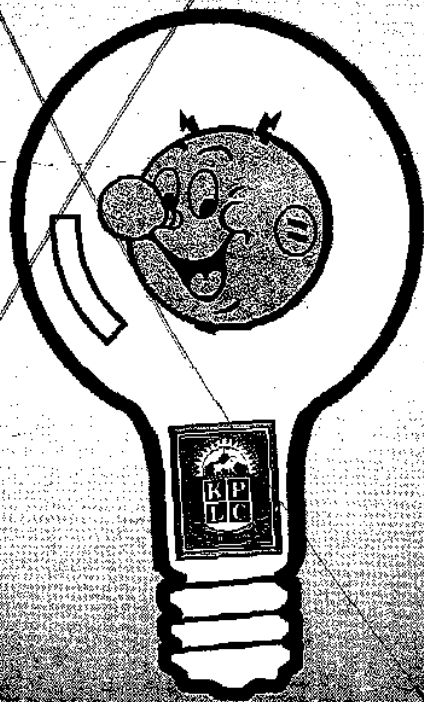


The
Kenya Power & Lighting
Company Ltd.



Report and Accounts
for the year ended
30th June 1994

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**The Seventy-Third Annual Report and Accounts of
The Kenya Power and Lighting Company Limited**



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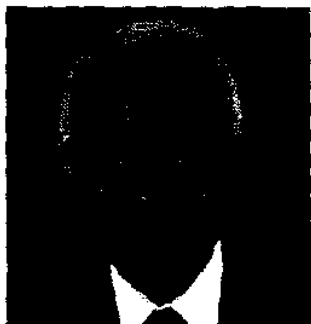
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Board of Directors



Dr. L. G. Sagini
Chairman



S. K. Gichuru
Managing Director



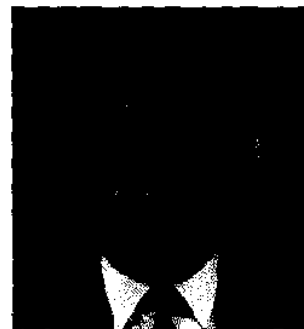
C. N. Mutitu



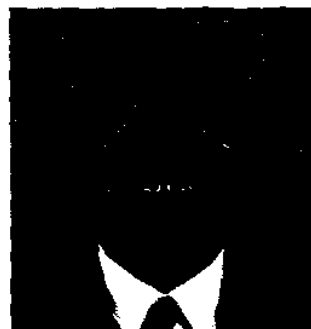
Dr. W. Koinange



J. F. Kahumbu



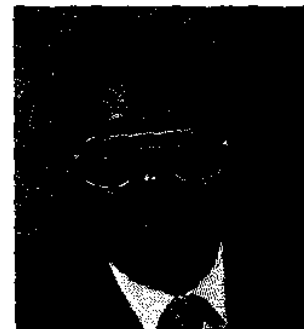
S. O. J. Ambundo



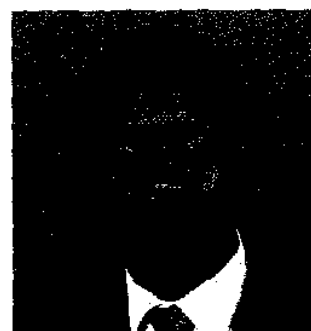
Prof. B. W. Ogana



Prof. R. J. Akello



G. M. Nyaki



P. K. Chemng'orem



W. A. J. Tuva
(Alternate)



E. Komen
(Alternate)



Board of Directors

Directors

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

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

C.N. MUTITU, E.B.S.

DR. W. KOINANGE

J.F. KAHUMBU

S.O. J. AMBUNDO

PROF. B. W. OGANNA

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, E.B.S., 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.

Finance Manager

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

Chief Personnel Officer

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



Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTY-THIRD ANNUAL GENERAL MEETING of members will be held at the Head Office of the Company, 8th Floor, Electricity House, Harambee Avenue, Nairobi, on Thursday the 13th April, 1995, at 12.00 noon to transact the Ordinary Business of the Company.

By Order of the Board

J. N. KIMANI
Secretary

Nairobi,
Kenya.

22nd March, 1995

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 Tuesday, 11th April, 1995.



Chairman's Review

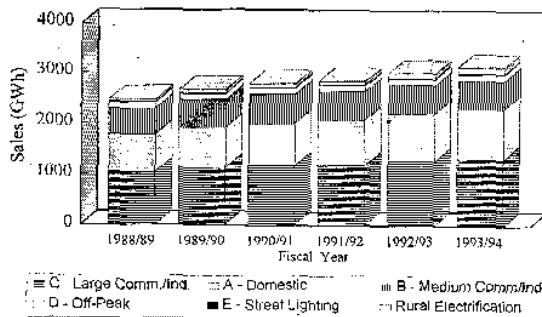
The liberalisation of imports and the drastic rise in inflation from early 1993 led to slowing down in demand for some of the locally manufactured products. The consumption of electricity by industrial and large commercial consumers, therefore, registered a modest growth rate of 1.8% compared to 4.9% recorded during the previous year. On the other hand, as a result of increased horticultural exports and sustained development of housing units, there were impressive growth rates of 13.2% and 7.9% in the irrigation and domestic sectors, respectively, compared to the corresponding growth rates of negative 7% and 7.2% the previous year. Under these circumstances the Company had an overall growth rate of 3.3% compared to 5.1% the previous year.



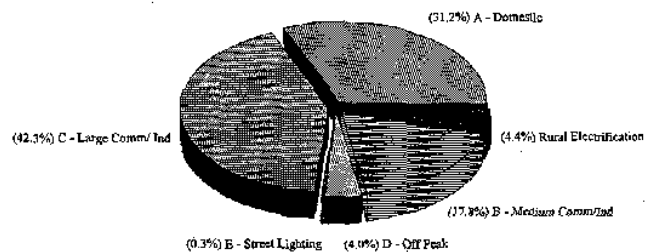
President Moi presents a trophy to the Managing Director, Mr. S.K. Gichuru during 1994 Nyeri Agricultural Show.

Revenue went up by 85.6% compared to 9.8% the previous year. This rise is a result of the implementation of three tariff increases in the year under review necessitated by delayed and inadequate price revisions in the previous years. Operating expenditure, on the other hand, increased by 88.7% compared to an increase of 10.9% the previous year. The increase is mainly attributable to exchange losses on debt service of bulk supply companies, increase in the expenditure on thermal generation, power purchases and operation and maintenance due to sharp rise in inflation.

SALES BY TARIFF CATEGORY (GWh)



SALES BY CONSUMER CATEGORY 1993/94





Chairman's Review (Continued)

Revenue earned amounted to Shs.9,280 million against a total operating expenditure of Shs.8,498 million resulting in an operating income of Shs.782 million. After allowing for interest payable and exchange fluctuations, the company's trading profit before taxation was Shs.763 million compared to a loss of Shs.261 million made the previous year.

Accounts

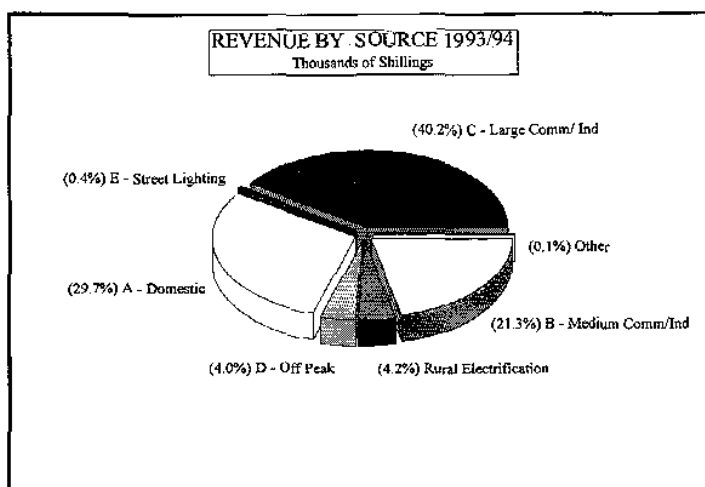
The total units sold were 2,997 million, an increase of 3.3% from Shs.2,901 million units sold in 1992/93. The revenue realised was Shs.9,280 million. Revenue earned from sales during the year, therefore, increased by Shs.4,279 million (85.6%) from Shs.5,001 million in 1992/93. The increase is attributable mainly to the tariff increases in 1993/94.

Operating expenditure which includes debt service and development surcharge relating to bulk supply companies, on the other hand, rose from Shs.4,503 million in 1992/93 to Shs.8,498 million in 1993/94 representing a net increase of Shs.3,995 million (or 88.7%). The rise is attributable to an increase in the cost of bulk supply of electricity of Shs.2,468 million, an increase in the cost of fuel of Shs.223 million due to increased thermal generation and Shs.1,304 million on account of inflation. The increase in the cost of bulk supply of electricity of Shs.2,468 million is mainly made up of arrears in exchange losses on Kiambere Hydroelectric project on-lent loans of Shs.800 million billed by the Government during the year and the provision for the cost of electricity purchased from Turkwel Hydroelectric project of Shs.760 million, and exchange losses for the year of Shs.674 million.

