

AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

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THE KENYA POWER AND LIGHTING COMPANY LIMITED

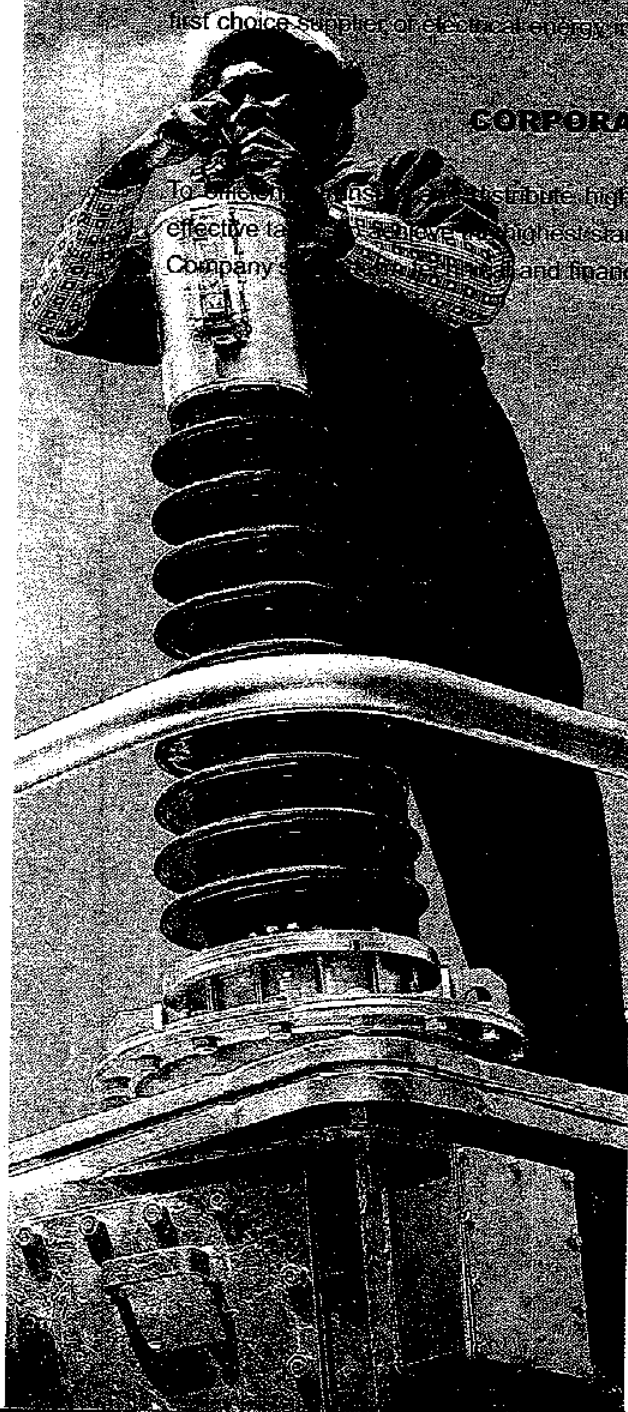
VISION AND MISSION STATEMENTS

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 ensure that we consistently distribute high quality electricity throughout Kenya at cost effective rates; to achieve the highest standards of customer service; and to ensure the Company's operational and financial viability.



CONTENTS

	PAGES
Directors	2
Corporate Information	3
Management	4
Notice of Annual General Meeting	5 - 6
Chairman's Review	7 - 23
Report of the Directors	24 - 25
Statement of Directors' Responsibilities	26
Report of the Auditors	27
Income Statement	28
Balance Sheet	29
Statement of Financial Position	30
Cash Flow Statement	31
Notes to the Financial Statements	32 - 40
Ten Year Financial Summary	41 - 42
Statistics	43 - 52

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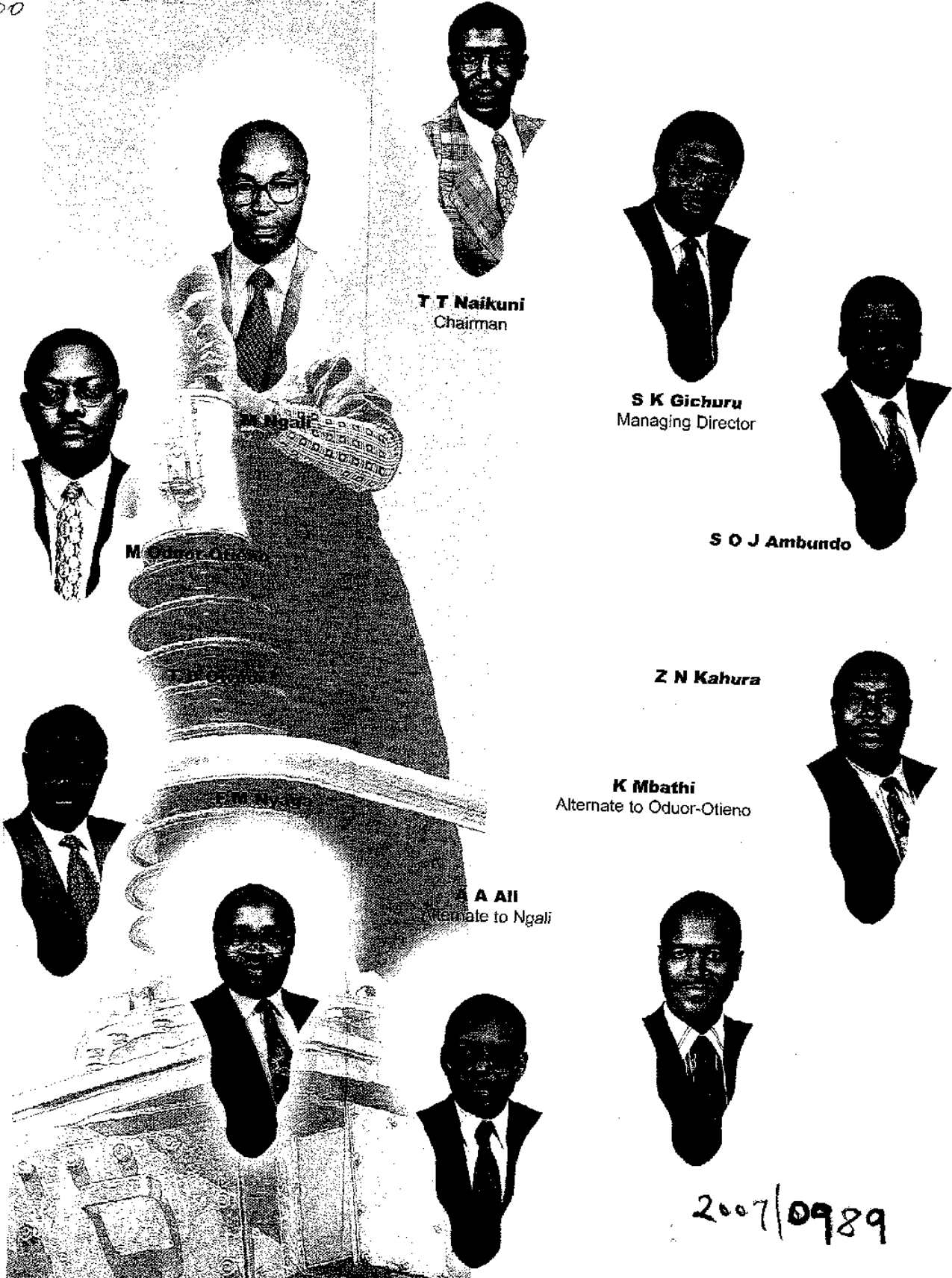


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DIRECTORS

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1. Kenya Power & Lighting Company - Pen
2. Electric Utilities - Kenya - Periodic



T T Naikuni
Chairman



S K Gichuru
Managing Director



S O J Ambundo



M Oduor-Otieno

Z N Kahura



K Mbatia
Alternate to Oduor-Otieno



A A Aili
Alternate to Ngali



2007/0989

CORPORATE INFORMATION

Directors

T T Nalkuni
S K Gichuru, EBS, MBS
M Oduor-Otieno
M Ngali
S O J Ambundo
T D Owuor, MBS, OGW
Z N Kahura
F M Nyaga
K Mbathi
A A Ali

Chairman
Managing Director

CMA-LIBRARY

Alternate to M Oduor-Otieno
Alternate to M Ngali

Secretary

J N Kimani

Registered Office

Stima Plaza
Kolobot Road
P O Box 30099
Nairobi

Bankers

Standard Chartered Bank Kenya Limited
Harambee Avenue
P O Box 30003
Nairobi

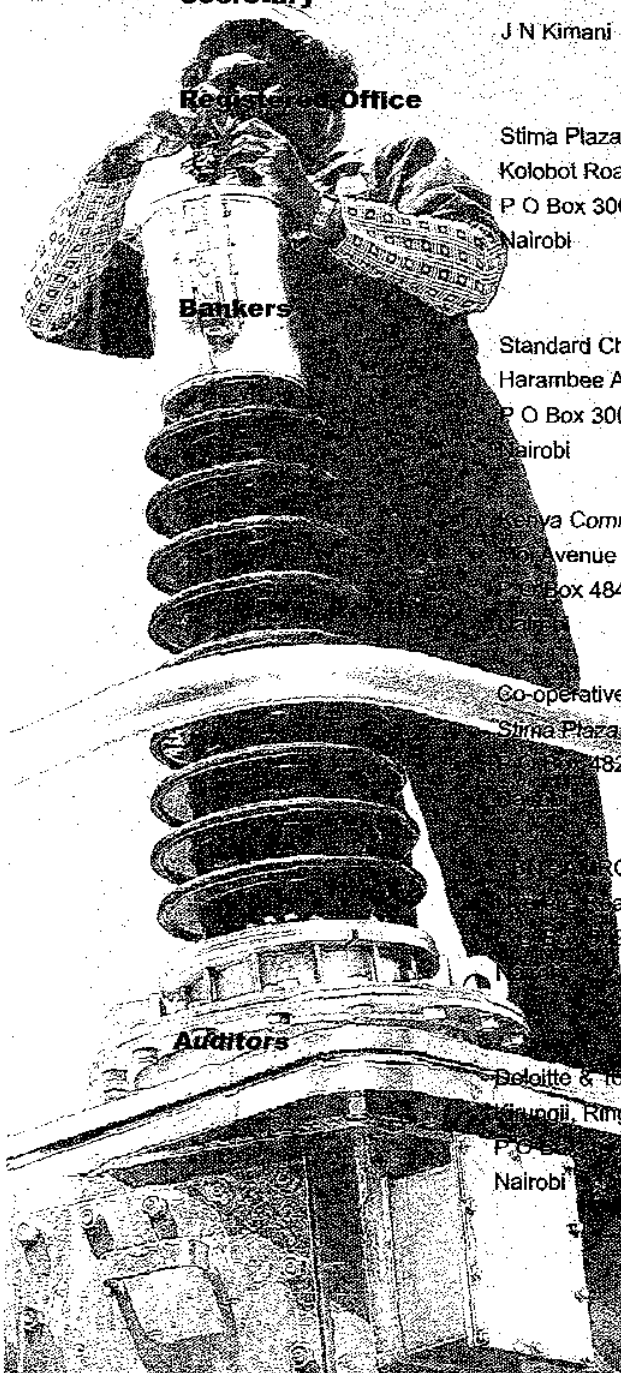
Kenya Commercial Bank Limited
Harambee Avenue
P O Box 48400
Nairobi

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

Equity Bank NV
Harambee Avenue
P O Box 262
Nairobi

Auditors

Deloitte & Touche
Kileleshwa, Ring Road, Westlands
P O Box 10292
Nairobi



MANAGEMENT

Managing Director

Samuel K Gichuru, CPS (K), EBS, MBS

Deputy Managing Director

Lawrence Keltany, B.Sc. (Eng.), R. Eng., C. Eng., FIEE

Personal Assistant to Managing Director and Chief Manager, Information Technology

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

Company Secretary

Justin N Kimani, CPS (K)

Chief Manager, Human Resources & Administration

Bilha W Ndlovu, BA (Hons.)

Chief Manager, Operations & Maintenance & Street Lighting

Julius Mwangi, B.Sc. (Eng.) (Hons.), R. Eng., E. Eng., MIEE, MIEK

Chief Manager, Transport & Supplies

Joseph Bett, HND

Chief Manager, Energy Transmission

Ernest Odior, B.Sc. (Eng.), R. Eng., MIEK

Chief Manager, Finance

Zachary Mwangi, B.Com. (K)

Chief Manager, Technical Audit, Research & Development

Joab Mwangi, B.Sc. (Eng.), R. Eng., E. Eng., MIEE

Chief Manager, Projects Development & Corporate Planning

M A Gupta, B.E, MIE

Chief Manager, Customer Service

Benson Mwangi

Chief Manager, Rural Electrification

Rosemary Mwangi

Chief Manager, Design & Construction

Cyrus Njurgu, B.Sc. (Eng.), B.Sc. Econ.

Corporate Planning Manager

David Mwangi, B.Sc. (Eng.) (Hons.), R. Eng., MIEK

Communications Manager

Phyllis G. Mwangi, PGD, Journalism

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventy-Ninth Annual General Meeting of members will be held at the Head Office of the Company, Stima Plaza, Kolobot Road, Parklands, Nairobi on Friday the 22nd December, 2000 at 12.00 noon to transact the following business:

Ordinary Business

1. To read the Notice convening the meeting.
2. To receive and consider the Company's audited financial statements for the year ended 30th June 2000 together with the Chairman's, Directors' and Auditors' reports thereon.
3. To declare the interim dividend of 10% (KSh2 per share) payable to the shareholders and to note that the Directors do not recommend the payment of a final dividend for the year.
4. To authorise the Board of Directors to remunerate the Auditor.
5. To elect
(i) Mr T. T. ... for re-election
(ii) Mr S. ... for re-election

Special Business

To consider and, if thought fit, to pass the following resolution to be known as Special Resolution pursuant to section 247 of the Companies Act (Cap 486):

That the Articles of Association of the Company be amended by inserting a new Article 130A after Article 130 to read as follows:

"130A. Any Director or Alternate Director shall be treated as present in person at a meeting of the Directors or any committee of the Directors if they are in communication with the meeting by telephone conference, video or other communication equipment permitting those attending to properly identify and hear one another. Directors or Alternate Directors taking part in a meeting by such communication equipment shall be counted in the quorum of the meeting and shall be entitled to vote at it. A meeting of the Directors or of a committee to which this Article applies shall be deemed to take place where the majority of those participating are assembled or, if there is no majority, at the place where the Chairman of the meeting is present."

Dated the 27th day of November 2000

By Order of the Board

J N Kimani

Company Secretary

Note:

A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. Such proxy need not be a member of the Company. A form of proxy is enclosed and, to be valid, must be deposited at the Registered Office of the Company or posted in good time to be received not less than 48 hours before the appointed time of the meeting (i.e. not later than 12.00 noon on Wednesday, 20th December, 2000).

ILANI YA MKUTANO

ILANI INATOLEWA kwamba mkutano wa 79 wa kila mwaka wa wanachama unafanyika katika makao makuu ya Kampuni yaliyoko Stima Plaza, Kolobot Road, Parklands, Nairobi mnamo Ijumaa tarehe 22 Disemba, 2000 saa sita mchana kutekeleza shughuli zifuatazo:

Shughuli za Kawaida

1. Kusoma agizo la kuitisha mkutano.
2. Kupokea, kufikiria na kuidhinisha taarifa ya fedha iliyokaguliwa ya mwaka uliomalizika tarehe 30 Juni, 2000 pamoja na ripoti za Mwenyekiti, Wakurugenzi wa Mwanachama.
3. Kuidhinisha taarifa za kazi za kawaida wa asilia mia 10 (2000) kutokana na mwaka tarehe 15 Mei, 2000 na pia kujulishwa kwamba Wakurugenzi hawapendekezi mipango ya mgao wa fedha kwa mwaka huo.
4. Kukagua hesabu Wakurugenzi wa Mwanachama cha malipo au kama kuna kasibu.
5. Kuchagua Mwanachama kwa kufuatilia:
 - (I) Bw. T. ... kulingana na Kifundisho cha Mwanachama kwa vile anastahika ...
 - (II) Bw. S O ... kulingana na ilaani maalum kwa mujibu wa seneri ... na 186(5) ya Sheria za makampuni ya uramuzi wa kumchagua ... kufika ... kufika ... umri wa ... anajitolea ...

Shughuli Maalum

Kutafakari na ikidhihewa wama kuitisha kama azimio maalum kwa mujibu wa Schemu Sheria za Makampuni (Kifungu 186)

Kwamba vifungu vya sheria za makampuni vibadilishwe kwa na kuweka kifungu ... 130 kikiwa ...

Mkurugenzi ... Mkurugenzi

kubadilishana nafasi kwa zamu na Mkurugenzi mwenzake atachukuliwa kwamba ameshiriki binafsi kwenye mkutano wa Wakurugenzi au kamati yoyote ya Wakurugenzi iwapo watawasiliana na mkutano huo kwa njia ya simu, video au kwa mawasiliano yoyote ambayo yataruhusu wale wanaohudhuria kutambuana na kusikilizana. Wakurugenzi au Wakurugenzi wa kubadilishana nafasi kwa zamu ambao watashiriki katika mkutano huu kwa njia hii ya mawasiliano watahesabiwa kwamba wako kwenye mkutano na watakuwa na uwezo wa kupiga kura.

Mkutano wa Wakurugenzi au ule wa Kamati ambao unaafikiana na kifungu hiki utachukuliwa umefanyika pahali wengi wa wale wanaohudhuria watakusanyika au, kama hakuna pahali walio wengi, pahali ambapo Mwenyekiti wa mkutano atakuwako."

Tarehe 27 Novemba 2000

Kwa Amri ya Wakurugenzi

J N Kimani

KATIBU WA KAMPUNI

ILANI:

Mwanachama anayekubaliwa kushiriki na kupiga kura katika mkutano huu anaruhusiwa kuchagua mwakilishi ambaye atapiga kura kwa niaba yake. Mwakilishi si lazima awe mwanachama wa Kampuni. Fomu ya uwakilishi imo ndani ya kijitabu hiki. Ili kukubalika, fomu ya uwakilishi 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 (yaani kabla ya saa sita mchana, Jumatano tarehe 20 Disemba 2000).

CHAIRMAN'S REVIEW

GENERAL OVERVIEW

Your Company experienced unique challenges during the year, which had a significant adverse impact on the trading performance.

The drought that has ravaged the country for more than two years, and which is the worst in 50 years, led to the highest power generation shortfall ever. This forced the Company to institute power rationing to an unprecedented extent. At the same time, the national economy remained in a depressed state with the GDP growth declining to a projected 0.5% in 2000, compared to 1.8% and 1.4% in 1998 and 1999, respectively. These two factors contributed to a 13% reduction in the projected sales revenue from operations of Shs.4,957 million.

