

**NATIONAL POWER CORPORATION (NPC)
2017 Validated Performance Scorecard**

CUSTOMERS / STAKEHOLDERS

Component		Rating System	Target 2017	GOCC Submission		GCG Validation		Supporting Documents	Remarks																			
Objective/Measure	Formula			Wt.	Actual	Rating	Actual			Rating																		
SO 1	Provided Adequate Power Supply in Missionary Areas																											
SM 1	Supply	Σ Plant Dependable Capacity	10.00%	Actual over Target	201.532 MW	162.093	8.04%	162.094	8.04%	<div><ul style="list-style-type: none">NPC CY 2017 Monitoring Report for SPUG Performance Targets approved by SPUG Vice President Edmund A. Veloso, Jr. with attached Summary of 2017 Dependable Capacity, EAF, FOR and NHR per SPUGOnsite validation of NPC database/ system of Monthly Operations Report</div> <div><p>Below is the summary of Dependable Capacity (power supply) in the Missionary areas:</p><table><tr><th>SPUG Area</th><th>Dependable Capacity</th></tr><tr><td>Luzon</td><td>87.242</td></tr><tr><td>Visayas</td><td>15.721</td></tr><tr><td>Mindanao</td><td>59.131</td></tr><tr><td>Total</td><td>162.094</td></tr></table><p>Dependable Capacity was validated through the submission of Monthly Operation Reports of Diesel Power Plants in the NPC database system.</p></div>	SPUG Area	Dependable Capacity	Luzon	87.242	Visayas	15.721	Mindanao	59.131	Total	162.094								
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SO 2	Contributed to the Power Supply in the Main Grids																											
SM 2	Energy Generation	Total Energy Generation	10.00%	Actual over Target	3,324.03 GWh	3,345.43 GWh	10.00%	3,345.43 GWh	10.00%	<div><ul style="list-style-type: none">NPC CY 2017 Monitoring Report for MinGen Performance Targets reviewed by MinGen Vice President Corpuz with attached Summary of 2017 EAF, and FOH per HEPPs</div> <div><p>Energy Generation per Agus-Pulangi HEPPs is as follows:</p><table><tr><th>HEPP</th><th>Total Actual Generation</th></tr><tr><td>Agus 1</td><td>276.05</td></tr><tr><td>Agus 2</td><td>664.08</td></tr><tr><td>Agus 4</td><td>661.19</td></tr><tr><td>Agus 5</td><td>305.46</td></tr><tr><td>Agus 6</td><td>489.07</td></tr><tr><td>Agus 7</td><td>234.86</td></tr><tr><td>Pulangi 4</td><td>714.72</td></tr><tr><td>Total</td><td>3,345.43</td></tr></table></div>	HEPP	Total Actual Generation	Agus 1	276.05	Agus 2	664.08	Agus 4	661.19	Agus 5	305.46	Agus 6	489.07	Agus 7	234.86	Pulangi 4	714.72	Total	3,345.43
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CUSTOMERS / STAKEHOLDERS

