787,920	733,480
Retained profit for the year		108,609	54,440
Retained profit carried forward	10	896,529	787,920

Balance Sheet

30th June, 1991

	Notes	1991 Shs '000	1990 Shs '000
SHARE CAPITAL	9	218,840	218,840
RESERVES	10	1,403,313	1,294,704
SHAREHOLDERS' FUNDS		1,622,153	1,513,544
DEFERRED CREDITS	11	8,031	23,034
LOAN CAPITAL	12	2,082,120	1,561,404
CAPITAL EMPLOYED		3,712,304	3,097,982
Represented by:			
FIXED ASSETS	13	3,623,425	3,557,098
DEFERRED DEBT	15	335,861	—
CURRENT ASSETS			
Stocks	14	2,050,927	1,535,790
Debtors	16	1,061,791	954,730
Short term investments		20,344	13,054
Bank and cash balances		31,034	33,903
		3,164,096	2,537,477
CURRENT LIABILITIES			
Creditors	17	2,650,612	2,278,587
Taxation	5	14,326	503
Dividends-payable		5,040	3,697
Proposed		28,134	22,859
Loans repayable within one year	12	455,128	170,368
Deferred credits due within one year	11	15,003	26,793
Bank overdraft	8	242,835	493,786
		3,411,078	2,998,593
NET CURRENT LIABILITIES		(246,982)	(459,116)
		3,712,304	3,097,982

The accounts on pages 23 to 31 were approved by the Board of Directors on 7th November, 1991, and were signed on its behalf by:

DR. L.G. SAGINI)
)
) DIRECTORS
)
 S.K. GICHURU)
)

Statement of Source and Application of Funds

for the year ended 30th June, 1991

	1991 Shs '000	1990 Shs '000
SOURCE OF FUNDS		
Profit before taxation	157,673	82,637
Adjustments for items not involving the movement of funds:		
Depreciation	201,334	164,335
Surplus on disposal of fixed assets	(16,465)	(14,539)
Loss on exchange - loan capital	60,741	50,241
Deferred credits	(26,793)	(26,793)
Total funds generated from operations	376,490	255,881
Funds from other sources:		
Proceeds on disposal of fixed assets	18,400	16,088
Capitalised loss on exchange	120,876	63,121
Loans received	835,476	342,346
	1,351,242	677,436
APPLICATION OF FUNDS		
Repayment of loan capital	211,617	63,157
Capital expenditure	269,596	758,169
Deferred debt	335,861	—
Taxation paid	5,177	13,686
Dividends paid	23,446	25,141
	845,697	860,153
NET INFLOW/(OUTFLOW) OF FUNDS	505,545	(182,717)
Represented by:		
MOVEMENT IN WORKING CAPITAL		
Stocks	515,137	646,569
Debtors	107,061	178,781
Creditors	(372,025)	(492,669)
	250,173	332,681
Movement in Liquid Funds:		
Short term investments	7,290	(72,618)
Bank and cash balances	(2,869)	(30,453)
Bank overdraft	250,951	(412,327)
	255,372	(515,398)
	505,545	(182,717)

Notes to the Accounts

for the year ended 30th June, 1991

1. ACCOUNTING POLICIES

(a) **Basis of accounting**

The Company prepares its accounts on the historical cost basis of accounting.

(b) **Revenue**

Revenue represents the total income from the sale of electricity billed during the year, and excludes Government tax.

(c) **Interest**

Interest receivable is brought into the Revenue Account as it accrues. Loan interest payable accruing during the construction of a project is capitalised as part of the cost of the project. Other interest payable is charged to the Revenue Account.

(d) **Stocks**

Stocks are valued at average cost less a provision for obsolescence.

(e) **Fixed Assets**

Cost

Additions during the year are capitalised net of Consumers contributions.

Depreciation

Depreciation is provided in accordance with the requirements of the Electric Power Act. This writes down the cost of the assets to residual values by equal annual instalments over their estimated useful lives. No depreciation is provided on additions during the year.

(f) **Taxation**

The Company provides for taxation based on the profit for the year. No provision is made for deferred taxation but an amount equivalent to a deferred tax charge is set aside to the Taxation Equalisation Reserve.

(g) **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into Kenya shillings at the rates of exchange ruling on the Balance Sheet date. Transactions during the year are converted at the rates ruling at the dates of the transactions. Exchange gains and losses arising during the period of construction are capitalised as part of the cost of the project. Other exchange gains and losses are charged to the Revenue Account.

Notes to the Accounts (continued)

	1991 Shs '000	1990 Shs '000
2. OPERATING EXPENSES		
Operating and administration	1,097,847	919,347
Fuel costs	171,101	125,575
Cost of Bulk Supply:		
Ascertained cost	1,586,086	1,159,559
Development Surcharge	420,178	357,578
Auditors' remuneration	1,700	1,700
Directors' fees	372	350
Depreciation	201,334	164,335
	<u>3,478,618</u>	<u>2,728,444</u>
3. EXCHANGE LOSS		
Loan capital	181,617	113,362
Bank and cash balances	520	1,694
	<u>182,137</u>	<u>115,056</u>
Less: Capitalised	120,876	63,121
	<u>61,261</u>	<u>51,935</u>
4. INTEREST		
Interest payable on long term borrowing	131,110	67,569
Interest receivable on bank and other deposits	(3,928)	(21,408)
	<u>127,182</u>	<u>46,161</u>
5. TAXATION		
Revenue account:		
Based on the adjusted profit for the year at 42.5%	19,000	3,075
Underprovision in previous years	—	333
	<u>19,000</u>	<u>3,408</u>
Balance Sheet:		
Provision based on the adjusted profit for the year	19,000	3,075
Prior years' taxation not confirmed	(3,921)	—
Withholding tax paid	(179)	(1,998)
Prior years' tax refundable	(574)	(574)
	<u>14,326</u>	<u>503</u>

Notes to the Accounts (continued)

	1991 Shs '000	1990 Shs '000
6. DIVIDENDS — GROSS		
Preference Stock Units — paid	1,930	1,930
Ordinary Stock Units — proposed	28,134	22,859
	<u>30,064</u>	<u>24,789</u>
7. EARNINGS PER ORDINARY STOCK UNIT		
The calculation is based on:		
Profit after taxation	138,673	79,229
Preference dividends	1,930	1,930
	<u>136,743</u>	<u>77,299</u>
Ordinary Stock Units	<u>8,792,000</u>	<u>8,792,000</u>

8. BANK OVERDRAFT

The bank has a right of set off against deposits and current account balances held by them.

