Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
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03 November 2022

HON. BENJAMIN E. DIOKNO
Chairman and DOF Secretary
DR. FERNANDO MARTIN Y. ROXAS, DBA
Acting President & CEO (PCEO)
NATIONAL POWER CORPORATION (NPC)
BIR Road cor. Quezon Avenue
Diliman, Quezon City

NAPOCOR
OFFICE OF THE PRESIDENT
CEO-11112 - 004 (7905)
RECEIVED BY:
TIME: 10:29 DATE: NOV 11 2022

RE: VALIDATION RESULT OF NPC'S 2021 PERFORMANCE SCORECARD

Dear Secretary Diokno and Acting PCEO Roxas,

This is to formally transmit the validation result of NPC's 2021 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, NPC obtained an over-all score of **91.05%** (See ***Annex A***). The same is to be posted on NPC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.[1]

In relation to the grant of 2021 Performance-Based Bonus (PBB) to eligible officers and employees, NPC can grant such incentive only upon receipt of a confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.[2]

FOR NPC'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

Atty. GIDEON D.V. MORTEL, D.C.L.
Commissioner

Atty. GERALDINE MARIE B. BERBERABE-MARTINEZ
Commissioner

cc: COA Resident Auditor – NPC

[1] "Code of Corporate Governance for GOCCs," dated 28 November 2012.
[2] "GOCC Governance Act of 2011."

Annex A

NATIONAL POWER CORPORATION (NPC)
Validated 2021 Performance Scorecard

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
CUSTOMERS / STAKEHOLDERS	**SO 1**	**Provided Adequate Power Supply in Missionary Areas**										
	SM 1	Supply	∑Plant Dependable Capacity	10.00%	Actual over Target	189.274 MW	165.669 MW	8.75%	165.669 MW	8.75%	• Report on Small Power Utilities Group Supply (MW) C.Y. 2021 • Memorandum dated 29 March 2022 (Justifications Re: CY 2021- 4th Quarter Accomplishment of SPUG)	Details: SPUG AREA / Dependable Capacity (MW) Luzon: 97.21 Visayas: 16.41 Mindanao: 52.05 **Total: 165.67**
	SO 2	**Contributed to the Power Supply in the Main Grids thru the Agus-Pulangi Plants**										
	SM 2	Energy Generation	Total Energy Generation	10.00%	Actual over Target	2,013.73 GWh	2,836.14 GWh	10.00%	2,836.14 GWh	10.00%	• NPC's CY 2021 Monitoring Report for Performance Targets Mindanao Generations – Energy Generation • Summary of Agus-Pulangi HEPP Forced Outage Hour from 1st to 4th Quarters	Details: HEPP / Total Actual Generation Agus 1: 233.44 Agus 2: 450.41 Agus 4: 582.16 Agus 5: 219.48 Agus 6: 516.32 Agus 7: 137.18 Pulangi 4: 697.16 Total (GWh): **2,836.14**
	SO 3	**Ensured Customer/ Stakeholder Satisfaction**										
	SM 3	Percentage of Satisfied Customers	∑ No. of Satisfied Respondents ÷ ∑ No. of Respondents	5.00%	Actual Over Target *(If less than 80% = 0%)*	90%	90.16%	5.00%	90.16%	5.00%	• National Power Corporation 2021 Customer Satisfaction Survey prepared by People Dynamics, Inc. (PDI) • Ten (10) sample accomplished questionnaires	Overall, NPC was provided with "satisfied" and "very satisfied" ratings by 90.16% (110/122 respondents) of its customers.
			Subtotal	***25.00%***				***23.75%***		***23.75%***		

	Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
INTERNAL PROCESS	**SO 4**	**Provided Efficient and Reliable Power Supply in Missionary Areas**									
	SM 4	Percentage of Unexpected Power Interruption (Forced Outage Rate)	∑(Forced Outage Hours) + ∑(Operating Hours + Forced Outage Hours)	5.00%	Actual Over Target	0.111%	0.016%	5.00%	0.016%	5.00%	• Report on Small Power Utilities Group Supply (MW) C.Y. 2021- FOR	Details:
	SM 5	Plant Operation Efficiency (Net Heat Rate)	[∑ (Diesel Fuel Consumption x Ave Diesel Fuel Heating Value) + ∑ (Bunker Fuel Consumption x Ave Bunker Fuel Heating Value)] ÷ ∑(Net Generation)	5.00%	Actual Over Target	10,712 BTU/kWh	10,628 BTU/kWh	5.00%	10,628 BTU/kWh	5.00%	• Report on Small Power Utilities Group Supply (MW) C.Y. 2021	Details:

SPUG AREA	Average FOR (%)
Luzon	0.010
Visayas	0.003
Mindanao	0.035
	0.016

SPUG AREA	Net Heat Rate (BTU/KWh)
Luzon	10,567
Visayas	12,211
Mindanao	10,471
	10,628

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
	SO 5	**Increased Power Generations in Missionary Areas Pursuant to the Approved Budget**										
INTERNAL PROCESS	SM 6a	Completed Transmission Lines	Actual Completed Transmission Lines	5.00%	Actual over Target	71.30 ckt-kms	43.41 ckt-kms	4.55%	43.41 ckt.kms	3.04%	• NPC Strategic Initiative Profile I • Project Progress Report (Suspended 1 December 2020) • Implementation Schedule • Notice of Suspension of Work dated 22 December 2020 • Request for Approval of Contract Time Suspension dated 14 December 2020 • Project Inspection Report dated 15 December 2021	Details: Projects: Roxas-Taytay 69 kV T/L Project, Sch. I- Palawan — Actual (ckt-kms): 11.83 Projects: Roxas-Taytay 69 kV T/L Project, Sch. I- Palawan — Actual (ckt-kms): 31.58 **TOTAL — 43.41 ckt-kms**
	SM 6b	Completed Substation Facilities	Actual Completed Substations	5.00%	Actual Over Target	45.00 MVA	25.00 MVA	5.00%	25.00 MVA	2.78%	• NPC Strategic Initiative Profile II • Certificate of Project Completion for the Transfer of Existing 5MVA from Narra Substation for Expansion of Brooke's Pt. Substation • Memorandum dated 8 November 2021 signed by Mr. Conrado G. Sison, Jr. • Project Inspection Report dated 15 September 2021	Details: Projects: Transfer of Existing 5MVA from Narra Substation for Expansion of Brooke's Pt. Substation — Actual (MVA): 5 Projects: Transfer of Existing 10MVA Power Transformer including Supply, Erection, Installation. Test and Commissioning of New 10 MVA Mogpog Substation — Actual (MVA): 20 Projects: Uprating of Existing Power Transformer from 10 MVA to 20 MVA Mobo Substation — Actual (MVA): - **TOTAL — 25 MVA**

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
INTERNAL PROCESS											• Certificate of Completion (Provisional Acceptance) dated 28 December 2021 for the Transfer of Existing 10MVA Power Transformer including Supply, Erection, Installation. Test and Commissioning of New 10 MVA Mogpog Substation • Memorandum dated 24 November 2021 signed by Mr. Conrado G. Sison, Jr. • Project Inspection Report dated 24 November 2021	
	SO 6	**Contributed to Efficient Operation of Generation Assets in the Main Grids thru the Agus-Pulangi Plants**										
	SM 7	Controlled Unexpected Power Interruption (Forced Outage Hour)	Actual Forced Outage Hour	5.00%	All or Nothing	24 hrs.	21.737 hrs.	5.00%	21.737 hrs.	5.00%	• Mindanao Generations-Agus Pulangi HEPPs (Forced Outage Hour) • Summary of Agus-Pulangi HEPP Forced Outage Hour from 1st to 4th Quarters	Validated with supporting documents.
	SO 7	**Contributed to Sustainable Hydro and Geothermal Plant Operations**										
	SM 8	Percentage of Agus-Pulangi HEPPs Compliance on Ancillary Services (AS) Provision to the Main Grid	Actual Compliance Capacity ÷ Scheduled Capacity	3.00%	Actual Over Target	90%	99.91%	3.00%	98.26%	3.00%	• Mindanao Generation Ancillary Services Compliance for 1st to 4th Quarters of CY 2021	Details: 2021 Scheduled Capacity (A): 1,348,058.11 MW Actual Available Capacity (B): 1,324,553.65 MW **AS Compliance % (B/A): 98.256%**

