SPECIAL ISSUE

THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXX — No. 91
NAIROBI, 3rd August, 2018
Price Sh. 60

[2485]
“Interconnected System” means those works inclusive of power stations, electric supply lines electrically interconnected forming the main supply grid in the Republic of Kenya;

“KenGen”: means the Kenya Electricity Generating Company Limited;

“kVA” means kilovolt Ampere;

“Meter” means any and every kind of machine, device or instrument used for the measurement of the quantity of electrical energy, and includes such auxiliary appliances as resistors, shunts, reactance, current transformers, voltage transformers and time switches, external and necessary to the meter;

“Off-Grid System” means those works inclusive of power stations and electrical supply lines, which are electrically and physically separate from the Interconnected System;

“Post-paid Billing Period” means the period of time elapsing between the issuing of two consecutive bills by the Company, but with the exception of their first and last period, such period of time shall be as near to thirty days as possible;

“Post-paid Consumer” means Consumer who consumes electricity on credit and pays for it after receiving a bill from the Company in accordance to the terms and condition of supply;

“Power Factor” means the decimal fraction obtained by dividing the Demand in kilowatts by the Demand in kiloVolt Amperes and shall be ascertained by suitable apparatus installed by the Company;

“Pre-paid Consumer” means a Consumer who pays for electricity up-front, by purchasing electricity units from the Company or its agent in accordance with the terms and condition of supply;

“Pre-paid Unit Purchase Period” means a period of one calendar month;

“Tariff” means the prices, rates, costs and all other charges including adjustments, formulae and other terms, conditions and information contained in parts II, III and IV of this Schedule of Tariffs- 2018.

“Unit” means one kiloWatt hour (kWh);

“Units Purchased” means electricity measured in kWh generated by the Company’s Power Plants or Electric Power Producers Power Plants delivered to and purchased by the Company;

PART II
SCHEDULE OF NON-FUEL TARIFFS FOR ELECTRICAL ENERGY SUPPLIED BY THE COMPANY

Part II—Effective from 1st July, 2018

The Tariffs to be applied by the Company for the supply of electrical energy from both the Interconnected System and the Off-Grid Systems, in each Post-paid Billing Period or Pre-paid Units Purchase Period shall be as detailed below:

METHOD DC-LIFELINE: Applicable to Domestic Consumers for supply provided and metered by the Company at 240 or 415 volts and whose consumption does not exceed 10 Units per Post-paid Billing Period or Pre-paid Units Purchase Period.

(a) Energy charges of KSh.12.00 per Unit for Units consumed;

METHOD DC-ORDINARY: Applicable to Domestic Consumers for supply provided and metered by the Company at 240 or 415 volts and whose consumption is greater than 10 units but does not exceed 15,000 Units per Post-paid Billing Period or Pre-paid Units Purchase Period.

(a) Energy charges of KSh.15.80 per Unit for Units consumed;

METHOD SC: Applicable to non-domestic Small Commercial Consumers for supply provided and metered by the Company at 240 or 415 volts and whose consumption does not exceed 15,000 Units per Post-paid Billing Period or Pre-paid Units Purchase Period.

(a) Energy charge of KSh.15.60 per Unit for all Units consumed.

METHOD CI1: Applicable to Commercial and Industrial Consumers for supply provided and metered by the Company at 415 volts three phase four-wire and whose consumption exceeds 15,000 Units per Post-paid Billing Period.

(a) Energy charge of KSh.12.00 per Unit consumed.

(b) Energy charge of KSh.6.00 per unit for supply metered during off-peak hours as prescribed in Note 2.

(c) Demand charge of KSh. 800.00 per kVA.

METHOD CI2: Applicable to Commercial and Industrial Consumers for supply provided and metered by the Company at 11,000 volts, per Post-paid Billing Period.

(a) Energy charge of KSh.10.90 per Unit consumed.

(b) Energy charge of KSh. 5.45 per unit consumed for supply metered during off-peak hours as prescribed in Note 2.

(c) Demand charge of KSh.520.00 per kVA.

