

## LAST MILE CONNECTIVITY PROGRAM Q & A

### Q: What is the Last Mile Connectivity Project?

A: The Last Mile Project is a Government of Kenya programme that is aimed at facilitating the objective of affordably connecting Kenyan households to the national network grid. This is geared towards achieving a national connectivity rate of 70% by 2017 as part of the government's goal of universal access to electricity by 2020.

### Q: What will the project involve?

A: The project has various stages spread out over the next 3 years. The first phase is the maximization phase which involves connecting those households lying within 600 metres of the earmarked transformers to the national grid. During this particular phase of the project, the low-voltage network and service cables will be extended to reach these households. This phase will cover 314,200 households or 1.5 million Kenyans.

The second and third phases will involve the maximization of additional transformers, installing new transformers, and extending the low-voltage network to connect more Kenyans. Under these phases, Kenya Power targets to connect 500,000 households which will in effect add 2.5 million Kenyans to the national grid.

### Q: Who benefits from the Last Mile Connectivity Program?

A: The first phase of the Last Mile targets to connect customers within 600 meters of selected transformers. There are 5, 320 selected transformers across all 47 counties and 290 constituencies.

The second and third Phases of the Last Mile will see installation of additional transformers and extension of the low voltage network.

### Q: How much are the beneficiaries of the project expected to pay?

A: The beneficiaries of the project will pay a contribution fee of Shs.15,000. It is being termed a contribution since the total cost of connection is slightly higher than this amount and this further cost has been covered under the funding provided by the government and AfDB.

### Q: Can the beneficiaries pay in installments?

All the beneficiaries under this scheme will be connected whether they have paid the contribution or not. Those unable to raise the Shs.15,000 at the time of connection will pay the

contribution fee over 3 years. This will translate to a deduction of Shs.416 per month which will be part of their monthly bill after filling in the Stima Loan Application and consequently signing the loan agreement forms.

Q: If a customer is within 600 meters of a selected transformer, how long do they have to wait to be connected?

A: The connection involves construction of lines to connect all the customers falling within the last mile program. All customers under last mile are expected to be connected by April 2017.

Q: If a customer is within 600 meters of a selected transformer, how does the customer apply for connection?

A: Customers within 600 meters of selected customers do not need to apply as they will be approached by Kenya Power marketing staff when they begin the connection process from their transformer.

Q: If a customer is within 600 meters of a selected transformer, what documents does the customer need for the connection?

A: Customers who are beneficiaries of the Last Mile will be asked to provide all the documentation that is usually required for a new connection including copies of their ID, PIN, wiring certificates, map of their location.

Q: If a customer is within 600 meters of a selected transformer, what preparations must the customer do with their structure/building before they are connected?

A: The customer needs to prepare their structure for connection by wiring their house. This means engaging the services of a qualified electrical contractor who is registered by Energy Regulatory Commission to do the wiring and issue the commencement of work certificate, completion of work certificate and wiring certificate.

Q: What if a customer needs electricity and is not within 600 meters of any of the selected transformers?

A: The customer can go to any Kenya Power office and request for electricity connection. The marketing officers will then survey the customer's locality to find out how many other potential customers can benefit from connection and make a proposal for connecting them as a scheme so that the cost of connection is spread out among all the potential customers. The proposal for connection will then be forwarded for consideration in the Government Subsidy scheme.

Given that this is a phased project, Kenya Power intends to progressively cover the entire country through the stepped maximization of its currently existing 40,000 transformers. Even as it implements this project, the company will be installing more transformers in addition to expanding both its high-voltage and low-voltage networks as it continues undertaking its normal connectivity programs which it does at cost.

Q: What if a customer needs electricity and is beyond the 600 meters from the selected transformer?

A: The customer is treated as a customer who is not within 600 meters of the Last Mile selected transformers and a proposal for potential connection will be forwarded for consideration under the Government Subsidy Scheme.

Q: There are applicants who paid the initial connection fee of Shs.34,000. How will they be treated?

