

Table 1.2.a

**NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2019**

I. CORPORATE OBJECTIVES

- To perform the missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system [Sec. 70 of Republic Act (RA) No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA)];
- To promote the utilization of indigenous and new and renewable energy sources, particularly in performing its Missionary Electrification mandate (Section 2(h) of RA 9136);
- To manage and continue to be responsible for watershed rehabilitation and management and shall be entitled to the environmental charge equivalent to one-fourth of one centavo per kilowatt-hour energy sales (Section 34(d) of RA 9136);
- To continue to be responsible for dam structure and all other appurtenant structure necessary for the safe and reliable operation of hydropower plants (Sec. 6 (d), Rule 23 of RA 9136-Implementing Rules and Regulations);
- To continue to undertake the rehabilitation, upgrading and uprating of undisposed generation assets; and
- To venture into business development of its allied products and services to enhance its revenue generation.

II. CORPORATE PRIORITIES

- Reliable supply of electricity in missionary electrification areas;
- Operation and maintenance, rehabilitation, upgrading and uprating of generation assets in the main grids, as needed;
- Rehabilitation and management of watershed areas; and
- Implementation of Corporate Social Responsibility Program

III. MAJOR PROGRAMS AND PROJECTS

- Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service;
- Develop and implement the overall island/off-grid capacity and transmission system;
- Promote/implement the adoption of renewable hybrid systems;
- Watershed protection, eco-tourism for watersheds and vegetable rehabilitation;
- Dam integrity and safety, dam management protocol and flood forecasting and mitigation; and
- Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b
 NATIONAL POWER CORPORATION
 ASSUMPTIONS, FY 2017-2019
 SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE % Inc (Dec)	
	2017	2018	2019	2018/2017	2019/2018
1. ENERGY SALES, GWH	399	559	568	40.10	1.61

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2017	2018	2019	2017	2018	2019
2. ENERGY GENERATION, GWH	411	578	590	100%	100%	100%
HYDRO	6	7	8	1%	1%	1%
OIL BASED	405	571	582	99%	99%	99%

Table 1.2.c
NATIONAL POWER CORPORATION
COMPARATIVE BALANCE SHEET, FY 2017-2019
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
ASSETS				
Current Assets	30,723,731	23,687,291	22,482,039	17,963,324
Cash	740,722	1,143,237	1,368,346	1,348,725
Investments in Securities	18,858,668	3,971,895	8,619,143	3,356,511
Accounts Receivables	9,574,277	16,597,333	10,397,015	11,161,120
Inventories	1,313,927	1,443,011	1,313,927	1,313,927
Cash Advances to Various Parties	158,428	455,067	705,841	705,274
Other Current Assets	77,709	76,748	77,767	77,767
Investments	720			
Fixed Assets	11,322,185	19,740,826	22,136,846	27,246,464
Deferred Assets	61,353	576,353	121,985	121,985
Other Assets	1,044,886	1,526,136	2,557,470	2,557,470
TOTAL ASSETS	43,152,875	45,530,606	47,298,340	47,889,243
LIABILITIES				
Current Liabilities	7,197,028	3,087,804	8,301,588	7,065,843
Accounts Payable to suppliers or trade creditor	5,614,979	1,637,140	6,227,310	5,558,025
Accounts Payable - Others	1,504,233	1,402,784	2,009,208	1,450,633
Current portion of borrowings	65,033	47,880	65,070	57,185
Current portion of lease obligation	12,783			
Long Term Liabilities	640,066	557,028	558,853	501,668
Borrowings	640,066	557,028	558,853	501,668
Deferred Liabilities	5,423,583	5,062,618	4,093,628	4,093,628
TOTAL LIABILITIES	13,260,677	8,707,450	12,954,069	11,661,139
STOCKHOLDERS' EQUITY				
Paid-in Capital	27,048,871	27,048,871	27,048,871	27,048,871
Retained Earnings	2,828,644	7,564,036	2,938,984	6,822,817
Other Capital	14,683	2,210,249	2,356,416	2,356,416
TOTAL STOCKHOLDERS' EQUITY	29,892,198	36,823,156	32,344,271	36,228,104
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	43,152,875	45,530,606	45,298,340	47,889,243

