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THE KENYA POWER & LIGHTING CO. LTD.  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
30 JUNE 1998

ON PUBLIC SERVICE



### **CORPORATE VISION**

To achieve world class status as a quality service business enterprise so as to be the first choice supplier of electrical energy in a competitive environment.

### **CORPORATE MISSION**

To efficiently transmit and distribute high quality electricity throughout Kenya at cost effective tariffs; to achieve the highest standards of customer service; and to ensure the company's long term technical and financial viability

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# BOARD OF DIRECTORS

1. Kenya power and lighting company - Kenpower  
2. Electric utility Kenya - Periodicals

2



Titus T. Naikuni, Chairman



Samuel K. Gichuru, Managing



Crispus N. Mutitu



Margaret K. Chemengich



Samuel O. J. Ambundo



Joseph M. Mutisya



Tom D. Owuor



Zablon N. Kahura



Fidesius M. Nyaga



Nelson W. Kimani



Samuel W. Ndindiri

2007/0983

**Directors**

T. T. Naikuni  
S. K. Gichuru, EBS, MBS  
C. N. Mutitu, EBS  
S. O. J. Ambundo  
J. M. Mutisya  
T. D. Owuor, OGW  
Z. N. Kahura  
M. K. Chemengich  
F. M. Nyaga

Chairman  
Managing Director

N. W. Kimani  
S. W. Ndindiri

Alternate to M. K. Chemengich  
Alternate to C. N. Mutitu, EBS

**Secretary**

J. N. Kimani

**Registered office**

Stima Plaza  
Kolobot Road  
P. O. Box 30099  
Nairobi

**Bankers**

Standard Chartered Bank Kenya Limited  
P. O. Box 30003  
Nairobi

Kenya Commercial Bank Limited  
P. O. Box 48400  
Nairobi

Co-operative Bank of Kenya Limited  
P. O. Box 48231  
Nairobi

**Auditors**

Deloitte & Touche  
"Kirungii", Ring Road  
Westlands  
P O Box 40092  
Nairobi

**Managing Director**

Samuel K. Gichuru, C.P.S., EBS, MBS

**Deputy Managing Director**

Lawrence Keitany, B.Sc. (Eng.) R. Eng., C. Eng., F.I.E.E

**Personal Assistant to Managing Director & ISP Project Leader**

Johnson Ole Nchoe, B.Sc. (Eng.) (Hons)

**Company Secretary**

Justin N. Kimani, C.P.S. (K)

**Chief Manager, Human Resources & Administration**

Bilha W. Ndubai (Mrs.), B.A. (Hons.)

**Chief Manager, Operations & Maintenance & Street Lighting**

Julius M. Riungu, B.Sc. (Eng.) (Hons), C.Eng., R.Eng., M.I.E.K.

**Chief Manager, Customer Service**

Rosemary K. Gitonga (Mrs), B.Sc. Eng.

**Chief Manager, Transport & Supplies**

Jonah Bett, HND

**Chief Manager, Energy Transmission**

Jasper Oduor B.Sc., (Eng.), R.Eng., M.I.E.K.

**Chief Manager, Finance**

Zachary O. Ayieko, B.Com (Hons.), C.P.A. (K)

**Chief Manager, Technical Audit, Research & Development**

Joab L. Odeny, B.Sc., (Eng.) (Hons), R.Eng., C.Eng, M.I.E.E.

**Chief Manager, Projects Development & Corporate Planning**

M.A. Gupta, B.E., M.I.E.

**Design & Construction Manager**

Cyrus Njungu, B.Sc., Eng., B.Sc. Econ. (Hons)

**NOTICE IS HEREBY GIVEN THAT THE SEVENTY-SEVENTH ANNUAL GENERAL MEETING** of members will be held at the Head Office of the Company, Stima Plaza, Kolobot Road, Parklands, Nairobi, on Tuesday the 22nd December, 1998, at 12:00 noon to transact the following business:-

**ORDINARY BUSINESS:**

1. To read the Notice convening the Meeting.
2. To receive and adopt the Directors' report together with the audited financial statements for the year ended 30th June, 1998.
3. To declare a final dividend of Shs.5.00 per Ordinary Stock Unit.
4. To elect Directors.
5. To authorise the Directors to fix the remuneration of Auditors.

**SPECIAL BUSINESS:**

**1. BONUS ISSUE**

To consider and, if thought fit, pass the following resolutions to be proposed as Ordinary Resolutions:

- (i) "That the sum of Shs.527,520,000 be capitalised out of the Revenue Reserves of the Company, and that such sum be distributed as bonus shares among the holders of Ordinary Stock in the register of members at the close of business on 18th November, 1998, in the proportion of one new Ordinary Share of Shs.20 each for every two Ordinary Stock units then held. The new Shares will rank pari passu with the existing Ordinary Shares of the Company in all respects other than the dividends for the year ended 30th June, 1998, for which they will not rank."

The bonus issue has been approved by the Capital Markets Authority with no responsibility as to the correctness of the information thereof.

- (ii) "That as and when the said bonus ordinary shares of Shs.20 each referred to in (i) above shall have been issued as fully paid, the same be converted into Ordinary Stock transferable in units of Shs. 20 each or multiples thereof".

2. To consider and, if thought fit, pass the following resolution to be proposed as a Special Resolution pursuant to Section 13 of the Companies Act:

"That Regulation 110 of the Articles of Association be, and is hereby, altered by replacement of the colon (:) after the word 'party' with a full stop (.) and the deletion of the entire proviso in the Regulation from the word 'provided' to the word 'exceeded'."

By Order of the Board

J.N. Kimani  
Company Secretary.  
Nairobi, Kenya.  
26<sup>th</sup> November, 1998.

**NOTES:**

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 less than 48 hours before the time for holding the Meeting.

**ILANI INATOLEWA KWAMBA MKUTANO WA SABINI NA SABA WA WANACHAMA WA KILA MWAKA** utafanyika katika makao makuu ya kampuni yaliyoko Stima Plaza, Kolobot Road, Parklands, Nairobi mnamo jumanne tarehe 22 Disemba, 1998, kuanzia saa sita mchana kutekeleza shughuli zifuatazo:

**SHUGULI ZA KAWAIDA**

1. Kusoma agizo la kuitisha mkutano
2. Kupokea na kuidhinisha taarifa ya wakurugenzi pamoja na taarifa ya fedha iliokaguliwa ya mwaka uliokamilika Juni 30 1998.
3. Kutangaza marupurupu ya mwisho ya shilingi 5 kwa kila hisa ya kawaida.
4. Kuchagua wakurugenzi.
5. Kuwaidhinisha wakurugenzi waweke kiwango cha marupurupu ya wakaguzi.

**SHUGULI MAALUM:**

**1. HISA ZA ZIADA**

Kutafakari na ikifikiriwa vyema, kupitisha maazimio yafuatayo yalioazimiwa kama maazimio ya kawaida:

- (i) "Kwamba kiasi cha shilingi 527,520,000 kitumiwe kutoka kwa mfuko wa akiba wa kampuni, na kwamba kiasi hicho kitolewe kama mgawo wa ziada kati ya wanahisa wa kawaida walioundikishwa kama wanachama kufikia mwisho wa siku ya biashara mnamo Novemba 18, 1998, na kugawiwa kama hisa moja mpya ya kawaida ya shilingi 20 kila moja kwa kila hisa mbili zilizomo. Hisa hizo mpya zitakuwa za kiwango sawa na zile za kawaida za kampuni zilizomo kwenye viwango vyote isipokuwa mgawo wa mapato kwa mwaka uliokamilika mnamo Juni 30, 1998, ambamo hazitahesabiwa."

Kutolewa kwa hisa hizo za ziada kumeidhinishwa na halmashauri ya masoko ya uuzaji hisa bila kuzingatia usahihi wa maelezo yaliyomo.

- (ii) "Kwamba wakati hisa hizo za ziada za kawaida za shilingi 20 kila moja zilizotajwa katika kifungu (i) hapo juu zitakapotolewa kama hisa zilizolipwa kikamilifu, zitabadilishwa kuwa hisa za kawaida zinazoweza kutolewa kwa shilingi 20 kila moja au kiasi kinachoweza kugawa kwa shilingi 20."

2. Kutafakari na ikionelewa vyema, kupitisha azimio lifuatalo kama azimio maalum kufuatana na sehemu ya 13 ya sheria za makampuni:

"Kwamba agizo la 110 la makubaliano ya kampuni liwe na limebadilishwa kwa kubadilisha alama ya nukta mbili (:) baada ya neno 'Party' kwa alama ya nukta moja (.) na kuondolewa katika agizo hilo maneno kutoka neno 'provided' hadi neno 'exceeded'."

Kwa Amri ya wakurugenzi

J.N. Kimani  
Mwandishi wa kampuni  
Nairobi, Kenya  
Novemba 26, 1998

**ILANI:**

Mwanachama anayekubaliwa kushiriki na kupiga kura katika mkutano huu, anaruhusiwa kuchagua mwakilishi mmoja au zaidi, kushiriki uchaguzini na, kupiga kura kwa niaba yake. Mwakilishi si lazima awe mwanachama wa kampuni. Fomu ya uwakilishaji imo ndani ya kijitabu hiki. Ili kukubalika, fomu ya uwakilishaji lazima iwe imejazwa na kuletwa kwenye ofisi zilizoandikishwa za kampuni, au kutumwa kwa njia ya posta kwa wakati ufaao ili kufika hapo masaa 48 kabla ya mkutano kuanza.

### GENERAL OVERVIEW

In spite of a decline in economic growth attributable to adverse weather conditions, deteriorating infrastructure, high interest rates, rise in inflation and a significant appreciation of the hard currencies against the Shilling, your Company recorded an overall increase in electricity sales resulting in a turnover of Shs.18,073 million and an after tax profit of Shs.1,464 million.



*Constructing the new Kileleshwa Sub-station*

There was a reduction in consumption by the large commercial and industrial customers, whose combined growth was only 0.5% compared to 5.1% the previous year. This was more pronounced in the tourism sub-sector, particularly at the Coast. In addition, due to the excessive rains, the agricultural sector recorded a 42% reduction in demand for irrigation, compared to a growth rate of 6.8% in the previous year. There was, however, increased consumption of electricity by medium commercial and industrial sectors as well as domestic customers, which contributed to the overall growth of 2.7% in unit sales.

Revenue earned amounted to Shs.18,073 million against a total operating expenditure of Shs.16,466 million. After adjusting for net interest income of Shs.433 million and exchange losses of Shs.35 million, the Company's trading profit before taxation was Shs.2,005 million, compared to Shs.2,160 million the previous year.

### FINANCIAL PERFORMANCE

#### *Accounts*

During the year, 3,498 million units were sold. This was a 2.7% increase over the 3,406 million units sold the previous year. The units sold generated a revenue of Shs.18,073 million, an increase of Shs.1,180 million (7%), from Shs.16,893 million the previous year. The increase is attributable to the growth in sales and fuel oil surcharge of Shs.640 million.

Operating expenditure, which includes debt service and development surcharge relating to bulk supply companies, rose from Shs.15,644 million in 1996/97 to Shs.16,466 million in 1997/98, representing a net increase of Shs.822 million (5%). The rise is mainly due to inflation and the cost of additional fuel used to generate power as a result of one unit at Gitaru being out of service for four months of the year due to a transformer failure.

The trading results for the year, therefore, reflect an operating profit of Shs.1,607 million, compared to Shs.1,249 million the previous year.

As a result of the appreciation of the hard currencies against the Shilling during the year, the Company incurred exchange losses in respect of foreign loans amounting to Shs.35 million, compared to exchange gains of Shs.127 million in 1996/97.

Interest receivable decreased from Shs.884 million to Shs.591 million, while interest payable increased from



Shs.100 million to Shs.157 million.

The net result of these transactions is a profit before taxation of Shs.2,005 million, compared to Shs.2,160 million the previous year. After allowing for Corporation Tax and dividends for the year, the retained profit of Shs.1,040 million will be transferred to reserves.

#### **Taxation**

An amount of Shs.541 million has been provided for Corporation Tax. This compares with Shs.606 million in 1996/97. Value Added Tax (VAT) charged on electricity sales yielded Shs.1,586 million, up from Shs.1,350 million. PAYE increased from Shs.633 million to Shs.936 million. Payment of Customs Duty and VAT rose from Shs.430 million in the previous year to Shs.575 million.

#### **Dividends**

Preference dividends amounting to Shs.1.9 million were paid on their due dates. An interim dividend of 15% (Shs.158 million) was paid to Ordinary Stockholders registered in the books of the Company at the close of business on 8th April, 1998. Your directors recommend a final cash dividend of 25%, or Shs.5 per share, absorbing a further Shs.264 million to be paid to the Ordinary Stockholders registered in the books of the Company at the close of business on 18th November, 1998.

As the majority stockholder, the Government is entitled to Shs.171 million out of the total dividends paid and payable. The dividends, together with taxes, bring the Company's direct contribution to the national revenue to Shs.3,809 million, up from Shs.3,190 million in 1996/97.

#### **Bonus Issue**

The Directors have considered it appropriate to capitalise Shs.527,520,000 out of the Revenue Reserves and to distribute this amount as bonus shares. The new shares will be allotted on the basis of one new Ordinary Share of Shs.20 for every two Ordinary Stock Units held. Although the new shares will not rank for the dividend to be recommended at the forthcoming Annual General Meeting, they will, in all other respects, rank pari passu with the existing Ordinary Stock of the Company. The necessary resolution will be submitted to members at the Annual General Meeting.

#### **AMENDMENT TO ARTICLE 110**

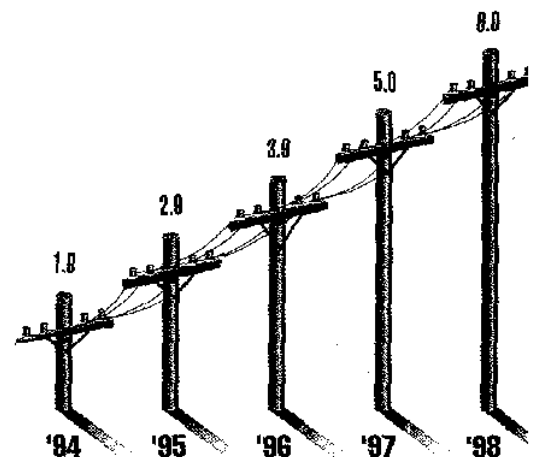
Article 110 of the Company's Articles of Association limits the extent to which your directors can, for the purposes of the Company's business, borrow money or mortgage or charge the Company's undertaking, property and uncalled capital and issue debentures or offer security for any debt, liability or obligation of the Company. The limit cannot be exceeded without the previous sanction of the Shareholders. This means that the directors have to obtain the approval of the Shareholders at a General Meeting for the article to be amended when the limit imposed is in danger of being exceeded. This article was last amended in 1990 when the limit was raised to Shs.4 billion and, due to the rapid expansion of your business, it is now due for a review.

Consultations have been held with the Company lawyers, external auditors and the Nairobi Stock Exchange who are of the common view that such a limit is unusual with quoted companies and an impediment in the context of modern commercial transactions. It should, therefore, be removed to avoid frequent amendments to the Article.

Your directors concur with this view and, accordingly, have made a recommendation that the article be altered at the Annual General Meeting to remove the limit.

#### **SHAREHOLDERS' FUNDS**

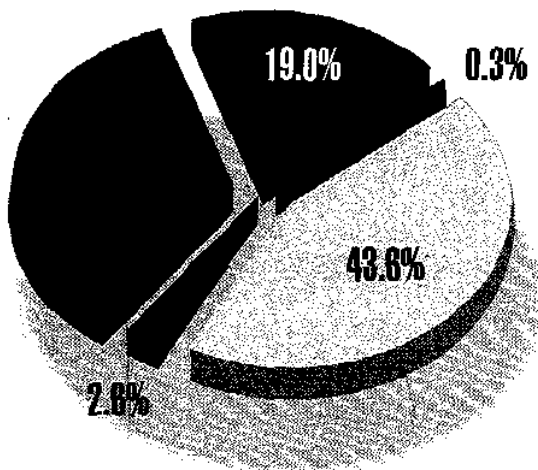
BILLIONS OF SHILLING



**RESTRUCTURING OF THE POWER INDUSTRY**

Following the separation of the generation function from transmission and distribution under the restructuring of the electricity sub-sector, a consultant, Messrs. Price Waterhouse of UK, was appointed by the Government to carry out an asset revaluation study. This study involves revaluation of assets to be transferred between KPLC and Kenya Electricity Generating Company Ltd. - KenGen (formerly The Kenya Power Company Ltd.). Under the re-organised set-up, KPLC will own the transmission and distribution assets, while KenGen will own the generation assets. The draft final report has since been submitted and is being studied.

