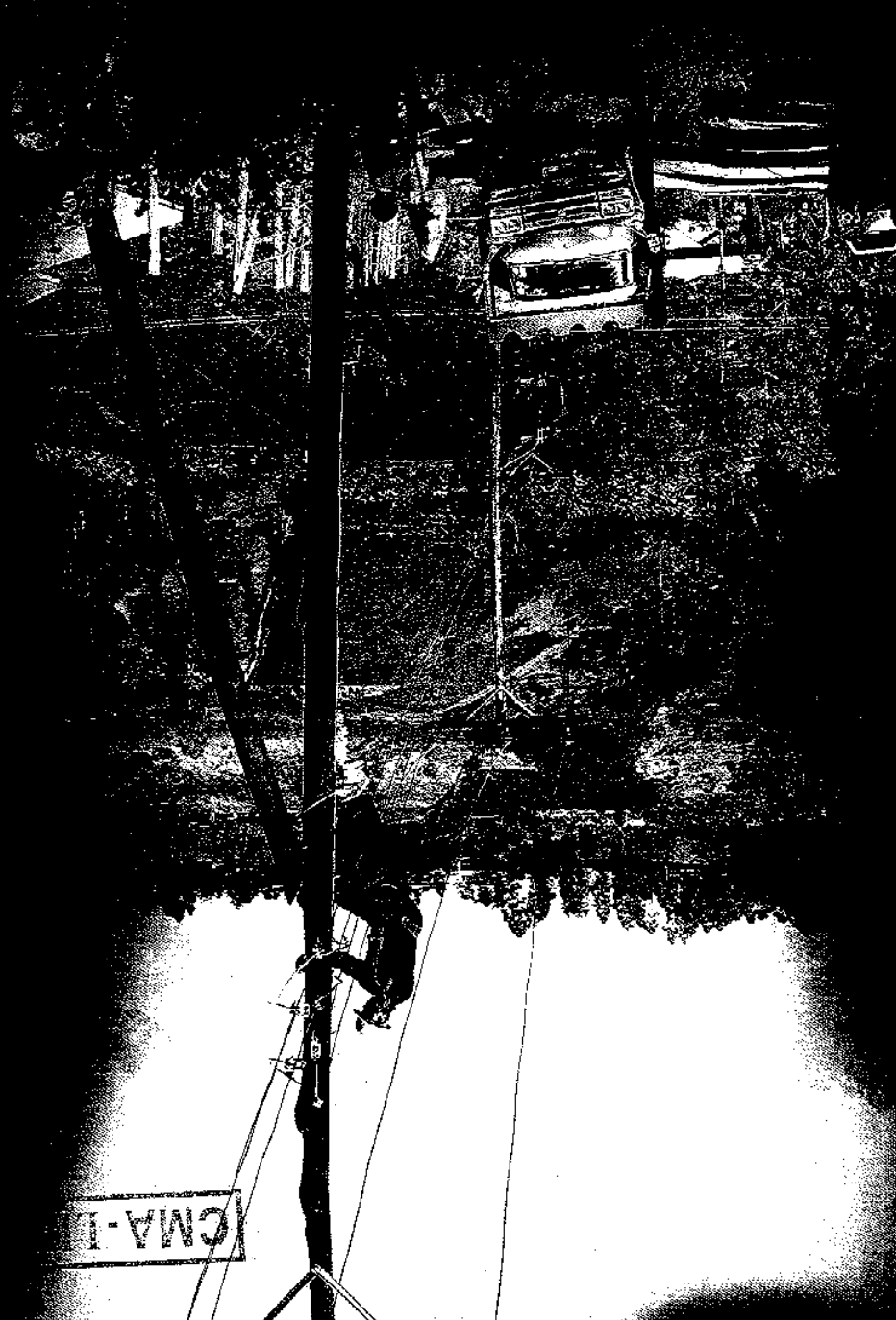


REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1999

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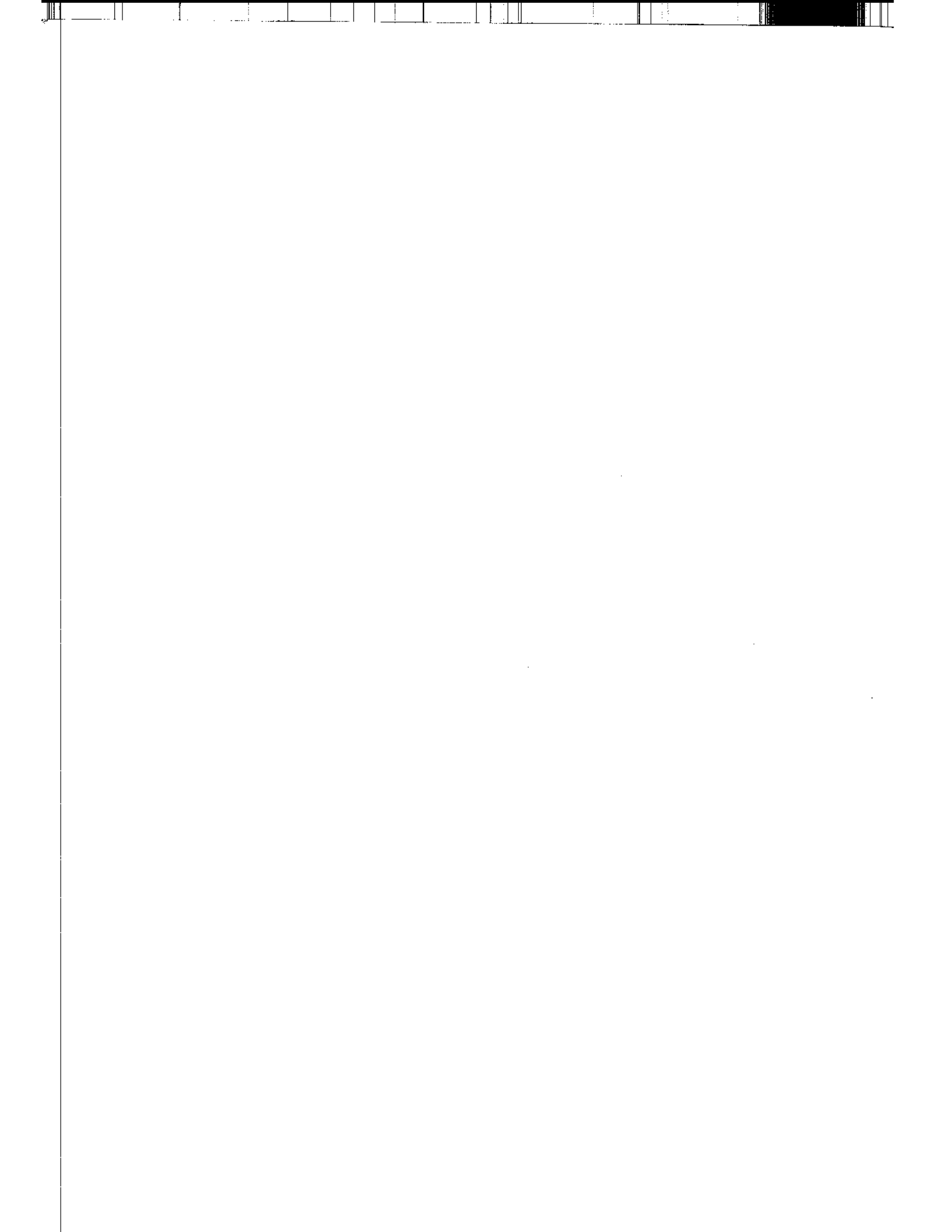
THE KENYA POWER AND LIGHTING CO. LTD.

CORPORATE MISSION

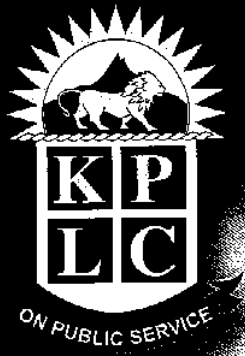
To efficiently transmit and distribute high quality electricity throughout Kenya at cost effective tariffs; to achieve the highest standards of customer service; and to ensure the company's long term technical and financial viability.

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.



THE KENYA POWER AND LIGHTING CO. LTD.



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REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1999

CORPORATE MISSION

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

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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.

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BOARD OF DIRECTORS



Samuel K Gichuru, M D



Titus T Naikuni, Chairman



Mwanyengela Ngali



Samuel O J Ambundo



Martin Oduor-Otieno



Tom D Owuor



Fidesius M Nyaga



Zablon N Kahura



Frederick G Meta



Nelson W Kimani

THE KENYA POWER & LIGHTING CO. LTD.

CORPORATE INFORMATION

DIRECTORS

Titus T Naikuni - Chairman
S K Gichuru, EBS, MBS - Managing Director
M Oduor-Otieno
M Ngali
S O J Ambundo
T D Owuor, MBS, OGW
Z N Kahura
F M Nyaga
N W Kimani - Alternate to M Oduor-Otieno
F G Meta - 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
Moi Avenue
P. O. Box 48400
Nairobi.

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

AUDITORS

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

MANAGEMENT

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

DEPUTY MANAGING DIRECTOR
Lawrence Keitany, 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.)

COMPANY SECRETARY
Justin N Kimani, CPS (K)

CHIEF MANAGER, HUMAN RESOURCES & ADMINISTRATION
Mrs. Bilha W Ndubai, BA (Hons.)

CHIEF MANAGER, OPERATIONS & MAINTENANCE & STREET LIGHTING
Julius M Riungu, B.Sc. (Eng) (Hons), R. Eng., C.Eng., MIEE, MIEK

CHIEF MANAGER, TRANSPORT & SUPPLIES
Jonah Bett, HND

CHIEF MANAGER, ENERGY TRANSMISSION
Jasper Oduor, B.Sc. (Eng), R.Eng., MIEK

CHIEF MANAGER, FINANCE
Zachary O Ayieko, B.Com. (Hons), CPA (K)

CHIEF MANAGER, TECHNICAL AUDIT, RESEARCH & DEVELOPMENT
Joab L Odeny, B.Sc. (Eng.) (Hons), R. Eng., C.Eng., MIEE

CHIEF MANAGER, PROJECTS DEVELOPMENT & CORPORATE PLANNING
M A Gupta, B.E., MIE

CHIEF MANAGER, CUSTOMER SERVICE
Benson Muriithi, B.Sc. (Eng.) (Hons)

CHIEF MANAGER, RURAL ELECTRIFICATION
Mrs. Rosemary Gitonga, B.Sc. (Eng.) (Hons.)

DESIGN & CONSTRUCTION MANAGER
Cyrus Njungu, B.Sc. (Eng.), B.Sc. Econ. (Hons)

CORPORATE PLANNING MANAGER
David M Mwangi, B.Sc. (Eng.) (Hons), R.Eng., MIEK

COMMUNICATIONS MANAGER
Mrs. Florence K Obura, BA (Hons.), PGD Journalism

NOTICE OF MEETING ILANI YA MKUTANO

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-EIGHTH ANNUAL GENERAL MEETING of members will be held at the Head Office of the Company, Stima Plaza, Kolobot Road, Parklands, Nairobi, on Friday the 26th November, 1999, at 12:00 noon to transact the following business:-

ORDINARY BUSINESS

1. To read the Notice convening the Meeting
2. To receive, consider and adopt the Directors' report together with the audited financial statements for the year ended 30th June, 1999
3. To declare a final dividend of Shs.5.00 per Ordinary Stock Unit
4. To authorise the Directors to fix the remuneration of Auditors
5. To elect Directors

Mr. M Oduor-Otieno and Ambassador M Ngali retire in accordance with Regulation 128 of the Articles of Association of the Company and, being eligible, offer themselves for re-election.

Messrs. T D Owuor, Z N Kahura and F M Nyaga retire by rotation in accordance with Regulation 120 of the Articles of Association of the Company and, being eligible, offer themselves for re-election.

SPECIAL BUSINESS:

To consider and, if thought fit, pass the following resolution, Special Notice having been given pursuant to Sections 142 and 186(5) of the Companies Act (Cap 486), of the intention to propose the resolution as an Ordinary Resolution:

"That Mr S O J Ambundo, who has attained the age of 70 years, continues in office as a Director of the Company."

By Order of the Board

J N Kimani
Company Secretary
Nairobi, Kenya
4th November, 1999

NOTES:

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed with this booklet. To be valid, the form of proxy must be duly completed and must be lodged at the registered office of the Company or posted in time to reach there not less than 48 hours before the time for holding the Meeting (i.e. not later than 12.00 noon on Wednesday, the 24th November, 1999).

ILANI INATOLEWA KWAMBA MKUTANO WA 78 WA KILA MWAKA wa wanachama utafanyika katika makao makuu ya Kampuni yaliyoko Stima Plaza, Kolobot Road, Parklands, Nairobi mnamo ijumaa tarehe 26 Novemba 1999 saa sita mchana kutekeleza shughuli zifuatazo:-

SHUGHULI ZA KAWAIDA

1. Kusoma agizo la kuitisha mkutano
2. Kupokea, kufikiria na kuidhinisha taarifa ya wakurugenzi pamoja na taarifa ya fedha iliokaguliwa ya mwaka uliomalizika Juni 30, 1999.
3. Kutangaza mgao wa faida wa mwisho wa Shillingi 5 kwa kila hisa ya kawaida
4. Kuwaidhimisha wakurugenzi kuweka kiwango cha malipo ya wakaguzi
5. Kuchagua Wakurugenzi.

Bw. M Oduor-Otieno na Balozi M Ngali wanastaafu kulingana na kifungu 128 cha Sheria za Kampuni na kwa sababu wanastahili wanajitolea kuchaguliwa tena.

Mabwana T D Owuor, Z N Kahura na F M Nyaga wanastaafu kulingana na kifungu cha 120 Sheria za Kampuni na kwa sababu wanastahili wanajitolea kuchaguliwa tena.

SHUGHULI MAALUM:

Kutafakari na ikionelewa vyema kupitisha azimio lifuatalo ambalo ilani yake maalum imeisha tolewa kulingana na sehemu ya 142 na 186(5) ya sheria za Makampuni (Cap 486).

Kwa kusudi la kupitisha azimio lifuatalo kama uamuzi wa kawaida:

"Kwamba Bw. S O J Ambundo, ambaye ametimiza umri wa miaka 70, anaendelea kuswa afisini kama Mkurugenzi wa Kampuni".

Kwa Amri ya wakurugenzi

J N Kimani
Mwandishi wa Kampuni
Nairobi, Kenya
Novemba 4, 1999

ILANI:

Mwanachama anayekubaliwa kushiriki na kupiga kura katika mkutano huu anaruhusiwa kuchagua mwakilishi mmoja au zaidi, kushiriki uchaguzini na, kupiga kura kwa niaba yake. Mwakilishi si lazima awe mwanachama wa kampuni. Fomu ya uwakilishaji imo ndani ya kijitabu hiki. Ili kukubalika, fomu ya uwakilishaji lazima iwe imejazwa na kuletwa kwenye ofisi zilizoandikishwa za kampuni, au kutumwa kwa njia ya posta kwa wakati ufaao ili kufika hapo masaa 48 kabla ya mkutano kuanza (yani kabla ya saa sita mchana, Jumatano Novemba 24 1999).

CHAIRMAN'S REVIEW

GENERAL OVERVIEW

It gives me great pleasure to present yet another successful performance of your Company under very difficult circumstances.

Besides trading under a depressed national economy, which in 1998 registered a GDP growth of 1.8% compared to a projected growth of 2.7%, the Company continued to experience supply constraints imposed by inadequate generating capacity.

In spite of these challenges, the Company achieved a growth of 2% in unit sales compared to the 2.7% achieved the previous year. This decline in growth resulted from reduced consumption of electricity by large commercial and industrial customers, which registered a combined negative growth of 1%. The sectors most affected in this category were manufacturing, textile, agriculture and tourism. The domestic and small commercial customers, however, increased consumption by 5%, while medium commercial and industrial customers increased by 2% with irrigation recording the highest growth in consumption of 66%.

Revenue earned amounted to Shs.18,423 million against a total operating expenditure of Shs.16,521 million. After providing for net interest payable of Shs.186 million and exchange gains of Shs.6 million, the Company posted a trading profit before taxation of Shs.1,722 million, compared to Shs.2,005 million the previous year.

FINANCIAL PERFORMANCE

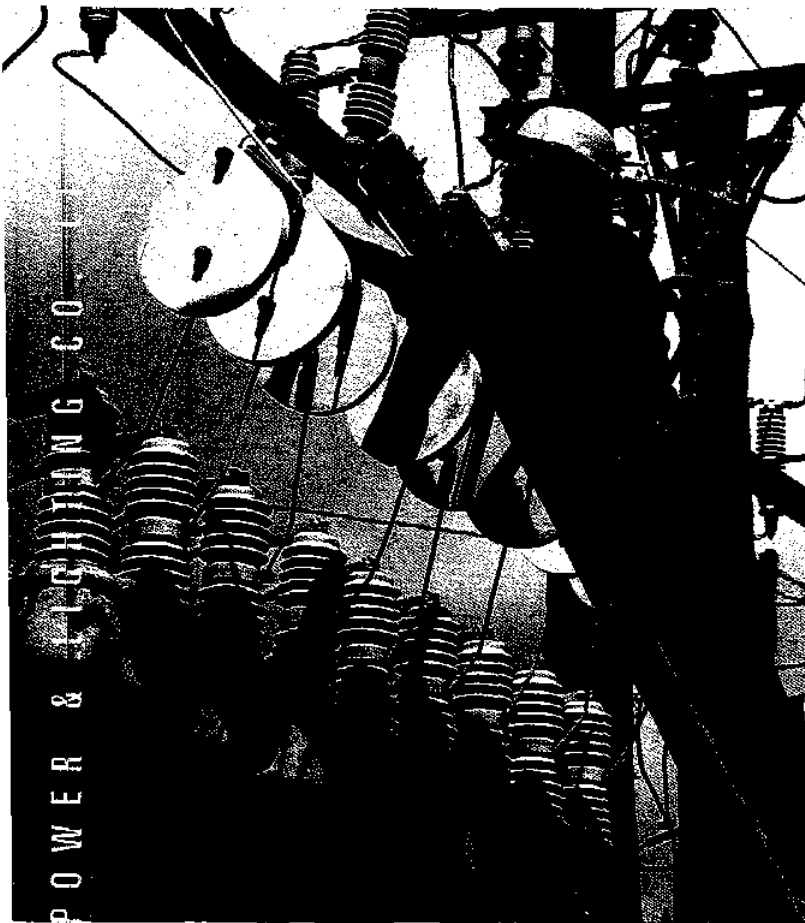
Accounts

During the year, 3,564 million units of electricity were sold, or 2% more than the 3,498 million units sold the previous year. These generated revenue of Shs.18,423 million, an increase of Shs.350 million over the Shs.18,073 million generated the previous year.

Operating expenditure, which includes debt service relating to bulk supply companies, rose from Shs.16,466 million in 1997/98 to Shs.16,521 million in 1998/99, representing a net increase of Shs.55 million. The rise was mainly due to inflation and the depreciation of the Kenya Shilling against hard currencies.

The trading results for the year, therefore, reflect an operating profit of Shs.1,902 million, compared to Shs.1,607 million the previous year.

The result of the investment activities was a net interest payable of Shs.186 million compared to a net interest receivable of Shs.434 million in the previous year. This position was mainly attributable to the expenditure on the reinforcement, maintenance and re-engineering projects referred to elsewhere in my review, which reduced the available funds for interest earning investments, and also due to the decline in the interest rate on investment funds which reduced from an average of 25% during the previous year to an average of 15% this year, a decline of 40%. Foreign exchange gains amounted to Shs.6 million compared to foreign exchange losses of Shs.35 million realised in the previous year.



Installation of capacitor banks has enhanced voltage stability in the power supply system

The net result of these transactions is a profit before taxation of Shs.1,722 million, compared to Shs.2,005 million the previous year. After allowing for Corporation Tax, deferred tax and dividends for the year, the retained profit of Shs.670 million will be transferred to reserves.