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2017-2019
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
I. REVENUES	12,277,229	17,381,022	15,958,411	18,821,248
Operating Revenues	10,713,274	16,062,198	15,256,658	17,991,994
Other Revenues	1,563,955	1,318,824	701,753	829,254
II. COST OF SALES	3,057,822	6,705,069	6,705,068	7,316,456
III. GROSS PROFIT	9,219,407	10,675,953	9,253,343	11,504,792
IV. OPERATING EXPENSES/OTHER EXPENSES	7,583,111	8,230,044	10,972,457	10,315,763
Personnel Services	881,939	1,259,583	1,260,676	1,235,200
Maintenance and Other Operating Expenses	1,633,293	2,253,061	2,253,061	1,779,542
Interest Expense	7,017	4,750	4,750	2,971
Non-cash Expenses	992,862	1,211,520	1,299,208	1,444,545
Depreciation of fixed assets (operating plants)	354,551	426,212	388,763	727,241
Provision for Doubtful Accounts	509,205	715,158	908,107	589,347
Depreciation of Non- Operating Plants & Others	129,106	70,150	2,338	127,957
Other Expenses	4,068,000	3,501,130	6,154,762	5,853,505
V. NET PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON FOREX FLUCTUATION	1,636,296	2,445,909	(1,719,114)	1,189,029
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	(95,488)	-	-	-
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	1,540,808	2,445,909	(1,719,114)	1,189,029
ADD: Subsidies	1,191,680	2,080,702	2,080,702	1,228,986
Subsidies from National Government	1,191,680	2,080,702	2,080,702	1,228,986
VIII. NET PROFIT/(LOSS) BEFORE INCOME TAX	2,732,488	4,526,611	361,588	2,418,015
LESS: Income Tax	520,277	618,494	-	534,182
IX. NET PROFIT/(LOSS)	2,212,211	3,908,117	361,588	1,883,833
X. SUBSIDY TREATED AS DEFERRED INCOME	-	-	-	-
XI. NET AMOUNT INCLUSIVE OF DEFERRED INCOME	2,212,211	3,908,117	361,588	1,883,833

Table 1.2.e
NATIONAL POWER CORPORATION
STAFFING SUMMARY, FY 2017-2019
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2017 ACTUAL		2018 GAA		2019 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	1,418	1	1,418	1	2,102
Senior Vice President	-	-	-	-	-	-
Vice President	6	5,652	6	5,652	6	10,095
Management/Executive Group	124	101,008	139	98,020	142	161,672
Technical Group	1,127	446,209	1,231	419,757	1,234	563,566
Technical Support	383	260,725	419	190,147	420	250,974
Administrative/Others	77	21,647	91	18,471	87	19,879
Sub-total	1,718	836,659	1,887	733,465	1,890	1,008,288
Add: Compensation Adjustment				498,651		
TOTAL	1,718	836,659	1,887	1,232,116	1,890	1,008,288
B. Non-Itemized Positions						
Co-Terminus	84	33,461	81	34,856	80	44,639
Contractuals	25	4,977	27	4,977	27	5,567
Casuals	98	33,474	123	31,305	121	36,451
Sub-total	207	71,912	231	71,138	228	86,657
Add: Compensation Adjustment				31,747		
TOTAL	207	71,912	231	102,885	228	86,657
GRAND TOTAL	1,925	908,571	2,118	1,335,001	2,118	1,094,945