**SALES BY CUSTOMER CATEGORY**



- ▶ Domestic, Small Commercial & Industrial
- ▶ Medium Commercial & Industrial
- ▶ Street Lighting
- ▶ Large Commercial & Industrial
- ▶ Off-Peak

The Government has also appointed a consultant, Messrs. Merz and McLellan of UK, to conduct an update of the 1993 tariff study and to recommend the tariffs that will apply in the restructured industry. In addition, the Government appointed members of the Electricity Regulatory Board (ERB), established under the Electric Power Act, 1997, whose role is, among other things, the regulation of tariffs.

**INSTITUTIONAL STRENGTHENING PROJECT (ISP)**

With customer satisfaction as the central focus, the Institutional Strengthening Project (ISP), continued to support the Company's business processes through the information systems already implemented. Through this project, the Company has transformed its business by providing timely and on-line management information of its operations, thus laying a solid foundation for the present and future challenges. Under this project, the Company has, over the last three years, established a modern computer centre at Stima Plaza, installed a countrywide computerised communications network and provided modern tools and skills to its staff through various empowerment programmes.

Besides, all major operational processes including meter reading, billing, revenue collection, emergency service, applications for new connections, accounting, staff medical scheme (Medicare) and payroll have been enhanced to deliver faster and improved service. These information systems, which are now being managed and maintained by Company experts, are all year 2000 (Y2K) compliant.

As an integral part of our corporate image enhancement process, we continued to re-model our customer service offices, staff uniforms, bill boards and other corporate identity materials.

This project, which is currently undergoing a critique, is in the final phase of consolidation, support and maintenance.

**CUSTOMER SERVICE**

In line with the key corporate objective of improving the quality of service to our customers, the Company established a Customer Service Division to provide a one-stop customer service and improve revenue collection. The service encompasses processing of new applications, meter reading, revenue collection, opening and closing of accounts, customer relations and marketing. All our main customer service offices now offer fully computerised services at more customer friendly cashier and query counters.

Besides, other computer systems aimed at enhancing customer service have been installed and are in use companywide. These include the Integrated Customer Service System (ICS) for processing new supply applications and managing all services to existing customers; Design and Construction System (DCS) for design and construction of all distribution lines and substations; and Incidences Management System (IMS) for emergency and other normal routine maintenance work on the distribution network. The use of the

*The Company carries out training on, among other areas, information technology. Staff who have undergone indepth training are pictured working in the Computer Centre at Stima Plaza.*

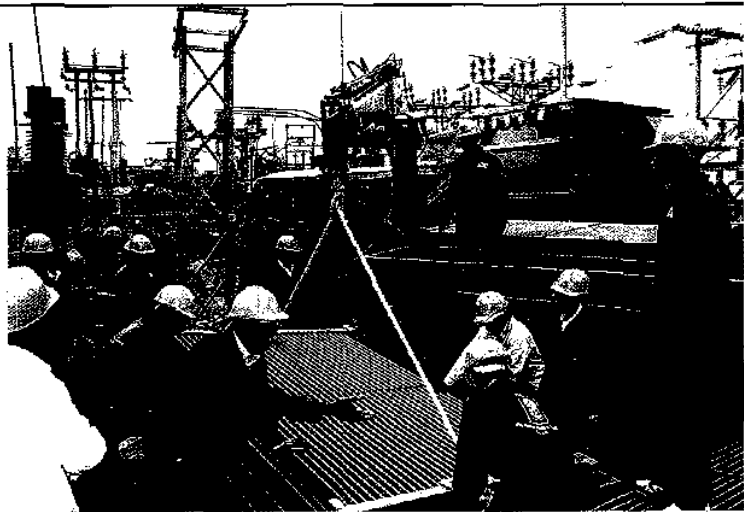


THE KENYA POWER & LIGHTING CO. LTD.

systems has resulted in a marked improvement in the quality of service to customers.

In the Emergency offices, new telephone reception centres were established where calls received are computerised and communicated automatically to the system that controls the operations of the field crews. This has reduced response time to customers' calls for service.

To enhance the convenience of customers paying their electricity bills, preparations are underway to establish additional commercial offices, mainly in Nairobi.



*Installing the 23 MVA transformer at the Thika Sub-station*

**TRANSMISSION AND DISTRIBUTION**

Following the restructuring of the sub-sector, your Company retained the function of transmission and distribution. In this role, the Company purchases electricity from KenGen and Independent Power Producers (IPPs) for retail to its customers.

To achieve this objective, the Company has concentrated its efforts on transmission and distribution projects as well as reinforcement and maintenance programmes.

**Transmission Development, System Reinforcement and Maintenance**

Among the projects recommended under the Least Cost Development Plan update, carried out by the Company with the assistance of Messrs. Acres International, are the Kiambere-Nairobi 220kV and the Kipevu-Rabai 132 kV transmission lines.

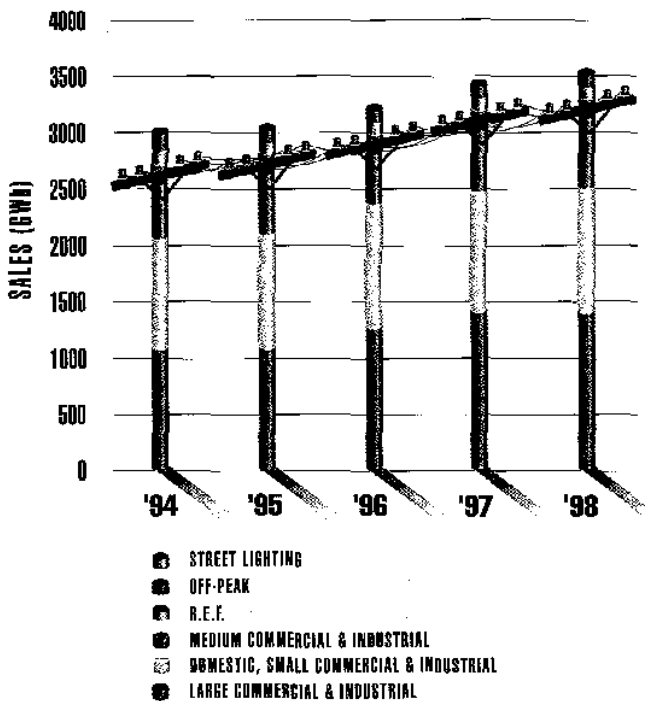
Messrs. Mott MacDonald were appointed consultants for the preparation of tender documents and supervision of implementation of both projects. Bids for construction of the lines have been invited and the projects are expected to be commissioned during year 2000.

The Company stepped up countrywide distribution system reinforcement and maintenance to improve the stability and reliability of supply. This will alleviate voltage fluctuations and supply interruptions.

In Nairobi Area, Shs.208 million was spent on establishing a new 66/11kV substation at Kileleshwa and uprating Parklands Substation from 42 MVA to 90 MVA.

An amount of Shs.93 million was spent on three main reinforcement projects at Nyali, Malindi and Kipevu at the Coast and another Shs.89 million in West Kenya. A further Shs.45 million was spent on reinforcement in Mt. Kenya, Central Rift and North Rift areas. The Company also intensified maintenance of the distribution system involving replacement of overloaded transformers, rotten poles, corroded conductors, clearing of wayleave traces, among others and maintenance of substations.

**SALES BY CUSTOMER CATEGORY**

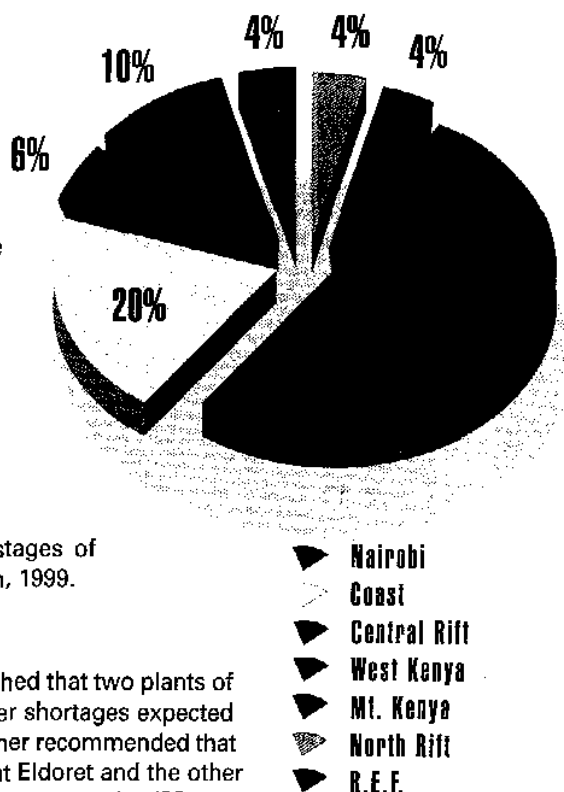


Live-line maintenance of the transmission system was enhanced by the use of the Company helicopter.

### **Power Loss Reduction And Demand Side Management Programmes**

The Company has initiated a Power Loss Reduction Programme to be funded under a credit from the International Development Association (IDA). Also to be funded under the credit is a complementary Demand Side Management Programme aimed at enhancing efficiency in management of power and conservation of energy by customers. These two programmes are expected to run from 1998 to 2003 and recruitment of consultants to assist in their implementation is at an advanced stage.

### **SALES BY AREA CATEGORY**



### **GENERATION CAPACITY ENHANCEMENT**

#### **Stop Gap Generating Plants**

The two IPP plants namely, Iberafrica Power (Kenya) Ltd. at Nairobi South and Westmont Power (Kenya) Ltd. at Mombasa, with a total capacity of 88 MW, continued to operate satisfactorily and have supported the system significantly, especially with the prolonged outage of a 72.5 MW machine at Gitaru Power Station following a transformer failure.

*The generation capacity is set to be enhanced by a further 533 MW over the next five years, with the implementation of the following projects in both the public and private sectors:*

#### **30 MW Gas Turbine**

At Kipevu, a 30 MW gas turbine, which is currently in the final stages of rehabilitation in the UK, is expected to be re-commissioned in March, 1999.

#### **Fast Track Projects**

During the update of the Least Cost Development Plan, it was established that two plants of 55 MW each, were required as soon as possible to alleviate the power shortages expected until the committed generating projects are commissioned. It was further recommended that in order to ensure system balance and stability, one plant be located at Eldoret and the other in Nakuru. Pre-qualification proposals have already been received from prospective IPPs and the evaluation completed. Requests for proposals have been sent to the shortlisted IPPs and bids are to be submitted by the end of 1998. The plant is expected to be in service by year 2000.

#### **Kipevu II 75MW Diesel Project**

The contract for the development of the project was awarded to Wartsila NSD Power Development and the Power Purchase Agreement has since been executed. The project is expected to be completed in the year 2000.

#### **Olkaria III 64MW Geothermal Power Station**

Negotiations continued with Messrs Ormat International Inc. The Power Purchase Agreement has been executed with the developer and necessary preliminary works have commenced. The plant is expected to be completed in year 2002.

#### **KenGen Projects**

KenGen is in the process of implementing four public funded generating projects with a total capacity of 254 MW, namely the 72.5 MW (55MW effective) Gitaru 3rd unit, the 75 MW Kipevu I diesel plant, the 64 MW Olkaria II geothermal plant and the 60 MW Sondu Miriu hydro electric project. These are scheduled to be completed at various times by year 2002.

## RURAL ELECTRIFICATION

On behalf of the Government, the Company continued with the implementation of the Rural Electrification Programme. During the year, Shs.454 million was spent on extension of lines for 620 schemes which were at various stages of implementation, bringing the cumulative capital expenditure since inception to Shs.3,368 million.

The number of customers under this programme increased by 2,736 or 5%, from 55,242 to 57,978. Units sold increased from 150 million to 153 million, an increase of 2%. Revenue realised was Shs.864 million, compared to Shs.849 million the previous year, an increase of 2%.

The Government of Kenya and the Commission of the European Union signed an agreement to allocate Shs.375 million from Stabilisation of Exports (STABEX) funds to Phase I of the Coffee Factories Rural Electrification Programme (COFREP). The programme aims at improving efficiency and quality of coffee processing by replacing diesel generators with electricity from the grid. Phase I of the programme targets 168 coffee factories countrywide. So far, Shs.120 million has been released for electrification of 57 coffee factories.

Twenty factories and some adjacent applicants were connected during the year and connection of the remaining 37 is at various stages of implementation.

Following the establishment of the Rural Electrification Fund under the Electric Power Act, 1997, a 5% levy has since been imposed on all sales of electrical energy made by the Company. This will boost the Rural Electrification Fund by about Shs.600 million this financial year and thus facilitate the connection of more customers to the national grid.



*Rural electrification in Ruiru, Thika.*



*Mr Joseph Madara of West Kenya Area, who has worked with the Company for 35 years, receives a long service award from the Minister for Energy, Mr Chrisantibus Okemo.*

## HUMAN RESOURCES AND TRAINING

Our human resources strategy continuously focuses on the important role played by employees in the attainment of corporate objectives. Consequently, during the year under review we strengthened our unity of purpose by sharing and translating into action our vision, mission and new corporate direction with the work-force. This was done through a series of seminars and deliberations at various forums. This initiative, together with the continued motivation and empowerment of our employees through competitive remuneration and training programmes, made a significant contribution towards improved customer service and trading results.

A sum of Shs.113 million was spent on training a total of 4,578 employees at the Company's Training School

and other institutions. Out of this amount, Shs.46 million was spent on key training programmes in management development, information technology, occupational health and safety, customer care and technical skills development. These programmes were held both locally and overseas.

In recognition of the importance of industrial harmony in enhancing corporate productivity, the Company sustained fruitful collaboration with the Union leadership (KETAWU) on all matters of mutual interest, thus ensuring continued industrial peace during the year.

The Company had a work-force of 7,167 by 30<sup>th</sup> June, 1998, compared to 8,279 the previous year. During the year under review, 1,591 employees left the Company, compared to 311 the previous year. Out of this number, 1,390 were transferred to KenGen under the sub-sector restructuring programme, while the rest left under normal attrition. A customer to staff ratio of 63:1 was achieved, compared to 51:1 the previous year.



*KPLC participates in numerous ASK shows. H.E. President Daniel arap Moi watches a demonstration by staff from the Customer Advisory Centre at the Mombasa show stand.*

## PUBLIC RELATIONS

### *Communication and Customer Education*

During the year under review, the Company continued to enhance customer education as well as its corporate image. As part of its sustained efforts to reach out to customers and the general public, the Company participated in 11 Agricultural Society of Kenya (ASK) shows and won 30 First prizes, five Second prizes and six Third prizes in various competitive categories. The new show stands in Nairobi, Mombasa and Nakuru, with their specially designed exhibition areas and the application of modern exhibition techniques, contributed to this good performance. The enhanced facilities also enabled the Company to depict its various products and processes to showgoers effectively. Information on the Company's business and customer service processes, history, electricity conservation and safety, was disseminated at the shows.

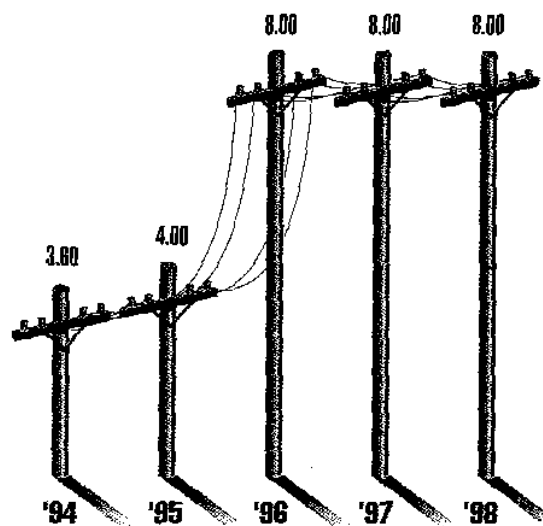
A new corporate documentary film on the Company was produced and screened on Kenya Broadcasting Corporation (KBC) and other television channels and on the Factual Film circuits. The film, titled "Future Current", will continue to be screened through various outlets locally and abroad.

Company functions and activities were publicised in both the print and electronic media, while the radio programme, "Ulimwengu wa Reddy Kilowatt", continued to provide vital information on corporate activities and customer service.

Customer education was disseminated through corporate documentary films, press releases, the in-house Stima Newsletter, brochures, advertisements, the Customer Advisory Centres (formerly Demonstration Centres), and through demonstrations at market centres and schools.

