



COMPANY PROFILE

May 2017



Kenya Power





Who We Are

The Kenya Power & Lighting Company Limited (Kenya Power) is responsible for distribution and retail of electricity throughout Kenya. The Company is listed at the Nairobi Securities Exchange (NSE).

Our Vision

Providing world-class power that delights our customers. By striving to provide world-class products and services, we bring a sense of optimism and delight to our customers, working together towards a brighter future for Kenya.

Our Mission

Powering people for better lives. By becoming the preferred energy solution for businesses and individuals, we empower our customers to achieve more and reach their full potential.

Our Values

- We put our Customer first as they matter most
- We work together as one team to achieve our goals
- We are passionate about powering the nation
- We believe in integrity and delivering on our promises
- We strive for excellence in all that we do

Our Role

Kenya Power owns and operates most of the electricity distribution system in Kenya and sells electricity to over 5.8 million customers (May 2017). The Company's key operations include:

- Building and maintaining a robust power distribution network
- Retail of electricity
- Customer service





Corporate Structure

The head office is based at Stima Plaza on Kolobot Road in Nairobi's Parklands area. The Company's main functions are conducted by 12 divisions.

They are: Business Strategy, Infrastructure Development, Network Management, Street Lighting, Customer Service, Regional Coordination, Company Secretary, Supply Chain, Internal Audit, Human Resource and Administration, Finance and Information and Communication Technology (ICT) respectively. The Managing Director and CEO is supported by a team of divisional heads referred to as General Managers

(GMs). The GMs also provide leadership and support to line managers in their respective divisions. The Company is further divided into 10 administrative regions: Nairobi North, Nairobi West, Nairobi South, North Eastern, North Rift, Central Rift, Coast, Mount Kenya, South Nyanza and West Region.

Each region is headed by a regional manager who reports to the GM in charge of Regional Coordination. Operational and customer service functions are replicated in each region. Each of the country's 47 counties is headed by a County Business Manager who reports to a respective Regional Manager.



Brief History of Kenya Power

The Kenya Power and Lighting Company Limited was incorporated in 1922 as the East African Power and Lighting Company Limited to serve Kenya, Uganda and Tanzania. Its name changed to the Kenya Power and Lighting Company Limited in 1983. Kenya Power is partly owned by the Government of Kenya with 50.1 percent shareholding, and private investors with a 49.9 percent shareholding. Prior to a major power sector restructuring exercise in 1997, Kenya Power also managed all generating stations on behalf of the government. Currently, the Company only manages some diesel and hybrid power generating stations which are owned by the government and which are not connected to the national grid. Kenya Power is the national system operator (dispatcher of electricity).



Transmission and Distribution

In Kenya, electrical power is generated at between 11kV and 15kV. Electricity is stepped up to 220kV or 132kV for transmission to substations. It is then stepped down to 66kV, 33kV and 11kV at various feeder points for distribution to consumers.

Large industrial and commercial customers are supplied at high voltages to a maximum of 132kV. Electricity is stepped down to 415v/240v for domestic consumers.

The National Grid

The national grid is the interconnected network of transmission and distribution lines in a country's power system. The total length of lines in Kenya as at June 2016 was about 68,459 kilometres with various regions linked at 220kV and 132kV.

Transmission lines comprise 4,401 kilometres while distribution lines total up to 64,092 kilometres. Kenya Power operates and maintains the country's national grid and is responsible for power plant dispatch through the National Control Centre in Nairobi.

The Electricity Sub-Sector

The following are the main players in Kenya's electricity sub-sector:

- **Ministry of Energy and Petroleum (MoEP):** Is in charge of policies and overall guidance to create an enabling environment for efficient operations and growth of the energy sector
- **Energy Regulatory Commission (ERC):** Oversees all regulatory functions including coordination of the development of indicative energy planning, tariff setting and oversight, monitoring and enforcement of sector regulations. The Commission also safeguards interests of electricity consumers. Grants and renews generation, transmission and distribution of licences and permits
- **Energy Tribunal:** Is the sector's dispute resolution entity largely involved in settling disputes arising from decisions made by the Energy Regulatory Commission
- **Geothermal Development Company (GDC):** The Government formed the Geothermal Development Company (GDC) in 2008 to develop steam fields so as to promote the rapid development of geothermal electric power
- **Rural Electrification Authority (REA):** Is charged with the mandate of implementing the Rural Electrification Programme and came into operation in 2007. The government's policy objectives are to expand access to electricity as a means of promoting sustainable socio-economic development in rural areas
- **Kenya Electricity Generating Company (KenGen):** This is a public company that generates electricity from all publicly owned generating plants in Kenya and sells power in bulk to Kenya Power. It is also the single largest generator of electrical energy in the country
- **Kenya Power:** Kenya Power owns most distribution assets in Kenya. The company buys electricity from all generating companies in bulk and retails it to customers
- **Independent Power Producers (IPPs):** They own and operate private power stations and sell electricity in bulk to Kenya Power. Current players comprise IberAfrica, Tsavo, Or-power4 Inc., Rabai, Imenti, Mumias, Thika Power, Golf Power, Triumph Generating Company and Gikira Small Hydro. Collectively, they account for about 28% of the country's installed capacity

