NATIONAL POWER CORPORATION
CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019 and 2018

	NOTE	2019	2018 (As Restated)
ASSETS			
Current Assets			
Cash & Cash Equivalent	6	14,266,765,869	17,739,542,125
Receivables	7	4,016,012,772	3,954,656,206
Inventories	8	1,439,089,827	1,221,425,457
Other Current Assets	12	8,520,456,334	6,724,481,300
Total Current Assets		**28,242,324,802**	**29,640,105,088**
Non-Current Assets			
Receivables	7	425,252,387	759,959,474
Property, Plant and Equipment	9	11,745,934,097	11,813,752,673
Deferred Tax Assets	10	1,477,886,260	1,367,826,500
Other Investment	11	1,719,970	1,719,970
Other Non-Current Assets	12	6,239,533,193	6,420,434,108
Total Non-Current Assets		**19,890,325,907**	**20,363,692,725**
Total Assets		**48,132,650,709**	**50,003,797,813**
LIABILITIES			
Current Liabilities			
Financial Liabilities	13	6,303,948,023	7,602,446,076
Inter-Agency Payables	14	589,897,921	444,209,447
Trust Liabilities	16	77,199,236	55,649,279
Deferred Credits/Unearned Income	17	962,162,990	912,975,460
Other Payables	15	425,836,626	401,381,303
Total Current Liabilities		**8,359,044,796**	**9,416,661,565**
Non-Current Liabilities			
Financial Liabilities	13	497,869,445	577,112,031
Trust Liabilities	16	5,579,852,471	5,650,318,917
Deferred Credits/Unearned Income	17	1,944,758,307	3,563,033,692
Provisions	18	637,127,074	577,844,087
Total Non-Current Liabilities		**8,659,607,297**	**10,368,308,727**
Total Liabilities		**17,018,652,093**	**19,784,970,292**
Net Assets (Total Assets Less Total Liabilities)		**31,113,998,616**	**30,218,827,521**
NET ASSETS/EQUITY			
Government Equity	19	4,050,658,633	3,155,225,165
Stockholder's Equity	19	27,063,339,983	27,063,602,356
Total Net Assets/Equity		**31,113,998,616**	**30,218,827,521**

This statement should be read in conjunction with the accompanying notes.

Certified Correct:

LORNA T. DY
Vice President, Admin. & Finance

Approved by:

PIO J. BENAVIDEZ
President & CEO

NATIONAL POWER CORPORATION
CONDENSED STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	NOTE	2019	2018
Revenue			
Service and Business Income	20		
Net Sales		2,193,967,153	2,108,279,378
Interest Income		1,122,742,120	868,617,959
Management Fees		989,073,025	1,114,404,089
Rent/Lease Income		20,102,914	11,730,086
Fines and Penalties		12,176,106	16,116,584
Income from Fuel Related transactions		73,321	226,863
Total Business Income		4,338,134,639	4,119,374,959
Shares, Grants and Donations	21		
Share in Universal Charge		15,411,179,101	13,589,697,010
Income from Grants and Donations		9,613,565	8,956,500
Total Shares, Grants and Donations		15,420,792,666	13,598,653,510
Total Revenue		**19,758,927,305**	**17,718,028,469**
Current Opearting Expense			
Personnel Services	22	1,646,170,271	1,493,628,355
Maintenance and Other Operating Expenses	23	2,155,886,236	2,031,748,243
Financial Expenses	24	2,995,946	5,742,597
Direct Materials	25	4,502,511,517	4,388,500,183
Non-Cash Expenses	26	995,909,206	954,451,835
Total Current Operating Expense		**9,303,473,176**	**8,874,071,213**
Surplus from Current Operations		**10,455,454,129**	**8,843,957,256**
Other Non-Operating Income	28	42,963,532	75,108,246
Gains	28	35,596,772	1,345,353
Losses	28	(85,857)	(4,978,520)
Surplus Before Tax		**10,533,928,576**	**8,915,432,335**
Income Tax Expense		(494,613,673)	(425,942,399)
Surplus After Tax		**10,039,314,903**	**8,489,489,936**
Net Assistance/Subsidy/(Financial Assistance/Subsidy)	27	(6,846,264,329)	(6,762,752,996)
Net Surplus for the Period		**3,193,050,574**	**1,726,736,940**

This statement should be read in conjunction with the accompanying notes.

Certified Correct:

LORNA T. DY
Vice President, Admin & Finance

Approved by:

PIO J. BENAVIDEZ
President & CEO

NATIONAL POWER CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Cash Inflows		
Collection of Revenue	15,380,361,621	14,827,681,645
Receipts of Assistance/Subsidy	1,502,923,493	349,890,463
Collection of Other Receivables	120,217,303	130,731,971
Receipts of Intra-Agency Fund Transfers	50,750,395	22,171,806
Trust Receipts	29,443,305	32,297,183
Other Receipts	1,368,132,043	1,190,616,247
Total Cash Inflows	**18,451,828,160**	**16,553,389,315**
Cash Outflows		
Payment of Expenses	2,032,093,128	2,496,157,514
Purchase of Inventories	4,643,687,918	4,029,938,548
Grant of Cash Advances	7,585,460	4,731,706
Refund of Deposits	7,214,310	5,539,199
Remittance of Personnel Benefit Contributions and Mandatory Deductions	4,280,331,287	3,196,851,969
Grant of Financial Assistance/Subsidy/Contributions	7,947,502,695	6,273,413,326
Other Disbursements	28,651,619	34,482,844.00
Total Cash Outflows	**18,947,066,417**	**16,041,115,106**
Net Cash Provided by Operating Activities	**(495,238,257)**	**512,274,209**
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Inflows		
Receipts of Interest Earned	527,528,700	353,417,230
Proceeds from Sale of Other Assets	0	1,280,000
Investment in Government & Other Corporation	99,000,000	94,031,330
Total Cash Inflows	**626,528,700**	**448,728,560**
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	2,104,485,695	1,334,352,353
Total Cash Outflows	**2,104,485,695**	**1,334,352,353**
Net Cash Used in Investing Activities	**(1,477,956,995)**	**(885,623,793)**
CASH FLOW FROM FINANCING ACTIVITIES		
Cash Outflows		
Payment of Cash Dividends	1,436,570,659	1,410,309,234
Payment of Long-Term Liabilities	56,069,963	69,161,378
Payment of Interest on Loans	2,881,569	5,792,757
Transfer to Restricted Cash Account	0	30,000
Total Cash Outflows	**1,495,522,191**	**1,485,293,369**
Net Cash Used in Financing Activities	**(1,495,522,191)**	**(1,485,293,369)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(3,468,717,443)**	**(1,858,642,953)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(4,058,813)**	**12,775,269**
Cash and Cash Equivalents, January 1	**17,739,542,125**	**19,585,409,809**
Cash and Cash Equivalents, December 31	**14,266,765,869**	**17,739,542,125**

This statement should be read in conjunction with the accompanying notes.

Certified Correct:

LORNA T. DY
Vice President, Admin. & Finance

Approved by:

PIO J. BENAVIDEZ
President & CEO

NATIONAL POWER CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	Accumulated Surplus/ (Deficit)	Share Capital	Other Equity Instruments (Donated Capital)	Total
BALANCE AT JANUARY 1, 2018	3,007,630,411	27,048,870,789	14,683,567	30,071,184,767
ADJUSTMENTS:				
Add/Deduct				
Other Adjustment	957,273,532	0	0	957,273,532
RESTATED BALANCE AT JANUARY 1, 2018	**3,964,903,943**	**27,048,870,789**	**14,683,567**	**31,028,458,299**
Changes in Net Assets/Equity for CY 2018				
Add/Deduct				
Surplus/(Deficit) for the Period	1,726,736,940	0	0	1,726,736,940
Dividends declared (2017)	(1,410,309,234)	0	0	(1,410,309,234)
Donated Capital from the Municipal Government of Agutaya			48,000	48,000
Other Adjustments	(1,126,106,484)	0	0	(1,126,106,484)
BALANCE AT DECEMBER 31, 2018	**3,155,225,165**	**27,048,870,789**	**14,731,567**	**30,218,827,521**
Changes in Net Assets/Equity for CY 2019				
Add/(Deduct):				
Surplus/(Deficit) for the Period	3,193,050,574	0	0	3,193,050,574
Dividends declared (2018)	(1,436,570,659)	0	0	(1,436,570,659)
Other Adjustments	(861,046,447)	0	(262,373)	(861,308,820)
BALANCE AT DECEMBER 31, 2019	**4,050,658,633**	**27,048,870,789**	**14,469,194**	**31,113,998,616**

Certified Correct:

LORNA T. DY
Vice President, Admin. & Finance

Approved by:

PIO J. BENAVIDEZ
President & CEO

NATIONAL POWER CORPORATION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Particulars	NOTE	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference of Final Budget and Actual
		Original	Final		
RECEIPTS					
Services and Business Income		3,318,097,011	2,700,316,388	2,138,777,621	561,538,767
Assistance and Subsidy	27	1,028,986,000	4,522,574,219	1,502,923,493	3,019,650,726
Shares, Grants and Donations	17	14,861,313,662	20,209,639,060	13,241,584,000	6,968,055,060
Others		494,216,430	1,561,492,349	2,195,071,746	(633,579,397)
Total Receipts		**19,702,613,103**	**28,994,022,016**	**19,078,356,860**	**9,915,665,156**
PAYMENTS					
Personnel Services		1,958,171,000	1,958,171,000	689,798,453	1,268,372,547
Maintenance and Other Operating		10,182,840,528	11,364,072,050	10,309,767,744	1,054,304,306
Capital Outlay		5,632,803,000	9,126,391,219	2,104,485,695	7,021,905,524
Financial Expenses		60,155,822	61,334,525	58,951,532	2,382,993
Others		8,302,599,651	13,583,599,232	9,384,070,879	4,199,528,353
Total Payments		**26,136,570,001**	**36,093,568,026**	**22,547,074,303**	**13,546,493,723**
NET RECEIPTS/PAYMENTS		**(6,433,956,898)**	**(7,099,546,010)**	**(3,468,717,443)**	**(3,630,828,567)**

The notes on pages 8 to 71 form part of these statements.