## DIVIDENDS PER ORDINARY SHARE

SHILLINGS





*The Managing Director, Mr S.K. Gichuru, presents books to the Starehe Boys Centre, where the Company also set up an endowment fund, which will benefit two needy students every year.*

Stima Newsletter was produced regularly, keeping employees and other stakeholders informed on Company activities.

#### **Support to Society**

As a responsible corporate citizen, the Company sponsored various charitable causes during the year. Cash was donated to Dr Banardos and Dagoretti Children's Homes and Eldoret Hospice. Members of staff raised money for heart patients by participating in the Dettol Heart Run and the Company also donated books and set up an endowment fund for Starehe Boys Centre, through which two needy students will benefit every year.

#### **FUTURE PROSPECTS**

It is encouraging to note that at the national level, key players are seriously addressing the matter of reviving the economy. In particular, the Government has announced comprehensive measures to contain expenditure and improve productivity. This, coupled with the intended down-sizing of the public sector, the existence of a motivated private sector, the commitment of all key sectors towards Kenya's attainment of a Newly Industrialised Country (NIC) status by year 2020 and the revival of the regional co-operation, poise the economy for faster recovery and sustained growth momentum.

In the electricity sub-sector, the constraints of generation capacity, which suppressed demand in the past, are being addressed. At KPLC, we have re-engineered our processes and enhanced our capacity to cope with future challenges and to play our fullest role in reviving and maintaining the national development tempo.

It is also good news that the rate of growth of electricity consumption by medium commercial and industrial customers in 1997/98 has continued to improve. This is particularly evident in horticultural and floricultural enterprises, which the Company has supported by providing a reliable supply of electricity. Moreover, there are good prospects for business opportunities in the mining industry, especially in the Coast region, where a Canadian firm has been granted a licence to mine titanium.

Provided, therefore, the announced economic recovery measures bear fruit, there is cause for optimism that the demand for our product will continue to grow steadily, correspondingly enhancing the prospects for your business. It is prudent, however, for us to brace for serious challenges especially in the areas of revenue collection and cost control. In acknowledgement of these challenges, your directors have put in place adequate strategies and resources to place your Company on fast track to maximise the benefits of potential business opportunities.

#### **Acknowledgement**

On your behalf and that of the Board, I would like to thank all our customers, the Government and its institutions, our lending agencies, our competent management and the entire work-force for their respective contributions towards the attainment of commendable trading results under extremely difficult conditions.

**Titus T. Naikuni**  
Chairman

15<sup>th</sup> October, 1998



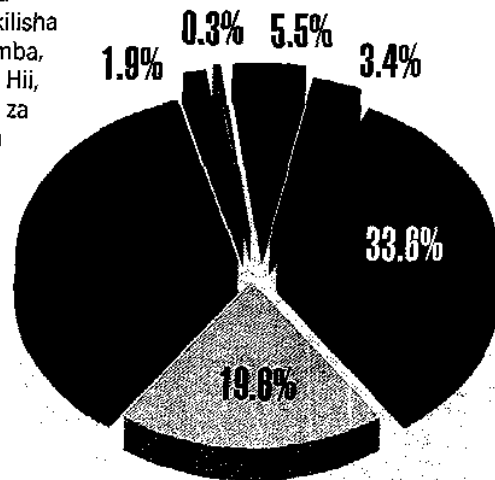
**UCHAMBUZI KWA JUMLA**

Licha ya ufanisi ulioteremka wa kiuchumi kutokana na hali za kuathirika za mazingira, huduma zilizozoroteka za msingi, viwango vya juu vya riba, ongezeko katika gharama za maisha, na kuongezeka sana kwa thamani ya pesa maarufu za kigeni dhidi ya shilingi ya Kenya, Kampuni yenu ilinakilisha ongezeko kwa jumla katika mauzo ya umeme na kujipatia Shs.18,073 milioni pamoja na faida ya baada ya kodi ya Shs.1,464 milioni.

Matumizi ya umeme ya wateja wakubwa wa biashara na viwanda, ambao ufanisi wao pamoja ulikuwa asilimia 0.5 pekee ikilinganishwa na asilimia 5.1 mwaka uliotangulia, yalipunguka. Hii ilidhihirika zaidi katika sekta ndogo ya utalii, hasa katika Mkoa wa Pwani. Pamoja na hayo, kutokana na mvua nyingi kupita kiasi, sekta ya kilimo ilinakilisha upungufu wa asilimia 42 katika mahitaji ya unyunyizaji maji mashamba, ikilinganishwa na ufanisi wa asilimia 6.8 katika mwaka uliotangulia. Hii, hata hivyo, iliongeza matumizi ya umeme miongoni mwa sekta za biashara za kadiri na viwanda pamoja na wateja wa nyumbani na kuleta ufanisi kwa jumla wa asilimia 2.7 katika mauzo ya vimo vya umeme.

Mapato yaliyopatikana yalifikia Shs.18,073 milioni dhidi ya gharama za matumizi za jumla za Shs.16,466 milioni. Baada ya kurekebisha mapato ya pamoja ya faida ya Shs.433 milioni na hasara zilizotokana na ubadilishanaji wa fedha za kigeni ya Shs.35 milioni, faida ya biashara ya Kampuni hii kabla ya kodi ilikuwa Shs.2,005 milioni, ikilinganishwa na Shs.2,160 milioni katika mwaka uliotangulia.

**MAPATO KULINGANA NA VIWANGO VYA WATEJA**



- ▶ Nyumbani na viwanda vidogo
- ▶ Biashara na viwanda vya kadri
- ▶ Biashara na viwanda vikubwa
- ▶ Matumizi madogo
- ▶ Taa za barabara
- ▶ REF
- ▶ Wengineo

**MATOKEO YA KIFEDHA**

**Hesabu**

Katika mwaka huo, vimo 3,498 milioni vya umeme vilizuzwa. Hii ilikuwa ongezeko la asilimia 2.7 juu ya vimo 3,406 milioni vya umeme vilivyozwa katika mwaka uliotangulia. Vimo vya umeme vilivyozwa vilileta mapato ya Shs.18,073 milioni, ongezeko la Shs.1,180 milioni (asilimia 7), kutoka Shs.16,893 milioni katika mwaka uliotangulia. Ongezeko hilo lilitokana na ufanisi katika mauzo na malipo zaidi ya gharama za mafuta ya Shs.640 milioni.

Gharama za matumizi, ikiwemo ni pamoja na malipo ya madeni na malipo zaidi ya maendeleo kuhusiana na kampuni za kuuza umeme kwa wingi, ziliongezeka kutoka Shs.15,644 milioni mnamo 1996/97 hadi Shs.16,466 milioni mnamo 1997/98, na kuwakilisha ongezeko la Shs.822 milioni (asilimia 5). Ongezeko hilo limetokana hasa na gharama za juu na malipo ya ziada ya mafuta yaliyotumiwa kuendesha mitambo ya kupiga umeme baada ya mtambo mmoja katika Gitaru kusimamishwa kwa miezi minne kutokana na hitilafu ya transforna.

Matokeo ya biashara katika mwaka huo, kwa hivyo, yanawakilisha faida ya matumizi ya Shs.1,607 milioni, ikilinganishwa na Shs.1,249 milioni katika mwaka uliotangulia. Kutokana na kuongezeka kwa thamani ya pesa maarufu za kigeni dhidi ya shilingi ya Kenya katika mwaka huo, Kampuni hii ilipata hasara katika ubadilishaji wa pesa za kigeni kuhusiana na pesa za kigeni kufikia Shs.35 milioni, ikilinganishwa na faida za pesa za kigeni za Shs.127 milioni mnamo 1996/97.

Riba mapokezi ilipunguka kutoka Shs.884 milioni hadi Shs.591 milioni ilhali riba malipo ikaongezeka kutoka Shs.100 milioni hadi Shs.157 milioni.



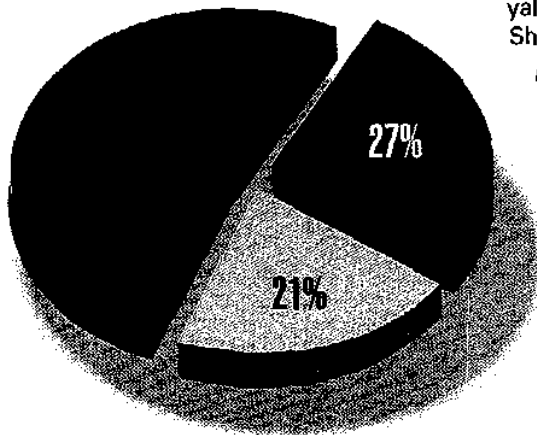
*Kampuni imeweka juhudi kubwa kwenye miradi ya kusambaza stima na kurekebisha mitambo. Picha hii inaonyesha hatua za mwisho za kuongeza nguvu mtambo wa kituo kidogo cha Parklands, kilichoongezwa nguvu mwaka huu.*

Matokeo kamili ya shughuli hizo ni faida kabla ya kodi ya Shs.2,005 milioni, ikilinganishwa na Shs.2,160 milioni katika mwaka uliotangulia. Baada ya kuondoa Kodi ya faida na migawo ya faida kwa mwaka huo, faida kamili ya Shs.1,040 milioni itahamishwa kwenye mahifadhi ya pesa.

**Kodi**

Kiasi cha Shs.541 milioni kimetengewa Kodi ya Faida. Hii inalinganishwa na Shs.606 milioni mnamo 1996/97. Kodi ya Thamani ya Ziada (VAT) iliyolipishwa mauzo ya umeme ilileta Shs.1,586 milioni, ikiwa imeongezeka kutoka Shs.1,350 milioni. Kodi ya Mapato (PAYE) iliongezeka kutoka Shs.633 milioni hadi Shs.936 milioni. Malipo ya Kodi ya Forodhani na VAT yaliongezeka kutoka Shs.430 milioni katika mwaka uliotangulia hadi Shs.575 milioni.

**MGAWO WA FAIDA KABLA YA KULIPA USHURU**



- ▶ Mapato
- ▶ Faida iliyobaki
- ▶ Ushuru

**Migawo ya Faida**

Migawo ya mbele ya faida kufikia Shs.1.9 milioni ililipwa mnamo tarehe zilizotazamiwa. Migawo wa faida wa asilimia 15 (Shs.158 milioni) ulilipwa Wenye-hisa wa Kawaida waliosajiliwa katika vitabu vya Kampuni hii kufikia wakati wa kufunga biashara mnamo Aprili 8, 1998. Wakurugenzi wenu wanapendekeza mgawo wa mwisho wa faida wa pesa taslimu wa asilimia 25, ama Shs.5 kwa kila hisa, na kuunganisha Shs.264 milioni zaidi zitakazolipwa Wenye-hisa wa Kawaida waliosajiliwa katika vitabu vya Kampuni hii wakati wa kufunga biashara mnamo Novemba 18, 1998.

Kwa vile inahifadhi baadhi ya hisa, Serikali italipwa Shs.171 milioni kati ya jumla ya migawo ya faida iliyolipwa na itakayolipwa. Migawo hiyo pamoja na kodi inafanya mchango wa moja kwa moja kwa Serikali katika mapato ya kitaifa kuongezeka hadi Shs.3,809 milioni, ukiwa umeongezeka kutoka Shs.3,190 milioni mnamo 1996/97.

**TOLEO LA BAKSHISHI**

Wakurugenzi wameamua kutumia kiasi cha Shs.527,520,000 kutoka kwenye akiba ya mapato na kutoa kiasi hiki kama tolea la bakshishi kwenye hisa. Hisa mpya zitabadilishwa kama viungo vya hisa na kupeanwa kama hisa moja mpya ya Shs.20 kwa viungo viwili vya hisa. Ijapokuwa hisa hizi mpya zitapendekezwa katika mgawo wa mkutano mkuu ujao, hata hivyo, zitapendekezwa kwenye hisa zingine zote zilizoko kwenye kampuni. Pendekezo lifaalo litatolewa kwenye mkutano ujao wa mwaka.

**KUFANYIWA MAREKEBISHO KWA KIFUNGU NAMBARI 110**

Kifungu nambari 110 cha makampuni kinawapa wakurugenzi kiwango fulani cha uwezo kuhusiana na shughuli za kampuni, kukopa pesa ama kutoza kampuni pesa, mali na kutoa stakabadhi ya pesa zilizokopwa ama kutoa dhamana kwa deni lolote linalokopwa. Kiwango hicho cha uwezo hakiwezi kuzidishwa kabla ya kuidhinishwa na wenye hisa. Hii ina maana kwamba wakurugenzi hao ni sharti kwanza wapate idhini kutoka kwa wenye hisa wakati wa mkutano mkuu kabla ya kifungu hicho kufanyiwa marekebisho, ikiwa kiwango cha uwezo uliowekwa kimo kwenye hatari ya kukiukwa. Kifungu hicho kilifanyiwa marekebisho kwa mara ya mwisho mnamo mwaka wa 1990, wakati kiwango cha ukopaji kilipopandishwa hadi kufikia shillingi billioni 4, na kutokana na upanuzi wa haraka wa shughuli za kampuni, kifungu hiki kinahitaji kufanyiwa marekebisho.

Mashauri yamefanywa baina ya mawakili wa kampuni, wahasibu na soko la uzaji wa hisa la Nairobi ambao wana maoni sawa kwamba kiwango kama hicho cha uwezo ni cha juu mno kuhusiana na kampuni zinazohusika na ni pingamizi kuhusiana na shughuli za sasa za kibiashara. Kwa sababu hiyo kinapasa kuondolewa ili kuepusha marekebisho ya mara kwa mara ya kifungu hicho. Wakurugenzi wako wanakubaliana na wazo hilo, na wamependekeza kwamba kifungu hicho kifanyiwe marekebisho wakati wa mkutano mkuu wa kila mwaka wa kampuni ili kuondoa kiwango hicho.

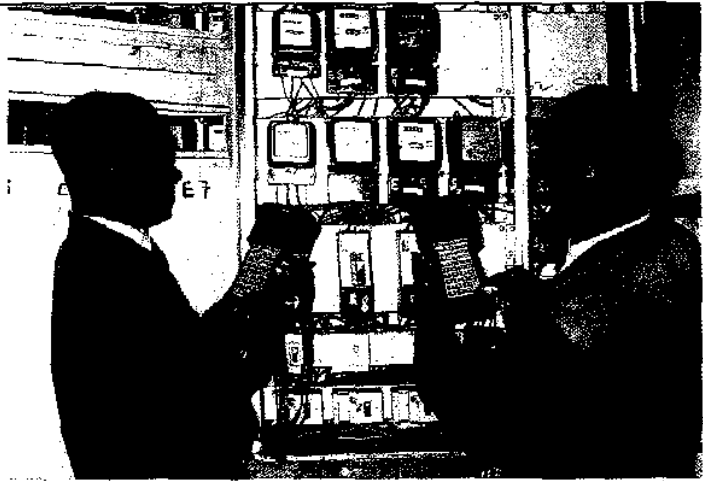
...zote za mdundu kwa wateja, sasa zinayo huduma...  
kompyuta na makarans... kwenye mezi za mdundu...  
na za malipo. Topp... anaonekana akilipa billi yake...  
afisi ya huduma kwa wateja, Stima Plaza, Nairobi.

CMA-LIBRA

THE KENYA POWER & LIGHTING CO. LTD.

**MABADILIKO KWENYE SHUGHULI ZA UMEME**

Kufuatia utenganishaji wa kazi ya kutoa umeme kutoka usambazaji na ugawaji chini ya mabadiliko ya sekta ndogo ya umeme, kampuni moja ya ushauri wa kitaalamu, Price Waterhouse nchini Uingereza, iliteuliwa na Serikali kufanya utafiti wa kukadiria thamani ya rasilmali. Utafiti huu unahusu ukadiriaji wa thamani ya rasilmali zitakazohamishwa kati ya Kenya Power and Lighting Company (KPLC) na Kenya Electricity Generating Company Ltd. (KenGen) ambayo zamani ilikuwa Kenya Power Company Ltd. Chini ya mabadiliko hayo, KPLC itamiliki rasilmali za usambazaji na ugawaji, ilhali KenGen itamiliki rasilmali za kutoa umeme. Mapendekezo ya mwisho ya ripoti kuhusu mabadiliko hayo tayari yamewasilishwa na yanachunguzwa.