An amount of Shs.196 million has been provided for Corporation Tax compared to Shs.541 million in 1997/98. A full provision for deferred tax has been made by the Company as a result of the early adoption of the revised International Accounting Standard No. 12 on income taxes. A total of Shs.220 million for deferred tax has been provided for in the 1998/99 accounts. Value

Added Tax (VAT) charged on electricity sales yielded Shs.1,934 million, up from Shs.1,586 million the previous year, while PAYE decreased from Shs.936 million in 1997/98 to Shs.906 million in 1998/99. The decrease was mainly as a result of reduced emoluments following the transfer of some members of staff to KenGen under the restructuring of the power sub-sector exercise. Payment of Customs Duty and VAT on imported goods declined from Shs.575 million the previous year to Shs.466 million.

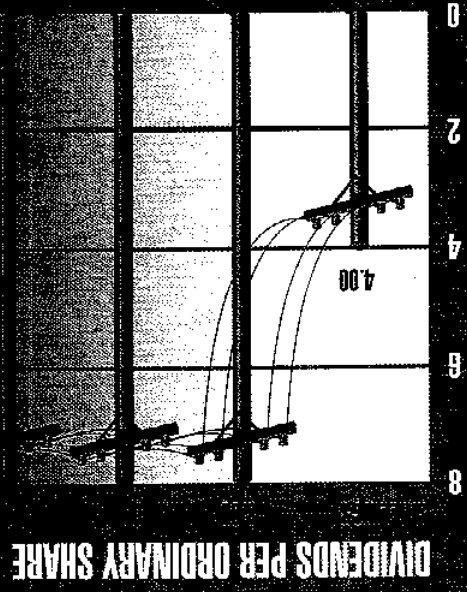
Preference dividends amounting to Shs.1.9 million were paid on their due dates. An interim dividend of 15% (Shs.237 million) was paid to Ordinary Stockholders registered in the books of the Company at the close of business on 25th March, 1999. Your directors recommend a final cash dividend of 25% or Shs.5 per share, absorbing a further Shs.396 million to be paid to the Ordinary Stockholders registered in the books of the Company at the close of business on 28th October 1999.

As the majority stockholder, the Government is entitled to Shs.256 million out of the total dividends paid and payable. The dividends, together with taxes, bring the Company's direct contribution to the exchequer to Shs.3,758 million, compared to Shs.3,809 million in 1997/98.

RESTRUCTURING OF THE POWER SUB-SECTOR

Following the restructuring of the power sub-sector, the Government appointed an international firm of consultants, Messrs. Price WaterhouseCoopers of UK, to undertake the asset inventory and revaluation and to advise on the financial effects of the transfers on the entities. The Kenya Power & Lighting Company (KPLC), The Kenya Electricity Generating Company (KenGen), Tana and Athi Rivers Development Authority (TARDA) and Kerio Valley Development Authority (KVDA). The consultant's Final Report based on transfer values as at 30th June, 1997, was submitted to the Government in May 1999.

In accordance with the consultant's recommendations, a Project Implementation Team was formed under the co-ordination of the Ministry of Energy and comprises representatives from the Ministry of Finance, Ministry of Rural Development, Attorney General's Chambers, Electricity Regulatory Board (ERB), TARDA, KVDA, KenGen and KPLC. The exercise entails transfer of all generating assets to KenGen from all the other entities



CHAIRMAN'S REVIEW (CONTINUED)

including KPLC, while all transmission and distribution assets will be transferred to KPLC. The resultant position is a net transfer of assets to KPLC valued at Shs.1.7 billion as at 30th June, 1997 by Price WaterhouseCoopers.

This is an interim position and values are being updated as at 30th June, 1999. The process is still ongoing and final transfers will not be implemented until full concurrence is obtained from the relevant entities and authorities.

Tariff Study

In order to assess the financial viability of the restructured organisations (KPLC and KenGen), the Government appointed Messrs. Merz and McLellan of UK to carry out an update of the 1993 Tariff Study.

The objective of the update was to recommend tariffs that would apply in the restructured power industry.

Messrs. Merz and McLellan submitted the final report in April 1999. The proposed level of tariffs necessary to meet each company's financial requirements was agreed on by KPLC, KenGen and the Government. This culminated in the drawing of an Interim Power Purchase Agreement between KPLC and KenGen, which was submitted to ERB.

Subsequent to this, KPLC applied to ERB for retail tariff adjustments on 14 June, 1999. The tariff proposals were approved and became effective from 1st August, 1999.

CORPORATE RE-ENGINEERING

As I stated in my review last year, the Company was in the process of consolidating the gains of the Institutional Strengthening Project (ISP).

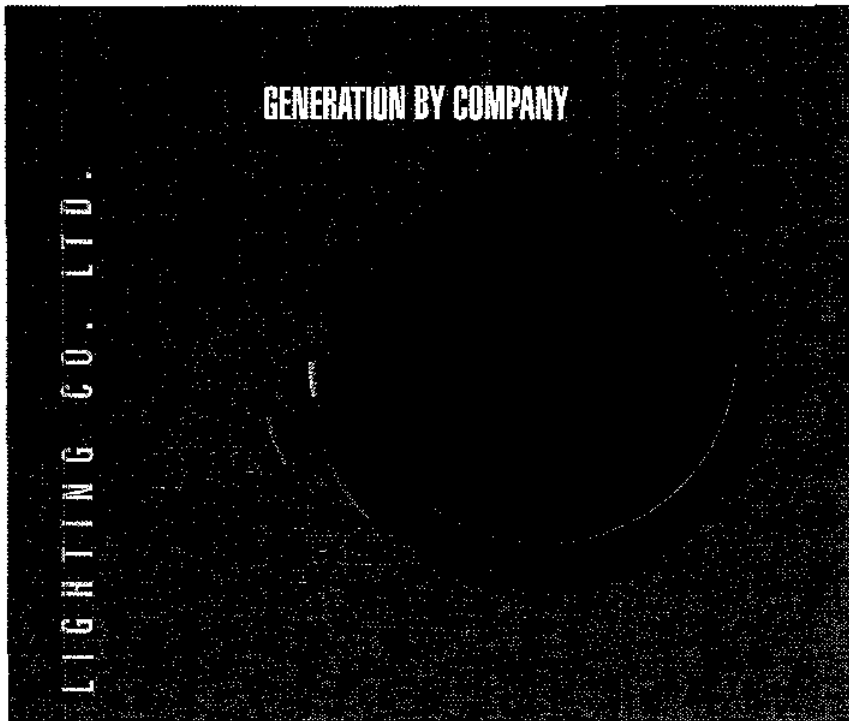
The success of this programme can be demonstrated by the improved performance indicators since 1995 when the project commenced. These indicators include customer to staff ratio, which has improved from 35:1 to 73:1, sales per employee in megawatt hours from 437 to 555, average new connection time, after payment, in months from 5 to 2 and supply restoration time, following breakdowns, in hours from 6 to 4.

Consolidation of the gains in a re-engineered environment is an on-going process. In this respect, the Company is implementing integrated transmission and distribution network's management systems to facilitate timely planning of maintenance and optimum operation of the power system.

CORE BUSINESS ACTIVITIES

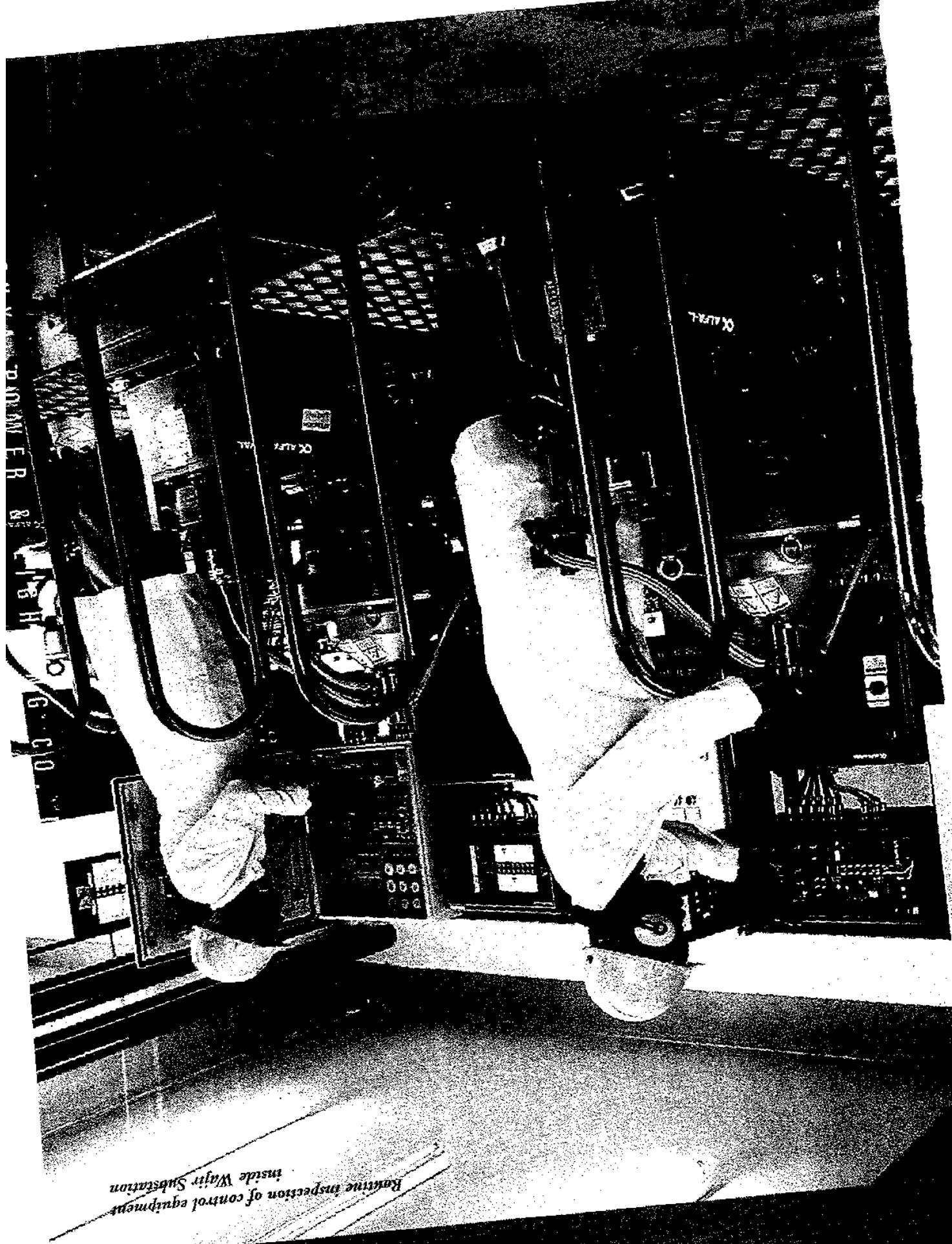
TRANSMISSION AND DISTRIBUTION

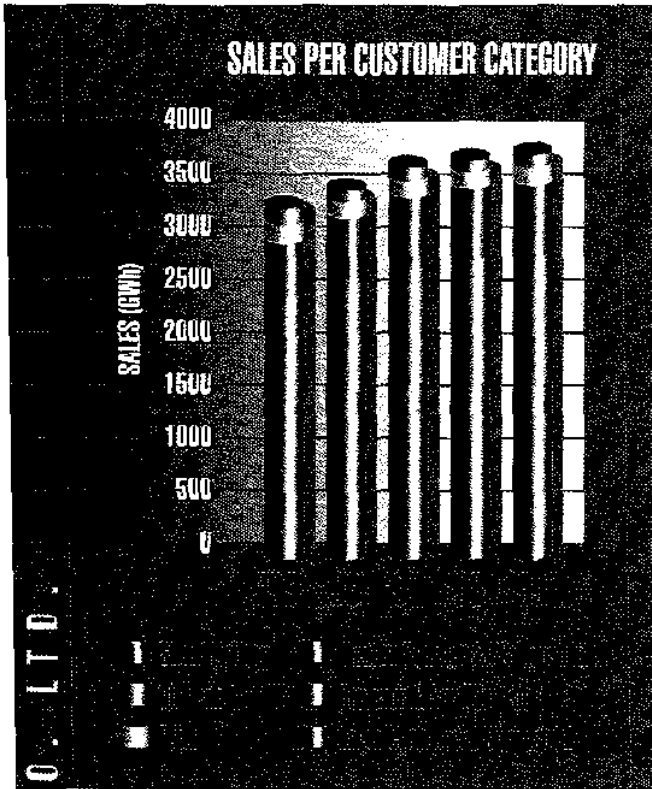
To enhance the security of the national transmission network, the Company undertook various improvement programmes including replacement of broken glass insulators and installation of bulk energy meters. Studies have been carried out and plans are underway to install capacitors to further reduce technical losses and stabilise the system voltage.



LIGHTING CO. LTD.

*Routine inspection of control equipment
inside Water Substation*





Transmission Development

Evaluation of tenders for the Kiambere-Nairobi 220kV and the Kipevu-Rabai 132kV transmission lines was completed in April 1999, and the contracts awarded to Siemens AG of Germany. Survey work was completed and the projects are expected to be commissioned in early 2001 and end of 2000, respectively.

Tender evaluation for substation works for the lines was also completed in April 1999. The contract was awarded to ABB Transmit of Finland and the project is expected to be completed by the end of 2000.

Distribution Network Improvement

The Company stepped up countrywide distribution system reinforcement and maintenance to improve stability and reliability of supply at a cost of Shs.925 million covering 40 schemes.

In Nairobi Area, Shs.280 million was spent on reinforcement schemes in Thika, Murang'a, Ruiru, Kanyariri and three Nairobi Eastlands estates. Out of this, Shs.80 million was spent on the conversion of the outdated 40kV distribution system to 33kV, resulting in improved voltages to tea factories and other customers in Thika, Kiambu and Murang'a districts.

Another amount of Shs.332 million was spent in the Coast Area on reconductoring Kiambeni, Shimanzi-Makupa-Digo feeders, and reinforcing Diani, Bamburi and Rabai substations.

A further amount of Shs.134 million was used in West Kenya to establish Homa Bay and Kisian substations and uprating Mumias Substation, while Shs.126 million was spent in Central Rift Area to establish Njoro Substation and uprate Subukia Substation. In Mt. Kenya Area, Shs.53 million was spent to establish Kanyakine and Kerugoya substations and reconductoring of the 78 km long Nanyuki-Meru line.

The Company also intensified routine maintenance of the distribution system at a cost of Shs.200 million. This included uprating of overloaded transformers and underrated medium and low voltage networks, replacing rotten poles and corroded conductors, clearing of wayleave traces and maintenance of substations.

All these planned activities have resulted in improved quality of supply as a result of minimised voltage fluctuations and supply interruptions.



Payment of electricity bills is now possible at Co-operative Bank branches

CHAIRMAN'S REVIEW (CONTINUED)

CUSTOMER SERVICE

In the continuing effort to enhance efficient delivery of service to customers, the Company commenced redefining all its business units. This aims at bringing services closer to customers by improving management of field operations, which include new supply connections, meter reading, revenue collection, routine inspection, emergency services and customer relations and marketing.

In the recent past we have established new paying centres in Nairobi at Adams Arcade, Jogoo Road, Eastleigh and Westlands. We have also established online services in Machakos, Sarit Centre and Jamhuri Park in Nairobi and in Malindi at the Coast.

Service delivery has been further enhanced by introduction of electronic bill payments through the Standard Chartered Bank's Automated Teller Machines (ATMs) and payments through Co-operative Bank branches in Nairobi. This has eased congestion of our banking halls, reduced our billing cycle period and achieved faster resolution of counter queries.

The Company continued to consolidate and expand the one-stop-service business concept countrywide through the Integrated Customer Service System (ICS). Other measures taken to improve communication and service delivery countrywide included the updating of customers' records and replacement of electro-mechanical meters with electronic ones.

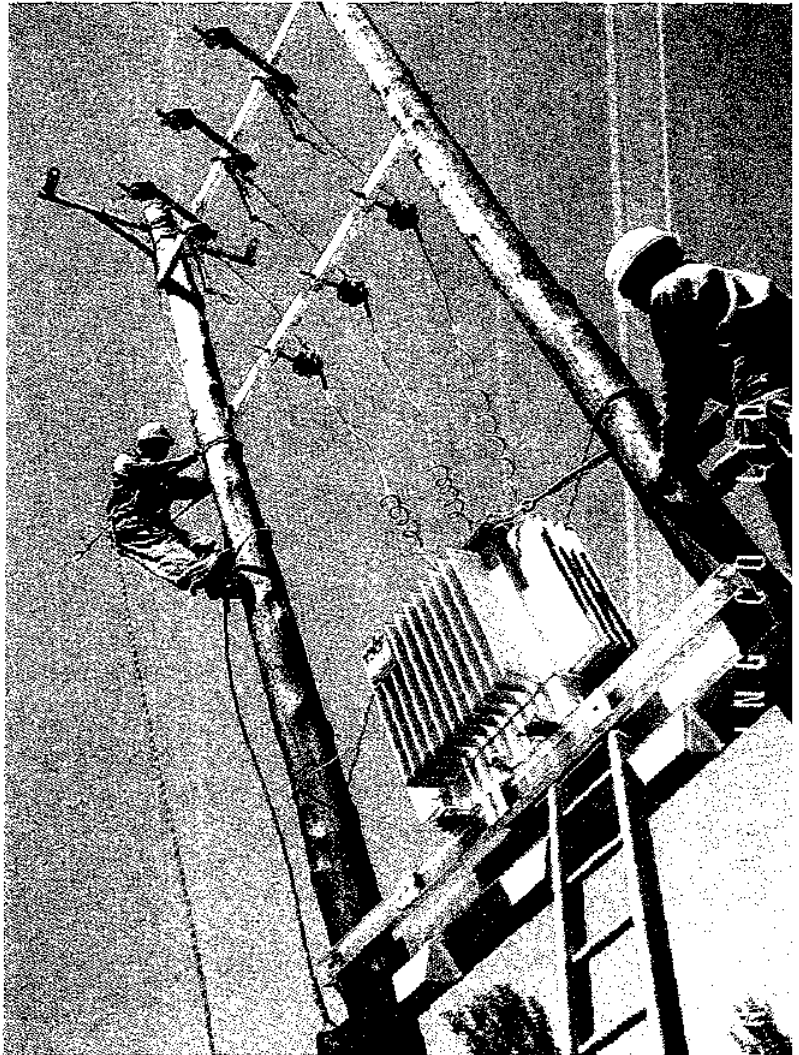
Power Loss Reduction and Demand Side Management (DSM) Programmes

Various activities continued during the year under two programmes which are funded through a credit from the International Development Association (IDA). Loss reduction studies were carried out in Nairobi and Mombasa and eight projects have been identified for implementation under the credit. A DSM consultant, Messrs. International Resources Group (IRG) in association with Gibb (Eastern Africa) Limited, was appointed during the year and is providing advisory services.

RURAL ELECTRIFICATION

The Company continued to implement the Rural Electrification Programme (REP) on behalf of the Government. During the year, Shs.621 million was spent, bringing the cumulative capital expenditure since inception of the programme in 1973 to Shs.4,399 million.

The number of customers under this programme increased by 3,458 or 6%, from 57,978 in 1997/98 to 61,436 in 1998/99. Units sold increased from 146 million to 153 million, while revenue realised increased by 6% from



Electrification of rural areas continues to connect more customers to the national grid



Certification of Y2K Readiness confirms the Company's preparedness to tackle the millenium bug

Shs.804 million in the previous year to Shs.851 million.

Electrification of 57 out of the 168 coffee factories targeted under Phase 1 of the Stabilisation of Exports (STABEX) funded Coffee Factories Rural Electrification Programme (COFREP) was completed during the year at a cost of Shs.120 million.

The success of this first stage of the programme is being evaluated, following which electrification of the remaining 111 coffee factories identified to form Phase 1 of COFREP will be executed at a cost of Shs.240 million.