Certified Correct:

LORNA T. DY
Vice President, Admin. & Finance

Approved by:

PIO J. BENAVIDEZ
President & CEO

1. GENERAL INFORMATION

The National Power Corporation (NPC or Corporation) was established originally as a non-stock government corporation under Commonwealth Act No. 120 on November 3, 1936. It was later on converted to stock Corporation wholly owned by the government under Republic Act (R.A.) No. 2641 on June 18, 1960. On September 10, 1971, by virtue of R.A. No. 6395, its charter was then revised as amended.

As mandated by the Revised NPC Charter, the Corporation shall undertake the development of hydroelectric generation of power and the production of electricity from nuclear, geothermal and other sources, as well as the transmission of electric power on a nationwide basis. As provided in its Charter, NPC shall continue to exist for 50 years from and after expiration of its present corporate existence. It shall, as far as feasible spread the benefits of its projects and operations to the greatest number of the population possible, and it shall prosecute faithfully such projects to promote total electrification of the islands of Luzon, Visayas and Mindanao.

NPC's Charter provides that it shall be non-profit and shall devote all its returns from its capital investment, as well as excess revenues from its operation, for expansion. To enable the NPC to pay its indebtedness and obligations and, in furtherance and effective implementation of the government's policy of power generation, the NPC, is declared exempt from the payment of all forms of taxes, duties, fees, imposts as well as costs and service fees including filing fees, appeal bonds, supersede as bonds, in any court or administrative proceedings.

With the enactment of R.A. No. 9337, otherwise known as the Reformed Value-Added Tax (RVAT) Law of 2005, which took effect on November 1, 2005, NPC's purchases of fuel and purchased power as well as its sale of electricity are subjected to VAT, specifically stated under Section 24(A) of R.A. 9337 repealing Section 13 of R.A. No. 6395 on the NPC's exemption from VAT.

Moreover, Section 27(C) of the Tax Code provides that government-owned and/or controlled corporations (GOCCs) are now subject to income tax except for the four government corporations specifically enumerated therein, hence, NPC is subject to income tax.

The EPIRA

R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001", the "EPIRA", was enacted to institute reforms and provide framework for the restructuring of the electric power industry including, among others, the privatization of generation assets, real estate, other disposable assets, independent power plants and the liquidation of all liabilities and stranded contract cost of NPC.

The EPIRA organized the industry into four sectors: generation, transmission, distribution and supply. The structural reforms resulted, among others, in the creation of two GOCCs, the National Transmission Corporation (TRANSCO) and the Power Sector Assets and Liabilities Management Corporation (PSALM). NPC was retained as a GOCC to perform the missionary electrification function, through the Small Power Utilities Group (SPUG), Watershed management, dams management and the

operation and maintenance of all undisposed generation assets as well as maintenance of mothballed assets.

Separation of TRANSCO Books from NPC and the Transfer of Assets and Liabilities from NPC to PSALM

As mandated under the EPIRA and pursuant to the instructions from the respective Boards and Managements of NPC, PSALM and TRANSCO, the actual separation of books of TRANSCO from NPC and the assets-debt accounts transfer from NPC to PSALM was implemented on October 1, 2008 based on the balances of interim financial report (except for SPUG) as of September 30, 2008. Full implementation was effected on December 31, 2008. This momentous event significantly affected the current financial structure of NPC, as only the accounts pertaining to SPUG, watershed and other assets/facilities that are used and useful in the performance of its missionary function, watershed management and the operation of plants, under the Operation and Maintenance Agreement with PSALM are retained in the books of NPC. Similar in 2008, NPC reported only the result of operation for SPUG and the financial condition of the residual NPC, consisting of accounts pertaining to SPUG and Watershed and PSALM retained accounts. The latter pertains to accounts retained in NPC books pending validations and reconciliations. As soon as these accounts are validated and reconciled, same shall be taken out of the temporary registry by NPC thru an adjustments and/or by transferring to the books of PSALM.

Operation and Maintenance Agreement (OMA)

The OMA is an agreement entered into by and between NPC and PSALM on February 17, 2009 wherein NPC will act as the Operator of the transferred generation and other assets/facilities owned by PSALM prior to privatization of such assets.

In CY 2015, PSALM and NPC executed a new OMA. NPC continued its obligation as Operator of the undisposed generating plants of PSALM. Under the agreement, NPC will be paid by PSALM an administrative fee equivalent to five percent margin on top of the total approved budget for Personnel Services (PS) and Maintenance and Other Operating Expenses (MOOE), inclusive of 12 per cent VAT, to compensate for services rendered for the main grid.

The financial statement of NPC was authorized for issue on February 14, 2020 as shown in the Statement of Management Responsibility for Financial Statements signed by the Ex-Officio-Chairman, Secretary Carlos G. Dominguez III.

NPC's registered head office is located in BIR Road corner Quezon Avenue, Diliman, Quezon City 1100.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the Philippine Public Sector Accounting Standards (PPSAS) prescribed by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014 and COA Resolution 2017-006 dated April 26, 2017.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine Peso (P), which is also the country's functional currency. Amounts shown are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.5(d) and 7.1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

3.2 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of PPSAS 29-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. NPC determines the classification of its financial assets at initial recognition.

NPC's financial assets include cash and cash equivalents; trade and other receivables. NPC has no derivative financial instruments as at December 31, 2019.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

2. Loans and Receivables

Receivables are initially measured at face value and subsequently at amortized cost using the effective interest method. Impairment loss is recognized using an allowance account.

2.1 Power receivables

These are classified as current assets as they are expected to be collected within 12 months after the financial reporting date, except the restructured accounts which are classified as noncurrent assets.

iii. Derecognition

NPC derecognizes a financial asset or where applicable, a part of a financial asset or part of NPC of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and

2. NPC has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PPSAS 29-Financial Instruments: Recognition and Measurement; and either the entity has:

   - transferred substantially all the risks and rewards of ownership of the financial asset; or

   - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred the control of the asset.

iv. Impairment of financial assets

NPC assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty;

2. Default or delinquency in interest or principal payments;

3. The probability that debtors will enter bankruptcy or other financial reorganization; and

4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

v. Financial assets carried at amortized cost

For financial assets carried at amortized cost, the NPC first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the NPC determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit.

For power receivables, NPC adopted a revised accounting policy in 2015 to provide a reasonable allowance for impairment as follows: (i) a 20% impairment allowance is recognized for accounts that are outstanding for more than six months to one year; (ii) a 30% impairment allowance is recognized for accounts that are outstanding for more than one year to two years; (iii) a 50% impairment allowance is recognized for accounts that are outstanding for more than two years to four years; and (iv) a 100% impairment allowance is recognized for accounts that are outstanding for more than four years.

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. NPC determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transactions costs. NPC's financial liabilities include trade and other payables and loans and borrowings.

ii. Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank and highly liquid investments with an original maturity of two months or less, which are readily convertible to known amount of cash and are subject to insignificant risk of changes in value.

3.4 Inventories

Inventory is measured at cost using the moving-weighted average method upon initial recognition.

The cost of inventories is comprised of all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

After initial recognition, inventory is measured using the moving-weighted average method.

Inventories are recognized as an expense or asset as applicable, when deployed for utilization or consumption in the ordinary course of operations of NPC.

3.5 Property, Plant and Equipment

a. Recognition

An item is recognized as property, plant and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

i. tangible items;

ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

iii. are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;

ii. the cost or fair value of the item can be measured reliably; and

iii. the cost is at least P15,000.00.

b. Measurement at recognition

An item recognized as property, plant and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

i. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

ii. expenditures that is directly attributable to the acquisition of the items; and

iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, NPC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method and Estimated Useful Life

The straight-line method of depreciation is adopted over the estimated useful lives of the assets as follows:

Asset	Economic Life
Transmission Plant	30 years
Buildings	20 years
Office Equipment	5 years
Transportation Equipment	7 years
Computers and Accessories	3 years
Other Machineries and Equipment	20 years

iii. Residual value

NPC uses a residual value equivalent to 10 per cent of the cost of the PPE.

iv. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

v. Derecognition

NPC derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the

net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.6 Leases

a. NPC as a lessee

i. Finance lease

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased item to NPC.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of future minimum lease payments. NPC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that NPC will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

ii. Operating lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to NPC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

b. NPC as a lessor

i. Operating lease

Leases in which NPC does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

3.7 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognized when NPC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required

to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When NPC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. Contingent liabilities

NPC does not recognize a contingent liability but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. Contingent assets

NPC does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NPC in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.8 Changes in Accounting Policies and Estimates

NPC recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

NPC recognizes the effects of changes in accounting estimates prospectively through surplus and deficit.