The trading results for the year, therefore, reflect an operating income of Shs.782 million (year ended 30th June, 1993 - Shs.498 million). Interest receivable amounted to Shs.24 million (year ended 30th June, 1993 - Shs.24 million) while interest payable was Shs.125 million (year ended 30th June, 1993 - Shs.144 million).

A gain of Shs.83 million (year ended 30th June, 1993 - losses of Shs.639 million) was realised on the Company's foreign loans as a result of the strengthening of the Kenya shilling against the hard currencies as on 30th June, 1994, compared to the previous year.

The net result of these transactions is a profit before taxation of Shs.763 million compared to a loss of Shs.261 million made the previous year. After allowing for Corporation Tax and Dividends for the year, the net profit of Shs.579 million will be transferred to retained profits bringing the total retained profits carried forward to Shs.1,175 million.





Chairman's Review (Continued)

Taxation

Corporation Tax has been provided for in the accounts at Shs.151 million (year ended 30th June, 1993 - Shs.60 million) leaving a net profit after taxation of Shs.612 million (year ended 30th June, 1993 - a net loss of Shs.321 million).

In accordance with the Value Added Tax Act 1989, VAT was charged at the rate of 5% of the value of consumption. This yielded Shs.462 million (year ended 30th June, 1993 - Shs.216 million). PAYE deducted at source from the Company employees remuneration yielded Shs.106 million (year ended 30th June, 1993 - Shs.84 million).

Payment of Customs Duty and Value Added Tax in respect of imported machinery spares and other equipment amounted to Shs.117 million (year ended 30th June, 1993 - Shs.84 million).

Dividends

Preference dividends amounting to Shs.1.9 million were paid on their due dates. Your Directors recommend a first and final dividend of 18% absorbing a further Shs.31.7 million to be paid to the ordinary stockholders registered in the books of the Company at the close of business on 29th March, 1995. Out of the total dividends paid and payable the Treasury being the majority stockholder is entitled to Shs.13.6 million.

The dividends, together with the taxes bring the Company's direct contributions to the national revenue to Shs.850 million (year ended 30th June, 1993 - Shs.457 million).



The Minister for Energy, Mr. John Kyalo presents a Long Service Award to a company employee during the Joint Long Service Awards ceremony, 1993.

Revaluation of Assets

In my review last year, I expressed the director's desire to carry out a revaluation of assets in the light of the distorted market value occasioned by the inflation experienced recently. This will be carried out as part of the power sub-sector organisation during 1995.



Chairman's Review (Continued)

Industrial Relations

The Company continued to enjoy satisfactory industrial peace during the year.

The two year Collective Bargaining Agreement, to which I referred in my previous report, expired in December, 1994. Negotiations have since been carried out with the Union and a new agreement comprising enhanced terms of service concluded and implemented.

Personnel and Training

The Company had a labour force of 10,186 at the close of the year compared to 10,585 the previous year. 133 new employees joined the workforce compared to 68 during the previous year.

532 employees left the Company during the year compared to 363 who left during the previous year, representing a labour turn-over of 5.2% compared to 3.4% the previous year. Out of those who left 80 had attained retirement age while 87 passed away. The rest left for various other reasons.

A sum of Shs.52 million was spent on training a total of 204 employees at the Company's Training School and the national polytechnics, while an amount of Shs.15.6 million was spent on management training and development for 136 Senior Staff.



Jua Kali sector: Supply of electricity has created jobs in the rural areas.

Public Relations

The Company, in keeping with the tradition, participated in various public relations activities. We participated in 11 Agricultural Society of Kenya (ASK) shows and 6 Harambee shows where we won 18 first and 24 second prizes among other awards.

In furtherance to our effort to promote safety and conservation awareness, the Company also participated in Jua Kali exhibition sponsored by the Ministry of Research, Technical Training and Applied Technology in Embu.



Chairman's Review (Continued)

DEVELOPMENT

Geothermal

Drilling of the additional re-injection well which commenced in North East Olkaria during the last review period, and one other in East Olkaria was completed.

North East Olkaria (Olkaria II Power Station)

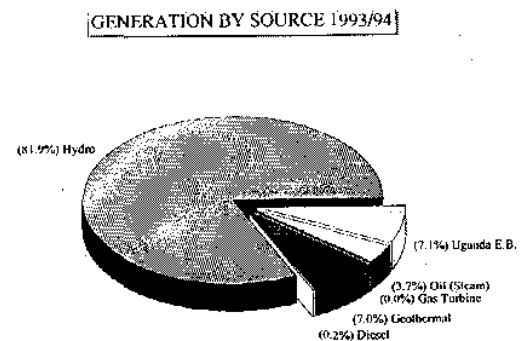
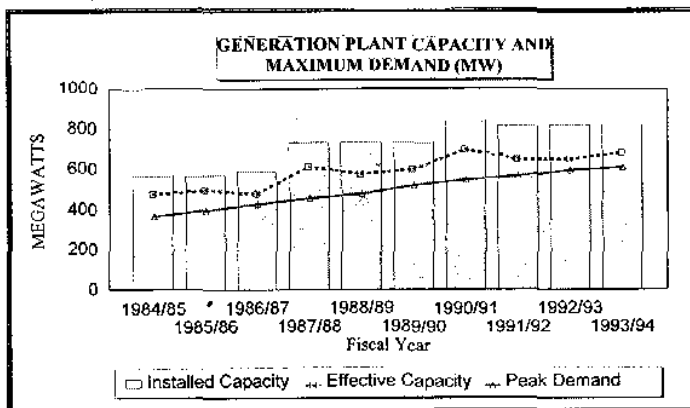
As stated in my previous review, the consultant, Ewbank Preece Limited, submitted the Final Engineering Report and the Draft Final Specifications and Tender Documents for the 64 MW Olkaria II Power Station, the substations and transmission line contracts in January, 1994. Survey work and acquisition of wayleaves for the transmission line route for the proposed 220kV Nairobi North Substation are in progress. The project is expected to be implemented during 1995/96 after conclusion of the Power Sector Investment Programme being co-ordinated by the World Bank.

East Olkaria

The fabrication of pressure vessels for the connection of four make up wells to the existing steam transmission system was completed and the vessels have since been delivered to site. The associated civil and mechanical works contract is progressing well and it is expected that the wells will be connected in the first quarter of 1995.

Sondu/Miriu Hydro Power Project

The Independent Consultant, appointed to review the feasibility study and detailed designs carried out previously on this project, submitted a report confirming the findings of JICA and Nippon Koei.





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Chairman's Review (Continued)

Nippon Koei, the project consultant, has since submitted the Environmental Assessment Report while Research and Planning Services have prepared a resettlement plan for the project. Implementation of the project is expected to commence during 1995/96 as part of the Power Sector Investment Programme.

Kilifi - Bura Transmission Line Project

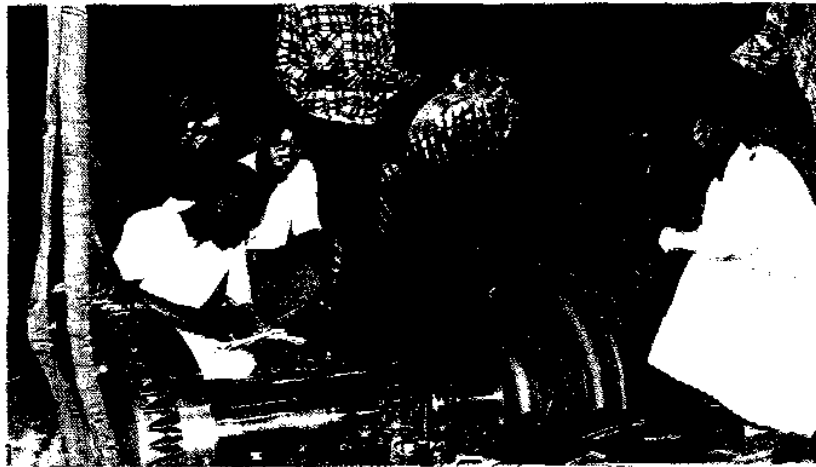
Fichtner Consulting Engineers submitted the Final Feasibility Study Phase 1 Report in September, 1994. Approval for commencement of Phase 2 of the study is still awaited from Kreditanstalt für Wiederaufbau (KfW) of Germany, who are providing the funds.

Nairobi - Mombasa 220 kV Transmission Line Project

A Supplemental Environmental Impact Assessment for the project was carried out and completed in July, 1994. Implementation of the project awaits availability of financing. Meanwhile, work on survey and wayleave for the line route is making progress.