A: All those who paid Shs.34,000 and are within 600m of the identified transformers will be charged the contribution fee of Kshs 15,000. The outstanding balance will go towards the payment of their bills.

Q: Where are the focus areas of the project?

A: The 5,320 transformers identified for the project's first phase have been selected from all the 47 counties. The selection criteria are based on the government's policy that aims to address equity in terms of access. This, therefore, means that priority has been given to those counties with low access to electricity.

The selection was also based on real data from Kenya Power regarding the potential to connect additional households within 600 meters of the existing distribution transformers. Those counties with fewer households accessing electricity will have more of their transformers covered.

Kenya Power intends to cover the entire country in due course. It will do this by organically growing its network through the maximization of its existing 40,000 transformers spread across the country. Its goal is to drive up the national electricity connectivity rate from the current 40% to 70% by 2017.

Q: How have the transformers been distributed across the counties?

A: The number of transformers to be maximized will be distributed across the various constituencies in a county. The distribution per constituency will be based on the government's criterion for resource allocation, such as the Constituency Development Fund, since the project itself is a government initiative.

Q: How will the project be carried out in relation to other ongoing projects such as the ones under the government's Rural Electrification Programme?

A: Households within 600 meters of the transformers installed by the Rural Electrification Authority in its mandate to connect all public facilities will also be connected under the Last Mile Project at a cost of Shs.15, 000. The potential customers will also be allowed to pay the connection fee alongside their monthly bills for a period of three years. The projects will be carried out alongside each other since they are complementary.

Q: How is the programme funded?

A: The first phase of the project has been funded jointly by Government of Kenya and the African Development Bank (AfDB) to the tune of Khs. 13.5 billion. AfDB has approved an additional USD 150 million in support of the project in the next phase. The World Bank under the International Development Assistance (IDA) is complementing this programme by granting a further amount of USD 150 loan.

Q: Can I connect more than one house in the same compound?

A: Yes, a customer can connect more than one house in a compound as a Last Mile beneficiary. However the customer will pay Ksh. 2,500 for any extra meters that he will require.

Q: Where can I pay for my connection?

A: All electricity connection payments are made at any Kenya Power offices across the country. No payment for new connections should be paid to any individual or by M-Pesa.

Q: If a customer applies for Stima Loan but finds the money to clear the loan, will the customer be allowed to do so?

A: Yes, they will be allowed to clear their Stima Loan at any time they wish to do so.

Q: Why hasn't the Last Mile Programme been communicated? We only hear it from people.

A: Kenya Power has been carrying out a lot of publicity regarding the Last Mile Connectivity Program. However, marketing officers will organize local Barazas to sensitize the targeted beneficiaries of the selected transformers so that they can be informed directly about the Last Mile Program and what it entails.

Q: I do not want any power supply.

A: To be able to receive power, the customer has to fill in an application for supply as well as wire their house to be ready for supply. However, any customer who is not ready for supply or does not want to supply will not be connected.

Q: Others paid Ksh. 1,160 for power connection, why should I pay Ksh. 15,000?

A: Those who paid Ksh. 1,160 are beneficiaries of the World Bank funded GPOBA who provide subsidy for electricity connections in the high density slum areas. The GPOBA is an on-going project that will continue connecting houses in slums.

Q: When are phase 2 & 3 starting?

A: There are indeed several phases of the Last Mile Connectivity Project as outlined below

#### **Phase 1: Financier is G.O.K with Loan from African Development Bank (AfDB)**

The amount of funding for this phase is USD 150 Million and the project covers all the 47 Counties. This phase targets to connect approximately 314,200 households providing electricity access to an additional 1.5 million Kenyans through maximization of 5,320 existing distribution. Construction started in April 2016 with expected completion date being 30th April, 2017.

#### **Phase 2: Financier is G.O.K with Loan from World Bank**

The amount of funding for this phase is USD 150 Million and the project covers all the 47 Counties targeting Peri-Urban areas with selected 3,200 transformers that will be maximized. A total of 1,000 No additional new distribution transformers will be installed together with associated extensions of 1-2 Kms of MV lines in areas with high density of population who are slightly off the grid. A total of 312,500 customers will be connected under this component.