NPC corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or

b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.9 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

a. Foreign currency monetary items are translated using the closing rate;

b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

c. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.10 Revenue from Non-Exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and

ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As NPC satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange Transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Taxes

Taxes and the related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

f. Fees and fines not related to taxes

NPC recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenue is recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

g. Gifts and donations

NPC recognizes assets and revenues from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduce and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification.

For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

h. Transfers

NPC recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

i. Services in-kind

Service in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

j. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to NPC and can be measured reliably.

3.11 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

c. Rental income

Rental income arising from operating leases on property is accounted for on a straight-line basis over the lease terms and included in revenue.

d. Other revenues

Other revenues are recognized when it is probable that future economic benefits will be received and such future benefits can be measured reliably.

3.12 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.13 Related Parties

NPC regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over NPC, or vice versa.

Members of key management are regarded as related parties and comprise the Members of the Board of Directors, the President and Chief Executive Officer and the Members of the Management Committee.

3.14 Employee Benefits

The employees of NPC are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

3.15 Measurement Uncertainty

The preparation of financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of capital asset, estimated employee benefits, rates for amortization, impairment of assets, etc.

Estimates are based on the information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

4. CHANGES IN ACCOUNTING POLICIES

NPC adopted the following accounting policies:

4.1 Adoption of Revised Chart of Accounts (RCA)

As at December 31, 2019, NPC adopted just for compliance in the preparation of the financial statements, the conversion of accounts and account codes to the Revised Chart of Accounts in compliance with COA Circular 2015-010, *"Adoption of the RCA for Government Corporations (GCs) which consists of Government-Owned and Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), Government Instrumentalities with Corporate Powers (GICPs)/Government Corporate Entities (GCEs), and their Subsidiaries and Water Districts"*, dated December 1, 2015 and COA Circular 2016-006, "*Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per COA Circular No. 2004-008 dated September 20, 2004, as amended to the Revised Chart of Accounts for Government Corporations under COA Circular 2015-010 dated December 1, 2015, new, revised and deleted accounts, and relevant accounting policies and guidelines in the implementation thereof*", dated December 29, 2016.

4.2 Preparation of Financial Statements and Other Financial Reports

Also as at December 31, 2019, NPC implemented COA Circular 2017-004, "*Guidelines on the Preparation of Financial Statements and Other Financial Reports and Implementation of the Philippine Financial Reporting Standards by Government Corporations Classified as Government Business Enterprises and Philippine Public Sector Accounting Standards by Non-Government Business Enterprises*", dated December 13, 2017.

These accounting changes have an impact on NPC's presentation of financial statements and related books of accounts.

5. PRIOR PERIOD ADJUSTMENTS

5.1 A reclassification of asset account to expense account for items below P15,000 was undertaken to comply with the recommendation of the COA, in its Audit Observation Memorandum (AOM) No. 2017-024 dated May 22, 2018, which states that "Tangible items below the capitalization threshold of P15,000 shall be recognized as expenses upon issue to end-user". The said reclassification amounted to ₱1,960,502.

5.2 A reclassification of operating expenses to CAPEX under WO Nos. E300A11 and E800A02 in the aggregate amount of P11,564,165.

5.3 A reclassification of operating expenses account to General Plant and Equipment (GPE) was undertaken in the amount of P5,492,733 which include the cost of three units of motor vehicle amounting to P3,230,532; a reclassification of GPE for disposal in Lubuagan DPP, Bantayan DPP, Tablas DPP, Busuanga DPP and Polilio DPP in the aggregate amounts of P112,435; a reclassification from GPE to operating expenses P1,870,960 and prior year's adjustments on accounting entries in the amount of P6,587,978.

5.4 An adjustment to Accumulated Depreciation of electric plants leased to Puerto Princesa DPP and Calapan DPP due to exclusion of ten per cent salvage value in the amount P20,077,090.

5.5 An adjustment to Accumulated Depreciation of Plant in Service such as: a) entry for prior years' depreciation expenses on completed work orders as of 2018 but not yet unitized during the period in the amount of P12,698,860; b) due to change in useful life following the COA's standard service life of assets amounting to P685,322,723; and, c) adjustment to the prior year's depreciation expense of Occidental Mindoro Substation of P16,605,578.

5.6 An adjustment to the Accumulated Depreciation of plant for disposal due to the reclassification of Tablas DPP, Roxas DPP, Siquijor, Busuanga and Polilio DPP from non-utility plant to plant for disposal in the amount of P6,649,047.

5.7 An adjustment to the Accumulated Depreciation of Construction Work Order completed but not classified account due to unitization of Work Order WO E810A26.

5.8 An adjustment to the Accumulated Depreciation of other utility plants due to: a) entry of prior years' depreciation expenses for laptops, automatic system motor sliding gate at NPC HO, 23 units of air condition and data center security solution in the aggregate amount of P16,290,120; b) a reclassification from other utility

plants to electric plant for disposal and retirement of assets in aggregate amount of P16,911,970.98; and c) adjustment on prior year's reported deprecation expenses of P12,234,056.

5.9 An adjustment to non-utility property of San Jose DPP in the amount of P6,600.

5.10 An adjustment to the Accumulated Depreciation for non-utility properties of various SPUG areas in Luzon, Visayas, and Mindanao due to change in useful life of the assets in the aggregate amount of P70,951,530.

5.11 An entry for cash receipts of prior year's interest earned on bank deposits, cancelled checks and cash refund from MERALCO pursuant to the Decision of the Supreme Court in GR Nos. 141314 and 141369 and Order of the Energy Regulatory Commission dated 12 May 2003 in ERC Case No. 2001-243 in the aggregate amount of P5,510,276; and b) refund on liquidation of cash advances by disbursing officer in the amount of P14,401.

5.12 Adjustments on power receivables accounts of Masbate PRES due to maintenance tagging for the years 2010 to 2018 in the aggregate amounts of P24,166,218; b) availment of prompt payment discount by power customers in the amount of P3,683,081; and c) over deduction of Mandatory Rate Reduction to Ticao Electric Cooperative of P1,071,292.

5.13 An entry for adjustment of accrued utility revenue due to GRAM from NPPs to comply with commendation of the COA in an Audit Observation Memorandum No. 2018-032 dated May 6, 2019 and adjustment on prior years accounting entries in the aggregate amount of P799,411,462.

5.14 An entry for adjustment of allowance bad debts in the amount of P24,957,966 mainly attributed to maintenance tagging of Masbate PPRESS for the years 2010 to 2018.

5.15 An entry to reverse the accrual on interest receivables on temporary investment account totaling to ₱41,937,787.

5.16 Adjustment on Receivable from National Government attributed to an entry made on prior year's expenses incurred by NPC on the maintenance of BNPP and interest on the outstanding receivables.

5.17 An entry on Receivable from Officers & Employees to effect the booking of COA Disallowances on Extraordinary Miscellaneous Expenses (EME) due from NPC employees and liquidation of cash advances in the amount aggregate amount of P1,939,444.

5.18 An entry on Accounts Receivable-Others to effect the prior year's income from liquidated damages, penalty on genset rental, rental income and COA Disallowances on EME to retired NPC employees in the aggregate amount of P60,794,239.

5.19 Adjustments were made on the inventory accounts namely: diesel stock, materials, supplies and equipment inventory, fuel stock and other oil products due to: a) understated prior year's expenses in the aggregate amount of P58,464,570; b) to close the unbundling accounting entries in 2000 on materials and equipment in transit of P5,818,139; and, c) adjustment on stock transfer

clearing and materials and supplies temporary adjustment account in the aggregate amount of P2,850,142.

5.20 Adjustment on Prepaid Charges due to prior year's overstated expenses in the amount of P175,600.

5.21 Adjustment on cash advances to contractor due to over recoupment of FABMIK Construction & Equipment Co. Inc. on progress billing for WO I301A02 in 2017 in the amount of P527,195.

5.22 A reclassification of rental expense to guaranty deposit in the amount of P175,600.

5.23 Adjustment on other advances account due to closing of prior year account amortization of on-line subscription with S & P Global Platts in CY2017 in the amount of P570,438.

5.24 A reclassification on preliminary surveys and investigation from capitalized expense to outright expense account in the amount of P28,612,730.

5.25 An adjustment was made on deferred tax asset for CY2016 bad debts in the amount of ₱1,056,941,188 to comply with the COA recommendation under COA AOM No 2018-028 dated 02 May 2019.

5.26 To derecognize outstanding payables for more than two (2) years and adjustments on previous years set up of payables of the following accounts: a) gasoline and other oil products P16,315,603; b) fuel payables P219,557,457; c) materials and supplies equipment payable P122,052,642; d) accounts payable others P95,96,445; e) check vouchers payable P797,278; f) due to Philhealth P9,476; g) retention on contract of payments P12,348,817; and, h) and cash vouchers payable of P231,743.

5.27 To close out the unutilized certified obligations and re-setting of certified obligations for prior year's expenses due to contractors and suppliers in the net amount P162,563,894 and due to NPC employees in the net amount of P135,492,089

5.28 Reclassification of prior year's rental income from KWWP Holdings to Deposit and Trust Fund account in the amount P1,033,701.

5.28 An entry for adjustment of advances for other work in progress due to recognition of income from donation in the amount of P448,000 from MWSS for the partial performance of condition have been complied of the Angat rehabilitation project (ADDSP).

5.29 Accounting entries for prior year's expenses paid in 2019 for NPP subsidies, security and janitorial, outside services, genset rental and travelling expenses in the aggregate amount of ₱179,212,450.