9. SHARE CAPITAL

	1991		1990	
	Authorised Shs '000	Issued and fully paid Shs '000	Authorised Shs '000	Issued and fully paid Shs '000
350,000 7% Cumulative Preference Stock Units of Shs. 20 each	7,000	7,000	7,000	7,000
1,800,000 4% Cumulative Preference Stock Units of Shs. 20 each	36,000	36,000	36,000	36,000
8,792,000 Ordinary Stock Units of Shs. 20 each	175,840	175,840	175,840	175,840
89,058,000 Ordinary Shares of Shs. 20 each	1,781,160		31,160	
	<u>2,000,000</u>	<u>218,840</u>	<u>250,000</u>	<u>218,840</u>

Notes to the Accounts (continued)

10. RESERVES

	Balance at 1.7.90 Shs '000	Transfers during the year Shs '000	Balance at 30.6.91 Shs '000
Capital Reserve	12,304		12,304
Revenue reserves:			
General	147,480		147,480
Taxation equalisation	347,000		347,000
Retained profit	787,920	108,609	896,529
	<u>1,294,704</u>	<u>108,609</u>	<u>1,403,313</u>

11. DEFERRED CREDITS

	1991 Shs '000	1990 Shs '000
Due to Tana River Development Company Limited and payable in the year ending June, 1992	11,791	35,371
Due to The Kenya Power Company Limited and payable in three and half years ending June, 1995	11,243	14,456
	<u>23,034</u>	<u>49,827</u>
Less: Amounts due within one year	15,003	26,793
	<u>8,031</u>	<u>23,034</u>

12. LOAN CAPITAL**SECURED**

	Balance 1.7.90 Shs '000	Payments Shs '000	Drawdowns Shs '000	Exchange Loss Shs '000	Balance 30.6.91 Shs '000
9.5% 'A' Debenture Stock 1975/1991 (Stg. £48,102)	3,701	2,148		698	2,251
9.0% 'A' Debenture Stock 1975/1991 (Stg. £. 217,839)	16,796	9,784		3,181	10,193
8.5% 'A' Debenture Stock 1975/1991 (Stg. £. 47,006)	3,633	2,118		685	2,200
14.0% Kenya National Assurance Limited 1987/2001	9,600	800			8,800
	<u>33,730</u>	<u>14,850</u>		<u>4,564</u>	<u>23,444</u>

UNSECURED

8.0% Kenya Govt/Finnish Loan 1982/1996	13,813				13,813
10.0% Kenya Govt/Finnish Loan 1988/2002	37,354				37,354
10.0% Kenya Govt/Canadian Loan 1990/2020	788,541				788,541
6.5% Standard Chartered Bank (Switzerland)AG. 1990/1993 (SW.FR. 1,812,025)	39,793	13,064	1,913	4,868	33,510
3.0% Nordbanken 1990/1999 (U.S. \$ 12,228,566)	272,159	32,856	42,925	68,128	350,356
1.65% Nordbanken 1990/1999 (US \$4,504,839)	84,237	5,753	25,947	24,657	129,088
2.6% Indosuez Bank, Belgium 1991/2004 (BEF 163,224,519)	10,118		116,919	(556)	126,481
1.5% Finnish Export Credit 1990/2000 (FIM 36,582,645)	128,297	15,850	109,403	24,807	246,657
4.0% Nokia Cables Supply Credit 1990/1997 (DM. 6,827,387)	130,987	19,113		17,378	129,252
7.12% Swiss Mixed Credit 1984/1990	66	66			
6.38% Swiss Mixed Credit 1984/1993 (SW.FR. 1,097,284)	24,963	8,033		3,362	20,292
7.75% Best and Crompton Deferred Supply Credit 1984/1990	2,600	2,751		151	
7.75% Best and Crompton Deferred Services Credit 1984/1990	1,330	1,408		78	
8.8% J.H. Schroder Wagg & Co. Ltd. 1987/1998 (Stg. £.3,325,807)	148,909	26,896	9,177	24,437	155,627
8.3% Southwales Transformers Supply Credit 1990/1995 (Stg. £. 748,042)	14,875	9,415	34,962	8,430	48,852
6.27% Bank Hispano Americano 1990/1995 (DM. 793,104)		3,142	14,491	1,313	12,662
19.0% Panafrican Credit Finance 1990/1992		16,667	100,000		83,333
20.0% Kenya Commercial Finance Co. 1990/1992		41,753	100,000		58,247
20.0% Standard Chartered Bank 1990/1992			300,000		300,000
	<u>1,731,772</u>	<u>211,617</u>	<u>855,737</u>	<u>181,617</u>	<u>2,557,509</u>
Payments due in one year	170,368				455,128
Adjustments	—				20,261
	<u>1,561,404</u>				<u>2,082,120</u>

Notes to the Accounts (continued)

