



## Press Release

7<sup>th</sup> May, 2014

### **Kenya Power to spend Shs.1 bn to upgrade Nairobi industrial power supply**

Kenya Power has adopted a radical approach to enhancement of quality and reliability of power supply to the economy by opting to implement out-of-the-box solutions.

Managing Director and CEO, Dr. Ben Chumo, said the Company is currently stripping the network bare and rebuilding it afresh to eliminate supply interruptions that have been an irritant to customers.

Extensive work has already commenced in the country's industrial hub in Nairobi County power installations where Shs.1,047 billion will be invested in the upgrade of power substations, establishment of new power lines, work which will create additional transformation and distribution capacity as well as dedicated lines to industrial customers.

Dr. Chumo said the investments to render the network robust will assure drastic reduction in industrial downtime occasioned by both planned and unplanned outages hence increased contribution to the country's Gross Domestic Product.

He was addressing members of Kenya Association of Manufacturers (KAM) Athi River and Nairobi's Industrial area, at a meeting to update manufacturers on measures being taken to improve power supply.

He said the upgrades that will also be replicated elsewhere in the country, will also create extra transformation and distribution capacity to carry the 5,000 megawatts being planned to fire up new industrial ventures to be attracted in the current drive by the government to expand the economy and employment opportunities.

In the long term, he said projects to underground the power network in cities and towns and automation of the network will be implemented progressively, further shielding the power network from environmental and human induced interruptions that routinely occur on a day-to-day basis.

KAM Chief Operating Officer, Mr. Kennedy Mohochi said service provider Kenya Power had acknowledged power challenges facing the economy adding that management of the association appreciated the bold measures taken to enhance power supply.

Besides issues of quality and reliability, he said the high cost of power supply was on top of the mind for industrialists saying it constituted 30 per cent of their costs. He however acknowledged that the new investments in more cost effective power generation plants such as geothermal and wind would reduce cost of power in the short to medium term.

During the meeting, Kenya Power's manager for Nairobi South region, Eng Joshua Mwangi, said that work had commenced at two major substations at Industrial Area under a programme dubbed "Operation Boresha Stima Viwandani". A total of Shs.222 million will be spent on New Industrial and on NSSF substations by December this year to replace old electrical panels and replacement of switch yard equipment and create 20 new distribution lines to be dedicated to industries.

Other substations that are lined up for upgrade include Villa Franca, Shs.234 million; Mombasa Road, Shs.120 million; Likoni Road, Shs.344 million and Nairobi West, Shs.127 million. All the works will be completed by December 2014 except for the Likoni substation that will be completed in September 2015.

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***For more information, contact:***

***Kenya Power Corporate Communications Dept.***

***Tel. 3201622/30 or/47***

***E-mail [communications@kenyapower.co.ke](mailto:communications@kenyapower.co.ke)***