5.30 An entry for adjustment on Deferred Credits on GRAM in the amount of P233,884,407 in compliance to COA AOM No.2018-032 dated 06 May 2019.

5.31 Entry for prior year's adjustment on Due to Other Agency-PSALM to effect on the tagging maintenance of Masbate PRESS power bills of residential customers in the amount of P100,334.

5.32 Reversal entry on output tax payable in the amount of P457,040 due to unbundling entries in 2000.

5.33 Adjustment on prior year's set up on input tax credit on CAPEX for depreciable and non- depreciable in the aggregate amount of P50,854,049.

6. CASH AND CASH EQUIVALENTS

Particulars	2019	2018
Cash on Hand	962	0
Cash in Bank - Local Currency	508,405,900	470,012,681
Cash in Bank - Foreign Currency	22,807,167	19,221,687
Cash Equivalents	13,735,551,840	17,250,307,757
Total Cash and Cash Equivalents	**14,266,765,869**	**17,739,542,125**

Cash in bank represents the balance of deposits made with the depository banks such as Land Bank of the Philippines and Philippine National Bank.

Cash equivalents are high yield investments of NPC in the form of short-term placements in local banks which is made for a period of two months or less. The NPC has no foreign investments.

7. RECEIVABLES

7.1 Loans and Receivables

Accounts	2019			2018 (As Restated)		
	Current	Non-Current	Total	Current	Non-Current	Total
Sales Contract Receivables (Power Receivables)	6,649,298,833	439,129,532	7,088,428,365	6,242,861,283	476,387,913	6,719,249,196
Allowance for Impairment-Sales Contract Receivables (Power Receivables)	(4,944,709,121)	(13,877,145)	(4,958,586,266)	(4,543,331,878)	(13,782,402)	(4,557,114,280)
Sales Contract Receivables (Power Receivables), Net of Allowance for Impairment	1,704,589,712	425,252,387	2,129,842,099	1,699,529,405	462,605,511	2,162,134,916
Sales Contract Receivables (Output Tax on Power Receivables) [1/]	442,001,434	0	442,001,434	393,140,440	0	393,140,440
Total Sales Contract Receivables (Power Receivables)	**2,146,591,146**	**425,252,387**	**2,571,843,533**	**2,092,669,845**	**462,605,511**	**2,555,275,356**
Sales Contract Receivables (Restructured Receivables)	30,524,552	0	30,524,552	22,614,729	0	22,614,729
Sales Contract Receivables (Output Tax on Restructured Receivables)	1,226,311	0	1,226,311	2,173,399	0	2,173,399
Total Sales Contract Receivables (Restructured Receivables)	**31,750,863**	**0**	**31,750,863**	**24,788,128**	**0**	**24,788,128**
Sales Contract Receivables (Accrued Utility Revenue)	35,921,177	0	35,921,177	213,896,632	297,353,963	511,250,595
Interests Receivable (Sales Contract Receivable)	250,034,684	0	250,034,684	216,543,604	0	216,543,604
Total	**2,464,297,870**	**425,252,387**	**2,889,550,257**	**2,547,898,209**	**759,959,474**	**3,307,857,683**

[1/] ***Total Sales Contract Receivables – Output Tax on Power Receivables*** *excludes Deferred VAT in the amount of P 409,343,287 for year 2019 and P410,738,242.32 for year 2018 which represents the uncollected VAT component of power bills as of August*

25, 2012 due from Distribution Utilities (DUs) and Electric Cooperatives (ECs) to be remitted to the BIR as prescribed under RMC 71-2012.

Item A1, No.4 of the same Circular states that, "DUs/ECs shall provide the Generator Companies (GenCos), aggregator, retail electricity supplier and other suppliers of electricity with copies of the duly filed BIR Form No. 0605, together with the proof of payment, within 3 days from the date of remittance to BIR. The same shall be the basis of the GenCos and others to record the payment of deferred VAT. The unremitted portion of the Deferred VAT prior to August 25, 2012, if any, shall remain outstanding until the closure of the BIR audit of DUs/ECs."

In compliance with COA AOM 2018-023 dated April 10, 2019, the Deferred VAT amounting to P410,738,242 which was part of the Output Tax on Power Receivables in CY2018 was reclassified to "Other Assets-Deferred Charges/Losses" in CY 2019. Please refer to Note 12.

Interest Receivables amounting to P243,833,271 presented as part of "Interest Receivables (Sales Contract Receivable)" in CY 2018 pertains to interest and penalties on the cost of fuel purchased by NPC for Island Power Corporation (IPC), an Independent Power producer (IPP). In CY 2019, this was properly reclassified and presented as part of "Other Receivables-Interest Receivable on Non Power". Please refer to Note 7.5.

Sales Contract Receivables - Power Receivables refers to amount due from power customers for power generation charges. The Non-Current Power Receivables are that portion of restructured customers' accounts which are not subject to current settlement.

Allowance for Impairment – Sales Contract Receivables the net increase of P401.377 million or 8.83 per cent from 2018 was mainly due to the increase of Allowance for Impairment from Basilan, Sulu, Tawi-Tawi (BASULTA) customers.

Output Tax Receivables - Power Receivables pertain to Value Added Tax due from customers for the sale of power.

Sales Contract Receivables - Restructured Power Receivables represents portion of restructured power customers' accounts subject to repayment by pre-determined installments within the current period.

Sales Contract Receivables - Accrued Utility Revenue pertains to the estimated amount of revenues earned but not yet billed at the end of the accounting period.

Sales Contract Receivables – Interest on Power Receivables refers to the amount of interest due but not yet received from power customers with overdue power accounts.

The increase in the interest receivables was attributed to the build-up of power receivables due from BASULTA power customers.

7.2 Aging/Analysis of Receivables

The aging/analysis of power receivables including output VAT, interest receivables, operating lease receivables and other receivables are shown in table below:

As at December 31, 2019

ACCOUNTS	TOTAL	NOT PAST DUE	PAST DUE		
			<30 DAYS	30-60 DAYS	>60 DAYS
Sales Contract Receivables (Power Receivables)	**6,649,298,833**	**164,314,745**	**51,696,358**	**49,134,213**	**6,384,153,517**
Luzon	*122,467,538*	*80,713,167*	*2,591,758*	*1,125,731*	*38,036,882*
Visayas	*18,598,532*	*13,461,644*	*866,568*	*784,121*	*3,486,199*
Mindanao	*6,508,232,763*	*70,139,934*	*48,238,032*	*47,224,361*	*6,342,630,436*
Output Tax (VAT) Receivables [1/]	**442,001,434**	**19,993,057**	**6,199,492**	**5,892,245**	**409,916,640**
Luzon	*12,728,325*	*9,863,119*	*308,663*	*132,784*	*2,423,759*
Visayas	*2,287,527*	*1,680,902*	*102,265*	*92,538*	*411,822*
Mindanao	*426,985,582*	*8,449,036*	*5,788,564*	*5,666,923*	*407,081,059*
Sales Contract Receivables (Power Receivables), Inclusive of Output VAT	**7,091,300,267**	**184,307,802**	**57,895,850**	**55,026,458**	**6,794,070,157**
Luzon	*135,195,863*	*90,576,286*	*2,900,421*	*1,258,515*	*40,460,641*
Visayas	*20,886,059*	*15,142,546*	*968,833*	*876,659*	*3,898,021*
Mindanao	*6,935,218,345*	*78,588,970*	*54,026,596*	*52,891,284*	*6,749,711,495*
Non-Current Sales Contract Receivables (Power Receivables)	**439,129,532**	**425,252,387**	**0**	**0**	**13,877,145**
Restructured	*425,252,387*	*425,252,387*	*0*	*0*	*0*
Visayas	*13,877,145*	*0*	*0*	*0*	*13,877,145*
Sales Contract Receivables (Restructured Receivables)	**30,524,552**	**30,524,552**	**0**	**0**	**0**
Luzon	*28,899,181*	*28,899,181*	*0*	*0*	*0*
Mindanao	*1,625,371*	*1,625,371*	*0*	*0*	*0*
Output Tax -Restructured Account	**1,226,311**	**1,226,311**	**0**	**0**	**0**
Luzon	*718,742*	*718,742*	*0*	*0*	*0*
Mindanao	*507,569*	*507,569*	*0*	*0*	*0*
Sales Contract Receivables (Accrued Utility Revenue)	***35,921,177***	***35,921,177***	**0**	**0**	**0**
Interest Receivables [2/]	**250,034,684**	**166,843,529**	**7,086,214**	**7,304,581**	**68,800,360**
Luzon	*130,392,460*	*130,381,396*	*3,926*	*3,535*	*3,603*
Mindanao	*119,642,224*	*36,462,133*	*7,082,288*	*7,301,046*	*68,796,757*
Operating Lease Receivables	**20,678,498**	**591,237**	**543,618**	**382,904**	**19,160,739**
Output Tax -Operating Lease Receivable	**3,186,128**	**70,948**	**65,234**	**45,949**	**3,003,997**
Other Receivables	**1,332,047,325**	**112,726,953**	**1,664,091**	**17,114,156**	**1,200,542,125**
Due from Officers and Employees	*7,578,468*	*21*	*2,977*	*720,583*	*6,854,887*
Accounts Receivable-Others	*1,026,452,709*	*87,028,370*	*1,621,298*	*14,791,326*	*923,011,715*
Interest Receivable-Non Power	*269,312,341*	*25,479,070*	*0*	*0*	*243,833,271*
Output Tax-Non Power	*28,703,807*	*219,492*	*39,816*	*1,602,247*	*26,842,252*
Total	**9,204,048,474**	**957,464,896**	**67,255,007**	**79,874,048**	**8,099,454,523**

1/ >60 days Past Due excludes Deferred VAT totaled P409,343,287 which represents the unremitted/unpaid VAT on power bills as of August 25, 2012 due from Distribution Utilities (DUs) and Electric Cooperatives (ECs).