13. FIXED ASSETS

	Land and buildings	Trans- mission lines	Plant and machinery	Motor vehicles	Furniture equipment, and others	Total
Cost	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
1st July, 1990	494,042	2,111,592	592,519	463,549	472,472	4,134,174
Reallocations	(53)		(60)		113	
Additions	55,307	162,680	(36,469)	31,493	41,162	254,173
Disposals		(1,331)		(16,459)	(177)	(17,967)
30th June, 1991	<u>549,296</u>	<u>2,272,941</u>	<u>555,990</u>	<u>478,583</u>	<u>513,570</u>	<u>4,370,380</u>
Depreciation						
1st July, 1990	115,376	503,667	243,002	177,698	191,731	1,231,474
Charge for year	14,746	79,442	16,551	55,294	35,301	201,334
Reallocations	(13)				13	
On disposals		(1,181)		(14,683)	(168)	(16,032)
30th June, 1991	<u>130,109</u>	<u>581,928</u>	<u>259,553</u>	<u>218,309</u>	<u>228,877</u>	<u>1,416,776</u>
Net Book value						
30th June, 1991	<u>419,187</u>	<u>1,691,013</u>	<u>296,437</u>	<u>260,274</u>	<u>286,693</u>	<u>2,953,604</u>
Work in progress						669,821
						<u>3,623,425</u>
Net Book value						
30th June, 1990	<u>378,666</u>	<u>1,607,925</u>	<u>349,517</u>	<u>285,851</u>	<u>280,741</u>	<u>2,902,700</u>
						654,398
						<u>3,557,098</u>

14. STOCKS

	1991 Shs '000	1990 Shs '000
Raw poles	35,176	29,939
General stores	943,728	725,923
Engine spares	86,175	70,283
Fuel and oil	72,927	64,784
Transformers	468,289	266,993
Motor vehicle spares	18,277	14,446
Goods in transit	449,236	385,562
	<u>2,073,808</u>	<u>1,557,930</u>
Less: Provision for obsolescence	(22,881)	(22,140)
	<u>2,050,927</u>	<u>1,535,790</u>

Notes to the Accounts (continued)

15. DEFERRED DEBT	1991	1990
	Shs. '000	Shs '000
6.5% Standard Chartered Bank, (Switzerland)AG. 1990/1993	33,510	—
3.0% Nordbanken 1990/1999	350,356	—
	383,866	—
Less: Amount due within one year	48,005	—
	<u>335,861</u>	<u>—</u>

The deferred debt represents the balance of long term loans contracted by The Kenya Power and Lighting Company Limited for the financing of the National Control Centre project owned by The Kenya Power Company Limited.

16. DEBTORS	1991	1990
	Shs '000	Shs '000
Electricity Consumers	738,124	513,927
Rural Electrification Schemes	131,213	308,086
Deferred debt due within one year (Note 15)	4,8005	—
Others	144,449	132,717
	<u>1,061,791</u>	<u>954,730</u>

17. CREDITORS	1991	1990
	Shs 000	Shs '000
Tana River Development Company Limited	1,204,873	1,086,695
The Kenya Power Company Limited	314,082	37,375
Kerio Valley Development Authority	144,586	152,086
Tana and Athi Rivers Development Authority	83,809	110,138
Consumers' deposits	148,658	123,081
Capital contributions	318,875	328,909
Suppliers' accounts	146,173	167,692
Others	289,556	272,611
	<u>2,650,612</u>	<u>2,278,587</u>

18. DEVELOPMENT SURCHARGE

Olkaria Geothermal Project

According to the terms of the financing for the Olkaria Geothermal Project of The Kenya Power Company Limited, the Company has agreed to finance part of the project by a development surcharge. This is included in the cost of Bulk Supply in note 2.

	1991	1990
	Shs '000	Shs '000
Total estimated development surcharge	1,601,371	1,417,786
Paid at 1st July	1,201,180	1,021,639
Paid during the year	213,729	179,541
Paid at 30th June	<u>1,414,909</u>	<u>1,201,180</u>
Future development surcharge	<u>186,462</u>	<u>216,606</u>

Notes to the Accounts (continued)

Kiambere Hydroelectric Project

Under the financing plan for the Kiambere Hydroelectric Project which has been developed by Tana and Athi Rivers Development Authority, the Company has agreed to finance part of the project by a development surcharge which is included in the Bulk Supply in note 2.

	1991 Shs '000	1990 Shs '000
Total estimated development surcharge	698,765	688,811
Provided at 1st July	688,811	688,811
Provided during the year	9,954	—
Provided at 30th June	698,765	688,811
Future development surcharge	—	—
Development surcharge due	698,765	688,811
Payments made at 30th June	614,956	578,673
Balance at 30th June	83,809	110,138

Rural Electrification Fund

The Company has contributed Shs. 76,495,000 towards the Rural Electrification Schemes by way of a development surcharge. This is included in the cost of Bulk Supply in note 2.

Turkwel Gorge Project

According to the financing structure of Turkwel Gorge Project, which is being undertaken by Kerio Valley Development Authority, the Company is required to finance part of the project by a development surcharge. This is included in the Bulk Supply in note 2.