METHOD CI3: Applicable to Commercial and Industrial Consumers for supply provided and metered by the Company at 33,000 volts, per Post-paid Billing Period.

(a) Energy charge of KSh.10.50 per Unit consumed.

(b) Energy charge of KSh. 5.25 per unit consumed for supply metered during off-peak hours as prescribed in Note 2.

(c) Demand charge of KSh.270.00 per kVA.

METHOD CI4: Applicable to Commercial and Industrial Consumers for supply provided and metered by the Company at 66,000 volts, per Post-paid Billing Period.

(a) Energy charge of KSh. 10.30 per Unit consumed.

(b) Energy charge of KSh. 5.15 per unit consumed for supply metered during off-peak hours as prescribed in Note 2.

(c) Demand charge of KSh.220.00 per kVA.

METHOD CI5: Applicable to Commercial and Industrial Consumers for supply provided and metered by the Company at 132,000 volts, per Post-paid Billing Period.

(a) Energy charge of KSh.10.10 per Unit consumed.

(b) Energy charge of KSh. 5.05 per unit consumed for supply metered during off-peak hours as prescribed in Note 2.

(c) Demand charge of KSh.220.00 per kVA.

METHOD SL: Applicable to public and County Governments metered by the Company at 240 or 415 volts per Post-paid Billing Period for supply of electrical energy to public lamps (Street Lighting).

(a) Energy charge of KSh. 7.50 per Unit consumed.

Supply under this Method of Charge shall be available for a minimum period of 11 hours per night for public lamps and for no other purpose.

The attention of public and County Governments taking supply on this tariff is drawn to the fact that where public lamps are fitted on the Company’s poles, all maintenance of the lamps, switch wire and associated equipment must be carried out by the Company and shall be charged for on the basis of net costs of materials, labour and transport plus 25%.

Note 1: This discounted Time of Use Tariffs shall be applicable during off-peak period ONLY.

Note 2: The off-peak hours are as follows:

<table>
<thead>
<tr>
<th>Day</th>
<th>Start (Hrs.)</th>
<th>End (Hrs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekdays</td>
<td>00:00</td>
<td>06:00</td>
</tr>
<tr>
<td></td>
<td>00:00</td>
<td>22:00</td>
</tr>
<tr>
<td>Saturday/Holidays</td>
<td>00:00</td>
<td>00:00</td>
</tr>
<tr>
<td>Sunday</td>
<td>00:00</td>
<td>00:00</td>
</tr>
</tbody>
</table>

Note 3: CI customers will be required to meet their monthly Energy Consumption Threshold then any units over and above that threshold is billed at the discounted TOU Tariff subject to Note 1 above.

Note 4: Energy Consumption Threshold shall be the existing average monthly consumption for the last six consecutive months and a new threshold determined after every six months interval based on preceding six months actual consumption.
Note 5: For new CI1-CI15 customers, Energy Consumption Threshold shall be the average monthly consumption for the first three consecutive months and thereafter Note 4 applies.

Note 6: The Amendments set out herein shall take effect on 1st day of July 2018

Note 7: For CI1-CI5 customers operating at 100% production capacity during on peak and off-peak, they will be given a 5% discount on the applicable Energy Rate in respect of the Schedule of Tariffs, 2018 for the off-peak consumption upon satisfactory confirmation by KPLC that their production is 100%.

Note 8: Every Consumer shall pay to the Company in addition to the charges specified in Part II of this Schedule of Tariffs a Fixed Charge at a rate not exceeding KSh. 50.00 per kVA per Billing Period of nameplate kVA continuous rating in respect of all electric welding plant, as adjusted by any power factor equipment in use.

Note 9: The Domestic Consumers have been categorized into two distinct categories i.e. Domestic Consumers-Lifeline (DC-L) and Domestic Consumer-Ordinary (DC-O). For clarity DC-L shall shift from DC-L to DC-O if the average three months consumption including the current billing cycle is >10 kWh/billing cycle or the DC-O shall shift to DC-L if the average three months consumption including the current billing cycle is ≤ 10kWh/billing cycle.