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
	SO 8	**Ensured the Structural and Operational Safety of Dams to Mitigate Flooding in the Downstream Communities**										
NTERNAL PROCESS	SM 9	Percentage of Maintenance Requirements of Dams and Other Non-Power Components Completed	Actual No. of maintenance activities implemented ÷ Target no. of maintenance activities	5.00%	Actual Over Target	100% [12 planned maintenance activities (8 in Luzon and 4 in MinGen)]	75% [9 planned maintenance activities completed]	3.75%	75.00% 9 out of 12 planned maintenance activities completed	3.75%	• Completion Report/ Inspection-Assessment Report per Dam/Non-Power components Inspection • Completion Report/ Inspection-Assessment Report • Certificate of Acceptance and Completion of Works	NPC completed 9 (6 in Luzon and 3 in Mindanao) out of 12, or 75% of the total *planned* maintenance activities. Details as follows: **LUZON (6)** • CY 2021 Semi-Annual Inspection/Assessment of the non-power components • Clearing of Caliraya and Lumot dams and dykes • Bathymetric Survey of Lumot Dyke • Reservoir Rim Mapping of Ambuklao and Binga • Updating of San Roque Rim Mapping • Drilling, Rehabilitation, Supply and Installation of Piezometer and Extensonmetr at Caliraya and Lumot Dam/Dyke **MINDANAO (3)** • Slope Deformation Monitoring/Measuring System for Agus 4 Hep • Supply and installation of Online Networking of Dam Instrumentation at Pulangi 4 HEPP • Supply and Installation of Piezometer at Agus 6 HEPP Monitoring of Dam Structure Stability

	Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
INTERNAL PROCESS	**SO 9**	**Consolidation of Ownership of NPC Assets/Property Boundaries/Tenurial Rights**									
	SM 10a	Number of Transferred Certificates of Titles/Decrees and Land Registration Case Decisions under OMA to PSALM, Filed Applications for Tilting/ Issuance of Certificates of Titles/ Decrees of Unregistered/ Untitled Lots	Actual No. of Lots with Transferred Certificates of Titles/Decrees/ LRC Decisions under OMA to PSALM and Lots with Filed Applications for Titling/ Issuance of Certificates of Titles/Decrees under OMA Properties	2.50%	Actual Over Target	35 lots	59 lots	2.50%	59 lots	2.50%	• List of OMA and Non-OMA Landholdings with Certificates of Titles/Decrees and Land Registration Case Decisions and Filed Applications (per Quarter) • Original Certificates of Title • Petitions • Deeds of Donation • Transfers of Certificate of Title • Assessment Form and Payment Orders • Official Receipts • Photocopies of Certificates of Titles/Decrees and Land Registration Case Decisions and Acknowledgement Receipts from PSALM • Tax Declarations of Real Property • Deed of Absolute Sale of a Portion of Registered Property	Details: OMA Lots Quarter / No. of Lots 1st: 14 2nd: 14 3rd: 17 4th: 14 **TOTAL: 59**
	SM 10b	Number of Filed Applications for Titling or Tenurial Rights/ Issuance of Certificates of Titles of Unregistered/ Untitled Non-OMA Lots, Reconstructed Deeds of Donations	Actual No. of Lots with Filed Applications for Titling or Tenurial Rights/ Issuance of Certificates of Titles, *and* Reconstructed/ *Secured* Deeds of Donations	2.50%	Actual Over Target	10 lots	11 lots	2.50%	11 lots	2.50%		Details: Non-OMA Lots Quarter / No. of Lots 1st: 8 2nd: 2 3rd: 0 4th: 1 **TOTAL: 11**
		Subtotal	***40.00%***				***36.30%***		***32.57%***		