Kiambere—Nairobi 220kV Transmission Line Project

Implementation of this project still awaits availability of financing. Meanwhile, arrangements are being made to appoint a consultant to carry out an environmental impact assessment of the line.



Company personnel carrying out repair work on Kipevu machine number 7.

Kipevu First 75 MW Diesel Project

The Environmental Assessment Study for the project was completed and the final report received in March, 1994.

A site investigation contract was awarded to Mowlem Construction Company Limited in August, 1993, and they completed work and submitted their report in November, 1993. Topographical survey of the site was also carried out.



Chairman's Review (Continued)

OECF of Japan carried out a field survey and held discussions with KPC to identify present status and update information on the project in November, 1994. The Japanese Government has since pledged funds for the project. Implementation of the project is expected to commence in 1995/96.

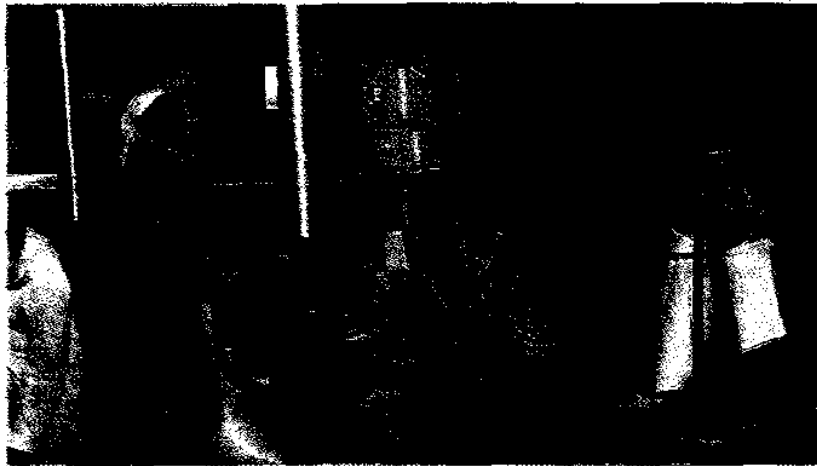
Kipevu Second 75 MW Diesel Project

A second 75MW Diesel Plant has been found necessary in the least cost expansion plan of the power industry in order to meet growing demand, firm up hydropower during years of below average rainfall and improve reliability of electricity supplies.

Ewbank Preece Limited were appointed consultants to carry out the Feasibility Study of the plant in May, 1994 and submitted the Final Feasibility Report in September, 1994, while Dr. Anita Thorhaug, was appointed to carry out the Environmental Assessment Study for the project and has since submitted the final report.

180 MW Ewaso Ngiro(South) Multipurpose Project

In my previous review, I stated that an independent Board of Consultants appointed to review the Feasibility Study had confirmed the viability of the project and that a Project Definition Report



Rural electrification programmes have enabled wananchi to operate posho mills.

recommending full implementation and commissioning by 2002/03 had been prepared. Arrangements are at an advanced stage to commence work on detailed design and preparation of Tender Documents.

RURAL ELECTRIFICATION

The Government and the African Development Bank have signed a Memorandum of Understanding for a grant to finance the National Rural Electrification Masterplan Study. The contract for the study is in the final stages of conclusion. I expect full resumption of aid from the donor agencies when the study is completed. In the meantime, the company continued implementation of the programme using the limited local resources.



Chairman's Review (Continued)

Eight schemes were completed at a cost of Shs.25 million while Shs.147 million was spent on 125 schemes which were in progress at various stages of implementation, bringing the cumulative total capital expenditure incurred since inception to Shs.2,149 million.

The number of consumers rose by 4,826 or 14.93% from 32,320 the previous year to 37,146. Units sold rose from 104 million to 138 million, an increase of 33% (previous year - 21.6%). Revenue realised was Shs.410 million, an increase of 111.4% from Shs.194 million. The high increase was a result of tariff increases during the period.

Operating expenditure, on the other hand, increased by 96% from Shs.267 million to Shs.523 million resulting in a net operating loss of Shs.113 million.

Future Prospects

As anticipated in my review last year, the Company operated under tight supply conditions, during the year, due to a shortfall in generating capacity. This was a result of the lag in implementation of planned projects, necessitating institution of load reduction measures in the event of a major generating unit being out of service. The situation is expected to continue until new generating capacity is added to the system. In this regard, as stated elsewhere in this report, the Government of Japan has pledged funding for the first 75 MW diesel plant at Kipevu. I am also optimistic that funding for the 60 MW Sondu/Miriu and the 64 MW Olkaria II projects will be concluded during 1995.

With the concept of economic reforms sweeping throughout the world the concessionary sources of project funds are becoming increasingly scarce. This has, in turn, necessitated mobilisation of private investment to support implementation of expansion plans of infrastructural sectors such as the power industry. The Government has, therefore, decided to restructure the power sub-sector with the main objectives of improving sub-sector efficiency and attracting private investment. In this connection, a consultant, Electricite de France, a power utility in France, has been appointed by the Government to carry out the power sub-sector organisation study. It is expected that your Company will be a major player in the restructured industry, offering a more secure and reliable service to its consumers leading to sustainable trading performance.

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, 1994.

Results	Shs '000	Shs '000
Profit before Exchange Gains		680,498
Exchange Gains		82,638
Profit before Taxation		763,136
Provision for taxation	151,000	
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	152,930
Leaving a profit of		610,206
The directors recommend a first and final dividend for the year of 18% on 8,792,000 Ordinary Stock Units absorbing		31,651
Profit for the year		578,555
Balance brought forward		596,414
Balance carried forward		1,174,969

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 2,997 million kilowatt-hours.

Capital Expenditure

During the year, a total of Shs.657,574,000 was spent on fixed assets. Capital contributions received from consumers amounted to Shs.319,344,000 resulting in a net capital cost to the Company of Shs.338,230,000. Net capital work-in-progress as at 30th June, 1994, amounted to Shs. 630,201,000.

Directorate

Mr. Benjamin Kipkulei was appointed a director of the Company on 26th July, 1994 after replacing his predecessor, Dr. W. Koinange as Permanent Secretary to the Treasury.

In accordance with Regulation 128 of the Articles of Association, Mr. Kipkulei retires and, being eligible, offers himself for re-election.

In accordance with Regulation 120 of the Articles, Messrs. R.J.Akello, S.O.J. Ambundo and J.F.Kahumbu retire 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.

By Order of the Board

Nairobi, Kenya
24th November, 1994

J.N.Kimani
Secretary



Certificate of the Auditor-General (Corporations) on the Accounts of The Kenya Power and Lighting Company Limited

for the year ended 30th June, 1994

I have examined the accounts of The Kenya Power and Lighting Company Limited 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, the accounts, when read together with the notes thereon, give a true and fair view of the state of affairs of the Company as at 30 June, 1994, and of its profit and source and application of funds for the year then ended.

W. K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

8th March, 1995.



Revenue Account and Statement of Retained Earnings

for the year ended 30th June, 1994

		1994	1993
	Notes	Shs'000	Shs'000
REVENUE		9,279,744	5,001,004
OPERATING EXPENSES	2	8,497,922	4,502,919
OPERATING INCOME		781,822	498,085
INTEREST	4	101,324	119,988
NET OPERATING INCOME BEFORE EXCHANGE GAINS		680,498	378,097
EXCHANGE GAINS/(LOSSES)	3	82,638	(639,275)
PROFIT/(LOSS) BEFORE TAXATION		763,136	(261,178)
TAXATION	5	151,000	60,000
PROFIT/(LOSS) AFTER TAXATION		612,136	(321,178)
DIVIDENDS-GROSS	6	33,581	30,064
PROFIT/(LOSS) RETAINED FOR THE YEAR	10	578,555	(351,242)
EARNINGS PER ORDINARY STOCK UNIT	7	69.40	(36.75)
STATEMENT OF RETAINED PROFITS			
As previously stated		596,414	947,656
Retained profit(loss)/ for the year		578,555	(351,242)
Retained profit carried forward	10	1,174,969	596,414



Balance Sheet

30th June, 1994

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		1994	1993
	Notes	Shs'000	Shs'000
SHARE CAPITAL	9	218,840	218,840
RESERVES	10	1,681,753	1,103,198
SHAREHOLDERS' FUNDS		1,900,593	1,322,038
DEFERRED CREDITS	11	1,605	1,605
LOAN CAPITAL	12	2,100,132	2,639,903
CAPITAL EMPLOYED		4,000,725	3,963,546
Represented by:			
FIXED ASSETS	13	3,747,281	3,577,085
INVESTMENTS	15	4,300	4,300
KPC LOAN	16	378,683	530,979
CURRENT ASSETS			
Stocks	14	2,835,036	2,365,638
Debtors	17	3,879,014	2,165,166
Short term investments		200,596	241,224
Bank and cash balances		154,173	77,973
		7,068,819	4,850,001
CURRENT LIABILITIES			
Creditors	18	6,598,614	4,227,996
Taxation	5	58,329	17,014
Dividends - payable		11,271	8,257
- proposed		33,581	28,134
Loans repayable within one year	12	352,303	393,112
Deferred credits due within one year	11	1,605	3,213
Bank overdraft	8	142,655	321,093
		7,198,358	4,998,819
NET CURRENT LIABILITIES		(129,539)	(148,818)
		4,000,725	3,963,546