*Mitambo ya Kompyuta imewekwa kote nchini kwa nia ya kuhudumia wateja vyema zaidi: Wasoma mita wakitumia mitambo ya kompyuta ya kushika kwa mkono inayotumika kusoma mita kwa urahisi.*

Serikali imeteua pia kampuni nyingine ya ushauri, Merz and McLellan nchini Uingereza kurekebisha utafiti wa orodha ya malipo ya umeme ya 1993 na kupendekeza orodha ya malipo ambayo yatumika kwenye sekta hii iliyobadilika. Pamoja na hayo, Serikali iliteua wanachama wa Halmashauri ya Usimamizi wa Umeme (ERB), iliyoundwa chini ya Sheria ya Umeme, 1997, ambayo wajibu wake, miongoni mwa maswala mengine, ni usimamizi wa orodha ya malipo ya umeme.

**MRADI WA UIMARISHAJI WA HUDUMA (ISP)**

Kwa kutilia mkazo uridhishaji wa wateja, Mradi wa Uimarishaji wa Huduma (ISP), uliendelea kunufaisha huduma za kampuni hii kupitia kwa mpango wa kutumia kompiuta ambao tayari umetekelezwa. Chini ya mradi huu, Kampuni hii imeimarisha huduma zake kwa kutoa wakati unaohitajika takwimu za usimamizi wa shughuli zake, na hivyo, kuweka msingi imara wa maendeleo ya sasa na siku zijazo. Chini ya mradi huo, Kampuni hii, katika miaka mitatu iliyopita, imeanzisha kituo cha kisasa cha kompiuta katika Stima Plaza, kuunganisha mawasiliano ya mitambo ya kompiuta kote nchini, na kuwapa mitambo ya kisasa na ustadi wafanya kazi wake kupitia mipango mbali mbali ya mafunzo.

Mbali na haya, huduma zote muhimu ikiwemo ni pamoja na usomaji mita, hati za kudai malipo, ukusanyaji pesa, huduma za dharura, maombi ya huduma mpya za umeme, uhasibu, mpango wa matibabu ya wafanya kazi (Medicare) na utayarishaji mishahara zimeimarishwa zote ili kutoa huduma za haraka. Mitambo hiyo ya kompiuta inayotumiwa na kusimamiwa na wataalamu wa Kampuni, imeratibishwa kutumiwa hadi kupita mwaka wa 2000 (Y2K).

Kama sehemu moja muhimu ya kuonyesha mfano mwema wa uthabiti na ustaarabu, tuliendelea kubadilisha upya huduma za wateja afisini, mavazi ya wafanya kazi, mbao za matangazo na vifaa vingine vya kujitambulisha vya Kampuni hii.

Mradi huu, ambao sasa unapigwa msasa zaidi, upo katika awamu ya mwisho ya ushirikishaji, utekelezaji na usimamizi.

**HUDUMA KWA WATEJA**

Kuambatana na shabaha muhimu ya Kampuni hii ya kuimarisha zaidi natija ya huduma kwa wateja wetu, Kampuni hii ilianzisha Idara ya Huduma kwa Wateja na pia kuimarisha zaidi ukusanyaji mapato. Huduma hii inahusisha utayarishaji wa maombi ya huduma mpya za umeme, usomaji mita, ukusanyaji mapato, kufungua na kufunga akaunti, uhusiano na wateja na uzaji. Afisi zetu zote kuu za huduma kwa wateja sasa zinatoa huduma kupitia kompiuta katika kaunta za kuwasilisha maswali na malalamiko.

Pamoja na hayo, mitambo mingine ya kompiuta yenye lengo la kuimarisha zaidi huduma kwa wateja pia inatumiawa katika afisi zote za Kampuni hii. Hii ni pamoja na mitambo ya kompiuta ya kutayarisha maombi ya huduma mpya za umeme (ICS) na usimamizi wa huduma zote kwa wateja; Mitambo ya Kompiuta za Uchoraji na Ujenzi (DCS) wa waya zote za ugawaji na vituo vidogo; na Mitambo ya Kompiuta za Huduma za Dharura

(IMS) na shughuli nyingine za kawaida za mpangilio wa ugawaji. Utumiaji wa mitambo hii umesaidia katika kuimarisha zaidi natija ya huduma kwa wateja.

Katika afisi za Huduma za Dharura, vituo vipya vya kupokea simu vilianzishwa ambapo simu zinazopokewa zinaratibishwa kwa kompiuta na kuwasilishwa papo hapo kwa mitambo ambayo inasimamia shughuli za mafundi wa umeme. Hii imesaidia kupunguza muda mrefu unaotumiwa kushughulikia simu za huduma za dharura zinazopokewa kutoka kwa wateja.

Ili kusaidia katika kuharakishia wateja huduma za kupokea malipo ya huduma za umeme, matayarisho yanafanywa kuongeza afisi zaidi za malipo hasa mjini Nairobi.

## USAMBAZAJI NA UGAWAJI

Kufuatia mabadiliko kwenye sekta ndogo ya umeme, Kampuni yenu ilihifadhi wajibu wa usambazaji na ugawaji umeme. Katika wajibu huo, Kampuni hii hununua umeme kutoka kwa KenGen na Independent Power Producers (IPPs) ili kuuzia wateja wake.

Ili kutimiza lengo hili, Kampuni hii inatilia mkazo juhudi zake katika miradi ya usambazaji na ugawaji pamoja na mipango ya uimarishaji na usimamizi.

### *Maendeleo ya Usambazaji, Mipango ya Uimarishaji na Usimamizi*

Miongoni mwa miradi iliyopendekezwa chini ya Least Cost Development Plan, iliyotekelezwa na Kampuni hii ikisaidiwa na Acres International, ni pamoja na waya za usambazaji za Kiambere-Nairobi 220kV na Kipevu-Rabai 132kV.

Kampuni nyingine, Mott MacDonald, iliteuliwa washauri wa utayarishaji wa hati za zabuni na ukaguzi wa utekelezaji wa miradi hiyo yote miwili. Zabuni za ujenzi wa waya hizo tayari zimealikwa na miradi hiyo inatazamiwa kuanza kufanya kazi rasmi mnamo 2000.

Kampuni hii iliimarisha zaidi kote nchini mpango wa ugawaji umeme na uimarishaji na usimamizi wa huduma zake ili kukuza zaidi uthabiti na upokezi wa umeme wakati wote. Hii itapunguza hitilafu za mara kwa mara na ukatizaji wa huduma za umeme.

Mjini Nairobi, Shs.208 milioni zilitumiwa katika kuanzisha kituo kidogo kipya 66/11kV katika Kileleshwa na kupandisha hadhi kituo kidogo cha Parklands kutoka 42MVA hadi 90MVA.

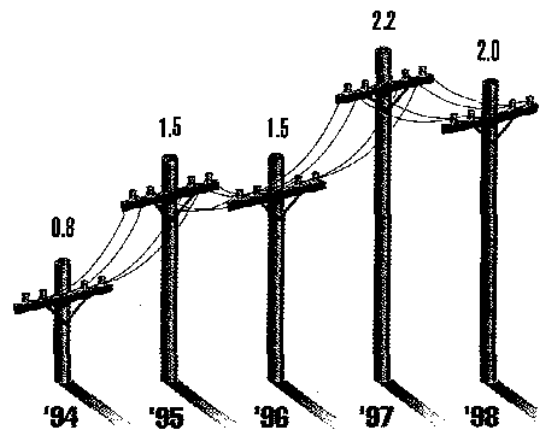
Kiasi kingine cha Shs.93 milioni kilitumiwa katika miradi mitatu ya uimarishaji huduma katika Nyali, Malindi na Kipevu katika Mkoa wa Pwani na kingine cha Shs.89 milioni kikatumiwa katika Kenya Magharibi. Kiasi kingine cha Shs.45 milioni kilitumiwa katika uimarishaji huduma katika maeneo ya Mlima Kenya, Rift Kati na Rift Kaskazini. Kampuni hii pia iliimarisha zaidi usimamizi wa mpango wa ugawaji kuhusu ubadilishaji wa transfoma zilizozidiwa na matumizi, milingoti iliyooza, waya zilizofifia, ufyekaji, miongoni mwa mipango mingine, na pia usimamizi wa vituo vidogo vya umeme.

Usimamizi wa mpangilio wa waya za usambazaji bila kukatiza umeme uliimarishwa pia kwa kutumia helikopta ya Kampuni hii.

### *Upunguzaji wa Upoteaji wa Umeme na Mahitaji ya Mipango ya Kuhusika ya Usimamizi*

Kampuni hii imeanzisha Mpango wa Kupunguza Upoteaji wa Umeme utakaogharamiwa chini ya fadhili ya International Development Association (IDA). Pia kugharamiwa chini ya fadhili hiyo ni mpango wa kuhusisha wateja kwenye usimamizi wa umeme na uhifadhi wa nishati. Mipango hii miwili inatazamiwa kuendelea kuanzia 1998 hadi 2003 na uteuzi wa wataalamu washauri kusaidia katika utekelezaji wao unakaribia kukamilika.

**FAIDA KABLA YA KULIPA KODI** MABILLIONI (SRS).



**UIMARISHAJI WA UWEZO WA UTOAJI UMEME**

**Mitambo ya kuongezea huduma zaidi za umeme**

Mitambo miwili hasa, Iberafrica Power (Kenya) Ltd. katika Nairobi South na Westmont Power (Kenya) Ltd. katika Mombasa, yenye uwezo wa kutoa 88MW za umeme, iliendelea kutimiza wajibu wao kwa hali ya kuridhisha na kuongezea sana huduma zaidi za umeme, hasa wakati mtambo wa 72.5MW wa Kituo cha Umeme cha Gitaru ulipofungwa kwa muda mrefu baada ya kutokea hitilafu ya transformo.

*Uwezo wa kutoa umeme unakusudiwa kuimarishwa zaidi kwa 533MW katika muda wa miaka mitano ijayo, kutokana na utekelezaji wa miradi ifuatayo katika sekta ya umma na binafsi:*

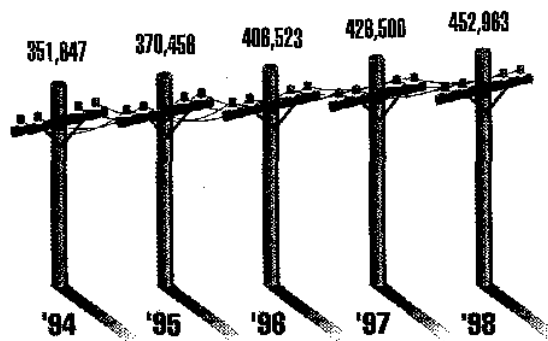
**Mtambo wa Gesi wa 30MW**

Katika Kipevu, mtambo wa gesi wa 30MW, ambao kwa wakati huu unakaribia kukamilika nchini Uingereza, unatazamiwa kuanza kufanya kazi tena mnamo Machi, 1999.

**Miradi ya haraka ya utoaji umeme**

Wakati wa Mpango wa Least Cost Development Plan, ilithibitishwa kwamba mitambo miwili ya 55MW kila

**IDADI YA WATEJA**



moja, inahitajika haraka iwezekanavyo kupunguza upungufu wa umeme unaotazamiwa kutokea hadi miradi inayohusika ya kuimarisha zaidi utoaji umeme itakapoanza kutumiwa. Kadhalika, ilipendekezwa kwamba ili kuhakikisha usawa na uthabiti katika huduma, mtambo mmoja uwe Eldoret, na mwingine Nakuru. Makampuni ya binafsi (IPPs) tayari yamewasilisha maombi na ukadiraji umekamilika. Maombi ya mapendekezo pia yamepelekewa makampuni yaliyoorodheshwa na zabuni zinatazamiwa kuwasilishwa kufikia mwishoni mwa 1998. Mitambo hiyo inatazamiwa kuanza kutumiwa 2000.

**Mradi wa pili wa Kipevu wa MW 75**

Kandarasi ya kustawisha mradi huu ilipewa kampuni ya Wartsila NSD Power Development na makubaliano ya kununua umeme yame-tekelezwa. Mradi huu unatarajiwa kukamilika katika mwaka wa 2000.

**Kituo cha tatu cha Oikaria**

Mashauriano bado yanaendelea na Ormat International Inc. Mkataba wa Ununuzi wa Umeme umetekelezwa na wastawishaji, na kazi muhimu za mwanzoni zimeanzishwa. Mitambo huu unatazamiwa kukamilika 2002.

**Miradi ya KenGen**

KenGen imeanza kutekeleza miradi minne inayogharimiwa na umma ya kutoa umeme jumla ya 254MW. Hii ni: mtambo wa tatu wa 72.5MW wa Gitaru, mtambo wa kwanza wa dizeli wa 75MW wa Kipevu, mtambo wa pili wa 64MW Oikaria, wa huduma za umeme kutokana na mvuke na mpango wa umeme wa kutokana na maji wa 60MW wa Sondu Miriu. Miradi hii inatazamiwa kukamilika wakati mbali mbali kufikia 2002.

**UMEME KATIKA MASHAMBANI**

Kwa niaba ya Serikali, Kampuni yenu iliendelea na utekelezaji wa mipango ya upelekaji umeme katika sehemu za mashambani. Katika mwaka huo, Shs.454 milioni zilitumiwa katika upanuzi wa waya za umeme kwa mipango 620 ambayo ilikuwa katika viwanda mbali mbali vya utekelezaji na kufanya gharama zao kwa jumla kufikia Shs.3,368 milioni tangu ianze kutekelezwa.

Idadi ya wateja chini ya mipango hiyo iliongezeka kwa 2,736 ama asilimia 5 kutoka 55,242 hadi 57,978. Vimo vya umeme vilivyouzwa viliongezeka kutoka 150 milioni hadi 153 milioni, ongezeko la asilimia 2. Mapato yalifikia Shs.864 milioni ikilinganishwa na Shs.849 milioni katika mwaka uliotangulia, ongezeko la asilimia 2.

Serikali ya Kenya na Tume ya Jumuiya ya Ulaya zilitia sahihi mkataba wa kutenga Shs.375 milioni kutoka kwa hazina za Thibiti ya Mauzo ya Kigeni (STABEX) kugharimia awamu ya kwanza ya Mpango wa Usambazaji wa Umeme katika Viwanda vya Kahawa vya Sehemu za Mashambani (COFREP). Mpango huo unakusudiwa kuimarisha zaidi uthabiti na natija ya utayarishaji kahawa kwa kubadilisha mitambo ya dizeli na ile ya kuendeshwa na umeme. Awamu ya kwanza ya mpango huo inalenga viwanda 168 vya kahawa kote nchini. Kufikia sasa, Shs.120 milioni zimetolewa kuweka umeme katika viwanda 57 kama hivyo vya kahawa.



*Mitambo ya kompyuta iliowekwa kote nchini imesaidia sana kurahisisha huduma kwa wateja. Hapa, wafanyakazi wana-jaribu mtambo wa kompyuta ambao umekamilika karibuni.*

Viwanda 20 na maombi mengine ya umeme ya viungani mwao vilipelekewa umeme katika mwaka huo na shughuli za upelekaji umeme kwenye viwanda vingine 37 ziko kwenye viwango mbali mbali za utekelezaji.

Kufuatia uanzishaji wa Hazina ya Umeme Mashambani chini ya Sheria ya Umeme, 1997, kodi ya asilimia 5 inalipishwa mauzo yote ya nishati ya umeme kutoka kwa Kampuni hii. Hii itasaidia kuimarisha zaidi Hazina ya Umeme Mashambani kwa kuongezea Shs.600 milioni mwaka huu na kuwezesha wateja zaidi kupelekewa huduma za umeme nchini.

## WAFANYA KAZI NA MAFUNZO

Tunaendelea kutilia mkazo wajibu unaotekelezwa na wafanya kazi katika kutimiza shabaha za Kampuni hii. Hivyo, katika mwaka unaoelezwa tuliimarisha zaidi umoja wetu kwa kushirikiana na kutekeleza madhamira yetu, wajibu na mwelekeo mpya wa Kampuni na wafanya kazi wetu. Hii ilifanywa kupitia kwa semina kadhaa na mijadala katika majukwaa mbali mbali. Juhudi hizo pamoja na motisha zilizoendelea pamoja na maslahi ya wafanya kazi wetu kupitia malimbikizo ya kuvutia na mipango ya mafunzo, zilichangia sana katika kuimarisha zaidi huduma kwa wateja na matokeo ya biashara.

Jumla ya Shs.133 milioni zilitumiwa katika mafunzo ya jumla ya wafanya kazi 4,578 katika Chuo cha Mafunzo cha Kampuni hii na taasisi nyingine. Kati ya kiasi hicho, Shs.46 milioni zilitumiwa katika mipango muhimu ya mafunzo na maendeleo ya usimamizi, teknolojia takwimu, afya na usalama kazini, huduma kwa wateja na maendeleo ya ufundi. Mipango hii ilifanywa hapa nchini na ng'ambo.