Table 1.2.f
NATIONAL POWER CORPORATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
A. PERMANENT	1,312,216	1,893,850	1,897,011	1,819,216
GUARANTEED CASH COMP.	989,889	905,661	911,149	1,249,286
Salaries	836,659	733,464	733,773	1,008,288
Personnel Economic Relief Allowance	17,363	22,644	22,872	45,360
Representation and Transportation Allowance	20,583	17,874	22,548	18,138
Mid-Year Bonus	52,917	61,122	61,563	84,025
Year-End Bonus / Cash Gift	62,367	70,557	70,393	93,475
FRINGE BENEFITS	158,963	263,855	260,817	233,649
Night Shift Differential	36,253	41,912	42,491	82,156
Overtime	19,136	167,359	162,313	89,161
Medical	11,923			-
Special Counsel Allowance	2,428	5,880	5,880	5,880
Uniform Allowance	8,109	9,435	10,889	11,340
Loyalty Pay		6,645	6,767	265
Performance-Based Bonus	81,114	32,624	32,477	44,847
FIXED EXPENDITURES	87,634	99,840	100,972	135,685
Retirement and Life Insurance Premium	77,034	88,016	87,599	120,995
Health Insurance Premium	6,559	7,296	8,799	10,154
Employee's Compensation Insurance Premium	2,017	2,264	2,287	2,268
PAG-IBIG Contributions	2,024	2,264	2,287	2,268
TERMINAL LEAVE & SEPARATION BENEFITS	75,233	42,693	42,272	199,060
PER DIEM OF BOARD MEMBERS	497	1,536	1,536	1,536
COMPENSATION ADJUSTMENT		580,265	580,265	-
B. CO-TERMINOUS	56,427	85,306	84,755	73,221
Salaries and Allowances	56,427	49,319	48,768	63,493
Terminal Leave & Separation Benefits		3,717	3,717	9,728
Compensation Adjustment		32,270	32,270	
C. CASUAL	55,272	59,581	58,120	56,729
Salaries and Allowances	55,272	48,026	46,415	54,665
Terminal Leave & Separation Benefits		567	717	2,064
Compensation Adjustment		10,988	10,988	
D. CONTRACTUAL	9,477	10,406	9,257	9,005
Salaries and Allowances	9,477	8,539	7,390	9,005
Compensation Adjustment	-	1,867	1,867	-
TOTAL	1,433,392	2,049,143	2,049,143	1,958,171
Operating	1,351,502	1,956,922	1,958,009	1,862,094
Capitalized	56,308	77,740	76,863	80,336
Other Expenses / Expenditures	25,582	14,481	14,271	15,741
	1,433,392	2,049,143	2,049,143	1,958,171

Table 1.2.g
NATIONAL POWER CORPORATION
DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
Travelling Expenses	64,544	107,570	107,570	66,480
Communication Expenses	12,425	17,915	17,923	12,798
Repair & Maint of Govt. Facilities	472,232	674,681	689,865	532,992
Repair & Maint. of Govt Vehicles & Other Equip.	12,646	39,316	40,333	13,241
Transportation Services	5,643	11,042	17,194	5,812
Supplies and Materials	21,217	44,594	60,071	29,842
Rents	553,302	652,412	654,399	405,118
Interests (Debt Service - Interest)	7,017	4,750	5,466	2,971
Grants, Subsidies & Contributions	7,786	10,752	10,752	10,642
Award & Indemnities	-	1,500	1,500	1,500
Loan Repayments/D Serv-Principal a/	52,002	47,880	65,070	57,185
Losses / Depreciation / Depletion / Amortization Of Cap. Recov. b/	354,551	426,212	389,138	855,198
Water, Illumination and Power Service	24,200	29,511	56,278	30,396
Auditing Services	18,478	19,401	19,508	25,298
Training & Seminar Expenses	7,765	13,157	15,668	11,012
Extraordinary and Other Miscellaneous Exp	773	900	1,098	886
Taxes, Duties & Fees	3,798	24,757	25,597	29,050
Trading /Production (Fuel)	3,057,822	6,705,069	6,705,068	7,316,456
Gasoline Oil, and Lubricants	8,118	13,319	15,608	8,363
Fidelity Bonds & Insurance Premium	49,827	67,105	53,356	54,986
Representation & Entertainment Exp.	558	881	881	661
Cultural Expenses	442	802	802	455
Honorary Grant	408	408	408	408
Incentive Award	55,733	-	-	-
Miscellaneous Expenses	696	2,446	3,350	717
Director's and Officer's Liability Fund	-	5,240	5,240	5,270
Contingencies	56	-	-	-
Other Services	312,647	515,352	455,660	533,615
Others (Input Vat, Finance Charges, Other Expenses)	7,066,261	6,636,408	10,205,442	9,389,442
Total MOOE	12,170,947	16,073,380	19,623,245	19,400,794

a/ This account is not considered as an expense item in Profit and Loss Statement.

b/ This is a non-cash expense account, therefore not included in Statement of Sources and Uses of Funds, by Expenses Class.