The accounts on pages 16 to 25 were approved by the Board of Directors on 24th November, 1994 and were signed on its behalf by:

L.G.SAGINI)
) Directors
 S.K.GICHURU)
)



Statement of Source and Application of Funds

for the year ended 30th June, 1994

	1994 Shs'000	1993 Shs'000
SOURCE OF FUNDS		
Profit/(loss) before taxation	763,136	(261,178)
Adjustments for items not involving the movement of funds:		
Depreciation	239,858	246,562
Surplus on disposal of fixed assets	(28,781)	(54,062)
Loss on exchange -loan capital	(82,638)	639,275
Deferred credits	(3,213)	(3,213)
Total Funds generated from operations	888,362	567,384
Funds from other sources:		
Proceeds on disposal of fixed assets	29,369	58,420
Reallocated loss on exchange	(129,549)	486,990
Deferred Debt	152,296	(223,750)
	<u>940,478</u>	<u>889,044</u>
APPLICATION OF FUNDS		
Repayment of loan capital	368,393	643,582
Capital expenditure	410,642	352,819
Investment		4,300
Taxation paid	109,685	113,434
Dividends paid	25,120	27,863
	<u>913,840</u>	<u>1,141,998</u>
NET INFLOW/(OUTFLOW) OF FUNDS	<u>26,638</u>	<u>(252,954)</u>
Represented by:		
MOVEMENT IN WORKING CAPITAL		
Stocks	469,398	167,838
Debtors	1,713,848	747,442
Creditors	(2,370,618)	(1,112,016)
	<u>(187,372)</u>	<u>(196,736)</u>
Movement in liquid funds		
Short term investments	(40,628)	129,249
Bank and cash balances	76,200	3,897
Bank Overdraft	178,438	(189,364)
	<u>214,010</u>	<u>(56,218)</u>
	<u>26,638</u>	<u>(252,954)</u>



Notes to the Accounts

for the year ended 30th June, 1994

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 excluding tax due to the Government.

(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.

(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 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)**12 LOAN CAPITAL**

	Balance 1.7.93 Shs'000	Payments Shs'000	Exchange Gain Shs'000	Balance 30.6.94 Shs'000
SECURED				
14.0% Kenya National Assurance Limited 1987/2001	6,800	800		6,000
UNSECURED				
8.0% Kenya Govt/Finnish Loan 1982/1996	13,046	1,535		11,511
10.0% Kenya Govt/Finnish Loan 1988/2002	36,109	2,490		33,619
5.0% Kenya Govt/Canadian Loan 1990/2020	776,205	20,682		755,523
3.0% Nordbanken 1990/1999 (USD \$ 8,151,042)	619,475	85,601	79,454	454,420
1.65% Nordbanken 1990/1999 (USD \$2,792,891)	211,937	33,337	25,127	153,473
2.6% Indosuez Bank, Belgium 1991/2004 (BEF 175,593,937)	361,074	29,612	30,930	300,532
1.5% Finnish Export Credit 1990/2000 (FIM 24,668,058)	331,185	48,282	20,916	261,987
4.0% Nokia Cables Supply Credit 1990/1997 (DM. 3,290,161)	172,371	44,598	11,720	116,053
8.8% J.H.Schroder Wagg & Co. Ltd. 1987/1998 Stg.f.1,910,247)	216,035	32,216	21,601	162,218
8.3% Southwales Transformers Supply Credit (Stg.f.297,058) 1990/1995	53,780	23,335	4,752	25,693
6.27% Bank Hispano Americano (DM.198,548)	15,294	7,380	930	6,984
8.3% Stork Wartsilla 1992/1998 (NLG 5,226,403)	219,704	38,525	16,757	164,422
	<u>3,033,015</u>	<u>368,393</u>	<u>212,187</u>	<u>2,452,435</u>
Amount due within one year	(393,112)			(352,303)
	<u>2,639,903</u>			<u>2,100,132</u>



Notes to the Accounts

for the year ended 30th June, 1994

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 excluding tax due to the Government.

(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.

(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 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)

	1994 Shs'000	1993 Shs'000
2 OPERATING EXPENSES		
Operating and administration	2,120,970	898,167
Fuel costs	383,851	161,221
Cost of Bulk Supply:		
Debt Service and Other Operating Costs	5,399,463	2,802,505
Development surcharge	350,870	391,554
Auditors' remuneration	2,500	2,500
Directors' fees	410	410
Depreciation	<u>239,858</u>	<u>246,562</u>
	<u>8,497,922</u>	<u>4,502,919</u>
3 EXCHANGE GAIN/(LOSS)		
Loan capital	212,187	(1,126,265)
Less: Capitalised/Reallocated	<u>129,549</u>	<u>(486,990)</u>
	<u>82,638</u>	<u>(639,275)</u>
4 INTEREST		
Interest payable on long term borrowing	125,391	144,378
Interest receivable on bank and other deposits	(24,067)	(24,390)
	<u>101,324</u>	<u>119,988</u>
5 TAXATION		
Revenue account:		
Based on the adjusted profit for the year at 35%	<u>151,000</u>	<u>60,000</u>
Balance Sheet:		
Provision based on the adjusted profit for the year	151,000	60,000
Prior years' taxation not confirmed	17,014	(4,495)
Tax paid during the year	(109,685)	(38,491)
	<u>58,329</u>	<u>17,014</u>
6 DIVIDENDS - GROSS		
Preference Stock Units - paid	1,930	1,930
Ordinary Stock Units - proposed	<u>31,651</u>	<u>28,134</u>
	<u>33,581</u>	<u>30,064</u>



Notes to the Accounts (continued)

7 EARNINGS PER ORDINARY STOCK UNIT	1994 Shs'000	1993 Shs'000
The calculation is based on:		
Profit/(Loss) after taxation	612,136	(321,178)
Preference dividends	1,930	1,930
	<u>610,206</u>	<u>(323,108)</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

	1994 Issued and Fully paid Shs '000	1993 Issued and Fully paid Shs '000
350,000 7% Cumulative Preference Stock Units of Shs. 20 each	7,000	7,000
1,800,000 4% Cumulative Preference Stock Units of Shs. 20 each	36,000	36,000
8,792,000 Ordinary Stock Units of Shs. 20 each	175,840	175,840
89,058,000 Ordinary Shares of Shs. 20 each	1,781,160	1,781,160
	<u>2,000,000</u>	<u>218,840</u>

10 RESERVES

	Balance at 1.7.93 Shs '000	Transfers during the year Shs '000	Balance at 30.6.94 Shs '000
Capital Reserve	12,304		12,304
Revenue reserves:			
General	147,480		147,480
Taxation equalisation	347,000		347,000
Retained profit	596,414	578,555	1,174,969
	<u>1,103,198</u>	<u>578,555</u>	<u>1,681,753</u>

11 DEFERRED CREDITS

	1994	1993
Due to The Kenya Power Company Ltd	1,605	4,818
Less: Amounts due within one year	1,605	3,213
	<u>0</u>	<u>1,605</u>

**Notes to the Accounts** (continued)**12 LOAN CAPITAL**

	Balance 1.7.93 Shs'000	Payments Shs'000	Exchange Gain Shs'000	Balance 30.6.94 Shs'000
SECURED				
14.0% Kenya National Assurance Limited 1987/2001	6,800	800		6,000
UNSECURED				
8.0% Kenya Govt/Finnish Loan 1982/1996	13,046	1,535		11,511
10.0% Kenya Govt/Finnish Loan 1988/2002	36,109	2,490		33,619
5.0% Kenya Govt/Canadian Loan 1990/2020	776,205	20,682		755,523
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1.65% Nordbanken 1990/1999 (USD \$2,792,891)	211,937	33,337	25,127	153,473
2.6% Indosuez Bank, Belgium 1991/2004 (BEF 175,593,937)	361,074	29,612	30,930	300,532
1.5% Finnish Export Credit 1990/2000 (FIM 24,668,058)	331,185	48,282	20,916	261,987
4.0% Nokia Cables Supply Credit 1990/1997 (DM. 3,290,161)	172,371	44,598	11,720	116,053
8.8% J.H.Schroder Wagg & Co. Ltd. 1987/1998 Stg.f.1,910,247)	216,035	32,216	21,601	162,218
8.3% Southwales Transformers Supply Credit (Stg.f.297,058) 1990/1995	53,780	23,335	4,752	25,693
6.27% Bank Hispano Americano (DM.198,548)	15,294	7,380	930	6,984
8.3% Stork Wartsilla 1992/1998 (NLG 5,226,403)	219,704	38,525	16,757	164,422
	<u>3,033,015</u>	<u>368,393</u>	<u>212,187</u>	<u>2,452,435</u>
Amount due within one year	(393,112)			(352,303)
	<u>2,639,903</u>			<u>2,100,132</u>