In 1998, the Government of Kenya and the Government of Spain signed an agreement for a loan of US\$10.6 million to finance Phase 1 of the rural electrification project comprising 32 schemes distributed throughout the country.

During the year, negotiations commenced between the Government of Kenya and the French Government through the French Development Agency for the financing of Rural Electrification schemes to a tune of 60 million French Francs. The negotiations are in progress.

An amount of Shs.518 million was collected under the 5% Rural Electrification Fund Levy established last year, which will boost connection of electricity supply.

SUPPORT SERVICES

INFORMATION TECHNOLOGY (IT)

During the year under review, a new Information Technology Division was created which consolidates the functions previously under Information Services Division with those developed under the ISP.

The Company also successfully launched an e-mail system which enables faster exchange of information within the Company operations and also connection to the Internet.

To achieve countrywide data transmission coverage, implementation of a Wide Area Telecommunication Network to address areas not currently covered by Telkom Kenya is at an advanced stage. This will enable quality data transmission from Nyeri and the hydro power stations to Stima Plaza for billing, administration and operations.

Year 2000 Readiness

To ensure that the operations of your Company continue smoothly beyond midnight of 31st December, 1999, appropriate upgrades have been done to achieve Y2K readiness of all our computerised systems. Tests carried out by Company staff in conjunction with a consultant have confirmed that both hardware and software are Y2K ready and the Company has been certified Y2K compliant. Contingency plans are already being firmed up in consultation with our business partners.

HUMAN RESOURCES

Management continued to re-engineer the Human Resources Management Strategy and put in place various empowerment programmes to enhance staff awareness and appreciation that they are the critical link between the Company and its goals. In pursuance of this, a series of face-to-face meetings were held with various staff groups throughout the Company.

The Company maintained cordial working relations with the leadership of the Kenya Electrical Trades and Allied Workers Union (KETAWU). A Collective Bargaining Agreement (CBA) was successfully negotiated for the period 1999/2000 and implemented promptly in January 1999.

In line with the Company's Corporate Vision and in an endeavour to build a competitive edge, training programmes were designed to equip staff with requisite skills, knowledge and exposure to global trends. Consequently, 3,334 employees attended both local and international training programmes at a cost of Shs.157,428,161 covering management development, information technology, craft and technician courses, live-line helicopter-borne system maintenance and HIV/AIDS awareness, among others.

The Company had a workforce of 7,100 employees as at 30th June, 1999 compared to 7,167 during the same period last year. A customer/staff ratio of 73:1 was achieved compared to 63:1 last year. During the year 57 employees left the Company, compared to 1,591 who left the previous year, most of them to join KenGen following its separation from KPLC.

PUBLIC RELATIONS

During the year under review, the Company continued with customer outreach initiatives in order to enhance mutual relations and understanding with its various publics and stakeholders. This was done through planned and sustained public education campaigns on the Company's operations and participation in Agricultural Society of Kenya (ASK) shows countrywide and Comesatex exhibition which was held in Nairobi.

In line with its new corporate image and identity, the Company embarked on updating customer service information on its products and processes. An internet website with extensive information about the Company was also developed during the year.

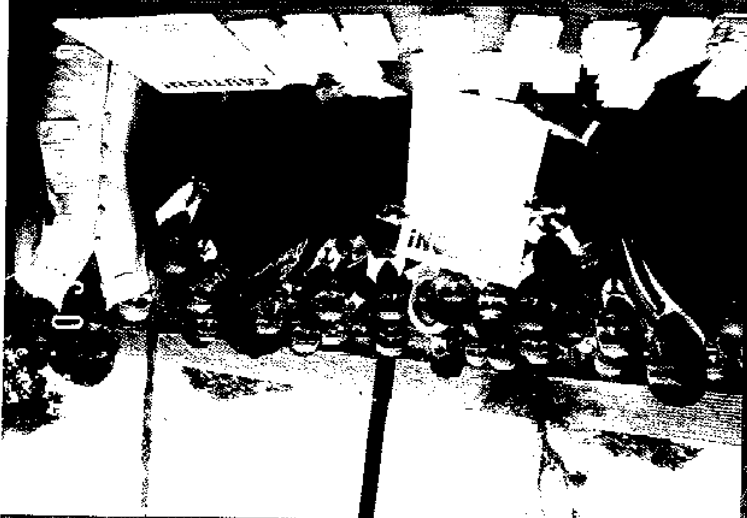
Apart from these external public relations efforts, the Company embarked on new strategies to enhance internal employee communication.

As part of its social responsibility, the Company made cash donations amounting to Shs.2.3 million to the Nyen Hospice, Undugu Society, Kenya National Association of the Deaf, and the Waqir Education Fund among others. Staff in Nairobi and Mombasa also helped raise money for children with heart problems by participating in the annual Dettol Heart Run.

GENERATION CAPACITY ENHANCEMENT

Kenya Power (K) Ltd. and Westmont Power (K) Ltd., the JPP plants in Nairobi and Mombasa, respectively, operated well for most of the year. Westmont's plant, however, suffered a major breakdown in April 1999, and at the time of going to press, the station was projected to be back in service in November 1999.

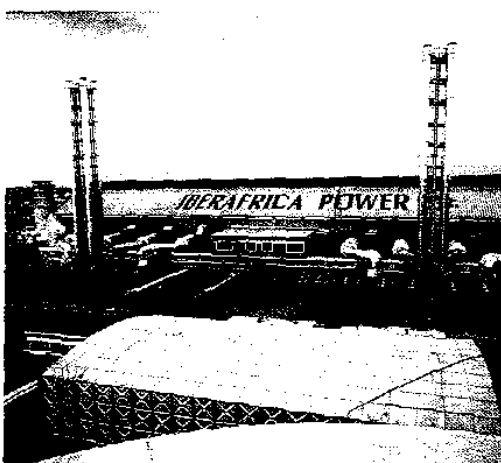
Public awareness campaigns target specific audiences such as these pupils of Janga Road Primary School in Nairobi



Special focus on training has exposed staff to the latest trends in customer service



THE KENYA TELECOMMUNICATIONS CO.



One of the Independent Power Producers: IberAfrica Power in Nairobi South

30 MW Gas Turbine

The gas turbine refurbished by Kvaener Energy of the UK was commissioned in March 1999 as scheduled and operated well throughout the year. This brings the installed capacity of the public sector gas turbines at the Coast to 60 MW.

Fast Track Projects

Nine firms were shortlisted to bid for the two 55 MW fast track projects in Eldoret and Lanet, Nakuru, respectively. Five companies tendered for the Eldoret plant, while four tendered for the Lanet plant. Tender evaluation by Messrs. Denton Hall in collaboration with Mott MacDonald Consultants, both of the UK, was finalised and the World Bank and the Government have concurred with the evaluation. Negotiations with the lowest evaluated

bidders, Messrs. Deutz Ltd. of UK and Burmeister and Wain Scandinavian Contractor (In Consortium) are in progress. The plants are expected to be commissioned by April 2001.

Olkaria III 64 MW Geothermal Power Station

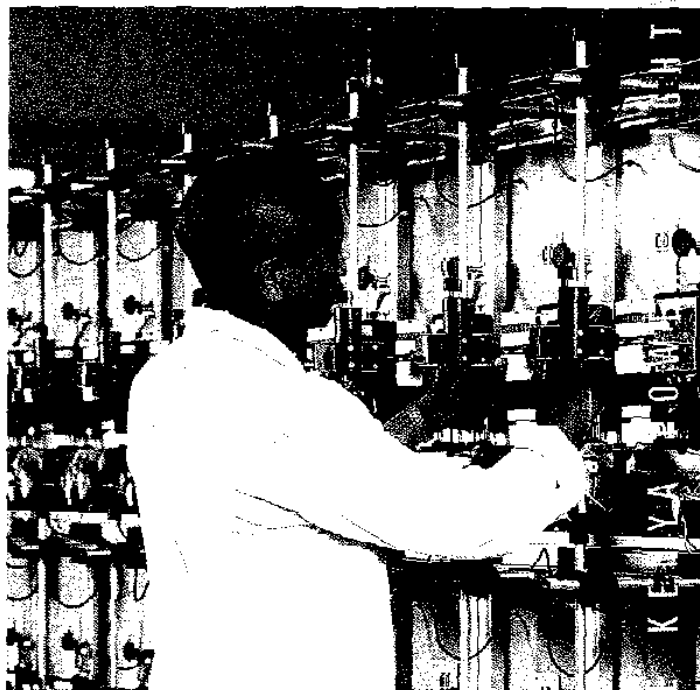
Following execution of the Power Purchase Agreement in November 1998 between KPLC and OrPower 4 (Ormat International Inc.) work at the site has started and an early generation unit of 8 MW is projected by mid-2000. The project is expected to commence full commercial operation in 2002.

FUTURE PROSPECTS

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An engineer fine-tunes meter testing equipment at the Ruaraka workshop in Nairobi

RIPOTI YA MWENYEKITI

Njoro na kuimarisha kile cha Subukia. Katika eneo la Mt. Kenya, Shs.53 milioni zilitumiwa kuanzisha vituo vidogo vya nguvu za umeme vya Kanyakine na Kerugoya na kuimarisha laini ya kilomita 78 ya Nanyuki-Meru.

Kampuni pia iliendelea na urekebishaji wa kawaida wa mtandao wa laini za umeme kwa gharama ya Shs. 200 milioni. Hii ni pamoja na kuweka transformer nyingine kuchukua mahali pa zile zilizokuwa zikibeba umeme mwingi kupita kiasi, kuimarisha laini zilizokuwa zikipitisha umeme kidogo, kuweka nguzo mpya kuchukua mahali pa zile zilizooza, kufyeka sehemu zinakopitia laini za umeme na kurekebisha vituo vidogo vya umeme.

Shughuli zote hizi zilizopangwa zimewezesha kupatikana kwa usambazaji mzuri wa nguvu za umeme wenye kasoro chache.

HUDUMA KWA WATEJA

Katika juhudi za kuimarisha huduma kwa wateja wake, Kampuni ilianza kutoa mwelekeo kwa kila kitengo cha biashara. Hii ina lengo la kuleta huduma karibu zaidi na wananchi kwa kuimarisha usimamizi wa shughuli za nyanjani ambazo zinahusisha kuweka umeme, usomaji wa mita, kukusanya fedha, ukaguzi wa kawaida, huduma za dharura na uhusiano wa wateja na mauzo.

Katika siku za hivi karibuni tumeanzisha vituo vya kulipia katika Adams Arcade, Jogoo Road, Eastleigh na Westlands. Aidha, ofisi za Machakos, Sarit Centre, Jamhuri Park na Malindi, ziliunganishwa na mtandao wa komputa unaoziwezesha kutoa ripoti hapo hapo.

Huduma kwa wateja imeimarishwa hata zaidi kwa matumizi ya mashine za ATM za Standard Chartered Bank na malipo katika matawi ya Co-operative Bank hapa Nairobi. Hii imepunguza msongamano kwenye

kumbi za kulipia pesa, kupunguza mda wa kutuma bill na kushughulikiwa haraka zaidi katika kaunta.

Kampuni iliendelea kuimarisha na kupanua mtindo wa kufanya biashara kote nchini kupitia kushughulikia wateja kwa pamoja, yaani Integrated Customer Service System (ICS).

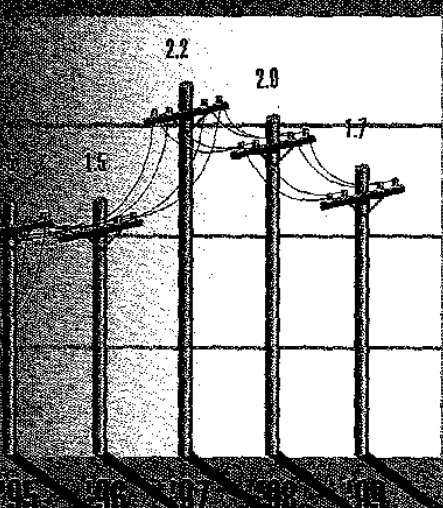
Hatua nyingine iliyochukuliwa kuimarisha mawasiliano na utoaji wa huduma kote nchini ni pamoja na kuwa na rekodi za wateja za hivi punde na kubadilishwa kwa mita za electro-mechanical na zile za electronic.

Mipango ya kupunguza upoteaji wa nguvu za umeme

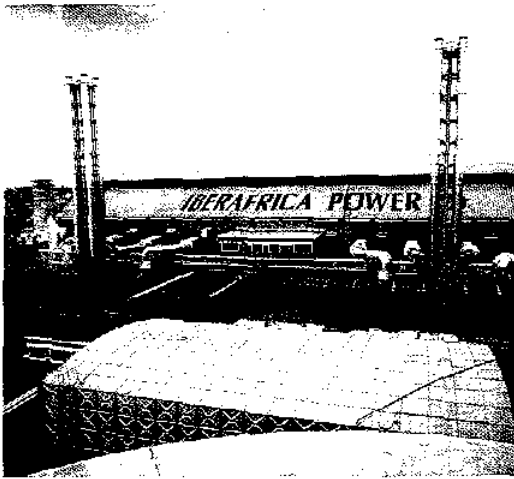
Shughuli kadhaa ziliendelea wakati wa kipindi cha mwaka chini ya mipango hiyo miwili ambayo imefadhiwa na chama cha International Development Association (IDA). Uchunguzi wa kupunguza upoteaji wa nguvu za umeme ulifanywa Nairobi na Mombasa na miradi minane imepangiwa kuhusishwa katika mpango huo. Washauri wa uhifadhi wa nguvu za umeme, International Resources Group (IRG) pamoja na Gibb (Eastern Africa) waliteuliwa wakati wa kipindi cha mwaka na wanatoa huduma za ushauri.

FAIDA KABLA YA KODI

LIGHTING CO., LTD.



CHAIRMAN'S REVIEW (CONTINUED)



*One of the Independent Power Producers:
IberAfrica Power in Nairobi South*

30 MW Gas Turbine

The gas turbine refurbished by Kvaener Energy of the UK was commissioned in March 1999 as scheduled and operated well throughout the year. This brings the installed capacity of the public sector gas turbines at the Coast to 60 MW.

Fast Track Projects

Nine firms were shortlisted to bid for the two 55 MW fast track projects in Eldoret and Lanet, Nakuru, respectively. Five companies tendered for the Eldoret plant, while four tendered for the Lanet plant. Tender evaluation by Messrs. Denton Hall in collaboration with Mott MacDonald Consultants, both of the UK, was finalised and the World Bank and the Government have concurred with the evaluation. Negotiations with the lowest evaluated

bidders, Messrs. Deutz Ltd. of UK and Burmeister and Wain Scandinavian Contractor (In Consortium) are in progress. The plants are expected to be commissioned by April 2001.

Olkaria III 64 MW Geothermal Power Station

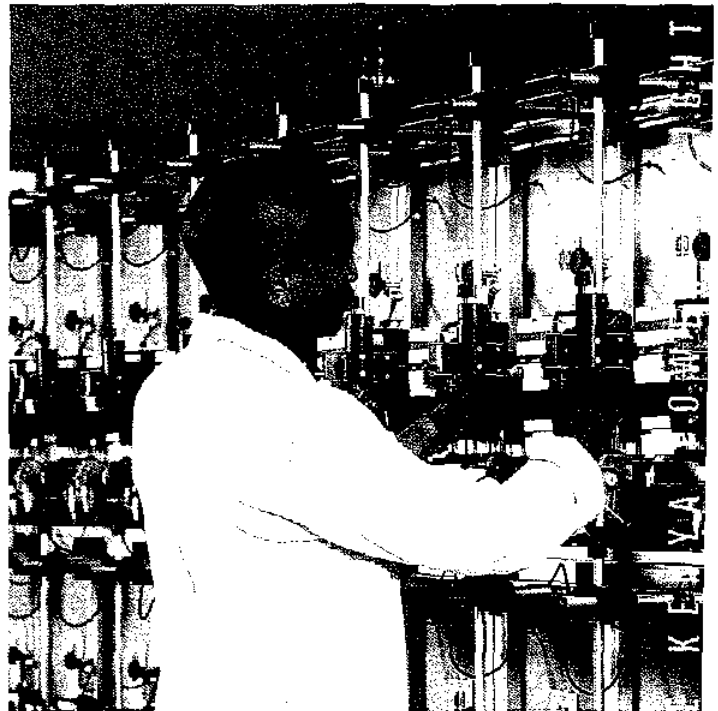
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CHAIRMAN'S REVIEW (CONTINUED)

donor community are improving and the country has introduced changes in the civil service aimed at improving productivity and service delivery.

Following the successful implementation of the re-engineering programme, the Company has boosted its investment in modern technology and developed institutional capacity to cope with future challenges and to

take advantage of new business opportunities. In this respect, the Company is exploring opportunities in the unregulated business, both nationally and regionally, such as providing telecommunications services using fibre optic cables mounted on the power transmission and distribution system, information technology consultancy services and live-line maintenance by our air-mobile crew.

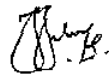
In the long term, the Governments' Master Plan for Rural Electrification has created more business opportunities for your Company and apart from the Rural Electrification Levy, various other funding sources have been identified for the Rural Electrification Programme (REP). These include the European Union's Stabilisation of Exports Fund

(STABEX) and the governments of Spain and France. These funds will guarantee expansion of electricity supply in the country where only 8% of the population is connected to the grid.

Provided the momentum of the economic recovery is sustained, therefore, and the rains arrive early and in good quantities, your Company is well poised to maintain a satisfactory level of performance in the foreseeable future.

STAFF

My review would be incomplete without reference to performance of your staff. The Management and the entire Company staff deserve commendation for achieving outstanding trading results under extremely difficult conditions. I therefore wish, on your behalf and that of the Board, to thank them all.

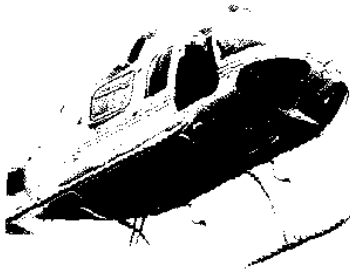


T T Naikuni
Chairman



A supportive policy on sports has encouraged participation in local and international events

RIPOTI YA MWENYEKITI



MTAZAMO WA JUMLA

Nina furaha kuwaeleza kwa mara nyingine ufanisi wa kibiashara wa Kampuni yenu ambayo imekuwa ikihudumu chini ya hali ngumu sana.

Licha ya kufanya biashara katika hali mbaya ya kiuchumi ambayo mwaka wa 1998 ulionyesha kiwango cha jumla cha ukuaji wa pato la taifa ya 1.8% ikilinganishwa na kiwango kilichokusudiwa cha 2.7%, Kampuni ilifendelea kukabiliwa na uhaba wa nguvu za umeme uliosababishwa na upungufu wa utoaji nguvu hizo.

Licha ya haya, Kampuni ilipata ufanisi wa 2% katika mauzo ya nguvu za umeme ikilinganishwa na 2.7% uliopatikana mwaka uliotangulia. Kushuka huku kulisababishwa na kupungua kwa matumizi ya nguvu za umeme na wateja wakubwa wa kibiashara na viwanda, hali iliyosababisha kupungua kwa ukuaji kwa 1%. Sekta zilizothiriwa vibaya katika kundi hili ni zile za utengenezaji bidhaa, viwanda vya nguo, kilimo na utali. Ingawa hivyo, kampuni ndogo za biashara na viwanda ziliongeza matumizi yao kwa 5%, na wateja wa biashara za kadri na viwanda wakaongezeka kwa 2% ambapo umwagiliaji mashamba maji ulikuwa na ongezeko la utumiaji wa 66%.

Mapato yaliyopatikana yalikuwa Shs.18,423 milioni dhidi ya matumizi ya kampuni ya Shs.16,521 milioni. Baada ya faida ya Shs.186 milioni na faida ya Shs.6 milioni zilizopatikana katika ubadilishanaji wa fedha, faida ya Kampuni iliopatikana kabla ya kutozwa ushuru ilikuwa Shs.1,722 milioni ikilinganishwa na Shs.2,005 milioni mwaka uliotangulia.

