



# KENPIPEnews

KPC E-NEWSLETTER

## Change the Image of KPC, CS Keter tells Board and Staff

By Belinda Mulindi

**The Energy and Petroleum Cabinet Secretary Hon Charles Keter** has told Kenya Pipeline Company (KPC) to work hard and change the image of the company for the benefit of the country and the region.

As a critical player in fostering development and growth in the region through sufficient and reliable supply of petroleum products, the newly-appointed CS said that as the only 'white oil' pipeline, the entire country and region rely on KPC for a cost effective and safe means of transporting petroleum products. This cannot be achieved effectively if the image of the company is not good.

Hon Keter spoke to the Board and Management when he recently visited the company's Head Office on a familiarization tour of the ministry's agencies. 'I want to see the KPC Board and Management working as a team. As a KPC employee, strive to leave a mark in whatever that you do. Excellence and delivery of good results that will lead to cheaper and accessible energy for all Kenyans is what matters to me,' he told the employees of one of Kenya's most profitable state institutions in the company of his Principal Secretaries namely Engineer Joseph Njoroge (Energy) and Mr Andrew Kamau (Petroleum).

With regard to projects and the Jubilee government's transformation agenda, the CS reminded KPC that the government had made numerous promises to the people of Kenya and that some of these promises will be met through successful completion of key projects that are underway such as the new Mombasa-Nairobi pipeline, the Sinendet-Kisumu line among others. He told KPC that as it strategically positions itself to deliver petroleum products to the country and the region, it must be borne in mind that project timelines should be adhered to so that the people of Kenya can reap the economic benefits that will accrue.

The CS said that his ministry will offer the necessary support to enable KPC complete her projects in time. 'My ministry will give you room to employ qualified engineers and other technical staff to hasten project completion process for the benefit of the country,' Hon Keter told KPC Board and Management led by the Chairman Mr John Ngumi and the Acting Managing Director Mr Joe Sang. The company's directors and managers were also in attendance.

The CS urged KPC to be more innovative in its strategy and moot new ways of doing business because its monopoly status is no longer guaranteed. 'I have been told that you are losing both export and local market. You must now institute measures of finding out why this is happening and come up with a Marshall Plan to take KPC into the desired future,' he said while thanking KPC for the hearty welcome but not without a word of caution that success will not be guaranteed unless the monster of corruption - real or perceived - is confronted. 'KPC must have in place an open and transparent procurement process that the Board and Management can stand for. Strive to have efficiency in your operations,' the immediate former Kericho Senator added. The CS later joined KPC employees for lunch where he promised to follow up on the pending issue of staff bonuses with the Salaries and Remuneration Commission (SRC).

A few days later, Hon Keter led senior officials from his ministry and other government agencies on a tour of Thange River oil spillage area in Kibwezi, Makueni County to assess the extent of the damage. The area suffered an oil spillage occasioned by a leak at KPC pipeline's KM 256 along the Mombasa-Nairobi pipeline. The minister was joined by a host of local leaders namely H.E. Governor Kivutha Kibwana, Hon Senator Mutula Kilonzo Junior, Hon Jessica Mbalu among others. The CS ordered KPC and NEMA to fast track the environmental clean-up process with the environmental agency taking the lead. 'The clean-up process must start in two weeks' time and I will be back in a month to assess the progress,' he told an enthusiastic crowd of Thange residents during a public meeting addressed by the leaders and the community.



**KPC Chairman John Ngumi (L) inviting Energy Cabinet Secretary Hon. Charles Keter to address KPC staff during the CS's visit to KPC.**

### VISION

Africa's premier oil and gas company

### MISSION

Transforming lives through safe and efficient delivery of quality oil and gas from source to the customer

### VALUES

Integrity, transparency, accountability, diligence, team spirit, loyalty and care for the environment.

## Customers urge KPC to Streamline Depot Operations

*By Claryce Kopere*

**Efficiency at KPC depot operations took centre stage during a recent 'town hall' session** with selected oil marketing companies (OMCs) hosted by KPC Chairman John Ngumi. The breakfast forum attended by over ten OMCs is part of a bigger strategy by the Company to improve relations with her customers as it prepares to rebrand as Africa's premier Oil and Gas Company.

Addressing the customers during the event, Mr Ngumi said that KPC is now very keen on how it is perceived by its customers and all the other stakeholders in the supply chain. 'We are now more customer-focused and we are going to intensify the interaction between you and us. KPC is keen on aligning its growth strategy with your growth strategy. This means we have to listen and learn more from each other,' said Ngumi, a renowned investment banker.

The KPC Acting Managing Director Joe Sang, who was present, delved into the key issues affecting service delivery at KPC's terminals with corrective measures to improve the business. 'Management is aware that unavailability and reliability of products in Western Kenya depot in Kisumu is a source of concern to all of you but we are doing something about it,' Sang told the OMCs citing that the new Sinendet-Kisumu pipeline that is due for completion by mid this year is a welcome boon for our western and regional market. He added that other projects that are underway such as the new Mombasa-Nairobi line, additional tanks at Nairobi Terminal and the Eldoret bottom truck loading facility are all geared towards enhancing our capacity to address the current efficiency challenges being cited by our customers.