Notes to the accounts (continued)

13 FIXED ASSETS

	Land and buildings	Trans- mission lines	Plant and machinery	Motor vehicles	Furniture equipment	Total and others
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cost						
1st July, 1993	643,567	2,620,856	557,746	507,882	593,858	4,923,909
Additions	2,983	284,572		7,577	43,098	338,230
Disposals		(3,285)		(1,900)	(230)	(5,415)
30th June, 1994	<u>646,550</u>	<u>2,902,143</u>	<u>557,746</u>	<u>513,559</u>	<u>636,726</u>	<u>5,256,724</u>
Depreciation						
1st July, 1993	165,107	761,546	298,963	372,869	306,128	1,904,613
Charge for year	20,266	100,291	18,824	56,574	43,903	239,858
On disposals		(3,071)		(1,710)	(46)	(4,827)
30th June, 1994	<u>185,373</u>	<u>858,766</u>	<u>317,787</u>	<u>427,733</u>	<u>349,985</u>	<u>2,139,644</u>
Net Book Value						
30th June, 1994	<u>461,177</u>	<u>2,043,377</u>	<u>239,959</u>	<u>85,826</u>	<u>286,741</u>	<u>3,117,080</u>
Work in progress						<u>630,201</u>
						<u>3,747,281</u>
Net Book Value						
30th June, 1993	<u>478,460</u>	<u>1,859,310</u>	<u>258,783</u>	<u>135,013</u>	<u>287,730</u>	<u>3,019,296</u>
Work in progress						<u>557,789</u>
						<u>3,577,085</u>

14 STOCKS

	1994 Shs'000	1993 Shs'000
General stores	1,339,365	1,201,267
Engine spares	94,918	123,683
Fuel and oil	180,942	132,911
Transformers	1,201,508	848,467
Motor vehicle spares	19,470	30,691
Goods in transit	234,007	98,790
	<u>3,070,210</u>	<u>2,435,809</u>
Less: Provision for obsolescence	(235,174)	(70,171)
	<u>2,835,036</u>	<u>2,365,638</u>



Notes to the accounts (continued)

15 INVESTMENTS

The investments, which are stated at cost, are represented by shares held in Consolidated Bank of Kenya. The shares were acquired in return for deposits with Jimba Credit Finance, one of the finance houses under rehabilitation from insolvency by the bank.

	1994 Shs'000	1993 Shs'000
16 KPC LOAN		
3.0% Nordbanken 1990/1999	454,420	619,475
Less: Amounts due within one year	75,737	88,496
	<u>378,683</u>	<u>530,979</u>

The KPC Loan represents the balance of on-lent loan 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.

	1994 Shs'000	1993 Shs'000
17 DEBTORS		
Electricity Consumers	2,984,909	1,389,238
Rural Electrification Schemes	627,797	527,512
Deferred Debt due within one year (Note 16)	75,737	88,496
Others	190,571	159,920
	<u>3,879,014</u>	<u>2,165,166</u>

	1994 Shs'000	1993 Shs'000
18 CREDITORS		
Tana River Development Company Limited	2,716,288	1,956,421
The Kenya Power Company Limited	753,738	537,790
Consumers' deposits	267,508	204,152
Capital contributions	934,697	563,793
Suppliers' accounts	291,371	151,310
Treasury*	1,305,756	410,000
Others	329,256	404,530
	<u>6,598,614</u>	<u>4,227,996</u>

* The amount due to Treasury represents a provision for accrued charges due on electricity supply from the Turkwel Power Station.



Notes to the accounts (continued)

19 DEVELOPMENT SURCHARGE

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.

	1994 Shs'000	1993 Shs'000
Total estimated development surcharge	2,724,500	2,235,656
Paid at 1st July	1,907,375	1,615,841
Paid during the year	163,134	291,534
Paid at 30th June	2,070,509	1,907,375
Expected development surcharge for the next year	653,991	328,281

Rural Electrification Fund

The Company has contributed Shs. 187,736,000 towards the Rural Electrification Schemes by way of a development surcharge. This is included in the cost of Bulk Supply in note 2.

20 CAPITAL COMMITMENTS

Authorised but not contracted for:

Rabai Bamburi 132/33/11 KV Project		91,000
Unit 7 Kipevu Power Station		96,135
11KV Capacitors for West Kenya	34,800	
Kisian 33KV Substation Maseno Feeder	6,255	
	<u>41,055</u>	<u>187,135</u>
Authorised and contracted for	1,621,147	963,778
Less: Amount incurred and included in work in progress	480,387	247,781
	<u>1,140,760</u>	<u>715,997</u>
Less: Capital contributions received	225,049	71,979
	<u>915,711</u>	<u>644,018</u>

21 CONTINGENT LIABILITIES

	1994 Shs'000	1993 Shs'000
Bank guarantees	6,200	7,234
Claims on the Company	16,667	14,478
Pending tariff case*	1,355,000	
	<u>1,377,867</u>	<u>21,712</u>

* Approval of the tariff increase implemented in March 1994 was challenged in court and judgement is awaited.



9.5 Year Financial and Statistical Record

for the year ended	31st Dec. 1985	30th June, 1986	30th June, 1987	30th June 1988	30th June 1989
Units Sold (Millions)	1,994	1,035	2,205	2,337	2,412
Average yield of units sold (cents)	76.21	81.48 Shs'000	90.97 Shs'000	104.18 Shs'000	109.02 Shs'000
REVENUE from sale of electricity	1,481,511	843,286	2,005,753	2,434,600	2,629,658
PROFIT/(LOSS) for the year before Exceptional item	287,230	132,138	181,751	162,067	47,772
Exceptional item					266,653
PROFIT/ (LOSS) for the year before taxation	287,230	132,138	181,751	162,067	314,425
TAXATION	114,431	57,377	55,966	69,097	5,177
NET PROFIT/(LOSS) AFTER TAXATION	172,799	74,761	125,785	92,970	309,248
Preference dividends (gross)	(1,930)	(965)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY DIVIDENDS (GROSS)	170,869	73,796	123,855	91,040	307,318
ORDINARY DIVIDENDS (GROSS)	(22,859)	(11,429)	(22,859)	(22,859)	(22,859)
PROFIT/(LOSS) FOR THE YEAR	148,010	62,367	100,996	68,181	284,245
NET CASH FLOW					
Profit/(Loss) for the year	148,010	62,367	100,996	68,181	284,259
Depreciation	102,743	55,417	118,275	132,275	137,609
	250,753	117,784	219,271	200,607	422,068
CAPITAL EMPLOYED					
Fixed Assets less depreciation	1,980,634	2,049,536	2,340,392	2,556,888	2,964,813
Bulk supply companies					
Deferred Debt					
Investments	20,820	28,227	50,738		
Net current assets	160,617	161,536	98,191	(41,506)	(170,108)
	2,162,071	2,239,299	2,489,321	2,515,382	2,794,705
FINANCED BY:					
Ordinary shareholder's equity	925,674	988,041	1,063,464	1,131,645	1,416,104
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	46,467	49,591	54,428	49,670	38,503
Loan capital (unsecured)	1,029,025	1,052,553	1,25,016	1,214,447	1,247,271
Deferred liability	117,905	106,114	103,413	76,620	49,827
	2,162,071	2,239,299	2,489,321	2,515,382	2,794,705
CAPITAL EXPENDITURE	131,616	125,037	410,748	349,216	546,100
Average cost of units sold (cents)	61.69	67.00	80.76	94.70	104.96
PROFIT/(LOSS) for the year before taxation as a percentage of average capital employed	13.75%	6.00%	8.34%	6.44%	11.25%
ORDINARY DIVIDENDS RATES	13%	6.5%	13%	13%	13%
Earnings per share (Shs)	19.43	8.39	14.09	10.36	34.95
Consumers/employees ration	29.75	28.13	26.65	31.89	29.97
Sales (KWHr) per employee	325,748	166,801	324,589	304,520	288,830