Kwa kutambua umuhimu wa uelewano kazini katika kuimarisha zaidi uzalishi, Kampuni hii ilidumisha ushirikiano wa manufaa na viongozi wa wafanya kazi (KETAWU) katika maswala yote kuhusiana na maslahi yao na, hivyo, kuhakikisha amani na ushirikiano kote katika mwaka huo.

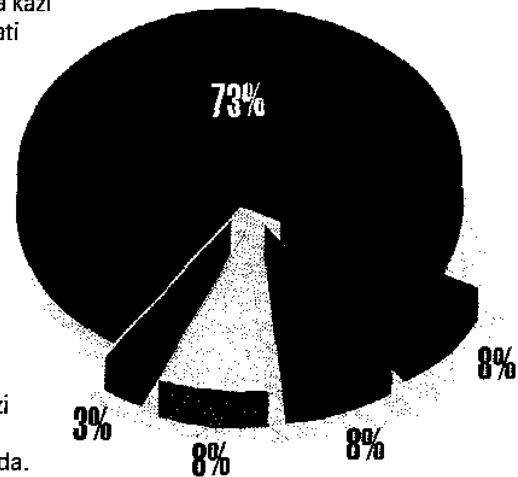
Kampuni hii ilikuwa na wafanya kazi 7,167 kufikia Juni 30, 1998, ikilinganishwa na wafanya kazi 8,279 katika mwaka uliotangulia. Katika mwaka unaoelezwa, wafanya kazi 1,591 waliondoka ikilinganishwa na wafanya kazi 311 katika mwaka uliotangulia. Kati ya hao, wafanya kazi 1,390 waliamishwa hadi KenGen chini ya mpango wa mabadiliko ya sekta ndogo ya umeme, ilhali wengine waliondoka kwa sababu za kawaida. Kiwango cha wateja wanaotumikiwa na wafanya kazi kilifikia 63:1 ikilinganishwa na 51:1 katika mwaka uliotangulia.

## UHUSIANO NA UMMA

### Mawasiliano na Elimu ya Wateja

Katika mwaka unaoelezwa, Kampuni hii iliendelea kuhimiza elimu ya wateja pamoja na kuimarisha sifa yake. Kama sehemu ya juhudi zilizodumishwa za kuwafikia wateja na wananchi kwa jumla, Kampuni hii ilishiriki katika Maonyesho 11 ya Chama cha Kilimo nchini Kenya (ASK), na ikajishindia zawadi 30 za kwanza, tano za pili na sita za tatu katika mashindano mbali mbali ya maonyesho hayo. Vibanda vyetu vipya vya maonyesho katika Nairobi, Mombasa na Nakuru, pamoja na mapambo yao na utumiaji wa mbinu za kisasa za maonyesho, vilichangia katika matokeo hayo mazuri. Vifaa hivyo vilivyoimarishwa pia vilisaidia Kampuni hii kuonyesha kikamilifu huduma zake na bidhaa na kuridhisha wananchi waliotembelea vibanda vyake. Habari kuhusu shughuli za Kampuni hii na huduma kwa wateja, historia, uhifadhi wa umeme na usalama pia zilisambazwa katika maonyesho hayo.

## UZALISHAJI KULINGANA NA KIINI



- ▶ Nguvu za maji
- ▶ Nguvu za mvuke
- ▶ Wazalishaji wa kibinafsi (IPP)
- ▶ Mvuke
- ▶ Halmashauri ya umeme ya Uganda (UEB)

Filamu mpya kuhusu maendeleo ya Kampuni hii na wajibu ilitayarishwa na kuonyeshwa katika televisheni ya Shirika la Utangazaji la Kenya (KBC) na mashirika mengine na kupitia filamu za kuonyeshwa uwanjani. Filamu hiyo, "Future Current", itaendelea kuonyeshwa kupitia majukwaa mbali mbali nchini na ng'ambo.



*Mkurugenzi mkuu Bw. S.K. Gichuru, anapeana hundi kusaidimakao ya watoto ya Dr. Barnados.*

Shughuli za Kampuni hii na miradi yake zilitangazwa kupitia magazetini, televisheni na radioni ilhali kipindi cha radioni, "Ulimwengu wa Reddy Kilowatt", kiliendelea kuwa kielelezo muhimu cha kuwafunza wananchi na kutangaza Kampuni hii.

Wateja waliendelea kuelimishwa kupitia filamu, taarifa za habari, makala ya Kampuni hii, "Stima Newsletter", makala mbali mbali, matangazo, vituo vya ushauri wa wateja na kupitia mbinu tofauti za utangazaji masokoni na shuleni.

Stima Newsletter ilichapishwa mara kwa mara kujulisha wafanya kazi na wahusika wengine shughuli na miradi ya Kampuni hii.

### **Ufadhili kwa Jamii**

Kama Kampuni inayojitambulisha na uzalendo na ukarimu, Kampuni hii ilidhamini mipango mbali mbali ya ufadhili katika mwaka huo. Pesa zilipewa makao ya watoto ya Dr. Barnardos na Dagoretti na Hospitali ya Wagonjwa Wasiotibika ya Eldoret. Wafanya kazi walichangisha pesa kusaidia wagonjwa wa maradhi ya moyo kwa kushiriki katika Dettol Heart Run na Kampuni hii pia ilipatia vitabu na kuanzishia Starehe Boys Centre Hazina ya Elimu ambapo wanafunzi wawili wa shule hiyo watakuwa wakilipiwa karo kila mwaka.

### **MATUMAINI YA SIKU ZIJAZO**

Ni jambo la kutia moyo kwamba katika kiwango cha kitaifa, wahusika muhimu wanashughulikia swala la kufufua uchumi. Serikali hasa imetangaza hatua mathubuti katika kupunguza gharama na kuimarisha uzalishi. Hii pamoja na mpango unaokusudiwa wa kupunguza watumishi wa umma, kuwepo kwa sekta changamoto ya binafsi, ari ya sekta zote muhimu katika kubadilisha Kenya kuwa taifa lenye maendeleo zaidi ya viwanda (NIC) kufikia 2020 na ufufuaji wa ushirikiano wa kanda hili, itasaidia katika kufufua haraka uchumi na kudumisha mwelekeo wa maendeleo.

Katika sekta ndogo ya umeme, vikwazo katika uwezo wa utoaji umeme, ambavyo vilitatiza mahitaji wakati uliopita, vinachunguzwa. Katika KPLC, tumejitolea mhanga na kuimarisha zaidi uwezo wetu katika kutekeleza ipasavyo wajibu wetu katika siku zijazo na kutimiza kamili wajibu wetu katika kudumisha mwendo wa maendeleo ya kitaifa.

Pia, ni habari njema kwamba kiwango cha ufanisi cha matumizi ya umeme miongoni mwa wateja wa kadiri wa biashara na viwanda mnamo 1997/98 kimeendelea kuimarika. Hii inadhahirika hasa katika viwanda vya mboga, matunda na maua ambavyo Kampuni hii imenufaisha sana kwa kuvipa umeme thabiti. Kadhalika, kuna matumaini ya nafasi zaidi za biashara hasa katika viwanda vya migodi na madini, hasa katika Mkoa wa Pwani ambapo kampuni moja kutoka Canada imepewa leseni ya kuchimba na kutayarisha madini ya *titanium*.

Mradi tu hatua za kufufua uchumi zifue dafu, kuna matumaini ya ongezeko zaidi katika mahitaji ya umeme, na kusaidia pia kuimarisha zaidi shughuli zetu. Ni muhimu, hata hivyo, kwamba tujiandae kujitolea zaidi katika kuimarisha usimamizi na faida katika nyanja za ukusanyaji mapato na matumizi ya pesa. Kwa kutambua wajibu huo, wakurugenzi wenu wamechukua hatua mathubuti ili kuweka Kampuni yenu katika barabara ya haraka ya kunufaika kamili na nafasi zinazotokea zaidi za biashara.

### **Shukrani**

Kwa niaba yenu na Halmashauri hii, napenda kuwashukuru wateja wetu wote, Serikali na vituo vyake, mashirika yanayotukopesha pesa, wasimamizi wetu wastadi na wafanya kazi wote kutokana na wajibu na michango yao katika kuleta matokeo ya kusifika ya biashara chini ya hali ngumu.

**Titus T. Naikuni**

**Mwenyekiti**

Oktoba 15, 1998



The directors submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June, 1998.

### ACTIVITIES

The principal activities of the Company continued to be the distribution and sale of electricity from energy purchased from local bulk supply companies, the Company's own generating stations and the Uganda Electricity Board.

### RESULTS AND DIVIDENDS

	<b>Sh'000</b>
Profit before taxation	2,005,343
Provision for taxation	541,068
Profit after taxation	1,464,275
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
	1,930
Ordinary Stock dividends	422,016
	423,946
Retained profit for the year transferred to revenue reserves	1,040,329

### DIVIDENDS

An interim dividend of Shs.3 (15%) per share was paid on 30<sup>th</sup> April, 1998. The directors recommend payment of a final dividend of Shs.5 (25%) per share making a total dividend of Shs.8 (40%) per share for the year.

### CAPITAL EXPENDITURE

During the year, a total of Shs.2,683,396,000 was spent on fixed assets. Capital contributions received from customers amounted to Shs.1,141,205,000 resulting in a net capital cost to the company of Shs.1,542,191,000. Net capital work-in progress as at 30<sup>th</sup> June, 1998, amounted to Shs.1,898,924,000 compared to Shs.1,233,498,000 at the end of the previous year.

Wakurugenzi wanatoa taarifa yao pamoja na taarifa ya ukaguzi wa fedha kwa mwaka uliomalizika tarehe 30 Juni, 1998.

### SHUGHULI

Shughuli kuu za kampuni ziliendelea kuwa kusambaza na kuuza stima inayotokana na kawi iliyonunuliwa kutoka kwa kampuni za hapa nchini, vituo vyake yenyewe vya uzalishaji umeme na kutoka kwa halmashauri ya stima ya Uganda.

### MATOKEO NA MGAWO WA MAPATO

	<b>Sh.'000</b>
Faida kabla ya kulipa Ushuru	2,005,343
Tafaa la Ushuru	541,068
Faida baada ya kulipa Ushuru	1,464,275
Mgawo wa faida za hiari uliolipwa katika mwaka kwa: 350,000 7% Cumulative Preference Stock units (gross)	490
1,800,000 4% Cumulative Preference Stock (gross)	1,440
	1,930
Mgawo wa kawaida wa faida	422,016
	423,946
Faida iliobaki na kuhamishwa kwa mabaki ya mapato	1,040,329

### MGAWO WA MAPATO

Mgawo wa muda wa kati wa Shs.3 (15%) kwa hisa ulilipwa mnamo Aprili 30, 1998. Wakurugenzi wanapendekeza malipo ya mwisho ya mgawo na mapato wa Shs.5 (25%) kwa hisa. Ikijumlishwa inakuwa Shs.8 (40%) kwa kila hisa katika mwaka huu.

### MATUMIZI YA MALI

Katika mwaka, jumla ya Shs.2,683,396,000 zilitumiwa kwa mali thabiti. Kiasi cha pesa zilizopokelewa kutoka kwa wateja kilikuwa ni Shs.1,141,205,000 na kufanya gharama kwa kampuni kuwa Shs.1,542,191,000. Jumla ya kiasi cha matumizi kwa kazi inayoendelea kufikia Juni 30, 1998, kilikuwa Shs.1,898,924,000 ikilinganishwa na Shs.1,233,498,000 kufikia mwisho wa mwaka uliotangulia.

**DIRECTORS**

The present members of the board of directors are shown on page 2.

Mr D. O. Kombo resigned on 29<sup>th</sup> July, 1997.

Mr F. M. Nyaga was appointed a director on 17<sup>th</sup> December, 1997, and Ms M.K. Chemengich joined the Board on 13<sup>th</sup> March, 1998, following her appointment as Permanent Secretary in the Ministry of Finance in place of Mr S.S. Lesrima.

In accordance with Regulation 128 of the Articles of Association, Ms M. K. Chemengich retires and, being eligible, offers herself for re-election.

In accordance with Regulation 120 of the Articles, Mr S.O.J. Ambundo, Mr T. D. Owuor and Mr T. T. Naikuni retire and, being eligible, offer themselves for re-election.

**AUDITORS**

The auditors, Deloitte & Touche, having indicated their willingness, continue in office in accordance with Section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

J.N. Kimani  
Secretary  
Nairobi  
6<sup>th</sup> October, 1998

**WAKURUGENZI**

Baraza la halmashauri ya wakurugenzi linaonyeshwa kwenye ukurasa wa pili.

Mr D.O. Kombo alijiuzulu mnamo Julai 29, 1997.

Mr F. M. Nyaga aliteuliwa kuwa mkurugenzi mnamo Desemba 17, 1997, na Bi. M.K.Chemengich akajiunga na halmashauri ya wakurugenzi mnamo Machi 13, 1998, kufuatia kuteuliwa kwake kama katibu mkuu wa Wizara ya Fedha kuchukua mahali pa Mr S.S. Lesrima.

Kulingana na agizo 128 ya maagizo ya kampuni, Ms. M.K. Chemengich anajiuzulu, na bado anaruhusiwa, na anajitolea kuchaguliwa tena.

Kulingana na agizo 120 ya maagizo, Mr S.O.J. Ambundo, Mr T.D. Owuor na Mr T.T. Naikuni wanajiuzulu na wakiwa bado wanaruhusiwa, wanajitolea kuchaguliwa tena.

**WAKAGUZI WA HESABU**

Wakaguzi wa hesabu, Deloitte & Touche, baada ya kuonyesha nia, wanaendelea kushikilia wadhifa wao, kulingana na kifungu cha 159 (2) sheria za makampuni.

KWA AMRI YA HALMASHAURI YA WAKURUGENZI.

J.N. Kimani  
Mwandishi  
Nairobi  
Oktoba 6, 1998.

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We have audited the financial statements on pages 26 to 36 and have obtained all the information and explanations considered necessary for our audit.

The financial statements are the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall financial statement presentation.

In our opinion, proper books of account have been kept by the company and the financial statements, which are in agreement therewith, comply with the Companies Act and give a true and fair view of the company's state of affairs at 30 June 1998 and of its profit and cash flows for the year ended on that date.

Deloitte & Touche  
Auditors  
Certified Public Accountants  
Nairobi  
6<sup>th</sup> October, 1998

Tumekagua ripoti ya fedha ilio katika kurasa za 26 hadi 36 na tumepata habari zote na maelezo yanayohitajika kufanya ukaguzi.

Ripoti ya fedha ni jukumu la wakurugenzi. Jukumu letu ni kutoa maoni kuhusu ripoti hio kulingana na ukaguzi wetu.

Tulifanya ukaguzi wetu kulingana na kanuni zinazokubaliwa za ukaguzi. Kanuni hizo zinahitaji kwamba tupange na tufanye ukaguzi huo tutosheke ya kwamba ripoti za fedha ni kamilifu. Ukaguzi unatia maanani kanuni za hesabu zilizotumiwa, na makadirio ya kifedha yaliofanywa na wakurugenzi, na kuchunguza ripoti ya fedha kwa jumla.

Kwa maoni yetu, kampuni imeweka vitabu vyake vya hesabu vizuri na ripoti za fedha, zinakubaliana na hesabu vyema kulingana na sheria za makampuni na zinaonyesha ukweli kuhusu hali ya kampuni kufikia Juni 30 1998, na mtiririko wake wa faida na pesa kufikia mwisho wa mwaka wa tarehe iliotajwa.

Deloitte & Touche  
Wakaguzi  
Certified Public Accountants  
Nairobi  
Oktoba 6, 1998.