INTERNAL PROCESS

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Objective/Measure	Formula	Wt.	2017		Actual	Rating	Actual	Rating																							
SO 3	Ensured Customer/Stakeholder Satisfaction																														
SM 3	Customer/ Stakeholder Satisfaction Rating	$\Sigma \text{Participants' Ratings} \div \text{No. of Participants}$	2.50%	All or Nothing	3.870	4.38	0.00	4.38	2.50%	<ul style="list-style-type: none">Customer Satisfaction Survey Report prepared by Kantar Philippines, Inc. (KPI)	Based on the survey result, NPC achieved 4.38 satisfaction rating among its customers and stakeholders.																				
Subtotal			22.50%				18.04%		20.54%																						
SO 4	Provided Efficient and Reliable Power Supply in Missionary Areas																														
SM 4	Percentage of Readiness of Existing Plants (Equivalent Availability Factor)	$\Sigma [\text{Dependable Cap} \times (\text{Period Hours} - \text{Outage Hours})] \div \Sigma [\text{Rated Cap} \times (\text{Period Hours} - \text{Deactivated Shutdown Hours})]$	5.00%	Actual over Target	72.503%	74.034%	5.00%	74.034%	5.00%	<ul style="list-style-type: none">NPC CY 2017 Monitoring Report for SPUG Performance Targets approved by SPUG Vice President Edmund A. Veloso, Jr. with attached Summary of 2017 Dependable Capacity, EAF, FOR and NHR per SPUG	<div>Below is the summary of SPUG operations:</div> <table><thead><tr><th></th><th>EAF (%)</th><th>FOR (%)</th><th>NHR (BTU / kWh)</th></tr></thead><tbody><tr><td>Luzon</td><td>75.588</td><td>0.068</td><td>10,571</td></tr><tr><td>Visayas</td><td>70.014</td><td>0.246</td><td>11,714</td></tr><tr><td>Mindanao</td><td>72.597</td><td>0.007</td><td>10,370</td></tr><tr><td></td><td>74.034</td><td>0.063</td><td>10,561</td></tr></tbody></table>		EAF (%)	FOR (%)	NHR (BTU / kWh)	Luzon	75.588	0.068	10,571	Visayas	70.014	0.246	11,714	Mindanao	72.597	0.007	10,370		74.034	0.063	10,561
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Objective/Measure	Formula	Wt.		2017	Actual	Rating	Actual	Rating																							
SM 5	Percentage of Unexpected Power Interruption (Forced Outage Rate)	$\frac{\sum(\text{Forced Outage Hours})}{\sum(\text{Operating Hours} + \text{Forced Outage Hours})}$	5.00%	Actual over Target	0.128%	.063%	5.00%	.063%	5.00%	<ul style="list-style-type: none">Onsite validation of NPC database/ system of Monthly Operations Report	<table><tr><td></td><td>EAF (%)</td><td>FOR (%)</td><td>NHR (BTU / kWh)</td></tr><tr><td>Luzon</td><td>75.588</td><td>0.068</td><td>10,571</td></tr><tr><td>Visayas</td><td>70.014</td><td>0.246</td><td>11,714</td></tr><tr><td>Mindanao</td><td>72.597</td><td>0.007</td><td>10,370</td></tr><tr><td></td><td>74.034</td><td>0.063</td><td>10,561</td></tr></table>		EAF (%)	FOR (%)	NHR (BTU / kWh)	Luzon	75.588	0.068	10,571	Visayas	70.014	0.246	11,714	Mindanao	72.597	0.007	10,370		74.034	0.063	10,561
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SM 6	Plant Operation Efficiency (Net Heat Rate)	$\frac{[\sum(\text{Diesel Fuel Consumption} \times \text{Ave Diesel Fuel Heating Value}) + \sum(\text{Bunker Fuel Consumption} \times \text{Ave Bunker Fuel Heating Value})]}{\sum(\text{Net Generation})}$	5.00%	All or Nothing	10,578 BTU/kWh	10,561 BTU/kWh	5.00%	10,561 BTU/kWh	5.00%																						
SO 5	Increased Power Generation in Missionary Areas Pursuant to the Approved Budget																														
SM 7a	Completed Transmission Lines	Actual Completed Transmission Lines	2.50%	Actual over Target	48.32 ckt-kms	22.55 ckt-kms	1.17%	22.55 ckt-kms	1.17%	<ul style="list-style-type: none">Certificate of Final Completion (Provisional Acceptance) issued to S.L. Development Construction Corporation (SLDCC) dated 8 Nov 2017,Progress Reports (as of 31 Dec 2017) for the ff.:<ul style="list-style-type: none">Rehabilitation of Calapan-Bansud 69 kV t/L Project (Sched 1), andSupply & Erection/ Installation of Bansud-Mansalay 69 kV T/L	Validated with supporting documents.																				