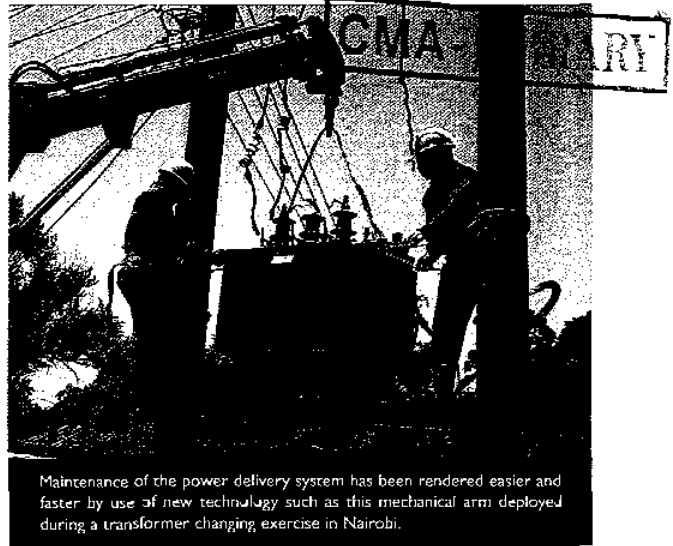
On the other hand, operating expenditure increased substantially as a result of the combined effects of an increase in the tariffs for bulk purchases from The Kenya Electricity Generating Company (KenGen) Ltd. and the increased generation at the geothermal-based plant. Consequently, the 1999 operating expenditure amounted to Shs.23,564 million, an increase of Shs.27,016 million over the 1998 expenditure of Shs.704 million. This increase was due to an exceptional increase in the cost of fuel and an increase in the cost of maintenance, which resulted in a loss of Shs.1,422 million.

FINANCIAL PERFORMANCE

Operating Revenue

During the year, the Company's sales revenue was Shs.18,422 million, compared to Shs.13,422 million the previous year. These sales were 13% below the projected revenue of Shs.4,957 million, comprising Shs.1,710 million of reduced sales of about 226 GWh, Shs.2,120 million due to reduced tariff yield* and a combined Shs.1,422 million from commercial losses and other transmission losses arising from transmission lines over long distances due to rationing.

The average revenue per unit sold



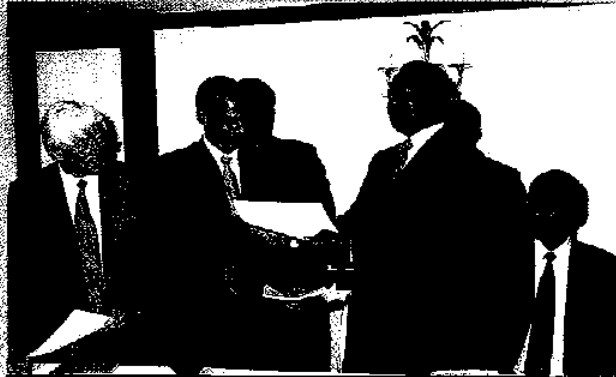
Maintenance of the power delivery system has been rendered easier and faster by use of new technology such as this mechanical arm deployed during a transformer changing exercise in Nairobi.

The non-fuel revenue increased to Shs.16,670 million from Shs.15,513 million the previous year. This was a marginal increase of 7% compared to an average tariff increase of 18% effected in August 1999.

Revenue from fuel cost recovery, which is a pass-through cost and does not constitute income to the Company, increased by 137% from Shs.2,910 million the previous year to Shs.6,894 million. This excluded an amount of Shs.682 million that was not realised because of higher system losses. The increase is attributable to the combined effect of a rise in the volume of fuel used in thermal generation owing to the reduced hydro generation, as well as a record increase in the price of fuel.

Overall, the cost of operations rose by 63% to Shs.27,016 million from Shs.16,521 million the previous year. The increase is mainly attributable to an increase of Shs.5,669 million in the cost of bulk purchases from KenGen and an increase of Shs.4,428 million in fuel costs. The cost of the bulk purchases is based on a price under an Interim Power Purchase Agreement (IPPA) entered into with your Company in August 1999. The cost of bulk purchases from KenGen was previously based on the Ascertained Cost Formula. The Directors propose to appeal to the Electricity Regulatory Board (ERB) for a review of the tariffs.

CHAIRMAN'S REVIEW *Continued*



An agreement entered into between the Company and the International Finance Corporation paved way for financial closure of the Kipevu II Power Project. Mr. Saleem Karimjee (second left) from IFC and Mr. Gichuru exchange the signed documents.

Exceptional Item

Arising from the restructuring of the power sub-sector under the Kenya Energy Sector Reform Programme, the Company realised a profit on transfer of assets to KenGen. These assets have been classified as exceptional item in the financial statements.

Taxation

The Company's tax expense for Corporation Tax in the current year was Shs. 1,100 million. The income statement shows a tax expense of Shs. 1,100 million compared to Shs. 1,000 million in the previous year. The tax expense for the current year is mainly attributable to the tax losses carried forward for offset against future taxable profits. This means that the Company's tax expense will be relatively low in the future.

Value Added Tax (VAT) on imported goods yielded Shs. 3,466 million in the current year compared to Shs. 2,466 million in the previous year. The VAT on imported goods decreased from Shs. 897 million in 1998/99 to Shs. 897 million in 1999/2000. Customs Duty and VAT on imported goods decreased from Shs. 466 million in the previous year to Shs. 2,466 million in the current year.

Dividends

An interim dividend of Shs. 2 per share was paid in May 2000 amounting to Shs. 159 million compared to Shs. 237 million in the previous year. Preference dividend

amounting to Shs. 1.9 million were paid on the due dates. Due to the unfavourable trading results, the Directors have resolved not to recommend payment of a further dividend for the year.

The dividends paid to the Government amounted to Shs. 64.8 million. This, together with taxes brought the Company's direct contribution to the Exchequer to Shs. 4,567 million during the year compared to Shs. 3,758 million in 1998/99.

The after tax loss for the year after dividends was, therefore, Shs. 1,768 million compared to a profit of Shs. 670 million the previous year.

RESTRUCTURING OF THE POWER SUB-SECTOR

Transfer of Assets

Last year, I reported that the interim asset transfer position as at 30th June 1997 was being updated to 30th June 1999. I am glad to report that this was done in consultation with Messrs. PriceWaterhouseCoopers of the United Kingdom and other stakeholders. As a result, assets worth Shs. 3,247 million and Shs. 2,905 million were transferred to KPLC and KenGen, respectively. The net transfer value of Shs. 342 million to KPLC has been effected and is reflected in the annual accounts.

Business Reorganisation

The Government and the Board of Directors have taken steps to right-size and restructure your Company in order to improve its operations and financial management with a view to cutting down costs. In this respect, a Restructuring Task Force to coordinate the exercise was appointed in October 2000.

Messrs. PriceWaterhouseCoopers, who had previously been appointed by the Board to undertake a study of the organisational and management structure, have been asked to review the study and make recommendations for implementation. At the time of going to press, a financial consultant was in the process of being appointed

to review the financial structure of the Company. The consultants are expected to submit their reports by January 31st, 2001.

Privatisation of the Power Industry

The process of privatisation of the power sector has also begun. As a first step, the Government will engage a power consultant to review the sector and to make recommendations on the appropriate models for electricity transmission and distribution. It is expected that the consultant will have been engaged by January 31st, 2001 and the review is expected to be complete by May 31st, 2001. The recommendations will then be presented to the Government.

Any proposed changes requiring shareholders' approval will be presented to a General Meeting.

Tariff Study

In August 1999, the Electricity Regulatory Board (ERB) approved a tariff study application made by you for the year 2000. Among other things, the study considered medium and large commercial and industrial. However, as these categories were to take advantage of the power rationing schedule, ERB suspended the tariff study and approved single rate tariffs effective from 29th May 2000.

CORE BUSINESS ACTIVITIES

TRANSMISSION AND DISTRIBUTION

Network Improvement

During the year under review, projects on the transmission and distribution network focused mainly on improving the quality and reliability of power supply, especially in load growth areas. Various projects implemented nationwide at a total cost of Sh 500 million, addressed voltage fluctuations and supply interruptions on the power delivery system. These involved upgrading the low voltage supply network, maintenance of distribution transformers

and wayleaves traces, replacement of old poles and installation of capacitor banks.

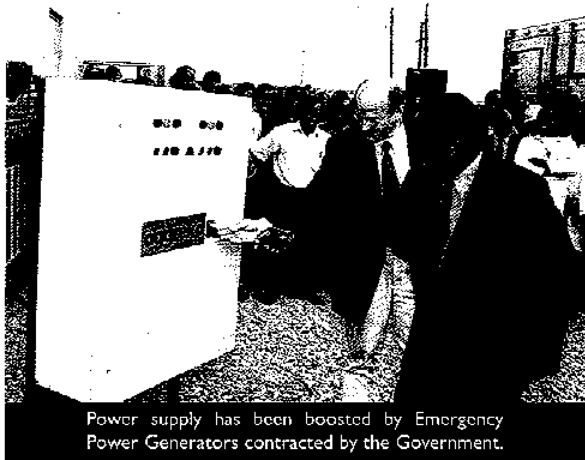
In Nairobi Area, network reinforcement included upgrading of key substations at Kileleshwa, Kitisuru and Parklands, and voltage improvement within densely populated suburbs. At the Coast, major projects included re-routing of power lines from Rabai to create room for the ongoing construction of the Kipevu/Rabai transmission line. A high voltage 132/33 kV transformer was also installed at Rabai and a new line constructed from Mbaraki to Likoni.

Other system reinforcement work was also carried out in the North Rift, Central Rift and Mount Kenya Areas to improve quality of power supply mainly to the agricultural and manufacturing sectors.

TRANSMISSION DEVELOPMENTS

Kiambere-Nairobi and Kipevu-Rabai lines

The ongoing construction of the Kipevu-Rabai 132kV line by Siemens AG of Germany is scheduled for completion in April 2001, while the extension works of the substations at Kipevu and Rabai by ABB Transmit of Finland are expected to commence shortly. The construction of the Kiambere-Nairobi 220kV line will commence after conclusion of financing arrangements, which are currently in progress.



Power supply has been boosted by Emergency Power Generators contracted by the Government.

CHAIRMAN'S REVIEW *Continued*



Ongoing installation of a geothermal power plant at Olkaria in Naivasha. The plant, by OrPower4 Inc., is already supplying power to KPLC and will commence full commercial operation in July 2003.

Gitaru-Kamburu 220kV line

An 8 km 220kV line between Gitaru and Kamburu was connected to the transmission system during the commissioning of the 80 MW Gitaru geothermal power plant. The project was also carried out at Gitaru during the construction and commissioning of the line.

Kipevu 33/132kV switchyard

Following the commissioning of the 75MW diesel power plant at Kipevu, the Kipevu 33/132kV switchyard was modernised and upgraded by the Japanese.

Olkaria-Nairobi 220kV line

Construction of the 220kV transmission line and associated substations is being undertaken on behalf of your Company under the geothermal power project. The project will facilitate the transmission of power from the proposed Olkaria III power plants to the national grid. The transmission line contract was awarded to KEC of India while the substations contract was awarded to Siemens. The project is expected to be completed by mid-2003 at an estimated cost of US\$100 million and US\$24 million respectively.

CUSTOMER SERVICE

The Company faced a major challenge of collecting revenue under the very difficult economic conditions that prevailed throughout the year, while at the same time striving to improve service delivery to customers.

In this regard, Nairobi Area was divided into strategic business units, which has improved management of field operations. Additional pay-points were opened at Co-operative Bank of Kenya branches in Bungoma, Kerugoya, Machakos and Murang'a. These are in addition to those opened in other parts of the country the previous year. The Standard Chartered Bank also expanded the electronic bill payment system by installing additional Automated Teller Machines (ATMs) at strategic service points countrywide. These services offer customers alternative payment methods and help reduce congestion at your Company's banking halls. Expansion of services continued at established paying centres in Machakos and Malindi, and at Sarit Centre, Adams Arcade, Eastleigh and Jogoo Road in Nairobi.

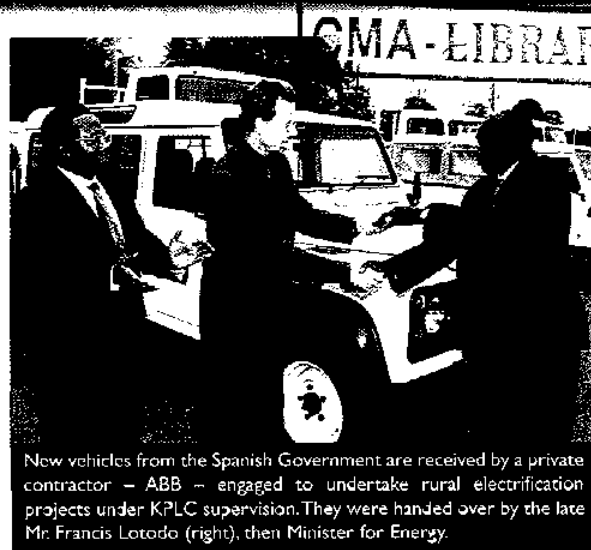
Other measures taken to improve service delivery included a programme to replace electromechanical meters with electronic ones for industrial and commercial customers, which enhanced accuracy in meter reading.

CHAIRMAN'S REVIEW *Continued*

During the year, the Company also embarked on an aggressive revenue protection and recovery programme aimed at curbing theft of utility services and minimising commercial losses. This countrywide effort has achieved measured success, particularly through increased public awareness and co-operation in reducing electricity theft.

Power Loss Reduction and Demand Side Management (DSM) Programmes

Under the power loss reduction programmes being carried out in Nairobi and Mombasa, two step-down substations were designed and constructed at a cost of Shs.266 million in Ongata Rongai. Tendering for DSM consultants to undertake market research and energy audit surveys in Nairobi and Mombasa was carried out and is awaiting approval from the World Bank, which is funding the programme.



New vehicles from the Spanish Government are received by a private contractor – ABB – engaged to undertake rural electrification projects under KPLC supervision. They were handed over by the late Mr. Francis Lotodo (right), then Minister for Energy.

RURAL ELECTRIFICATION

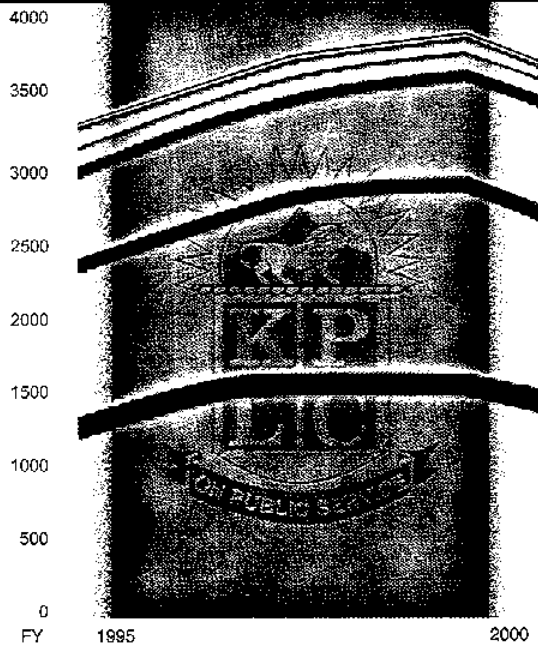
The Government spent a total of Shs.708 million on the Rural Electrification Programme (REP) during the year, bringing the cumulative capital expenditure since inception of the programme in 1973 to Shs.5,049 million.

The number of customers under the programme grew from 61,436 in 1998/99 to 67,542 in 1999/00. However, units sold dropped from 153 million to 138 million, while the revenue accrued increased by Shs.235 million from Shs.851 million the previous year to Shs.1,086 million. The lower unit sales are attributable to power rationing, while the increase in revenue was due to the new tariff implemented in August 1999 and fuel recoveries arising from increased thermal generation.

Following an evaluation of the first stage of Phase I of the Coffee Factories Rural Electrification Programme (COFREP), which is financed from the European Union's Stabilization of Exports (STABEX) Fund, an additional 55 coffee factories were earmarked for electrification in the 2000/2001 financial year. This will bring the total number of factories electrified under the programme to 112 out of the targeted 168.

Construction of 32 projects identified for implementation under Phase I of the Spanish Rural Electrification Project at a total cost of US\$10.6 million was started during the year and is expected to be completed in October 2001.

5 Year Sales (GWh) by Customer Category



CHAIRMAN'S REVIEW *Continued*

During the year, negotiations commenced between the Government of Kenya and the Government of Spain for financing of Phase II of the project to the tune of US\$10,255 million. Another agreement for 60 million French Francs was signed in May 2000 between the Government of Kenya and the Government of France to finance rural electrification schemes.

An amount of Shs.831 million was collected through the Rural Electrification Fund Levy during the year.

SUPPORT SERVICES

INFORMATION TECHNOLOGY (IT)

Expansion of the Geographical Information System (GIS) continued with the development and implementation of a Geographical Information System (GIS) for mapping and locations of key electrical installations. This system improved field operations, enabled network maintenance and repairs. Upgrading of the Wide Area Network (WAN) further improved transmission of business data, accounting and system operations.



Hard work and loyalty to the Company among employees continues to be recognised during long service awards. Safe driving is also encouraged and rewarded.

As part of its business strategy to take on new business opportunities, your Company started rendering IT-based services. This opens up the possibility of providing services for broadband data transmission between your Company and other communication service providers.

HUMAN RESOURCES MANAGEMENT

The Company continued to enhance industrial relations, and to build consensus towards achieving corporate goals. As a result, industrial harmony prevailed throughout the year facilitated by regular consultative meetings between Management and the Union leadership. Interactive communication strategies were adopted to improve employee understanding of various issues like power rationing and austerity measures introduced by the Company to reduce expenditure.

The Company had a workforce of 6,973 as at 30th June 2000, compared to 7,100 last year. A customer/employee ratio of 75:1 was achieved compared to 73:1 over the same period in the previous year.

CORPORATE COMMUNICATIONS

Various efforts were made to convey information to customers and stakeholders through publications, advertisements, radio programmes, web-based outreach, conference participation, and other promotional activities including participation in Agricultural Society of Kenya (ASK) Shows. Public education campaigns were undertaken on safe and efficient use of electricity as well as issues related to power rationing.

To improve corporate relations with strategic partners in civil society, the Company continued to forge linkages with professional organisations and other corporate institutions.

GENERATION CAPACITY ENHANCEMENT

EMERGENCY POWER PLANTS

To ease the impact of power rationing, the Government contracted three emergency power providers in August 2000, with financial assistance from the World Bank, to supply 105MW on lease basis. The three companies are Aggreko (45MW), Deutz and Cummins (30MW each). These emergency power plants, together with an



additional 12MW from Iberafrica, 4MW from Orpower 4 Inc., 30MW from a steam turbine rehabilitated by KenGen at Kipevu, 2MW from Mumias Sugar Company and about 20MW from private autogenerators, enabled your Company to ease rationing.

INDEPENDENT POWER PRODUCERS' (IPP) PROJECTS

Stop-Gap Generating Plants

During the year, Iberafrica Power (Kenya) Ltd. and Westmont Power (Kenya) Ltd. stepped up thermal generation output to compensate for reduced hydro-generation. The Westmont plant at Embasa, which broke down in April 1999, was repaired and commissioned in November the same year.