	1991 Shs '000	1990 Shs '000
Total estimated development surcharge	480,000	480,000
Provided at 1st July	360,000	240,000
Provided during the year	120,000	120,000
Provided at 30th June	480,000	360,000
Future development surcharge	—	120,000
Development surcharge due	480,000	360,000
Payments made at 30th June	335,414	207,914
Balance at 30th June	144,586	152,086

Notes to the Accounts *(continued)*

19. CAPITAL COMMITMENTS

	1991 Shs '000	1990 Shs '000
Authorised but not contracted for:		
Ganjoni Flats	25,740	—
Lanet 132/33 KV substation	—	13,800
Mombasa Plot Development	69,880	69,880
Nairobi System Reinforcement	100,000	70,950
Garissa Diesel Engines	108,000	63,041
Others		49,870
	<u>303,620</u>	<u>267,541</u>
Authorised and contracted for	515,438	609,580
Less: Amount incurred and included in work in progress	161,623	149,089
	<u>353,815</u>	<u>460,491</u>
Less: Capital contributions received	31,277	22,326
	<u>322,538</u>	<u>438,165</u>

20. CONTINGENT LIABILITIES

	1991 Shs '000	1990 '000
Bank guarantees	6,815	5,753
Claims on the Company	7,045	754
	<u>13,860</u>	<u>6,507</u>

9½ YEARS RECORD

FINANCIAL AND STATISTICAL RECORDS**for the year ended**

	31st Dec. 1982	31st Dec. 1983	31st Dec. 1984	31st Dec. 1985	30th June, 1986
UNITS SOLD (millions)	1,631	1,676	1,775	1,944	1,035
Average yield of units sold (cents)	62.57 Shs '000	67.55 Shs '000	70.03 Shs '000	76.21 Shs '000	81.48 Shs '000
REVENUE from sale of electricity	1,020,384	1,132,093	1,242,953	1,481,511	843,286
PROFIT for the year before exceptional item	170,073	198,974	155,412	287,230	132,138
Exceptional item	—	—	—	—	—
PROFIT for the year before taxation	170,073	198,974	155,412	287,230	132,138
TAXATION	72,684	22,989	69,000	114,431	57,377
NET PROFIT AFTER TAXATION	97,389	175,985	86,412	172,799	74,761
Extra-ordinary items gain/(loss)	1,608	—	—	—	—
Preference dividends (gross)	(1,930)	(1,930)	(1,930)	(1,930)	(965)
NET PROFIT ATTRIBUTABLE TO ORDINARY STOCKHOLDERS	97,067	174,055	84,482	170,869	73,796
ORDINARY DIVIDENDS (gross)	(16,485)	(21,980)	(21,980)	(22,859)	(11,429)
PROFIT/(LOSS) FOR THE YEAR	80,582	152,075	62,502	148,010	62,367
NET CASH FLOW					
Profit/(Loss) of the year	80,582	152,075	62,502	148,010	62,367
Depreciation	40,627	52,377	96,155	102,743	55,417
	121,209	204,452	158,657	250,753	117,784
CAPITAL EMPLOYED					
Fixed Assets, less depreciation	1,437,903	1,942,321	1,952,955	1,980,634	2,049,536
Bulk supply companies	47,558	—	—	—	—
Deferred debt	—	—	—	—	—
Investment in subsidiaries	—	3,370	5,801	20,820	28,227
Net current assets	31,154	13,001	109,524	160,617	161,536
	1,516,615	1,958,602	2,068,280	2,162,071	2,239,299
FINANCED BY:					
Ordinary shareholders' equity	542,732	715,162	777,664	925,674	988,041
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	66,983	66,414	54,746	46,467	49,591
Loan capital (unsecured)	675,252	969,049	1,051,384	1,029,025	1,052,553
Deferred liability	188,648	165,067	141,486	117,905	106,114
	1,516,615	1,958,602	2,068,280	2,162,071	2,239,299
CAPITAL EXPENDITURE					
Average cost of units sold (cents)	583,600	536,627	108,017	131,616	125,037
PROFIT for the year before taxation as a percentage of average capital employed	52.23	56.12	57.03	61.69	67.55
ORDINARY DIVIDENDS RATES	15.52%	12.75%	8.3%	13.57%	6.00%
Earning per share (Shs)	10%	12.5%	12.5%	13%	6.5%
Consumers/employees ratio	11.58	19.80	9.61	19.43	8.39
Sales (KWHr) per employee	32.80	32.30	32.80	29.75	28.13
	307,679	299,480	309,554	325,748	166,801

0th June 1987	30th June 1988	30th June 1989	30th June 1990	30th June 1991	
2,205	2,337	2,412	2,595	2,708	UNITS SOLD (millions)
90.97	104.18	109.02	111.83	137.55	Average yield of units sold (cents)
Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	
2,005,753	2,434,600	2,629,658	2,901,840	3,824,734	REVENUE from sale of electricity
181,751	162,067	47,772	75,300	157,673	PROFIT for the year before exceptional item
—	—	266,653	7,337	—	Exceptional item
181,751	162,067	314,425	82,637	157,673	PROFIT for the year before taxation
55,966	69,097	5,177	3,408	19,000	TAXATION
125,785	92,970	309,248	79,229	138,673	NET PROFIT AFTER TAXATION
—	—	—	—	—	Extra-ordinary item gain/(loss)
(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	Preference dividends (gross)
123,855	91,040	307,318	77,299	136,743	NET PROFIT ATTRIBUTABLE TO
(22,859)	(22,859)	(22,859)	(22,859)	(28,134)	ORDINARY STOCKHOLDERS
100,996	68,181	284,459	54,440	108,609	ORDINARY DIVIDENDS (Gross)
					PROFIT/(LOSS) FOR THE YEAR
100,996	68,181	284,459	54,440	108,609	NET CASH FLOW
118,275	132,426	137,609	164,335	201,334	Profit/(Loss) for the year
219,271	200,607	422,068	218,775	309,943	Depreciation
2,340,392	2,556,888	2,964,813	3,557,098	3,623,425	CAPITAL EMPLOYED
—	—	—	—	—	Fixed Assets less depreciation
—	—	—	—	335,361	Bulk supply companies
50,738	—	—	—	—	Deferred Debt
98,191	(41,506)	(170,108)	(459,116)	(246,982)	Investment in subsidiaries
2,489,321	2,515,382	2,794,705	3,097,982	3,712,304	Net current assets
1,063,464	1,131,645	1,416,104	1,470,544	1,579,153	FINANCED BY:
43,000	43,000	43,000	43,000	43,000	Ordinary stockholders' equity
54,428	49,670	38,503	33,730	23,444	Preference capital
1,225,016	1,214,447	1,247,271	1,527,674	2,058,676	Loan capital (secured)
103,413	76,620	49,827	23,034	8,031	Loan capital (unsecured)
2,489,321	2,515,382	2,794,705	3,097,982	3,712,304	Deferred credits
410,748	349,216	546,100	758,169	269,596	CAPITAL EXPENDITURE
80.76	94.70	104.96	105.12	128.46	Average cost of units sold (cents)
8.34%	6.44%	11.25%	2.67%	4.67%	PROFIT for the year before taxation
13%	13%	13%	13%	16%	as a percentage of average capital employed
14.09	10.36	34.95	8.79	15.55	ORDINARY DIVIDENDS RATES
26.65	31.89	29.97	24.58	26.35	Earnings per share (Shs)
324,589	304,520	288,830	240,322	248,566	Consumers/Employers ratio
					Sales (KWHr) per employee.