PART III
OTHER CHARGES

1. Fuel Energy Cost

(a) All units billed to each Post-paid Consumer or purchased by each Pre-paid Consumer every month shall be liable to Fuel Energy Cost rate which shall be calculated in accordance with the following formula:

\[
\text{Fuel Energy Cost rate in Kenya cents/Unit calculated to the nearest one cent:} = \frac{1}{1-L} \times \left( \sum_{i=1}^{L} P_{s} + \sum_{i=1}^{L} P_{e} \times E_{P} \right) \times 100
\]

Where:

- \( C_{i} \) = Actual price in KSh/kg paid by the Company or Electric Power Producers for fuel consumed by Plant \( i \), where \( i = 1, 2, \ldots, n \), during the calendar month immediately preceding each Post-paid Billing Period or Pre-paid Units Purchase Period at all existing thermal plants on the Interconnected System and the Off-Grid System, as the case may be. This shall also include other thermal power plants to be constructed and in respect of which the Company shall enter into Power Purchase Agreements.

- \( G_{n} \) = All Units generated and or purchased by the Company from Electric Power Producers’ Plant \( i \), where \( i = 1, 2, \ldots, n \), during the calendar month immediately preceding each Post-paid Billing Period or Pre-paid Units Purchase Period at all existing thermal plant on the Interconnected System and the Off-Grid System, and imports/exports from Uganda Electricity Transmission Company Limited adjusted for system losses as the case may be. This shall also include other thermal power plant(s) to be constructed and in respect of which the Company shall enter into Power Purchase Agreement(s).

- \( G_{s} \) = Total of all Units purchased by the Company from Electric Power Producer(s), generated by the Company and net imports during the calendar month immediately preceding each meter reading period.

- \( S_{s} \) = Specific fuel consumption in kg/Unit for the following thermal plants:
  
  - Muhoroni Gas Turbine — 0.315 kg/Unit purchased
  - Muhoroni Gas Turbine II — 0.315 kg/Unit purchased
  - Kipevu I Diesel Plant — 0.217 kg/Unit purchased
  - Kipevu II Diesel Plant — 0.222 kg/Unit purchased
  - Kipevu III Diesel Plant — 0.2095 kg/Unit purchased
  - Iberafrica Diesel Plants:

<table>
<thead>
<tr>
<th>Plant</th>
<th>Fuel Cost Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>56.346 MW Plant</td>
<td>— 0.226 kg/Unit purchased</td>
</tr>
<tr>
<td>52.5 MW Plant</td>
<td>— 0.224 kg/Unit purchased</td>
</tr>
<tr>
<td>Rabai Diesel Plant</td>
<td>— Without steam turbine,</td>
</tr>
<tr>
<td></td>
<td>above 33MW — 0.200 kg/Unit</td>
</tr>
<tr>
<td></td>
<td>purchased</td>
</tr>
<tr>
<td></td>
<td>Without steam turbine,</td>
</tr>
<tr>
<td></td>
<td>below 33MW — 0.211 kg/Unit</td>
</tr>
<tr>
<td>Triumph Diesel Plant</td>
<td>— With steam turbine,</td>
</tr>
<tr>
<td></td>
<td>above 35MW — 0.201 kg/Unit</td>
</tr>
<tr>
<td></td>
<td>purchased</td>
</tr>
<tr>
<td></td>
<td>Without steam turbine,</td>
</tr>
<tr>
<td></td>
<td>below 35MW — 0.210 kg/Unit</td>
</tr>
<tr>
<td>Gulf Diesel Plant</td>
<td>— With steam turbine,</td>
</tr>
<tr>
<td></td>
<td>above 33MW — 0.215 kg/Unit</td>
</tr>
<tr>
<td>Thika Diesel Plant</td>
<td>— With steam turbine,</td>
</tr>
<tr>
<td></td>
<td>above 33MW — 0.199 kg/Unit</td>
</tr>
<tr>
<td></td>
<td>Without steam turbine,</td>
</tr>
<tr>
<td></td>
<td>below 33MW — 0.215 kg/Unit</td>
</tr>
</tbody>
</table>