Fast Track Projects

Following tender evaluation and selection of two fast track projects of 55MW each at Kipevu II, your Company negotiated agreements with

the consortium of Deutz UK Ltd. and Burmeister & Wain Scandinavian Contractor for both sites. However, as a result of the emergency measures taken to ease power rationing, about 50MW additional power has been installed on a permanent basis, thereby displacing one of the projects. Consequently, only the Eldoret Diesel Power Project is now scheduled for implementation by December 2001.

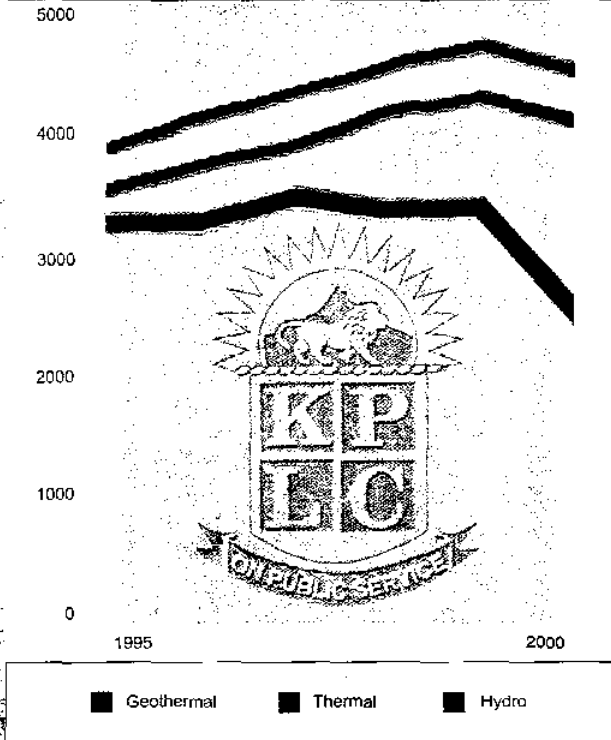
Kipevu II 75MW Diesel Plant

Construction work began after the developer, Tsavo Power Company (Wartsila NSD), met all conditions in the Power Purchase Agreement. The plant is expected to be commissioned in September 2001.

Olkaria III 64MW Geothermal Power Station

The plant commenced an early generation of 8MW in June 2000 and an additional 4MW will be provided by December 2000 as part of the Emergency Power Project. Appraisal work for the balance of the 64MW plant is in progress and full commercial operation is expected to commence in July 2003.

Generation (GWh) by Source.



KENGEN PROJECTS

Olkaria II 64MW Geothermal Power Project

Implementation of the Olkaria II 64MW Project, which is projected to be commissioned in 2002, commenced during the year.

Sondu Miriu

Construction work on the 60MW Sondu Miriu hydro electric power project commenced and is expected to be commissioned in 2003. The project includes a 50 km 132kV transmission line from the power station to Kisumu substation.



CHAIRMAN'S REVIEW *Continued*



The launch of a Shs.1.5 billion KPLC Commercial Paper enabled the Company to access cheaper sources of finance.

will be adequately interconnected to be able to participate in the intra- and inter-regional power trade, thus diversifying the sources of power supply.

STAFF

I wish to note with appreciation the hard work and sacrifices made by staff during the very difficult year. Due to the financial constraints outlined in my report, your Company embarked on stringent cost cutting measures that saved the Company Shs.1 billion. This would not have been possible without the understanding and fortitude of the management and staff. On your behalf and that of the Board, I wish to thank them all.

T T Naikuni
Chairman

FUTURE PROSPECTS

At the end of the year, the time of general start rains had brought in a number of benefits in each of the areas of generation under the Emergency Programme had substantially improved. The power supply situation during rains materialised as expected. The reorganisation of the industry referred to in my report and flatter organisation had materialised and financial performance.

In the medium term, the new power will be installed by mid-2005. The capacity, as well as the distribution network, will ensure short and medium term prospects for improved performance are excellent.

In order to be able to fully tap the supply potential in the region, some discussions are currently in progress. The connection of the South (SPP) in 2005, the court

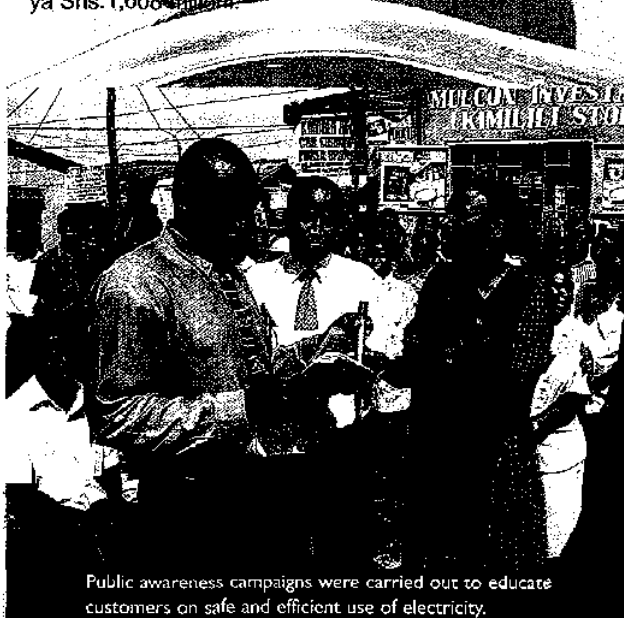
RIPOTI YA MWENYEKITI

MTAZAMO WA JUMLA

Kampuni yetu ilikabiliwa na matatizo yasiyo ya kawaida wakati wa kipindi cha mwaka, ambayo kwa kiasi kikubwa yaliathiri hali ya biashara. Ukame ambao umeikumba nchi hii kwa zaidi ya miaka miwili, na ambao ndio mbaya zaidi kwa kipindi cha miaka hamsini, ulisababisha kuwe na upungufu mkubwa zaidi wa nguvu za umeme kuwahi kutokea. Hali hii ililazimisha Kampuni kuweka mpango mkubwa wa matumizi ya nguvu za umeme kwa vipimo. Wakati huo-huo uchumi wa taifa ulikuwa katika hali mbaya huku ukuaji wa pato la jumla la taifa ukupungua kwa kiwango kilichotazamiwa cha 0.5% mwaka wa 2000, ikilinganishwa na 1.4% mwaka wa 1998 na mwaka wa 1999. Sababu ambilibi zilichangia kupungua kwa kiasi kikubwa ambayo yaliyotarajiwa kutoka kwa nguvu za umeme za Sh.5,000 wakati wa mwaka.

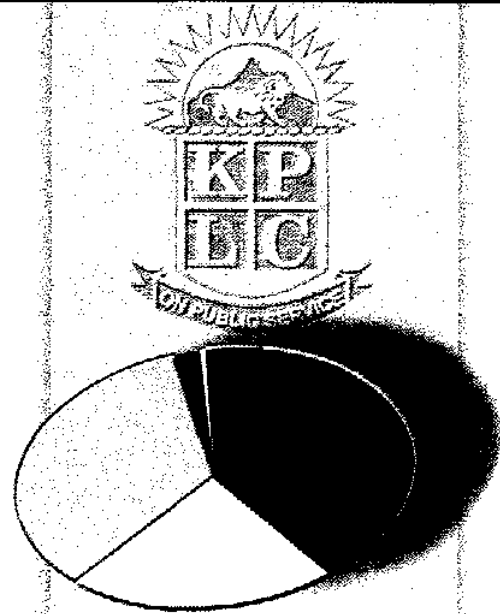
Kwa kanda mwingi, gharama za matumizi zilikuwa sana kwa sababu ya ongezeko la kodi ya umeme ambayo inung'wa kwa kiasi kikubwa kwa Kampuni ya Keneba kwa kuongezeka kwa gharama za mitambo inayotumia matumizi ya umeme.

Hivyo basi, gharama za matumizi ya umeme yalikuwa Sh.23,564 milioni mwaka wa 2000, ambayo ni 27,016 milioni. Baada ya gharama ya kifedha ya Sh.704 milioni, kodi iliyolipwa kwa umeme kwa matumizi maalum ya Sh.1,581 milioni, Kampuni ilipata hasara ya Sh.1,607 milioni.



Public awareness campaigns were carried out to educate customers on safe and efficient use of electricity.

Revenue by Customer Category 1999/2000.



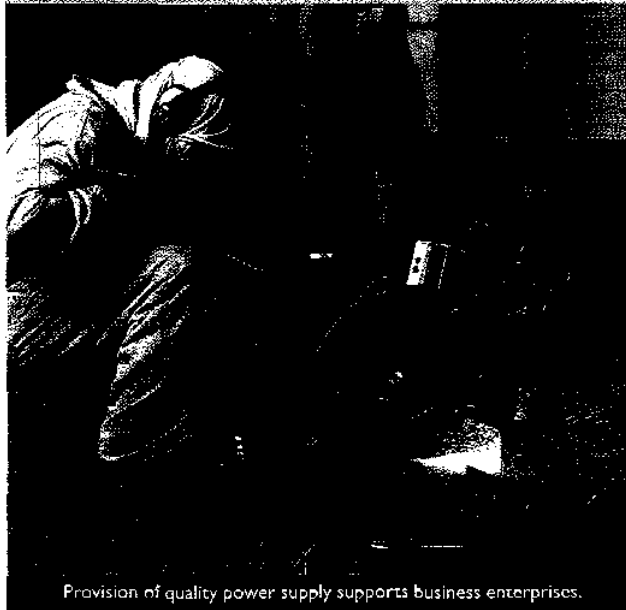
Domestic & Small Industrial - 36.5%	Medium Commercial & Industrial - 22%	Large Commercial & Industrial - 34.8%
Off-Peak - 1.6%	Street Lighting - 0.4%	Others - 0.4%
REF - 4.4%		

Kwa sababu hiyo, jumla ya pesa zilizopatikana zilikuwa Sh.23,564 milioni, dhidi ya matumizi ya kampuni ya Sh.27,016 milioni. Baada ya gharama ya kifedha ya Sh.704 milioni, Sh.966 milioni ambazo hazikulipwa kodi na matumizi maalumu ya Sh.1,581 milioni, Kampuni ilipata hasara ya Sh.1,607 milioni.

HALI YA KIFEDHA

Matokeo ya biashara

Wakati wa mwaka, unit milioni 3,365 za umeme ziliuzwa ikilinganishwa na unit milioni 3,564 zilizouzwa mwaka uliotangulia. Unit hizi zilifeta mapato ya Sh.23,564 milioni ikilinganishwa na Sh.18,423 milioni mwaka uliotangulia. Ingawa hivyo, hii ilikuwa chini ya mapato yaliyotarajiwa ya Sh.4,957 milioni ikiwa ni pamoja na Sh.1,415 milioni kwa sababu ya kupungua kwa mauzo ya takribani 225GWh, Sh.2,120 milioni kwa sababu ya kupungua pesa zinazotokana na kila unit inayouzwa, na hasara ya jumla ya Sh.1,422 milioni kutokana na hasara za kibashara na hasara kubwa iliyotokana na kubadilisha usambazaji wa nguvu za umeme kutoka laini moja hadi nyingine kwa sababu ya kutoa umeme kwa vipimo.



Provision of quality power supply supports business enterprises.

Mapato ambayo hayaliyotanguliwa kwa mafuta yama... hadi Shs. 15,513 milioni kutoka Shs. 15,513 milioni mwaka uliotanguliwa. Kuongezeko kidogo la 7% ulinganishwa na wastani cha ongezeko la... kutumika Agosti 1999.

Mapato yaliyotanguliwa kwa mafuta, ambayo si... ongezeko kwa 137% uliotangulia hadi Shs. 6,89...

Hii haikubusisha kiasi cha Shs. 602 milioni... hakikupatikana kwa... na mitambo... kwa kiasi cha... umeme kwa... unaotengene... na kuongezeka...

Kwa ujumla, gharama za umeme kwa w... kwa 63% hadi Shs. 27,016 milioni kutoka Shs. 16... mwaka uliotangulia. Nyongeza... ongezeko la Shs. 5,609 milioni katika gharama za umeme kwa wingi kutoka... KenGen na kuongezeka... milioni... umeme kwa w... inatokana na... wa umeme kwa w... katika... Agosti 1999.

Awali ununuzi wa umeme kwa wingi kutoka kampuni ya KenGen ulikuwa chini ya mpango fulani wa bei uliowekwa. Wakurugenzi wanapendekeza kutoa ombi kwa Electricity Regulatory Board ili malipo hayo yachunguzwe.

Faida maalum

Kutokana na marekebisho katika sekta ya umeme chini ya mpango wa marekebisho ya sekta ya kawi nchini, Kampuni ilipata faida ya Shs. 1,581 milioni kutokana na kuhamishwa kwa mali kutoka kwa kampuni ya KenGen. Hii imeelezwa kama faida maalum katika taarifa ya mapato.

Kodi

Kampuni haidaiwi kodi ya Mashirika kwa mwaka uliomalizika hata baada ya kupata hasara. Taarifa ya mapato inaonyesha kodi iliyolipwa kimbele ya Shs. 966 milioni ikilinganishwa na kodi ya Shs. 220 milioni iliyotozwa mwaka uliotanguliwa. Kodi hiyo iliyolipwa kimbele inaonyesha fedha zilizotengwa baada ya kampuni kupata faida mwaka uliotangulia. Hivyo katika miaka miwili ijayo malipo ya kodi ya Kampuni yatakuwa kidogo.

Kodi ya ziada ya thamani (VAT) iliyotozwa malipo ya umeme ilikuwa Shs. 3,357 milioni kutoka Shs. 1,934 milioni mwaka uliotangulia huku kodi ya mapato (PAYE) ikipungua kutoka Shs. 936 milioni mwaka wa 1998/99 hadi Shs. 897 milioni mwaka wa 1999/2000. Malipo ya ushuru wa forodha na VAT kwa bidhaa zilizoagizwa

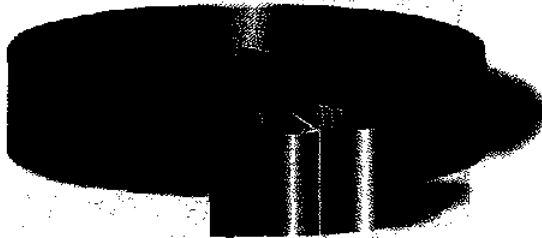
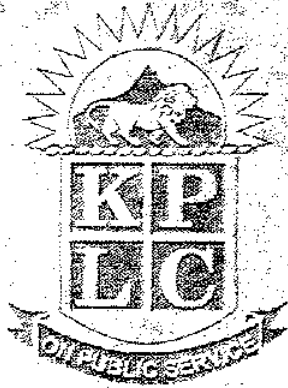
kutoka nje yalipungua kutoka Shs. 466 milioni mwaka uliotangulia hadi Shs. 249 milioni.

Mgao wa faida

Mgao wa faida wa mda wa 10% (Shs. 2 kwa hisa) mwezi Mei 2000, na kuwa Shs. 158 milioni ikilinganishwa na Shs. 237 milioni mwaka uliotangulia. Mgao wa faida wa jumla ya Shs. 1.9 milioni ulilipwa mda wake ulipowadia. Kwa sababu ya hali mbaya ya biashara, Wakurugenzi wameamua wasipendekeze malipo zaidi ya mgao wa faidi kwa mwaka huu.

Mgao wa faida uliolipwa kwa serikali ulikuwa ni jumla ya Shs. 64.8 milioni. Hii pamoja na kodi, kulifanya mchango wa Kampuni kwa hazina kuu kufikia Shs. 4,567 milioni ikilinganishwa na Shs. 3,758 milioni mwaka wa 1998/99.

Power Purchased by KPLC 1999/2000.



■ KenGen - 88%	■ Iberafrica - 7%
■ Westmont - 4%	■ UEB - 3%

Kwa hivyo, hali ya kufedha kwa mgao wa faida ilikuwa ni nzuri kwa faida ya Shs.670...

MAREKEBISHO YA SEKTA NDOGO YA NGUVU ZA UMEME

Kuhamishi

Nilitangaza kwamba... mda kwa... inaratibiwa kufika tarehe 29 Juni 1999... kuwajulisha kwamba jambo hili hifadhiwa kwa... Kampuni ya PriceWaterhouseCoopers... wahusika wengine. Kwa sababu hii, mda wa thamani... Shs.3,247 milioni na Shs... ishwa kwa KPLC na kote... ya thamani... Shs.342 milioni... zawa na imeonyesha... katika hesabu ya m...

Marekebisho ya biashara

Serikali na Halmashauri ya Wakurugenzi wamechukua hatua za kurekebisha kampuni yenu ili kupunguza matumizi ya fedha. Kwa sababu hii kundi la kushirikisha shughuli za marekebisho liliteuliwa mwezi Oktoba 2000.

Kampuni ya PriceWaterhouseCoopers, ambayo awali ilikuwa imeteuliwa na Halmashauri kuchunguza muundo na usimamizi wa shirika wametakiwa watoe mapendekezo kwa utekelezaji. Hadi ripoti hii ikichapishwa mshauri wa kifedha alikuwa karibu kuteuliwa kuchunguza hali ya kifedha ya Kampuni. Wachunguzi hao wanatarajiwa kuwasilisha ripoti yao Januari 31, 2001.

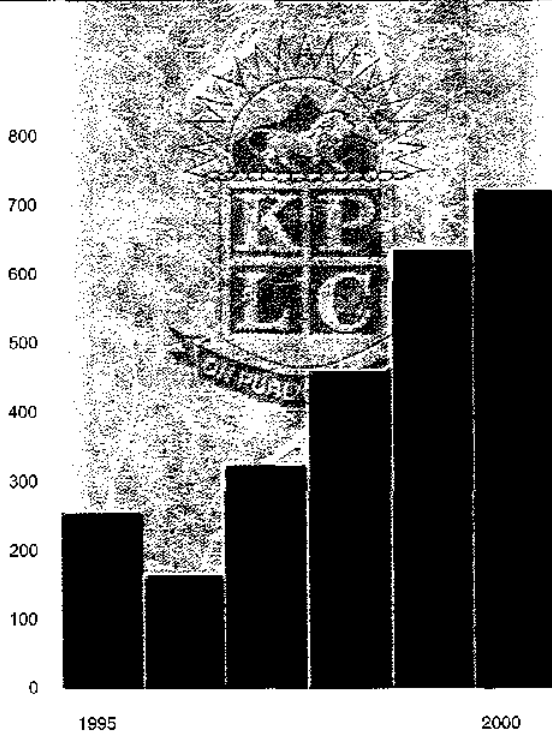
Kubinafsishwa kwa Sekta ya Nguvu za Umeme

Utaratibu wa kubinafsishwa sekta ya nguvu za umeme pia umeanza. Kama hatua ya kwanza, serikali itatafuta huduma za ushauri kuhusu nguvu za umeme kuchunguza sekta hii na kutoa mapendekezo kuhusu njia bora za kusambaza nguvu za umeme. Inatarajiwa kuwa mshauri huyo atakuwa amepewa jukumu hilo kufikia Januari 31, 2001. Uchunguzi huo unatarajiwa kukamilika ifikapo Mei 31, 2001. Mapendekezo hayo kisha yatakabidhiwa serikali. Mabadiliko ya mapendekezo yoyote ambayo yatahitaji kuidhinishwa na wanahisa yatapelekwa kwa mkutano mkuu.