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 1998**

**26**

	<b>Note</b>	<b>1998 Sh'000</b>	<b>1997 Sh'000</b>
REVENUE		18,073,232	16,893,149
OPERATING EXPENSES		16,466,480	15,644,324
OPERATING PROFIT	2	<u>1,606,752</u>	<u>1,248,825</u>
EXCHANGE (LOSSES)/GAINS	3	(34,890)	126,702
INTEREST RECEIVABLE	4	590,908	884,749
INTEREST PAYABLE	4	<u>(157,427)</u>	<u>(100,177)</u>
PROFIT BEFORE TAXATION		<u>2,005,343</u>	<u>2,160,099</u>
TAXATION	5	541,068	606,071
PROFIT AFTER TAXATION		<u>1,464,275</u>	<u>1,554,028</u>
DIVIDENDS - GROSS	6	423,946	423,946
RETAINED PROFIT FOR THE YEAR	16	<u>1,040,329</u>	<u>1,130,082</u>
EARNINGS PER ORDINARY STOCK UNIT	7	<u>Sh 27.72</u>	<u>Sh 29.42</u>

	<b>Note</b>	<b>1998 Sh'000</b>	<b>1997 Sh'000</b>
<b>FIXED ASSETS</b>	8	7,548,159	6,587,490
<b>UNQUOTED INVESTMENT</b>	9	4,300	4,300
<b>LOANS RECEIVABLE</b>	10	80,871	146,242
<b>CURRENT ASSETS</b>			
Stocks	11	3,701,006	2,922,129
Debtors	12	8,324,171	6,411,271
Loans receivable	10	80,868	75,670
Short term deposits		958,451	2,634,806
Bank and cash balances		286,682	1,575,794
		<u>13,351,178</u>	<u>13,619,670</u>
<b>CURRENT LIABILITIES</b>			
Creditors	13	11,999,369	12,706,425
Taxation payable		27,996	116,284
Dividends - payable		161,016	178,868
- proposed		263,760	263,760
Loans repayable within one year	17	230,506	226,876
Bank overdraft	14	1,058,063	467,937
		<u>13,740,710</u>	<u>13,960,150</u>
<b>NET CURRENT LIABILITIES</b>		<u>(389,532)</u>	<u>(340,480)</u>
		<u>7,243,798</u>	<u>6,397,552</u>
<b>Financed by:</b>			
<b>SHARE CAPITAL</b>	15	1,098,040	1,098,040
<b>RESERVES</b>	16	4,992,495	3,952,156
<b>SHAREHOLDERS' FUNDS</b>		<u>6,090,525</u>	<u>5,050,196</u>
<b>LOANS</b>	17	1,153,273	1,347,356
		<u>7,243,798</u>	<u>6,397,552</u>

The financial statements on pages 26 to 36 were approved by the board of directors on 6<sup>th</sup> October, 1998, and were signed on its behalf by:

T.T. Naikuni  
S.K. Gichuru } Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 1998**

**28**

	<b>Note</b>	<b>1998 Sh'000</b>	<b>1997 Sh'000</b>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19(a)	(1,294,654)	2,033,705
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		672,151	826,920
Interest paid		(166,282)	(106,950)
Dividends paid		(441,798)	(164,861)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		64,071	555,109
TAXATION PAID		(629,356)	(477,722)
INVESTING ACTIVITIES			
Additions to fixed assets, net of capital contributions		(1,542,191)	(2,223,312)
Proceeds from disposal of fixed assets		15,986	25,186
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,526,205)	(2,198,126)
NET CASH OUTFLOW BEFORE FINANCING		(3,386,144)	(87,034)
FINANCING			
Loans received		-	258,019
Repayment of amounts borrowed		(256,427)	(314,949)
Receipt of amount on-lent to KPC		86,978	89,729
NET CASH (OUTFLOW)/ INFLOW FROM FINANCING		(169,449)	32,799
DECREASE IN CASH AND CASH EQUIVALENTS	19(c)	(3,555,593)	(54,235)

## **1 ACCOUNTING POLICIES**

### **BASIS OF ACCOUNTING**

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

### **REVENUE**

Revenue represents the total income from the sale of electricity billed during the year excluding Value Added Tax due to the Government.

### **INTEREST**

Interest is accounted for on the accruals basis. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

### **STOCKS**

Stocks are valued at average cost less provision for obsolescence.

### **FIXED ASSETS COST**

Additions to transmission lines during the year are capitalised net of customers' contributions.

### **DEPRECIATION**

Depreciation is provided in accordance with the requirements of the Electric Power Act which provides for the write down of the cost of the assets to residual values by equal annual instalments over their estimated useful lives.

### **TAXATION**

Current taxation is provided on the basis of the results for the year as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred taxation is provided on timing differences between the accounting and taxation treatment of certain items of expenditure where, in the opinion of the directors, a significant liability to taxation will crystallise in the foreseeable future.

### **FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates of exchange ruling at the dates of the transactions. Exchange gains and losses arising during the period of construction of a project are capitalised as part of the cost of the project. Other exchange gains and losses are dealt with in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**30**

	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
<b>2 OPERATING PROFIT</b>		
The operating profit is arrived at after charging/(crediting):		
Cost of bulk supply:		
Debt service and other operating costs	3,754,872	3,693,175
Power purchases from independent power producers	2,986,815	-
Development surcharge (Note 18)	359,453	1,566,437
Fuel costs	1,794,032	2,083,268
Staff retrenchment costs	192,978	142,430
Directors' emoluments - fees	1,044	1,140
- other	5,639	3,240
Auditors' remuneration	6,050	5,500
Depreciation	579,494	406,484
Profit on disposal of fixed assets	(13,958)	(25,118)
	=====	=====
<b>3 EXCHANGE(LOSSES)/GAINS</b>		
(Loss)/gain on loan capital	(65,974)	140,389
Less: Amount allocated to The Kenya Electricity Generating Company Limited (KenGen)	26,805	(13,687)
	-----	-----
Net exchange (loss)/gain on loan capital	(39,169)	126,702
Exchange gain on prepayments	4,279	-
	-----	-----
Net exchange (loss)/gain for the year	(34,890)	126,702
	=====	=====
<b>4 INTEREST</b>		
Interest receivable:		
On bank and other deposits	590,777	884,317
On deferred capital contributions	131	432
	-----	-----
	590,908	884,749
	=====	=====
Interest payable:		
On loan	52,410	71,065
On bank overdraft	105,017	29,112
	-----	-----
	157,427	100,177
	=====	=====



	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
<b>5 TAXATION</b>		
Current taxation		
Based on the adjusted profit for the year at 32.5% (1997-35%)	551,411	554,353
Prior year (overprovision)/underprovision	(10,343)	51,718
	<u>541,068</u>	<u>606,071</u>
	=====	=====

The taxable profit is lower than the profit before taxation mainly due to excess capital allowances over depreciation and the effect of adjusting for realised exchange losses.

#### Deferred taxation

As at 30 June 1998, there was a potential deferred tax liability amounting to Sh 637,000,000 (1997 - Sh 668,599,000).

	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
<b>6 DIVIDENDS - GROSS</b>		
Preference stock units	1,930	1,930
Ordinary stock units		
- Interim paid 30 April 1998	158,256	158,256
- Final proposed	263,760	263,760
	<u>423,946</u>	<u>423,946</u>
	=====	=====

#### 7 EARNINGS PER ORDINARY STOCK UNIT

Earnings per ordinary stock unit are calculated on the profit after taxation and preference dividends of Sh 1,462,345,000 (1997 - Sh1,552,098,000) and on the number of stock units in issue at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**8 FIXED ASSETS**

	Land and buildings Sh'000	Transmission lines Sh'000	Plant and machinery Sh'000	Motor vehicles Sh'000	Furniture, equipment and others Sh'000	Total Sh'000
<b>COST</b>						
At 1 <sup>st</sup> July 1997	948,459	3,749,326	626,214	1,230,303	1,830,042	8,384,344
Additions	52,957	386,230	-	317,531	120,047	876,765
Reclassification	(8,453)	(6,128)	-	(784)	15,365	-
Disposals	-	(378)	-	(17,692)	-	(18,070)
At 30 <sup>th</sup> June 1998	<u>992,963</u>	<u>4,129,050</u>	<u>626,214</u>	<u>1,529,358</u>	<u>1,965,454</u>	<u>9,243,039</u>
<b>DEPRECIATION</b>						
At 1 <sup>st</sup> July 1997	245,351	1,203,287	371,765	598,705	611,244	3,030,352
Charge for the year	40,086	109,461	17,635	181,196	231,116	579,494
Eliminated on disposals	-	(360)	-	(15,682)	-	(16,042)
At 30 <sup>th</sup> June 1998	<u>285,437</u>	<u>1,312,388</u>	<u>389,400</u>	<u>764,219</u>	<u>842,360</u>	<u>3,593,804</u>
<b>NET BOOK VALUE</b>						
At 30 <sup>th</sup> June 1998	<u>707,526</u>	<u>2,816,662</u>	<u>236,814</u>	<u>765,139</u>	<u>1,123,094</u>	<u>5,649,235</u>
Work in progress						<u>1,898,924</u>
						<u>7,548,159</u>
30 <sup>th</sup> June 1997	<u>703,108</u>	<u>2,546,039</u>	<u>254,449</u>	<u>631,598</u>	<u>1,218,798</u>	<u>5,353,992</u>
Work in progress						<u>1,233,498</u>
						<u>6,587,490</u>

## 9 UNQUOTED INVESTMENT

The investment, which is stated at cost, represents shares held in Consolidated Bank of Kenya Limited. The shares were acquired in return for deposits with Jimba Credit Finance Limited, one of the finance houses acquired by Consolidated Bank of Kenya Limited.

	1998 Sh'000	1997 Sh'000
<b>10 LOAN RECEIVABLE</b>		
Loan on-lent to Kenya Electricity Generating Company Limited (KenGen)		
3.15% Nordbanken 1990/1999	161,739	221,912
Less: Amounts due within one year	80,868	75,670
	<u>80,871</u>	<u>146,242</u>
	=====	=====

The 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 Kenya Electricity Generating Company Limited (KenGen - formerly Kenya Power Company Ltd.).

	1998 Sh'000	1997 Sh'000
<b>11 STOCKS</b>		
General stores	2,636,454	1,564,032
Engineering- spares	364,690	207,695
Fuel and oil	373,183	542,187
Transformers	370,141	406,300
Motor vehicle spares	27,120	47,806
Goods in transit	198,019	422,710
	<u>3,969,607</u>	<u>3,190,730</u>
Less: Provision for obsolescence	(268,601)	(268,601)
	<u>3,701,006</u>	<u>2,922,129</u>
	=====	=====

## 12 DEBTORS

Electricity customers	5,896,190	4,414,271
Rural Electrification Schemes	1,316,972	634,062
Prepayments	451,045	468,729
Others	659,964	894,209
	<u>8,324,171</u>	<u>6,411,271</u>
	=====	=====

	1998 Sh'000	1997 Sh'000
<b>13 CREDITORS</b>		
Tana River Development Company Limited	-	2,835,080
Kenya Electricity Generating Company Limited (KenGen)	8,405,245	6,427,503
Customers' deposits	701,722	587,813
Capital contributions	923,598	1,609,458
Suppliers' accounts	933,240	904,613
Government of Kenya - Treasury	524,481	-
Others	511,083	341,958
	<u>11,999,369</u>	<u>12,706,425</u>

**14 BANK OVERDRAFT**

The overdraft represents amounts advanced by the Company's bankers. As security, the banks have a right of set off against deposits and current account balances held by them.

**15 SHARE CAPITAL**

	1998 Authorised Sh'000	Issued and fully paid Sh'000	1997 Authorised Sh'000	Issued and fully paid Sh'000
350,000 7% cumulative preference stock units of Sh 20 each	7,000	7,000	7,000	7,000
1,800,000 4% cumulative preference stock units of Sh 20 each	36,000	36,000	36,000	36,000
Ordinary stock units/shares of Sh 20 each	1,957,000	1,055,040	1,957,000	1,055,040
	<u>2,000,000</u>	<u>1,098,040</u>	<u>2,000,000</u>	<u>1,098,040</u>

**16 RESERVES**

	Capital Sh'000	General Sh'000	Taxation equalisation Sh'000	Revenue Sh'000	Total Sh'000
At 1 <sup>st</sup> July 1997	12,304	147,480	347,000	3,445,372	3,952,156
Retained profit for the year	-	-	-	1,040,329	1,040,329
At 30 <sup>th</sup> June 1998	<u>12,304</u>	<u>147,480</u>	<u>347,000</u>	<u>4,485,701</u>	<u>4,992,485</u>

	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
<b>17 LOANS</b>		
<b>UNSECURED</b>		
5.0% Kenya Government/Canadian loan 1990-2020	667,558	684,564
6.125% Kenya Government/Swiss mixed credit 1996-2005 (CHF 5,066,195)	198,050	190,936
2.6% Indosuez Bank, Belgium 1991-2004 (BEF 108,835,684)	173,582	191,138
3.15% Nordbanken loan 1990-1999 (US.\$2,717,010)	161,738	221,912
1.5% Finnish Export Credit 1990-2000 (FIM 7,585,107)	82,098	124,744
1.65% Nordbanken loan 1990-1999 (US.\$750,666)	44,686	68,129
6.125% Kenya Government/Belguim Wind power loan 1996-2006 (BEF 17,500,000)	27,911	30,454
8.3% Stork Wartsila 1992-1998 (NLG 580,711)	16,950	48,628
10.0% Kenya Government/Finnish loan 1988-2002	11,206	13,697
8.0% Kenya Government/Finnish loan 1982-1997	-	30
	<u>1,383,779</u>	<u>1,574,232</u>
Less: amounts repayable within one year	230,506	226,876
	<u>1,153,273</u>	<u>1,347,356</u>

**18 DEVELOPMENT SURCHARGE**

According to the terms of the financing of development projects carried out by Kenya Electricity Generating Company Limited (KenGen), the Company finances part of the project costs by a development surcharge. This expenditure is included in the cost of bulk supply as shown in note 2.

	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
Total estimated development surcharge	8,608,522	8,608,522
Incurred at 1 <sup>st</sup> July	8,608,522	7,379,646
Incurred during the year	-	1,228,876
Incurred at 30 <sup>th</sup> June	8,608,522	8,608,522

**RURAL ELECTRIFICATION SCHEMES**

The company has contributed Sh 359,453,000 (1997 - Sh337,861,000) towards the Rural Electrification Schemes by way of a development surcharge during the year. This is also included in the cost of bulk supply as shown in note 2.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	<b>1998</b>	<b>1997</b>
	<b>Sh'000</b>	<b>Sh'000</b>
<b>19 NOTES TO THE CASH FLOW STATEMENT</b>		
(a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		
Operating profit	1,606,752	1,248,825
Depreciation	579,494	406,484
Profit on disposal of fixed assets	(13,958)	(25,118)
(Increase)/decrease in stocks	(778,877)	267,298
Increase in debtors	(1,989,864)	(1,210,183)
(Decrease)/increase in creditors	(698,201)	1,346,399
Net cash (outflow)/inflow from operating activities	<u>(1,294,654)</u>	<u>2,033,705</u>
(b) Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Short term deposits	958,451	2,634,806
Bank and cash balances	286,682	1,575,794
Bank overdraft	(1,058,063)	(467,937)
	<u>187,070</u>	<u>3,742,663</u>
(c) Analysis of changes in cash and cash equivalents		
Balance at the end of the year	187,070	3,742,663
Balance at the beginning of the year	3,742,663	3,796,898
Decrease in cash and cash equivalents	<u>(3,555,593)</u>	<u>(54,235)</u>
<b>20 CAPITAL COMMITMENTS</b>		
Authorised but not contracted for	324,000	33,432
Authorised and contracted for	5,101,389	2,769,744
Less: Amount incurred and included in work in progress	(2,337,359)	(902,145)
	<u>2,764,030</u>	<u>1,867,599</u>
Less: Capital contributions received	(372,790)	(257,839)
	<u>2,391,240</u>	<u>1,609,760</u>
<b>21 CONTINGENT LIABILITIES</b>		
Bank guarantees	170,894	196,430
Claims against the company	198,847	74,153
	<u>369,741</u>	<u>270,583</u>

The claims relate to civil suits which have been disputed by the Company. The likely outcome of the court cases is not known.

