



# **Corporate Profile**

(Updated in March 2016)



# Who We Are

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

To provide world class power that delights our customers

Powering people for better lives

Customer first

One Team

Passion

Integrity

Excellence

#### **Our Role**

Kenya Power owns and operates most of the electricity transmission and distribution system in Kenya and sells electricity to over 4.3 million customers (March 2016). The Company's key operations include:

- Ensuring sufficient generation and transmission capacity to meet current and projected demand
- 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 Kenya. 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 In Kenya, electrical power is generated at between 11kV and 15kV. incorporated in 1922 as the East African Power and Lighting Electricity is stepped up to 220kV or 132kV for transmission to Company Limited to serve Kenya, Uganda and Tanzania. Its substations. It is then stepped down to 66kV, 33kV, and 11kV name changed to the Kenya Power and Lighting Company at various feeder points for distribution to consumers. Large Limited in 1983. Kenya Power is partly owned by the Government industrial and commercial customers are supplied at high of Kenya with 50.1 percent shareholding, and private investors voltages to a maximum of 132 kV. Electricity is stepped down to 415v/240v for domestic consumers. 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 The National Grid generating stations which are owned by the government, and The national grid is the interconnected network of transmission which are not connected to the national grid. Kenya Power is and distribution lines in a country's power system. The total the national system operator (dispatcher of electricity).



# **Transmission and Distribution**

length of lines in Kenya as at June 2015 was about 59,459 kilometres with various regions linked at 220kV and 132kV. Transmission lines comprise 4,054 kilometres while distribution lines total up to 55,405 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 (MoE): Responsible for policy and overall guidance of the sector. It also grants and revokes generation and distribution licenses on recommendation by the Electricity Regulatory Commission (ERC). It is also involved in settlement of disputes arising from parties aggrieved by ERC's decision(s).
- 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 Board also safeguards interests of electricity consumers.
- 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 socioeconomic development in rural areas.
- · Kenya Electricity Generating Company (KenGen): This is a public company that generates electricity from all publicly owned generating plants in Kenva and sells power in bulk to Kenya Power. It is also the single largest supplier of electrical energy in the country.
- The Kenya Power and Lighting Company Limited: Kenya Power owns most transmission and 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, and Mumias. 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).

# **Supply and Demand Highlights**

- Kenya's demand is expected to rise to approximately 15.000 MW in 2030.
- The interconnected system installed capacity as at March 2016 was 2,341 MW which includes 632 MW of geothermal energy and 821 MW of hydro power.
- The off-grid system installed capacity in 2015 was 28 MW and consisted of diesel, solar and wind power plants in areas far away from the interconnected system.
- Additional capacity will be commissioned under various on-going committed projects for the interconnected power system.

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# 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 45,000 existing distribution transformers spread across the country. This project is part of efforts to accelerate connectivity from the current 41% to over 70% by 2017 and universal access by 2020.

#### c. GPOBA Electrification Project

This is a connectivity project jointly funded by Kenya Power and the World Banks'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. The project will help the Company prevent commercial losses by reducing cases of electricity theft while providing convenient service to customers through prepaid metering solution. Kenya Power rolled out the Boresha Umeme program 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 ongoing and is targeting the low voltage network.



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#### d. 'Boresha Umeme' Network Upgrade Project

#### e. National Public Lighting Project

The Shs. 7.6 billion National Public Lighting Project was launched by the Government in January 2016. The project was initiated to provide adequate public lighting to industrial/residential areas, commercial centers, roads, railway and public transport facilities and also to create conducive environment for a 24 hour economy envisaged under the country's development vision.

### **Customer Service**

Kenya Power retails power to over 4.3 million customers (March 2016). In order to ensure reliability of supply to existing and new electricity customers, the company continuously upgrades the existing transmission and 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 in line with its business growth strategy and 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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# **Customer Contact Centre**

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