Power Systems Operation Statistics for 5½ Years

TABLE 1: GROSS GENERATION AND CONSUMPTION OF ELECTRICITY FOR INTERCONNECTED AND ISOLATED SYSTEMS

LOCATION	Installed Capacity as at 30.6.91	Effective Capacity (MW)	ENERGY (GWhr)						Average Annual growth over the Last 4 years
			1986	1986/87	1987/88	1988/89	1989/90	1990/91	
			Jan-June						
HYDRO									
Tana (KPC)	14.4	12.4	33	77	82	77	94	80	
Wanjii (KPC)	7.4	7.4	18	54	46	57	55	44	
Kamburu (TRDC)	91.5	84.0	184	415	432	400	382	431	
Gitaru (TRDC)	145.0	145.0	400	836	841	779	762	794	
Kindaruma (TRDC)	44.0	44.0	102	191	223	214	216	201	
K.P. & L.C.	6.2	6.2	6	20	21	25	21	20	
UEB (Imports)	30.0	0.0	113	211	154	112	174	134	
Masinga (TARDA)	40.0	40.0	85	199	182	103	124	181	
Kiambere (TARDA)	144.0	140.0			211	794	863	962	
Turkwell (KVDA)	106.0	106.0						37	
TOTAL HYDRO INCLUDING IMPORTS	628.5	585.0	942	2,004	2,192	2,561	2,691	2,884	9.5%
THERMAL									
Kipevu	98.0	26 **	59	168	208	25	97	74	
GEOTHERMAL									
Olkaria	45.0	43.0	179	374	348	322	336	298	
GAS TURBINE									
Fiat — Nbi South	17.9	13.8	3	17	13	1	0	4	
JBE — Kipevu	30.0	30.0		27	52	20	10	17	
DIESEL									
Interconnected Diesel Stations	18.3	8.0	1	5	3	2	2	0.3	
INTERCONNECTED SYSTEM	837.7	705.8	1,185	2,596	2,816	2,932	3,136	3,277	6.0%
ISOLATED DIESELS	3.9	3.9	4	9	10	11	12	14	
GROSS GENERATION	841.6	709.7	1,189	2,605	2,827	2,943	3,148	3,291	6.0%
AUX CONSUMPTION			16	28	43	27	33	33	
SYSTEM LOSSES +			127	347	407 *	448	453	474	
SALES — KPLC SYSTEM			1,038	2,208	2,340	2,418	2,595	2,708	5.2%
— REF SYSTEM			10	25	36	49	66	76	32.2%
TOTAL SALES			1,048	2,233	2,376	2,468	2,661	2,784	5.7%
SYSTEM PEAK DEMAND MW			400	430	461	480	520	550	6.3%
System Load Factor			68.2%	68.9%	69.7%	69.7%	68.9%	68.0%	
Sales % of NET Gen.			89.4%	86.7%	85.4%	84.6%	85.4%	85.4%	
Losses as % of NET Gen.				13.5%	14.6%	15.4%	14.6%	14.6%	
Annual growth — GEN				8.4%	8.5%	4.1%	7.0%	4.5%	
— SALES KPLC				8.7%	6.0%	3.3%	7.3%	4.4%	
— SALES REF				18.6%	43.1%	37.7%	35.0%	11.3%	

NOTE: * Includes energy exports to UEB system estimated at 3 GWh.

** Most of the year the station was undergoing rehabilitation.

+ Comprises technical and non-technical losses

TABLE 2: AREA TOTAL MAXIMUM DEMAND (MW)

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 Years
Nairobi	223	223	231	238	271	261	4.1%
Coast	82	89	107	98	105	120	7.8%
Central Rift	26	26	30	35	38	32	5.7%
West Kenya+	75	77	79	78	45	43	
Mt. Kenya	19	21	22	25	24	30	9.3%
North Rift +					18	28	
TOTAL SYSTEM (SIMULTANEOUS)	400	430	461	480	520	550	6.3%
% INCREASE P.A.		* 7.3%	7.2%	4.1%	8.3%	5.8%	

Note: Intermediate loads on Nairobi-Mombasa line are not included.

* Indicates growth over one and a half years.

+ Western Kenya split into West Kenya and North Rift in 1989/90.

TABLE 3: SALE OF ELECTRICITY IN GWhr SHOWN IN DIFFERENT CATEGORIES OF CONSUMERS

TARIFF	MAIN TYPE OF CONSUMERS COVERED BY THIS TARIFF	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
A	Domestic, small commercial and small industrial	292	633	678	729	780	823	6.8%
B	Commercial (Medium) and industrial (medium)	252	538	555	516	554	585	2.2%
C	Commercial (large) Industrial (large)	437	919	985	1,046	1,130	1,177	6.4%
D	Off-peak	53	111	110	113	117	109	-0.6%
E	Street lighting	4	9	12	14	14	14	12.0%
	TOTAL	1,038	2,208	2,340	2,418	2,595	2,708	5.2%
	% INCREASE P.A.		* 8.7%	6.0%	3.3%	7.3%	4.4%	

Note: 1. Units sold to REF schemes are not included in this table.

