

**NATIONAL POWER CORPORATION (NPC)
Revalidated 2018 Performance Scorecard**

CUSTOMERS / STAKEHOLDERS

Component		Rating System		Target	GOCC Submission		GCG Validation		Supporting Documents		Remarks																		
Objective/Measure	Formula	Wt.		2018	Actual	Rating	Actual	Rating																					
SO 1	Provided Adequate Power Supply in Missionary Areas																												
SM1	Supply	Σ Plant Dependable Capacity	10.00%	Actual over Target	186.486 MW	158.838 MW	8.52%	158.838 MW	8.52%	<ul style="list-style-type: none">Revised Performance Evaluation System (PES) Quarterly and Yearly Report for CY 2018, dated 5 March 2019, signed by Atty. R.T. Teves with attached Summary of 2018 Dependable Capacity, EAF, FOR and NHR per SPUGOnsite validation of NPC database/ system of Monthly Operations Report	Breakdown of dependable capacity in the Missionary Areas is as follows: <table><tr><th>SPUG Area</th><th>Dependable Capacity</th></tr><tr><td>Luzon</td><td>89.142</td></tr><tr><td>Visayas</td><td>17.534</td></tr><tr><td>Mindanao</td><td>52.162</td></tr><tr><td>Total</td><td>158.838</td></tr></table>	SPUG Area	Dependable Capacity	Luzon	89.142	Visayas	17.534	Mindanao	52.162	Total	158.838								
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Mindanao	52.162																												
Total	158.838																												
SO 2	Contributed to the Power Supply in the Main Grids thru the Agus-Pulangi Plants																												
SM2	Energy Generation	Total Energy Generation	10.00%	Actual over Target	2,711.72 GWh	2,898.84 GWh	10.00%	2,898.84 GWh	10.00%	<ul style="list-style-type: none">NPC CY 2018 Monitoring Report for MinGen Performance Targets reviewed by MinGen Vice President Veloso with attached Summary of 2018 EAF, and FOH per HEPPsOnsite validation of NPC MinGen Monthly Operations Report	Energy Generation per Agus-Pulangi HEPPs is as follows: <table><tr><th>HEPP</th><th>Total Actual Generation</th></tr><tr><td>Agus 1</td><td>324.75</td></tr><tr><td>Agus 2</td><td>556.86</td></tr><tr><td>Agus 4</td><td>602.24</td></tr><tr><td>Agus 5</td><td>242.88</td></tr><tr><td>Agus 6</td><td>435.86</td></tr><tr><td>Agus 7</td><td>171.39</td></tr><tr><td>Pulangi 4</td><td>564.87</td></tr><tr><td>Total</td><td>2,898.84</td></tr></table>	HEPP	Total Actual Generation	Agus 1	324.75	Agus 2	556.86	Agus 4	602.24	Agus 5	242.88	Agus 6	435.86	Agus 7	171.39	Pulangi 4	564.87	Total	2,898.84
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	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																					
	Objective/Measure	Formula	Wt.			2018	Actual	Rating	Actual			Rating																				
CUSTOMERS / STAKEHOLDERS	SO 3 Ensured Customer/Stakeholder Satisfaction																															
	SM3	Customer/ Stakeholder Satisfaction Rating	$\Sigma \text{Participants' Ratings} \div \text{No. of Participants}$	5.00%	(Actual/ Target) If less than 80% = 0%	90% (Using the Standard Methodology and Questionnaire developed by GCG)	86.51%	4.81%	86.51%	4.81%	• Customer Satisfaction Survey Report prepared by the Associated Resources for Management and Development, Inc. (ARMDEV)	Based on the reported survey results, NPC was provided with "satisfied" and "very satisfied" ratings by 86.51% of its respondents.																				
	Subtotal			25.00%				23.32%		23.33%																						
INTERNAL PROCESS	SO 4 Provided Efficient and Reliable Power Supply in Missionary Areas																															
	SM4	Percentage of Readiness of Existing Plants (Equivalent Availability Factor)	$\Sigma [\text{Dependable Cap} \times (\text{Period Hours} - \text{Outage Hours})] \div \Sigma [\text{Rated Cap} \times (\text{Period Hours} - \text{Deactivated Shutdown Hours})]$	4.00%	All or Nothing	73.13%	73.146%	4.00%	73.15%	4.00%	• Revised Performance Evaluation System (PES) Quarterly and Yearly Report for CY 2018, dated 5 March 2019, signed by Atty. R.T. Teves with attached Summary of 2018 Dependable Capacity, EAF, FOR and NHR per SPUG	Below is the summary of SPUG operations: <table><thead><tr><th></th><th>EAF (%)</th><th>FOR (%)</th><th>NHR (BTU / kWh)</th></tr></thead><tbody><tr><td>Luzon</td><td>73.164</td><td>0.023</td><td>10,717</td></tr><tr><td>Visayas</td><td>72.773</td><td>0.003</td><td>11,606</td></tr><tr><td>Mindanao</td><td>73.234</td><td>0.007</td><td>10,330</td></tr><tr><td></td><td>73.146</td><td>0.016</td><td>10,622</td></tr></tbody></table>		EAF (%)	FOR (%)	NHR (BTU / kWh)	Luzon	73.164	0.023	10,717	Visayas	72.773	0.003	11,606	Mindanao	73.234	0.007	10,330		73.146	0.016	10,622
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SM5	Percentage of Unexpected Power Interruption (Forced Outage Rate)	$\Sigma (\text{Forced Outage Hours}) \div \Sigma (\text{Operating Hours} + \text{Forced Outage Hours})$	4.00%	Actual over Target	0.111%	0.016%	4.00%	0.016%	4.00%	• Onsite validation of NPC database/ system of Monthly Operations Report																						