- Diesel Plants in Off-Grid System:

<table>
<thead>
<tr>
<th>Power Plant</th>
<th>Fuel Cost Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodwar — 0.282 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Mandera — 0.266 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Marsabit — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Wajir — 0.280 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Moyale — 0.277 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Habuswein — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Merti — 0.280 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Elwak — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Mfangano — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Baragoi — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Lokichogio — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Takuba — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Eldas — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Rhamu — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Laisamis — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>North Horr — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Lokori — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Dadaab — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Faza Island — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Lokitaung — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Kiunga — 0.290 kg/Unit generated</td>
<td></td>
</tr>
<tr>
<td>Kakuma — 0.290 kg/Unit generated</td>
<td></td>
</tr>
</tbody>
</table>

**Rabai:** The higher specific fuel consumption for Rabai Diesel Plant also applies for a period of 2.5 hours during start up after a plant shutdown of more than 8 hours.

**Triumph:** The higher specific fuel consumption for Triumph Diesel Plant also applies for a period of 2.5 hours during start up after a plant shutdown of more than 8 hours.

*** Specific fuel consumption for Off-Grid System shall be estimated at 0.290 kg/unit for any other thermal power plants to be constructed for the supply of electricity to the Company from that Power Station with the approval of the Commission.

\[
P_{in} = \text{Sum of fuel costs for imported units calculated based on respective power import contracts.}
\]

\[
P_{eo} = \text{Sum of fuel costs for exported units calculated based on respective power export contracts.}
\]

\[
P_{dis} = \text{Sum of fuel displacement costs and other pass through charges based on power purchased from Power Plant i, where } i = 1, 2, \ldots, n. \text{ This refers to Mumias, future temporary power plants, geothermal steam chargeas approved by the Commission and other power plants to be constructed in respect of which the Company shall enter into a Power Purchase Agreement.}
\]

(i) The fuel displacement costs, \( P_{dis} \), for the Mumias Power Plant shall be computed using the formula \( P_{dis} = G_{s} \times DCR \).
Where;

\[ G_i = \text{Units purchased by the Company from the plant during the calendar month immediately preceding each Post-paid Billing Period and/or Pre-paid Units Purchase Period}, \]

\[ DCR_i = \text{the approved Displacement Charge Rate for the plant being US$ 0.034/kWh}. \]

(ii) The fuel displacement costs, Pi, for the geothermal steam shall be computed using the formula 

\[ G_i = \text{Units purchased by the Company from the plant during the calendar month immediately preceding each Post-paid Billing Period and/or Pre-paid Units Purchase Period}, \]

\[ DCR_i = \text{the approved Charge Rate for the plant being US$ 0.02/kWh or any other rate approved by the Commission}. \]

(iii) The fuel displacement costs, Pi, for the Kipeto and Prunus Wind Power Plants shall be computed using the formula 

\[ G_i = \text{Units generated delivered and purchased by the Company from the plant or Units curtailed from being generated by such plant as invoiced to the Company in accordance with the Power Purchase Agreement for such plant, during the calendar month immediately preceding each Post-paid Billing Period and/or Pre-paid Units Purchase Period}, \]

\[ DCR_i = \text{The approved Displacement Charge Rate for the plant being US$ 0.084/kWh}. \]

(iv) The fuel displacement costs, Pi, for Power Plant plants procured through the FiT Policy shall be computed using the formula 

\[ G_i = \text{Units generated delivered and purchased by the Company from the plant or Units curtailed from being generated by such plant as invoiced to the Company in accordance with the Power Purchase Agreement for such plant, during the calendar month immediately preceding each Post-paid Billing Period and/or Pre-paid Units Purchase Period}, \]

\[ DCR_i = \text{The approved Displacement Charge Rate for the plant being US$ 0.08/kWh}. \]

The factor Z is the proportionate change in the exchange rate \( X_t \) in the current Post-paid Billing Period or Pre-paid Units Purchase Period from the Base Exchange rate \( X_0 \) in the base period and shall be determined according to the following formula:

\[ Z = \frac{X_t - X_0}{X_0} \]