HALI YA KIFEDHA

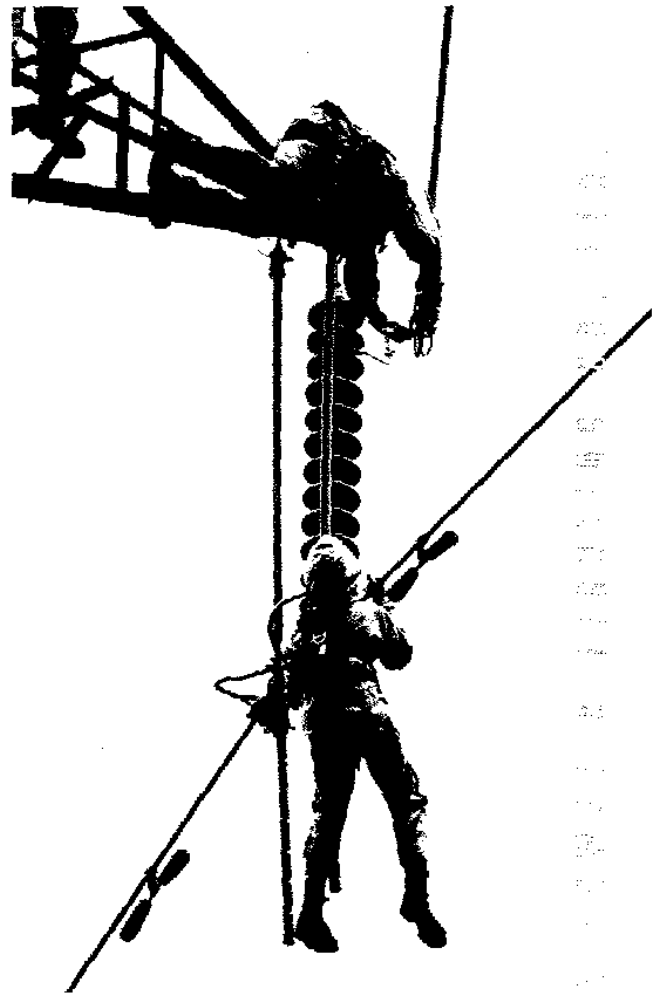
Hesabu

Wakati wa mwaka, unit milioni 3,564 za umeme ziliuzwa au 2% zaidi ya unit 3,498 zilizouzwa mwaka uliotangulia. Hizi zilileta mapato ya Shs.18,423 milioni, ongezeko la Shs.350 milioni ikilinganishwa na Shs.18,073 milioni mwaka uliotangulia.

Matumizi ya fedha, ambayo ni pamoja na kulipa madeni ya Kampuni zinazotuuza stima kwa jumla, yaliongezeko kutoka Shs. 16,466 milioni mwaka wa 1997/98 hadi Shs. 16,521 milioni mwaka wa 1998/99 ikiwakilisha ongezeko la Shs. 55 milioni. Ongezeko hili kwa jumla limesababishwa na kuongezeka kwa kiwango cha maisha na kupungua kwa thamani ya shilingi ya Kenya dhidi ya sarafu muhimu za kimataifa.

Kwa hivyo matokeo ya biashara ya mwaka yanaonyesha matumizi ya faida ya Shs.1,902 milioni ikilinganishwa na Shs. 1,607 milioni mwaka uliotangulia.

Matokeo ya shughuli za uwekaji rasimali yalikuwa jumla ya faida iliyolipwa ya Shs.186 milioni ikilinganishwa na faida iliyopokewa ya Shs.434 milioni mwaka uliotangulia. Hali hii ilisababishwa hasa na matumizi ya urekebishaji, kuthibiti na miradi ya uhandisi ambayo imeelezwa mahali pengine katika ripoti hii, ambayo yalipunguza fedha zilizoko kwa miradi ya rasimali, na pia kwa sababu ya kupungua kwa riba ya faida inayotokana na vitaga uchumi, na vile vile kwa

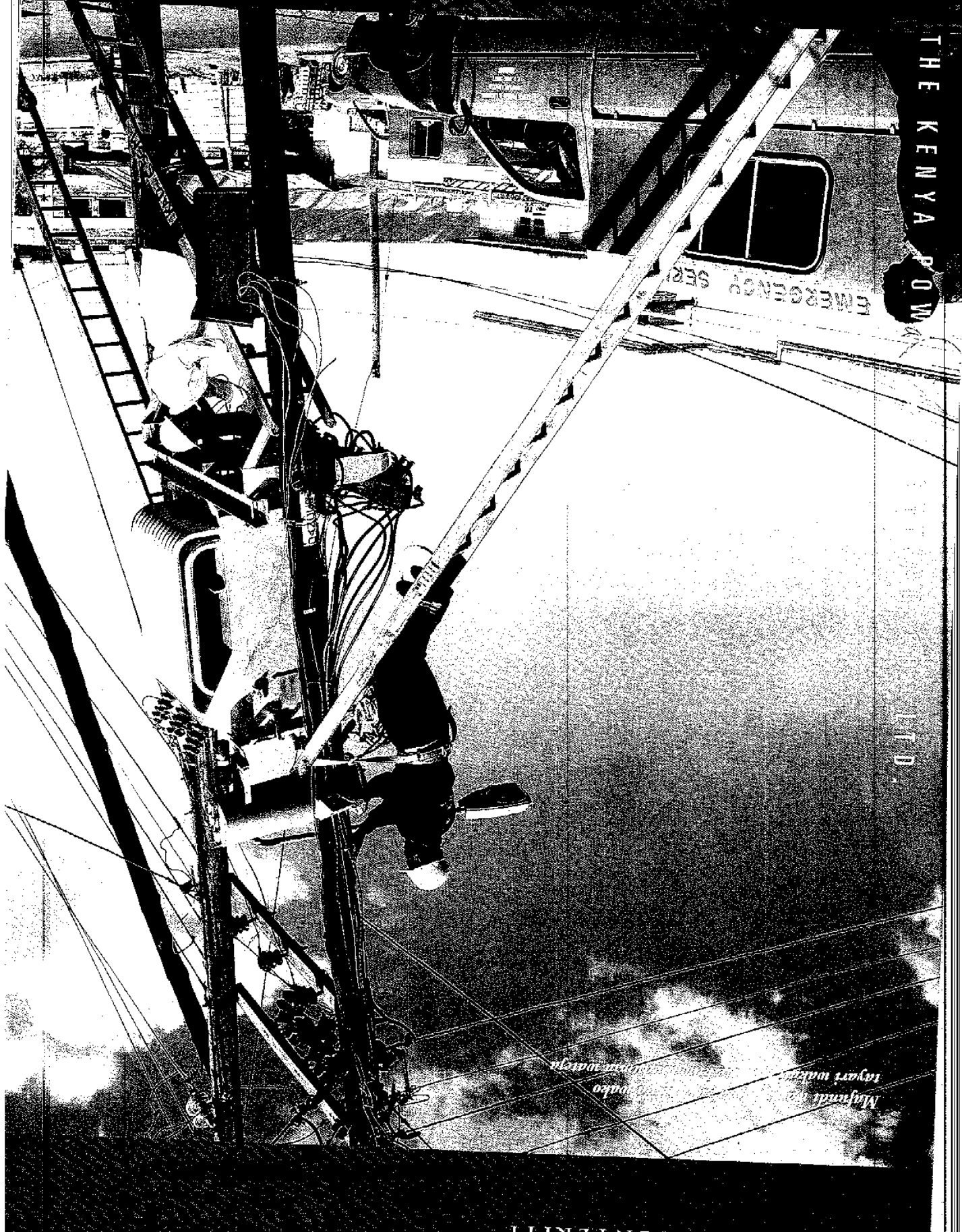


Marekebishi ya laine zenye nguvu za umeme kwa kutumia ndege aina ya helikopta

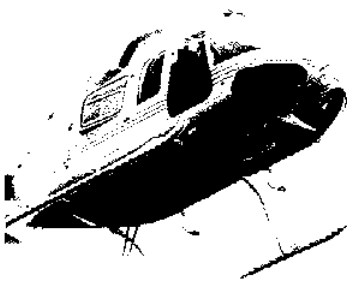
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RIPOTI YA MWENYEKITI

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rayari wakazi...



RIPOTI YA MWENYEKITI



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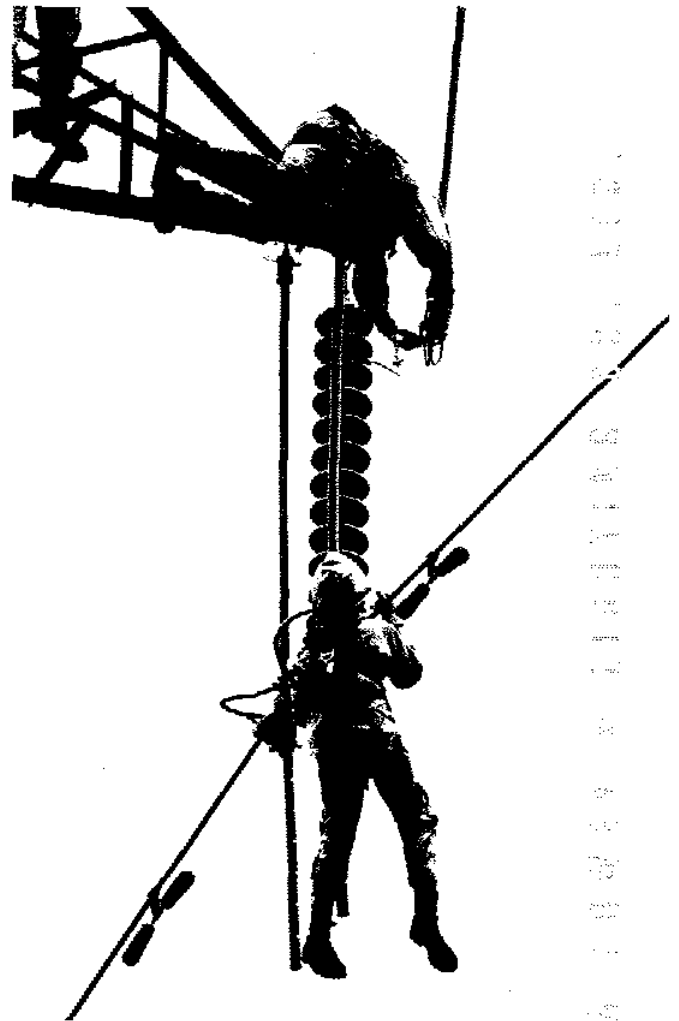
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Marekebishi ya laine zenye nguvu za umeme kwa kutumia ndege aina ya helikopta

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RIPOTI YA MWENYEKITI

sababu ya kupungua kwa riba ya faida katika fedha zilizowekwa kama rasilimali ambazo zilipungua kutoka kima cha wastani cha 25% wakati wa kipindi kilichopita hadi kiwango cha wastani cha 15% mwaka huu, ambao ni upungufu wa 40%. Faida iliyotokana na ubadilishanaji wa pesa za kigeni ilifikia Shs.6 milioni ikilinganishwa

na hasara iliyotokana na ubadilishanaji wa fedha za kigeni ya Shs. 35 milioni iliyopatikana kipindi kilichopita.

Matokeo ya jumla ya shunguli hizi yalikuwa ni faida ya Shs.1,722 milioni kabla ya kodi ikilinganishwa na Shs. 2,005 milioni mwaka uliotangulia. Baada ya kodi ya shirika, kodi iliyokuwa imeahirishwa na mgao wa faida wa mwaka, faida ya Shs. 670 milioni itawekwa kwenye akiba.

Kodi

Kiasi cha Shs. 196 milioni kimetengwa kwa ajili ya kodi ya shirika ikilinganishwa na Shs. 541 milioni mwaka wa 1997/98. Kampuni imetenga fedha za kodi iliyoahirishwa kwa ajili ya kuafiki mapema mpango wa kimataifa wa uhasibu No. 12 kuhusu kodi ya mapato. Jumla ya Shs. 220 milioni kwa minajili ya kodi iliyoahirishwa zimetengwa kwa ajili ya

hesabu ya mwaka wa 1998/99. Kodi ya thamani ya ziada inayotozwa mauzo ya nguvu za umeme ilileta Shs.1,934 milioni kutoka Shs. 1,586 milioni mwaka uliotangulia nayo Pay As You Earn (PAYE) ikapungua kutoka Shs. 936 milioni mwaka wa 1997/98 hadi Shs.906 milioni mwaka wa 1998/99. Kupungua huko kulitokana na upungufu wa marupurupu kufuatia kuhamishwa kwa baadhi ya wafanyakazi hadi KenGen chini ya shughuli ya urekebishaji wa sekta ya nguvu za umeme. Malipo ya ushuru wa forodha na kodi ya thamani ya ziada kwa bidhaa zilizoagizwa kutoka nje yalipungua kutoka Shs. 575 milioni mwaka uliotangulia hadi Shs. 466 milioni.

Mgao wa faida

Mgao wa faida wa Shs. 1.9 milioni ulilipwa tarehe zake zilipowadia. Mgao wa faida wa mda wa 15% (Shs. 237 milioni) ulilipwa kwa wanahisa wa kawaida waliosajiliwa kwenye vitabu vya Kampuni mnamo tarehe 25 mwezi wa Machi 1999. Wakurugenzi wenu walipendekeza malipo ya mwisho ya mgao wa faida ya 25% ama Shs. 5 kwa kila hisa na hivyo kuongeza matumizi ya Shs. 396 milioni zilizolipwa wanahisa wa kawaida waliosajiliwa katika vitabu vya kampuni hiyo tarehe 28 mwezi wa Oktoba mwaka wa 1999.

Kama mshirika mkuu, serikali itapata Shs.256 milioni kutokana na jumla ya mgao wa faida uliolipwa na utakaolipwa. Mgao wa faida, pamoja na kodi, unafanya mchango wa Kampuni wa moja kwa moja kwa pato la taifa kuwa Shs. 3,758 milioni, ikilinganishwa na Shs. 3,809 milioni mwaka wa 1997/98.



Furaha ya kuwekwa umeme katika sehemu za mashambani

MAREKEBISHO YA SEKTA NDOGO YA NGUVU ZA UMEME

Kuhamishwa kwa mali

Kufuatia marekebisho katika sekta ya nguvu za umeme, serikali ilichagua kampuni ya kimataifa ya ushauri, Price WaterhouseCoopers ya Uingereza kuangalia mali iliyoko na kutoa ukadiriaji na ushauri kuhusu athari za kifedha zitakazoletwa na kuhamishwa kwa kampuni zinazohusika: Kenya Power & Lighting Company (KPLC), The Kenya Electricity Generating Company (KenGen), Tana River Development Authority (TARDA) na Kerio Valley Development Authority (KVDA). Ripoti ya mwisho ya wachunguzi hao kuhusu thamani ya kuhamishwa kwa mali kufikia tarehe 30 mwezi Juni mwaka wa 1999 ilikabidhiwa serikali mwezi Mei mwaka wa 1999.

Kufuatia mapendekezo ya washauri, kundi la kutekeleza miradi lilianzishwa chini ya ushirikishi wa Wizara ya Fedha, Wizara ya Maendeleo ya sehemu za Mashambani, Afisi ya Mkuu wa Sheria, Electricity Regulatory Board (ERB), TARDA, KVDA, KenGen na KPLC. Shughuli hii inahusisha kuhamishwa kwa mali yote ya kuzalisha nguvu za umeme hadi kwa kampuni ya KenGen kutoka kwa mashirika yote ikiwa ni pamoja na KPLC, ili hali mali zote za kupeleka na kusambaza nguvu za umeme zitahamishiwa KPLC. Matokeo haya yalikuwa ni kuhamishwa kwa mali ya thamani ya Shs. 1.7 bilioni hadi KPLC kufikia tarehe 30 mwezi Juni mwaka wa 1999 na Price WaterhouseCoopers.

Hii ni hatua ya mda na thamani ya mali inachunguzwa upya kufikia tarehe 30 mwezi wa Juni mwaka wa 1999. Utaratibu huu unaendelea na kuhamishwa kwa mwisho hakutatekelezwa hadi maafikiano kamili yatakapopokelewa kutoka kwa wahusika.



Kuanzishwa kwa vituo vya umeme vya kando huimarisha umeme katika vituo vya biashara katika sehemu za mashambani

UCHUNGUZI WA BEI YA STIMA

Ili kuchunguza uwezo wa kifedha wa kampuni zilizorekebisha (KPLC na KenGen) serikali ilichagua kampuni Ya Merz and McLellan ya Uingereza ili kufanya marejeleo ya uchunguzi wa kodi wa mwaka wa 1993. Lengo la uchunguzi wa pili lilikuwa kutoa mapendekezo ya kodi ambayo ingetumika katika sekta hiyo ya nguvu za umeme iliyorekebisha.

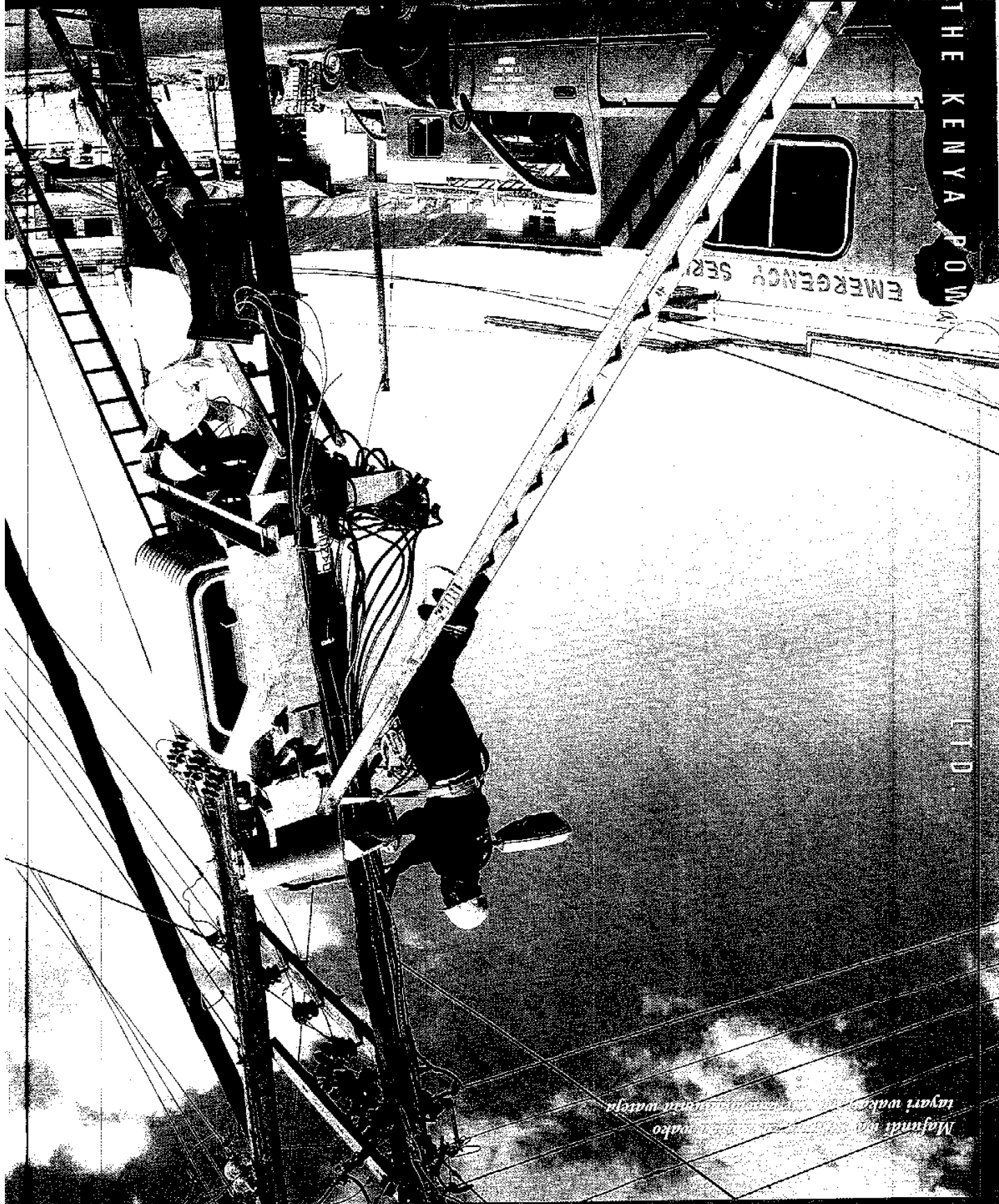
Kampuni ya Merz and McLellan ilitoa ripoti ya mwisho mwezi Aprili 1999. Kiwango cha kodi kilichopendekezwa ili kutosheleza mahitaji ya kifedha ya kila kampuni kilikubaliwa kati ya KPLC, KenGen na Serikali. Hii ilifanya kuweko mkataba wa mda wa kununua nguvu za umeme kati ya KPLC na KenGen ambao ulitolewa kwa ERB.