2. * Indicates growth over one and a half years.

TABLE 4: AREA TOTAL UNITS SALES (GWhr)

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 Years
Nairobi	557	1190	1245	1275	1360	1436	4.8%
Coast	245	499	536	564	613	615	5.3%
Central Rift	53	117	126	137	142	159	8.0%
West Kenya	138	306	338	340	241	258	
Mt. Kenya	45	95	95	101	110	113	4.5%
North Rift					129	128	
KPLC sales	1,038	2,208	2,340	2,418	2,595	2,708	5.2%
R.E.F. Schemes	10	25	36	49	66	76	32.2%
TOTAL	1,048	2,233	2,375	2,468	2,662	2,784	5.7%
% INCREASE P.A.		*8.9%	6.4%	3.9%	7.9%	4.6%	

Note: * Indicates growth over one and a half years.

**TABLE 5: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "AO"
CATEGORY DESCRIPTION: DOMESTIC LOAD.**

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	122	269	280	307	328	336	5.8%
Coast	35	73	74	80	84	90	5.5%
Central Rift	7	18	20	23	25	26	10.1%
West Kenya	14	23	29	32	22	22	
Mt. Kenya	6	13	14	16	18	22	13.7%
North Rift					11	11	
TOTAL	184	396	418	459	488	508	6.4%
% INCREASE P.A.		*-6.2%	5.5%	9.8%	6.4%	4.1%	

Note: * Indicates growth over one and a half years.

**TABLE 6: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "AI"
CATEGORY DESCRIPTION: SMALL COMMERCIAL LOAD**

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	61	131	145	143	154	167	6.2%
Coast	18	39	41	45	50	53	8.0%
Central Rift	8	19	20	22	24	27	9.4%
West Kenya	14	31	34	39	28	31	
Mt. Kenya	9	18	21	22	24	26	8.9%
North Rift					12	12	
TOTAL	109	238	261	270	292	315	7.3%
% INCREASE P.A.		*68.4%	9.5%	3.8%	8.1%	7.7%	

Note: * Indicates growth over one and a half years.

TABLE 7: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B0"
CATEGORY DESCRIPTION: IRRIGATION LOAD

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	15.1	35.6	34.4	19.0	13.5	23.1	-10.3%
Coast	0.2	0.3	0.2	0.2	0.3	0.2	-3.9%
Central Rift	5.2	9.9	10.9	12.5	10.2	13.6	8.2%
West Kenya	1.3	3.3	3.3	3.0	1.5	1.7	
Mt. Kenya	0.6	1.1	1.4	0.7	0.7	1.2	1.7%
North Rift					1.3	0.0	
TOTAL	22.4	50.3	50.1	35.5	27.5	39.8	-5.7%
% INCREASE P.A.		*20.6%	-0.3%	-29.2%	-22.5%	44.8%	

Note: * Indicates growth over one and a half years.

TABLE 8: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B1 + C1"
CATEGORY DESCRIPTION: MEDIUM AND LARGE COMMERCIAL LOAD

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	161	336	357	385	411	430	6.4%
Coast	76	144	155	163	192	197	8.2%
Central Rift	24	51	54	62	64	72	9.2%
West Kenya	42	97	106	108	81	90	
Mt. Kenya	16	37	42	49	53	51	8.5%
North Rift					42	44	
TOTAL	319	664	714	765	842	884	7.4%
% INCREASE P.A.		*10.3%	7.5%	7.2%	10.0%	5.0%	

Note: * Indicates growth over one and a half years.

TABLE 9: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B2 + C2 + C3"
CATEGORY DESCRIPTION: MEDIUM AND LARGE INDUSTRIAL LOAD

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	149	313	320	309	337	371	4.3%
Coast	113	239	260	271	283	270	3.1%
Central Rift	7	17	19	15	17	17	0.2%
West Kenya	65	147	160	155	106	111	
Mt. Kenya	13	24	15	11	12	11	-17.9%
North Rift					61	59	
TOTAL	347	739	775	761	815	839	3.2%
% INCREASE P.A.		*6.2%	4.8%	-1.8%	7.0%	2.9%	

Note: * Indicates growth over one and a half years.

TABLE 10: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "DO"
CATEGORY DESCRIPTION: OFF-PEAK LOAD

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	47.0	100.8	100.3	103.0	106.6	99.0	-0.4%
Coast	1.9	3.6	3.1	3.0	2.7	2.6	-7.4%
Central Rift	1.0	1.9	1.8	1.9	1.8	1.9	-1.0%
West Kenya	1.4	3.0	2.9	3.1	1.8	1.6	
Mt. Kenya	1.5	1.7	2.0	2.1	2.3	2.3	8.3%
North Rift					1.4	1.2	
TOTAL	52.9	110.9	110.2	113.0	116.6	108.5	-0.5%
% INCREASE P.A.		*3.3%	-0.6%	2.6%	3.2%	-6.9%	

Note: * Indicates growth over one and a half years.

TABLE 11: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "EO"
CATEGORY DESCRIPTION: STREET LIGHTING

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	2.5	5.3	7.8	9.0	8.8	9.4	15.4%
Coast	0.7	1.7	2.1	2.3	1.7	1.7	-0.4%
Central Rift	0.2	0.6	0.7	1.0	0.7	1.0	15.4%
West Kenya	0.5	1.1	1.4	1.3	0.9	0.8	
Mt. Kenya	0.2	0.3	0.5	0.5	0.5	0.8	24.5%
North Rift					0.5	0.5	
TOTAL	4.2	9.0	12.4	14.2	13.0	14.1	11.9%
% INCREASE P.A.		*1.2%	37.8%	13.8%	-7.9%	8.5%	

Note: * Indicates growth over one and a half years.