2/ Not Past Due includes Interest on Restructured Accounts.

Sales Contract Receivable - Power Receivables

It can be gleaned from the above aging schedule of receivables that the bulk of receivables is due from Mindanao area particularly the Basilan, Sulu and Tawi-

Tawi electric cooperatives, with P6.939 billion already past due inclusive of interest, or 94.53 per cent of the total past due accounts for power receivables.

Accounts Receivable - Others

Notice of Collections based on the statement of account were regularly sent to the concerned debtors, suppliers/contractors with outstanding account balance to the Corporation. Also, demand letters were issued thru the NPC's legal counsel.

7.3 Lease Receivables

Accounts	2019	2018 (As Restated)
Operating Lease Receivable	20,678,498	223,214
Output Tax on Operating Lease Receivable	3,186,128	26,786
Total	**23,864,626**	**250,000**

The Output Tax on Operating Lease Receivable amounting to P26,786 was presented as part of "Sales Contract Receivable-Output Tax on Power Receivables" in CY 2018. This was reclassified and properly presented as part of Lease Receivable in CY 2019.

Operating Lease Receivables pertains to lease agreement entered by Power One Corporation, Sunwest Water and Electric Company, Inc., Palawan Electric Cooperative, Inc., & DMCI Power Corporation for the rental of NPC's properties in Calapan DPP, Viga DPP & Puerto Princessa DPP, respectively. The 2018 balance pertains to the three months outstanding lease receivable due from Oriental Mindoro Electric Cooperative, Inc. using the old rate indicated in the lease agreement.

7.4 Inter-Agency Receivables

Particulars	2019	2018
Due from National Government Agencies	197,782,222	121,173,833
Due from Government Corporations	378,093	378,093
Total	**198,160,315**	**121,551,926**

Due from National Government Agencies refers to the expenditures incurred in the preservation of the Bataan Nuclear Power Plant (BNPP).

Due from Government Corporations pertains to premium payments of NPC employees to GSIS which are subject to reconciliation.

7.5 Other Receivables

Accounts	2019	2018 (As Restated)
Due from Officers and Employees	7,578,468	6,893,962
Other Receivables	1,026,452,709	964,077,899
Allowance for Impairment-Other receivables	(2,357,364)	(2,357,364)
Net Value-Other Receivables	1,024,095,345	961,720,535
Output Tax Receivables-Non Power	28,703,807	30,531,439
Interest Receivable-Non Power	269,312,341	285,810,136
Total	**1,329,689,961**	**1,284,956,072**

The Interest Receivable amounting to P243,833,271 presented as part of "Interest Receivable (Sales Contract Receivable) in CY 2018 pertains to fuel transactions and not part of power receivables, thus in CY 2019 this was reclassified and presented as "Other Receivables-Interest Receivable on Non Power". Please refer to Note 7.1.

Due from Officers and Employees pertains to advances and expenses paid by NPC for officers and employees accounts.

Accounts Receivable - Others represent amount due to the Corporation on open accounts other than those due from employees and customers for their power accounts and from government bodies and institutions.

8. INVENTORIES

Accounts	2019	2018
Asset In Trust		
Carrying Amount, January 1	65,145,808	68,703,020
Additions/Acquisitions during the year	64,103,681	65,145,809
Expensed during the year except write-down	(65,147,652)	(68,703,021)
Carrying Amount, December 31	**64,101,837**	**65,145,808**
Gasoline		
Carrying Amount, January 1	195,747	105,140
Additions/Acquisitions during the year	469,685	639,699
Expensed during the year except write-down	(481,287)	(549,092)
Carrying Amount, December 31	**184,145**	**195,747**
Diesel Stock		
Carrying Amount, January 1	320,546,544	378,670,438
Additions/Acquisitions during the year	7,031,634,860	6,161,226,256
Expensed during the year except write-down	(6,901,737,522)	(6,219,350,150)
Carrying Amount, December 31	**450,443,882**	**320,546,544**
Stock Transfer - Clearing Accounts		
Carrying Amount, January 1	10,282,054	15,959,981
Additions/Acquisitions during the year	30,517,585	86,122,717
Expensed during the year except write-down	(31,826,523)	(91,800,644)
Carrying Amount, December 31	**8,973,116**	**10,282,054**
Materials, Supplies & Equipment Inventory		
Carrying Amount, January 1	613,547,701	599,138,451
Additions/Acquisitions during the year	753,040,743	458,260,378
Expensed during the year except write-down	(667,481,079)	(443,851,128)
Carrying Amount, December 31	**699,107,365**	**613,547,701**

Accounts	2019	2018
Fuel Oil Stock		
Carrying Amount, January 1	14,032,866	23,467,275
Additions/Acquisitions during the year	316,459,681	136,425,477
Expensed during the year except write-down	(288,994,710)	(145,859,886)
Carrying Amount, December 31	**41,497,837**	**14,032,866**
Thermal Chemical Stock		
Carrying Amount, January 1	247,826	161,738
Additions/Acquisitions during the year	311,388	259,279
Expensed during the year except write-down	(289,070)	(173,191)
Carrying Amount, December 31	**270,144**	**247,826**
Materials & Equipment In Transit		
Carrying Amount, January 1	104,033,936	133,837,116
Additions/Acquisitions during the year	12,514,985	23,673,955
Expensed during the year except write-down	(19,758,071)	(53,477,135)
Carrying Amount, December 31	**96,790,850**	**104,033,936**
Materials & Supplies Temporary Adjustment		
Carrying Amount, January 1	50,223,340	53,868,621
Additions/Acquisitions during the year	3,926,770	22,788,501
Expensed during the year except write-down	(11,305,126)	(26,433,782)
Carrying Amount, December 31	**42,844,984**	**50,223,340**
Other Oil Products		
Carrying Amount, January 1	43,169,635	40,015,536
Additions/Acquisitions during the year	41,817,208	28,520,595
Expensed during the year except write-down	(50,111,176)	(25,366,496)
Carrying Amount, December 31	**34,875,667**	**43,169,635**
Total Carrying Amount, December 31	**1,439,089,827**	**1,221,425,457**

Asset in Trust pertains to assets/properties in trust to CBK Power Company Limited for the implementation of the Build-Rehabilitate-Operate-Transfer Agreement (BROT Agreement) for Caliraya-Botocan-Kalayaan (CBK) Complex which was executed in November 1998 by and between NPC and IMPSA of Argentina.

Gasoline inventory represents the cost of gasoline used for motor vehicles of NPC.

Diesel stock inventory pertains to the cost of diesel used for the operation of heavy equipment, transport equipment and other machineries for operation and maintenance of power plants.

Stock Transfer–Clearing Account refers to the cost of materials/equipment/gasoline and other oil products transshipped or transferred from one inventory station to another while in transit. This is used to clear the accountability of the Issuing Property Officer/Custodian immediately, upon release thereof. It shall be correspondingly closed/credited with the set-up of the appropriate inventory account upon receipt of such transfer or transshipment.

Materials, Supplies and Equipment Inventory represents the cost of materials, supplies and equipment received by the property custodian for use in the operation and maintenance of power plants, substations and transmission lines.

Fuel Oil Stock refers to the cost of bunker fuel oil and special fuel oil used for the operation of heavy equipment, power plants and other machineries for operation of power plants.

Thermal Chemical Stock pertains to the purchase cost of chemicals used for thermal and diesel power plants.

Materials and Equipment in Transit refers to the cost of materials, supplies and equipment purchased and paid for by the Corporation but not yet received at the time payment has been made. The credits to this account are based on Inspection and Receiving Report/Transshipment Receiving Report duly acknowledged by the Custodian.

Materials and Supplies Temporary Adjustment represents the difference between the book (General Ledger) balance and the physical inventory balance as of the inventory taking date usually at end of the accounting period. This account shall be closed to the proper inventory account upon the reconciliation between the book and physical inventory.

Other Oil Products Inventory pertains to the cost of other oil products like motor oil, lubricants, transformer oil, brake fluid and degreaser received by the property custodian for use in the operation and maintenance of power plants and other equipment.

9. PROPERTY, PLANT AND EQUIPMENT

NPC adopts and reports using the cost model for all classes of PPE pursuant to Philippine Application Guidelines (PAG) No. 2 of the Philippine Public Sector Accounting Standards (PPSAS) No. 17 under COA Circular No. 2017-004 dated December 13, 2017.

