

NATIONAL POWER CORPORATION



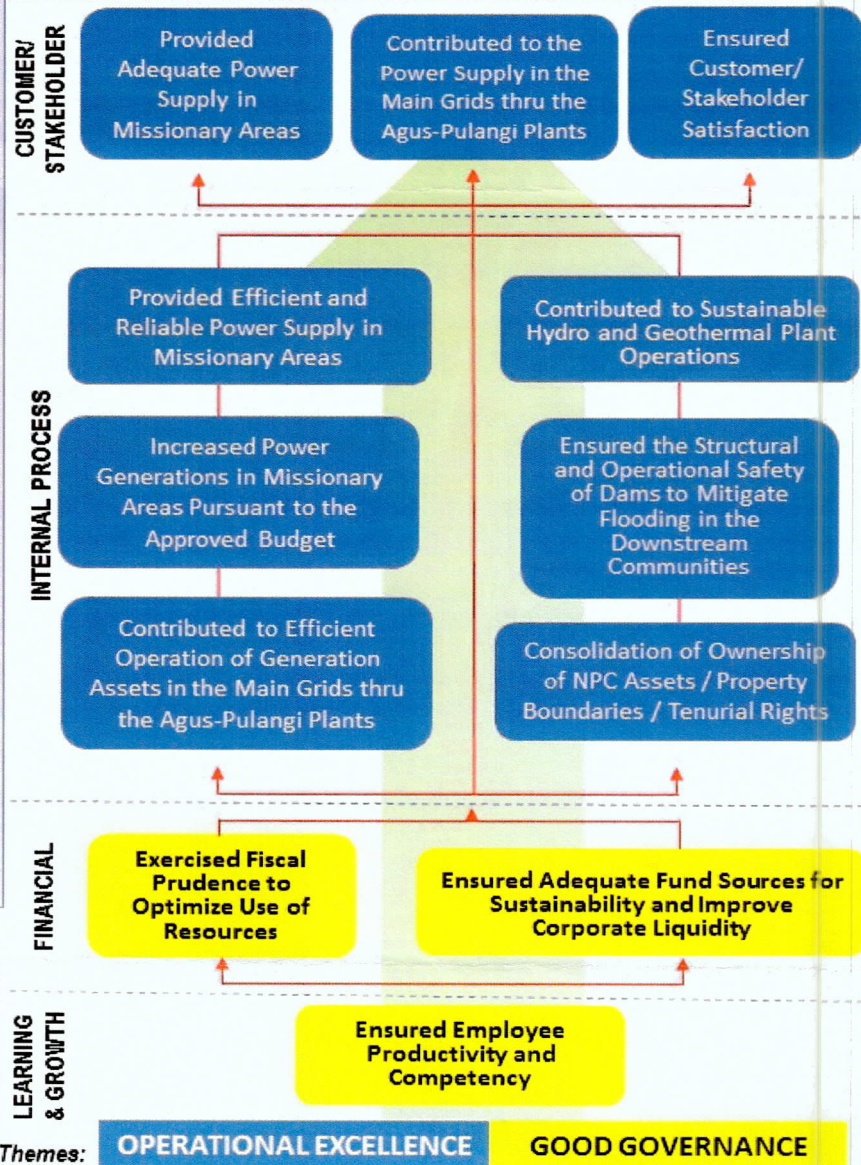
VISION: A world-class power corporation providing reliable and reasonably-priced electricity in all missionary areas by 2025; managing sustainable watersheds and dam resources for power generation; and optimizing the use of remaining power generating assets.

MISSION: National Power Corporation is committed to:

- Provide reliable power generation and its associated power delivery systems to ensure total electrification of missionary areas while encouraging private sector participation;
- Manage its watershed and dam operations to support power generation;
- Operate and maintain the Agus and Pulangi hydroelectric power plants; and
- Adopt innovative power technologies and business processes to respond to customer needs.

CORE VALUES:

- Professionalism
- Integrity
- Service
- Innovation



NATIONAL POWER CORPORATION (NPC)

CUSTOMERS / STAKEHOLDERS	Component				Baseline		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	SO 1	Provided Adequate Power Supply in Missionary Areas							
	SM 1	Supply	Σ Plant Dependable Capacity	10.00%	Actual over Target	151.240 MW	162.093 MW	186.486 MW	185.89 MW
	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	2,715.09 GWh	3,345.43 GWh	2,711.72 GWh	2,872.11 GWh
	SO 3	Ensured Customer/ Stakeholder Satisfaction							
	SM 3	Percentage of Satisfied Customers	Σ No. of Satisfied Respondents ÷ Σ No. of Respondents	5.00%	(Actual/Target) <i>If less than 80%= 0%</i>	3.870	4.380	90%	90%*
	Subtotal			25.00%					
	SO 4	Provided Efficient and Reliable Power Supply in Missionary Areas							
INTERNAL PROCESS	SM 4	Percentage of Unexpected Power Interruption (Forced Outage Rate)	Σ (Forced Outage Hours) ÷ Σ (Operating Hours + Forced Outage Hours)	5.00%	Actual over Target	0.128%	0.063%	0.111%	0.111%

* Using the Standard Methodology and Questionnaire developed by GCG.