Uchunguzi wa bei ya stima

Mnamo mwezi Agosti 1999 Electricity Regulatory Board (ERB) ilikubali kubadilisha bei ya stima kufuatia maombi ambayo yalikuwa yamefanywa na kampuni yenu mwezi Juni mwaka huo. Hii iliwezesha kuwe na viwango vya watumizi wa kadri na wafanyibiashara wakubwa na wateja wa viwandani. Hata hivyo mnamo mwezi Mei 2000, ERB ilisimamisha mpango huu na ikaidhinisha mpango wa viwango vinavyofanana kwa wateja wote kuanzia Mei 29, 2000 kwa kuwa walishindwa kutumia mpango wa awali kufuatia utaratibu wa kutoa nguvu za umeme kwa vipimo.

REF Annual Expenditure (Kshs million)



zenye wakaazi wengi. Katika eneo la Pwani, miradi mikubwa ilikuwa ni pamoja na kupitishia kwingineko laini za stima kutoka Rabai ili kutoa nafasi ya uwekaji wa laini za usambazaji za Kipevu/Rabai ambako kunaendelea. Transifoma yenye uwezo mkubwa zaidi wa 132/33Kv pia iliwekwa Rabai na laini mpya ikanjengwa kutoka Mbaraki hadi Likoni.

Marekebisho mengine katika mfumo wa kusambaza nguvu za umeme yalifanywa katika maeneo ya North Rift, Central Rift na Mlima Kenya kuimarisha usambazaji wa umeme hasa katika sekta za kilimo na utengenezaji bidhaa.

MAENDELEO YA USAMBAZAJI

Laini za Kiambere-Nairobi na Kipevu-Rabai

Ujenzi unaoendelea wa laini ya stima ya Kipevu-Rabai yenye uwezo wa 132kV na kampuni ya Siemens AG umepangiwa kukamilika Aprili 2001 ilhali upanuzi wa vituo vidogo vya kusambaza umeme huko Kipevu na Rabai utanzishwa hivi karibuni na kampuni ya ABB Transmit ya Finland. Ujenzi wa laini ya stima ya Nairobi-Kiambere yenye uwezo wa 220kV utanza baada ya mipango ya kugharamia mradi huo itakapokamilika.

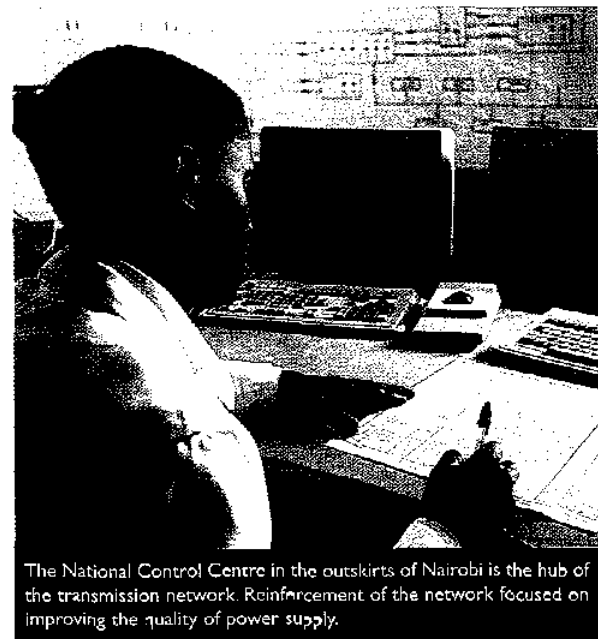
BIASHARA MUHIMU

KUPELEKA NA KUSAMBAZA UMEME

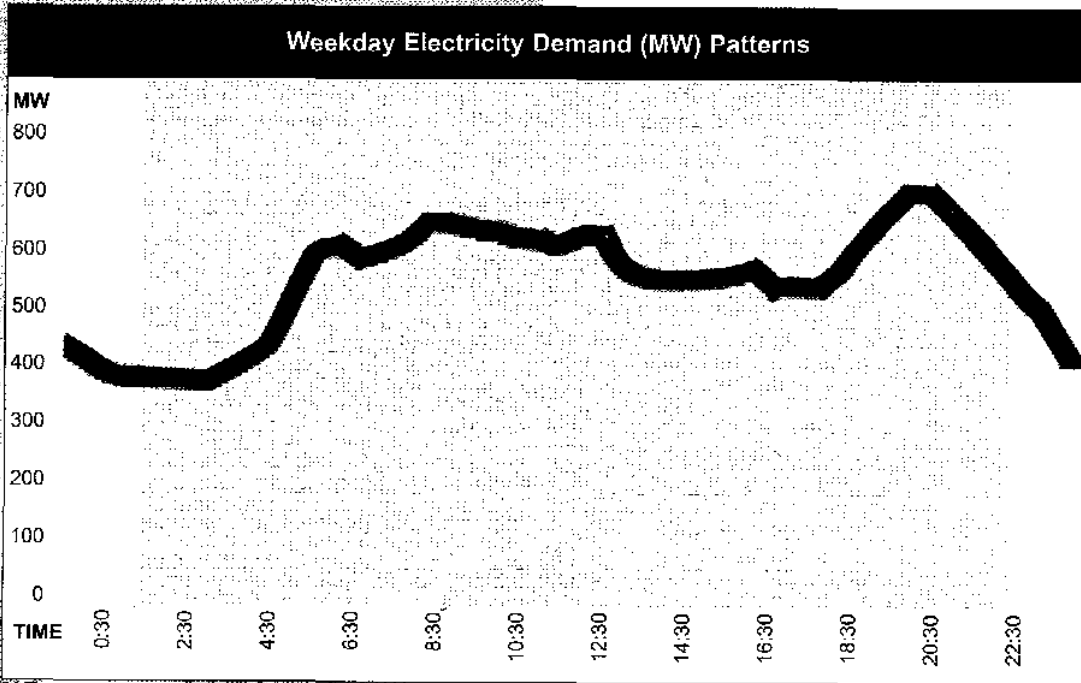
Kuimarisha laini za kusambaza umeme

Wakati wa kipindi cha mwaka, miradi kuhusu kupeleka na kusambaza umeme kwa kasi kubwa, libera na uthabiti wa kusambaza umeme, ambayo ina uwezo wa mahitaji makubwa ya umeme, miradi ambayo inachangia kote nchini kwa kuimarisha usambazaji wa umeme kutefereka kwa ureo wa kawaida. Miradi hizi zinazotelekezwa hizi. Hii ilihusisha kuimarisha laini za kusambaza umeme kwa kiwango cha chini, wengine wote wakati wa marekebisho, kukata miti sehemu zinazopita laini za kusambaza umeme, kuweka nguzo mpya kuchukua mahali pa zilizozitakiwa pamoja na yitaa vya kusambazisha nguvu za umeme.

Katika eneo la Pwani, miradi mikubwa ilikuwa ni pamoja na kupitishia kwingineko laini za stima kutoka Rabai ili kutoa nafasi ya uwekaji wa laini za usambazaji za Kipevu/Rabai ambako kunaendelea. Transifoma yenye uwezo mkubwa zaidi wa 132/33Kv pia iliwekwa Rabai na laini mpya ikanjengwa kutoka Mbaraki hadi Likoni.



The National Control Centre in the outskirts of Nairobi is the hub of the transmission network. Reinforcement of the network focused on improving the quality of power supply.



Laini ya Gitaru-Kamburu yenye uwezo wa 80MW

Laini ya stima ya Gitaru na Kamburu wakati wa kuzinduliwa 80MW. Marekebisho sambaza umeme huu laini hiyo kuwekwa

Kituo cha kugeuza umeme cha kipevu 33/132kV

Kufuatia kuzi unaotoa 75M diesel, kituo kiliongezwa wa nchi ya Japan

Laini ya Oikaria Nairobi yenye uwezo wa 220kV

Ujenzi wa laini hii kwa niaba kampuni yenu zinazokanana na Oikaria II. Mradi

utawezesha usambazaji wa umeme kutoka vituo vya Oikaria II na Oikaria III hadi kwenye grid ya taifa. Kandarasi ya kuweka iaini hiyo ya stima ilipewa kampuni ya KEC ya India kwa gharama ya US\$ 8.7 milioni, ilhali ile ya kujenga vituo vidogo vya kusambaza nguvu za umeme ikapewa Siemens ya Ujerumani kwa gharama ya US\$ 8.4 mwezi Machi 2000. Mradi huo unatazamiwa kukamilika katikati ya 2002.

HUDUMA KWA WATEJA

Kampuni ilikabiliwa na wakati mgumu wa kukusanya fedha chini ya hali mbaya ya kiuchumi ambayo ilijitokeza wakati wa kipindi chote cha mwaka, huku wakati huo huo ikijitahidi kuimarisha huduma kwa wateja wake.

Hivyo basi eneo la Nairobi liligawanywa katika maeneo ya kibiashara, jambo ambalo limesaidia kuimarisha usimamizi wa shughuli za nyanjani. Vituo zaidi vya kulipia huduma vilifunguliwa katika matawi ya Benki ya Ushirika ya Bungoma, Kerugoya, Machakos na Murang'a. Matawi haya ni pamoja na yale ambayo yalifunguliwa katika sehemu zingine nchini mwaka uliotangulia. Benki ya Standard Chartered pia ilipanua mitambo ya kulipia bill kwa kuongeza mashini zaidi za ATM katika vituo mbali mbali nchini. Huduma hii inampa mteja fursa ya kulipa bill kwa kutumia



The Company performed well in ASK Shows, fairs and exhibitions for which it was awarded coveted prizes

njia zingine na hivyo kuagiza msongamano katika kumbi za kema ya zamba bill. Upanuzi wa huduma uliendelea katika majuzi zambani huko Sarit Centre, Adams Arcade, Eastlands na Joojo Plaza mjini Nairobi, Machakos na Malindi.

Habari zingine zilizochochua kuwa kwa huduma ni pamoja na kuanzisha majuzi kama mita za electronic badala ya majuzi ya kawaida kwa wateja wa viwanda vya kawaida. Hii inaleta uhakika katika usomaji wa majuzi.

Wakati wa kipindi cha majuzi hizi juhudi za kulinda majuzi yaliyokuwa zambao ulinuiwa kukambaa kwa majuzi yote na kupunguza hasara za kibashara. Majuzi ambazo zinafanywa kote nchini zimekuwa na ufanisi. Hasara zika kuhamasisha umeme wa majuzi kupunguza wizi wa stima.

Mipango ya kupunguza upoteaji wa nguvu za umeme

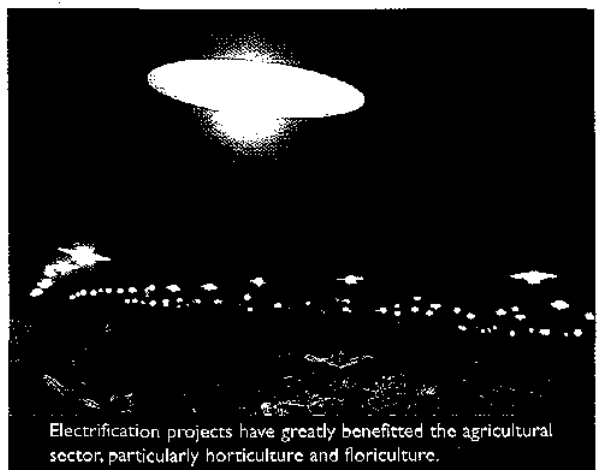
Chini ya mpango wa kupunguza upoteaji wa nguvu wakati wa upishaji ambao unatekelezwa na Mombasa, vituo vya vidogo vya kutubiri za umeme vitajengwa kwa gharama ya Shs.200 milioni huko Kiambu na Ongata Road huko Machakos. Watahawi wa mpango wa majuzi yaliyotumizi ya Nairobi na Mombasa zote zita kughinishwa Bank ya Dunia.

UMEME KATIKA SEHEMU ZA MASHAMBANI

Serikali ilitumia jumla ya Shs.708 milioni kwa mpango wa kusambaza umeme katika sehemu za mashambani wakati wa kipindi cha mwaka, na hivyo kufanya jumla ya pesa zilizotumika tangu mpango huu uanzishwe 1973 kufikia Shs.5,049 milioni.

Idadi ya wateja chini ya mpango huu iliongezeka kutoka 61,436 mwaka wa 1998/99 hadi 67,542 mwaka wa 1999/00. Ingawa hivyo unit zilizouzwa zilipungua kutoka 153 milioni hadi 138 milioni, ilhali mapato yaliyokusanywa yaliongezeka kwa Shs.235 milioni kutoka Shs.851 milioni mwaka uliotangulia hadi Shs.1,086 milioni. Kiwango cha chini cha unit zilizouzwa kilitokana na kutolewa kwa umeme kwa vipimo, ilhali ongezeko la mapato lilitokana na bei mpya ya stima iliyoanza kutekelezwa mwezi wa Agosti 1999 na kodi iliyotokana na matumizi zaidi ya mafuta ya kutengeneza nguvu za umeme.

Kufuatia tathimini ya hatua ya kwanza ya mpango wa kupeleka umeme katika viwanda vya kahawa (COFREP) ambao umefadhiliwa na hazina ya muungano wa Ulaya wa kusawazisha bidhaa zinazouzwa nje (STABEX), viwanda vingine 55 vililekwa katika orodha ya kuwekwa umeme kwa kipindi cha matumizi ya fedha cha 2000/2001. Hii itafanya idadi ya viwanda vya kahawa ambavyo vimewekwa umeme kuwa 112 kati ya viwanda 168 vilivyokusudiwa.

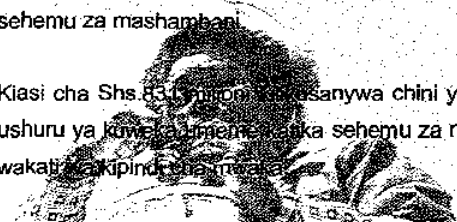


Electrification projects have greatly benefitted the agricultural sector, particularly horticulture and floriculture.

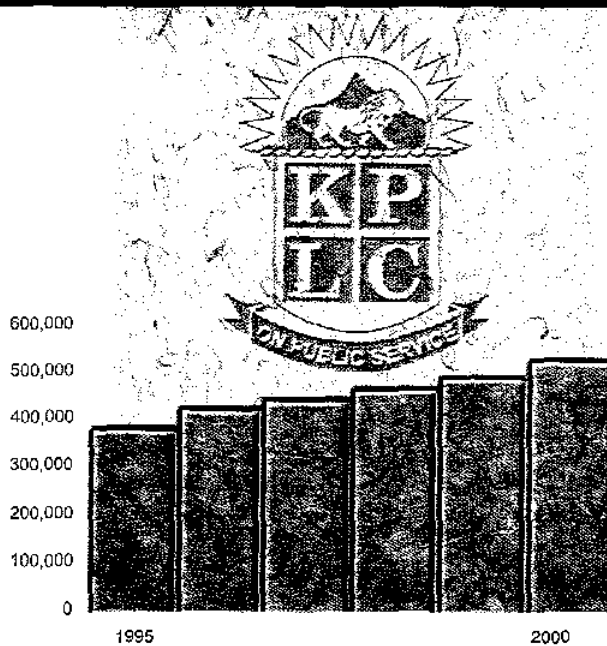
Ujenzi wa miradi 32 ambayo ilichaguliwa kwa utekelezaji chini ya awamu ya kwanza ya miradi wa Spanish Rural Electrification Project kwa gharama ya US\$10.6 milioni ulianza wakati wa kipindi cha mwaka na unatarajiwa kukamilika October 2001.

Wakati wa kipindi hicho, majadiliano yalianzishwa kati ya serikali ya Kenya na ile ya Spain kugharamia awamu ya pili ya miradi huo kwa gharama ya US\$10.2555 milioni. Makubaliano mengine ya faranga 60 milioni yaliwekwa saina mwezi wa Mei 2000 kati ya serikali ya Kenya na ile ya Ufaransa kugharamia miradi ya kuweka umeme katika sehemu za mashambani.

Kiasi cha Shs 83.1 milioni kinasanywa chini ya hazina ya ushuru ya kumwaga umeme katika sehemu za mashambani wakati wa kipindi cha mwaka.



Number of Customers



HUDUMA SAIDIZI

TEKNOLOJIA YA KOMPYUTA

Mapanuzi ya teknolojia ya habari yaliendelea kuzinduliwa kwa Geographical Information System (GIS) kwa njiajili ya kutambua vizio muhimu vya umeme.

imeimarisha shughuli za nyanjani, hasa marekebisho ya laini za umeme. Kuimarishwa kwa Wide Area Network (WAN) kulisaidia usambazaji wa takwim za biashara kwa minajili ya bill, uhasibu na shughuli za mitambo.

Kama sehemu ya mipango yake ya biashara, Kampuni yako ilianza kutoa huduma za IT chini ya huduma za ushauri. Mazungumzo kuhusu uwezekano wa kutumia grid ya kitaifa kusambaza takwim yanaendelea kati ya kampuni yenu na watoaji wa huduma za mawasiliano.

USIMAMIZI WA WAFANYIKAZI

Kampuni iliendelea kuimarisha uhusiano wa kazi na kutafuta uelewano kwa minajili ya kufanikisha malengo ya Kampuni. Kwa sababu hii, hali ya amani miongoni mwa wafanyikazi ilidumishwa kipindi chote cha mwaka kwa kufanyika mikutano ya ushauri ya mara kwa mara kati ya Wasimamizi na viongozi wa chama cha wafanyakazi. Mazungumzo ya ana kwa ana yalitumiwa kusaidia wafanyikazi kuelewa mambo mbali mbali kama vile kutolewa kwa nguvu za umeme kwa vipimo na mipango kabambe iliyoanzishwa na Kampuni ili kupunguza matumizi. Hadi kufikia Juni 30, 2000 kampuni ilikuwa na wafanyikazi 6,973, ikilinganishwa na 7,100 mwaka uliotangulia. Kiwango cha kuwiana wateja/wafanyikazi cha 75:1 kiliafiwa ikilinganishwa na 73:1 wakati wa kipindi kama hicho mwaka uliotangulia.

UHUSIANO WA UMMA

Juhudi kadhaa zilifanywa kutoa habari kwa wateja na wahusika kupitia majarida, matangazo, vipindi vya redio, matumizi ya internet, mikutano na shughuli nyingine za kutangaza huduma za kampuni ambazo ni pamoja na maonyesho ya kilimo nchini. Kampeni za kuelimisha umma zilifanywa kuhusu matumizi salama na bora ya umeme pamoja na maswala ya kutoa umeme kwa vipimo.

Ili kuimarisha uhusiano na mashirika mengine, Kampuni iliendelea kuimarisha uhusiano na mashirika ya kitaalam.