Table 1.2.h
NATIONAL POWER CORPORATION
DETAILS OF CAPITAL OUTLAYS, FY 2017-2019
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
Land and Land Improvement Outlay	16,150	175,085	295,648	305,703
Buildings & Structures Outlay	745,405	1,800,334	5,471,051	1,088,660
Office Equipment, Furnitures and Fixtures	32,831	27,067	21,024	12,859
Machineries & Equipment Outlay	947,600	4,801,329	1,016,092	4,253,893
Transportation Equipment	17,947	105,011	105,011	171,688
TOTAL	<u>1,759,933</u>	<u>6,908,826</u>	<u>6,908,826</u>	<u>5,832,803</u>

Table 1.2.i
NATIONAL POWER CORPORATION
COMPARATIVE CASH FLOW STATEMENT, FY 2017-2019
(In Thousand Pesos)

PARTICULARS	2017 UNAUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
Cash flows from operating activities				
Cash generated from operations	14,421,138	15,201,407	16,755,371	19,476,408
Receipt of government subsidy	1,191,680	2,080,702	2,080,702	1,228,986
Payment for salaries	(385,792)	(1,259,583)	(1,260,676)	(1,235,200)
Payment to suppliers	(3,113,451)	(6,529,855)	(6,177,381)	(7,214,558)
Payment of taxes	(1,053)	(622,734)	(32,979)	(538,588)
Other inflows/outflows	(5,738,676)	(6,143,545)	(15,239,688)	(10,095,790)
Net cash flow from operating activities	<u>6,373,846</u>	<u>2,726,392</u>	<u>(3,874,651)</u>	<u>1,621,258</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,089,061)	(6,803,358)	(4,172,444)	(6,105,310)
Proceeds from sale of unserviceable equipment	317			
Other inflows/outflows	1,070,560	(91,792)	-	(143,856)
Net cash flow from investing activities	<u>(18,184)</u>	<u>(6,895,150)</u>	<u>(4,172,444)</u>	<u>(6,249,166)</u>
Cash flows from financing activities				
Repayment of loan	(52,002)	(47,880)	(65,070)	(57,185)
Interest payment	(7,059)	(4,750)	(5,466)	(2,971)
Dividend payment	(1,398,937)	(259,500)	(1,480,289)	(594,189)
Other inflows/outflows	(4)	-		
Net cash flow from financing activities	<u>(1,458,002)</u>	<u>(312,130)</u>	<u>(1,550,825)</u>	<u>(654,345)</u>
Effect of exchange rate	12,478			
Net increase/(decrease) in cash and cash equivalents	<u>4,910,138</u>	<u>(4,480,888)</u>	<u>(9,597,920)</u>	<u>(5,282,253)</u>
Cash and cash equivalents, beginning of the year	<u>14,675,271</u>	<u>9,596,020</u>	<u>19,585,409</u>	<u>9,987,489</u>
Cash and cash equivalents, end of year	<u>19,585,409</u>	<u>5,115,132</u>	<u>9,987,489</u>	<u>4,705,236</u>

Table 1.2.j
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2017
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support	-	-	-	-	370,715	222,933	1,004,339	1,597,987	370,715	222,933	1,004,339	1,597,987
a. Head Office Support Group					233,544	182,944	5,761	422,249	233,544	182,944	5,761	422,249
b. Engineering Admin./Survey/ Development Studies Planning					137,171	39,989	998,578	1,175,738	137,171	39,989	998,578	1,175,738
2. Support to Operations	-	-	-	-	-	459,608	-	459,608	-	459,608	-	459,608
a. Other Expenses						459,608		459,608		459,608		459,608
3. Operations	-	313,091	878,589	1,191,680	561,502	4,155,091	(122,995)	4,593,598	561,502	4,468,182	755,594	5,785,278
a. Small Power Utilities Group		313,091		313,091	514,244	938,109	(134,703)	1,317,650	514,244	1,251,200	(134,703)	1,630,741
b. Spares			878,589	878,589							878,589	878,589
c. Production of Goods						3,057,822		3,057,822		3,057,822		3,057,822
d. Watershed Management					47,258	159,160	11,708	218,126	47,258	159,160	11,708	218,126
4. Debt Servicing	-	-	-	-	-	59,020	-	59,020	-	59,020	-	59,020
5. Other Expenditures	-	-	-	-	22,861	6,606,653	-	6,629,514	22,861	6,606,653	-	6,629,514
a. Input VAT						1,068,436		1,068,436		1,068,436		1,068,436
b. BNPP Preservation/Non-Operating Expenses					22,861	26,038		48,899	22,861	26,038		48,899
c. NPP Subsidy						3,592,966		3,592,966		3,592,966		3,592,966
d. Income Tax						520,277		520,277		520,277		520,277
e. Dividends Paid						1,398,936		1,398,936		1,398,936		1,398,936
6. Personal Services - as operator of PSALM's Assets	-	-	-	-	478,314	-	-	478,314	478,314	-	-	478,314
TOTAL	-	313,091	878,589	1,191,680	1,433,392	11,503,305	881,344	13,818,041	1,433,392	11,816,396	1,759,933	15,009,721