As at December 31, 2019

	Land	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment*	Construction in Progress	Total
Carrying Amount,						
January 1, 2019	148,522,950	6,198,165,211	764,560,451	1,048,873,333	3,653,630,728	11,813,752,673
Additions/Acquisitions	0	174,546,745	14,087,885	120,714,295	4,149,285,706	4,458,634,631
Adjustments	464,222	(638,099,744)	(33,915,324)	17,393,557	(3,325,732,254)	(3,979,889,543)
Total	148,987,172	5,734,612,212	744,733,012	1,186,981,185	4,477,184,180	12,292,497,761
Disposals	0	(908,440)	0	(886,516)	0	(1,794,956)
Depreciation [As per						
Statement of						
Financial Performance	0	(412,334,965)	(34,987,367)	(97,446,376)	0	(544,768,708)
Carrying Amount,						
December 31, 2019						
(As per Statement						
of Financial Position)	148,987,172	5,321,368,807	709,745,645	1,088,648,293	4,477,184,180	11,745,934,097

Gross Cost (Asset Account Balance per Statement of Financia Position)	148,987,172	12,377,366,961	2,237,541,619	2,253,237,020	4,477,184,180	21,494,316,952
Accumulated Depreciation	0	(7,055,998,154)	(1,527,795,974)	(1,164,588,727)	0	(9,748,382,855)
Carrying Amount, December 31, 2019 (As per Statement of Financial Position)	148,987,172	5,321,368,807	709,745,645	1,088,648,293	4,477,184,180	11,745,934,097

**Includes furnitures/fixtures, transportation equipment and leased assets.*

As at December 31, 2018

	Land	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment*	Construction in Progress	Total
Carrying Amount, January 1, 2018	148,155,853	4,345,439,247	1,288,690,673	1,568,334,851	3,520,316,130	10,870,936,754
Additions/Acquisitions	607,625	1,434,308,809	71,376,987	255,543,460	3,458,142,397	5,219,979,278
Adjustments	(240,528)	815,441,935	(563,998,380)	(652,783,812)	(3,324,827,799)	(3,726,408,584)
Total	148,522,950	6,595,189,991	796,069,280	1,171,094,499	3,653,630,728	12,364,507,448
Disposals	0	(54,250)	0	(53,758,518)	0	(53,812,768)
Depreciation [As per Statement of Financial Performance	0	(396,970,530)	(31,508,829)	(68,462,648)	0	(496,942,007)
Carrying Amount, December 31, 2018, *As Restated* (As per Statement of Financial Position)	148,522,950	6,198,165,211	764,560,451	1,048,873,333	3,653,630,728	11,813,752,673

Gross Cost (Asset Account Balance per Statement of Financia Position)	148,522,950	12,239,092,476	2,250,116,391	2,113,786,089	3,653,630,728	20,405,148,634
Accumulated Depreciation	0	(6,040,927,265)	(1,485,555,940)	(1,064,912,756)	0	(8,591,395,961)
Carrying Amount, December 31, 2018 *As Restated* (As per Statement of Financial Position)	148,522,950	6,198,165,211	764,560,451	1,048,873,333	3,653,630,728	11,813,752,673

**Includes furnitures/fixtures, transportation equipment and leased assets.*

In compliance with COA AOM 2018-007 dated February 22, 2019, NPC reclassified and presented the Non-Utility Assets with a carrying amount of P515,747,885 as part of "Other Non-Current Assets-Abandoned/Surrendered Property/Assets", which was previously presented under "Property, Plant & Equipment" in CY 2018. Please refer to Note 12.

10. DEFERRED TAX ASSETS

The components of the NPC's net Deferred Tax Assets (Liabilities) are as follows:

Particulars	2019	2018 (As Restated)
Unadjusted Beginning Balance:		181,379,999
Add:		
Adjustment made to recognize deferred tax		
asset from taxable temporary difference for		
prior periods		1,086,793,838
Adjusted Beginning Balance:	**1,367,826,500**	**1,268,173,837**
Deferred Tax Assets:		
Allowance for Impairment	401,471,986	427,713,630
Deferred Tax Liabilities:		
Unrealized Gain in Forex Fluctuations	(34,656,097)	(49,977)
Recovery on FOREX Fluctuation	49,977	(95,488,110)
Total Deferred items charged to surplus/(deficit) for the year	**366,865,866**	**332,175,543**
Applicable Rate	30%	30%
Movement of Deferred Tax Asset	110,059,760	99,652,663
Ending Net Deferred Tax Assets	**1,477,886,260**	**1,367,826,500**

In compliance with COA AOM No. 2018-028 dated May 02,2019, NPC recognized the retrospective effect of the adjustment on Deferred Tax Asset (DTA) by restating the financial statements from the earliest period presented. In CY 2018, NPC only reported a total DTA balance of P310,900,305 instead of P1,367,826,500. As such, an adjustment totaled P1,056,919,456 was made during the year to comply with the COA's recommendation.

11. OTHER INVESTMENT

Particulars	2019	2018
Other Investment	1,719,970	1,719,970
Total	**1,719,970**	**1,719,970**

This account includes the unredeemed and matured Treasury Notes and Bonds from the Bureau of Treasury amounting to P1 million and P0.719 million, respectively.

12. OTHER ASSETS

Particulars	2019			2018 (As Restated)		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances	12,531,266	0	12,531,266	10,544,623	0	10,544,623
Advances to Special Disbursing Officer	*12,499,087*	*0*	*12,499,087*	*10,368,089*	*0*	*10,368,089*
Advances to Officers & Employees	*32,179*	*0*	*32,179*	*176,534*	*0*	*176,534*
Prepayments	8,501,389,355	0	8,501,389,355	6,709,955,197	0	6,709,955,197
Advances to Contractors	*447,217,594*	*0*	*447,217,594*	*397,149,082*	*0*	*397,149,082*
Creditable Input Tax	*7,998,135,805*	*0*	*7,998,135,805*	*6,260,463,960*	*0*	*6,260,463,960*
Other Prepayments	*56,035,956*	*0*	*56,035,956*	*52,342,155*	*0*	*52,342,155*
Deposits	6,535,713	0	6,535,713	3,981,480	0	3,981,480
Guaranty Deposits	*3,048,258*	*0*	*3,048,258*	*494,025*	*0*	*494,025*
Other Deposits	*3,487,455*	*0*	*3,487,455*	*3,487,455*	*0*	*3,487,455*
Restricted Fund	0	4,401,520	4,401,520	0	4,362,125	4,362,125
Other Non-Current Assets	0	6,235,131,673	6,235,131,673	0	6,416,071,983	6,416,071,983
Abandoned/Surrendered Property/Assets	0	*463,403,342*	*463,403,342*	*0*	*546,645,817*	*546,645,817*
Deferred Charges/Losses	0	*437,607,860*	*437,607,860*	*0*	*448,688,249*	*448,688,249*
Other Assets (PSALM)	0	*3,490,683,842*	*3,490,683,842*	*0*	*3,577,301,288*	*3,577,301,288*
Other Assets (TRANSCO)	0	*1,843,436,629*	*1,843,436,629*	*0*	*1,843,436,629*	*1,843,436,629*
Total	8,520,456,334	6,239,533,193	14,759,989,527	6,724,481,300	6,420,434,108	13,144,915,408

In compliance with COA AOM 2018-007 dated February 22, 2019, NPC reclassified and presented non-utility assets with a carrying amount of P515,747,885 as part of "Other Non-Current Assets-Abandoned/Surrendered Property/Assets", which was previously presented under "Property, Plant & Equipment" in CY 2018. Please refer to Note 9.

In compliance with COA AOM 2018-023 dated April 10, 2019, Deferred VAT amounting to P410,738,242 was reclassified to "Other Assets-Deferred Charges/Losses", which was presented as part of "Loans and Receivables-Sales Contract Receivable" in CY 2018. Please refer to Note 7.1.

Advances to Special Disbursing Officers pertains to cash advances to Disbursing Officers in Head Office, field offices and others as working fund for minor operating expenses and disbursements.

Advances to Officers and Employees constitutes cash advances to officers and employees of NPC for travels and other expenses to carry out the assigned task or business of the Corporation.

Advances to Contractors includes the balance of cash advanced by NPC to contractors in relation with their contract for the construction of the project for services rendered.

Guaranty Deposits represents deposits by contractors/suppliers to guarantee the fulfillment of obligation to the Corporation. The significant increase was due to advance deposit to PHILGEPS by NPC relative to government fare agreement.

Other Deposits includes the amount deposited with the provincial, municipal or city courts and with other entities as guaranty for the fulfillment of obligation and for other purposes.

Restricted Fund refers to fund intended for purposes other than current operations and therefore, not immediately available to management for any disbursement transactions.

Abandoned/Surrendered Properties/Assets refer to stocks for disposal.

Deferred Charges/Losses pertains to preliminary surveys, studies, investigation and other related undertakings to determine feasibility of a project for development by NPC. This accounts includes the uncollected VAT on power bills as of August 25, 2012 due from distribution utilities and electric cooperatives to be remitted to the BIR as prescribed under RMC 71-2012.

Other Assets [Trust Assets - Power Sector Assets & Liabilities Management Corporation (PSALM)] pertain to balances of accounts set-up as working capital for the operation, maintenance and management of the facilities and generating plants of the main grid under the OMA agreement between NPC and PSALM.

Pending approval for the renewal of the OMA agreement between NPC and PSALM, the CY 2015 OMA agreement is still in effect. The highlights of the afore-said OMA agreement are stated in item 1 hereof.