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SM 7b	Completed Substation Facilities	Actual Completed Substations (in MVA)	2.50%	Actual over Target	10 MVA	10 MVA	2.50%	10 MVA	2.50%	Supply, Delivery, Construction/ Installation, Test and Commissioning of 69 kV Virac (Marinawa) Substation Project Progress Report (as of 31 Dec 2017)	The blessing and ceremonial energization of the 10 MVA S/S in Virac-Marinawa was held on 21 July 2017.																								
SO 6	Contributed to Efficient Operation of Generation Assets in the Main Grids																																		
SM 8	Maintain Percentage of Readiness of Existing Plants (Availability Factor)	$\frac{\sum(\text{Available Hours})}{\sum(\text{Period Hours})}$	5.00%	All or Nothing	83.67%	90.52%	5.00%	90.17%	5.00%	<ul style="list-style-type: none">NPC CY 2017 Monitoring Report for MinGen Performance Targets reviewed by MinGen Vice President Corpuz with attached Summary of 2017 EAF, and FOH per HEPPs	Breakdown of the Availability Factor for Agus-Pulangi HEPPs is as follows: <table><tr><th>HEPP</th><th>Availability Factor</th></tr><tr><td>Agus 1 and 2</td><td>91.71</td></tr><tr><td>Agus 4 and 5</td><td>94.19</td></tr><tr><td>Agus 6 and 7</td><td>85.31</td></tr><tr><td>Pulangi 4</td><td>89.11</td></tr><tr><td>Availability Factor</td><td>90.17</td></tr></table>	HEPP	Availability Factor	Agus 1 and 2	91.71	Agus 4 and 5	94.19	Agus 6 and 7	85.31	Pulangi 4	89.11	Availability Factor	90.17												
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SM 9	Controlled Unexpected Power Interruption (Forced Outage Hour)	<div>Actual Forced Outage Hour considering the graduated scale below:<table><tr><th>From</th><th>To</th><th>Score</th></tr><tr><td>0.00</td><td>24.00</td><td>100%</td></tr><tr><td>24.01</td><td>35.00</td><td>96%</td></tr><tr><td>35.01</td><td>47.99</td><td>92%</td></tr><tr><td>48.00</td><td>59.99</td><td>88%</td></tr><tr><td>60.00</td><td>71.99</td><td>84%</td></tr><tr><td>72.00</td><td>83.99</td><td>80%</td></tr><tr><td>84.00</td><td>And up</td><td>0%</td></tr></table></div>	From	To	Score	0.00	24.00	100%	24.01	35.00	96%	35.01	47.99	92%	48.00	59.99	88%	60.00	71.99	84%	72.00	83.99	80%	84.00	And up	0%	5.00%	Graduated Scale	24 hours	23.85	5.00%	23.85	5.00%	<ul style="list-style-type: none">NPC CY 2017 Monitoring Report for MinGen Performance Targets reviewed by MinGen Vice President Corpuz with attached Summary of 2017 EAF and FOH per HEPPs	Validated with internal documents.
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Objective/Measure	Formula		Wt.	2017	Actual	Rating	Actual			Rating																								
SO 7	Contributed to Sustainable Hydro and Geothermal Plant Operations																																	
SM 10	Hectares of Open Areas Reforested	Actual Areas Reforested	5.00%	Actual over Target	7,268.48 has.	1,503 (2017 accomplishment)	5.00%	7,398.48 has. (accumulated accomplishment)	5.00%	<ul style="list-style-type: none">2017 Rehabilitation Accomplishments as of 31 December 2017 prepared by the Watershed Management DepartmentCertifications from LGUs. <table><tr><td colspan="2">Breakdown of the areas reforested is as follows:</td></tr><tr><td>Watershed Area</td><td>Total (Has.)</td></tr><tr><td>Upper Agno</td><td>270</td></tr><tr><td>San Roque</td><td>230</td></tr><tr><td>Magat</td><td>90</td></tr><tr><td>Caliraya</td><td>40</td></tr><tr><td>Makban</td><td>87</td></tr><tr><td>Tiwi</td><td>111</td></tr><tr><td>Buhi</td><td>475</td></tr><tr><td>Pulangi</td><td>100</td></tr><tr><td>Lake Lanao</td><td>100</td></tr><tr><td>TOTAL</td><td>1,503</td></tr></table>	Breakdown of the areas reforested is as follows:		Watershed Area	Total (Has.)	Upper Agno	270	San Roque	230	Magat	90	Caliraya	40	Makban	87	Tiwi	111	Buhi	475	Pulangi	100	Lake Lanao	100	TOTAL	1,503
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SO 8	Ensured the Integrity and Safety of Dams																																	
SM 11	Number of Dam Integrity Inspections	Actual Dams Inspections	5.00%	Actual Over Target	32	24	3.75%	30	5.00%	<ul style="list-style-type: none">Hydroelectric Power Plant 1st and 2nd Semester Inspection/Assessment ReportsReports on the Inspection/ Assessment of Dams and other Non-Power Components prepared by NPC and PSALM for the following: Agusan, Ambuklao, Amlan, Angat, Binga and Talomo <p>The target of 32 inspections is an indicative target composed of 24 mandatory inspections and 8 PSALM-initiated inspections.</p> <p>Based on evaluation, the final target for NPC in 2017 should be 33 inspections consisting of twenty-four (24) mandatory inspections and nine (9) actual PSALM-initiated inspections.</p> <p>NPC reported that only 21 out of 24 mandatory inspections were conducted:</p>																								

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INTERNAL PROCESS

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FINANCE	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Actual	Rating			
	SO 12	Ensured Adequate Fund Sources for Sustainability and Improve Corporate Liquidity										
	SM 16	Improve Collection Efficiency	Total Collections ÷ Total Accounts Receivable	5.00%	Actual over Target	56.07%	53.92%	4.81%	53.92%	4.81%	<ul style="list-style-type: none">Collection Efficiency Report as of 31 December 2017	<p><u>[P Total Collections]</u> <u>[P Total Accounts Receivable]</u></p> <p>According to NPC, 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).
	SM 17	EBITDAS Margin with UCME	EBITDAS ÷ (Total Revenue/Income)	5.00%	Actual over Target	19.22%	18.76%	4.88%	18.52%	4.82%	<ul style="list-style-type: none">Condensed Statement of Financial Performance for the year ended 31 December 2017Detailed Computation of EBITDAS Margin.	EBITDAS margin adjusted to 18.52% due to removal/derecognition of the accumulated Revaluation Surplus in compliance with the Philippine Application Guidance 2 of Philippine Public Sector Accounting Standards (PPSAS) for 2017.
	Subtotal			25.00%				23.39%		19.63%		

LEARNING & GROWTH	Component				Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.			2017	Actual	Rating	Actual	Rating		
SO 13	Ensured Employee Productivity and Competency											
SM 18	Percentage of Employees with Required Competencies Met	Establishment of Baseline Data	5.00%	All or Nothing	Established Baseline	Established baseline	4.62%	Established baseline	5.00%	• NPC Baseline Data	Based on the report, NPC established baseline data of its employees with required competencies. There are 421 out of 1,832 employees who have met the required competencies.	
Subtotal			5.00%				4.62%		5.00%			
TOTAL			100.00%				90.97%		91.34%			