1/ Exclusive OF P354.551 M depreciation

Table 1.2.k
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2018, As Revised
 (In Thousand Pesos)

PROGRAM / ACTIVITY / PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support Services	-	-	-	-	516,292	502,814	2,268,507	3,287,613	516,292	502,814	2,268,507	3,287,613
a. Head Office Support Group	-	-	-	-	345,538	467,670	289,840	1,103,048	345,538	467,670	289,840	1,103,048
b. Engineering Admin./Survey/Development Studies Planning	-	-	-	-	170,754	35,144	1,978,667	2,184,565	170,754	35,144	1,978,667	2,184,565
2. Support to Operations	-	-	-	-	-	2,127,235	-	2,127,235	-	2,127,235	-	2,127,235
a. Other Expenses	-	-	-	-	-	2,127,235	-	2,127,235	-	2,127,235	-	2,127,235
3. Operations	-	-	2,080,702	2,080,702	881,331	8,455,324	2,559,617	11,896,272	881,331	8,455,324	4,640,319	13,976,974
a. Small Power Utilities Group	-	-	2,080,702	2,080,702	824,241	1,497,277	1,704,057	4,025,575	824,241	1,497,277	3,784,759	6,106,277
b. Spares	-	-	-	-	-	-	817,938	817,938	-	-	817,938	817,938
c. Production of Goods	-	-	-	-	-	6,705,067	-	6,705,067	-	6,705,067	-	6,705,067
d. Watershed Management	-	-	-	-	57,090	252,980	37,622	347,692	57,090	252,980	37,622	347,692
4. Debt Service	-	-	-	-	-	70,536	-	70,536	-	70,536	-	70,536
5. Other Expenditures	-	-	-	-	15,840	8,078,198	-	8,094,038	15,840	8,078,198	-	8,094,038
a. Input VAT	-	-	-	-	-	2,594,952	-	2,594,952	-	2,594,952	-	2,594,952
b. BNPP Preservation	-	-	-	-	15,840	32,430	-	48,270	15,840	32,430	-	48,270
c. NPP Subsidy	-	-	-	-	-	5,450,816	-	5,450,816	-	5,450,816	-	5,450,816
6. Personnel Services -	-	-	-	-	635,680	-	-	635,680	635,680	-	-	635,680
As operator of PSALM's Assets	-	-	-	-	635,680	-	-	635,680	635,680	-	-	635,680
Terminal Leave/Separation Benefits	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	2,080,702	2,080,702	2,049,143	19,234,107	4,828,124	26,111,374	2,049,143	19,234,107	1/ 6,908,826	28,192,076

1/ Exclusive of P389.138 M depreciation

Table 1.2.1
NATIONAL POWER CORPORATION
SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2019
(In Thousand Pesos)

PROGRAM / ACTIVITY / PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support Services	-	-	-	-	436,016	248,874	2,547,253	3,232,143	436,016	248,874	2,547,253	3,232,143
a. Head Office Support Group	-	-	-	-	278,665	213,095	44,380	536,140	278,665	213,095	44,380	536,140
b. Engineering Admin./Survey/Development Studies Planning	-	-	-	-	157,351	35,779	2,502,873	2,696,003	157,351	35,779	2,502,873	2,696,003
2. Support to Operations	-	-	-	-	-	1,161,974	-	1,161,974	-	1,161,974	-	1,161,974
a. Other Expenses	-	-	-	-	-	1,161,974	-	1,161,974	-	1,161,974	-	1,161,974
3. Operations	-	-	1,228,986	1,228,986	879,519	8,847,123	2,056,384	11,783,026	879,519	8,847,123	3,285,370	13,012,012
a. Small Power Utilities Group	-	-	1,228,986	1,228,986	816,738	1,350,129	1,435,430	3,602,297	816,738	1,350,129	2,664,416	4,831,283
b. Spares	-	-	-	-	-	-	598,383	598,383	-	-	598,383	598,383
c. Production of Goods	-	-	-	-	-	7,316,456	-	7,316,456	-	7,316,456	-	7,316,456
d. Watershed Management	-	-	-	-	62,781	180,538	22,571	265,890	62,781	180,538	22,571	265,890
4. Debt Service	-	-	-	-	-	60,156	-	60,156	-	60,156	-	60,156
5. Other Expenditures	-	-	-	-	15,742	7,748,289	180	7,764,211	15,742	7,748,289	180	7,764,211
a. Input VAT	-	-	-	-	-	2,423,309	-	2,423,309	-	2,423,309	-	2,423,309
b. BNPP Preservation	-	-	-	-	15,742	39,878	180	55,800	15,742	39,878	180	55,800
c. NPP Subsidy	-	-	-	-	-	5,285,102	-	5,285,102	-	5,285,102	-	5,285,102
6. Personnel Services - As operator of PSALM's Assets Terminal Leave/Separation Benefits	-	-	-	-	626,894	479,180	-	1,106,074	626,894	479,180	-	1,106,074
TOTAL	-	-	1,228,986	1,228,986	1,958,171	18,545,596	4,603,817	25,107,584	1,958,171	18,545,596	1/ 5,832,803	26,336,570