The **Trust Accounts** consists of the following:

Particulars	2019	2018
Cash in Bank	249,315,754	160,366,035
Cash on Hand	-	337,128
Other Investment	258,322,122	541,389,540
Due from Officers and Employees	3,506,278	3,558,070
Fuel, Oil and Lubricants	18,288,760	18,134,030
Other Supplies and Materials Inventory	1,648,708,939	1,544,303,765
Advances to Officers and Employees	3,576,347	1,020,753
Other Prepayments	1,113,495	854,441
Abandoned/Surrendered Property Assets	5,829,467	10,267,409
Restricted Fund	1,302,022,680	1,297,070,117
Total Assets	**3,490,683,842**	**3,577,301,288**

Particulars	2019	2018
Accounts Payable	1,272,297,270	1,429,267,616
Due to Officers and Employees	72,231,895	151,910,901
Insurance Premium Payable	4,346	-
Due to GSIS	21,967,191	21,729,179
Due to Pag-ibig	425,510	140,433
Due to PhilHealth	1,965,191	1,654,878
Output Tax	74,020,955	241,348,838
Guaranty/Security Deposits Payable	3,181,714	1,740,004
Other Unearned Revenue/Income	-	3,399,969
Leave Benefits Payable	344,074,231	321,341,253
Other Payable	90,676,328	62,430,639
Trust Liabilities	1,607,754,630	1,345,533,741
Retained Earnings	2,084,581	(3,196,163)
Total Liabilities and Equity	**3,490,683,842**	**3,577,301,288**

Other Assets (Temporary Registry Accounts) are accounts retained in NPC books pending validations and reconciliations. As soon as these accounts are validated and reconciled, the same shall be taken out of the Temporary Registry of NPC thru adjustments and/or by transferring to the books of National Transmission Corporation (TransCo).

The **Temporary Registry Accounts** consists of the following:

Particulars	2019	2018
Due from Government Corporations	8,333	8,333
Due from Officers and Employees	205,763	205,763
Other Receivables	7,858,391	7,858,391
Advances to Contractors	2,615,910	2,615,910
Advances to Officers and Employees	10,455	10,455
Other Deposits	2,774,140	2,774,140
Other Prepayments	3,038,340	3,038,340
Other Supplies and Materials Inventory	289,198,542	289,198,542
Other Investment	36,262	36,262
Construction Work in Progress	1,023,183,864	1,023,183,864
Property, Plant and Equipment	500,899,936	500,899,936
Abandoned/Surrendered Property Assets	2,490,905	2,490,905
Other Assets	11,115,788	11,115,788
Total Assets	**1,843,436,629**	**1,843,436,629**
Retained Earnings	1,843,436,629	1,843,436,629
Total Equity	**1,843,436,629**	**1,843,436,629**

13. FINANCIAL LIABILITIES

13.1 Payables

Particulars	2019		2018 (As Restated)	
	Current	Non-Current	Current	Non-Current
Accounts Payables	**5,895,940,905**		**7,064,370,210**	
Fuel Payables	*466,759,120*		*847,366,079*	
Gasoline and other oil Products Payables	*38,019,840*		*68,148,420*	
Materials, Supplies & Equipment Payables	*210,430,921*		*302,723,409*	
Accounts Payables-Others	*335,942,557*		*387,344,026*	
Check Vouchers Payables	*1,146,330,633*		*1,651,727,542*	
Certified Obligations-Suppliers & Contractors	*3,675,876,775*		*3,782,207,549*	
Cash Vouchers Payables	*22,581,059*		*24,853,185*	
Due to Officers and Employees	**202,438,170**		**269,408,771**	
Interest Payables	**0**		**40,370**	
Finance Lease Payables	**0**	**0**	**24,953**	**3,668,132**
Operating Lease Payables	**167,644,726**		**210,780,922**	
Total	**6,266,023,801**	**0**	**7,544,625,226**	**3,668,132**

In compliance with COA AOM 2018-09 dated March 07, 2019, NPC reclassified a total of P1,766,170 pertaining to taxes payable to the BIR as part of "Inter-Agency Payable". This was previously presented as part of Financial Liabilities-Check Vouchers Payables" in CY 2018. Please refer to Note 14.

Accounts Payable refers to the obligations of NPC to suppliers and contractors such as fuel, gasoline & other oil products, materials, supplies & equipment and due to employees. The decrease in accounts payables were due to payment of obligations to suppliers and contractors during the year.

Due to Officers and Employees pertains to salary differentials, overtime services, unclaimed wages, terminal and accrued leaves of compulsory retirees which are due for payment as of year-end.

Interest Payable represents the current portion of unpaid interest on loans.

Finance Lease Payables. The future minimum lease payments as at December 31 are as follows:

Particulars	2019	2018
Undiscounted Mnimum Lease Payments		
Not Later than one year	-	24,953
Later than one year and not later than five years	-	3,668,132
Total Undiscounted Mnimum Lease Payments	-	**3,693,085**

The above finance lease pertains to NPC's leases of desktop and notebook and laptop computers with Advance Solutions, Inc. which was fully paid in 2019.

Operating Lease Payables refers to generating sets rental for the operation of power plants.

13.2 Loans Payable

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Loans Payable - Foreign	37,924,222	497,869,445	57,820,850	573,443,899
Total	**37,924,222**	**497,869,445**	**57,820,850**	**573,443,899**

Loans Payables - Foreign refers to NPC's loans intended for the Philippine Rural Electrification Service (PRES) projects in Masbate island. The details of these payables are as follows:

Creditor	Project	Date of Loan	Orig. Curr.	Loan Amount	Total Availment	Outstanding Balance	Peso Equivalent	Maturity Date
NATIXIS	PRES-SPUG	11/8/2006	EUR	10,498,773	10,498,104	9,508,115	535,793,667	06/30/2035
BNP PARIBAS	PRES-SPUG	11/8/2006	EUR	7,804,108	7,803,644	0	0	06/18/2019
Total				**18,302,881**	**18,301,748**	**9,508,115**	**535,793,667**	

The loan with BNP Paribas has matured on June 18, 2019.

Interest rates are fixed at 0.40% and 5.09% for Natixis and BNP Paribas, respectively. The year-end BSP's reference exchange rate was used in determining the outstanding balance in compliance to PPSAS 4, as follows:

	December 31, 2019	December 31, 2018
EUR/PHP	56.3512	60.3110
USD/PHP	50.7440	52.7240

14. INTER-AGENCY PAYABLES

Particulars	2019	2018 (As Restated)
Due to BIR	517,764,847	275,208,499
Due to GSIS	26,486,108	25,560,098
Due to Pag-ibig	898,525	714,161
Due to PhilHealth	94,036	90,248
Due to Other Agency	10,423,533	10,105,253
Due to LGUs	21,548,854	17,244,195
Income Tax Payables	12,682,018	115,286,993
Total	**589,897,921**	**444,209,447**

In compliance with COA AOM 2018-09 dated March 07, 2019, NPC reclassified a total amount of P97,420,275 pertaining to taxes payable to the BIR as part of "Inter-Agency Payable". Various tax obligation to the BIR amounting to P1,766,170 was previously presented as part of Financial Liabilities-Check Vouchers Payables" and the 5% Final VAT for government money payments (GVAT) amounting to P95,654,105 was previously presented as part of "Deferred Credits-Output Tax" in CY 2018. Please refer to Note 13.1. and Note 17.

Inter - Agency Payables pertains to employer's and employee's share on the statutory contributions as well as employee's loan remittances for eventual payment to Government Service Insurance System (GSIS), Phil-Health and Pag-IBIG.

This includes amount of tax withheld from contractors/suppliers and employees for remittance to BIR and financial assistance/benefits payable by NPC to Local Government Units (LGUs) that host the energy source and/or energy generating facility.

15. OTHER PAYABLES

Particulars	2019	2018
Retention on Contract Payments	425,836,626	401,381,303
Total	**425,836,626**	**401,381,303**

Retention on Contract Payments pertains to the amount withheld from payments to contractors and shall be debited upon payment to the contractor and upon the satisfactory completion by the contractor and acceptance by NPC of the project/service rendered.

16. TRUST LIABILITIES

	2019		2018	
	Current	Non-Current	Current	Non-Current
Guaranty / Security Deposits Payables	75,605,121	0	54,055,164	0
Customer's Deposits Payables	1,594,115	0	1,594,115	0
Advances for Other Work in Progress	0	245,732,000	0	229,581,000
Trust Liabilities - PSALM	0	3,490,683,842	0	3,577,301,288
Temporary Registry Accounts	0	1,843,436,629	0	1,843,436,629
Total	**77,199,236**	**5,579,852,471**	**55,649,279**	**5,650,318,917**

Guaranty/Security Deposits Payables includes amounts received and segregated for the execution of specific projects or contracts. It shall be credited for amounts received in compliance to specifications of contract bids to ensure the fulfillment of contracts. It is debited upon its utilization for the project or for the refund of the amount debited. The significant increase was due to the Performance Security (penalty bond) on contract entered into with SL Harbor Bulk Terminal Corporation equivalent to 5 per cent of the total contract price as per Contract No. LOG MSSP 2019-03-025-GRJ.

Customer's Deposits Payable pertains to amounts deposited/advanced by power customers to NPC as security for the payment of their obligations.

Advance for Other Work in Progress represents advances in the form of cash or in kind (materials, supplies and equipment) advanced by outside parties for the construction, with NPC's supervision, of power facilities.

Trust Liabilities - PSALM represents the corresponding liability to PSALM for the Trust Assets (see Note 12).

Relative to the latest development of the DAMA case, the Commission on Audit, in its Decision No. 2019-416 dated September 23, 2019, has ruled that *"Wherefore, premises considered, the Petitions for Money Claim of the employees of the National Power Corporation (NPC) terminated/separated pursuant to National Power Board Resolution Nos. 2002-124 and 2002-125 both dated November 18, 2002, against NPC and Power Sector Assets and Liabilities Management Corporation (PSALM), are hereby PARTIALLY GRANTED, the computation of the entitlement of each employee is as provided in this decision consistent with the guidelines set forth by the Supreme Court in its Resolution dated November 21, 2017 in the case of NPC Drivers and Mechanics Association, et al. vs. NPC, et al. subject to the availability of funds and the usual accounting and auditing rules and regulations."*

In view of this development, and as required by the Commission, NPC is updating the list and computation in accordance with the aforesaid decision.