Where:

\[ X_t = \text{CBK mean exchange rate for the calendar month immediately preceding current Post-paid Billing Period or Pre-paid Units Purchase Period}, \]

\[ X_0 = \text{CBK mean exchange rate as tabulated below.} \]

<table>
<thead>
<tr>
<th>Foreign Currency</th>
<th>March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>102.8482</td>
</tr>
<tr>
<td>STG Pound</td>
<td>126.8636</td>
</tr>
<tr>
<td>Euro</td>
<td>109.8634</td>
</tr>
<tr>
<td>SA Rand</td>
<td>7.9618</td>
</tr>
<tr>
<td>AE: Dirhams</td>
<td>28.0822</td>
</tr>
<tr>
<td>Canadian Dollar</td>
<td>76.8489</td>
</tr>
<tr>
<td>Swiss Francs</td>
<td>102.5884</td>
</tr>
<tr>
<td>JPY(100)</td>
<td>91.0744</td>
</tr>
<tr>
<td>SW Kroner</td>
<td>11.5282</td>
</tr>
<tr>
<td>NOR Kroner</td>
<td>12.0999</td>
</tr>
<tr>
<td>DAN Kroner</td>
<td>14.7782</td>
</tr>
<tr>
<td>IND Rupee</td>
<td>1.5607</td>
</tr>
<tr>
<td>Hongkong Dollar</td>
<td>13.2433</td>
</tr>
<tr>
<td>Saudi Riyal</td>
<td>27.4245</td>
</tr>
<tr>
<td>Chinese Yuan</td>
<td>14.9124</td>
</tr>
<tr>
<td>Australian Dollar</td>
<td>78.3915</td>
</tr>
</tbody>
</table>

Note: Applicable CBK mean rates for KenGen power plants with Kenya Shillings denominated charge rates are as stipulated in the respective Power Purchase Agreements.

\[ G = \text{Total of all Units purchased by the Company from Electric Power Producer(s), generated by the Company and net imports during the calendar month immediately preceding each meter reading period}, \]

\[ L = \text{Target System loss factor in transmission and distribution equal to 14.9% in year 2018/19}, \]

\[ b\text{. the Commission shall publish a monthly notice in the Kenya Gazette showing the Fuel Energy Cost rate applicable to all Units billed to every Post-paid Consumer or Units Sold with respect to Pre-paid Consumers during the month of publication of such notice.} \]

2. Foreign Exchange Rate Fluctuation Adjustment

(a) All units billed to each Post-paid Consumer or purchased by each Pre-paid Consumer every month shall be liable to Foreign Exchange Rate Fluctuation Adjustment which shall be calculated in accordance with the following formula:

\[ FERFA_i = \frac{1}{1 - L} \times \left( \frac{\sum_{t=1}^{t} (H_i - z_i \times \alpha) \times \sum_{t=1}^{t} P_{i,t} \times z_i \times \alpha) \times 100}{\sum_{t=1}^{t} (H_i - z_i \times \alpha) \times \sum_{t=1}^{t} P_{i,t} \times z_i \times \alpha) \times 100} \]

(b) the Commission shall publish a monthly notice in the Kenya Gazette showing the amount of the Foreign Exchange Rate Fluctuation Adjustment applicable to all Units billed to every Post-paid Consumer or Units Sold with respect to Pre-paid Consumers during the month of publication of such notice.

3. Inflation Adjustment

(a) all units billed to each Post-paid Consumer or purchased by each Pre-paid Consumer every month shall be liable to an Automatic adjustment for inflation at the end of every six month period starting from 1st July, 2018.