# TEN YEAR FINANCIAL AND STATISTICAL RECORD

FOR YEAR ENDED	30 <sup>th</sup> June 1989	30 <sup>th</sup> June 1990	30 <sup>th</sup> June 1991	30 <sup>th</sup> June 1992	30 <sup>th</sup> June 1993
UNITS SOLD (Millions)	2,412	2,595	2,708	2,719	2,859
Average yield of unit sold (cents)	109.02	111.82	141.23	167.60	175.00
Revenue from sale of electricity	Shs'000 2,629,658	Shs'000 2,901,840	Shs'000 3,824,734	Shs'000 4,556,374	Shs'000 5,001,004
PROFIT/(LOSS) for the Year before exceptional item	47,772	75,300	157,673	162,191	(261,178)
Exceptional item	266,653	7,337	-	-	-
PROFIT/(LOSS) for the Year before taxation	314,425	82,637	157,673	162,191	(261,178)
TAXATION	5,177	3,408	19,000	81,000	60,000
NET PROFIT/(LOSS) AFTER TAXATION	309,248	79,229	138,673	81,191	(321,178)
Preference dividends (gross)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	307,318	77,299	136,743	79,261	(323,108)
ORDINARY DIVIDENDS (gross)	(22,859)	(22,859)	(28,134)	(28,134)	(28,134)
RETAINED PROFIT/(LOSS) FOR THE YEAR	284,459	54,440	108,609	51,127	(351,242)
FUNDS GENERATED FROM OPERATIONS					
Profit/(Loss) for the year	284,459	54,440	108,609	51,127	(351,242)
Depreciation	137,609	164,335	201,334	246,602	246,562
	422,068	218,775	309,943	297,729	(104,680)
CAPITAL EMPLOYED					
Fixed Assets less depreciation	2,964,813	3,557,098	3,623,425	3,475,186	3,577,085
Loan to KenGen	-	-	335,861	307,229	530,979
Investments	-	-	-	-	4,300
Net current assets/(Liabilities)	(170,108)	(459,116)	(246,982)	(54,651)	(148,818)
	2,794,705	3,097,982	3,712,304	3,727,764	3,963,546
FINANCED BY:					
Ordinary shareholders' equity	1,416,104	1,470,544	1,579,153	1,630,280	1,279,038
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	38,503	33,730	23,444	7,600	6,800
Loan capital (unsecured)	1,247,271	1,527,674	2,058,676	2,042,066	2,633,103
Deferred liability	49,827	23,034	8,031	4,818	1,605
	2,794,705	3,097,982	3,712,304	3,727,764	3,963,546
CAPITAL EXPENDITURE	546,100	758,169	269,596	98,690	352,819
Average cost of unit sold(cents)	104.96	105.12	128.46	149.30	157.61
PROFIT for the year before taxation as a percentage of average capital employed	11.25%	2.67%	4.25%	4.35%	(6.59%)
ORDINARY DIVIDENDS RATES	13%	16%	16%	16%	16%
Earnings per share (Shs)	34.95	8.79	15.55	9.02	(36.75)
Customers/employees ratio	29.97	24.58	26.35	28.20	31.20
Sales (KWHr) per employee	288,830	240,322	248,566	249,610	274,067

**TEN YEAR FINANCIAL AND STATISTICAL RECORD (CONTINUED)**

<b>FOR YEAR ENDED</b>	<b>30<sup>th</sup> June 1994</b>	<b>30<sup>th</sup> June 1995</b>	<b>30<sup>th</sup> June 1996</b>	<b>30<sup>th</sup> June 1997</b>	<b>30<sup>th</sup> June 1998</b>
UNITS SOLD (Millions)	2,997	3,017	3,269	3,406	3,498
Average yield of unit sold (cents)	309.63	429.49	456.58	495.98	516.67
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Revenue from sale of electricity	<u>9,279,744</u>	<u>12,957,798</u>	<u>14,925,761</u>	<u>16,893,149</u>	<u>18,073,232</u>
PROFIT/(LOSS) for the Year before exceptional item	763,136	1,499,803	1,512,042	2,160,099	2,005,343
Exceptional item	-----	-----	-----	-----	-----
PROFIT/(LOSS) for the Year before taxation	763,136	1,499,803	1,512,042	2,160,099	2,005,343
TAXATION	<u>151,000</u>	<u>416,872</u>	<u>395,752</u>	<u>606,071</u>	<u>541,068</u>
NET PROFIT/(LOSS) AFTER TAXATION	612,136	1,082,931	1,116,290	1,554,028	1,464,275
Preference dividends (gross)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	610,206	1,081,001	1,114,360	1,552,098	1,462,345
ORDINARY DIVIDENDS (gross)	<u>(31,651)</u>	<u>(35,168)</u>	<u>(140,672)</u>	<u>(422,016)</u>	<u>(422,016)</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR	<u>578,555</u>	<u>1,045,833</u>	<u>973,688</u>	<u>1,130,082</u>	<u>1,040,329</u>
FUNDS GENERATED FROM OPERATIONS					
Profit/(Loss) for the year	578,555	1,045,833	973,688	1,130,082	1,040,329
Depreciation	239,858	203,058	335,430	406,484	579,494
	<u>818,413</u>	<u>1,248,891</u>	<u>1,309,118</u>	<u>1,536,566</u>	<u>1,619,823</u>
CAPITAL EMPLOYED					
Fixed Assets less depreciation	3,747,281	4,523,340	4,770,730	6,587,490	7,548,159
Loan to KenGen	378,683	298,056	233,731	146,242	80,871
Investments	4,300	4,300	4,300	4,300	4,300
Net current assets/(Liabilities)	<u>(129,539)</u>	<u>(107,367)</u>	<u>354,322</u>	<u>(340,480)</u>	<u>(389,532)</u>
	<u>4,000,725</u>	<u>4,718,329</u>	<u>5,363,083</u>	<u>6,397,552</u>	<u>7,243,798</u>
FINANCED BY:					
Ordinary shareholders' equity	1,857,593	2,903,426	3,877,114	5,007,196	6,047,525
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	6,000	5,200	4,400	-	-
Loan capital (unsecured)	2,094,132	1,766,703	1,438,569	1,347,356	1,153,273
Deferred liability	-----	-----	-----	-----	-----
	<u>4,000,725</u>	<u>4,718,329</u>	<u>5,363,083</u>	<u>6,397,552</u>	<u>7,243,798</u>
CAPITAL EXPENDITURE	410,642	979,782	588,611	2,223,312	1,542,191
Average cost of unit sold(cents)	283.55	386.24	427.19	459.30	470.74
PROFIT for the year before taxation as a percentage of average capital employed	19.07%	34.40%	30.00%	36.73%	29.40%
ORDINARY DIVIDENDS RATES	18%	20%	40%	40%	40%
Earnings per share (Shs)	69.40	122.95	21.12	29.42	27.72
Customers/employees ratio	34.62	41.79	49.62	51.52	63.20
Sales (KWHr) per employee	<u>294,227</u>	<u>348,488</u>	<u>398,999</u>	<u>411,402</u>	<u>488,070</u>



**TABLE 1: POWER SYSTEM OPERATION STATISTICS FOR 6 YEARS  
GROSS GENERATION AND CONSUMPTION OF ELECTRICITY  
FOR INTERCONNECTED AND ISOLATED SYSTEMS**

POWER STATION	Capacity (MW) as at 30.6.98		ENERGY(GW/hr)						Avg. Annual growth over the Last 5 years
	Installed	Effective	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	
<b>HYDRO</b>									
Tana (KPC)	14.4	12.4	75	64	78	97	84	76	
Wanjii (KPC)	7.4	7.4	62	30	27	51	48	51	
Kamburu (TRDC)	91.5	84.0	417	421	485	491	446	480	
Gitaru (TRDC)	145.0	145.0	844	856	704	701	926	818	
Kindaruma (TRDC)	40.0	40.0	213	217	213	239	230	198	
K.P.&L.C.	6.2	5.4	24	17	22	29	24	26	
UEB (Imports)	30.0	0.0	273	264	187	149	144	146	
Masinga (TARDA)	40.0	40.0	177	180	200	225	215	204	
Kiambere (TARDA)	144.0	144.0	887	892	996	1031	1028	1023	
Turkwel (KVDA)	106.0	106.0	275	371	379	299	353	384	
<b>TOTAL HYDRO INCLUDING IMPORTS</b>	<b>624.5</b>	<b>584.2</b>	<b>3246</b>	<b>3312</b>	<b>3290</b>	<b>3312</b>	<b>3497</b>	<b>3404</b>	<b>1.0%</b>
<b>THERMAL</b>									
Kipevu	75.5	36.0	59	140	218	224	200	201	
<b>GEOTHERMAL</b>									
Olkaria	45.0	45.0	272	261	290	390	393	366	
<b>GAS TURBINE</b>									
Fiat - Nairobi South	13.5	0.0	2	2	16	59	6	0	
JBE - Kipevu	30.0	30.0	0	0	31	112	168	139	
<b>DIESEL</b>									
Ruiru	1.5	0.0	0	0	2	2	3	0	
Independent Power Producers(IPP's)	87.5	87.5	-	-	-	-	7	383	
<b>WIND TURBINE - Ngong</b>									
	0.4	0.4	-	1	1	1	1	1	
<b>INTERCONNECTED SYSTEM</b>	<b>877.9</b>	<b>783.1</b>	<b>3580</b>	<b>3715</b>	<b>3848</b>	<b>4100</b>	<b>4274</b>	<b>4495</b>	<b>4.7%</b>
<b>ISOLATED DIESELS</b>									
KPLC Stations	3.8	3.5	9	9	10	11	11	11	
REF Stations	5.4	4.6	11	8	7	8	11	10	
<b>TOTAL ISOLATED DIESELS</b>	<b>9.2</b>	<b>8.1</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>22</b>	<b>21</b>	<b>1.5%</b>
<b>GROSS GENERATION</b>	<b>887.1</b>	<b>791.1</b>	<b>3599</b>	<b>3732</b>	<b>3866</b>	<b>4119</b>	<b>4296</b>	<b>4516</b>	<b>4.6%</b>
<b>AUXILIARY CONSUMPTION</b>									
			29	38	45	52	44	41	7.3%
<b>SYSTEM LOSSES ++</b>									
			566	560	598	660	695	824	7.8%
<b>SALES - KPLC SYSTEM</b>									
			2901	2997	3089	3269	3406	3498	3.8%
<b>- REF SYSTEM</b>									
			104	138	134	138	150	153	8.0%
<b>TOTAL SALES</b>			<b>3005</b>	<b>3134</b>	<b>3223</b>	<b>3407</b>	<b>3557</b>	<b>3650</b>	<b>4.0%</b>
<b>SYSTEM PEAK DEMAND MW</b>									
			596	612	605	648	680	721	3.9%
<b>System Load Factor</b>									
			68.6%	69.3%	72.6%	72.3%	72.1%	71.5%	
<b>Sales as a % of Net Generation</b>									
			84.2%	84.8%	84.4%	83.8%	83.6%	81.6%	
<b>Losses as a % of Net Generation</b>									
			15.8%	15.2%	15.6%	16.2%	16.4%	18.4%	
<b>Annual growth - GENERATION</b>									
			6.3%	3.7%	3.6%	6.6%	4.3%	5.1%	
<b>- SALES KPLC</b>									
			5.1%	3.3%	3.1%	5.8%	4.2%	2.7%	
<b>- SALES REF</b>									
			21.6%	32.7%	-2.9%	3.1%	9.1%	1.4%	

**NOTES**

\* Maximum non-simultaneous available capacity during the year.

++ Comprises technical and non-technical losses.

**TABLE 2: AREA MAXIMUM DEMAND(MW)**
**40**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	304	327	322	345	372	399	5.6%
Coast	124	131	121	135	146	141	2.7%
Central Rift	39	43	42	47	45	45	2.9%
West Kenya	64	64	67	67	72	77	3.7%
Mt. Kenya	36	36	36	38	40	44	4.0%
North Rift	27	30	29	31	35	35	5.4%
<b>TOTAL SYSTEM (SIMULTANEOUS)</b>	<b>596</b>	<b>612</b>	<b>605</b>	<b>648</b>	<b>680</b>	<b>721</b>	<b>3.9%</b>
<b>% INCREASE P.A.</b>	<b>5.2%</b>	<b>2.7%</b>	<b>-1.1%</b>	<b>7.2%</b>	<b>4.9%</b>	<b>5.9%</b>	

**TABLE 3: SALE OF ELECTRICITY IN GWhr SHOWN IN DIFFERENT CATEGORIES OF CUSTOMERS**

TARIFF	TYPES OF CUSTOMERS COVERED BY THIS TARIFF	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small Commercial and Industrial	927	977	1,026	1,049	1,116	1,207	5.4%
B	Commercial (Medium) and and Industrial(Medium)	564	559	569	618	657	665	3.3%
C	Commercial (large) and Industrial (large)	1,281	1,326	1,356	1,491	1,536	1,526	3.6%
D	Off-peak	115	125	119	100	86	89	-5.1%
E	Street lighting	13	10	18	12	10	11	-3.6%
	<b>TOTAL</b>	<b>2,901</b>	<b>2,997</b>	<b>3,089</b>	<b>3,269</b>	<b>3,406</b>	<b>3,498</b>	<b>3.8%</b>
	<b>% INCREASE P.A.</b>	<b>5.1%</b>	<b>3.3%</b>	<b>3.1%</b>	<b>5.8%</b>	<b>4.2%</b>	<b>2.7%</b>	

**TABLE 4: AREA TOTAL UNIT SALES(GWh)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	1,529	1,632	1,661	1,785	1,896	1,867	4.1%
Coast	653	622	664	718	700	730	2.2%
Central Rift	170	177	189	185	202	223	5.6%
West Kenya	296	305	303	311	325	382	5.3%
Mt. Kenya	123	126	133	130	135	151	4.1%
North Rift	130	134	139	139	149	145	2.3%
KPLC Sales	2,901	2,997	3,089	3,269	3,406	3,498	3.8%
R.E.F. Schemes	104	138	134	138	150	153	8.0%
<b>TOTAL</b>	<b>3,005</b>	<b>3,134</b>	<b>3,223</b>	<b>3,407</b>	<b>3,557</b>	<b>3,650</b>	<b>4.0%</b>
<b>%INCREASE P.A.</b>	<b>5.6%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>5.7%</b>	<b>4.4%</b>	<b>2.6%</b>	

TABLE 5: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "A0" DOMESTIC LOAD

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	384	436	418	432	438	489	5.0%
Coast	101	93	103	134	144	153	8.8%
Central Rift	31	37	39	31	38	39	5.0%
West Kenya	27	29	29	32	34	33	4.0%
Mt. Kenya	25	28	29	28	26	29	2.6%
North Rift	14	18	19	17	18	18	4.5%
<b>TOTAL</b>	<b>582</b>	<b>640</b>	<b>636</b>	<b>674</b>	<b>697</b>	<b>761</b>	<b>5.5%</b>
<b>% INCREASE P.A.</b>	<b>7.1%</b>	<b>10.0%</b>	<b>-0.7%</b>	<b>6.0%</b>	<b>3.4%</b>	<b>9.2%</b>	

TABLE 6: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "A1" SMALL COMMERCIAL LOAD

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	175	171	191	184	213	213	4.0%
Coast	61	47	56	68	71	70	2.9%
Central Rift	33	39	36	36	39	39	3.7%
West Kenya	34	34	34	39	40	40	3.2%
Mt. Kenya	29	30	31	31	39	35	3.8%
North Rift	13	15	16	17	17	16	4.4%
<b>TOTAL</b>	<b>345</b>	<b>336</b>	<b>364</b>	<b>375</b>	<b>418</b>	<b>414</b>	<b>3.7%</b>
<b>% INCREASE P.A.</b>	<b>3.4%</b>	<b>-2.6%</b>	<b>8.3%</b>	<b>2.9%</b>	<b>11.7%</b>	<b>-1.1%</b>	

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

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	30.6	39.5	27.5	32.8	35.3	17.2	-10.9%
Coast	0.4	0.4	0.3	0.4	0.6	0.4	-0.9%
Central Rift	14.1	13.7	9.1	8.7	8.2	7.3	-12.3%
West Kenya	1.5	1.4	1.5	1.1	1.0	0.9	-10.6%
Mt. Kenya	1.3	1.9	1.5	1.0	1.7	1.3	-0.5%
North Rift	0.0	0.0	0.0	0.0	0.1	0.1	-
<b>TOTAL</b>	<b>48</b>	<b>57</b>	<b>40</b>	<b>44</b>	<b>47</b>	<b>27</b>	<b>-10.8%</b>
<b>% INCREASE P.A.</b>	<b>-11.2%</b>	<b>18.7%</b>	<b>-29.9%</b>	<b>10.4%</b>	<b>6.8%</b>	<b>-42.4%</b>	

TABLE 8: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B1" MEDIUM COMMERCIAL AND INDUSTRIAL LOAD(240V or 415V)

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	260	261	259	326	347	359	6.6%
Coast	106	101	106	103	103	112	1.1%
Central Rift	46	41	45	50	56	59	5.1%
West Kenya	41	38	41	38	38	45	1.6%
Mt. Kenya	21	22	23	22	25	27	5.5%
North Rift	25	28	25	25	27	29	2.5%
<b>TOTAL</b>	<b>499</b>	<b>491</b>	<b>499</b>	<b>564</b>	<b>597</b>	<b>629</b>	<b>4.8%</b>
<b>% INCREASE P.A.</b>	<b>1.8%</b>	<b>-1.5%</b>	<b>1.7%</b>	<b>13.0%</b>	<b>5.8%</b>	<b>5.5%</b>	