UZALISHAJI WA NGUVU ZA UMEME

KUIMARISHA UWEZO WA KUZALISHA NGUVU ZA UMEME

Mitambo ya dharura ya nguvu za umeme

Ili kupunguza tatizo la kutoa umeme kwa vipimo, senkali ilitoa kandarasi kwa watoaji watatu wa nguvu za umeme za dharura mwezi wa Agosti 2000, kwa usaidizi wa kifedha kutoka Benki ya Dunia kutoa 105MW. Kampuni hizi tatu ni Aggreko (45MW), Damsa (30MW) na Ammins (30MW kila moja). Mitambo hii ya dharura ya umeme ya dharura, pamoja na ongezeko la 20MW kutoka kwa Iberdrola, 4MW kutoka Orpower, Inc. 30MW kutoka kwa mtambo wa Kipevu uliochapuliwa na Kenya Power kutoka Kampuni ya Solar ya Mumias na Kenya Power kutoka genereta za kipimo uliwezesha kama mtambo wa nguvu za utoaji wa umeme kwa vipimo.

MIRADI YA NGUVU ZA UMEME WA KIBINAFISI

Mitambo ya nguvu za umeme

Wakati wa kuanzishwa kwa mtambo wa nguvu za umeme wa Westmont Power(Kenya)Ltd. ziliongezwa mtambo wa nguvu kufuatia kupungua kwa nguvu za umeme zinazolengwa. Mitambo wa Westmont ulioanzishwa mwezi wa Agosti 1999 ulizinduliwa kwa nguvu za umeme kwa kiasi cha 100MW.

Miradi ya nguvu za umeme

Kufuatia kuchunguza upya tena kwa ulele miradi miwili ya fast track ya 55MW kila moja huanza na Lanet. Kampuni yako ilifanya makubaliano ya nguvu za umeme na kampuni za Duelt UK Ltd. na Burmeister & Wain. Mtambo wa nguvu za umeme zote mbili zilizoanzishwa mwezi wa Agosti 2000 za dharura zilizochochuliwa kwa nguvu za umeme za utoaji wa umeme kati ya 50MW. Mtambo wa nguvu za umeme zimewekwa k...

msingi wa kudumu, na hivyo kuchukua nafasi ya moja wa miradi hiyo. Hivyo basi, ni mradi wa Eldoret wa kutoa nguvu za umeme kwa kutumia disel pekee ambao umepangiwa kutekelezwa kufikia Disemba 2000.

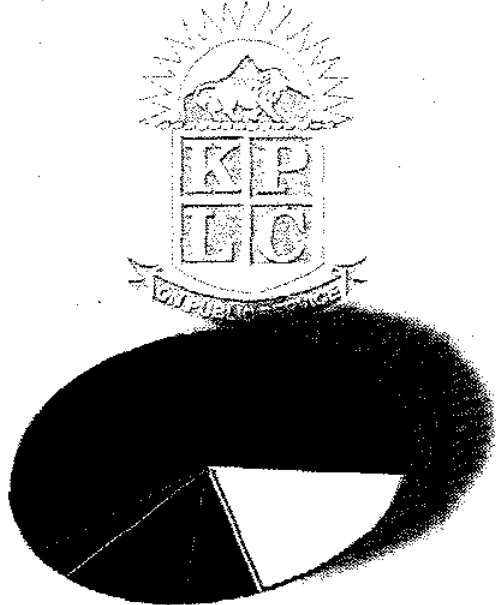
Mtambo wa disel wa Kipevu II 75MW

Shughuli ya ujenzi ilianza baada ya wenyewe, Tsavo Power Company(Wartsila NSD), kuafiki masharti yote katika makubaliano ya ununuzi wa nguvu za umeme. Mtambo huo unatazamiwa kuanzishwa Septemba 2001.

Kituo cha Oikaria III 64 kinachotumia mvuke wa ardhini

Mtambo huu ulianza kutoa 8MW Juni 2000 unatazamiwa kutoa nyongeza ya 4MW kufikia Decemba 2000 kama sehemu ya kutoa umeme chini ya mradi wa dharura. Kazi ya kuimarisha mtambo huo wa 64MW inaendelea na utanza kufanya kazi kikamilifu ifikiapo Julai 2003.

Sales by Area 1999/2000



■ Nairobi - 53%	■ Coast - 18%	■ C/Rift - 6%	■ W/Kenya - 11%
■ Mt. Kenya - 4%	■ N/Rift - 4%	■ REF - 4%	

MIRADI YA KENGEN

Mradi wa Oikaria II 64MW unaotumia mvuke wa ardhini

Utekelezaji wa mradi wa Oikaria II 64MW, ambao unatarajiwa kuazishwa 2000, ulianza wakati wa kipindi cha mwaka.

Sondu Miriu

Kazi ya ujenzi wa mtambo wa nguvu za umeme wa Sondu Miriu wenye uwezo wa 60MW ulianza na unatarajiwa kuzinduliwa 2001. Mradi huu unahusisha laini ya umeme ya umbali wa kilomita 100 wenye uwezo wa 132kV kutoka kituo hicho hadi kituo linao cha kutambaza nguvu za umeme cha Kisumu.

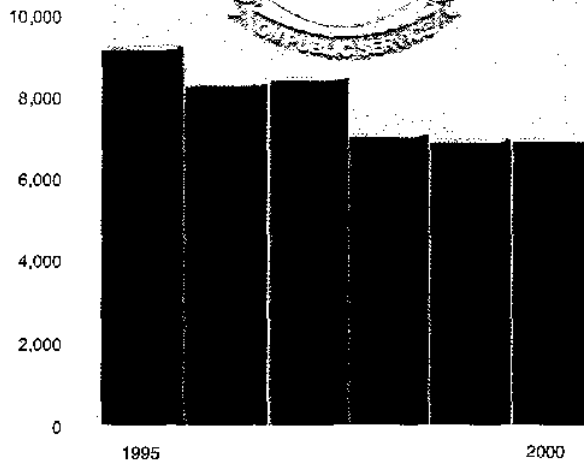
MATARAJIO YA BAADAYE

Ingawa hadi tukichapisha ripoti hii, mda mfupi zilikuwa bado hujabazwa kazi za ujenzi wa dharura wa nguvu za umeme za kwanza za ujenzi umeme kwa vipimo. Kazi za ujenzi hizi zinatarajiwa zaidi iwapo mvuke wa ardhini zilizosha mwaka wa 2001. Zaidi ya kazi za ujenzi za kwanza ambayo nimezungumza katika ripoti hii, ni kazi za ujenzi tuwe na shughuli za ujenzi za kwanza zaidi ambapo litajimarisha zaidi katika usimamizi na kazi za kifedha.

Nyongeza ya kazi za ujenzi za kwanza ni 130MW ambapo 130MW ni kazi za ujenzi za kwanza za mwaka 2001. Nyongeza ya kazi za ujenzi za kwanza pamoja na kazi za ujenzi za kwanza za mwaka unatekelezwa na Kampuni yenu kutahariri kwa kuna umeme wa kutosha kwa maridhiano kwa hii kipindi kifupi na kipindi cha kadiri, matarajio yako ya kufanya vyema yanalia moyo.

Ili kupata manufaa kutoka kwa umeme wa kwanza katika mda wa kipindi cha kwanza, kampuni yenu yafaele na Uganda na Tanzania na Southern African Power Pool (SAPP). Kwa hivyo, itafanikwa kamba filikapo katikati

Number of Employees



2005, nchi hii itakuwa imeunganishwa ili kuiwezesha kushiriki katika biashara ya stima katika kanda hii na hivyo kupanua njia za kupata umeme.

WAFANYIKAZI

Ningependa kuwapongeza wafanyikazi kwa kujitolea kufanya kazi kwa bidii wakati wa kipindi kigumu cha mwaka. Kwa sababu ya matatizo ya kifedha ambayo nimeyaeleza katika ripoti yangu, Kampuni yenu ilichukua hatua za kupunguza matumizi ambayo yalisaidia kampuni kuokoa Shs.1 bilioni. Hii haingewezekana bila ya juhudi za wasimamizi na wafanyikazi. Kwa niaba yenu na kwa niaba ya Halmashauri, ningependa kuwashukuru kwa dhiti.

T T Naikuni

MWENYEKITI

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 30 June 2000.

ACTIVITIES

The core business of the Company continued to be the transmission, distribution and retail of electricity purchased in bulk from The Kenya Electricity Generating Company Limited (KenGen), Independent Power Producers (IPPs) and the Uganda Electricity Board (UEB).

RESULTS

	Sh'000
Loss before tax	2,574,269
Taxation credit	966,287
Net loss for the year transferred to the reserve	1,607,982

DIVIDENDS

An interim dividend of Shs. 100 (per share) was paid on 15 May 2000 out of the reserve. The Directors do not recommend a final dividend for the year. A dividend of Shs. 100,000 payable on 15 May 2000 has been charged to revenue reserves.

CAPITAL EXPENDITURE

During the year, the Company incurred an amount of Shs. 3,345,003,000 on fixed assets. This includes an amount of Shs. 3,345,003,000 on assets acquired from KenGen under the Kenya Sector Reform Programme. Net capital work in progress as at 30 June 2000 amounted to Shs. 1,474,950,000 compared to Shs. 1,474,950,000 in the previous year.

DIRECTORS

The present members of the Board of Directors are shown on page 2.

Messrs N W Kimani and F G Meta ceased to be Alternate Directors to Mr M Oduor-Otieno and Ambassador M Ngali on 18th September, 2000 and 7th July, 2000, respectively. They were replaced by Messrs K Mbathi and A A Ali, respectively.

In accordance with Regulation 120 of the Articles of Association of the Company, Mr T T Naikuni retires by rotation and, being eligible, offers himself for re-election.

Mr S O J Ambundo retires by rotation and, Special Notice pursuant to Sections 142 and 186(5) of the Companies Act of a resolution to re-elect him as a Director in spite of his having attained the age of 71 years having been received by the Company, offers himself 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

12th October 2000

RIPOTI YA WAKURUGENZI

Wakurugenzi wanatoa ripoti yao pamoja na taarifa ya hesabu zilizokaguliwa kufikia mwisho wa mwaka uliomalizika Juni 30, 2000.

SHUGHULI

Shughuli kuu ya Kampuni iliendelea kuwa usambazaji, ugawaji na uuzaji wa reja reja wa stima iliyonunuliwa kwa wingi kutoka kwa Kenya Electricity Generating Company Limited (KenGen), Independent Power Producers (IPPs) na Uganda Electricity Board (UEB).

MATOKEO

	SH'000
Hasara kwa ajili ya...	2,574,269
Kodi iliyolipwa kimbele...	966,287
Hasara kwa mwaka iliyotoa...	
Wakurugenzi hifadhi	1,607,982

MGAO WA FAIDA

Mgao wa faida kwa wakurugenzi ni wa 10% (Shs.2 kwa kila Shs.20) kwa hifadhi ya mapato. Wakurugenzi wote wamezaidi ya mgao wa faida kwa mwaka huu. Mgao wa faida wa Shs. 1,607,982 hisa maalum umegawanywa kati ya wakurugenzi.

MATUMIZI YA FEDHA

Wakati wa mwisho wa mwaka huu ya Shs.5,580,120,000 zilizopokelewa zilizopokelewa wakurugenzi wakurugenzi Shs. 910,352,000 kwa ajili ya hifadhi. Fedha hizi ni Shs. 4,669,768,000. Fedha hizi ni Shs.3,345,903,000 zilizohustiana na matakwa kampuni ya KenGen na mapango wa wakurugenzi sekta ya umeme nchini. Fedha za jumla zilizokwa zikiendelea kutumika kwa wakurugenzi hifadhi huku kufikia Juni 30, 2000 Shs. 2,042,456,000 ikilinganishwa na Shs. 1,900,000,000 mwaka uliotangulia.

WAKURUGENZI

Wanachama wa sasa wa Kamati ya Wakurugenzi wameonyeshwa katika ukurasa wa 2.

Mabwana N W Kimani na F G Meta waliwacha nyadhifa zao kama Wakurugenzi wa kubadilishana na Bw M Oduor-Otieno na Balozi M Ngali tarehe 18 Septemba, 2000 na tarehe 7 Julai, 2000 vile tarehe hizo zimefuatana. Pahala pao palichukuliwa na Mabwana K Mbathi na AA Ali tarehe hizo hizo.

Kulingana na kifungu 120 cha sheria za Kampuni, Bw T T Naikuni anastaafu, lakini kwa kuwa anastahili, anajitolea kuchaguliwa tena.

Bw S O J Ambundo anastaafu kwa ziada na, ilani maalum kutokana na kifungu cha 142 na kile cha 186 (5) cha Sheria za makampuni kufuatia pendekezo la kumchagua tena kuwa mkurugenzi hata akiwa ametimiza miaka 71 imepokelewa na Kampuni, amejitolea kuchaguliwa tena.

WAHASIBU

Wahasibu, Deloitte & Touche wataendelea na shughuli za uhasibu kwa kuwa wameeleza nia ya kufanya hivyo kulingana na sehemu 159(2) ya sheria za Makampuni.

KWA AGIZO LA WAKURUGENZI

J N Kimani

Katibu

Nairobi

Oktoba 12 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the results of operations for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is apparent or you presume that the Company will continue to exist.

The Directors are responsible for ensuring proper books of account which disclose with accuracy at any time the financial position of the Company and to enable them to ensure that the Company complies with the Companies Act. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention of fraud and error.

TAARIFA YA SHUGHULI ZA WAKURUGENZI

Sheria za makampuni zinawahitaji Wakurugenzi watayarisha taarifa za uhasibu kwa kila mwaka wa fedha ambayo hutoa maelezo ya kweli ya hali ya shughuli za Kampuni kufikia mwisho wa kila mwaka wa fedha na matokeo ya shughuli za kipindi hicho. Katika kutayarisha taarifa hizo za fedha, Wakurugenzi wanahitajika:

- Kuchagua na kutumia sera thabiti za uhasibu wakati wote;
- Kufanya maamuzi na makadirio ambayo yanafaa;
- Kueleza iwapo viwango vinavyohitajika vya uhasibu vimetumika;
- Kutayarisha taarifa za uhasibu kulingana na hali halisi ilivyo isipokuwa pale wanapobashiri Kampuni haitaendelea na biashara.

Wakurugenzi wana jukumu la kuweka vitabu vya uhasibu inavyotakikana ambavyo hueleza hali ya kifedha ya Kampuni na kuwawezesha kuhakikisha kwamba taarifa za uhasibu zinaambatana na Sheria za Makampuni. Pia wana jukumu la kulinda mali ya Kampuni na hivyo kuchukua hatua za kuzuia na kutambua udanganyifu na kasoro zingine.

REPORT OF THE AUDITORS

RIPOTI YA WAKAGUZI WA HESABU

We have audited the financial statements on pages 28 to 40 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Respective responsibilities of Directors and Auditors

As described on page 26, the Directors are responsible for the preparation of the financial statements. Our responsibility is to express an opinion on those financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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. In conducting, on a test basis, evidence to assess amounts and disclosures, and in assessing the accounting estimates made by the Directors, the financial statement preparer provides a reasonable basis for our opinion.

Opinion

In our opinion, proper financial statements have been kept by the Company in accordance with the agreement between the Company and the shareholders of affairs of the Company, and cash flows, in accordance with International Accounting Standards and the Companies Act.

Deloitte & Touche

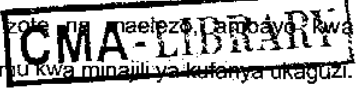
Auditors

Certified Public Accountants

Nairobi

12th October 2000

Tumekagua ripoti ya fedha katika ukurasa wa 28 hadi 40 na tumepata habari zote na naelezo lamboya kwa ufahamu wetu, ni muhimu kwa minajili ya kutonya ukaguzi.



Majukumu ya wakurugenzi na wahasibu

Kama ilivyoelezwa kwenye ukurasa wa 26, ripoti ya fedha ni jukumu la Wakurugenzi. Jukumu letu ni kutoa maoni kuhusu ripoti hiyo kulingana na ukaguzi wetu.

Sababu za maoni

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

Maoni

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, 2000 na hasara na mtiririko wake wa fedha kwa mwaka uliomalizika kuambatana na viwango vya kimataifa vya uhasibu na inaambatana na Sheria za Makampuni.