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
FINANCE	**SO 10**	**Exercised Fiscal Prudence to Optimize Use of Resources**										
	SM 11a	Fixed Cost Efficiency Ratio in the Missionary Areas	∑[PS + MOOE] ÷ ∑(Energy Sales)	5.00%	Actual Over Target	7.49 P/kWh	6.42 ₱/kWh	5.00%	6.42 ₱/kWh	5.00%	• NPC Memorandum, re: Fixed Cost, OMA Budget Utilization and EBITDAS Margin for 4th Quarter CY 2021 dated 10 February 2021 • Annex A: Summary Computation on Fixed Cost Efficiency in the Missionary Areas • Other Operating Expenses (CY 2021 Actual vs Budget) • SPUG Energy Sales Mix, MWh and % (January to December 2021 and 2020)	Details: *(In Million Pesos)* — **Actual** **Fixed Cost (A)** — **2,874.22** PS — 943.05 MOOE — 1,931.17 **Energy Sales (B)** — **447.385** **Efficiency Ratio (A/B)** — **6.42**
	SM 11b	Fixed Cost Efficiency Ratio in the Main Grids Hydro Plants (Agus-Pulangi)	∑ [PS + MOOE] ÷ ∑ (Energy Sales)	5.00%	Actual Over Target	0.58P/kWh	0.29 ₱/kWh	5.00%	0.29 ₱/kWh	5.00%	• NPC Memorandum, re: Fixed Cost, OMA Budget Utilization and EBITDAS Margin for 4th Quarter CY 2021 dated 10 February 2021 • Annex B: Summary Computation on Fixed Cost Efficiency in the Main Grid – Agus/Pulangi • Annex B-1/C-2: Production Cost for the period ending 31 Dec 2021	Details: *(In Million Pesos)* — **Actual** **Fixed Cost (A)** — **780.44** PS — 452.16 MOOE — 328.28 **Energy Sales (B)** — **2,692.20** **Efficiency Ratio (A/B)** — **0.29**

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
FINANCE	SM 12	OMA Budget Utilization Efficiency Ratio	∑ (Miscellaneous OMA Budget) ÷ ∑ (Energy Sales)	5.00%	Actual Over Target	0.14 P/kWh	0.08 P/kWh	5.00%	0.08 P/kWh	5.00%	• NPC Memorandum, re: Fixed Cost, OMA Budget Utilization and EBITDAS Margin for 4th Quarter CY 2021 dated 10 February 2021 • Annex C: Summary Computation on OMA Budget Utilization Efficiency • Annex C-1: Budget Utilization Report – OMA Support as of 31 Dec 2021	Details: *(In Million Pesos)* / **Actual** **OMA Budget Utilization (A)** **204.15** PS 130.11 MOOE 74.04 **Energy Sales (B)** **2,692.20** **Efficiency Ratio (A/B)** **0.08**
	SO 11	**Ensured Adequate Fund Sources for Sustainability and Improve Corporate Liquidity**										
	SM 13	Improved Collection Efficiency	Total Collections ÷ Total Accounts Receivable	5.00%	Actual Over Target	52.42%	53.39%	5.00%	53.39%	5.00%	• CY 2021 Monitoring Report For Performance Targets as of 31 December 2021 • Collection Efficiency for Power Receivables as of 31 December 2021 • Power Receivables and Collection Efficiency as of 31 December 2021 • List of Customers with Restructured Accounts/ Special Payment Scheme as of 31 December 2021 • List of Customers with Prompt Payment Discount for the month of December 2021	Details: *(In Billion Pesos)* / **Actual** **Total Accounts Receivable (A)** **3,389,066,204.35** **Total Collections (B)** **1,809,520,336.53** **Efficiency Ratio (B/A)** **53.39%**