- **Kenya Electricity Transmission Company (KETRACO):** This is a government owned company established to construct and operate its own new high voltage (132kV and above) electricity transmission infrastructure that will form the backbone of the National Transmission Grid and regional inter-connections
- **Kenya Nuclear Electricity Board (KNEB):** Was established in 2010. The committee is tasked with driving the nuclear energy generation programme for Kenya. This will be achieved through development of a road map for the realisation of the requirements and guidelines by the International Atomic Energy Agency (IAEA)
- The off-grid system installed capacity in May 2017 was 27.52 MW and consisted of diesel, solar and wind power plants in areas far away from the interconnected system
- The off grid Thermal is at 26.33 MW, off grid Wind Is at 0.550MW and off grid solar Is at 0.64 MW
- Additional capacity will be commissioned under various on-going committed projects for the interconnected power system

Supply and Demand Highlights

- Kenya's demand is expected to rise to approximately 15,000 MW by 2030.
- The interconnected system installed capacity as at May 2017 was 2,333 which includes 652 MW of geothermal energy and 823 MW of hydro power
- The thermal MSD is at 716 MW. Thermal (GT) is at 60 MW wind is at 25.5 MW and Cogen is at 28MW. Temporary thermal Aggreko was de commissioned





Major Projects:

a) Kenya Electricity Modernisation Project (KEMP)

The main role of KEMP is to enhance the electricity network in readiness for generation of the 5,000+ MW, establish new primary substations and upgrade works on existing ones in identified locations countrywide. KEMP succeeded the Energy Sector Recovery Project and later the Kenya Electricity Expansion Project (KEEP); both were initiated to rehabilitate ageing power infrastructure, expand the network and improve quality of electricity to existing customers.

b) Last Mile Connectivity Project

The Last Mile Connectivity Project being implemented by Kenya Power aims to increase electricity access to Kenyans, particularly the low income groups, to improve livelihood and accelerate economic growth at the micro-economic level. The Project aims at maximizing the utilization of over 40,000 existing distribution transformers spread across the country. This project is part of efforts to accelerate access rate from the current 65.2% to over 70% by December 2017 and universal access by 2020.





c) GPOBA Electrification Project

This is a connectivity project jointly funded by Kenya Power and the World Bank's Global Partnership on Output Based Aid (GPOBA). It aims at providing safe, legal and quality power supply to people living in informal settlements at subsidised costs. So far, over 539,000 households have been connected (May 2017). This project will help the Company prevent commercial losses by reducing cases of electricity theft while providing convenient service to customers through prepaid metering.

In the just concluded African Investment Summit & Awards 2016, Kenya Power scooped the most innovative Ai SRI 50 Company Awards for its investment in the GPOBA project.

d) 'Boresha Umeme' Network Upgrade Project

Kenya Power rolled out the *Boresha Umeme* programme early 2014 with the aim of ensuring the network serving major customers as well as areas with repeated poor supply quality issues are given priority in a focused and thorough maintenance effort that pools resources to one locality. The project is currently on-going and is targeting the low voltage network.

e) Street Lighting Project

The street lighting project was initiated to provide adequate public lighting to industrial/residential areas, commercial centres, roads, railway and public transport facilities and also to create conducive environment for a 24-hour economy envisaged under the country's development vision.





Network Expansion and Maintenance Programme

a) Live Line Maintenance Programme

This program will see the maintenance of the electricity distribution network without switching it off. The project was initiated to address high loss of revenue and many customer complaints attributed to planned power supply interruptions. Some of its objectives and benefits include: changing of rotten poles on medium and low voltage power lines and improved customer satisfaction by having less planned power interruptions. Kenya is the second country in Africa to embrace live line techniques in its effort to provide better supply and distribution of electricity.

b) Underground Cabling Project

This is a KShs 13 Billion underground power network project. It is aimed at improving the quality of electricity supply in Nairobi through the refurbishment of the existing network and building of additional lines and new substations. It has reinforced the Nairobi City Centre bulk power supply system, by providing an alternative supply to the existing substations.

This redundant network has improved the flexibility of the existing system and has reduced downtime.

c) Rapid Response Team

Kicked off in August 2016, the rapid response team was created to deal with electrical power emergencies. Using motorbikes as their mode of transport, they reduce the emergency response time. Their motorbikes are installed with a GIS (Geo Integrated System) application that is used to locate the rider allowing for easier coordination by the Control Room.





