



POWER HOTLINE

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PFAT bares work agenda for 2012-2014



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President Froilan A. Tampinco has laid down an eight-point workplan for the National Power Corporation for 2012 to 2014, which includes improvements in NPC's financial systems and collection efficiency.

Speaking at the 2012 NPC Management Conference held last Thursday, January 26, President Tampinco said the eight Key Result Areas (KRAs) that make up the corporate workplan will support NPC's mainstream projects and mandates. "We have formulated these KRAs in the hope that they will help us set our path for the future and put into a more accurate perspective the new roles that NPC will play in the power industry, and more significantly, in the country."

The KRAs that have been included in NPC's work agenda for the next three years are:

- Computerization of NPC's financial system and improvements in the Corporation's reportorial and feedback system. The new system will replace NPC's outmoded, in-house-developed financial system, and will include the completion of a new chart of accounts and a revised accounting manual;

- Improvement in NPC's collection efficiency, in particular, the accounts receivables under the Small Power Utilities Group, as well as from distribution utilities and local government units;
- Privatization of financially viable SPUG areas, beginning with Palawan and Mindoro;
- Implementation of social and environmental measures to maximize the potential of the Agus 2 Hydroelectric Power Plant by providing additional downstream reservoir capacity at the Balo-i Plains;
- Formulation of a more updated Dam Safety Program, to ensure the safe operations of NPC's dams and reservoirs, and to enhance customer satisfaction during the normal operations of these facilities;
- Establishment of Eco-Tourism Projects within NPC's watersheds, which will serve as eco-friendly destinations and showcase the natural landscapes, local culture and traditions, as well as the flora and fauna that are endemic to these watersheds;
- Development of a Performance Management System that will measure group and individual employee productivity vis-à-vis the over-all corporate performance;
- Development of a Fuel Inventory and Monitoring System as well as a Fuel Contract Monitoring System to ensure that SPUG Power Plants have an uninterrupted fuel supply.

To ensure the success of these KRAs, President Tampinco also announced the eight KRA champions who will spearhead the implementation of these projects. They are Ms. Laura V. Manibay, Senior Department Manager for Finance, OMA (for the Finance KRA); Mr. German P. Silva, Department Manager for Pre- and Post-Privatization Activities (for Collection Efficiency); Mr. Edmund P. Veloso,

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NPC awards SPUG fuel contracts

The National Power Corporation has successfully bid out the supply contracts for the full-year, 2012 fuel requirements of the power plants being operated by the Small Power Utilities Group (SPUG).

Documents show that Petron Corporation, Pilipinas Shell Petroleum Corporation, Filpride Resources Inc. and Phoenix Petroleum Philippines, Inc. won the bidding for the supply and delivery of diesel and fuel oil to 170 SPUG power plants and barges nationwide.

Petron, the country's largest oil refiner and retailer, received the lion's share of the supply contracts, with P2.4 billion worth of contracts for the supply of diesel and fuel oil to 71 delivery points in Northern and Southern Luzon, Eastern and Western Visayas, and Western Mindanao.

Pilipinas Shell, the local unit of Royal Dutch Shell Plc., meanwhile, secured supply contracts worth P1.2 billion for 23 delivery points in Northern and Southern Luzon. Davao-based Phoenix Petroleum acquired contracts worth P550.6 million for the fuel requirements of 13 SPUG plants in Western Visayas and Eastern Mindanao.

Finally, the Villavicencio Group's Filpride was awarded P92.9 million worth of contracts for two SPUG power plants in Northern Luzon.

The tender for SPUG's 2012 fuel requirements was held last December 29 at the NPC Head Office in Quezon City. Specifically, the bidding involved the supply and delivery of 116,301 kiloliters of diesel worth P5.5 billion, and 22,101 kl of fuel oil worth P816.6 million. This represents SPUG's entire fuel requirements for 2012, for which a total budget of P6.27 billion was earmarked.

As the missionary electrification arm of NPC, SPUG operates 157 generating units with a total generation capacity of about 198 megawatts in areas that are not connected to any of the main grids. To help pay for SPUG's operations, fuel supply and capital projects in these areas, NPC taps funds from the Universal Charge for Missionary Electrification component of consumers' power bills.

NPC is now moving to privatize SPUG's operations in the more financially viable service areas, like Palawan and Mindoro, to help ease the financial strain of SPUG-related expenditures on the Corporation.

PFAT bares...(cont'd)

Department Manager for SPUG-Visayas (for the SPUG KRA); Mr. Roland R. Cabasa, Department Manager for Energy Services (for the Flood Control KRA); Mr. Romuald T. Beltran, OIC-Department Manager for Dams, Reservoirs, and Flood Forecasting (for the Dams Safety KRA); Mr. Emmanuel A. Umali, Department Manager for Watershed Management (for the Watershed KRA); Ms. Marciana B. Guinto, Division Manager for Organizational Management and Placement (for the Human Resource Management KRA); and Ms. Enelita B. de los Reyes, Department Manager for Fuel Management (for the Fuel KRA). These KRA champions will be working closely with designated Management Committee Members and select staff from the Office of the President in carrying out their respective KRA projects.

President Tampinco expressed optimism that the KRAs will be successfully implemented by NPC, saying that he is banking on the employees' "collective desire to ensure NPC's financial turn-around and to bring it back to profitability".

"The targets we have set are achievable. Our success in accomplishing them, however, will depend on how much we care for NPC, and how willing we are to support these KRA projects," he added.

A total of 176 top- and middle-level executives attended the day-long NPC Management Conference, which was anchored on the theme "*Turning Crises into Opportunities*".

(Elizabeth I. Perez)