INTERNAL PROCESS	Component				Baseline		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	SM 5	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%	Actual over Target	10,578 BTU/kWh	10,561 BTU/kWh	10,612.67 BTU/kWh	10,771 BTU/kWh
	SO 5	Increased Power Generations in Missionary Areas Pursuant to the Approved Budget							
	SM 6a	Completed Transmission Lines	Actual Completed Transmission Lines	5.00%	Actual over Target	150.38 ckt-kms	22.55 ckt-kms	296.35 ckt-kms	157.00 ckt-kms
	SM 6b	Completed Substation Facilities	Actual Completed Substations	5.00%	Actual over Target	0	10 MVA	25 MVA	30 MVA
	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	4.05 hours	23.85 hours	24 hours	24 hours
	SO 7	Contributed to Sustainable Hydro and Geothermal Plant Operations							
	SM 8	Hectares of Open Areas Reforested	Actual Areas Reforested	5.00%	Actual over Target	5,895.48 has.	7,398.48 has. (+1,503 has.)	8,393.48 has. (+995 has.)	9,638.48 has. (+1,245 has.)

INTERNAL PROCESS	Component				Baseline		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	SO 8	Ensured the Structural and Operational Safety of Dams to Mitigate Flooding in the Downstream Communities							
	SM 9	Maintenance Requirements of Dams and Other Non-Power Components	Actual No. of Maintenance Activities <u>Implemented</u> Target No. of Maintenance Activities	5.00%	Actual over Target	N/A	N/A	50%	100% [based on the 17 planned maintenance activities (8 for Luzon, and 9 for Mindanao) identified for 2019]
	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 Titling/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	128 lots	2,051 lots with titles	35 lots	35 lots

INTERNAL PROCESS	Component				Baseline		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	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 Donation	Actual No. of Lots with Filed Applications for Titling or Tenurial Rights/ Issuance of Certificates of Titles, Reconstructed Deeds of Donations	2.50%	Actual over Target	16 lots	17 lots	25 lots	10 lots
	Subtotal			40.00%					
	SO 10	Exercised Fiscal Prudence to Optimize Use of Resources							
	SM 11a	Fixed Cost Efficiency Ratio in the Missionary Areas	$\Sigma[PS + MOOE] \div \Sigma(\text{Energy Sales})$	5.00%	Actual over Target	5.28 ₱/kWh	5.79 ₱/kWh	4.73 ₱/kWh	4.89 ₱/kWh
	SM 11b	Fixed Cost Efficiency Ratio in the Main Grids Hydro Plants (Agus-Pulangi)	$\Sigma[PS + MOOE] \div \Sigma(\text{Energy Sales})$	5.00%	Actual over Target	0.33 ₱/kWh	0.21 ₱/kWh	0.26 ₱/kWh	0.32 ₱/kWh
	SM 12	OMA Budget Utilization Efficiency Ratio	$\Sigma(\text{Miscellaneous OMA Budget}) \div \Sigma(\text{Energy Sales})$	5.00%	Actual over Target	0.07 ₱/kWh	0.07 ₱/kWh	0.06 ₱/kWh	0.08 ₱/kWh

FINANCE	Component				Baseline		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	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	56.07%	53.92%	53.92%	53.92%
	SM 14	EBITDAS Margin with UCME	EBITDAS ÷ (Total Revenue/Income)	5.00%	Actual over Target	17.47%	18.52%	15.52%	8.55%
	Subtotal			25.00%					
	SO 12	Ensured Employee Productivity and Competency							
	SM 15	Compliance to Quality Standards	Actual Accomplishment	5.00%	All or Nothing	ISO 9001:2008 Certified	Maintained Certification	ISO 9001:2015 Certified	Surveillance Audit Passed
	SM 16	Percentage of Employees with Required Competencies Met	No. of Employees with Required Competencies Met Total Employees	5.00%	Actual over Target	Board Approved Competency Model	Established Baseline	8% increase from Baseline Competency	10% increase from 2018 Competency Level
	Subtotal			10.00%					
TOTAL			100.00%						
LEARNING AND GROWTH									

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I. STRATEGIC INITIATIVE PROFILE I

Name of Project/s:

- Rehabilitation of Calapan-Bansud "2" 69kV T/L Project (42 km.)
- Supply, Erection/Installation of Mansalay-San Jose "1" & "2" 69kV T/L Project (60 km.)
- Rehabilitation of Boac-Torrijos 69kV T/L Project (47 km.)