**TABLE 9: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B2"  
MEDIUM COMMERCIAL AND INDUSTRIAL LOAD(11kV or 33kV)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	9.4	7.1	25.6	6.5	7.0	3.5	-18.0%
Coast	1.3	1.4	2.0	1.9	5.4	2.1	10.2%
Central Rift	1.7	1.1	1.2	0.6	0.5	0.8	-14.0%
West Kenya	1.0	1.1	0.9	0.8	0.7	0.6	-11.8%
Mt. Kenya	0.0	0.0	0.0	0.0	0.0	0.0	-
North Rift	0.9	0.6	0.5	0.1	0.3	2.2	20.5%
<b>TOTAL</b>	<b>14.3</b>	<b>11.3</b>	<b>30.2</b>	<b>10.0</b>	<b>13.9</b>	<b>9.1</b>	<b>-8.5%</b>
<b>% INCREASE P.A.</b>	<b>-15.9%</b>	<b>-21.3%</b>	<b>168.5%</b>	<b>-67.0%</b>	<b>39.0%</b>	<b>-34.1%</b>	

**TABLE 10: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "C1"  
LARGE COMMERCIAL AND INDUSTRIAL LOAD(240V or 415V)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	211	207	201	249	292	232	1.9%
Coast	111	98	109	108	109	91	-3.9%
Central Rift	24	27	32	35	40	46	14.2%
West Kenya	47	48	60	53	57	72	8.8%
Mt. Kenya	33	32	39	37	32	44	5.5%
North Rift	22	20	22	18	17	17	-4.4%
<b>TOTAL</b>	<b>449</b>	<b>430</b>	<b>463</b>	<b>502</b>	<b>547</b>	<b>503</b>	<b>2.3%</b>
<b>% INCREASE P.A.</b>	<b>10.6%</b>	<b>-4.1%</b>	<b>7.6%</b>	<b>8.4%</b>	<b>9.0%</b>	<b>-8.0%</b>	

**TABLE 11: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "C2"  
LARGE COMMERCIAL AND INDUSTRIAL LOAD(11kV OR 33kV)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	305	320	329	359	357	334	1.8%
Coast	232	239	247	261	218	254	1.9%
Central Rift	18	17	21	23	20	26	6.9%
West Kenya	50	53	52	58	58	44	-2.5%
Mt. Kenya	11	10	7	8	8	8	-5.7%
North Rift	53	52	56	61	66	61	2.8%
<b>TOTAL</b>	<b>670</b>	<b>690</b>	<b>711</b>	<b>769</b>	<b>728</b>	<b>727</b>	<b>1.7%</b>
<b>% INCREASE P.A.</b>	<b>4.3%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>8.2%</b>	<b>-5.3%</b>	<b>-0.1%</b>	

**TABLE 12: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "C3"  
LARGE COMMERCIAL AND INDUSTRIAL LOAD(66kV OR 132kV)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	40	67	62	93	122	115	23.7%
Coast	36	40	38	39	44	38	1.1%
Central Rift	0	0	0	0	0	0	-
West Kenya	91	99	82	87	95	143	9.6%
Mt. Kenya	0	0	0	0	0	0	-
North Rift	0	0	0	0	0	0	-
<b>TOTAL</b>	<b>166</b>	<b>205</b>	<b>182</b>	<b>220</b>	<b>261</b>	<b>296</b>	<b>12.2%</b>
<b>% INCREASE P.A.</b>	<b>6.1%</b>	<b>23.6%</b>	<b>-11.4%</b>	<b>20.7%</b>	<b>18.8%</b>	<b>13.4%</b>	

**TABLE 13: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "D0" OFF- PEAK LOAD**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	106.0	117.9	112.2	92.4	76.9	80.9	-5.3%
Coast	3.1	1.1	1.8	2.6	3.6	2.7	-2.9%
Central Rift	1.5	1.4	1.2	1.0	1.0	1.5	-0.2%
West Kenya	1.5	1.5	1.4	1.3	1.5	1.3	-2.9%
Mt. Kenya	2.2	2.0	1.5	1.6	1.9	1.4	-8.9%
North Rift	0.9	1.0	0.9	0.8	1.1	0.8	-3.6%
<b>TOTAL</b>	<b>115</b>	<b>125</b>	<b>119</b>	<b>100</b>	<b>86</b>	<b>89</b>	<b>-5.1%</b>
<b>% INCREASE P.A.</b>	<b>10.4%</b>	<b>8.5%</b>	<b>-4.7%</b>	<b>-16.3%</b>	<b>-13.8%</b>	<b>3.0%</b>	

**TABLE 14: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "E0" STREET LIGHTING**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	8.7	6.5	10.2	9.5	8.3	9.6	1.9%
Coast	1.6	1.5	1.8	0.9	0.9	0.1	-48.6%
Central Rift	0.8	1.1	4.4	0.3	-0.8	0.4	-13.2%
West Kenya	0.7	0.6	1.0	0.5	0.4	0.1	-26.8%
Mt. Kenya	0.6	0.4	0.6	0.7	0.7	0.3	-12.5%
North Rift	0.5	0.4	0.4	0.6	0.7	0.2	-14.2%
<b>TOTAL</b>	<b>12.9</b>	<b>10.5</b>	<b>18.5</b>	<b>12.4</b>	<b>10.2</b>	<b>10.8</b>	<b>-3.6%</b>
<b>% INCREASE P.A.</b>	<b>-6.2%</b>	<b>-18.8%</b>	<b>76.4%</b>	<b>-33.0%</b>	<b>-17.9%</b>	<b>5.9%</b>	

**TABLE 15: AREA REF UNIT SALES (GWhr)**

AREA	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
Nairobi	23	36	25	34	36	33	7.0%
Coast	5	12	13	6	17	13	22.2%
Central Rift	14	20	20	21	22	22	9.1%
West Kenya	27	32	36	36	35	33	4.3%
Mt. Kenya	17	18	21	22	17	24	7.1%
North Rift	17	19	19	18	24	26	9.4%
<b>TOTAL</b>	<b>104</b>	<b>138</b>	<b>134</b>	<b>138</b>	<b>150</b>	<b>153</b>	<b>8.0%</b>
<b>% INCREASE P.A.</b>	<b>22.0%</b>	<b>32.7%</b>	<b>-2.9%</b>	<b>3.1%</b>	<b>9.0%</b>	<b>1.5%</b>	

**TABLE 16: AREA TOTAL NUMBER OF CUSTOMERS**

AREA	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1993	1994	1995	1996	1997	1998	
Nairobi	161,929	169,422	178,802	196,414	206,891	221,603	6.5%
Coast	53,844	56,362	58,481	61,933	63,656	66,678	4.4%
Central Rift	21,596	23,249	24,687	26,813	27,796	29,733	6.6%
West Kenya	24,689	26,508	27,607	29,772	30,986	32,399	5.6%
Mt. Kenya	21,718	23,632	24,796	27,145	28,256	29,665	6.4%
North Rift	10,744	11,743	12,365	13,295	13,673	14,907	6.8%
KPLC Customers	294,520	310,916	326,738	355,372	371,258	394,985	6.0%
R.E.F. Customers	34,561	40,731	43,718	51,151	55,242	57,978	10.9%
<b>TOTAL</b>	<b>329,081</b>	<b>351,647</b>	<b>370,456</b>	<b>406,523</b>	<b>426,500</b>	<b>452,963</b>	<b>6.6%</b>
<b>%INCREASE P.A.</b>	<b>7.1%</b>	<b>6.9%</b>	<b>5.3%</b>	<b>9.7%</b>	<b>4.9%</b>	<b>6.2%</b>	

**TABLE 17: NUMBER OF CUSTOMERS BY TARIFF CATEGORY**

TARIFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
		1993	1994	1995	1996	1997	1998	
A0 only	Domestic							
	KPLC	201,352	213,531	226,228	244,708	256,535	273,532	6.3%
A0 & D0	REF	19,975	23,258	25,200	29,151	31,715	33,499	10.9%
	Domestic							
A0 & D0	KPLC	34,739	35,360	34,628	35,264	35,991	41,787	3.8%
	REF	62	68	60	67	62	228	29.8%
A1 only	Small Commercial							
	KPLC	50,724	54,154	57,696	67,083	70,129	72,332	7.4%
A1 & D0	REF	14,258	17,130	18,196	21,627	23,133	23,811	10.8%
	Small Commercial							
A1 & D0	KPLC	3,226	3,314	3,281	3,186	3,744	1,691	-12.1%
	REF	117	123	120	131	149	304	21.0%
B0	Irrigation Load							
	KPLC	311	332	352	380	389	291	-1.3%
B1	REF	16	20	27	34	36	10	-9.0%
	Medium Commercial and Industrial							
B1	KPLC	1,842	1,871	1,977	2,073	2,126	2,285	4.4%
	REF	102	100	91	111	113	81	-4.5%
B2	Medium Commercial and Industrial							
	KPLC	21	21	21	19	20	21	0.0%
C1	Large Commercial and Industrial							
	KPLC	250	277	324	279	284	286	2.7%
C2	REF	11	10	9	11	12	7	-8.6%
	Large Commercial and Industrial							
C2	KPLC	107	113	137	111	117	135	4.8%
	REF	2	1	1	0	0	0	-
C3	Large Commercial and Industrial							
	KPLC	10	14	19	17	17	18	12.5%
D0 only	REF	1	0	0	0	0	0	-
	Off-peak							
D0 only	KPLC	1,829	1,817	1,963	2,121	1,776	2,383	5.4%
	REF	10	13	9	10	12	25	20.1%
E0	Street lighting							
	KPLC	109	112	112	131	134	224	15.5%
E0	REF	7	8	5	9	10	13	13.2%
	<b>TOTAL (KPLC)</b>	<b>294,520</b>	<b>310,916</b>	<b>326,738</b>	<b>355,372</b>	<b>371,258</b>	<b>394,985</b>	<b>6.0%</b>
<b>TOTAL (R.E.F.)</b>		<b>34,561</b>	<b>40,731</b>	<b>43,718</b>	<b>51,151</b>	<b>55,242</b>	<b>57,978</b>	<b>10.9%</b>
<b>GROSS TOTAL</b>		<b>329,081</b>	<b>351,647</b>	<b>370,456</b>	<b>406,523</b>	<b>426,500</b>	<b>452,963</b>	<b>6.6%</b>
<b>% INCREASE P.A.</b>		<b>7.1%</b>	<b>6.9%</b>	<b>5.3%</b>	<b>9.7%</b>	<b>4.9%</b>	<b>6.2%</b>	

TABLE 18: REVENUE (SHS' MILLION) BY CUSTOMER CATEGORY

TARIFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small commercial and industrial	1,629	2,881	3,999	4,264	5,948	6,419	31.6%
B	Medium Commercial and industrial	1,123	2,064	2,879	3,102	3,422	3,741	27.2%
C	Large Commercial and Industrial	2,055	3,894	5,626	6,300	6,557	6,834	27.2%
D	Off-peak	166	392	353	386	331	357	16.6%
E	Street Lighting	24	37	87	48	50	52	16.6%
	<b>SUB-TOTAL</b>	<b>4,997</b>	<b>9,268</b>	<b>12,944</b>	<b>14,100</b>	<b>16,308</b>	<b>17,403</b>	<b>28.3%</b>
	<b>OTHERS</b>	<b>4</b>	<b>12</b>	<b>14</b>	<b>825</b>	<b>585</b>	<b>670</b>	<b>179.3%</b>
	<b>TOTAL (KPLC)</b>	<b>5,001</b>	<b>9,280</b>	<b>12,958</b>	<b>14,926</b>	<b>16,893</b>	<b>18,073</b>	<b>29.3%</b>
	<b>R.E.F.</b>	<b>194</b>	<b>410</b>	<b>613</b>	<b>773</b>	<b>849</b>	<b>864</b>	<b>34.8%</b>
	<b>GROSS TOTAL</b>	<b>5,195</b>	<b>9,690</b>	<b>13,571</b>	<b>15,699</b>	<b>17,742</b>	<b>18,937</b>	<b>29.5%</b>
	<b>%INCREASE P.A.</b>	<b>10.7%</b>	<b>86.5%</b>	<b>40.1%</b>	<b>15.7%</b>	<b>13.0%</b>	<b>6.7%</b>	

TABLE 19: STAFF ANALYSIS

CATEGORY OF STAFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1993	1994	1995	1996	1997	1998*	
<b>Nationality</b>							
Citizen	10,569	10,180	8,862	8,192	8,278	7,166	-7.5%
Non Citizen	16	6	2	1	1	1	-42.6%
<b>Total</b>	<b>10,585</b>	<b>10,186</b>	<b>8,864</b>	<b>8,193</b>	<b>8,279</b>	<b>7,167</b>	<b>-7.5%</b>
<b>% INCREASE P.A.</b>		<b>-2.7%</b>	<b>-3.8%</b>	<b>-13.0%</b>	<b>-7.6%</b>	<b>1.0%</b>	<b>-13.4%</b>
<b>Sex</b>							
Male	9,471	9,092	7,830	7,183	7,212	6,078	-8.5%
Female	1,114	1,094	1,034	1,010	1,067	1,089	-0.5%
<b>Ratio- Male/Female</b>		<b>9</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>6</b>
<b>Job Category</b>							
Technical	3,864	3,803	3,415	3,342	4,744	4,512	3.1%
<b>% of total staff</b>	<b>36.5%</b>	<b>37.3%</b>	<b>38.5%</b>	<b>40.8%</b>	<b>57.3%</b>	<b>63.0%</b>	<b>11.5%</b>
Non Technical	6,721	6,383	5,449	4,851	3,535	2,655	-17.0%
<b>% of total staff</b>	<b>63.5%</b>	<b>62.7%</b>	<b>61.5%</b>	<b>59.2%</b>	<b>42.7%</b>	<b>37.0%</b>	<b>-10.2%</b>

\* Staff separation between KPLC and KENGEN was effected during 1997/98.

**TABLE 20: TRANSMISSION AND DISTRIBUTION LINES:  
CIRCUIT LENGTH (KMS)**

VOLTAGE	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1993	1994	1995	1996	1997	1998	
220 kV	877	877	877	877	877	877	
132 kV	1,980	1,980	1,980	1,980	1,997	1,997	
66 kV	451	573	573	573	574	574	
40 kV	126	126	126	126	126	126	
33 kV	3,583	3,686	3,876	3,969	4,094	4,203	
11 kV	8,613	8,838	9,250	9,372	9,616	9,671	
<b>TOTAL</b>	<b>15,630</b>	<b>16,080</b>	<b>16,682</b>	<b>16,897</b>	<b>17,284</b>	<b>17,448</b>	<b>2.2%</b>
<b>% INCREASE P.A.</b>	<b>2.9%</b>	<b>2.9%</b>	<b>3.7%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>1.0%</b>	

**TABLE 21: TRANSFORMERS IN SERVICE:  
TOTAL INSTALLED CAPACITY IN MVA**

	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1993	1994	1995	1996	1997	1998	
<b>Generation S/Stns</b>							
11/220kV	288	288	288	288	288	293	
11/132kV	417	417	417	417	417	431	
11/66kV	30	30	30	30	30	90	
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	690	690	690	690	690	690	
<b>TOTAL</b>	<b>1,663</b>	<b>1,663</b>	<b>1,663</b>	<b>1,663</b>	<b>1,663</b>	<b>1,742</b>	<b>0.9%</b>
<b>Distribution S/Stns</b>							
220/132kV	580	580	580	580	580	580	
220/66kV	180	180	180	180	180	180	
132/66kV*	375	375	375	375	375	375	
132/33kV	372	415	415	415	498	531	
66/11kV	470	470	516	516	562	631	
66/40kV	15	15	15	15	15	15	
40/11kV	23.5	24	24	24	24	24	
33/11kV	400	400	400	400	410	452	
<b>TOTAL</b>	<b>2,371</b>	<b>2,414</b>	<b>2,460</b>	<b>2,460</b>	<b>2,644</b>	<b>2,788</b>	<b>3.3%</b>
<b>Distribution TXS</b>							
11/0.415kV and							
33/0.415kV	1,615	1,686	1,749	1,809	1,883	1,961	4.0%

\* Has been revised from 330MVA to 375MVA.



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**Kitale**  
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**Kabarnet**  
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**Kapsabet**  
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**Nanyuki**  
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**Lamu**  
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# PRINCIPLE AREAS OF SUPPLY