1/ Exclusive of P855.198 M depreciation

Table 1.2.m
NATIONAL POWER CORPORATION
SPECIAL PROVISIONS, FY 2019

1. Approval of the FY 2019 Corporate Operating Budget of the National Electrification Administration, National Power Corporation and Philippine National Oil Company under R.A. No. 7638. The FY 2019 Corporate Operating Budget (COB) of the NPC is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Acquisition of Equipment. The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, and other guidelines issued thereon.

3. Payment of Compensation and Benefits. Payment of salaries, allowances and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, and Memorandum Order No. 20, s. 2001.

4. Payment of Terminal Leave, Separation or Retirement Benefits. Payment of terminal leave, separation or retirement benefits shall be computed in accordance with the rates, conditions and procedure prescribed under applicable laws and guidelines issued thereon.

The amounts of One Hundred Ninety One Million Nine Hundred Ten Thousand Pesos (P191,910,000) and Eighteen Million Nine Hundred Forty Two Thousand Pesos (P18,942,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected NPC personnel based on the list submitted by NPC to the DBM. In no case shall said amount be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. Budget Flexibility and Report. The NPC Board of Directors is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NPC's control such as, but not limited to: (i) occurrence of natural calamities; (ii) currency depreciation; (iii) inflation; (iv) change in interest rates; (v) increased in oil, steam, coal or natural gas prices; (vi) change in generation mix and demand including purchased power; (vii) change in generation or transmission system plan or program; (viii) change in programs or projects; (ix) change in schedule of project implementation; (x) transfer or elimination of projects or installations that are hazardous to the health or safety of inhabitants; and (xi) reorganization, subsidiarization or privatization should conditions warrant.

In the exercise of said authority, the NPC shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

6. Augmentation Beyond the Approved Corporate Operating Budget. The NPC Board of Directors is authorized to augment and disburse funds beyond the total amount approved in this Act exclusively for the MOOE and Capital Outlay requirements related to missionary electrification due to the effects of peso devaluation, fuel price increase in the market, improvement or changes in power generation activities or demand of customers, electrification of new areas, increase in taxes and production costs, or imposition of new taxes.

The fund shall be sourced from the new funding sources, such as income arising from increase in universal and generation charges approved by the Energy Regulatory Commission or grant of financial assistance by LGUs as certified by the Chief Accountant and President of NPC.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

7. Collection of Delinquent Receivables from Electric Cooperatives under the Small Power Utilities Group. In order to augment the fund sources necessary to support the budgetary requirements of NPC and ensure the viability of its operations, the NPC Board of Directors is hereby authorized to act with finality, without further need of confirmation, appraisal, or assessment from other government agencies, the settlement and compromise of accrued penalties, interest and other charges due from electric cooperatives. In all cases, the NPC Board of Directors shall ensure that the approved settlement and compromise shall not be against provisions of law or public policy, and shall be consistent with public interest and redound to the benefit of the National Government.

8. Procurement of Critical Supplies. The NPC shall ensure the timely and sufficient provision of fuel and spare parts for its Small Power Utilities Group to ensure adequate power supply in areas covered. For this purpose, the NPC shall resort to available modalities in the procurement thereof, subject to the pertinent provisions of R.A No. 9184, its IRR, and other guidelines issued thereon.

9. Remittance of Cash Dividends. Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NPC shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

10. Audit of Government Funds. Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

11. Transparency Seal. To enhance transparency and enforce accountability, the NPC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom to Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2017 and 2018 FOI Summary Report, and 2017 and 2018 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NPC.

12. Reporting and Posting Requirements. The NPC shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on budgetary adjustments. The President of NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NPC website.