Deloitte & Touche

Wakaguzi

Certified Public Accountants

Nairobi

Oktoba 12 2000.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 Sh 000	1999 Sh 000
REVENUE			
Electricity sales		16,670,114	15,512,527
Fuel cost recoveries		<u>6,894,352</u>	<u>2,910,204</u>
		<u>23,564,466</u>	<u>18,422,731</u>
OPERATING EXPENSES			
Fuel costs		7,576,817	3,148,385
Other operating expenses		<u>19,439,372</u>	<u>13,372,169</u>
		<u>27,016,189</u>	<u>16,520,554</u>
Operating (Loss)/Profit	2	(3,451,723)	1,902,177
Finance costs	3	<u>(704,140)</u>	<u>(180,253)</u>
(Loss)/Profit after finance costs		(4,155,863)	1,721,924
Exceptional items	5	<u>1,581,594</u>	-
(Loss)/Profit before taxation		(2,574,269)	1,721,924
Taxation	6	966,287	(416,662)
(Loss)/Profit after taxation		<u>(1,607,982)</u>	<u>1,305,262</u>
BASIC (LOSS)/PROFIT PER STOCK UNIT	8	<u>(Sh 20.35)</u>	<u>Sh 16.47</u>

BALANCE SHEET

30 JUNE 2000

	Note	2000 Sh'000	1999 Sh'000
ASSETS			
Non current assets			
Property, plant and equipment	9	12,022,675	9,136,366
Unquoted investment	10	4,300	4,300
		<u>12,026,975</u>	<u>9,140,666</u>
Current assets			
Inventories	11	2,985,548	3,245,949
Trade and other receivables	12	9,812,372	8,335,942
Loan receivable from KenGen		-	99,040
Taxation recoverable		123,186	99,709
Short term deposits		277,495	309,785
Bank and cash balances		275,839	417,695
		<u>13,474,440</u>	<u>12,508,120</u>
Total assets		<u>25,501,415</u>	<u>21,648,786</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,625,560	1,625,560
Reserves	14	2,379,937	4,148,105
Shareholders' funds		<u>4,005,497</u>	<u>5,773,665</u>
Non current liabilities			
Due to KenGen	15	2,216,413	-
Trade and other payables		1,849,502	1,614,442
Loans	16	1,268,999	1,239,483
Deferred taxation	17	241,263	1,207,550
		<u>5,576,177</u>	<u>4,061,475</u>
Current liabilities			
Trade and other payables	18	9,802,235	8,253,501
Due to Government	19	2,194,845	-
Dividends - payable		396,294	163,870
- proposed		-	395,640
Loans repayable	16	994,350	1,018,227
Commercial payables	20	1,473,108	-
Bank overdrafts	21	1,058,909	1,982,408
		<u>15,919,741</u>	<u>11,813,646</u>
Total equity and liabilities		<u>25,501,415</u>	<u>21,648,786</u>

The financial statements were approved by the Board of Directors on 12th October 2000 and were signed on its behalf by

T.T. Naikoni
S.K. Gichuru (Director)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2000

	Share capital Sh'000	Capital reserve Sh'000	General Reserve Sh'000	Tax equalisation Sh'000	Revenue Reserve Sh'000	Total Sh'000
At 1 July 1998:						
As previously reported	1,098,040	12,304	147,480	347,000	4,485,701	6,090,525
Prior year adjustment	-	-	-	(347,000)	(640,168)	(987,168)
As restated	1,098,040	12,304	147,480	-	3,845,533	5,103,357
Capitalised during the year	527,520	-	-	-	(527,520)	-
Profit for the year	-	-	-	-	1,305,262	1,305,262
Dividends (note 7)	-	-	-	-	(634,954)	(634,954)
At 30 June 1999	<u>1,098,040</u>	<u>12,304</u>	<u>147,480</u>	<u>-</u>	<u>3,988,321</u>	<u>5,773,665</u>
At 1 July 1999		12,304	147,480	-	3,988,321	5,773,665
Loss for the year	-	-	-	-	(1,607,982)	(1,607,982)
Dividends (note 7)	-	-	-	-	(160,186)	(160,186)
At 30 June 2000	<u>-</u>	<u>12,304</u>	<u>147,480</u>	<u>-</u>	<u>2,220,153</u>	<u>4,005,497</u>

The prior year adjustment in 1999 represents the provision for deferred tax originating from previous years which was recognised in the financial statements upon the adoption of International Accounting Standard 12 (revised) on income taxes.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 Sh'000	1999 Sh'000
Cash generated from operations	22(a)	1,318,136	784,174
Interest received		23,838	113,436
Interest paid		(716,856)	(257,092)
Taxation paid		(23,477)	(323,985)
NET CASH GENERATED FROM OPERATING ACTIVITIES		<u>601,641</u>	<u>316,533</u>
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,323,865)	(2,351,083)
Proceeds from disposal of property, plant and equipment		224,711	250,267
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,099,154)</u>	<u>(2,100,816)</u>
FINANCING ACTIVITIES			
Proceeds from Commercial paper		1,473,108	-
Loans received		1,101,254	1,009,732
Repayment of loans		(1,103,134)	(251,164)
Receipt of amount due from subsidiaries		99,040	83,937
Dividends paid		(323,402)	(500,220)
NET CASH GENERATED FROM FINANCING ACTIVITIES		<u>1,246,866</u>	<u>342,285</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		749,353	(1,441,998)
CASH AND CASH EQUIVALENTS AT 30 JUNE 1999		(1,254,928)	187,070
CASH AND CASH EQUIVALENTS AT 30 JUNE 2000	22(b)	<u>(505,575)</u>	<u>(1,254,928)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with and comply with International Accounting Standards (IAS) which have been adopted for the first time in these financial statements, with the exception of IAS 12 which was adopted in the financial year ended 30 June 1999. Except for the effect of adoption of IAS 19, on employee benefits there are no other accounting policy changes arising from adoption of International Accounting Standards which have a significant impact on these financial statements. The principal accounting policies adopted in preparation of these financial statements are set out below:

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention.

REVENUE

Revenue is recognised on the sale of electricity. Revenue is measured at Value Added Tax due.

INTEREST

Interest is recognised on the accruals. Interest on the construction of a project is capitalised as part of the cost of the project.

INVENTORIES

Inventories are measured at cost less provision for obsolescence.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less depreciation.

Additions to transmission lines during the year are capitalised net of income tax provisions.

Depreciation is provided for in accordance with the requirements of the Electric Power Act which provides

for the write down of the cost of property, plant and equipment to residual values by equal annual instalments over their expected useful lives.

The depreciation rates used are:

Leasehold land	Over the unexpired period of the lease
Transmission lines	2.5 - 20%
Plant and machinery	2.85 - 6.66%
Motor vehicles	25%
Furniture, equipment and fittings	6.66 - 20%
Computers	30%

TAXATION

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

Deferred tax is provided for, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

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 income statement.

COMMERCIAL PAPER

Commercial paper is a short term finance instrument issued at a discount. Commercial paper balances are shown in the balance sheet at face values less deferred charges. The deferred charges are recognised over the period of the issue.

RETIREMENT BENEFITS OBLIGATIONS

The Company's obligations to retirement benefits scheme are charged to the income statement as they fall due.

NOTES TO THE FINANCIAL STATEMENTS

2000
Sh'000

1999
Sh'000

CMA-LIBRARY

2 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is arrived at after charging/(crediting):

Cost of bulk power supply:

KenGen	- Non fuel	9,414,613	3,745,311
	- Fuel	5,210,973	1,376,194
Independent Power Producers	- Non fuel	1,751,344	1,832,168
	- Fuel	2,365,844	1,772,191
Uganda Electricity Board		810,099	592,683
Staff costs (Note 4)		4,537,659	4,656,159
Bad debts		274,804	-
Directors' emoluments	- fees	930	1,020
	- other	6,341	6,341
Auditors' remuneration		6,655	6,655
Depreciation		926,201	748,424
Provision for disposal of property, plant and equipment		(221,462)	(235,815)

3 FINANCE COSTS

Interest income

On bank and other deposits	(22,470)	(111,879)
On deferred tax assets	(474)	(61)
	<u>(22,944)</u>	<u>(111,940)</u>
Net foreign exchange losses/gains	2,468	(5,534)

Interest expense

On loans	309,821	94,619
On bank overdrafts	287,115	203,108
On commercial paper	127,680	-
	<u>724,616</u>	<u>297,727</u>
	<u>704,140</u>	<u>180,253</u>

4 STAFF COSTS

Salaries and wages	4,246,850	4,156,358
National Social Security Fund contributions	6,000	6,000
Pension costs - defined contribution plan	279,000	481,000
Retrenchment costs	5,809	12,801
	<u>4,537,659</u>	<u>4,656,159</u>

The average number of employees during the year was 6,973 (1999 - 7,100).

5 EXCEPTIONAL ITEM

The exceptional item of profit arising from the transfer of assets to KenGen under the Kenya Energy Sector Reform Programme.

NOTES TO THE FINANCIAL STATEMENTS

	2000	1999
	Sh'000	Sh'000
6 TAXATION		
(a) Current taxation		
Based on the adjusted loss for the year at 30% (1999 - 32.5%)	-	196,280
Deferred taxation (credit)/charge	(966,287)	220,382
	<u>(966,287)</u>	<u>416,662</u>

(b) Reconciliation of tax (credit)/charge to the expected tax based on accounting (loss)/profit:

	2000	1999
	Sh'000	Sh'000
(Loss)/profit before tax	(2,574,269)	1,719,994
Effect of:		
Facile tax calculation	(772,281)	558,998
30% (1999 - 32.5%)	45,851	2,262
Effect of expense for tax purposes	(120,628)	-
Tax effect	-	(100,629)
Reduction in tax rate	(119,229)	(43,969)
Other	<u>(966,287)</u>	<u>416,662</u>

7 DIVIDENDS - GROSS

Preference	1,930	1,930
Ordinary	158,256	237,384
	-	395,640
	<u>160,186</u>	<u>634,954</u>

8 BASIC (LOSS)/EARNINGS PER ORDINARY STOCK UNIT

The (loss)/earnings per ordinary stock unit is calculated on the loss after taxation and preference dividends of Shs 1,609,912,000 (1999 - profits Shs 1,303,332,000) and on the number of ordinary stock units in issue during the

Page of 79-128

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Sh'000	Trans- mission lines Sh'000	Plant and machinery Sh'000	Motor vehicles Sh'000	Computers, furniture, equipment and fittings Sh'000	Total Sh'000
COST						
At 1 July 1999	1,138,059	4,482,533	1,230,633	1,465,858	3,268,693	11,585,776
Additions	47,246	783,513	-	-	239,215	1,069,974
Reclassification	251	-	-	-	(251)	-
Transfer from KenGen	52,160	3,165,436	-	-	128,307	3,345,903
Transfer to KenGen	(52,956)	(8,018)	(1,217,897)	(152,590)	(50,674)	(1,482,135)
Disposals	(1,951)	(3,162)	-	(16,180)	-	(21,293)
At 30 June 2000	1,182,809	8,420,302	12,736	1,297,088	3,585,290	14,498,225
DEPRECIATION						
At 1 July 1999	326,565	432,964	409,573	920,269	1,153,643	4,243,014
Charge for the year	197,729	197,729	44,099	162,264	491,535	926,201
Transfer to KenGen	-	(4,548)	(451,113)	(110,453)	(29,414)	(628,126)
Disposals	-	(3,008)	-	(14,467)	-	(18,044)
At 30 June 2000	524,294	582,137	2,559	957,613	1,615,764	4,523,045
NET BOOK VALUE						
At 30 June 2000	658,515	7,838,165	10,177	339,475	1,969,526	9,975,180
Work in progress	-	-	-	-	-	2,047,495
At 30 June 2000	-	-	-	-	-	12,022,675
At 30 June 2000	-	-	821,060	545,589	2,115,050	7,342,762
Work in progress	-	-	-	-	-	1,793,604
At 30 June 2000	-	-	-	-	-	9,136,366

The transfers from and to KenGen represent disposals of assets transferred between the Company and KenGen as a result of the separation of the power generation function from the transmission and distribution function under the Kenya Energy Sector Reform Programme.

10 UNQUOTED INVESTMENT

The investment in equity securities represent equity shares held in Consolidated Bank of Kenya Limited. The shares are classified as held for deposits with Kenya Credit Finance Limited, one of the finance houses under rehabilitation from 2000.

NOTES TO THE FINANCIAL STATEMENTS

11 INVENTORIES

	2000 Sh'000	1999 Sh'000
General stores	2,246,372	2,433,350
Engineering spares	84,092	73,969
Fuel and oil	108,111	120,734
Transformers	464,962	504,932
Motor vehicle spares	34,997	30,304
Goods in transit	47,014	82,660
	<u>2,985,548</u>	<u>3,245,949</u>

12 TRADE AND OTHER RECEIVABLES

Electricity customers	5,222,818	4,533,049
Rural Electricity Customers	2,221,442	2,453,348
Prepayments	656,286	556,252
Receivables	653,000	-
Others	1,058,826	793,293
	<u>9,812,372</u>	<u>8,335,942</u>

13 SHARE CAPITAL

	2000		1999	
	Authorised Sh'000	Issued and fully paid Sh'000	Authorised Sh'000	Issued and fully paid Sh'000
350,000 stock units	7,000	7,000	7,000	7,000
1,800,000 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	1,582,560	1,957,000	1,582,560
	<u>2,000,000</u>	<u>1,625,560</u>	<u>2,000,000</u>	<u>1,625,560</u>

14 RESERVES

	Capital Sh'000	General Sh'000	Revenue Sh'000	Total Sh'000
At 1 July 1999	12,304	147,480	3,988,321	4,148,105
Loss for the year	-	-	(1,609,912)	(1,609,912)
Dividends	-	-	(158,256)	(158,256)
At 30 June 2000	<u>12,304</u>	<u>147,480</u>	<u>2,220,153</u>	<u>2,379,937</u>

15 DUE TO KENGEN

Amounts due to KenGen are owing to the net assets transferred to KPLC from KenGen together with the outstanding development sub-loans to be repaid over a period of four years with effect from 1 July 2001 and are interest free.

NOTES TO THE FINANCIAL STATEMENTS

16 LOANS

UNSECURED

	2000 Sh'000	1999 Sh'000
5.0% Kenya Government/Canadian loan 1990-2020	667,558	667,558
6.125% Kenya Government/Swiss mixed credit 1996-2005 (CHF 4,636,084)	221,249	233,069
2.6% Indosuez Bank, Belgium 1991-2004 (BEF 75,456,609)	138,885	172,498
3.15% Nordbanken loan 1990-2000	-	99,040
1.5% Finnish Export Credit 1990-2000 (FIM 590,178)	7,365	42,108
1.65% Nordbanken loan 1990-2000	-	18,234
6.125% Kenya Government/Belgium Wind power loan 1996-2006	-	28,080
10.0% Kenya Government/Finnish loan 1988-2002	11,206	11,206
Standard Chartered Bank Kenya Limited Motorola Loan 1993-2000	-	220,524
East African Development Bank 1990-2002	450,000	600,000
Standard Chartered Bank Kenya Limited Telecom Kenya Limited 1999-2000	-	132,780
Standard Chartered Bank Kenya Limited - Emirates	-	32,613
Standard Chartered Bank Kenya Limited - Siemens	115,419	-
Triple A	41,667	-
ABN AMRO	610,000	-
	<u>2,263,349</u>	<u>2,257,710</u>
Less: allowance for doubtful loans	994,350	1,018,227
	<u>1,268,999</u>	<u>1,239,483</u>

17 DEFERRED

Deferred tax liabilities are recognized for tax consequences under the liability method using the effective rate of 30%.

Movement in deferred tax liabilities

	2000 Sh'000	1999 Sh'000
At 1st July as previously stated	1,207,550	869,624
Prior year adjustments	-	117,544
At 1st July	1,207,550	987,168
Current year adjustments	(966,287)	220,382
At 30th June	<u>241,263</u>	<u>1,207,550</u>

NOTES TO THE FINANCIAL STATEMENTS

24 CONTINGENT LIABILITIES

	2000 Sh'000	1999 Sh'000
Bank guarantees	366,329	376,165
Claims on the Company	1,358,822	1,368,634
	<u>1,725,151</u>	<u>1,744,799</u>

The claims relate to civil suits lodged against the Company by various parties in the normal course of business. The likely outcome of the suits cannot be determined as at the date of signing these financial statements. The directors do not expect that any liabilities will be incurred from the suits.

25 PROVISIONS FOR LIABILITIES AND CHARGES

Employees' entitlement to annual leave are recognised when they are earned by employees. The outstanding liability in respect of annual leave as at 30 June 2000 is Shs. 78,943,000. The adoption of International Accounting Standard No. 19 will be recognised from the current financial year. Transitional provisions of International Accounting Standard No. 19 on staff benefits are effective from 30 June 2000. Consequently, an amount of Shs. 78,943,000 has been charged to the income statement in the current year.

26 RETIREMENT BENEFIT OBLIGATIONS

The Company has a defined contribution scheme for its employees. The scheme covers employees of both KPLC and KenGen. However, a split of the scheme's assets and liabilities is expected in the near future as part of the merger of the activities of the two companies which is being undertaken under the Financial Sector Reform Programme. The scheme is administered independently by KenGen Insurance Brokers Limited, and is funded by contributions from both

companies and employees. The scheme's funds are jointly managed by Barclaytrust Investment Services Limited and Co-op Merchant Bank Limited.

The scheme is subjected to valuations by independent Actuaries once every three years to fulfil requirements under the scheme's rules, the income tax (Retirement Benefits) rules 1994 and the Retirement Benefits Act 1997. The last actuarial valuation was carried out as at 1 August 1999 by Hymans Robertson, Consulting Actuaries. The actuarial valuation method adopted entailed the comparison of the value of the scheme's assets at the valuation date with its liabilities and an assessment of the ability of the scheme to meet its obligations to members. The principal actuarial assumptions used are:

- Investment return 10% per annum
- Rate of salary escalation 8% per annum
- Rate of pension increases 3%

The actuarial valuation revealed that there is a past service actuarial deficit of Shs. 1,666,800,000. KPLC bears a share of 80.4% of the deficit while the balance of 19.6% will be borne by KenGen. The actuarial deficit will be recognised over a period of five years with effect from the current financial year, in line with the transitional provisions of International Accounting Standard No. 19 on staff benefits. Consequently, an amount of Shs. 267,732,000 has been charged to the income statement in the current year leaving a liability of Shs. 1,072,375,200 which will be recognised over the next four years.

The Company also contributes to the statutory National Social Security fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Shs. 80 per employee per month.

NOTES TO THE FINANCIAL STATEMENTS

16 LOANS

UNSECURED

	2000 Sh'000	1999 Sh'000
5.0% Kenya Government/Canadian loan 1990-2020	667,558	667,558
6.125% Kenya Government/Swiss mixed credit 1996-2005 (CHF 4,636,084)	221,249	233,069
2.6% Indosuez Bank, Belgium 1991-2004 (BEF 75,456,609)	138,885	172,498
3.15% Nordbanken loan 1990-2000	-	99,040
1.5% Finnish Export Credit 1990-2000 (FIM 590,178)	7,365	42,108
1.65% Nordbanken loan 1990-2000	-	18,234
6.125% Kenya Government/Belgium Wind power loan 1996-2006	-	28,080
10.0% Kenya Government/Finnish loan 1988-2002	11,206	11,206
Standard Chartered Bank Kenya Limited Motorola Loan-1993-2000	-	220,524
East African Development Bank 2000-2002	450,000	600,000
Standard Chartered Bank Kenya Limited Telecoms Loan, 1995-2000	-	132,780
Standard Chartered Bank Kenya Limited - Emirates	-	32,613
Standard Chartered Bank Kenya Limited - Siemens	115,419	-
Triple A	41,667	-
ABN AMRO	610,000	-
	<u>2,263,349</u>	<u>2,257,710</u>
Less: at	994,350	1,018,227
	<u>1,268,999</u>	<u>1,239,483</u>

17 DEFERRED TAX

Deferred tax is calculated on temporary differences under the liability method using the effective rate of 30%.

Movement in deferred tax

	2000 Sh'000	1999 Sh'000
At 1 July as previously stated	1,207,550	869,624
Pre-year adjustments	-	117,544
At 1 July	1,207,550	987,168
Current year adjustments	(966,287)	220,382
At 31 June	<u>241,263</u>	<u>1,207,550</u>

NOTES TO THE FINANCIAL STATEMENTS

	2000 Sh'000	1999 Sh'000
17 DEFERRED TAXATION (Continued)		
The deferred taxation liability at 30 June is attributable to the following items:		
Accelerated capital allowances	2,237,034	1,256,991
Tax losses	(1,886,964)	-
Provisions	(104,002)	-
Unrealised exchange losses	(4,805)	(49,441)
	<u>241,263</u>	<u>1,207,550</u>

18 TRADE AND OTHER PAYABLES

KenGen	7,052,196	5,537,661
Customers	1,098,999	859,074
Contractors	750,503	755,368
Suppliers' accounts	1,096,528	1,150,474
Due to Government	-	351,330
Electricity	588,817	426,333
Regulator	18,366	31,087
Retirement Benefits	267,732	-
Leave pay provision	78,943	-
Others	<u>699,653</u>	<u>756,616</u>
	11,651,737	9,867,943
Less: Advances	<u>(1,849,502)</u>	<u>(1,614,442)</u>
	<u>9,802,235</u>	<u>8,253,501</u>

The customer advances have been reclassified to non-current liabilities as the amounts are not payable within 12 months.

19 DUE TO GOVERNMENT OF KENYA

This represents advances due and payable to the Government of Kenya which were taken over by the company as a result of the asset transfers between KenGen and KPLC during the year under the terms of the agreement.