Hatimaye, KPLC ilitoa mapendekezo ya kufanyiwa mabadiliko ya bei ya stima kwa ERB mnamo tarehe 14 mwezi Juni mwaka wa 1999. Mapendekezo haya yalikubaliwa na yakaanza kutekelezwa tarehe 1 Agosti mwaka wa 1999.

SHUGHULI YA UKARABATI KATIKA KAMPUNI

Kama nilivyoeleza katika ripoti yangu ya mwaka jana, Kampuni ilikuwa katika harakati za kuimarisha mafanikio ya mpango wa kuimarisha Kampuni unaoitwa Institutional Strengthening Project (ISP).

Ufanisi wa mpango huu unadhahirishwa na kuimarika kwa muelekeo wa utendaji tangu mwaka wa 1995 wakati mradi huu ulipoanzishwa. Hii ni pamoja na uhusiano wa wateja na wafanyikazi, ambao ulimarika kutoka 35:1 hadi 73:1, mauzo kwa kila mfanyikazi kwa masaa ya megawatt kutoka 437 hadi 555, wastani wa kuunganisha umeme kutoka miezi 5 hadi miezi 2 na kurejeshwa kwa nguvu za umeme baada ya malipo kutoka masaa 6 hadi masaa 4.



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*Majundi wakati wa kazi wakio
kazi wakio wakio wakio wakio*

Kuthibiti mafanikio yaliopatikana katika mpango wa ukarabati ni hatua ambayo inaendelea. Kwa hali Kampuni inatekeleza mpango wa kuuganisha shughuli za kusimamia usambazaji na ugawaji ili kuiwezesha kuandaa kwa wakati ufaao marekebisha ya mtandao wake wa nguvu za umeme.

HUDUMA MUHIMU YA KIBIASHARA

KUPELEKA NA KUSAMBAZA UMEME

Ili kuimarisha usalama katika waya kuu za nguvu za umeme, Kampuni lianzisha mipango mbalimbali hii ikiwa ni pamoja na kubadilisha insulator za glasi zilizovunjika na kuweka mita mpya kubwa za kawi. Uchunguzi umefanywa na mipango imo njiani ya kuweka capacitors zaidi kuzuia kupotoea nguvu za umeme na kuziimarisha.

Maendeleo ya usambazaji

Ukadiraji wa tenda za chini za nguvu za umeme za Kiambere-Nairobi 220 kV na Kipevu-Rabai 132kV ulimalizika mwezi wa Aprili 1999 na kandarasi ikapewa Siemens AG. Kazi ya usoroveya ilikamilika na miradi hiyo inatazamiwa kuzinduliwa mapema mwaka wa 2001 na mwisho wa mwaka wa 2000.

Ukadiraji wa tenda kwa kazi ya ujenzi wa vituo vidogo vya kusambaza nguvu za umeme pia ilikamilika April 1999. Kandarasi hiyo ilipewa ABB ya Finland. Mradi huo unatazamiwa kukamilika mwisho wa mwaka wa 2000.

Kuimarisha laini za kusambaza umeme

Kampuni iliimarisha usambazaji wa umeme kote nchini pamoja na uangalizi ili kuthibiti huduma na uhakika wa kupatikana kwa nguvu za umeme kwa gharama ya Shs.925 milioni, shughuli iliyohusisha miradi 40.

Katika eneo la Nairobi, Shs. 280 milioni zilitumika katika uimarishaji wa miradi katika Thika, Murang'a, Ruiru, Kanyariri na mitaa mitatu ya Nairobi iliyoko katika sehemu ya Eastlands. Kati ya fedha hizi Shs. 80 milioni zilitumika katika kubadilisha laini za 40kV ziliozeeka hadi zile za 33kV na hivyo kuimarisha kiasi cha umeme



Waakilishi wa kampuni za kigeni wanaowania mitambo ya Fast Track wakagua kituo cha stima buko Eldoret

katika viwanda vya majani chai na wateja wengine katika wilaya za Thika, Kiambu na Murang'a.

Kiasi kingine cha Shs.332 milioni kilitumika katika eneo la Pwani kuimarisha laini za stima za Kiembeni, Shimanzi-Makupa-Digo na kuimarisha vituo vidogo vya nguvu za umeme vya Diani, Bamburi na Rabai.

Kiasi kingine zaidi ya Shs.134 milioni kilitumiwa magharibi mwa Kenya kuanzisha vituo vidogo vya Homa Bay na Kisian na kuimarisha kile cha Mumias, ilhali Shs.126 milioni zingine zaidi zikatumiwa katika eneo la Central Rift kuanzisha kituo kidogo cha



Kampuni ya Wartsila NSD Power Development na KPLC zatia saini mkataba kuhusu mpango wa Kipevu II

RIPOTI YA MWENYEKITI

Njoro na kuimarisha kile cha Subukia. Katika eneo la Mt. Kenya, Shs.53 milioni zilitumiwa kuanzisha vituo vidogo vya nguvu za umeme vya Kanyakine na Kerugoya na kuimarisha laini ya kilomita 78 ya Nanyuki-Meru.

Kampuni pia iliendelea na urekebishaji wa kawaida wa mtandao wa laini za umeme kwa gharama ya Shs. 200 milioni. Hii ni pamoja na kuweka transformer nyingine kuchukua mahali pa zile zilizokuwa zikibeba umeme mwingi kupita kiasi, kuimarisha laini zilizokuwa zikipitisha umeme kidogo, kuweka nguzo mpya kuchukua mahali pa zile zilizooza, kufyeka sehemu zinakopitia laini za umeme na kurekebisha vituo vidogo vya umeme.

Shughuli zote hizi zilipangwa zimewezesha kupatikana kwa usambazaji mzuri wa nguvu za umeme wenye kasoro chache.

HUDUMA KWA WATEJA

Katika juhudi za kuimarisha huduma kwa wateja wake, Kampuni ilianza kutoa mwelekeo kwa kila kitengo cha biashara. Hii ina lengo la kuleta huduma karibu zaidi na wananchi kwa kuimarisha usimamizi wa shughuli za nyanjani ambazo zinahusisha kuweka umeme, usomaji wa mita, kukusanya fedha, ukaguzi wa kawaida, huduma za dharura na uhusiano wa wateja na mauzo.

Katika siku za hivi karibuni tumeanzisha vituo vya kulipia katika Adams Arcade, Jogoo Road, Eastleigh na Westlands. Aidha, ofisi za Machakos, Sarit Centre, Jamhuri Park na Malindi, ziliunganishwa na mtandao wa komputa unaoziwezesha kutoa ripoti hapo hapo.

Huduma kwa wateja imeimarishwa hata zaidi kwa matumizi ya mashine za ATM za Standard Chartered Bank na malipo katika matawi ya Co-operative Bank hapa Nairobi. Hii imepunguza msongamano kwenye

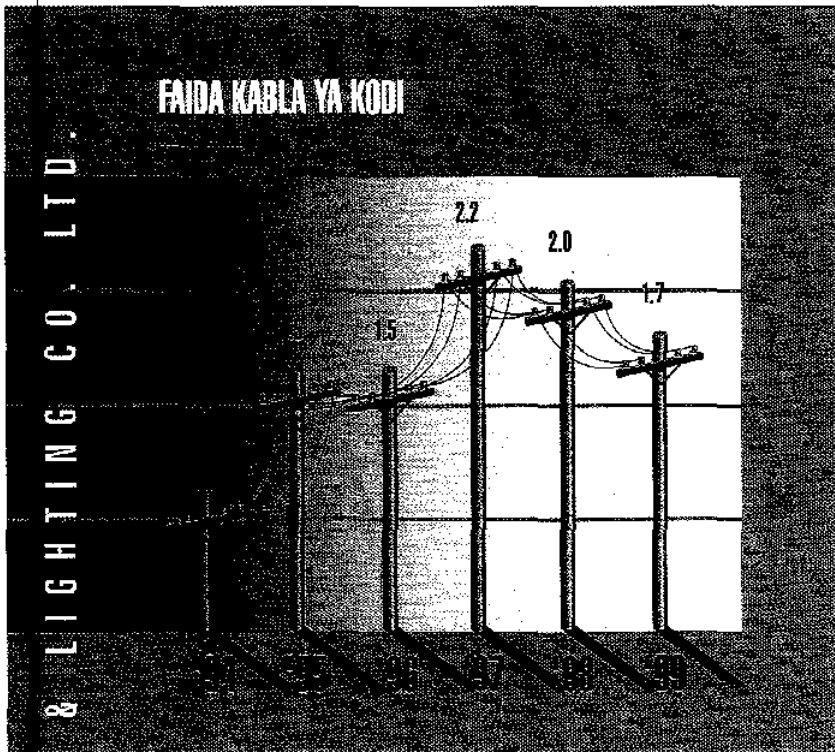
kumbi za kulipia pesa, kupunguza mda wa kutuma bill na kushughulikiwa haraka zaidi katika kaunta.

Kampuni iliendelea kuimarisha na kupanua mtindo wa kufanya biashara kote nchini kupitia kushughulikia wateja kwa pamoja, yaani Integrated Customer Service System (ICS).

Hatua nyingine iliyochukuliwa kuimarisha mawasiliano na utoaji wa huduma kote nchini ni pamoja na kuwa na rekodi za wateja za hivi punde na kubadilishwa kwa mita za electro-mechanical na zile za electronic.

Mipango ya kupunguza upoteaji wa nguvu za umeme

Shughuli kadhaa ziliendelea wakati wa kipindi cha mwaka chini ya mipango hiyo miwili ambayo imefadhiwa na chama cha International Development Association (IDA). Uchunguzi wa kupunguza upoteaji wa nguvu za umeme ulifanywa Nairobi na Mombasa na miradi minane imepangiwa kuhusishwa katika mpango huo. Washauri wa uhifadhi wa nguvu za umeme, International Resources Group (IRG) pamoja na Gibb (Eastern Africa) waliteuliwa wakati wa kipindi cha mwaka na wanatoa huduma za ushauri.



UMEME KATIKA SEHEMU ZA MASHAMBANI

Kampuni iliendelea kutekeleza miradi ya umeme katika sehemu za mashambani kwa niaba ya serikali. Wakati wa mwaka, Shs.621 milioni zilitumiwa, na kufanya jumla ya kiasi cha fedha kilichotumika kwa mpango wa Kuweka umeme katika sehemu za mashambani tangu uanzishwe mwaka wa 1973 kuwa Shs.4,399 milioni.

Idadi ya wateja chini ya mpango huu iliongezeka kwa 3,458 au 6%, kutoka 57,978 mwaka wa 1997/98 hadi 61,436 mwaka wa 1998/99. Unit zilizouzwa ziliongezeka kutoka 146 milioni hadi 153 milioni, ilhali pesa zilizopatikana zikaongezeka kwa 6% kutoka Shs.804 milioni mwaka uliotangulia hadi Shs.851 milioni.

Kuwekwa umeme katika viwanda 57 vya kahawa kati ya viwanda 168 vilivyokusudiwa katika awamu ya kwanza ya STABEX uliofadhiliwa na Coffee Factories Rural Electrification Programme (COFREP) ulikamilika wakati wa kipindi cha mwaka kwa gharama ya Shs.120 milioni.

Ufanisi wa mpango wa kwanza wa mradi huu unakadiriwa, ambapo umeme utawekwa katika viwanda 111 vya kahawa vilivyosalia katika awamu ya kwanza ya COFREP kwa gharama ya Shs. 240 milioni.

Mnamo tarehe tano Agosti mwaka wa 1998, serikali ya Kenya na serikali ya Uhispania zilitia saina makubaliano ya mkopo wa US\$ 10.6 milioni kugharamia awamu ya kwanza ya mradi wa kupeleka umeme katika sehemu za mashambani ambao unahusisha mipango 32 kote nchini.

Wakati wa mwaka, majadiliano kati ya Serikali ya Kenya na ile ya Ufaransa kupitia French Development Agency yalianzishwa, kufadhili miradi ya kuweka umeme katika sehemu za mashambani kwa gharama ya French Francs 60 milioni. Majadiliano hayo bado yanaendelea.

Kiasi cha Shs.518 milioni kilikusanywa chini ya 5% ya hazina ya mpango wa umeme katika sehemu za mashambani ulioanzishwa mwaka jana kuimarisha usambazaji wa nguvu za umeme.

HUDUMA SAIDIZI

TEKNOLOJIA YA HABARI (IT)

Wakati wa kipindi cha mwaka, idara mpya ya Teknolojia ya Habari ilibuniwa ambayo inaunganisha shughuli ambazo hapo awali zilikuwa chini ya idara ya ISP.

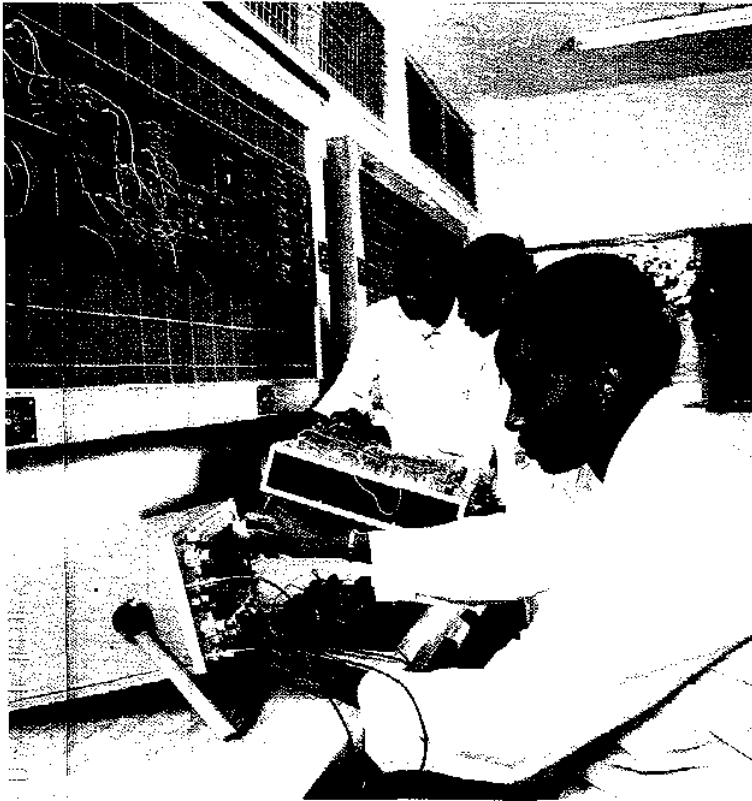
Kampuni pia ilifanikiwa kuanzisha huduma ya mawasiliano ya e-mail ambayo inawezesha mawasiliano ya haraka zaidi ndani ya Kampuni na pia kuunganisha na mtandao wa Internet.

Ili kupata takwimu kutoka pembe zote kote nchini mradi wa mawasiliano wa kuhudumia sehemu ambazo kwa sasa hazipati huduma ya Shirika la Telkom unakaribia kukamilika. Mradi huu wa mawasiliano utawezesha kutumwa kwa takwimu kutoka Nyeri na vituo vya kutengeneza nguvu za umeme hadi Stima Plaza kwa minajili



TELKOM KENYA LTD. P.O. BOX 10000 NAIROBI

RIPOTI YA MWENYEKITI



Darasa la Uhandisi wa mafunzo ya stima katika chuo cha mafunzo ya Kampuni, Ruaraka

ya kutengeneza bill, utawala na shughuli za utekelezaji.

Kujiweka tayari kwa mwaka wa 2000

Ili kuhakikisha kuwa shughuli za Kampuni yenu zitaendelea hata baada ya usiku wa tarehe 31 mwezi wa Disemba 1999, hatua zimechukuliwa kuhakikisha komputa zote zinaafiki hali ya Y2K. Majaribio yaliyofanywa na wafanyikazi wa Kampuni pamoja na mshauri kutoka nje yamethibitisha kwamba vifaa na komputa zinaafiki hali ya Y2K na kampuni tayari imekabidhiwa cheti cha kuonyesha mitambo hiyo iko tayari kwa Y2K. Mipango ya ziada kuhusu swala hili inapangwa kwa ushirikiano na washirika wetu wa kibiashara.

WAFANYIKAZI

Usimamizi wa Kampuni uliendelea kuweka mipango mbali mbali ya mafunzo ili kuhimiza haja ya ufahamu miongoni mwa wafanyikazi kutambua wana umuhimu mkubwa kati ya Kampuni na malengo yake. Ili kuhimiza lengo hili, mikutano ya ana kwa ana ilifanywa na makundi mbalimbali ya wafanyikazi katika Kampuni.

Kampuni iliendelea kufanya kazi kwa ushirikiano na Kenya Electrical Trades and Allied Workers Union (KETAWU). Mkataba kati ya KETAWU na Kampuni ulikamilishwa kwa ufanisi kwa kipindi cha mwaka wa 1999/2000 na kutekelezwa kwa wakati ufaao mwezi Januari mwaka wa 1999.

Sambamba na malengo ya Kampuni ya kuwa katika mstari wa mbele katika utoaji wa huduma bora na kuendelea kutoa ushindani unaofaa, mipango ya mafunzo ilibuniwa ili kuwapa wafanyikazi ujuzi na ufahamu wa jinsi mambo yanavyoendelea duniani. Hivyo basi wafanyikazi 3,334 walishiriki katika mipango ya mafunzo humu nchini na nje kwa gharama ya Shs.157,428,161 ambayo ilihusu usimamizi wa kazi, teknolojia ya habari, mafunzo ya uhandisi, ukarabati wa laini kwa kutumia ndege aina ya helikopta na ufahamu juu ya ugonjwa wa Ukimwi / HIV miongoni mwa mambo mengine.

Kampuni ilikuwa na wafanyikazi 7,100 kufikia tarehe 30 Juni, mwaka wa 1999 ilikinganishwa na 7,167 wakati wa kipindi hiki mwaka jana. Kiwango cha kuwiana wateja / wafanyikazi cha 73:1 kiliafikiwa ilikinganishwa na 63:1 mwaka jana. Wakati wa kipindi cha sasa wafanyikazi 57 walitoka kwenye Kampuni ikilinganishwa na 1,591 mwaka uliotangulia ambapo wengi wao walijiunga na KenGen kufuatia kugawanywa kwake kutoka KPLC.

UHUSIANO WA UMMA

Wakati wa kipindi hiki, Kampuni iliendelea na juhudi zake za kuimarisha uhusiano na uelewano na wateja wake mbali mbali pamoja na washirika. Hii ilifanywa kupitia mpango madhubuti wa kampuni wa kuwaelimisha wateja kuhusu shughuli za Kampuni, na kushiriki katika maonyesho ya Agricultural Society of Kenya (ASK) nchini na yale ya Comesatex yaliyofanywa Nairobi.

Kufungamana na hali yake mpya Kampuni ilianza shughuli ya kuwapa wateja habari za hivi punde kuhusu bidhaa zao na utaratibu. Mtandao wa Internet wenye habari nyingi kuhusu Kampuni ulianzishwa wakati wa kipindi cha mwaka.