The customers urged KPC to address the inefficiencies and corruption in her depots to enhance faster evacuation. 'As you design new strategies to address the problems we have cited, please note that we need action so that these forums do not degenerate into mere talking shops as other markets such as Ethiopia and Djibouti grow,' said Dr Macharia Irungu, the CEO of Gapco. The other key issues that the customers wanted addressed included the line fill question, automatic metering, jet loading in Western Kenya, ullage allocation among others.

In a related development, the newly appointed Principal Secretary in charge of Petroleum Mr Andrew Kamau has challenged KPC to aspire to be bigger than Safaricom! The PS told participants in a recent SupplyCo forum in Nairobi Serena Hotel that the oil and gas sector is changing very fast and presents immense opportunities for KPC and other players in the sector to grow. 'The government has big plans to beef up the petroleum industry especially the downstream sector so as to take products closer to the people and at an affordable price,' said Kamau urging the SupplyCo, an organization that protects the interests of OMCs in Kenya, to think of investing in storage as KPC focuses on the pipelines. 'As an industry, we need to carry out an audit and cite where we need to store fuel and ask KPC to take the pipeline there. That is the model that works because our efficiencies and pricing will be more competitive once this kind of audit is done to benefit all stakeholders.

The OMCs present in this forum were happy with the new thinking in KPC as presented by the Chairman John Ngumi who was categorical that the company will work to resolve the customer issues promptly. 'We want less battles and more service delivery,' he told participants in the breakfast forum.



**John Ngumi, KPC Chairman (Centre), Ag. Managing Director Joe Sang (Left) and Vivo Oil (K) Managing Director Polycarp Igathe consulting during the OMC's breakfast forum**

## KPC Distributes Food to Thange Residents

*By Bernard Kimani*

**KPC recently put smiles on the faces of hundreds of Thange residents** in Kibwezi, Makueni County with a one-off food donation which was distributed with the help of Kenya Red Cross Society. The beneficiaries of the food aid are the Thange River residents who have been affected by the oil spillage occasioned by a leakage in KM 256 on the Mombasa-Nairobi pipeline in May 2015. The Company distributed 553 bags of maize and 129 bags of beans to the affected villagers. 'We are glad KPC has shown a human face in this crisis. We are happy that our people will have a good Christmas,' said John Mukai, a community leader.

As the clean-up process kicks off to restore the environment in this area, KPC has also been providing clean water to the residents and the affected schools as a lasting solution is being sought. 'As a good corporate citizen, KPC is committed to not only restoring the Thange River environment, but also maintaining a good working relationship with the community going forward. A good relationship with communities where our pipeline network passes is a strategic resource for our business,' said Jason Nyantino, KPC Corporate Communications Manager, as he led the KPC and Red Cross team during the distribution exercise on 23<sup>rd</sup> December 2015.



**Corporate Communications Manager Jason Nyantino giving out food to a resident of Thange**

# KPC Finance Chief Elevated to New Status

By Kenpipe News Team

The KPC General Manager in charge of Finance and Strategy was recently appointed KPC's new Acting Managing Director. In a statement released in early January by the Chairman of KPC Board of Directors John Ngumi, the KPC Finance boss takes over from Mrs. Flora Okoth who has been Acting Managing Director since early last year. 'On behalf of the Board of Directors of the Kenya Pipeline Company, I take this opportunity to announce the appointment of Mr Joe Sang as the new Acting Managing Director of Kenya Pipeline Company with effect from 4<sup>th</sup> January, 2016,' read the statement.



**Joe Sang, Ag. Managing Director**

Mr Sang is a holder of Master of Business Administration (Strategy), Bachelor of Arts (Economics) and CPA (K). A member of ICPAK, he brings to the role over 15 years hands-on experience garnered through various senior managerial positions in different organizations including Parastatals and Multi-National Corporations. These include Head of Group Business Performance & Planning at East Africa Breweries Limited; Finance Director at East Africa Maltings Limited; Management Accountant with Unga Group; and Financial Accountant at National Oil Corporation of Kenya (NOCK).

Addressing the management team shortly after taking over, Mr Sang said that he takes pride in being a team player, demonstrates a passion for developing others and has a penchant for delivering great business performance. 'My key agenda will be execution and delivering results for this great company. The future is bright!' an exuberant Sang told *Kenpipe News* recently.

## PICTORIAL



**KPC Ag. MD Joe Sang (L) in deep consultation with the Energy Principal Secretary Eng. Joseph Njoroge during the CS visit**



**A section of KPC staff during a luncheon hosted in honour of the Energy and Petroleum CS**



**KPC staff following proceedings during the visit by Energy CS Hon. Charles Keter**

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