	2000 Sh'000	1999 Sh'000
20 COMMERCIAL PAPER		
Face value	1,500,000	-
Deferred charges	<u>(26,892)</u>	<u>-</u>
	<u>1,473,108</u>	<u>-</u>
21 BANK OVERDRAFTS		

The overdrafts are from local banks and attract interest at market rates. All the facilities are secured by corporate guarantees.

NOTES TO THE FINANCIAL STATEMENTS

22 NOTES TO THE CASH FLOW STATEMENT

	2000 Sh'000	1999 Sh'000
(a) Reconciliation of operating (loss)/profit to net cash inflow from operations		
Operating (loss)/profit	(3,451,723)	1,902,177
Adjustments for:		
Depreciation	926,201	748,424
Profit on disposal of property, plant and equipment	(221,462)	(235,815)
Operating (loss)/profit before working capital changes	(2,746,984)	2,414,786
Decrease in cash and cash equivalents	260,401	455,057
(Increase)/decrease in trade and other receivables	(1,472,273)	86,392
Increase/(decrease) in trade and other payables	1,776,034	(2,172,061)
Increase in amounts due to Government of Kenya	2,194,845	-
Increase in amounts due from Government of Kenya	1,306,113	-
Change in cash inflow from operations	<u>1,318,136</u>	<u>784,174</u>
(b) Analysis of cash and cash equivalents		
Short term investments	277,495	309,785
Bank and cash	275,839	417,695
Bank overdrafts	(1,058,909)	(1,982,408)
	<u>(505,575)</u>	<u>(1,254,928)</u>

(c) Major non-cash transactions

During the year, assets worth Shs.3,345,903,000 and Shs.2,435,000 were transferred to KenGen assets worth Shs.3,345,903,000 and Shs.2,435,000 respectively. These transactions have been dealt with in the current account with KenGen.

23 CAPITAL COMMITMENTS

	2000 Sh'000	1999 Sh'000
Authorised but not contracted for	3,108,684	690,029
Authorised and contracted for	2,599,165	3,161,674
Less: Amounts paid	(1,388,368)	(1,684,147)
	1,210,797	1,477,527
Less: Capital paid	(423,976)	(639,062)
	<u>786,821</u>	<u>838,465</u>

NOTES TO THE FINANCIAL STATEMENTS

24 CONTINGENT LIABILITIES

	2000 Sh'000	1999 Sh'000
Bank guarantees	366,329	376,165
Claims on the Company	1,358,822	1,368,634
	<u>1,725,151</u>	<u>1,744,799</u>

The claims relate to civil suits lodged against the Company by various parties in the normal course of business. The likely outcome of the suits cannot be determined as at the date of signing these financial statements. The directors do not expect that any liabilities will be incurred from the suits.

25 PROVISIONS FOR LIABILITIES AND CHARGES

Employees entitled to annual leave are accrued when they are employed. The outstanding liability in respect of annual leave as at 31st December 1999 was Shs.78,943,000. The adoption of International Accounting Standard No. 19 will be recognised with effect from the current financial year. A transitional provision of Shs.267,732,000 has been charged to the income statement in the current year while Shs.78,943,000 has been charged to the income statement in the previous year.

26 RETIREMENT BENEFIT OBLIGATIONS

The Company has a defined contribution scheme for its employees. The scheme covers employees of both KPLC and KenGen. However, a split of the scheme's assets and liabilities is expected in the near future as part of the restructuring of the activities of the two companies which is being undertaken as part of the Public Sector Reform Programme. The scheme is administered independently by the Insurance Brokers Limited, and is funded by contributions from both

companies and employees. The scheme's funds are jointly managed by Barclaytrust Investment Services Limited and Co-op Merchant Bank Limited.

The scheme is subjected to valuations by independent Actuaries once every three years to fulfil requirements under the scheme's rules, the income tax (Retirement Benefits) rules 1994 and the Retirement Benefits Act 1997. The last actuarial valuation was carried out as at 1 August 1999 by Hymans Robertson, Consulting Actuaries. The actuarial valuation method adopted entailed the comparison of the value of the scheme's assets at the valuation date with its liabilities and an assessment of the ability of the scheme to meet its obligations to members. The principal actuarial assumptions used are:

- Investment return 10% per annum
- Rate of salary escalation 8% per annum
- Rate of pension increases 3%

The actuarial valuation revealed that there is a past service actuarial deficit of Shs.1,666,800,000. KPLC bears a share of 80.4% of the deficit while the balance of 19.6% will be borne by KenGen. The actuarial deficit will be recognised over a period of five years with effect from the current financial year, in line with the transitional provisions of International Accounting Standard No. 19 on staff benefits. Consequently, an amount of Shs.267,732,000 has been charged to the income statement in the current year leaving a liability of Shs.1,072,375,200 which will be recognised over the next four years.

The Company also contributes to the statutory National Social Security fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Shs.80 per employee per month.

TEN YEAR FINANCIAL AND STATISTICAL RECORD

FOR YEAR ENDED	30th June 1991	30th June 1992	30th June 1993	30th June 1994	30th June 1995
UNITS SOLD (Millions)	2,708	2,719	2,859	2,997	3,017
Average yield of units sold (cents)	141.23	167.60	175.00	309.63	429.49
Revenue from sale of electricity	Shs'000 3,824,734	Shs'000 4,556,374	Shs'000 5,001,004	Shs'000 9,279,744	Shs'000 12,957,798
PROFIT/(LOSS) for the Year before exceptional item	157,673	162,191	(261,178)	763,136	1,499,803
Exceptional item	-	-	-	-	-
PROFIT/(LOSS) for the Year before tax	157,673	162,191	(261,178)	763,136	1,499,803
TAXATION CHARGE/(CREDIT)	19,000	81,000	60,000	151,000	416,872
NET PROFIT/(LOSS) AFTER TAX	138,673	81,191	(321,178)	612,136	1,082,931
Preference dividend	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) AVAILABLE TO ORDINARY SHAREHOLDERS	136,743	79,261	(323,108)	610,206	1,081,001
ORDINARY DIVIDENDS	(28,134)	(28,134)	(28,134)	(31,651)	(35,168)
PROFIT/(LOSS) FOR THE YEAR	108,609	51,127	(351,242)	578,555	1,045,833
FUNDS GENERATED FROM OPERATIONS					
Profit/(Loss)	108,609	51,127	(351,242)	578,555	1,045,833
Depreciation	2,334	246,602	246,562	239,858	203,058
	2,943	297,729	(104,680)	818,413	1,248,891
CAPITAL EMPLOYED					
Fixed Assets	3,475,186	3,475,186	3,577,085	3,747,281	4,523,340
Loan to Kenya	307,229	307,229	530,979	378,683	298,056
Investment	-	-	4,300	4,300	4,300
Net current assets/(liabilities)	(2,297,030)	(54,651)	(148,818)	(129,539)	(107,367)
	3,742,304	3,727,764	3,963,546	4,000,725	4,718,329
FINANCED BY					
Ordinary shares	1,630,280	1,630,280	1,279,038	1,857,593	2,903,426
Preference shares	43,000	43,000	43,000	43,000	43,000
Loan capital (Kenya)	7,600	7,600	6,800	6,000	5,200
Loan capital (UK)	2,042,066	2,042,066	2,633,103	2,094,132	1,766,703
Deferred tax	4,818	4,818	1,605	-	-
Non current	-	-	-	-	-
	3,727,764	3,727,764	3,963,546	4,000,725	4,718,329
CAPITAL EXPENDITURE	269,000	98,690	352,819	410,642	979,782
Average cost of units sold (cents)	149	149	158	284	386
PROFIT for the year before tax as a percentage of average capital employed	4.36%	4.36%	(6.79)%	19.16%	34.40%
ORDINARY DIVIDENDS	16%	16%	16%	18%	20%
Earnings per share	15.55	9.02	(36.75)	69.40	122.95
Customer/employee	26.35	28.20	31.20	34.62	41.79
Sales/Working capital	248,566	249,610	274,067	294,227	348,488

TEN YEAR FINANCIAL AND STATISTICAL RECORD

FOR YEAR ENDED	30th June 1996	30th June 1997	30th June 1998	30th June 1999	30th June 2000
UNITS SOLD (Millions)	3,269	3,406	3,498	3,584	3,365
Average yield of units sold (cents)	456.58	495.98	516.67	516.9	700.28
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Revenue from sale of electricity	14,925,761	16,893,149	18,073,232	18,422,731	23,564,466
PROFIT/(LOSS) for the Year before exceptional item	1,512,042	2,160,099	2,005,343	1,721,924	(4,155,863)
Exceptional item	-	-	-	-	1,581,594
PROFIT/(LOSS) for the Year, before tax	1,512,042	2,160,099	2,005,343	1,721,924	(2,574,269)
TAXATION CHARGE/(CREDIT)	395,752	606,071	658,612	416,662	(966,287)
NET PROFIT/(LOSS) AFTER TAX	1,116,290	1,554,028	1,346,731	1,305,262	(1,607,982)
Preference share dividends	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	1,114,360	1,552,098	1,344,801	1,303,332	(1,609,912)
ORDINARY DIVIDENDS	(672)	(422,016)	(422,016)	(633,024)	(158,256)
RETAINED PROFIT/(LOSS) AT YEAR END	973,688	1,130,082	922,785	670,308	(1,768,168)
FUNDS GENERATED FROM OPERATIONS					
Profit/(Loss) after tax	1,116,290	1,130,082	922,785	670,308	(1,768,168)
Depreciation	30	406,484	579,494	748,424	926,201
	18	1,536,566	1,502,279	1,418,732	(841,967)
CAPITAL EMPLOYED					
Fixed Assets	-	6,587,490	7,548,159	9,136,366	12,022,675
Loan to Kenya	-	146,242	80,871	-	-
Investment	-	4,300	4,300	4,300	4,300
Net current assets/(liabilities)	-	(340,480)	(389,532)	694,474	(2,445,301)
	5,863,083	6,397,552	7,243,798	9,835,140	9,581,674
FINANCED BY					
Ordinary share	-	5,007,196	5,060,357	5,730,665	3,962,497
Preference share	-	43,000	43,000	43,000	43,000
Loan capital	-	-	-	-	-
Loan capital from Kenya	-	1,347,356	1,153,273	1,239,483	1,268,999
Deferred tax	-	-	987,168	1,207,550	241,263
Non current	-	-	-	1,614,442	4,065,915
	5,863,083	6,397,552	7,243,798	9,835,140	9,581,674
CAPITAL EXPENDITURE	588	223,312	1,542,191	2,351,083	4,669,768
Average cost of units sold (cents)	-	459	471	464	803
PROFIT for the Year, before tax as a percentage of average capital employed	20.0%	36.73%	29.40%	20.16%	(26.52)%
ORDINARY DIVIDENDS as a percentage of earnings	-	40%	40%	40%	10%
Earnings per share	21.12	29.42	17	16.47	(20.35)
Customer/employee	49.62	51.52	63.20	66.57	71.31
Sales/KWh per employee	398,999	411,402	488,070	501,972	474,278

SIX YEAR STATISTICAL ANALYSIS

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

POWER STATION	Capacity (MW) as at 30.6.00		ENERGY (GWH)						Avg. Annual Growth over the Last 5 Yrs ⁴	
	Installed	Effective ¹	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 ³		
HYDRO										
Tana	14.4	12.4	78	97	84	76	82	63		
Wanjji	7.4	7.4	27	51	48	51	35	46		
Kamburu	91.5	84.0	485	491	446	480	410	247		
Citaru	225.0	145.0	704	701	926	818	789	734		
Kindaruma	40.0	40.0	213	239	230	198	240	157		
Small Stations	6.2	5.4	22	29	24	26	21	19		
UEB (Imports)	30.0	0.0	187	149	144	146	140	155		
Masinga	40.0	40.0	200	225	215	204	223	142		
Kiambere	144.0	144.0	996	1031	1028	1023	1037	813		
Turkweil	106.0	106.0	379	299	353	384	436	214		
TOTAL HYDRO INCLUDING IMPORTS	704.5	584.2	3290	3312	3497	3404	3414	2590	0.6%	
THERMAL										
Kipevu Steam	45.5	36.0	218	224	200	201	141	199		
Kipevu 75MW Diesel	75.0	70.0	0	0	0	0	0	393		
GEO THERMAL										
Okaranga		45.0	290	390	393	366	390	381		
Okaranga (IPP)		8.0	-	-	-	-	-	2		
GAS TURBINE										
Ngara South		10.0	16	59	6	0	15	30		
Ngara		60.0	31	112	168	139	191	384		
Ruiru 5		R	2	2	3	0	0	0		
Independent		87.5	0	0	7	383	463	463		
WIND TURBINE		0.4	1	1	1	1	0	0		
INTERCONNECTED SYSTEM										
			1	3848	4100	4274	4495	4615	4441	4.4%
ISOLATED SYSTEM										
KenGen Stations			10	11	11	11	11	10		
REF Stations			7	8	11	10	11	10		
TOTAL ISOLATED			17	19	22	21	22	19	5.1%	
GROSS GENERATION										
			1048.4	3866	4119	4296	4516	4637	4461	4.4%
AUXILIARY CONSUMPTION			45	52	44	41	35	0	-1.4%	
SYSTEM LOSSES			308	660	695	831	884	957	9.6%	
SALES			8089	3269	3406	3498	3564	3366	3.5%	
SALES REF			134	138	150	146	153	138	2.1%	
TOTAL SALES			8223	3407	3557	3644	3717	3504	3.5%	
SYSTEM PERFORMANCE			605	648	680	721	734	708	3.7%	
System Load Factor			66%	72.3%	72.1%	71.5%	72.2%	71.9%		
Sales % of Net Generation			78%	83.8%	83.6%	81.4%	80.8%	78.5%		
Losses as % of Net Generation ²			16.2%	16.4%	18.6%	19.2%	21.5%			
Annual growth - GENERATION			6.8%	4.3%	5.1%	2.7%	-3.8%			
SALES KPTC			5.8%	4.2%	2.7%	1.9%	-5.6%			
SALES REF			3.1%	9.1%	-2.8%	4.6%	-9.8%			

NOTES

- 1) Maximum non-simultaneous capacity during the year
- 2) Comprises technical losses and transmission losses
- 3) The 1999/00 figure is based on the capacity purchased
- 4) Auxiliary diesel generation is due to the transfer of ownership of the power stations to KenGen.
- 5) Ruiru power station
- 6) The five year growth values are based on 1993/94 to 1998/99 due to distortions caused by the year 1999/2000 for all the tables.

SIX YEAR STATISTICAL ANALYSIS

TABLE 2: AREA MAXIMUM DEMAND(MW)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	322	345	372	399	400	408	4.1%
Coast	121	135	146	141	134	147	0.5%
Central Rift	42	47	45	45	52	51	4.1%
West Kenya	67	67	72	77	79	77	4.5%
Mt. Kenya	36	38	40	44	45	43	4.8%
North Rift	29	31	35	35	33	31	2.0%
TOTAL SYSTEM (SIMULTANEOUS)	605	648	680	721	734	708	3.7%
% INCREASE P.A.	-1.1%	7.2%	4.9%	5.9%	1.8%	-3.5%	

TABLE 3: SALES OF ELECTRICITY IN GWhr SHOWN IN DIFFERENT CATEGORIES OF CUSTOMERS

TARIFF CATEGORY OF CUSTOMER	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
A Domestic, small commercial and industrial		1,049	1,116	1,207	1,270	1,158	5.4%0
B Commercial, industrial and institutional		618	657	665	680	724	4.0%
C Other		991	1,536	1,526	1,513	1,398	2.7%
D Other			86	89	92	74	-5.9%
E Sales			10	11	9	11	-3.0%
TOTAL			3,406	3,498	3,564	3,366	3.5%
% INCREASE P.A.			4.2%	2.7%	1.9%	-5.6%	

TABLE 4: AREA TOTAL UNIT SALES (GWhr)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi			1,867	1,867	1,981	1,884	3.9%
Coast	764		730	730	696	638	2.3%
Central Rift	189	185	223	223	205	202	3.0%
West Kenya	303	311	382	382	386	375	4.8%
Mt. Kenya	133	127	151	151	159	143	4.7%
North Rift	139	139	145	145	137	124	0.4%
KPLC Sales	3,089	3,269	3,406	3,498	3,564	3,366	3.5%
R.E.F. Schemes			150	146	153	138	2.1%
TOTAL	3,425	3,407	3,644	3,644	3,717	3,504	3.5%
% INCREASE P.A.	2.5%	5.7%	4.2%	2.5%	2.0%	-5.7%	

SIX YEAR STATISTICAL ANALYSIS

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

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	418	432	438	489	542	497	4.4%
Coast	103	134	144	153	131	131	7.1%
Central Rift	39	31	38	39	39	37	1.2%
West Kenya	29	32	34	33	35	35	4.2%
Mt. Kenya	29	28	26	29	39	28	6.5%
North Rift	19	17	18	18	18	20	0.3%
TOTAL	636	674	697	761	804	748	4.7%
% INCREASE P.A.	-0.7%	6.0%	3.4%	9.2%	5.6%	-6.9%	

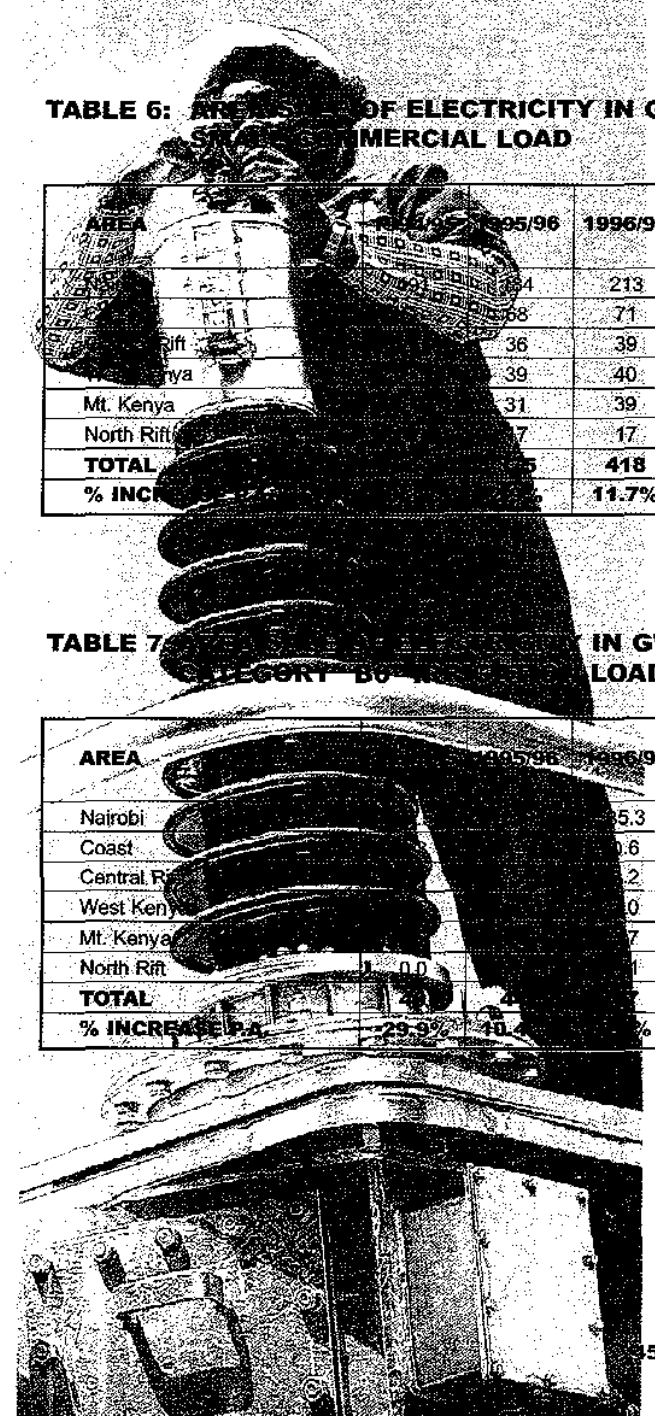
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**TABLE 6: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "A1"
SMALL COMMERCIAL LOAD**