The effect of domestic and international inflation on cost of supply shall be calculated in accordance with the following formula:

\[ \text{INFA} = \frac{1}{1 - L} \times \left( \frac{\text{INFA}_{t} + \text{INF}_{t} + \text{INF}_{t} \times \alpha) \times 100}{\text{INFA}_{t} \times 100} \]

Where:

\[ F_{i,t} = \text{Sum of the foreign currency costs incurred by KenGen in the calendar month immediately preceding current Post-paid Billing Period or Pre-paid Units Purchase Period}, \]

\[ H_{i,t} = \text{Sum of the foreign currency costs incurred by the Company other than those costs relating to Electric Power Producers in the calendar month immediately preceding current Post-paid Billing Period or Pre-paid Units Purchase Period}, \]

\[ IPP_{i,t} = \text{Sum of the foreign currency costs paid by the Company to Electric Power Producers (except KenGen) in the calendar month immediately preceding current Post-paid Billing Period or Pre-paid Units Purchase Period}. \]
Where:

INFA = Total Inflation Adjustment in Kenya cents per Unit for the half year period t. The first adjustment shall be effected on 1st July, 2018.

L = Target System loss factor in transmission and distribution equal to 14.9% in year 2018/19.

Gp = Total projected Units generated or purchased by the Electric Power Producer’s (excluding KenGen) Plant i, which shall be determined as follows:

\[ \text{GINFAIPP} = \sum \text{INFAIPP} \]

Where:

\[ \text{INFAIPP} = \text{Specific Inflation Adjustment in half-year period, relating to contracted Electric Power Producer’s (excluding KenGen) Plant i, which shall be determined as follows:} \]

\[ \text{INFAIPP} = \{\text{IPPP} \times \text{CCR} + \text{GIPP} \times \text{ECR}\} \times \text{USCPI} \times \text{USCPI} \times \text{USCPI} = \frac{\text{USCPI}}{\text{USCPI}} \]

Where:

IPPP = Contracted capacity for IPP Plant i in kW.

CCR = Base escalable capacity charge rate for IPP plant i in US$/kW/year for March 2017.

GIPP = Projected Units purchased from IPP plant i in kWh in the half-year Adjustment Period.

ECR = Base escalable energy charge rate for IPP plant i in US$/kWh for March 2017.

USCPI = The “Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982–84 = 100” as published by the United States Department of Labour Statistics index for March 2017, being 243.801.

USCPI = The “Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982–84 = 100" as published by the United States Department of Labour Statistics index for March 2017, being 243.801.

*Note:

For Euro denominated costs

CCR = Base escalable capacity charge rate for IPP plant i in €/kW/year, for March 2017, divided by two.

ECR = Base escalable energy charge rate for IPP plant i in €/kWh for March 2017.

USCPI = The Monetary Union Index of Consumer Prices for European Union as published by Eurostat for March 2017 being 119.70.

USCPI = The Monetary Union Index of Consumer Prices for European Union as published by Eurostat for the month of March for adjustments effected in the period July–December; and for September for adjustments effected in the period January–June every year.

All inflation adjustment costs for IPPs shall be converted to Kenya Shillings using the Base Exchange rates in this Schedule of Tariffs and Rates 2018.

(iii) \( \text{INFAIPP} \)

\[ \text{INFAIPP} = \text{Specific Inflation Adjustment in half-year period, relating to contracted Electric Power Producer’s (excluding KenGen) Plant i, which shall be determined as follows:} \]

\[ \text{INFAIPP} = \{\text{IPPP} \times \text{CCR} + \text{GIPP} \times \text{ECR}\} \times \text{USCPI} \times \text{USCPI} \times \text{USCPI} = \frac{\text{USCPI}}{\text{USCPI}} \]

Where:

IPPP = Contracted capacity for IPP Plant i in kW.

CCR = Base escalable capacity charge rate for IPP plant i in US$/kW/year, for March 2017, divided by two.

GIPP = Projected Units purchased from IPP plant i in kWh in the half-year Adjustment Period.

ECR = Base escalable energy charge rate for IPP plant i in US$/kWh for March 2017.

USCPI = The “Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982–84= 100" as published by the United States Department of Labour Statistics index for March 2017, being 243.801.

USCPI = The “Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982–84= 100" as published by the United States Department of Labour Statistics index for March 2017, being 243.801.

*Note:

For Euro denominated costs

CCR = Base escalable capacity charge rate for IPP plant i in €/kW/year, for March 2017, divided by two.