This phase will be carried out in semi-turnkey basis where major materials (Conductors, poles and transformers) will be procured as goods and will be given out to the contractors who will be awarded the works contracts. The contractors will be expected to buy other small items like stays, fittings and insulators to execute the works. The designs in this phase will be carried out separately by design contractors and once completed, tenders will be floated for works contracts.

- a. Procurement of contractors to supply major materials is ongoing and it is expected that No Objection from World bank to award the contracts will have been obtained by end of October 2016. The supply is expected to be completed in 6months after No Objection from the Worldbank.
- b. The contracts for design are ready and awaiting signing by the designers and KPLC.
- c. The tender for works will be advertised upon completion of designs

### **Phase 3: Financier is G.O.K with Loan from African Development Bank (AfDB)**

Negotiations for additional USD 150 Million funding by African Development Bank were concluded between the bank and GoK and is awaiting the bank's Board approval. There is full commitment on the funds availability and this gave a kick start to the procurement process for the supervising consultant and evaluation of the first stage i.e. Expression of Interest (Eoi) has already began. This phase is targeting approximately 5,320 Distribution transformers and to connect approximately 385,700 new customers.

We expect to start the procurement of the EPC contractors concurrently with the consultant after the AfDB board's approval and hence possibly sign contracts with the EPC contractors by April 2017. The works are expected to be implemented in 18months.

### **Phase 4: Financier is G.O.K with Loan from Agence Française de Développement (AFD)/European Union (EU) + European Investment Bank (EIB) - (AFD/EU+EIB)**

AFD together with European Union will be making available to the GoK a total amount of 120 MEUR. Of this amount, 90 MEUR will be a concessional sovereign loan and 30 MEUR will be a grant. The European Investment Bank has agreed to support the LMCP with up to a maximum of Euro 60 Million making the total fund for this phase to be 180MEUR. This financing shall cover 33 Counties previously covered by AFD's electrification projects earlier in 2007. A total of 3,830 distribution transformers will be maximized and an additional 480 new ones added together with the associated 1-2 kms of MV lines. A total of 397,000 Households will be connected under this component.

It is expected that the procurement of the EPC contractors will run concurrently with that of the supervising consultant after the funds availability is confirmed and hence possibly sign contracts with the EPC contractors by June 2017. The works are expected to be implemented in 18months.

Q: Why wasn't my transformer chosen?

A: The KPLC system has a total of 55,000 distribution transformers distributed all over the country. The selection of the 5320 distribution transformers for the first was done using the CDF distribution formulae and hence a few in each constituencies were selected. This was done in spirit of "equitable distribution of resources". For those who are near certain distribution transformer that weren't picked for the first phase, they will be definitely be picked in the subsequent phases 2, 3,&4.

Q: What criteria was used to choose transformers?

A: The selection of the 5320 distribution transformers for the first phase was done using the CDF distribution formula and hence a few in each constituencies were selected. This was done in spirit of "equitable distribution of resources". This has also been applied to the subsequent phases.

Q: Why doesn't my transformer have a transformer number?

A: There are transformers that have no numbers and this has been due to removal by vandals with an aim of confusing KPLC and general public whenever they are planning to vandalize the transformers. Despite that, KPLC network system has the numbers and we keep on updating it whenever new transformers are installed. We also reinstate whenever we find one that had been removed. In this regard, we welcome anyone who finds such a situation to report the matter to KPLC and we shall reinstate the numbers immediately.

Q: I do not want power.

A: No one will be forced to take up electricity if they do not want as customers have to sign a supply contract and wayleaves consent.

Q: What if a customer is not located near a Last Mile transformer but is willing to pay the cost of his or her connection?

A: Currently there are no quotations been given out unless you are applying for a 3 phase quotation. We will inform you in good time once we open up the quotation system.