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	284	213	213	266	229	229	9.3%
Coast	68	71	70	65	57	57	6.6%
Central Rift	36	39	39	37	37	37	-0.9%
West Kenya	39	40	40	43	39	39	4.8%
Mt. Kenya	31	39	35	36	32	32	3.6%
North Rift	17	17	16	19	16	16	4.6%
TOTAL	455	418	414	466	410	410	6.7%
% INCREASE P.A.	-12.1%	11.7%	-1.1%	12.6%	-12.1%		

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

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	15.3	17.2	30.2	39.1	39.1	39.1	-5.2%
Coast	0.6	0.4	0.7	0.7	0.7	0.7	10.3%
Central Rift	2.2	7.3	10.6	11.0	11.0	11.0	-5.0%
West Kenya	1.0	0.9	1.4	1.6	1.6	1.6	0.5%
Mt. Kenya	1.7	1.3	2.1	2.1	2.1	2.1	2.4%
North Rift	0.0	0.1	0.0	0.0	0.0	0.0	0.0%
TOTAL	20.8	27	45	54	54	54	-4.6%
% INCREASE P.A.	-29.9%	10.4%	42.2%	-42.4%	66.1%	21.0%	



SIX YEAR STATISTICAL ANALYSIS

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

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	259	326	347	359	371	398	7.3%
Coast	106	103	103	112	104	104	0.6%
Central Rift	45	50	56	59	52	55	4.9%
West Kenya	41	38	38	45	43	41	2.4%
Mt. Kenya	23	22	25	27	28	28	5.4%
North Rift	25	25	27	29	29	28	0.7%
TOTAL	499	564	597	629	627	654	5.0%
% INCREASE P.A.	1.7%	13.0%	5.8%	5.5%	-0.3%	4.4%	

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

AREA	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	6.5	7.0	3.5	3.2	9.0	-14.7%
Coast	1.9	5.4	2.1	2.3	2.5	10.0%
Central Rift	0.6	0.5	0.8	0.8	0.7	-5.4%
West Kenya	0.8	0.7	0.6	0.6	0.9	-10.6%
Mt. Kenya	0.0	0.0	0.0	0.0	0.0	0.0%
North Rift	0.0	0.3	2.2	1.3	1.3	15.8%
TOTAL	9.8	13.9	9.1	8.2	14.3	-6.2%
% INCREASE P.A.	0.0%	39.0%	-34.1%	-10.4%	74.9%	

**TABLE 10: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "B3"
MEDIUM COMMERCIAL AND INDUSTRIAL LOAD(66KV or 132KV)**

AREA	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	0.0	0.0	0.0	0.0	0.8	0.0%
Coast	0.0	0.0	0.0	0.0	0.0	0.0%
Central Rift	0.0	0.0	0.0	0.0	0.0	0.0%
West Kenya	0.0	0.0	0.0	0.0	0.0	0.0%
Mt. Kenya	0.0	0.0	0.0	0.0	0.0	0.0%
North Rift	0.0	0.0	0.0	0.0	0.0	0.0%
TOTAL	0.0	0.0	0.0	0.0	0.8	0.0%
% INCREASE P.A.	0.0%	0.0%	0.0%	0.0%	0.0%	

SIX YEAR STATISTICAL ANALYSIS

TABLE 11: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "C1" LARGE COMMERCIAL AND INDUSTRIAL LOAD (240V or 415V)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	291	249	292	232	204	173	-0.3%
Coast	109	106	109	91	92	95	-1.2%
Central Rift	32	35	40	46	40	39	8.4%
West Kenya	60	53	57	72	68	69	7.4%
Mt. Kenya	39	37	32	44	40	44	4.6%
North Rift	22	18	17	17	14	12	-6.6%
TOTAL	463	502	547	503	458	431	1.3%
% INCREASE P.A.	7.6%	8.4%	9.0%	-8.0%	-8.9%	-5.8%	

TABLE 12: AREA SALE OF ELECTRICITY IN GWhr CATEGORY "C2" LARGE COMMERCIAL AND INDUSTRIAL LOAD (11KV OR 33KV)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	359	357	334	362	327	327	2.5%
Coast	261	218	254	245	203	203	0.5%
Central Rift	23	20	26	21	20	20	4.8%
West Kenya	58	58	44	44	40	40	-3.6%
Mt. Kenya	8	8	8	9	8	8	-1.7%
North Rift	61	66	61	54	46	46	0.9%
TOTAL	669	728	727	735	643	643	1.3%
% INCREASE P.A.	7.6%	8.4%	-5.3%	-0.1%	1.0%	-12.6%	

TABLE 13: AREA SALE OF ELECTRICITY IN GWhr CATEGORY "C3" LARGE COMMERCIAL AND INDUSTRIAL LOAD (66KV OR 132KV)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	62	122	115	133	133	133	14.9%
Coast	38	44	38	40	42	42	0.1%
Central Rift	0	0	0	0	0	0	—
West Kenya	62	95	143	147	138	138	8.2%
Mt. Kenya	0	0	0	0	0	0	—
North Rift	0	0	0	0	0	0	—
TOTAL	162	261	296	320	313	313	9.3%
% INCREASE P.A.	20.4%	38.8%	13.4%	8.1%	-2.1%		

SIX YEAR STATISTICAL ANALYSIS

TABLE 14: AREA SALE OF ELECTRICITY IN GWhr CATEGORY "C5" LARGE COMMERCIAL AND INDUSTRIAL LOAD(66KV OR 132KV)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	0	0	0	0	0	0	0.0%
Coast	0	0	0	0	0	0	0.0%
Central Rift	0	0	0	0	0	0	
West Kenya	0	0	0	0	0	11	0.0%
Mt. Kenya	0	0	0	0	0	0	
North Rift	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	11	0.0%
% INCREASE P.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

TABLE 15: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "D0" 100% PEAK LOAD

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	92.2	92.4	76.9	80.9	62.4	69.0	-12.0%
Coast	2.8	2.6	3.6	2.7	15.3	1.6	68.6%
Central Rift	1.0	1.0	1.0	1.5	3.5	1.0	20.6%
West Kenya	1.3	1.5	1.3	1.3	4.2	0.8	22.2%
Mt. Kenya	1.6	1.6	1.9	1.4	4.6	0.9	18.0%
North Rift	0.8	0.8	1.1	0.8	2.3	0.5	17.2%
TOTAL	100	86	89	92	74	74	-5.9%
% INCREASE P.A.		-16.3%	-13.8%	3.0%	4.3%	-20.2%	

TABLE 16: AREA SALE OF ELECTRICITY IN GWhr FOR CATEGORY "E0"

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	8.3	8.3	8.3	9.6	7.5	8.8	2.9%
Coast	0.9	0.9	0.9	0.1	0.7	1.8	-14.3%
Central Rift	-0.8	-0.8	-0.8	0.4	0.4	0.4	-18.0%
West Kenya	0.4	1.0	0.4	0.1	0.2	0.0	-19.3%
Mt. Kenya	0.7	0.6	0.7	0.3	0.2	0.2	-13.5%
North Rift	0.7	0.7	0.7	0.2	0.3	0.2	-3.6%
TOTAL	10.5	10.5	10.2	10.8	9.3	11.3	-2.3%
% INCREASE P.A.		76.4%	-33.0%	-17.9%	5.9%	-13.5%	21.7%

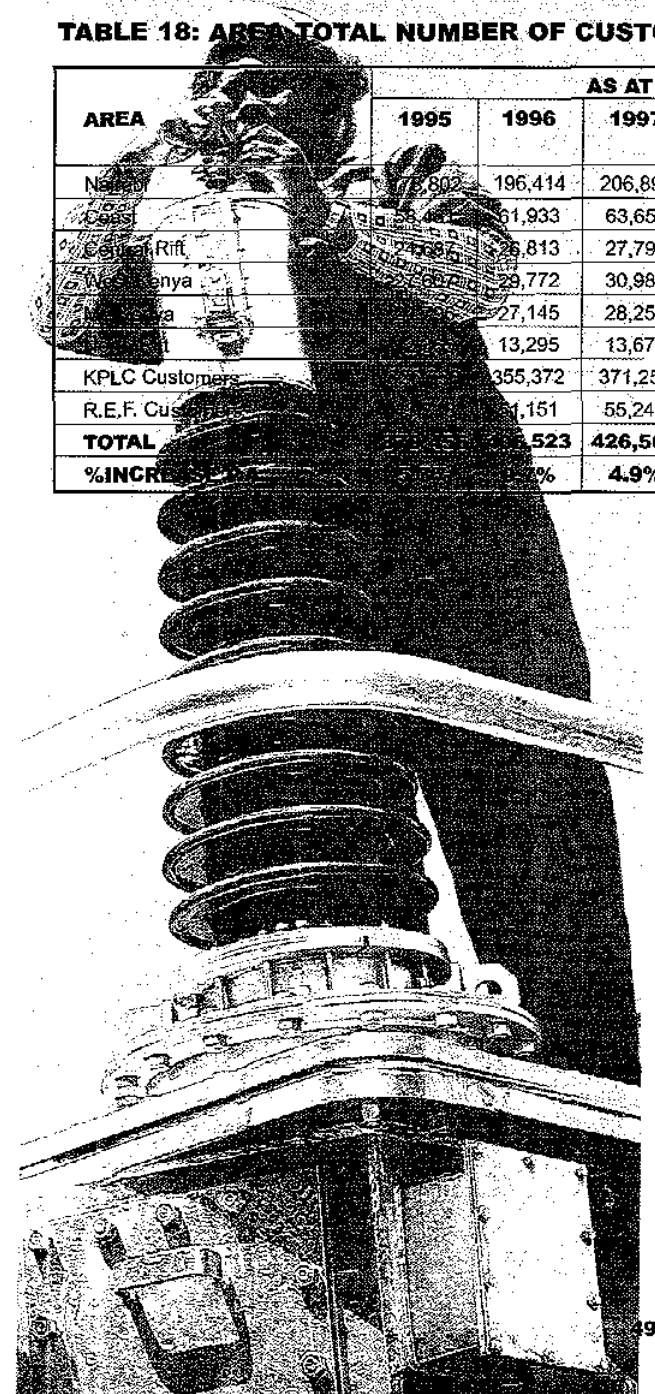
SIX YEAR STATISTICAL ANALYSIS

TABLE 17: AREA REF UNIT SALES (GWhr)

AREA	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
Nairobi	25	34	36	32	41	40	2.6%
Coast	13	6	17	13	15	14	3.7%
Central Rift	20	21	22	23	20	19	0.1%
West Kenya	36	36	35	32	35	28	1.9%
Mt. Kenya	21	22	17	24	19	17	0.6%
North Rift	19	18	24	23	23	20	4.0%
TOTAL	134	138	150	146	153	138	2.1%
% INCREASE P.A.	-2.9%	3.1%	9.0%	-2.7%	4.6%	-9.8%	

TABLE 18: AREA TOTAL NUMBER OF CUSTOMERS

AREA	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1995	1996	1997	1998	1999	2000	
Nairobi	188,802	196,414	206,891	221,603	230,074	250,553	6.3%
Coast	61,933	63,656	66,678	67,815	67,815	68,230	3.8%
Central Rift	26,813	27,796	29,733	32,059	32,059	35,048	6.6%
West Kenya	29,772	30,986	32,399	33,268	33,268	34,667	4.6%
Mt. Kenya	27,145	28,256	29,665	31,470	31,470	33,076	5.9%
North Rift	13,295	13,673	14,907	16,549	16,549	17,707	7.1%
KPLC Customers	355,372	371,258	394,985	411,235	411,235	439,281	5.8%
R.E.F. Customers	1,151	55,242	57,978	61,449	61,449	66,670	8.6%
TOTAL	523,523	426,500	452,963	472,684	472,684	505,951	6.1%
% INCREASE P.A.		4.9%	6.2%	4.4%	7.0%		



SIX YEAR STATISTICAL ANALYSIS

TABLE 19: NUMBER OF CUSTOMERS IN TERMS OF TARIFF CATEGORY

TARIFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
		1995	1996	1997	1998	1999	2000	
A0 only	Domestic							
	KPLC	226,228	244,708	256,535	273,532	290,687	315,327	6.4%
	REF	25,200	29,151	31,715	33,499	36,737	41,214	9.6%
A0 & D0	Domestic							
	KPLC	34,628	35,264	35,991	41,787	42,878	44,316	3.9%
	REF	60	67	62	228	256	265	30.4%
A1 only	Small Commercial							
	KPLC	57,696	67,083	70,129	72,332	72,025	73,828	5.9%
	REF	18,196	21,627	23,133	23,811	24,196	24,964	7.2%
A1 & D0	Small Commercial							
	KPLC	3,281	3,186	3,744	1,691	1,193	1,076	-18.5%
	REF	120	131	149	304	121	100	-0.3%
B0	Irrigation							
	KPLC	352	380	389	291	265	266	-4.4%
	REF	27	34	36	10	8	7	-16.7%
B1	Medium Commercial							
	KPLC	1,977	2,073	2,126	2,285	2,326	2,485	4.4%
	REF	91	111	113	81	98	91	-0.4%
B2	Industrial	21	19	20	21	20	40	-1.0%
B3	Industrial	0	0	0	0	0	3	-
C1	Industrial		279	284	286	282	245	0.4%
	REF		11	12	7	5	3	-12.9%
C2	Industrial		111	117	135	140	125	4.4%
	REF		0	0	0	0	0	0%
C3	Industrial		17	17	18	19	14	6.3%
	REF		0	0	0	0	0	-
C5	Industrial		0	0	0	0	1	-
D0 only	Industrial		2,121	1,776	2,383	806	659	-15.0%
	REF		10	12	25	15	14	2.9%
E0	Street Lighting							
	KPLC	112	131	134	224	594	896	39.6%
	REF	5	9	10	13	13	12	10.2%
	TOTAL	370,456	405,523	426,500	452,963	472,684	505,951	6.1%
	% INCREASE	5.3%	7.7%	4.9%	6.2%	4.4%	7.0%	

SIX YEAR STATISTICAL ANALYSIS

TABLE 20: REVENUE (Shs' MILLION) IN CATEGORY OF CUSTOMERS

TARIFF	CATEGORY OF CUSTOMERS	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small commercial and small industrial	3,999	4,264	5,946	6,419	6,627	8,989	18.1%
B	Commercial and industrial (medium)	2,879	3,102	3,422	3,741	4,077	5,426	14.6%
C	Commercial (large) Industrial (large)	5,626	6,300	6,557	6,834	7,014	8,576	12.5%
D	Off-peak	353	386	331	357	365	385	-1.4%
E	Street Lighting	87	48	50	52	47	95	5.1%
	SUB-TOTAL	12,944	14,100	16,308	17,403	18,130	23,471	14.4%
	OTHERS	14	825	585	670	293	93	89.4%
	TOTAL REVENUE	12,958	14,926	16,893	18,073	18,423	23,564	14.7%
	REVENUE PER CUSTOMER	613	773	849	804	851	1,086	15.7%
	GROSS TOTAL	16,574	15,699	17,742	18,877	19,274	24,650	14.7%
	% INCREASE PAID	40.1%	15.7%	13.0%	6.4%	2.1%	27.9%	

TABLE 21: STAFF ANALYSIS

	AS AT 30TH JUNE				Avg. Annual Growth over the Last 5 Yrs
	1997	1998*	1999	2000	
Nationality					
Citizen	8,278	7,166	7,099	6,972	-7.0%
Non-Citizen	1	1	1	1	-30.1%
Total	8,279	7,167	7,100	6,973	-7.0%
% INCREASE PAID	1.0%	-13.4%	-0.9%	-1.8%	
Sex					
Male	7,830	7,183	7,212	6,078	-8.1%
Female	449	984	888	895	0.8%
Ratio-Male/F		6	5	5	
Job					
Technical	5,214	4,512	4,615	3,703	3.9%
% of total staff	63.0%	63.0%	65.0%	53.1%	11.7%
Non-Technical	2,965	2,655	2,485	3,270	-17.2%
% of total staff	36.0%	37.0%	35.0%	46.9%	-11.0%

* Staff separation between KPLC and KENGEN was 1:1 during 1997/98.

SIX YEAR STATISTICAL ANALYSIS

**TABLE 22: TRANSMISSION AND DISTRIBUTION LINES:
CIRCUIT LENGTH (KMS)**

VOLTAGE	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1995	1996	1997	1998	1999	2000	
220 kV	877	877	877	877	877	877	
132 kV	1,980	1,980	1,997	1,997	1,997	1,997	
66 kV	573	573	574	574	574	576	
40 kV	126	126	126	126	126	126	
33 kV	3,876	3,969	4,094	4,203	4,516	4,639	
11 kV	9,250	9,372	9,616	9,671	10,029	10,397	
TOTAL	16,682	16,897	17,284	17,448	18,120	18,612	2.4%
% INCREASE P.A.	3.7%	1.3%	2.3%	1.0%	3.8%	2.7%	

**TABLE 23: TRANSFORMERS IN SERVICE
TOTAL INSTALLED CAPACITY IN MVA**

	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1996	1997	1998	1999	2000		
Generation S/tns							
11/220kV	288	288	293	293	293		
11/132kV	417	417	431	431	431		
11/66kV	30	30	90	90	90		
11/33kV	217	217	217	263	263		
11/40kV	5	5	5	5	5		
3.3/11/40	8	8	8	8	8		
3.3/40kV	4	4	4	4	4		
3.3/33kV	4	4	4	4	4		
132/220kV	690	690	690	690	690		
TOTAL	1,663	1,663	1,663	1,742	1,788	1,788	1.5%
Distribution S/tns							
220/132kV	580	580	580	580	580		
220/66kV	180	180	180	180	180		
132/66kV*	375	375	375	375	375		
132/33kV	531	531	531	554	577		
66/11kV	631	631	631	631	675		
66/33kV	15	15	15	38	61		
40/11kV**	24	24	24	17.5	11		
33/11kV	452	452	452	497	512		
TOTAL	2,788	2,788	2,788	2,788	2,873	2,971	3.5%
Distribution Lns							
11/0.415kV and 33/0.415kV	1,809	1,809	1,809	1,961	2,079	2,181	4.3%