30th June 1990	30th June 1991	30th June 1992	30th June 1993	30th June 1994
2,595	2,708	2,719	2,859	2,997
111.82 Shs'000	141.23 Shs'000	167.60 Shs'000	175.00 Shs'000	309.63 Shs'000
2,901,840	3,824,734	4,556,374	5,001,004	9,279,744
75,300 7,337	157,673	162,191	(261,178)	763,136
82,637 3,408	157,673 19,000	162,191 81,000	(261,178) 60,000	763,136 151,000
79,229 (1,930)	138,67 (1,930)	381,191 (1,930)	(321,178) (1,930)	612,136 (1,930)
77,299 (22,859)	136,743 (28,134)	79,261 (28,134)	(323,108) (28,134)	610,206 (31,651)
54,440	108,609	51,127	(351,242)	578,555
54,440 164,335	108,609 201,334	51,127 246,602	(351,242) 246,562	578,555 239,858
218,775	309,943	297,729	(104,680)	818,413
3,557,098	3,623,425	3,475,186	3,577,085	3,747,281
	335,861	307,229	530,979	378,683
			4,300	4,300
(459,116)	(246,982)	(54,651)	(148,818)	(129,539)
3,097,982	3,712,304	3,727,764	3,963,546	4,000,725
1,470,544	1,579,153	1,630,280	1,279,038	1,857,593
43,000	43,000	43,000	43,000	43,000
33,730	23,444	7,600	6,800	6,000
1,527,674	2,058,676	2,042,066	2,633,103	2,094,132
23,034	8,031	4,818	1,605	0
3,097,982	3,712,304	3,727,764	3,963,546	4,000,725
758,169	269,596	98,690	352,819	410,642
105.12	128.46	149.30	157.61	283.55
2.67%	4.25%	4.35%	(6.59%)	19.07%
16%	16%	16%	16%	18%
8.79	15.55	9.02	(36.75)	69.40%
24.58	26.35	28.20	31.20	34.62
240,322	248,566	249,610	274,067	295,096

Units Sold (Millions)

Average yield of units sold (cents)

REVENUE from sale of electricity
PROFIT/(LOSS) for the year before
Exceptional item
Exceptional item

PROFIT/ (LOSS) for the year before taxation
TAXATION

NET PROFIT/(LOSS) AFTER TAXATION
Preference dividends (gross)
**NET PROFIT/(LOSS) ATTRIBUTABLE TO
ORDINARY DIVIDENDS (GROSS)**
ORDINARY DIVIDENDS (GROSS)

PROFIT/(LOSS) FOR THE YEAR

NET CASH FLOW
Profit/(Loss) for the year
Depreciation

CAPITAL EMPLOYED
Fixed Asssets less depreciation
Bulk supply companies
Deferred Debt
Investments
Net current assets

FINANCED BY:
Ordinary shareholder's equity
Preference capital
Loan capital (secured)
Loan capital (unsecured)
Deferred liability

CAPITAL EXPENDITURE
Average cost of units sold (cents)
PROFIT/(LOSS) for the year before taxation
as a percentage of average capital employed
ORDINARY DIVIDENDS RATES
Earnings per share (Shs)
Consumers/employees ration
Sales (KWHr) per employee



Table 1: Gross Generation and Consumption of Electricity for Interconnected and Isolated Systems

LOCATION	Capacity (Mw) as at 30.6.94		ENERGY (GWhr)						Avg. Annual Growth over the Last 5 years
	Installed	Effective	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	
HYDRO									
Tana (KPC)	14.4	12.4	77	94	80	72	75	64	
Wanjii (KPC)	7.4	7.4	57	55	44	42	62	30	
Kamburu (TRDC)	91.5	84.0	400	382	431	402	417	421	
Gitaru (TRDC)	145.0	145.0	779	762	794	811	844	856	
Kindaruma (TRDC)	44.0	44.0	214	216	201	206	213	217	
K.P.&L.C.	6.2	3.0	25	21	20	19	24	17	
UEB (Imports)	30.0	0.0	112	174	134	240	273	264	
Masinga (TARDA)	40.0	40.0	103	124	181	185	177	180	
Kiambere (TARDA)++	144.0	127.0	794	863	962	872	887	892	
Turkweil (KVDA)	106.0	106.0			47	166	275	371	
TOTAL HYDRO INCLUDING IMPORTS	628.5	568.8	2,561	2,691	2,894	3,016	3,246	3,312	5.3%
Thermal									
Kipevu*	93.0	55	25	97	74	75	59	140	
GEOTHERMAL									
Olkaria	45.0	30.0	322	336	298	272	272	261	
GAS TURBINE									
Fiat - Nairobi South	13.5	12.0	1.3	0.4	4.3	2.9	2.1	1.6	
JBE - Kepevu*	30.0	0.0	20	10	17	0	0	0	
DIESEL									
Interconnected Diesel Stations (Ruiru & Nbi. South)	4.0	1.8	2	2	0.35	3	0.26	0.43	
WIND TURBINE - Ngong	0.35	0.35						0.71	
INTERCONNECTED SYSTEM	814.41	667.9	2,932	3,136	3,287	3,370	3,580	3,715	4.8%
ISOLATED DIESELS									
KPLC Diesel Stations	2.6	1.8	5.7	6.2	6.7	7.0	8.5	8.7	
REF Diesel Stations	3.8	1.7	5.5	6.1	7.0	9.5	11.2	8.3	
TOTAL ISOLATED DIESELS	6.4	3.5	11	12	14	16	20	17	8.7%
GROSS GENERATION	820.81	671.4	2,943	3,148	3,301	3,386	3,599	3,732	4.9%
Auxiliary Consumption			27	33	33	30	29	38	6.9%
System Losses**			448	453	484	510	566	560	4.6%
SALES - KPLC SYSTEM			2,419	2,595	2,708	2,760	2,901	2,997	4.4%
REF SYSTEM			49	66	76	85	104	138	22.8%
TOTAL SALES			2,468	2,661	2,784	2,846 +	3,005	3,134	4.9%
SYSTEM PEAK DEMAND MW			480	520	550	566	596	612	5.0%
System Load Factor			69.7%	68.9%	68.2%	68.0%	68.6%	69.3%	
Sales % of Net Generation			84.7%	85.4%	85.2%	84.8%	84.2%	84.9%	
Losses as % of Net Generation			15.3%	14.6%	14.8%	15.2%	15.8%	15.1%	
Annual growth - GENERATION			4.1%	7.0%	4.9%	2.6%	6.3%	3.7%	
-SALES KPLC			3.3%	7.3%	4.4%	1.9%	5.1%	3.3%	
-SALES REF			37.7%	35.0%	14.7%	11.8%	21.6%	32.7%	

NOTE:

* Most of the year the station was undergoing repairs.

** Comprises technical and non-technical losses.

+ There was load shedding from 8th April to 27th May, 1992 in order to conserve water, resulting in an estimated loss of sales of 38 GWh

++ Effective capacity of Kiambere Power station is 127MW because of insulation failure

**Table 2 : Area Maximum Demand (MW)**

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	238	271	261	277	304	327	6.5%
Coast	98	105	120	124	124	131	5.9%
Central Rift	35	38	32	43	39	43	4.2%
West Kenya+	78	45	43	55	64	64	
Mt. Kenya	25	24	30	31	36	36	7.3%
North Rift+		19	28	26	27	30	
TOTAL SYSTEM (SIMULTANEOUS)	480	520	550	566	596	612	5.0%
% INCREASE P.A.	4.1%	8.3%	5.8%	2.9%	5.2%	2.7%	

+ Western Area was separated into West Kenya and North Rift in 1989/90

Table 3 : Sale of Electricity in GWhr Shown in Different Categories of Consumers

Tariff	Types of Consumers Covered by this Tariff	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
A	Domestic, small commercial and small industrial	729	780	823	877	927	977	6.0%
B	Commercial (Medium) and industrial (medium)	516	554	585	567	564	559	1.6%
C	Commercial (large) Industrial (large)	1,046	1,130	1,178	1,198	1,281	1,326	4.8%
D	Off-peak	113	117	109	104	115	125	2.0%
E	Street lighting	14	14	14	14	13	10	-5.9%
TOTAL		2,419	2,595	2,708	2,760	2,901	2,997	4.4%
% INCREASE P.A.		3.3%	7.3%	4.4%	1.9%	5.1%	3.3%	

**Table 4 : Area Total Units Sales (GWhr)**

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	1,275	1,360	1,436	1,467	1,529	1,632	5.1%
Coast	564	613	615	616	653	622	2.0%
Central Rift	138	142	159	170	170	177	5.1%
West Kenya	340	241	258	272	296	305	
Mt. Kenya	101	110	113	110	123	126	4.5%
North Rift	0	129	128	126	130	134	
KPLC Sales	2,419	2,595	2,708	2,760	2,901	2,997	4.4%
R.E.F. Schemes	49	66	76	85	104	138	22.8%
TOTAL	2,468	2,661	2,784	2,846	3,005	3,134	4.9%
% INCREASE P.A.	3.9%	7.8%	4.6%	2.2%	5.6%	4.3%	