Mbali na ufahamu huu kwa watu wa nje, Kampuni ilianzisha mbinu mpya kuendeleza mawasiliano miongoni mwa wafanyikazi.

Kama sehemu ya mpango wake wa huduma kwa jamii, Kampuni ilitoa mchango wa fedha wa jumla ya Shs. 2.3 milioni kwa Nyeri Hospice, Undugu Society, Kenya National Association of the Deaf na Hazina ya Elimu ya Wajir miongoni mwa nyingine. Wafanyikazi wa Kampuni mjini Mombasa na Nairobi pia walisaidia kukusanya pesa kusaidia watoto wenye matatizo ya moyo kwa kushiriki katika mpango wa kila mwaka wa Dettol Heart Run.

KUPANUA UZALISHAJI WA NGUVU ZA UMEME

Mitambo ya ziada

Kampuni za IberAfrica Power (K) Ltd. na Westmont Power (K) Ltd., zilizoko Nairobi na Mombasa, zilifanya kazi vyema kwa kipindi kirefu cha mwaka. Ingawa hivyo, mtambo wa Westmont ulikumbwa na uharibifu mkubwa mwezi wa Aprili mwaka wa 1999 na hadi wakati wa kupiga chapa taarifa hii mtambo huo ulikuwa unatarajiwa kuanza kufanya kazi mwezi wa Novemba mwaka wa 1999.

Mtambo wa 30 MW Gas Turbine

Mtambo unaoendeshwa kwa gasi uliorekebisha na kampuni ya Kvaener Energy ya Uingereza ulizinduliwa mwezi Machi mwaka wa 1999 kama ilivyopangwa na ulifanya kazi vyema kwa kipindi chote cha mwaka. Hii inafanya idadi ya mitambo inayoendeshwa na gasi katika sekta ya umma huko Pwani kuzalisha kiasi cha 60 MW.

Miradi ya Fast Track

Kampuni tisa ziliorodheshwa kuwania mitambo ya 55 MW kila moja kwa miradi ya Fast Track huko Eldoret na Lanet, Nakuru. Kampuni tano zilituma tenda kwa ajili ya mtambo wa Eldoret na nne zikatuma tenda kwa mtambo wa Lanet. Ukadiriaji wa tenda uliofanywa na Kampuni ya Denton Hall kwa ushirikiano wa Washauri wa Mott MacDonald wote wa Uingereza, ulikamilishwa na Benki ya Dunia na Serikali zimekubalidhiana na ukadiriaji huo. Mashauri na wale waliotuma maombi yanayoonyesha kiasi cha chini zaidi cha fedha, Deutz Ltd. ya Uingereza na Burmeister na Wain Scandinavia Contractor yanaendelea. Mitambo hiyo inatarajiwa kuzinduliwa Aprili mwaka wa 2001.

Kituo cha Olkaria III 64 kinachotumia mvuke wa ardhini

Kufuatia kupitishwa kwa mkataba wa Makubaliano ya kununua nguvu za umeme mwezi Novemba mwaka wa 1998 kati ya KPLC na OrPower 4 (Ormat International Inc.) kazi katika sehemu hiyo imeanza na kiwango cha awali cha 8 MW kinatarajiwa katikati ya mwaka wa 2000. Mradi huo unatarajiwa kuanza kikamilifu shughuli za kutoa nguvu za umeme mnamo mwaka wa 2002.

MATARAJIO YA BAADAYE

Wakati tunapoelekea katika mwaka mpya, Kampuni yako imejiandaa kukabiliana na mambo ya karne mpya. Lakini life muhimu zaidi kwa Kampuni ni kukabiliana na hali ya kupoteza biashara kwa sababu ya kutoiwa nguvu za umeme kwa vipimo mwezi Septemba mwaka wa 1999 kwa sababu ya upungufu wa nguvu za umeme katika vituo vya KenGen kulikosababishwa na kiangazi.

Ingawa hivyo, nina furaha kutangaza kwamba hali ya baadaye ya Kampuni ina matumaini mema kwa



Wafanyikazi waliohudumu kwa mda mrefu wakabidhiwa tuzo

RIPOTI YA MWENYEKITI



Ulipaji wa bill za stima kupitia mitambo ya ATM ya Banki ya Standard Chartered

sababu mbali mbali. Katika kipindi kifupi kijacho kuna mipango ya kuongeza mitambo ya utoaji nguvu za umeme. Kufungamana na haya, nyongeza ya 529 MW itaongezwa katika mfumo wa nguvu za umeme na Shs. 32.5 bilioni zitatumika kupanua uzalishaji wa umeme na usambazaji katika kipindi cha miaka mitano ijayo. Hii ni sambamba na kuimarisha na kuthibiti laini za umeme zilizoko kwa sasa.

Kufuatia kutekelezwa kulikofaulu kwa mpango wa ukarabati, Kampuni imeimarisha uwekaji wake wa rasilimali katika teknolojia ya kisasa na kuimarisha uwezo wa wafanyikazi kukabiliana na hali ya baadaye na kuchukua nafasi katika biashara mpya inayojitokeza. Kwa sababu hii, Kampuni inatafuta uwezekano wa kushiriki katika biashara za aina hii hapa nchini na katika eneo hili, hii ikiwa ni pamoja na utoaji wa huduma za mawasiliano kwa kutumia fibre optic cables zilizotundikwa kwenye vikingi vya umeme, ushauri kuhusu teknolojia ya habari na utengenezaji wa waya za stima kwa kutumia huduma ya ndege.

Kwa mtazamo wa siku za baadaye mpango mahsusi wa serikali wa kupeleka umeme katika sehemu za mashambani umeongeza zaidi nafasi za biashara kwa Kampuni yenu na

mbali na kodi inayotozwa matumizi ya nguvu za umeme, ufadhili kutoka sehemu mbali mbali umetafutwa kugharamia uwekaji wa umeme katika sehemu za mashambani. Hii ni pamoja na STABEX ya European Union na serikali za Uhispania na Ufaransa.

Endapo uchumi utaimarika kama inavyotarajiwa na ikiwa mvua ya kutosha itanyesha mapema na kwa wingi, Kampuni yako itadumisha hali yake ya kibiashara nyakati za usoni.

WAFANYAKAZI

Ripoti yangu itakuwa hajjakamilika bila kutaja bidii ya wafanyikazi. Wasimamizi na wafanyikazi wote wanastahili heko kwa kuiwezesha Kampuni kupata matokeo ya kibiashara yanayopendeza katika hali ngumu ya kiuchumi. Ningependa kuchukua nafasi hii kwa niaba yenu na ile ya Wakurugenzi kuwapongeza wote.

TT Naikuni

MWENYEKITI

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 30 June, 1999.

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 AND DIVIDENDS

	SH'000
Profit before taxation	1,721,924
Provision for taxation	416,662
Profit after taxation	1,305,262
<hr/>	
Preference dividends paid for the year on:	
350,000 7% cumulative preference stock units (gross)	490
1,800,000 4% cumulative preference stock units (gross)	1,440
	<hr/>
	1,930
Ordinary stock dividends	633,024
	<hr/>
	634,954
	<hr/>
Retained profit for the year transferred to revenue reserves	670,308
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DIVIDENDS

An interim dividend of Shs.3 (15%) per share was paid on 15 April, 1999. The directors recommend payment of a final dividend of Shs.5 (25%) per share, making a total dividend of Shs.8 (40%) per share for the year.

CAPITAL EXPENDITURE

During the year, a total of Shs.3,215,462,000 was spent on fixed assets. Capital contributions received from customers amounted to Shs.864,379,000 resulting in a net capital cost to the Company of Shs.2,351,083,000. Net capital work-in-progress as at 30 June, 1999, amounted to Shs.1,793,604,000 compared to Shs.1,898,924,000 the previous year.

TAARIFA YA WAKURUGENZI



Wakurugenzi wanatoa ripoti yao pamoja na taarifa ya hesabu zilizokaguliwa kufikia mwisho wa mwaka uliomalizika tarehe Juni 30 mwaka wa 1999.

SHUGHULI

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

MATOKEO NA MGAO WA FAIDA

	SH'000
Faida kabla ya kodi	1,721,924
Fedha zilizotengwa kwa kodi	416,662
Faida baada ya kodi	1,305,262
<hr/>	
Mgao wa faida wa awali uliolipwa kipindi hiki cha mwaka:	
350,000 asili mia saba unit za awali kwa jumla	490
1,800,000 asili mia nne unit za awali kwa jumla	1,440
	<hr/>
	1,930
Mgao wa faida wa rasilimali	633,024
	<hr/>
	634,954
	<hr/>
Faida ya mwaka iliyowekwa kwenye hifadhi	670,308
	<hr/>
	=====

MGAO WA FAIDA

Mgao wa faida wa mda wa Shs. 3 (15%) kwa kila hisa ulilipwa tarehe 15 mwezi Aprili mwaka wa 1999. Wakurugenzi walipendekeza malipo ya mwisho ya mgao wa faida wa Shs.5 (25%) kwa hisa, na hivyo kufanya mgao wa jumla kuwa Shs.8 (40%) kwa kila hisa kwa mwaka.

MATUMIZI YA FEDHA

Wakati wa kipindi cha mwaka, jumla ya Shs. 3,215,462,000 kilitumika kwa rasilimali pevu. Fedha zilizopokelewa kutoka kwa wateja zilikuwa Shs. 864,379,000 na hivyo kuingizia Kampuni jumla ya Shs. 2,351,083,000. Fedha za jumla zilizokuwa zikiendelea kutumika kwa shughuli mbali mbali hadi kufikia tarehe 30 mwezi wa Juni, mwaka wa 1999, zilikuwa Shs. 1,793,604,000 ikilinganishwa na Shs. 1,898,924,000, mwaka uliotangulia.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

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

Mr. C N Mutitu ceased to be a director on his departure from the Ministry of Energy, while Ms. M K Chemengich, who was the Permanent Secretary, Treasury, left the Board following her appointment as Permanent Secretary in the Ministry of Tourism, Trade and Industry in July, 1999.

Mr. M Oduor-Otieno and Ambassador M Ngali joined the Board in August 1999 following their appointments as Permanent Secretary in the Ministry of Finance and the Ministry of Energy, respectively. Mr. N W Kimani is Mr. Oduor-Otieno's alternate while Mr. F G Meta is Ambassador Ngali's alternate director.

I wish to record on your behalf and that of the Board, appreciation of Mr. Mutitu's and Ms. Chemengich's invaluable contributions during their tenure on the Board. I also wish to commend Mr. Oduor-Otieno and Ambassador Ngali for winning His Excellency the President's confidence in appointing them Permanent Secretaries and wish them success in the challenges of their new positions.

In accordance with Regulation 128 of the Articles of Association, Mr. Oduor-Otieno and Ambassador Ngali retire and, being eligible, offer themselves for re-election.

In accordance with Regulation 120 of the Articles, Messrs. T D Owuor, Z N Kahura and F M Nyaga retire and, being eligible, offer themselves for re-election.

Mr. J M Mutisya ceased to be a director at the last Annual General Meeting having attained the age of 70 years and no resolution having been passed to enable him to continue being a director.

Special notice has been received pursuant to Sections 142 and 186 (5) of the Companies Act (Cap 486) of the intention to propose that Mr. S O J Ambundo, who retires by virtue of having attained the age of 70 years, be re-elected a director.

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
30th September, 1999

TAARIFA YA WAKURUGENZI

WAKURUGENZI

Wanachama wa sasa wa kamati ya wakurugenzi wameonyeshwa katika ukurasa wa 2.

Bw. C N Mutitu aliondoka kwenye Baraza la Wakurugenzi alipotoka kwenye wizara ya kawi ilhali Bi. M K Chemengich ambaye alikuwa katibu wa hazina aliondoka kwenye Baraza la Wakurugenzi alipohamishwa, na kuwa katibu mkuu katika Wizara ya Utalii, Biashara na Viwanda mwezi Julai mwaka wa 1999.

Bw. M Oduor-Otieno na Balozi M Ngali walijiunga na Baraza la Wakurugenzi mwezi Agosti mwaka wa 1999 kufuatia uteuzi wao kama Katibu mkuu katika Wizara ya Fedha, na katika Wizara ya Kawi, ambapo wawakilishi wao wa kubadilishana waliteuliwa kuwa Mabwana N W Kimani na F G Meta.

Ningependa kutoa nafasi hii kueleza kwa niaba yenu na ile ya Halmashauri, kuridhika kwetu na mchango muhimu uliotolewa na Bw. Mutitu na Bi. Chemengich wakati walipohudumu kwenye Baraza la Wakurugenzi. Ningependa pia kuwapongeza Bw. Oduor-Otieno na Balozi Ngali kwa kuchaguliwa na Rais Moi kama makatibu na nawatakia ufanisi katika majukumu yao mapya.

Kulingana na kifungu 128 cha Sheria za Kampuni Bwana Oduor-Otieno na Balozi Ngali wanastaafu, lakini kwa kuwa wanastahili, wanajitolea ili wachaguliwe.

Kulingana na kifungu 120 cha Sheria za Kampuni Mabwana T D Owuor, Z N Kahura na F M Nyaga wanastaafu, lakini kwa kuwa wanastahili wanajitolea ili wachaguliwe.

Bw. J M Mutisya aliacha kuwa mkurugenzi katika mkutano wa kila mwaka wa mwaka jana baada ya kufikisha umri wa miaka 70 na hakuna azimio lililopitishwa kumruhusu kuendelea kuwa mkurugenzi.

Arifa maalum imepokelewa kufungamana na sehemu 142 na 186(5) za sheria za Makampuni (Cap 486) yenye nia ya kupendekeza S O J Ambundo, ambaye anastaafu kwa kuwa ametimiza umri wa miaka 70, achaguliwe tena kama mkurugenzi.

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
Septemba 30, 1999

**REPORT OF THE AUDITORS
TO THE MEMBERS OF THE
KENYA POWER &
LIGHTING CO. LTD.**

We have audited the financial statements on pages 30 to 41 and have obtained all the information and explanations considered necessary for our audit.

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

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

In our opinion, proper books of account have been kept by the company and the financial statements, which are in agreement therewith, comply with the Companies Act and give a true and fair view of the Company's state of affairs at 30 June, 1999 and of its profit and cash flows for the year ended on that date.

Deloitte & Touche
Auditors
Certified Public Accountants
Nairobi
30th September, 1999

**RIPOTI YA WAKAGUZI WA
HESABU KWA WANACHAMA
WA KENYA POWER AND
LIGHTING CO. LTD.**

Tumekagua ripoti ya fedha ilio katika kurasa za 30 hadi 41 na tumepata habari zote na maelezo yanayohitajika kufanya ukaguzi.

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

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

Kwa maoni yetu, kampuni imeweka vitabu vyake vya hesabu vizuri na ripoti za fedha, zinakubaliana na hesabu vyema kulingana na sheria za makampuni na zinaonyesha ukweli kuhusu hali ya Kampuni kufikia Juni 30, 1999, na mtiririko wake wa faida na pesa kufikia mwisho wa mwaka wa tarehe iliotajwa.

Deloitte & Touche
Wakaguzi
Certified Public Accountants
Nairobi
Septemba 30, 1999

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1999

		1999	1998
	NOTE	SH'000	RESTATED SH'000
REVENUE		18,422,731	18,073,232
OPERATING EXPENSES		16,520,554	16,466,480
OPERATING PROFIT	2	1,902,177	1,606,752
EXCHANGE GAINS/(LOSSES)	3	5,534	(34,890)
INTEREST RECEIVABLE	4	111,940	590,908
INTEREST PAYABLE	4	(297,727)	(157,427)
PROFIT BEFORE TAXATION		1,721,924	2,005,343
TAXATION	5	416,662	658,612
PROFIT AFTER TAXATION		1,305,262	1,346,731
DIVIDENDS - GROSS	6	634,954	423,946
RETAINED PROFIT FOR THE YEAR	14	670,308	922,785
EARNINGS PER ORDINARY STOCK UNIT	7	Sh 16.47	Sh 17.00

BALANCE SHEET
30TH JUNE 1999

		1999	1998
	NOTE	SH'000	RESTATED SH'000
ASSETS			
Non current assets			
Property, plant and equipment	8	9,136,366	7,548,159
Unquoted investments	9	4,300	4,300
Loans receivable	10	-	80,871
		<u>9,140,666</u>	<u>7,633,330</u>
Current assets			
Stocks	11	3,245,949	3,701,006
Debtors	12	8,335,942	8,324,171
Loans receivable within one year	10	99,040	80,868
Taxation recoverable		99,709	-
Short term deposits		309,785	958,451
Bank and cash balances		417,695	286,682
		<u>12,508,120</u>	<u>13,351,178</u>
Total assets		<u>21,648,786</u>	<u>20,984,508</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,625,560	1,098,040
Reserves	14	4,148,105	4,005,317
		<u>5,773,665</u>	<u>5,103,357</u>
Shareholders' funds			
Non current liabilities			
Loans	15	1,239,483	1,153,273
Deferred taxation	16	1,207,550	987,168
		<u>2,447,033</u>	<u>2,140,441</u>
Current liabilities			
Creditors			
Taxation payable	17	9,867,943	11,999,369
Dividends - payable		-	27,996
- proposed		163,870	161,016
Loans repayable within one year		395,640	263,760
Bank overdrafts	15	1,018,227	230,506
	18	1,982,408	1,058,063
		<u>13,428,088</u>	<u>13,740,710</u>
Total equity and liabilities		<u>21,648,786</u>	<u>20,984,508</u>

The financial statements on pages 30 to 41 were approved by the Board of Directors on 30th September, 1999 and were signed on its behalf by:

T T Naikuni)
S K Gichuru) Directors

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1999

	NOTE	1999 SH'000	1998 SH'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19(a)	784,174	(1,294,654)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		113,436	672,151
Interest paid		(257,092)	(166,282)
Dividends paid		(500,220)	(441,798)
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(643,876)	64,071
TAXATION PAID		(323,985)	(629,356)
INVESTING ACTIVITIES			
Additions to property, plant and equipment, net of capital contributions		(2,351,083)	(1,542,191)
Proceeds from disposal of property, plant and equipment		250,267	15,986
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,100,816)	(1,526,205)
NET CASH OUTFLOW BEFORE FINANCING		(2,284,503)	(3,386,144)
FINANCING			
Loans received		1,009,732	
Repayment of amounts borrowed		(251,164)	(256,427)
Receipt of amount on-lent to The Kenya Electricity Generating Company Limited		83,937	86,978
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		842,505	(169,449)
DECREASE IN CASH AND CASH EQUIVALENTS	19(c)	(1,441,998)	(3,555,593)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1999

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

REVENUE

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

INTEREST

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

STOCKS

Stocks are valued at average cost less provision for obsolescence.

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 customers' contributions.

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

TAXATION

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

Deferred tax is provided, 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. This represents a change in accounting policy in order to comply with the requirements of the revised International Accounting Standard No.12 (Income Taxes). Comparative figures have been restated accordingly.