TABLE 12: AREA REF UNITS SALES (MWhr)

AREA	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 4 years
Nairobi	1,871	5,993	8,373	11,703	12,957	16,154	28.1%
Coast	677	915	966	1,827	3,000	2,651	30.5%
Central Rift	929	2,291	3,072	3,726	5,572	7,211	33.2%
West Kenya	4,878	11,838	17,695	22,160	18,682	19,912	
Mt. Kenya	1,725	3,969	5,676	9,842	12,385	13,514	35.8%
North Rift					13,891	16,852	
TOTAL SALES	10,080	25,006	35,782	49,257	66,487	76,294	32.2%
% INCREASE P.A.		*18.6%	43.1%	37.7%	35.0%	14.7%	

Note: * Indicates growth over one and a half years.

TABLE 13: REVENUE (SHS '000) IN CATEGORY OF CONSUMERS

TARIFF	MAIN TYPE OF CONSUMERS COVERED BY THIS TARIFF	1986 Jan-June	1986/87	1987/88	1988/89	1989/90	1990/91	Average annual Growth over the Last 4 Years
A	Domestic, small commercial and small industrial	267,045	643,296	773,850	861,670	936,193	1,223,009	17.4%
B	Commercial and industrial (medium)	222,515	519,363	615,769	600,265	660,603	876,959	14.0%
C	Commercial (large) Industrial (large)	311,004	744,077	925,650	1,035,529	1,149,741	1,552,273	20.2%
D	Off-peak	37,556	89,351	104,178	112,500	116,764	144,071	12.7%
E	Street-lighting	3,812	9,181	14,255	17,024	17,149	22,455	25.1%
	SUB-TOTAL	841,933	2,005,268	2,433,702	2,626,989	2,880,450	3,818,767	17.5%
	OTHERS **	1,353	485	898	2,669	21,390	5,966	87.3%
	TOTAL (KPLC)	843,287	2,005,753	2,434,600	2,629,658	2,901,840	3,824,733	17.5%
	R.E.F.	8,528	26,700	40,604	57,396	75,599	109,400	42.3%
	GROSS TOTAL	851,815	2,032,453	2,475,204	2,687,054	2,977,438	3,934,133	18.0%
	% INCREASE P.A.		*22.5	21.8%	8.6%	10.8%	32.1%	

Note: * Indicates growth over one and a half years.

** Others include sundry items such as fuel oil, ready board meter rent, etc.

TABLE 14: NUMBER OF CONSUMERS IN TERMS OF TARIFF CATEGORY

TARIFF	MAIN TYPE OF CONSUMERS COVERED BY THIS TARIFF	1986	1986/87	1987/88	1988/89	1989/90	1990/91	Average Annual Growth over the Last 5 Years
AO	Domestic KPLC	166,022	172,804	180,563	188,749	197,758	210,341	4.8%
	REF	4,042	5,132	6,561	8,863	11,265	14,271	28.7%
AI	Small Commercial KPLC	35,716	37,886	40,100	42,555	44,938	48,049	6.1%
	REF	2,559	3,531	4,850	6,195	7,730	10,130	31.7%
BO	Irrigation Load KPLC	210	227	260	275	279	285	6.3%
	REF	0	2	3	4	4	8	
BI	Medium Commercial and Industrial KPLC	1,359	1,421	1,465	1,562	1,687	1,757	5.3%
	REF	22	0	38	58	50	62	23.0%
B2	Medium Commercial and Industrial-KPLC	23	22	22	24	23	21	-1.8%
C1	Large Commercial KPLC	104	112	148	166	174	222	16.4%
	REF	0	0	0	2	5	6	
C2	Large Commercial and Industrial KPLC	71	77	86	86	90	99	6.9%
	REF	0	0	1	1	1	1	
C3	Large Commercial and Industrial-KPLC	9	9	9	9	11	11	4.1%
	REF	0	0	0	0	0	0	
DO	Off-peak KPLC	1,003	969	987	1,166	1,295	1,439	7.5%
	REF	2	0	0	3	6	7	28.5%
EO	Street-lighting KPLC	58	73	78	82	95	98	11.1%
	REF	6	6	6	6	6	6	0.0%
	TOTAL (KPLC)	204,575	213,600	223,718	234,674	246,350	262,322	5.1%
	TOTAL (R.E.F.)	6,631	8,671	11,459	15,132	19,067	24,491	29.9%
	GROSS TOTAL	211,206	222,271	235,177	249,806	265,417	286,813	6.3%
	% INCREASE		5.2%	5.8%	6.2%	6.2%	8.1%	

TABLE 15: TRANSMISSION AND DISTRIBUTION LINES

VOLTAGE	TOTAL CIRCUIT LENGTH (KM)						Average Annual Growth over the Last 5 Years
	AS AT 30TH JUNE						
	1986	1987	1988	1989	1990	1991	
220 kv	633	633	633	633	657	877	
132 kv	1,975	1,975	1,977	1,977	1,980	1,980	
66 kv	398	398	400	408	444	451	
40 kv	113	113	113	113	113	113	
33 kv	2,610	2,813	3,194	3,268	3,300	3,342	
11 kv	6,811	7,152	7,252	7,440	7,627	7,870	
TOTAL	12,539	13,084	13,568	13,838	14,121	14,633	2.3%
% INCREASE P.A.		4.3%	3.7%	2.0%	2.0%	3.6%	