Table 5 : Area Sale of Electricity in GWhr For Category "A0" Domestic Load

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	307	328	336	359	384	436	7.3%
Coast	80	84	90	98	101	93	2.9%
Central Rift	23	25	26	28	31	37	9.8%
West Kenya	32	22	22	25	27	29	
Mt. Kenya	16	18	22	20	25	28	11.8%
North Rift		11	11	13	14	18	
TOTAL	459	488	508	543	582	640	6.9%
% INCREASE P.A.	9.8%	6.4%	4.1%	7.0%	7.1%	10.0%	



**Table 6 : Area Sale of Electricity in GWhr For Category "A1"
Small Commercial Load**

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	143	154	167	180	175	171	3.7%
Coast	45	50	53	52	61	47	1.0%
Central Rift	22	24	27	30	33	39	11.6%
West Kenya	39	28	31	34	34	34	
Mt. Kenya	22	24	26	27	29	30	6.8%
North Rift		12	12	12	13	15	
TOTAL	270	292	315	334	345	336	4.5%
% INCREASE P.A.	3.8%	8.1%	7.7%	6.0%	3.4%	-2.6%	

**Table 7 : Area Sale of Electricity in GWhr For Category "B0"
Irrigation Load**

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	19	14	23	36	31	40	15.8%
Coast	0.23	0.28	0.25	0.36	0.40	0.43	13.6%
Central Rift	13	10	14	14	14	14	1.8%
West Kenya	3	2	2	2	1	1	
Mt. Kenya	1	1	1	1	1	2	20.1%
North Rift		1	0	0	0	0	
TOTAL	35	27	40	54	48	57	9.9%
% INCREASE P.A.	-29.2%	-22.5%	44.8%	35.6%	-11.2%	18.7%	



Table 8 : Area Sale of Electricity in GWhr For Category "B1" Medium Commercial and Industrial Load (LV)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	251	265	275	245	260	261	0.9%
Coast	84	102	102	110	106	101	3.6%
Central Rift	43	44	51	50	46	41	-1.0%
West Kenya	58	37	50	41	41	38	
Mt. Kenya	32	30	22	20	21	22	-7.7%
North Rift		26	27	24	25	28	
TOTAL	468	504	527	490	499	491	1.0%
% INCREASE P.A.	7.2%	7.9%	4.5%	-7.0%	1.8%	-1.5%	

Table 9 : Area Sale of Electricity in GWhr For Category "B2" Medium Commercial and Industrial Load (HV)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	11	12	13	11	9	7	-8.1%
Coast	1	1	1	1	1	1	1.3%
Central Rift	1	4	1	2	2	1	-2.5%
West Kenya	2	2	2	2	1	1	
Mt. Kenya	0	0	0	0	0	0	
North Rift		2	1	1	1	1	
TOTAL	15	21	18	17	14	11	-5.6%
% INCREASE P.A.	-1.8%	38.4%	-11.2%	-8.0%	-15.9%	-21.3%	

Table 10 : Area Sale of Electricity in GWhr For Category "C1" Large Industrial and Commercial Load (LV)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	135	146	156	191	211	207	9.0%
Coast	78	89	95	96	111	98	4.6%
Central Rift	19	20	21	26	24	27	7.2%
West Kenya	50	43	40	44	47	48	
Mt. Kenya	16	23	29	29	33	32	14.3%
North Rift		16	17	20	22	20	
TOTAL	298	338	357	406	449	430	7.6%
% INCREASE P.A.	-1.8%	13.3%	5.7%	13.5%	10.6%	-4.1%	



Table 11: Area Sale of Electricity in GWhr For Category "C2" Large Industrial and Commercial Load (HV)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	256	274	300	295	305	320	4.6%
Coast	242	248	238	221	232	239	-0.2%
Central Rift	14	13	16	17	18	17	3.5%
West Kenya	94	40	42	43	50	53	
Mt. Kenya	11	12	11	10	11	10	-2.9%
North Rift		59	58	56	53	52	
TOTAL	617	645	665	642	670	690	2.3%
% INCREASE P.A.	-1.8%	4.6%	3.0%	-3.4%	4.3%	3.0%	

Table 12: Area Sale of Electricity in GWhr For Category "C3" Large Industrial and Commercial Load (EHV)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	43	51	58	45	40	67	9.3%
Coast	28	34	32	32	36	40	7.4%
Central Rift	0	0	0	0	0	0	
West Kenya	59	64	66	79	91	99	10.9%
Mt. Kenya	0	0	0	0	0	0	
North Rift		0	0	0	0	0	
TOTAL	130	149	156	157	166	205	9.6%
% INCREASE P.A.	-1.8%	14.7%	4.5%	0.7%	6.1%	23.6%	

Table 13: Area Sale of Electricity in GWhr For Category "D0" Off-Peak Load

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	103	107	99	95	106	118	2.7%
Coast	3	3	3	3	3	1	-17.8%
Central Rift	2	2	2	2	2	1	-5.9%
West Kenya	3	2	2	2	2	2	
Mt. Kenya	2	2	2	2	2	2	-0.6%
North Rift		1	1	1	1	1	
TOTAL	113	117	109	104	115	125	2.0%
% INCREASE P.A.	2.6%	3.2%	-6.9%	-3.8%	10.4%	8.5%	

**Table 14 : Area Sale of Electricity in GWhr For Category "E0" Street Lighting**

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	9.0	8.8	9.4	9.5	8.7	6.5	-6.3%
Coast	2.3	1.7	1.7	1.5	1.6	1.5	-8.2%
Central Rift	1.0	0.7	1.0	0.7	0.8	1.1	1.1%
West Kenya	1.3	0.9	0.8	0.9	0.7	0.6	
Mt. Kenya	0.5	0.5	0.8	0.8	0.6	0.4	-2.3%
North Rift		0.5	0.5	0.4	0.5	0.4	
TOTAL	14.2	13.0	14.1	13.7	12.9	10.5	-5.9%
% INCREASE P.A.	13.8%	-7.9%	8.5%	-2.8%	-6.2%	-18.8%	

Table 15 : Area REF Units Sales ('000 KWHrs)

AREA	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Average Annual Growth over the Last 5 Yrs
Nairobi	11,703	12,957	16,154	19,630	23,453	36,099	25.3%
Coast	1,827	3,000	2,651	3,622	4,957	12,499	46.9%
Central Rift	3,726	5,572	7,211	9,008	14,487	19,947	39.9%
West Kenya	22,160	18,682	19,912	20,871	26,767	31,833	
Mt. Kenya	9,842	12,385	13,514	15,206	17,217	18,401	13.3%
North Rift		13,891	16,852	16,750	16,887	18,933	
TOTAL	49,257	66,487	76,293	85,088	103,768	137,712	22.8%
% INCREASE P.A.	37.7%	35.0%	14.7%	11.5%	22.0%	32.7%	

**Table 16 : Area Total Number of Consumers**

AREA	As at 30th June						Average Annual Growth over the Last 5 Yrs
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	
Nairobi	131,686	136,772	145,759	153,334	161,929	169,422	5.2%
Coast	44,958	47,287	49,609	51,872	53,844	56,362	4.6%
Central Rift	15,703	16,798	18,194	19,729	21,596	23,249	8.2%
West Kenya+	25,839	20,092	21,699	23,118	24,689	26,508	
Mt. Kenya	16,488	17,669	18,619	20,113	21,718	23,632	7.5%
North Rift+		7,728	8,641	9,456	10,744	11,743	
KPLC consumers	234,674	246,346	262,521	277,622	294,520	310,916	5.8%
R.E.F. consumers	15,132	19,067	24,491	29,513	34,561	40,731	21.9%
TOTAL	249,806	265,413	287,012	307,135	329,081	351,647	7.1%
% INCREASE P.A.	6.2%	6.2%	8.1%	7.0%	7.1%	6.9%	