FOREIGN CURRENCIES

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

	1999 SH'000	1998 SH'000
2 OPERATING PROFIT		
The operating profit is arrived at after charging/(crediting):		
Cost of bulk supply:		
Debt servicing and other operating costs	4,337,993	3,754,872
Purchases from Independent Power Producers	3,604,359	2,986,815
Development surcharge	-	359,453
Fuel costs	1,376,194	1,794,032
Staff retrenchment costs	12,301	192,978
Directors' emoluments - fees	1,020	1,044
- other	6,341	5,639
Auditors' remuneration	6,655	6,050
Depreciation	748,424	579,494
Insurance claims	(409,009)	-
Profit on disposal of property, plant and equipment	(235,815)	(13,958)
	=====	=====
3 EXCHANGE GAINS/(LOSSES)		
On loan capital	(115,363)	(65,974)
Less: loss allocated to the Kenya Electricity Generating Company Limited	21,238	26,805
	-----	-----
Net exchange loss on loan capital	(94,125)	(39,169)
Exchange gain on prepayments	99,659	4,279
	-----	-----
	5,534	(34,890)
	=====	=====
4 INTEREST		
Interest receivable:		
On bank and other deposits	111,879	590,777
On deferred capital contributions	61	131
	-----	-----
	111,940	590,908
	=====	=====
Interest payable:		
On loans	94,619	52,410
On bank overdrafts	203,108	105,017
	-----	-----
	297,727	157,427
	=====	=====

K E N Y A E L E C T R I C I T Y B O A R D

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)



	1999 SH'000	1998 SH'000
5 TAXATION		
Current taxation		
Based on the adjusted profit for the year at 32.5%	196,280	551,411
Prior year overprovision -		(10,343)
Deferred taxation	220,382	117,544
	<u>416,662</u>	<u>658,612</u>

The tax on the operating profit differs from the theoretical amount that would arise using basic rate as follows:

	1999 SH'000	1998 SH'000
Profit before tax	1,721,924	2,005,343
Prima facie tax calculated at a tax rate of 32.5%	559,625	651,736
Tax effect of expenses not deductible for tax purposes	1,635	1,032
Reduction in deferred tax resulting from reduction in tax rate	(100,629)	-
Other	(43,969)	16,187
Prior year overprovision	-	(10,343)
	<u>416,662</u>	<u>658,612</u>
6 DIVIDENDS - GROSS		
Preference stock units	1,930	1,930
Ordinary stock units - Interim paid 15 April 1999	237,384	158,256
- Final proposed	395,640	263,760
	<u>634,954</u>	<u>423,946</u>
7 EARNINGS PER ORDINARY STOCK UNIT		

Earnings per ordinary stock unit are calculated on the profit after taxation and preference dividends of Sh 1,303,332,000 (1998 - Sh 1,344,801,000) and on the number of ordinary stock units in issue at the balance sheet date. The 1998 comparative figure has been restated to reflect the effect of the bonus issue during the year.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Sh'000	Transmission lines Sh'000	Plant and machinery Sh'000	Motor vehicles Sh'000	Furniture, equipment and others Sh'000	Total Sh'000
COST						
At 1 July 1998	992,963	4,129,050	626,214	1,529,358	1,965,454	9,243,039
Additions	136,539	708,364	604,419	40,256	966,825	2,456,403
Reclassification	10,617	(347,031)	-	-	336,414	-
Disposals	(2,060)	(7,850)	-	(103,756)	-	(113,666)
At 30 June 1999	1,138,059	4,482,533	1,230,633	1,465,858	3,268,693	11,585,776
DEPRECIATION						
At 1 July 1998	285,437	1,312,388	389,400	764,219	842,360	3,593,804
Charge for the year	42,511	128,024	20,173	246,433	311,283	748,424
Eliminated on disposals	(1,383)	(7,448)	-	(90,383)	-	(99,214)
At 30 June 1999	326,565	1,432,964	409,573	920,269	1,153,643	4,243,014
NET BOOK VALUE						
At 30 June 1999	811,494	3,049,569	821,060	545,589	2,115,050	7,342,762
Work in progress	=====	=====	=====	=====	=====	1,793,604
						9,136,366
						=====
At 30 June 1998	707,526	2,816,662	236,814	765,139	1,123,094	5,649,235
Work in progress	=====	=====	=====	=====	=====	1,898,924
						7,548,159
						=====

9 UNQUOTED INVESTMENT

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

	1999 SH'000	1998 SH'000
10 LOAN TO THE KENYA ELECTRICITY GENERATING COMPANY LIMITED		
3.15% Nordbanken 1990/1999	99,040	161,739
Less: Amounts due within one year	99,040	80,868
	<u> </u>	<u> </u>
		80,871
	=====	=====

The loan represents the balance of on-lent loan contracted by The Kenya Power and Lighting Company Limited for the financing of the National Control Centre project owned by the Kenya Electricity Generating Company Limited.

	1999 SH'000	1998 SH'000
11 STOCKS		
General stores	2,433,350	2,367,853
Engineering spares	73,969	364,690
Fuel and oil	120,734	373,183
Transformers	504,932	370,141
Motor vehicle spares	30,304	27,120
Goods in transit	82,660	198,019
	<u> </u>	<u> </u>
	3,245,949	3,701,006
	=====	=====
12 DEBTORS		
Electricity customers	4,533,049	5,896,190
Rural Electrification Schemes	2,453,348	1,316,972
Prepayments	556,252	451,045
Others	793,293	659,964
	<u> </u>	<u> </u>
	8,335,942	8,324,171
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13 SHARE CAPITAL

	1999		1998	
	Authorised Sh'000	Issued and fully paid Sh'000	Authorised Sh'000	Issued and fully paid Sh'000
350,000 7% cumulative preference stock units of Sh 20 each	7,000	7,000	7,000	7,000
1,800,000 4% cumulative preference stock units of Sh 20 each	36,000	36,000	36,000	36,000
Ordinary stock units/shares of Sh 20 each	1,957,000	1,582,560	1,957,000	1,055,040
	<u>2,000,000</u>	<u>1,625,560</u>	<u>2,000,000</u>	<u>1,098,040</u>

At the Annual General Meeting held on 22 December 1998, the shareholders approved the capitalisation of Sh 527,520,000 from the revenue reserve to be applied to a bonus issue of one ordinary share for every two shares held. The bonus shares were issued during the year.

14 RESERVES

	Capital Sh'000	General Sh'000	Taxation equalisation Sh'000	Revenue Sh'000	Total Sh'000
At 1 July 1998					
- as previously reported	12,304	147,480	347,000	4,485,701	4,992,485
- Prior year adjustment	-	-	(347,000)	(640,168)	(987,168)
As restated	<u>12,304</u>	<u>147,480</u>	<u>-</u>	<u>3,845,533</u>	<u>4,005,317</u>
Capitalised during the year	-	-	-	(527,520)	(527,520)
Retained profit for the year	-	-	-	670,308	670,308
At 30 June 1999	<u>12,304</u>	<u>147,480</u>	<u>-</u>	<u>3,988,321</u>	<u>4,148,105</u>

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

	1999 SH'000	1998 SH'000
15 LOANS		
UNSECURED		
5.0% Kenya Government/Canadian loan 1990-2020	667,558	667,558
6.125% Kenya Government/Swiss mixed credit 1996-2005 (CHF 4,941,014)	233,069	198,050
2.6% Indosuez Bank, Belgium 1991-2004 (BEF 92,146,146)	172,498	173,582
3.15% Nordbanken loan 1990-1999 (US\$ 1,358,502)	99,040	161,738
1.5% Finnish Export Credit 1990-2000 (FIM 3,315,282)	42,108	82,098
1.65% Nordbanken loan 1990-1999 (US\$ 250,110)	18,234	44,686
6.125% Kenya Government/Belgium Wind power loan 1996-2006 (BEF 15,000,000)	28,080	27,911
8.3% Stork Wartsila 1992-1999	-	16,950
10.0% Kenya Government/Finnish loan 1988-2002	11,206	11,206
Standard Chartered Bank Kenya Limited		
- Motorola Loan 1999 - 2000 (US\$ 3,024,859)	220,524	-
East Africa Development Bank 1999 - 2002	600,000	-
Standard Chartered Bank Kenya Limited		
- Siemens Loan 1999 - 2000 (US\$ 1,821,301)	132,780	-
Standard Chartered Bank Kenya Limited		
- Emirates Loan 1999 - 2000 (US\$ 447,334)	32,613	-
	<u>2,257,710</u>	<u>1,383,779</u>
Less: amounts repayable within one year	1,018,227	230,506
	<u>1,239,483</u>	<u>1,153,273</u>
16 DEFERRED TAXATION		
Deferred taxation is calculated on all temporary differences under the liability method using the effective rate of 30% (1998 - 32.5%). Movement on the deferred tax account is as follows:		
	1999 SH'000	1998 SH'000
At 1 July as previously stated	869,624	-
Prior year adjustment	117,544	869,624
	<u>987,168</u>	<u>869,624</u>
At 1 July as restated	987,168	869,624
Current year charge	220,382	117,544
	<u>1,207,550</u>	<u>987,168</u>
At 30 June	<u>1,207,550</u>	<u>987,168</u>
The deferred taxation liability at 30 June is attributable to the following items:		
Excess depreciation over tax wear and tear allowances	1,256,991	1,073,081
Unrealised exchange losses	(49,441)	(85,913)
	<u>1,207,550</u>	<u>987,168</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

	1999	1998
	SH'000	SH'000
17 CREDITORS		
Kenya Electricity Generating Company Limited (KenGen)	5,537,661	8,405,245
Customers' deposits	859,074	701,722
Capital contributions	755,368	923,598
Suppliers' accounts	1,150,474	933,240
Government of Kenya - Treasury	351,330	524,481
Rural Electrification Programme Levy	426,333	-
Electricity Regulatory Board Levy	31,087	-
Others	756,616	511,083
	<u>9,867,943</u>	<u>11,999,369</u>

18 BANK OVERDRAFTS

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

	1999	1998
	SH'000	SH'000
19 NOTES TO THE CASH FLOW STATEMENT		
(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		
Operating profit	1,902,177	1,606,752
Depreciation	748,424	579,494
Profit on disposal of property, plant and equipment	(235,815)	(13,958)
Decrease/(increase) in stocks	455,057	(778,877)
Decrease/(increase) in debtors	86,392	(1,989,864)
Decrease in creditors	(2,172,061)	(698,201)
	<u>784,174</u>	<u>(1,294,654)</u>
(b) Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Short term deposits	309,785	958,451
Bank and cash balances	417,695	286,682
Bank overdrafts	(1,982,408)	(1,058,063)
	<u>(1,254,928)</u>	<u>187,070</u>
(c) Analysis of changes in cash and cash equivalents		
Balance at the end of the year	(1,254,928)	187,070
Balance at the beginning of the year	187,070	3,742,663
	<u>(1,441,998)</u>	<u>(3,555,593)</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)



	1999 SH'000	1998 SH'000
20 CAPITAL COMMITMENTS		
Authorised but not contracted for	690,029 =====	324,000 =====
Authorised and contracted for	3,161,674	5,101,389
Less: Amount incurred and included in work-in-progress	(1,684,147)	(2,337,359)
	-----	-----
	1,477,527	2,764,030
Less: Capital contributions received	(639,062)	(372,790)
	-----	-----
	838,465	2,391,240
	=====	=====
21 CONTINGENT LIABILITIES		
Bank guarantees	376,165	170,894
Claims on the Company	1,368,634	198,847
	-----	-----
	1,744,799	369,741
	=====	=====

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

TEN YEAR FINANCIAL AND STATISTICAL RECORD

FOR YEAR ENDED	30 th June 1990	30 th June 1991	30 th June 1992	30 th June 1993	30 th June 1994
UNITS SOLD (Millions)	2,595	2,708	2,719	2,859	2,997
Average yield of unit sold (cents)	111.82	141.23	167.60	175.00	309.63
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Revenue from sale of electricity	2,901,840	3,824,734	4,556,374	5,001,004	9,279,744
PROFIT/(LOSS) for the Year before exceptional item	75,300	157,673	162,191	(261,178)	763,136
Exceptional item	7,337	-	-	-	-
PROFIT/(LOSS) for the Year before taxation	82,637	157,673	162,191	(261,178)	763,136
TAXATION	3,408	19,000	81,000	60,000	151,000
NET PROFIT/(LOSS) AFTER TAXATION	79,229	138,673	81,191	(321,178)	612,136
Preference dividends (gross)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	77,299	136,743	79,261	(323,108)	610,206
ORDINARY DIVIDENDS (gross)	(22,859)	(28,134)	(28,134)	(28,134)	(31,651)
(RETAINED PROFIT/(LOSS) FOR THE YEAR	54,440	108,609	51,127	(351,242)	578,555
FUNDS GENERATED FROM OPERATIONS					
Profit/(Loss) for the year	54,440	108,609	51,127	(351,242)	578,555
Depreciation	164,335	201,334	246,802	246,562	239,858
	218,775	309,943	297,729	(104,680)	818,413
CAPITAL EMPLOYED					
Fixed Assets less depreciation	3,557,098	3,623,425	3,475,186	3,577,085	3,747,281
Loan to KenGen	-	335,861	307,229	530,979	378,683
Investments	-	-	-	4,300	4,300
Net current assets/(Liabilities)	(459,116)	(246,982)	(54,651)	(148,818)	(129,539)
	3,097,982	3,712,304	3,727,764	3,963,546	4,000,725
FINANCED BY:					
Ordinary shareholders' equity	1,470,544	1,579,153	1,630,280	1,279,038	1,857,593
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	33,730	23,444	7,600	6,800	6,000
Loan capital (unsecured)	1,527,674	2,058,676	2,042,066	2,633,103	2,094,132
Deferred liability	23,034	8,031	4,818	1,605	-
	3,097,982	3,712,304	3,727,764	3,963,546	4,000,725
CAPITAL EXPENDITURE	758,169	269,596	98,690	352,819	410,642
Average cost of unit sold (cents)	105	128	149	158	284
PROFIT for the year before taxation as a percentage of average capital employed	2.67%	4.63%	4.36%	(6.79%)	19.16%
ORDINARY DIVIDEND RATES	16%	16%	16%	16%	18%
Earnings per share (Shs)	8.79	15.55	9.02	(36.75)	69.40
Customers/employee ratio	24.58	26.35	28.20	31.20	34.62
Sales (KWhr) per employee	240,322	248,566	249,610	274,067	294,227

30 th June 1995	30 th June 1996	30 th June 1997	30 th June 1998	30 th June 1999
3,017	3,269	3,406	3,498	3,564
429.49	456.58	495.98	516.67	516.91
Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
12,957,798	14,925,761	16,893,149	18,073,232	18,422,731
=====	=====	=====	=====	=====
1,499,803	1,512,042	2,160,099	2,005,343	1,721,924
-	-	-	-	-
1,499,803	1,512,042	2,160,099	2,005,343	1,721,924
416,872	395,752	606,071	658,612	416,662
1,082,931	1,116,290	1,554,028	1,346,731	1,305,262
(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
1,081,001	1,114,360	1,552,098	1,344,801	1,303,332
(35,168)	(140,672)	(422,016)	(422,016)	(633,024)
1,045,833	973,688	1,130,082	922,785	670,308
=====	=====	=====	=====	=====
1,045,833	973,688	1,130,082	922,785	670,308
203,058	335,430	406,484	579,494	748,424
1,248,891	1,309,118	1,536,566	1,502,279	1,418,732
=====	=====	=====	=====	=====
4,523,340	4,770,730	6,587,490	7,548,159	9,136,366
298,056	233,731	146,242	80,871	-
4,300	4,300	4,300	4,300	4,300
(107,367)	354,322	(340,480)	(389,532)	(919,968)
4,718,329	5,363,083	6,397,552	7,243,798	8,220,698
=====	=====	=====	=====	=====
2,903,426	3,877,114	5,007,196	5,060,357	5,730,665
43,000	43,000	43,000	43,000	43,000
5,200	4,400	-	-	-
1,766,703	1,438,569	1,347,356	1,153,273	1,239,483
-	-	-	987,168	1,207,550
4,718,329	5,363,083	6,397,552	7,243,798	8,220,698
=====	=====	=====	=====	=====
979,782	588,611	2,223,312	1,542,191	2,351,083
386	427	459	471	464
34.40%	30.00%	36.73%	29.40%	22.27%
20%	40%	40%	40%	40%
122.95	21.12	29.42	17.00	16.47
41.79	49.62	51.52	63.20	66.57
348,488	398,999	411,402	488,070	501,972
=====	=====	=====	=====	=====

FOR YEAR ENDED

UNITS SOLD (Millions)

Average yield of unit sold (cents)

Revenue from sale of electricity

PROFIT/(LOSS) for the Year
before exceptional item
Exceptional item

PROFIT/(LOSS) for the Year before taxation
TAXATION

NET PROFIT/(LOSS) AFTER TAXATION
Preference dividends (gross)

NET PROFIT/(LOSS) ATTRIBUTABLE TO
ORDINARY SHAREHOLDERS
ORDINARY DIVIDENDS (gross)

RETAINED PROFIT/(LOSS) FOR THE YEAR

FUNDS GENERATED FROM OPERATIONS

Profit/(Loss) for the year
Depreciation

CAPITAL EMPLOYED

Fixed Assets less depreciation
Loan to KenGen
Investments
Net current assets/(Liabilities)

FINANCED BY:

Ordinary shareholders' equity
Preference capital
Loan capital (secured)
Loan capital (unsecured)
Deferred liability

CAPITAL EXPENDITURE

Average cost of unit sold (cents)
PROFIT for the year before taxation as a
percentage of average capital employed
ORDINARY DIVIDEND RATES
Earnings per share (Shs)
Customers/employee ratio
Sales (KWhr) per employee

KEMENYA POWER AND LIGHTING CO. LTD.

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

POWER STATION as at 30.6.99	Capacity (MW)		ENERGY(GWhr)						growth over the Last 5 years	Avg. Annual
	Installed	Effective*	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99		
HYDRO										
Tana	14.4	12.4	64	78	97	84	76	82		
Wanjii	7.4	7.4	30	27	51	48	51	35		
Kamburu	91.5	84.0	421	485	491	446	480	410		
Gitaru	145.0	145.0	856	704	701	926	818	789		
Kindaruma	40.0	40.0	217	213	239	230	198	240		
Small Stations	6.2	5.4	17	22	29	24	26	21		
UEB (Imports)	30.0	0.0	264	187	149	144	146	140		
Masinga	40.0	40.0	180	200	225	215	204	223		
Kiambere	144.0	144.0	892	996	1031	1028	1023	1037		
Turkwel	106.0	106.0	371	379	299	353	384	436		
TOTAL HYDRO INCLUDING IMPORTS	624.5	584.2	3312	3290	3312	3497	3404	3414		0.6%
THERMAL										
Kipevu	45.5	36.0	140	218	224	200	201	141		
GEO THERMAL										
Olkaria	45.0	45.0	261	290	390	393	366	390		
GAS TURBINE										
Fiat - Nairobi South	13.5	10.0	2	16	59	6	0	15		
Kipevu GT 1 & 2	60.0	60.0	0	31	112	168	139	191		
DIESEL										
Ruiru	0.0	0.0	0	2	2	3	0	0		
Independent Power Producers (iPPs)	87.5	87.5	-	-	-	7	383	463		
WIND TURBINE - Ngong	0.4	0.4	1	1	1	1	1	0		
INTERCONNECTED SYSTEM	876.4	823.1	3715	3848	4100	4274	4495	4615		4.4%
ISOLATED DIESELS										
KPLC Stations	3.8	3.5	9	10	11	11	11	11		
REF Stations	5.4	4.6	8	7	8	11	10	11		
TOTAL ISOLATED DIESELS	9.2	8.1	17	17	19	22	21	22		5.1%
GROSS GENERATION	885.6	831.1	3732	3866	4119	4296	4516	4637		4.4%
AUXILIARY CONSUMPTION			38	45	52	44	41	35		-1.4%
SYSTEM LOSSES ++			560	598	660	695	824	884		9.6%
SALES - KPLC SYSTEM			2997	3089	3269	3406	3498	3564		3.5%
- REF SYSTEM			138	134	138	150	146	153		2.1%
TOTAL SALES			3134	3223	3407	3557	3644	3717		3.5%
SYSTEM PEAK DEMAND MW			612	605	648	680	721	734		3.7%
System Load Factor			69.3%	72.6%	72.3%	72.1%	71.5%	72.2%		
Sales as a % of Net Generation			84.8%	84.4%	83.8%	83.6%	81.4%	80.8%		
Losses as a % of Net Generation			15.2%	15.6%	16.2%	16.4%	18.6%	19.2%		
Annual growth - GENERATION			3.7%	3.6%	6.6%	4.3%	5.1%	2.7%		
- SALES KPLC			3.3%	3.1%	5.8%	4.2%	2.7%	1.9%		
- SALES REF			32.7%	-2.9%	3.1%	9.1%	-2.8%	4.6%		

NOTES

* Maximum non-simultaneous available capacity during the year.