ECR = Base escalable energy charge rate for IPP plant i in €/kWh for March 2017.

USCPI = The Monetary Union Index of Consumer Prices for European Union as published by Eurostat for March 2017 being 119.70.

USCPI = The Monetary Union Index of Consumer Prices for European Union as published by Eurostat for the month of March for adjustments effected in the period July–December; and for September for adjustment effected in the period January–June every year.

All inflation adjustment costs for IPPs shall be converted to Kenya Shillings using the Base Exchange rates in this Schedule of Tariffs and Rates 2018.
Where:

\[ \text{USCPI}_u = \text{The "Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982 - 84} \]

\[ = 100" \text{ as published by the United States Department of Labour Statistics index for March 2017, being 243.801.} \]

\[ \text{USCPI}_l = \text{The "Consumer Prices Index for all urban consumers (CPI - U) for the US city average for all items 1982 - 84} \]

\[ = 100" \text{ as published by the United States Department of Labour Statistics index for the month of March for adjustments effected in the period July – December; and for September for adjustments effected in the period January – June every year.} \]

Note:

Any difference between the total inflation costs and the actual billed amount for a given half year adjustment period shall be adjusted for in the following half year period.

(b) The Commission shall publish in the first month of the half-year inflation adjustment period a notice in the Kenya Gazette showing the half-year Inflation Adjustment rate applicable to all Units billed to each Post Paid Consumer or with respect to Pre-paid Consumer Units sold during that half-year period.

4. Security Support Facility

(a) All units billed to each Post-paid Consumer or purchased by each Pre-paid Consumer shall with effect from the last day of the month in which Lake Turkana Wind Power Limited (LTWP) commissions into operation at least 50MW of the 300MW Wind Power Plant under the Power Purchase Agreement between the Kenya Power & Lighting Company Limited (KPLC) and LTWP, be liable to security support facility monthly computed in accordance with the Formula set out below this paragraph 4. The security support facility shall be collected and remitted by KPLC into an escrow account established as security for the KPLC’s payment obligations to Lake Turkana Wind Power Limited under the Power Purchase Agreement in respect of the 300MW Wind Plant which has been approved by the Commission. The security support facility hereby shall be charged on all units consumed monthly in accordance with this paragraph until the total amount in the escrow account is equal to Euro forty two million and six hundred thousand (€ 42,600,000.00) and shall thereafter be discontinued.

The security support facility is calculated in equivalent Kenya cents per unit to the nearest one cent as follows:

\[ \text{SSF} = \frac{1}{1 - L} \times \left( \sum \text{G}_i \times \text{SSF} \right) \times 100 \]

Where:

\[ G = \text{Total of all Units purchased by the Company from Electric Power Producer(s), generated by the Company and net imports during the calendar month immediately preceding each meter reading period, including all hydro stations, Off-Grid power stations and imports.} \]

\[ G_i = \text{Actual Units purchased by the company from Lake Turkana Wind Power Limited’s wind power plant during the calendar month preceding each Post-paid Billing Period or Pre-paid Units Purchase Period.} \]

\[ \text{SSF} \times \text{Euro cents 1.86kW} \]

\[ \chi = \text{CBK mean exchange rate for the calendar month immediately preceding current Post-paid Billing Period or Pre-paid Units Purchase Period.} \]

\[ L = \text{Target System loss factor in transmission and distribution equal to 14.9% in year 2018/19.} \]

(b) The Commission shall publish a monthly notice in the Kenya Gazette showing the amount of the Security Support Facility applicable to all Units billed to every Post-paid Consumer or Units sold with respect to Pre-paid Consumers during the month of publication of such notice. The notice shall also show the amount collected by KPLC by way of the security support facility and standing to the credit of the escrow account on the last business day of the month preceding the date of the notice.

5. Water Levy

(a) All units billed to each Post-paid Consumer or purchased by each Pre-paid Consumer every month shall be liable to Water Resource Management Authority (WRMA) Levy for water used by hydro power plants that have a capacity equal to or above 1MW as approved by the Commission.