	Component					Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
FINANCE	SM 14	EBITDAS Margin with UCME	EBITDAS ÷ (Total Revenue/ Income)	5.00%	Actual Over Target	9.50%	10.13%	5.00%	16.17%	5.00%	• NPC Memorandum, re: Fixed Cost, OMA Budget Utilization and EBITDAS Margin for 4th Quarter CY 2021 dated 10 February 2021 • CY 2021 EBITDAS Margin with UCME • SPUG/ Watershed Net Utility Revenue • As of 4th Qtr CY 2021 Interest Income/Other Income 9SPUG Portion) • Detailed Other Operating Expense (OOPEX) – Missionary Areas • 2021 COA Audited FS	Detailed computation is as follows: ***(In Million Pesos)*** / **COA Actual** Net Utility Revenue (NUR) / 18,377.60 *Less:* Operating Expenses / (9,816.00) Net Operating Income/Loss / 8,561.60 *Less:* Interest Expenses / (2.01) NOI after Finance Charges / 8,559.59 *Add:* Interest Income / Other Income / 2,162.77 *Less:* Other Expenses / (9,333.52) Net Income Before Income Tax and NG Subsidy / 1,388.84 *Less:* Income Tax / (384.78) Net Income Before NG Subsidy / 1,004.06 *Add:* NG Subsidy / 1,210.29 Net Income After NG Subsidy and Income Tax / 2,214.35 *Add/(Deduct)*: Interest Expense, Taxes, Dep'n/ (NG Subsidy) / 1,107.34 **EBITDAS** / **3,321.69** **Total Revenue (NUR) & Interest Income/Other Income** / **20,540.37** **EBITDAS MARGIN** (EBITDAS over Total Revenue & Int. Income/Other Income) / **16.17%**
			Subtotal	***25.00%***				***25.00%***		***25.00%***		
LEARNING AND GROWTH	**SO 12**	**Ensured Employee Productivity and Competency**										
	SM 15	Compliance with Quality Standards	Actual Accomplishment	5.00%	All or Nothing	Maintain Certification	Maintained Certification	5.00%	Maintained Certification	5.00%	• TUV Rheinland 2nd Follow-up Audit Report issued on 21 March 2021 • ISO Certificate No. 011001835820 dated 21 March 2021 with Annexes	NPC successfully passed the 2nd Follow Up (Remote) Audit conducted by the TUV Rheinland on 10-12 March 2021 which resulted to the maintenance of NPC's existing ISO Certification.

Component						Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Actual	Rating		
LEARNING AND GROWTH	SM 16	Percentage of Employees with Required Competencies Met	No. of Employees with Required Competencies met over Total Employees	5.00%	Actual Over Target	8% increase from the 2020 Competency Level	9.98% increase	5.00%	7.57% increase from 2020 Competency Level	4.73%	• 2021 NPC Employee Competency Report • Report on Separation CY 2021 • SMV of Plantilla and Non-Plantilla Personnel as of December 31, 2021	For 2021, 144 additional employees met the required competencies for their positions. With forty-three (43) separated (previously classified as competent), the total competent NPC employees as of 2021 is 1,021. Thus, the validated competency level in 2021 is 57.46% (1,021 out of 1,777). This translates to 7.57% increase from the 2020 competency level of 49.89% (920 out of 1,844).
	SM 17	Operation of Human Resource Information System (HRIS)	Number of Employees On-Boarded over Total Number of Employees	2.00%	All or Nothing	100%	37.31%	0.00%	37.31%	0.00%	• Human Resource Information System User Log in Report as of 31 December 2021	As validated, a total of 713 out of 1,911 (or 37.31%) employees on-boarded into the HRIS.
			Subtotal	***12.00%***				***10%***		***9.73%***		
			TOTAL	**100.00%**				**95.05%**		**91.05%**		