++ Comprises technical and non-technical losses.

TABLE 2: AREA MAXIMUM DEMAND(MW)

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	327	322	345	372	399	400	4.1%
Coast	131	121	135	146	141	134	0.5%
Central Rift	43	42	47	45	45	52	4.1%
West Kenya	64	67	67	72	77	79	4.5%
Mt. Kenya	36	36	38	40	44	45	4.8%
North Rift	30	29	31	35	35	33	2.0%
TOTAL SYSTEM (SIMULTANEOUS)	612	605	648	680	721	734	3.7%
% INCREASE P.A.	2.7%	-1.1%	7.2%	4.9%	5.9%	1.8%	

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

TARIFF	TYPES OF CUSTOMERS COVERED BY THIS TARIFF	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small Commercial and Industrial	977	1,026	1,049	1,116	1,207	1,270	5.4%
B	Commercial (Medium) and industrial(Medium)	559	569	618	657	665	680	4.0%
C	Commercial (large) and Industrial (large)	1,326	1,356	1,491	1,536	1,526	1,513	2.7%
D	Off-peak	125	119	100	86	89	92	-5.9%
E	Street lighting	10	18	12	10	11	9	-3.0%
	TOTAL	2,997	3,089	3,269	3,406	3,498	3,564	3.5%
	% INCREASE P.A.	3.3%	3.1%	5.8%	4.2%	2.7%	1.9%	

TABLE 4: AREA TOTAL UNIT SALES(GWh)

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	1,632	1,661	1,785	1,896	1,867	1,981	3.9%
Coast	622	664	718	700	730	696	2.3%
Central Rift	177	189	185	202	223	205	3.0%
West Kenya	305	303	311	325	382	386	4.8%
Mt. Kenya	126	133	130	135	151	159	4.7%
North Rift	134	139	139	149	145	137	0.4%
KPLC Sales	2,997	3,089	3,269	3,406	3,498	3,564	3.5%
R.E.F Schemes	138	134	138	150	146	153	2.1%
TOTAL	3,134	3,223	3,407	3,557	3,644	3,717	3.5%
%INCREASE P.A.	4.3%	2.8%	5.7%	4.4%	2.5%	2.0%	

THE KENYA POWER & LIGHTING CO. LTD.

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	436	418	432	438	489	542	4.4%
Coast	93	103	134	144	153	131	7.1%
Central Rift	37	39	31	38	39	39	1.2%
West Kenya	29	29	32	34	33	35	4.2%
Mt. Kenya	28	29	28	26	29	39	6.5%
North Rift	18	19	17	18	18	18	0.3%
TOTAL	640	636	674	697	761	804	4.7%
% INCREASE P.A.	10.0%	-0.7%	6.0%	3.4%	9.2%	5.6%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	171	191	184	213	213	266	9.3%
Coast	47	56	68	71	70	65	6.6%
Central Rift	39	36	36	39	39	37	-0.9%
West Kenya	34	34	39	40	40	43	4.8%
Mt. Kenya	30	31	31	39	35	36	3.6%
North Rift	15	16	17	17	16	19	4.6%
TOTAL	336	364	375	418	414	466	6.7%
% INCREASE P.A.	-2.6%	8.3%	2.9%	11.7%	-1.1%	12.6%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	39.5	27.5	32.8	35.3	17.2	30.2	-5.2%
Coast	0.4	0.3	0.4	0.6	0.4	0.7	10.3%
Central Rift	13.7	9.1	8.7	8.2	7.3	10.6	-5.0%
West Kenya	1.4	1.5	1.1	1.0	0.9	1.4	0.5%
Mt. Kenya	1.9	1.5	1.0	1.7	1.3	2.1	2.4%
North Rift	0.0	0.0	0.0	0.1	0.1	0.0	0.0%
TOTAL	57	40	44	47	27	45	-4.6%
% INCREASE P.A.	18.7%	-29.9%	10.4%	6.8%	-42.4%	66.1%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	261	259	326	347	359	371	7.3%
Coast	101	106	103	103	112	104	0.6%
Central Rift	41	45	50	56	59	52	4.9%
West Kenya	38	41	38	38	45	43	2.4%
Mt. Kenya	22	23	22	25	27	28	5.4%
North Rift	28	25	25	27	29	29	0.7%
TOTAL	491	499	564	597	629	627	5.0%
% INCREASE P.A.	-1.5%	1.7%	13.0%	5.8%	5.5%	-0.3%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	7.1	25.6	6.5	7.0	3.5	3.2	-14.7%
Coast	1.4	2.0	1.9	5.4	2.1	2.3	10.0%
Central Rift	1.1	1.2	0.6	0.5	0.8	0.8	-5.4%
West Kenya	1.1	0.9	0.8	0.7	0.6	0.6	-10.6%
Mt. Kenya	0.0	0.0	0.0	0.0	0.0	0.0	-
North Rift	0.6	0.5	0.1	0.3	2.2	1.3	15.8%
TOTAL	11.3	30.2	10.0	13.9	9.1	8.2	-6.2%
% INCREASE P.A.	-21.3%	168.5%	-67.0%	39.0%	-34.1%	-10.4%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	207	201	249	292	232	204	-0.3%
Coast	98	109	108	109	91	92	-1.2%
Central Rift	27	32	35	40	46	40	8.4%
West Kenya	48	60	53	57	72	68	7.4%
Mt. Kenya	32	39	37	32	44	40	4.6%
North Rift	20	22	18	17	17	14	-6.6%
TOTAL	430	463	502	547	503	458	1.3%
% INCREASE P.A.	-4.1%	7.6%	8.4%	9.0%	-8.0%	-8.9%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	320	329	359	357	334	362	2.5%
Coast	239	247	261	218	254	245	0.5%
Central Rift	17	21	23	20	26	21	4.8%
West Kenya	53	52	58	58	44	44	-3.6%
Mt. Kenya	10	7	8	8	8	9	-1.7%
North Rift	52	56	61	66	61	54	0.9%
TOTAL	690	711	769	728	727	735	1.3%
% INCREASE P.A.	3.0%	3.1%	8.2%	-5.3%	-0.1%	1.0%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	67	62	93	122	115	133	14.9%
Coast	40	38	39	44	38	40	0.1%
Central Rift	0	0	0	0	0	0	-
West Kenya	99	82	87	95	143	147	8.2%
Mt. Kenya	0	0	0	0	0	0	-
North Rift	0	0	0	0	0	0	-
TOTAL	205	182	220	261	296	320	9.3%
% INCREASE P.A.	23.6%	-11.4%	20.7%	18.8%	13.4%	8.1%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	117.9	112.2	92.4	76.9	80.9	62.4	-12.0%
Coast	1.1	1.8	2.6	3.6	2.7	15.3	68.6%
Central Rift	1.4	1.2	1.0	1.0	1.5	3.5	20.6%
West Kenya	1.5	1.4	1.3	1.5	1.3	4.2	22.2%
Mt. Kenya	2.0	1.5	1.6	1.9	1.4	4.6	18.0%
North Rift	1.0	0.9	0.8	1.1	0.8	2.3	17.2%
TOTAL	125	119	100	86	89	92	-5.9%
% INCREASE P.A.	8.5%	-4.7%	-16.3%	-13.8%	3.0%	4.3%	

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

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	6.5	10.2	9.5	8.3	9.6	7.5	2.9%
Coast	1.5	1.8	0.9	0.9	0.1	0.7	-14.3%
Central Rift	1.1	4.4	0.3	-0.8	0.4	0.4	-18.0%
West Kenya	0.6	1.0	0.5	0.4	0.1	0.2	-19.3%
Mt. Kenya	0.4	0.6	0.7	0.7	0.3	0.2	-13.5%
North Rift	0.4	0.4	0.6	0.7	0.2	0.3	-3.6%
TOTAL	10.5	18.5	12.4	10.2	10.8	9.3	-2.3%
% INCREASE P.A.	-18.8%	76.4%	-33.0%	-17.9%	5.9%	-13.5%	

TABLE 15: AREA REF UNIT SALES (GWhr)

AREA	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
Nairobi	36	25	34	36	32	41	2.6%
Coast	12	13	6	17	13	15	3.7%
Central Rift	20	20	21	22	23	20	0.1%
West Kenya	32	36	36	35	32	35	1.9%
Mt. Kenya	18	21	22	17	24	19	0.6%
North Rift	19	19	18	24	23	23	4.0%
TOTAL	138	134	138	150	146	153	2.1%
% INCREASE P.A.	32.7%	-2.9%	3.1%	9.0%	-2.7%	4.6%	

TABLE 16: AREA TOTAL NUMBER OF CUSTOMERS

AREA	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1994	1995	1996	1997	1998	1999	
Nairobi	169,422	178,802	196,414	206,891	221,603	230,074	6.3%
Coast	56,362	58,481	61,933	63,656	66,678	67,815	3.8%
Central Rift	23,249	24,687	26,813	27,796	29,733	32,059	6.6%
West Kenya	26,508	27,607	29,772	30,986	32,399	33,268	4.6%
Mt. Kenya	23,632	24,796	27,145	28,256	29,665	31,470	5.9%
North Rift	11,743	12,365	13,295	13,673	14,907	16,549	7.1%
KPLC Customers	310,916	326,738	355,372	371,258	394,985	411,235	5.8%
R.E.F. Customers	40,731	43,718	51,151	55,242	57,978	61,436	8.6%
TOTAL	351,647	370,456	406,523	426,500	452,963	472,671	6.1%
%INCREASE P.A.	6.9%	5.3%	9.7%	4.9%	6.2%	4.4%	

TABLE 17: NUMBER OF CUSTOMERS BY TARIFF CATEGORY

TARIFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
		1994	1995	1996	1997	1998	1999	
A0 only	Domestic KPLC	213,531	226,228	244,708	256,535	273,532	290,687	6.4%
	REF	23,258	25,200	29,151	31,715	33,499	36,737	9.6%
A0 & D0	Domestic KPLC	35,360	34,628	35,264	35,991	41,787	42,878	3.9%
	REF	68	60	67	62	228	256	30.4%
A1 only	Small Commercial KPLC	54,154	57,696	67,083	70,129	72,332	72,025	5.9%
	REF	17,130	18,196	21,627	23,133	23,811	24,196	7.2%
A1 & D0	Small Commercial KPLC	3,314	3,281	3,186	3,744	1,691	1,193	-18.5%
	REF	123	120	131	149	304	121	-0.3%
B0	Irrigation Load KPLC	332	352	380	389	291	265	-4.4%
	REF	20	27	34	36	10	8	-16.7%
B1	Medium Commercial and Industrial KPLC	1,871	1,977	2,073	2,126	2,285	2,326	4.4%
	REF	100	91	111	113	81	98	-0.4%
B2	Medium Commercial and Industrial KPLC	21	21	19	20	21	20	-1.0%
	REF							
C1	Large Commercial and Industrial KPLC	277	324	279	284	286	282	0.4%
	REF	10	9	11	12	7	5	-12.9%
C2	Large Commercial and Industrial KPLC	113	137	111	117	135	140	4.4%
	REF	1	1	0	0	0	0	-100.0%
C3	Large Commercial and Industrial KPLC	14	19	17	17	18	19	6.3%
	REF	0	0	0	0	0	0	-
D0 only	Off-peak KPLC	1,817	1,963	2,121	1,776	2,383	806	-15.0%
	REF	13	9	10	12	25	15	2.9%
E0	Street lighting KPLC	112	112	131	134	224	594	39.6%
	REF	8	5	9	10	13	0	-100.0%
	TOTAL (KPLC)	310,916	326,738	355,372	371,258	394,985	411,235	5.8%
	TOTAL (R.E.F.)	40,731	43,718	51,151	55,242	57,978	61,436	8.6%
	GROSS TOTAL	351,647	370,456	406,523	426,500	452,963	472,671	6.1%
	% INCREASE P.A.	6.9%	5.3%	9.7%	4.9%	6.2%	4.4%	

THE KENYA POWER & LIGHTING CO. LTD.

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

TARIFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small commercial and industrial	2,881	3,999	4,264	5,948	6,419	6,627	18.1%
B	Medium Commercial and industrial	2,064	2,879	3,102	3,422	3,741	4,077	14.6%
C	Large Commercial and Industrial	3,894	5,626	6,300	6,557	6,834	7,014	12.5%
D	Off-peak	392	353	386	331	357	365	-1.4%
E	Street Lighting	37	87	48	50	52	47	5.1%
	SUB-TOTAL	9,268	12,944	14,100	16,308	17,403	18,130	14.4%
	OTHERS	12	14	825	585	670	293	89.4%
	TOTAL (KPLC)	9,280	12,958	14,926	16,893	18,073	18,423	14.7%
	R.E.F.	410	613	773	849	804	851	15.7%
	GROSS TOTAL	9,690	13,571	15,699	17,742	18,877	19,274	14.7%
	%INCREASE P.A.	86.5%	40.1%	15.7%	13.0%	6.4%	2.1%	

TABLE 19: STAFF ANALYSIS

CATEGORY OF STAFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1994	1995	1996	1997	1998*	1999	
Nationality							
Citizen	10,180	8,862	8,192	8,278	7,166	7,099	-7.0%
Non Citizen	6	2	1	1	1	1	-30.1%
Total	10,186	8,864	8,193	8,279	7,167	7,100	-7.0%
% INCREASE P.A.	-2.7%	-13.0%	-7.6%	1.0%	-13.4%	-0.9%	
Sex							
Male	9,092	7,830	7,183	7,212	6,078	5,963	-8.1%
Female	1,094	1,034	1,010	1,067	1,089	1,137	0.8%
Ratio- Male/Female	8	8	7	7	6	5	
Job Category							
Technical	3,803	3,415	3,342	4,744	4,512	4,615	3.9%
% of total staff	37.3%	38.5%	40.8%	57.3%	63.0%	65.0%	11.7%
Non Technical	6,383	5,449	4,851	3,535	2,655	2,485	-17.2%
% of total staff	62.7%	61.5%	59.2%	42.7%	37.0%	35.0%	-11.0%

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

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

VOLTAGE	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1994	1995	1996	1997	1998	1999	
220 kV	877	877	877	877	877	877	
132 kV	1,980	1,980	1,980	1,997	1,997	1,997	
66 kV	573	573	573	574	574	574	
40 kV	126	126	126	126	126	126	
33 kV	3,686	3,876	3,969	4,094	4,203	4,516	
11 kV	8,838	9,250	9,372	9,616	9,671	10,029	
TOTAL	16,080	16,682	16,897	17,284	17,448	18,120	2.4%
% INCREASE P.A.	2.9%	3.7%	1.3%	2.3%	1.0%	3.8%	

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

	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1994	1995	1996	1997	1998	1999	
Generation S/Stns							
11/220kV	288	288	288	288	293	293	
11/132kV	417	417	417	417	431	431	
11/66kV	30	30	30	30	90	90	
11/33kV	217	217	217	217	217	263	
11/40kV	5	5	5	5	5	5	
3.3/11/40kV	8	8	8	8	8	8	
3.3/40kV	4	4	4	4	4	4	
3.3/33kV	4	4	4	4	4	4	
132/220kV	690	690	690	690	690	690	
TOTAL	1,663	1,663	1,663	1,663	1,742	1,788	1.5%
Distribution S/Stns							
220/132kV	580	580	580	580	580	580	
220/66kV	180	180	180	180	180	180	
132/66kV*	375	375	375	375	375	375	
132/33kV	415	415	415	498	531	554	
66/11kV	470	516	516	562	631	631	
66/33kV	15	15	15	15	15	38	
40/11kV**	24	24	24	24	24	17.5	
33/11kV	400	400	400	410	452	497	
TOTAL	2,414	2,460	2,460	2,644	2,788	2,873	3.5%
Distribution TXS							
11/0.415kV and 33/0.415kV	1,686	1,749	1,809	1,883	1,961	2,079	4.3%

* The figure for 132/66kV Distribution Substations has been revised from 330MVA to 375MVA.

**There is a reduction of 6.5 MVA for the 40/11kV transformers due to the recovery of the 40kV system.

KPLC OFFICES

HEAD OFFICE

Stima Plaza
P O Box 30099,
Nairobi
Tel: (02) 243366
(28 lines)

NAIROBI AREA

Nairobi
Electricity House,
P O Box 30177, Nairobi
Tel: (02) 221251/331941

Limuru

P O Box 103, Limuru
Tel: (0154) 71033

Machakos

P O Box 155, Machakos
Tel: (0145) 20139

Thika

P O Box 202, Thika
Tel: (0151) 22320, 21270

Kitui

P O Box 476, Kitui
Tel: (0141) 22051

Garissa

P O Box 9, Garissa
Tel: (0131) 2043, 2028

Marsabit

P O Box 68, Marsabit
Tel: (0183) 2029

Murang'a

P O Box 45, Murang'a
Tel: (0156) 22669

Wajir

P O Box 127, Wajir
Tel: (0136) 21020, 22460

Moyale

P O Box 103, Moyale
Tel: (0192) 2040

Mandera

P O Box 76, Mandera
Tel: (0192) 2040

CENTRAL RIFT AREA

Nakuru
Electricity House
P O Box 104, Nakuru
Tel: (037) 211594/7, 43800

Nyahururu

P O Box 196, Nyahururu
Tel: (0365) 22360/22840

Naivasha

P O Box 180, Naivasha
Tel: (0311) 20091/20169

Narok

P O Box 469, Narok
Tel: (0305) 2046

Maralal

P O Box 196, Maralal
Tel: (0368) 2048/2046

Eldama Ravine

P O Box 579, E.Ravine
Tel: (0362) 52175

NORTH RIFT AREA

Eldoret
KVDA Plaza
P O Box 74, Eldoret
Tel: (0321) 33011/5, 31598

Kitale

P O Box 185, Kitale
Tel: (0325) 20858

Kabarnet

P O Box 120, Kabarnet
Tel: (0328) 22089, 21024

Kapsabet

P O Box 762, Kapsabet
Tel: (0326) 2432

Lodwar

P O Box 21, Lodwar
Tel: (0393) 21038, 21484

MT. KENYA AREA

Nyeri
Stima House
P O Box 106, Nyeri
Tel: (0171) 30646/7

Nanyuki

P O Box 80, Nanyuki
Tel: (0716) 32558/9

Isiolo

P O Box 116, Isiolo
Tel: (0165) 2013

Meru

P O Box 221, Meru
Tel: (0164) 20588, 20184

Embu

P O Box 205, Embu
Tel: (0161) 20037, 20350

Kerugoya

P O Box 1079, Kerugoya
Tel: (0163) 21359/21190

COAST AREA

Mombasa
Electricity House
P O Box 90104, Mombasa
Tel: (011) 225564/6, 221153

Malindi

P O Box 294, Malindi
Tel: (0123) 30200, 30737

Voi

P O Box 144, Voi
Tel: (0147) 2169

Lamu

P O Box 72, Lamu
Tel: (0121) 33066, 33143

Loitokitok

P O Box 377, Loitokitok
Tel: (0302) 22077

Taveta

P O Box 132, Taveta
Tel: (0302) 2056

WEST KENYA AREA

Kisumu
Electricity House
P O Box 151, Kisumu
Tel: (035) 41263/4/5/6

Kisii

P O Box 5, Kisii
Tel: (0381) 21163

Kericho

P O Box 296, Kericho
Tel: (0361) 20012

Kakamega

P O Box 440, Kakamega
Tel: (0331) 30023/20035

Busia

P O Box 526, Busia
Tel: (0336) 22076

Sotik

P O Box 328, Sotik
Tel: (0360) 32181

Siaya

P O Box 541, Siaya
Tel: (0334) 21406

Homa Bay

P O Box 117, Homa Bay
Tel: (0385) 22030

Migori

P O Box 530, Migori
Tel: (0387) 20053

Bungoma

P O Box 467, Bungoma
Tel: (0337) 20861