WRMA levy is calculated in Kenya cents/Unit to the nearest one cent as follows:

\[ \text{WRMA}_{\text{levy}} = \frac{1}{1 - \chi} \times \left( \sum \text{G}_i \times \text{SSF} \right) \times 100 \]

Where:

\[ G = \text{Total of all Units purchased by the Company from Electric Power Producer(s), generated by the Company and net imports during the calendar month immediately preceding each Post-paid Billing Period or Pre-paid Units Purchase Period for plants in the interconnected system or off grid system as the case may be. This shall also include hydro power plants to be constructed and in respect of which the Company shall enter into Power Purchase Agreements.} \]

\[ \text{SSF} = \text{Total units purchased from the preceding month fromhydroelectric power producer from plant that have a capacity equal to or above 1MW, where } i \text{ is equal to } 1,2,\ldots \text{ indentation the calendar month preceding each Post-paid Billing Period or Pre-paid Units Purchase Period for plants in the interconnected system or Off-Grid power stations and imports.} \]

\[ \text{SSF} = \text{APS approval water levy for plant } i \text{ as per the approved PPA.} \]

Note:

Any difference between the total WRMA levy invoiced and the actual collected amount for a given Post-paid Billing Period or Pre-paid Units Purchase Period shall be adjusted for in subsequent periods.

(b) The Commission shall publish a monthly notice in the Kenya Gazette showing the amount of the WRMA Levy applicable to all Units billed to every Post-paid Consumer or Units Sold with respect to Pre-paid Consumers during the month of publication of such notice.

6. Taxes and Levies

The Consumer shall pay any taxes, levies or duties imposed from time to time by the Government. At present, the following are levied by the Government:

(i) VAT at 16% charged to:

(a) Demand Charge;

(b) Foreign Exchange Fluctuation Adjustment;

(c) Inflation Adjustment;

(d) Fuel Energy Cost; and

(e) Non Fuel Energy Cost.

(ii) Rural Electrification Programme (REP) levy at 5% of revenue from Unit sales.

(iii) Energy Regulatory Commission (ERC) levy at 3 Kenya cents/kWh.

PART IV

OTHER IMPORTANT CONDITIONS

(a) In the event of the supply of electrical energy to the installation of any Consumer having a Power Factor of less than 0.90, then the Company may give to such Consumer...
thirty days’ notice in writing requiring him to improve the Power Factor of his installation to or in excess of 0.90.

(b) If a Consumer fails to comply with such notice as aforesaid, then the Company shall be at liberty to impose a surcharge as specified below until such time as the Power Factor of such Consumer’s installation is equal, or in excess of 0.90 :

(i) for Consumers charged under Methods DC, SC and SL, the payment for electrical energy consumed in each Post-paid Billing Period (exclusive of VAT, Fuel Energy Cost Charge, Foreign Exchange Rate Fluctuation Adjustment, REP and ERC levies) shall be increased by 2 per cent for each complete 1 per cent by which the power factor is below 0.90.

(ii) for Consumers charged under Method CI - the payment for electrical energy consumed and chargeable KVA of Demand in each Post-paid Billing Period (exclusive of VAT, Fuel Energy Cost charge, Foreign Exchange Rate Fluctuation Adjustment, REP and ERC levies) shall be increased by 2 per cent for each complete 1 per cent by which the Power Factor is below 0.90.

(c) Any apparatus installed by the Company for the purpose of ascertaining the power factor of any Consumer’s installation or of any part thereof shall be installed and maintained at the sole expense of the Company.

(d) The Company shall determine the voltage at which a supply of electrical energy shall be provided to any Consumer’s supply terminals and this voltage shall be maintained by the Company subject to the permissible variations as provided for in the Act.

REPUBLIC OF KENYA

THE ENERGY ACT 2006

Pursuant to section 45 of the Energy Act, 2006, I approve the Schedule of Tariffs and Rates 2018 attached hereto for supply of electricity by The Kenya Power and Lighting Company Limited, to come into force on the 1st day of July 2018.

Dated the 1st August, 2018.

PAVEL ROBERT OIMEKE,
Director-General, Energy Regulatory Commission.