



# POWER HOTLINE

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## **BRC to endorse proposed 2010 T.O. to NP Board**

The Board Review Committee (BRC) has agreed to endorse to the National Power (NP) Board the proposed 2010 Table of Organization (T.O.) of the National Power Corporation.

Based on the proposal presented to the BRC last August 16, the 2010 T.O. has 2,472 positions, or 72 more positions than the 2,400-strong workforce that the BRC was earlier leaning towards. More importantly, the proposed 2010 T.O. only reflects the so-called "big boxes" in the new organization, and does NOT contain any details yet of actual plantilla positions and staffing patterns.

NPC had to revise the original figure from 2,400 to 2,472 to include the positions needed for the continued operation of the Angat Hydroelectric Power Plant, pending the lifting of the Temporary Restraining Order (TRO) issued by the Supreme Court on the sale of the said power plant.

To recall, Angat had been successfully bid out in January this year by the Power Sector

Assets & Liabilities Management Corporation (PSALM). The Supreme Court on May 24 however issued a TRO against the sale of the 246-megawatt power plant to the winning bidder, Korea Water Resources Corporation, following a petition filed by the Freedom from Debt Coalition and other cause-oriented groups. Last August 9, the SC stood pat on its earlier decision to suspend the sale of Angat by junking PSALM's motion to lift the TRO.

To finalize the T.O., Management is now moving to create an Organizational Review Committee (ORC) which will be tasked to recommend to the BRC/NP Board the proposed T.O. in line with NPC's corporate thrusts and objectives. The ORC will also ensure that all activities and processes pertaining to the creation of the T.O. will be in accordance to existing corporate and national policies on reorganization.

The ORC will be supported by two Technical Working Groups, one of which will be responsible for reviewing the

T.O. and the staffing requirements, and the other, for reviewing position job levels and Qualification Standards.

President Froilan A. Tampinco and Senior Vice president Pio J. Benavidez will act as advisors of the ORC and the two TWGs.

On the separation benefits for NPC employees, the BRC instructed NPC Management to seek an opinion from the Office of the Solicitor General on the legal basis for the proposal to grant an employee separation package of 1.5 months for every year of service to those who will be separated by the proposed reorganization. Similarly, Management should also secure the OSG's legal opinion on the proposed financial assistance for employees who are under Contract of Service. The OSG's opinion on the two issues should be submitted to the NP Board, through the BRC, as soon as it is secured.

Finally, on the Corporate Balanced Score Card (BSC), the BRC directed Management to

(over)

# DOE seeks to postpone sale of Agus & Pulangi plants

The Department of Energy (DOE) is looking at the possibility of postponing the sale of the Agus and Pulangi Hydroelectric Power Plants in Mindanao in order to ensure steady power supply and stable power rates in the region.

"I've already informed the Power Sector Assets and Liabilities Management Corp. (PSALM) that we would like to recommend that we will not sell the Agus-Pulangi," Energy Secretary Jose Rene D. Almendras told reporters at the sidelines of the mid-year Economic Managers Briefing last August 18. "Part of the solution to Mindanao's present power situation is the appropriate use of these hydro-power plants not just for supplying electricity, but also in a pricing equation to manage the shifting to the true cost of power."

Secretary Almendras explained that holding on to the Agus and Pulangi power plants might be more beneficial to Mindanao consumers at this point in time, considering that government has yet to attain the true cost of power in the region, and that the over-all power situation remains shaky.

"We don't want to sell it yet. How long that will be will depend on how soon we can achieve true pricing and make the appropriate adjustments to encourage investors," he added.

Secretary Almendras conceded that the DOE will have to secure Congress' approval for the proposal to defer the sale of Agus and Pulangi.



Agus 6

"I know that we would have to go back to the Joint Congressional Power Commission (JCPC) for their conferment, and I'm ready for that. Hopefully, Congress will allow us to explain why we don't want to (privatize the two power plants just yet)," the Energy chief said.

Under the Electric Power Industry Reform Act, the Agus-Pulangi hydropower complex should be privatized 10 years after the law's passage. PSALM had originally scheduled to sell the two facilities by the end of the year, or by 2011, at the latest.

Located in Lanao del Sur, the Agus hydroelectric complex is composed of six power plants that have a combined capacity of around 700 megawatts. The Pulangi power plant on the other hand is located in Bukidnon, and produces about 255 MW. The two plants account for roughly 55 percent of the power supply of Mindanao.

## BRC...(cont'd.)

simplify the BSC for the second semester of 2010, so that it can be more easily understood not only by the members of the NP Board and the BRC, but also by those outside the power industry.

Among other suggestions, the BRC suggested that risk management, payables to the Department of Energy and other agencies, and payables

by NPC to the government be considered in the indicators being used in the BSC; that deficit reduction be given the topmost priority; and that the finance criteria be given the most weight among the broad criteria being used in the computation of the BSC.

The revised BSC will be taken up in another BRC meeting as soon as Management is ready with the revised proposal. (Elizabeth I. Perez)

*Everyone thinks of changing the world, but no one thinks of changing himself.*

*Leo Tolstoy*