Contact Person/Project Team Head:

- Mr. Nerio G. Somosierra - Officer-in-Charge, Project Management Department
- Mr. Alex G. Bernabe - Manager, Project Implementation Cluster B/PMD

Project Description:

The projects cover the Supply and Erection/Installation, Test and Commissioning of the Transmission Line projects:

- Calapan-Bansud "2" 69kV T/L Rehab Project – 42 km.
- Mansalay-San Jose "1" & "2" 69kV T/L Project – 60 km.
- Boac-Torrijos 69kV T/L Rehab Project – 47 km.

Project Milestones:

Activities	Timeline		Budget (Construction)	Funding Source	Status (As of 15 December 2018)	
	Start	End				
Calapan-Bansud "2" 69kV T/L Rehab Project, 42 km. (Oriental Mindoro)	Aug- 18	Aug- 19	P 230,314,703.00	2017 SARO	<ul style="list-style-type: none"> ▪ Implementation in progress. ▪ Inventory of trees to be cut and Line Inspection, in progress. 	
Mansalay-San Jose 69kV T/L Project, 60 km. - Schedule 1 - Schedule 2 (Oriental/Occidental Mindoro)	Sep- 18/ Sep- 18	Jul- 19/ May- 19	Sched.1: P 221,969,026.25 Sched.2: P 139,033,794.25	2018 SARO	<ul style="list-style-type: none"> ▪ Implementation in progress. ▪ Staking of polesites and clearing works, in progress. 	
Boac-Torrijos 69kV T/L Rehab Project, (Marinduque)	Sep- 18	Aug- 19	P 369,550,146.25	2018 SARO/ ICG	<ul style="list-style-type: none"> ▪ Implementation in progress. ▪ Dismantling/Retiring of transmission line materials and hardware, in progress. 	

Measures Affected:

The following conditions/situations may affect the target completion/commissioning of the T/L Projects:

- ROW Problems/issues.

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II. STRATEGIC INITIATIVE PROFILE II

Name of Project/s:

- Taytay S/S Project, 5MVA
- San Miguel S/S Project, 5MVA
- Transfer/Rehabilitation of Existing 10MVA Power Transformer at Boac Substation (Mogpog) and Procurement of New 10MVA Transformer

Contact Person/Project Team Head:

- Mr. Isagani G. Rabara - Officer-in-Charge, Project Management Department
- Mr. Jesus A. Tapel, Jr. - Officer-in-Charge, Project Implementation Cluster A/PMD
- Mr. Alex G. Bernabe - Manager, Project Implementation Cluster B/PMD

Project Description:

The projects cover the Supply and Erection/Installation, Test and Commissioning of the Substation projects:

- Taytay S/S Project, 5MVA
- San Miguel S/S Project, 5MVA
- Transfer/Rehabilitation of Existing 10MVA Power Transformer at Boac Substation (Mogpog) and Procurement of New 10MVA Transformer

Project Milestones:

Activities	Timeline		Budget (Construction)	Funding Source	Status (As of 15 December 2018)
	Start	End			
Taytay S/S Project, 5MVA - Palawan	Jan-19	Dec-19	P 127,995,000.00	2018 SARO	<ul style="list-style-type: none"> ▪ Under Contract preparation. ▪ Target start of implementation by 1st Quarter of 2019.
San Miguel S/S Project, 5MVA - Catanduanes	Jan-19	Dec-19	P 127,901,000.00	2016 SARO/ 2017 SARO	<ul style="list-style-type: none"> ▪ Under Post Qualification Evaluation. Bid submission/Opening conducted on 27 Sept. 2018. ▪ Target start of implementation by 1st Quarter of 2019.
Transfer/Rehabilitation of Existing 10MVA Power Transformer at Boac Substation (Mogpog) and Procurement of New 10MVA Transformer - Marinduque	Jan-19	Dec-19	P 189,313,000.00	2018 SARO	<ul style="list-style-type: none"> • For bidding. • Target bid submission/opening on 18 December 2018.

Measures Affected:

The following conditions/situations may affect the target completion/commissioning of the S/S Projects:

- Problems/issues during Site Acquisition.