Customer Service

Kenya Power retails power to over 5.8 million customers (May 2017). In order to ensure reliability of supply to existing and new electricity customers, the Company continuously upgrades the existing distribution network. Customer service division uses open telephone communication channels through a national Contact Center and social media platforms such as Facebook and Twitter to interact with the customers.

Customer Growth Policy

The Company has developed a customer connection policy that facilitates efficient connection of customers to the grid at a reasonable cost. Kenya Power has an onerous target of connecting one million new customers to the grid annually for the next five years. This is in line with its business growth strategy to spur the country's development.

Human Resources

In order to attain its Vision and Mission, Kenya Power employs highly skilled staff. Training programmes are carried out locally and internationally to expose them to best practice in customer service and the latest technical standards and business trends.

Environmental and Social Policy

Kenya Power has a policy of integrating environmental and social considerations into its general business, which is conducted in compliance with Kenyan legislation and international law on environmental protection.

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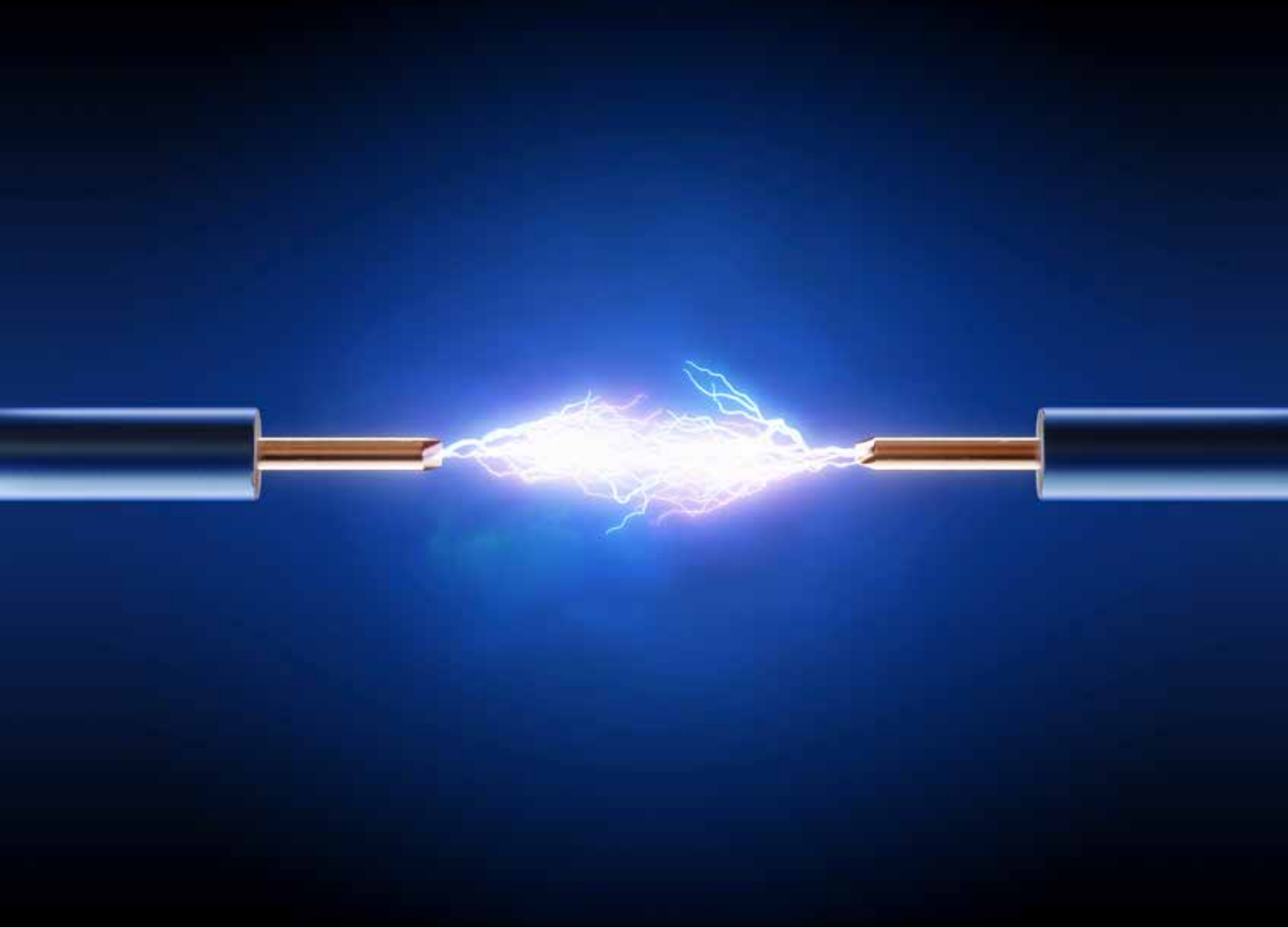
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