INTERNAL PROCESS

INTERNAL PROCESS

Component				Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																		
Objective/Measure	Formula	Wt.	2018		Actual	Rating	Actual	Rating																					
SO 6	Contributed to Efficient Operation of Generation Assets in the Main Grids																												
SM8	Maintained Percentage of Readiness of Existing Plants (Availability Factor)	$\frac{\sum(\text{Available Hours})}{\sum(\text{Period Hours})}$	4.00%	Actual over Target	84.75%	86.22%	4.00%	86.22%	4.00%	<ul style="list-style-type: none">NPC CY 2018 Monitoring Report for MinGen Performance Targets reviewed by MinGen Vice President Veloso with attached Summary of 2018 EAF, and FOH per HEPPs	Breakdown is as follows: <table><tr><th>HEPP</th><th>Availability Factor</th></tr><tr><td>Agus 1 and 2</td><td>90.05</td></tr><tr><td>Agus 4 and 5</td><td>87.48</td></tr><tr><td>Agus 6 and 7</td><td>77.32</td></tr><tr><td>Pulangi 4</td><td>88.38</td></tr><tr><td>Availability Factor</td><td>86.22</td></tr></table>	HEPP	Availability Factor	Agus 1 and 2	90.05	Agus 4 and 5	87.48	Agus 6 and 7	77.32	Pulangi 4	88.38	Availability Factor	86.22						
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SM9	Controlled Unexpected Power Interruption (Forced Outage Hour)	Actual Forced Outage Hour	4.00%	All or Nothing	24 hours	7.374 hrs	4.00%	7.374 hrs	4.00%	<ul style="list-style-type: none">Onsite validation of NPC MinGen Monthly Operations Report	Validated with internal documents.																		
SO 7	Contributed to Sustainable Hydro and Geothermal Plant Operations																												
SM 10	Hectares of Open Areas Reforested	Actual Areas Reforested	5.00%	All or Nothing	8,393.48 has. (995 has. reforested for 2018)	8,433.48 has. (1,035 has. reforested for 2018)	5.00%	8,433.48 has. (1,035 has. reforested for 2018)	5.00%	<ul style="list-style-type: none">2018 Rehabilitation Accomplishments as of 31 December 2018 prepared by the Watershed Management DepartmentCertifications from LGUs.	Breakdown of the areas reforested is as follows: <table><tr><th>Watershed Area</th><th>Total (Has.)</th></tr><tr><td>Upper Agno</td><td>265</td></tr><tr><td>San Roque</td><td>10</td></tr><tr><td>Magat</td><td>300</td></tr><tr><td>Lake Lanao – Agus River</td><td>140</td></tr><tr><td>Tiwi</td><td>10</td></tr><tr><td>Pulangi</td><td>260</td></tr><tr><td>Angat</td><td>50</td></tr><tr><td>TOTAL</td><td>1,035</td></tr></table>	Watershed Area	Total (Has.)	Upper Agno	265	San Roque	10	Magat	300	Lake Lanao – Agus River	140	Tiwi	10	Pulangi	260	Angat	50	TOTAL	1,035
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TOTAL	1,035																												
SO 8	Ensured the Structural and Operational Safety of Dams to Mitigate Flooding in the Downstream Communities																												
SM 11	Maintenance Requirements of Dams and Other Non-Power Components	Actual No. of Maintained Activities <u>Implemented</u> Target No. of Maintenance Activities	5.00%	Actual Over Target	50%	83% (19 of 23 maintenance activities implemented)	5.00%	83% (19 of 23 maintenance activities implemented)	5.00%	<ul style="list-style-type: none">Certificates of Final Completion of Works (Provisional Acceptance)On-site visit in Agus 6 and 7 HEPPs	Validated with internal documents.																		