Table 17 : Number of Consumers in Terms of Tariff Category

Tariff	Main type of Consumers Covered by This Tariff	At at 30th June						Average Annual Growth over the Last 5 yrs
		1989	1990	1991	1992	1993	1994	
A0 only	Domestic KPLC	158,228	166,367	178,251	189,623	201,352	213,531	6.2%
	REF	8,852	11,235	14,238	17,200	19,975	23,258	21.3%
A0 & D0	Domestic KPLC	30,521	31,391	32,289	32,953	34,739	35,360	3.0%
	REF	11	30	33	40	62	68	44.0%
A1 only	Small Commercial KPLC	39,064	41,346	44,298	47,049	50,724	54,154	6.8%
	REF	6,144	7,656	10,038	12,045	14,258	17,130	22.8%
A1 & D0	Small Commercial KPLC	3,491	3,592	3,751	3,811	3,226	3,314	-1.0%
	REF	51	74	92	120	117	123	19.3%
B0	Irrigation Load KPLC	275	279	285	311	311	332	3.8%
	REF	4	4	8	14	16	20	38.0%
B1	Medium Commercial and Industrial-KPLC	1,562	1,687	1,757	1,773	1,842	1,871	3.7%
	REF	58	50	62	68	102	100	11.5%
B2	Medium Commercial and Industrial-KPLC	24	23	21	20	21	21	-2.6%
C1	Large Commercial KPLC	166	174	222	234	250	277	10.8%
	REF	2	5	6	6	11	10	
C2	Large Commercial and Industrial-KPLC	86	90	99	104	107	113	5.6%
	REF	1	1	1	2	2	1	0.0%
C3	Large Commercial and Industrial-KPLC	9	11	11	11	10	14	9.2%
	REF	0	0	0	0	1	0	
D0 only	Off-peak KPLC	1,166	1,295	1,439	1,630	1,829	1,817	9.3%
	REF	3	6	7	11	10	13	
E0	Street lighting KPLC	82	91	98	103	109	112	6.4%
	REF	6	6	6	7	7	8	5.9%
	TOTAL (KPLC)	234,674	246,346	262,521	277,622	294,520	310,916	5.8%
	TOTAL (R.E.F.)	15,132	19,067	24,491	29,513	34,561	40,731	21.9%
	GROSS TOTAL	249,806	265,413	287,012	307,135	329,081	351,647	7.1%
	% INCREASE P.A.	6.2%	6.2%	8.1%	7.0%	7.1%	6.9%	

**Table 18 : Revenue (SHS'000) in Category of Consumers**

Tariff	Main type of consumers covered by this tariff	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	Avg. Annual Growth over the last 5 yrs
A	Domestic, small Commercial and small industrial	861,670	936,193	1,223,009	1,502,502	1,628,900	2,881,215	27.3%
B	Commercial and Industrial (small)	600,265	660,603	876,959	1,014,150	1,122,928	2,063,936	28.0%
C	Commercial (Large) Industrial (Large)	1,035,529	1,149,741	1,552,273	1,850,572	2,055,216	3,893,662	30.3%
D	Off-peak	112,500	116,764	144,071	157,929	165,874	392,313	28.4%
E	Street lighting	17,024	17,149	22,455	25,029	24,143	36,594	16.5%
	SUB-TOTAL	2,626,989	2,880,450	3,818,767	4,550,182	4,997,061	9,267,721	28.7%
	OTHERS	2,669	21,390	5,966	6,191	3,943	12,023	35.1%
	TOTAL (KPLC)	2,629,658	2,901,840	3,824,733	4,556,374	5,001,004	9,279,744	28.7%
	R. E. F.	57,396	75,599	109,400	138,040	194,049	410,215	48.2%
	GROSS TOTAL	2,687,054	2,977,439	3,934,133	4,694,414	5,195,053	9,689,959	29.2%
	% INCREASE P. A.	8.6%	10.8%	32.1%	19.3%	10.7%	86.5%	

Table 19 : Staff Analysis

CATEGORY OF STAFF	AS AT 30TH JUNE						Avg. Annual Growth over the last 5 yrs
	1989	1990	1991	1992	1993	1994	
Nationality							
-Citizen	8,319	10,760	10,864	10,857	10,569	10,180	4.1%
- Non Citizen	32	29	31	23	16	6	-28.5%
Total	8,351	10,789	10,895	10,880	10,585	10,186	4.1%
% Increase P. A.	9.1%	29.2%*	1.0%	-0.1%	-2.7%	-3.8%	
Sex							
-Male	7,570	9,789	9,827	9,764	9,471	9,092	3.7%
-Female	781	991	1,068	1,116	1,114	1,094	7.0%
Ratio -men/women	10	10	9	9	9	8	
Job							
-Technical	3,128	4,137	4,325	4,162	3,864	3,803	4.0%
% of total-staff	37.5%	38.3%	39.7%	38.3%	36.5%	37.3%	
-Non Technical	5,223	6,652	6,570	6,718	6,721	6,383	4.1%
% of total staff	62.5%	61.7%	60.3%	61.7%	63.5%	62.7%	

Note: * Includes absorption of casual workers.



Table 20 :Transmission and Distribution Lines Total Circuit Length (Kms)

VOLTAGE	AS AT 30TH JUNE						Avg. Annual Growth over the last 5Yrs
	1989	1990	1991	1992	1993	1994	
220kV	633	657	877	877	877	877	
132kV	1,977	1,980	1,980	1,980	1,980	1,980	
66kV	408	444	451	451	451	573	
40kV	113	113	113	126	126	126	
33kV	3,268	3,300	3,342	3,451	3,583	3,686	
11kV	7,440	7,627	7,870	8,309	8,613	8,838	
TOTAL	13,838	14,121	14,633	15,194	15,630	16,080	3.0%
% INCREASE P.A	2.0%	2.0%	3.6%	3.8%	2.9%	2.9%	

Table 21 :Transformers in Service : Total Installed Capacity in MVA

Generation S/Stn	AS AT 30TH JUNE						Avg. Annual Growth over the last 5Yrs
	1989	1990	1991	1992	1993	1994	
11/220kV	170	170	288	288	288	288	
11/132kV	417	417	417	417	417	417	
11/66kV	30	30	30	30	30	30	
11/33kV	217	217	217	217	217	217	
11/40kV	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	690	690	690	690	
TOTAL	1,395	1,395	1,663	1,663	1,663	1,663	3.6%
Distribution S/Sns							
220/132kV	580	580	580	580	580	580	
220/66kV		180	180	180	180	180	
132/66kV	270	330	330	330	330	330	
132/33kV	308	331	349	349	372	415	
66/11kV	441	441	470	470	470	470	
66/40kV	15	15	15	15	15	15	
40/11kV	19	19	24	24	24	24	
33/11kV	356	375	392	392	400	400	
TOTAL	1,989	2,271	2,340	2,340	2,371	2,414	4.0%
Distribution TXS							
11/0.415kV							
33/0.415kV	1,376	1,448	1,510	1,557	1,615	1,686	4.2%



**THE KENYA POWER AND LIGHTING COMPANY LIMITED
P.O. Box 30099, Nairobi.**

FORM OF PROXY FOR ANNUAL GENERAL MEETING

I/We.....) BLOCK
) Capitals
) Please
of)

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 Thursday, 13th April, 1995, 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, 1994.
- (ii) The declaration of a first and final dividend on the Ordinary Stock.
- (iii) The re-election of retiring directors.

	FOR	AGAINST
i		
ii		
iii		

Dated this..... day of1995.

Signature

FOR OFFICE USE ONLY	
7%	
4%	
ORDINARY	



Principal Areas of Supply

ATHI RIVER	KIGUMO	MTITO ANDEI
AWENDO	KIHARU	MUKURWEINI
BARINGO	KILGORIS	MUMIAS
BONDO	KILIFI	MURANG'A
BUMALA	KILOME	MWINGI
BUNGOMA	KINANGO	NAIRAGE NKARE
BURA	KIRITIRI	NAIROBI
BUSIA	KISII	NAIVASHA
BUTERE	KISUMU	NAKURU
CHEPKORIO	KITALE	NANDI HILLS
CHERANGANI	KITENGERA	NANYUKI
CHOGORIA	KITUI	NAROK
EGOJI	KENYALINE	NARUMORO
ELBURGON	KUTUS	NGONG
ELDAMA RAVINE	KWALE	NJORO
ELDORET	LAMU	NKUBU
ELGEYO MARAKWET	LARI	NYAHURURU
EMALI	LIMURU	NYERI
EMBU	LODWAR	OL-KALOU
ENDARASHA	LONDIANI	OLENGULUONI
ENGINEER(KINANGOP)	LURAMBI	OLOITOKITOK
GARISSA	MACALDER	OTHAYA
GILGIL	MACHAKOS	OYUGIS
GITHUNGURI	MAGUMU	RABAI
HAKATI	MALABA	RIBE
HAMISI	MALAKISI	RONGAI
HOMABAY	MALINDI	RUIRU
ISHIARA	MAMBRUI	RUMURUTI
ISIOLO	MANDERA	RUNYENJES
ITEN	MARALAL	SAGANA
KABARNET	MARIAKANI	SEGA
KABARTONJO	MARIGAT	SIKAGO
KIBIRICHIA	MARSABIT	SIAYA
KAJIADO	MASENO	SONDU
KAKAMEGA	MASII	SOTIK
KALAMBA	MASINGA	SULTAN HAMUD
KALOLENI	MATERI	TAMBACH
KANDARA	MATUNDA	TAVETA
KANGUNDO -TALA	MATUU	TENGES
KANYAKIINE	MAUA	THIKA
KAPENGURI	MAZERAS	TIMAU
KAPSABET	MERU	UGUNJA
KAPSOKWANY	MIGORI	UKWALA
KAPSOWAR	MITUNGUU	VIHIGA
KARATI	MOGOTIO	VOI
KARATINA	MOI'S BRIDGE	WAJIR