TABLE 16: TRANSFORMERS IN SERVICE: TOTAL INSTALLED CAPACITY IN MVA

	AS AT 30TH JUNE						Average Annual Growth over the Last 5 Years
	1986	1987	1988	1989	1990	1991	
Generation S/Stns							
11/220 kv			170	170	170	288	
11/132 kv	417	417	417	417	417	417	
11/66 kv	30	30	30	30	30	30	
11/33 kv	137	178	217	217	217	217	
11/40 kv	5	5	5	5	5	5	
3.3/11/40kv	8	8	8	8	8	8	
3.3/40kv	4	4	4	4	4	4	
3.3/33kv	4	4	4	4	4	4	
132/220kv	540	540	540	540	540	690	
TOTAL	1,145	1,186	1,395	1,395	1,395	1,663	7.0%
Distribution S/stns							
220/132kv	580	580	580	580	580	580	
220/66kv					180	180	
132/66kv	195	210	210	270	330	330	
132/33kv	285	285	285	308	331	349	
66/11kv	369	369	395	441	441	470	
66/40kv	15	15	15	15	15	15	
40/11kv	16	16	19	19	19	24	
33/11kv	325	333	358	356	375	392	
TOTAL	1,785	1,807	1,862	1,989	2,271	2,340	5.3%
Distribution TXS							
11/0.415kv							
33/0.415kv	1,092	1,173	1,300	1,376	1,448	1,510	5.2%

TABLE 17: STAFF ANALYSIS

CATEGORY OF STAFF	AS AT 30TH JUNE						Average Annual Growth over the Last 5 Years
	1986	1987	1988	1989	1990	1991	
Nationality							
-Citizen	6,285	6,714	7,623	8,319	10,760	10,864	10.1%
-Non Citizen	56	46	32	32	29	31	-7.6%
Total	6,341	6,760	7,655	8,351	10,789	10,895	10.0%
Sex							
-Male	5,905	6,253	7,023	7,570	9,798	9,827	9.5%
-Female	436	507	632	781	991	1,068	16.1%
Job							
-Technical (T)	2,559	2,572	2,967	3,128	4,137	4,325	11.0%
-Non Technical (NT)	3,782	4,188	4,688	5,223	6,652	6,570	9.4%
Ratio - men/women	14	12	11	10	10	9	
Ratio - Tech./Non-Tech.	0.68	0.61	0.63	0.60	0.62	0.66	

Principal Areas of Supply

ATHI RIVER
AWENDO
BARINGO
BONDO
BUNGOMA
BURA
BUSIA
BUTERE
CHEPKORIO
CHERANGANI
CHOGORIA
EGOJI
ELBURGON
ELDAMA RAVINE
ELDORET
ELGEYO MARAKWET
EMALI
EMBU
ENDARASHA
ENGINEER (KINANGOP)
GARISSA
GILGIL
GITHUNGURI
HAKATI
HAMISI
HOMA BAY
ISIOLO
ISHIARA
ITEN
KABARNET
KABARTONJO
KALAMBA
KANDARA
KAJIADO
KAKAMEGA
KALOLENI
KANGUNDO — TALA
KANGEMA
KARATI
KARATINA
KARURUMO
KAPSABET
KAPSOKWANY
KAPSOWAR
KAPENGURIA
KANYAKIINE
KENYALLINE
KERICHO
KERUGOYA
KIAMBU
KABIRICHIA
KIGUMO
KIRITIRI
KILIFI
KILOME
KIHARU
KISII
KISUMU
KINANGO

KITALE
KITENGELA
KITUI
KUTUS
KWALE
LAMU
LARI
LIMURU
LODWAR
LONDIANI
LURAMBI
MACALDER
MACHAKOS
MAGUMU
MAMBRUI
MALABA
MALAKISI
MALINDI
MANDERA
MARALAL
MARIKANI
MARIGAT
MTITO ANDEI
MARSABIT
MASENO
MASINGA
MASII
MATERI
MATUNDA
MATUU
MAUA
MAZERAS
MERU
MIGORI
MITUNGUU
MOGOTIO
MOI'S BRIDGE
MOLO
MOMBASA
MOYALE
MSAMBWENI
MUMIAS
MUKURWEINI
MURANG'A
MWINGI
NAIRAGE NKARE
NAIROBI
NAIVASHA
NAKURU
NAROK
NARO MORU
NANDI HILLS
NANYUKI
NGONG
NJORO
NKUBU
NYAHURURU
NYERI
OLENGURWENI

OL-KALOU
OLOITOKITOK
OTHAYA
OYUGIS
RABAI
RONGAI
RIBE
RUIRU
RUMURUTI
RUNYENJES
SAGANA
SIKAGO
SIAYA
SONDU
SOTIK
SULTAN HAMUD
TAMBACH
TAVETA
TENGES
TIMAU
THIKA
VIHIGA
VOI
WAJIR
WEBUYE
WUNDANYI
YALA



P.O. Box 30099,
Nairobi.

FORM OF PROXY FOR ANNUAL GENERAL MEETING

I/We,) BLOCK
) Capitals
 of) Please

being (a) Member (s) of the above-named Company, HEREBY APPOINT the
 Chairman of the Meeting or

as my/our proxy to vote for me/us and on my/our behalf at the ANNUAL GENERAL
 MEETING of the Company to be held on Friday, 27th day of March, 1992, and at
 any adjournment thereof.
 My/our proxy is to vote as indicated in respect of the following Resolutions:

ORDINARY BUSINESS

- (i) The receipt and adoption of the Directors' Report and Accounts for the year ended 30th June, 1991 i
- (ii) The declaration of a first and final dividend on the Ordinary Stock. ii
- (iii) The re-election of retiring directors iii

FOR	AGAINST

Dated this day of 1992

Signature

FOR OFFICE USE ONLY	
7%	
4%	
ORDINARY	