INTERNAL PROCESS

Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.		2018	Actual	Rating	Actual	Rating			
SO 9	Transferred Certificates of Titles/Decrees/LRC Decisions under OMA to PSALM and Filed Applications/Secured Certificate of Titles of Unregistered/Untitled Lots for Both OMA and Non-OMA and Reconstructed Deeds of Donations of Non-OMA lots										
SM 12a	Number of Transferred Certificates of Titles/Decrees and Land Registration Case Decisions under OMA to PSALM, Filed Applications for Titling/ Issuance of Certificates of Titles/ Decrees of Unregistered/ Untitled Lots, and Surveyed Lots for OMA Properties	Actual No. of Lots with Transferred Certificates of for Titles/Decrees/ LRC Decisions under OMA to PSALM	2.50%	All or Nothing	35 lots	52	2.50%	52	2.50%	<ul style="list-style-type: none">Photocopies of Certificates of Titles/Decrees and Land Registration Case Decisions and Acknowledgement Receipts from PSALM	Validated with internal documents.
SM 12b	Number of Filed Applications for Titling or Tenurial Rights/ Issuance of Certificates of Titles/ Unregistered/ Untitled Non-OMA Lots, Reconstructed Deeds of Donation and Surveyed Lots for Non- OMA Properties	Actual No. of Lots with Filed Applications for Titling or Tenurial Rights/Issuance of Certificates of Titles, Reconstructed Deeds of Donations and Lots Surveyed under Non- OMA Properties	2.50%	Actual over Target	25 lots	57	2.50%	57	2.50%	<ul style="list-style-type: none">Filed ApplicationsOriginal Certificates of TitleTransfer Certificates of TitleDeeds of Donations	
Subtotal			40.00%				35.89%		35.39%		

FINANCE	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks												
	Objective/Measure	Formula	Wt.		2018	Actual	Rating	Actual	Rating														
SO 10	Exercised Fiscal Prudence to Optimize Use of Resources																						
SM 13a	Fixed Cost Efficiency Ratio in the Missionary Areas	$\frac{\sum[PS + MOOE]}{\sum(\text{Energy Sales})}$	5.00%	Actual over Target	4.73 P/kWh	5.40 P/kWh	4.29%	5.40 P/kWh	4.29%	<ul style="list-style-type: none">Summary Computation on Fixed Cost Efficiency RatioDetailed Fixed Cost for Missionary AreasOther Operating Expenses per Account	<p>NPC failed to maintain its fixed cost efficiency ratio to 4.73 P/kWh.</p> <p>Detailed Computation:</p> <table><tr><td colspan="2">(In Million Pesos)</td></tr><tr><td>Fixed Cost (A)</td><td>2,231.10</td></tr><tr><td>Personal Services</td><td>874.61</td></tr><tr><td>MOOE</td><td>1,356.49</td></tr><tr><td>Gross Generation (B)</td><td>412.90</td></tr><tr><td>Efficiency Ratio (A/B)</td><td>5.40</td></tr></table>	(In Million Pesos)		Fixed Cost (A)	2,231.10	Personal Services	874.61	MOOE	1,356.49	Gross Generation (B)	412.90	Efficiency Ratio (A/B)	5.40
(In Million Pesos)																							
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Efficiency Ratio (A/B)	5.40																						
SM 13b	Fixed Cost Efficiency Ratio in the Main Grids (Agus-Pulangi)	$\frac{\sum[PS + MOOE]}{\sum(\text{Energy Sales})}$	5.00%	Actual over Target	0.26 P/kWh	0.27 P/kWh	4.81%	0.27 P/kWh	4.81%	<ul style="list-style-type: none">Summary Computation on Fixed Cost Efficiency RatioProduction Cost for the period ending 31 Dec 2018	<p>Detailed Computation:</p> <table><tr><td colspan="2">(In Million Pesos)</td></tr><tr><td>Fixed Cost (A)</td><td>752.32</td></tr><tr><td>Personal Services</td><td>406.66</td></tr><tr><td>MOOE</td><td>345.65</td></tr><tr><td>Energy Sales (B)</td><td>2,744.16</td></tr><tr><td>Efficiency Ratio (A/B)</td><td>0.27</td></tr></table>	(In Million Pesos)		Fixed Cost (A)	752.32	Personal Services	406.66	MOOE	345.65	Energy Sales (B)	2,744.16	Efficiency Ratio (A/B)	0.27
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SM 14	OMA Budget Utilization Efficiency Ratio	$\frac{\sum(\text{Miscellaneous OMA Budget})}{\sum(\text{Energy Sales})}$	5.00%	Actual over Target	0.06 P/kWh	0.06 P/kWh	5.00%	0.06 P/kWh	5.00%	<ul style="list-style-type: none">Summary Computation on OMA Budget Utilization Efficiency RatioBudget Utilization Report as of 31 December 2017Production Cost for the period ending 31 Dec 2018	<p>Detailed Computation:</p> <table><tr><td colspan="2">(In Million Pesos)</td></tr><tr><td>OMA Budget Utilization (A)</td><td>173.65</td></tr><tr><td>Personal Services</td><td>92.52</td></tr><tr><td>MOOE</td><td>81.13</td></tr><tr><td>Energy Sales (B)</td><td>2,744.16</td></tr><tr><td>Efficiency Ratio (A/B)</td><td>0.06</td></tr></table>	(In Million Pesos)		OMA Budget Utilization (A)	173.65	Personal Services	92.52	MOOE	81.13	Energy Sales (B)	2,744.16	Efficiency Ratio (A/B)	0.06
(In Million Pesos)																							
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FINANCE	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks								
	Objective/Measure	Formula	Wt.		2018	Actual	Rating	Actual	Rating										
SO 11	Ensured Adequate Fund Sources for Sustainability and Improve Corporate Liquidity																		
SM 15	Improve Collection Efficiency	Total Collections ÷ Total Accounts Receivable	5.00%	Actual over Target	53.92%	53.03%	4.92%	53.03%	4.92%	<ul style="list-style-type: none">NPC SPUG Report on Power Receivables and Efficiency as of 31 December 2018Statement of Accounts as of 31 December 2018	<div>Detailed Computation:<table><tr><td colspan="2">(In Billion Pesos)</td></tr><tr><td>Total Collections</td><td>1,715.55</td></tr><tr><td>Total Accounts Receivable</td><td>3,234.77</td></tr><tr><td>Efficiency Ratio (A/B)</td><td>53.03%</td></tr></table><p>Failure to achieve the target is due to the following:</p><ul style="list-style-type: none">a) Continued deterioration of BASULTA power accounts;b) Poor payment performance by residential/household customers especially in Masbate PRES, Catbalogan and Sto. Nino mini grid areas; andc) Unrealized targets on the restructuring of overdue accounts of BASULTA and Siasi Electric Cooperative (SIASELCO).</div>	(In Billion Pesos)		Total Collections	1,715.55	Total Accounts Receivable	3,234.77	Efficiency Ratio (A/B)	53.03%
(In Billion Pesos)																			
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Efficiency Ratio (A/B)	53.03%																		
SM 16	EBITDAS Margin with UCME	EBITDAS ÷ (Total Revenue/Income)	5.00%	Actual over Target	15.52%	14.64%	4.72%	14.64%	4.72%	<ul style="list-style-type: none">FY 2018 EBITDAS Margin with UC-MEGeneral Ledger for Revenue and Expense Accounts	Validated with internal documents.								
Subtotal			25.00%				23.74%		23.74%										

LEARNING & GROWTH	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.		2018	Actual	Rating	Actual	Rating		
	SO 12	Ensured Employee Productivity and Competency									
	SM 17	Compliance with Quality Standards	ISO 9001 Certificate awarded	5.00%	All or Nothing	ISO 9001:2015 Certified	ISO 9001:2015 Certified	5.00%	ISO 9001:2015 Certified	5.00%	<ul style="list-style-type: none">ISO Certificates issued by AJA Registrars and SOCOTEC Certification InternationalCertificate issued by SOCOTEC dated 05 April 2018 covering Missionary Electrification, Operation and Maintenance of Undisposed Assets, and Watershed and Dams Management.Certificate issued by AJA Registrars dated 09 December 2018 for the NPC SPUG Mindanao Operations Department.
	SM 18	Percentage of Employees with Required Competencies Met	ISO 9001-2008 Certificate awarded	5.00%	Actual over Target	8% increase from Baseline Competency	7.79% increase	4.87%	7.97% increase	4.98%	<ul style="list-style-type: none">Report entitled "List of Employees Meeting all the Required Competencies of their Positions" for 2018Competency Reassessment Sheets of NPC personnel <p>GCG validated that there were 146 additional NPC employees who met the required competencies of their positions, equivalent to a 7.97% increase from the 2017 competency level of 22.89% (421 out of 1,832 employees).</p>
	Subtotal		5.00%				9.87%		9.98%		
	TOTAL		100.00%				92.82%		92.44%		