Temporary Registry Account - *refer to Note 12.*

17. DEFERRED CREDITS/UNEARNED INCOME

Particulars	2019		2018 (As Restated)	
	Current	Non-Current	Current	Non-Current
Unearned Revenue/Income				
Unearned Revenue/Income-UCME	0	1,226,975,245	0	3,396,570,346
Unearned Revenue/Income-Rent	0	946,168	0	1,092,359
Unearned Revenue/Income-GRAM	0	582,086,125	0	0
Unearned Interest Income on Restructured Accounts	0	134,540,767	0	162,749,276
Other Unearned Revenue/Income	0	210,002	0	2,621,711
Deferred Credits				
Output Tax	962,162,990	0	912,975,460	0
Total	**962,162,990**	**1,944,758,307**	**912,975,460**	**3,563,033,692**

In compliance with COA AOM 2018-09 dated March 07, 2019, NPC reclassified an amount of P95,654,105 pertaining to 5% Final VAT for government money payments (GVAT) as part of "Inter-Agency Payable". This was previously presented as part of "Deferred Credits-Output Tax" in CY 2018. Please refer to Note 14.

Unearned Income - UCME represents the unearned portion of Universal Charge-Missionary Electrification (UCME) collection from PSALM. NPC recognized the unearned portion under Deferred Credits/Unearned Income instead of revenue to comply with PPSAS 23 which provides that Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount. The details of the foregoing unearned UCME are as follows:

Year	Remittance from PSALM	Receivable from PSALM	UCME Requirement for the Year	Deferred Credit
2016	11,191,361,682	(3,459,341,532)	(6,406,011,229)	1,326,008,921
2017	11,765,510,000	0	(8,664,142,565)	3,101,367,435
2018	12,558,891,000	0	(13,589,697,010)	(1,030,806,010)
2019	13,241,584,000	0	(15,411,179,101)	(2,169,595,101)
Total	**48,757,346,682**	**(3,459,341,532)**	**(44,071,029,905)**	**1,226,975,245**

Unearned Income - Rent refers to rental billings to lessees of NPC properties already recognized but not yet earned within the accounting period.

Unearned Revenue/Income – GRAM pertains to actions taken by NPC on COA's recommendation (AOM No. 2018-032 dated May 6, 2019) to prepare the necessary adjustment on the unrecognized GRAM collections in CY2017 which were offset against NPP Subsidy claims.

Unearned Interest Income from Restructured Accounts pertains to the interest charges already recognized from the restructured account of power customers but not yet earned within the accounting period.

Other Unearned Income includes collections received by NPC, identification of the remaining amount is on-going.

18. PROVISIONS

This account represents the leave credits earned by employees not availed of during the year.

Particulars	2019	2018
Provision for Vacation and Sick Leave Benefits	637,127,074	577,844,087
Total	**637,127,074**	**577,844,087**

19. NET ASSETS/EQUITY

a. Share Capital

NPC's authorized capital stock is divided into 500 million shares, P100 par value, of which 270,488,708 were issued and paid-up.

b. Other Equity Instruments

Pertains to the Donated Capital on which a portion of land (1,600 sq.m.) owned by the Municipal Government of Agutaya was donated to NPC-SPUG for P48,000. A deed of donation was executed by the Municipal Mayor, Rodabaldo N. Zabanal and accepted by NPC Pres. & CEO Pio J. Benavidez.

Adjustment on donated capital pertains to lands/lots situated in protected areas which are subject for application of Special Land Use Agreement on Protected Areas (SAPA) or Forest Land Use Agreement (FLAg), which are merely permits to use these lands/lots. In CY 2019, NPC derecognized these lands/lots which were initially recorded as part of donated capital presented in the retained earnings and as Property, Plant and Equipment presented in NPC's assets.

The following are the details of the land/lots subject for application of SAPA or FLAg:

NPC Power Plant	Area in Square Meter	Recorded Land Assessed Value in PhP
BOHOL I MINI GRID		
Balicasag Diesel Power Plant	42	8,106.00
Cabilao Diesel Power Plant	442	154,700.00
Cuaming Diesel Power Plant	42	6,762.00
Mantatao Diesel Power Plant	42	5,334.00
Pamilacan Diesel Power Plant	150	28,950.00
Cabul-an Diesel Power Plant	625	2,955.44
BOHOL II MINI GRID		
Bagongbanwa Diesel Power Plant	42	7,938.00
Batasan Diesel Power Plant	42	7,938.00
Bilangbilangan Diesel Power Plant	42	7,938.00
Hambongan Diesel Power Plant	42	7,938.00
Mocaboc Diesel Power Plant	42	7,938.00
Pangapasan Diesel Power Plant	42	7,938.00
Ubay Diesel Power Plant	42	7,938.00
TOTAL		**262,373.44**

c. Accumulated Surplus/(Deficit)

NPC's share in its 2019 net earnings (dividend) amounts to P987,130,057.35 which will be due and payable on May 15, 2020. Also, NPC will remit the amount of P594,188,676 on September 30, 2020 representing the payment for its dividend arrearages (4th installment) covering the period 2012 to 2015. The dividend payments to be remitted to the Bureau of Treasury in 2020 totaled to P1,581,318,733.35.

In 2019, NPC remitted to the Bureau of Treasury, a total cash dividend of P1,436,570,659.14 representing its 2018 share in net earnings, inclusive of the P594,188,676 representing payment of its dividend arrearages (3rd installment payment) in 2012-2015.

Prior period adjustments in the aggregate amount of P282,363,618 are shown in Note 5 hereof.

20. SERVICE AND BUSINESS INCOME

Particulars	2019	2018
Business Income		
Sales Revenue - Utility Operating Income	2,299,246,534	2,208,291,624
Sales Discounts - Prompt Payment Discount	(42,085,244)	(40,476,759)
Mandatory Rate Reduction	(74,524,809)	(69,716,503)
Net Sales	**2,182,636,481**	**2,098,098,362**
Power Supply System-Transmission Serv. Operating Income	**11,330,672**	**10,181,016**
Interest Income	**1,122,742,120**	**868,617,959**
Interest on Power Supply System Revenue Receivables	411,835,273	380,632,952
Interest on Bank Deposits & Temp. Invst.	701,658,655	487,646,414
Other Interest Income	9,248,192	338,593
Income from Management Fee	**989,073,025**	**1,114,404,089**
Rent/Lease Income	**20,102,914**	**11,730,086**
Fines and Penalties-Business Income	**12,176,106**	**16,116,584**
Income from Fuel Related Transactions	**73,321**	**226,863**
Total	**4,338,134,639**	**4,119,374,959**

Sales Revenue - Utility Operating Income includes the amount of income generated from the sale of electric energy to electric cooperatives, local government units and residential customers.

Sales Discounts - Prompt Payment Discounts pertains to amount of discount equivalent to three per cent of power bill granted by NPC to customers without outstanding power accounts and who have paid their monthly bills in full on or before the 10th day of the month immediately following the billing period.

Mandatory Rate Reduction refers to a rate reduction from NPC rates of 30 centavos per kilowatt-hour (P0.30/kWh) granted to residential end-users mandated in Section 72 of the EPIRA law.

Transmission Services Operating Income refers to charges for the use of NPC's transmission system.

Interest Income pertains to the interest earned, net of taxes, on Power Supply System Revenue (Power Receivables), regular deposits and temporary investments. The increase in Interest Income on Bank Deposits and Temporary Investment was a result of maximization of temporary investments ranges from 7, 15 and 30-day term, as well as interests earned on various deposits.

Income from Management Fees are fees paid to NPC by PSALM to compensate for services rendered for the main grid pursuant to the Operation and Maintenance Agreement which is equivalent to five per cent margin on top of the total approved budget for Personnel Services (PS) and Maintenance and Other Operating Expenses (MOOE), inclusive of 12 per cent VAT.

Rent/Lease Income refers to the earned rentals from properties of NPC under a lease agreement. The increase was attributed to the rental of fuel tank to SUWECO Tablas Energy Corp. (STEC) and from SY3 Energy Maintenance Services Corp. for the rental of balancing machine of NPC. Rental of a portion of land in Irawan, Viga, Brooke's Point and facilities in Puerto Princesa and Calapan.

Fines and Penalties - Business Income refers to the amount of penalty on MSE suppliers due to delayed deliveries of items for use by plant operation/support groups/construction projects of NPC as well as penalty for late completion of projects.

Other business income consists of:

a) income from donation of fuel from LGUs, other government agencies and private entities or cash intended to be used for the purchase of fuel, lube oil and payment of other operating expenses; and,

b) income from fuel related transactions.

21. SHARES, GRANTS AND DONATIONS

Particulars	2019	2018
Share in Universal Charge	15,411,179,101	13,589,697,010
Income from Grants and Donations in Kind	8,420,686	8,792,351
Income from Grants and Donations in Cash	1,192,879	164,149
Total	**15,420,792,666**	**13,598,653,510**

Share in Universal Charge pertains to the non-by passable charge passed on and collected from all electricity end-users on a monthly basis by the distribution utility. This is imposed for the recovery of the stranded debts and stranded contract costs of NPC and other purposes pursuant to Section 34 of the EPIRA.

The notable increase was mainly attributed to the higher revenue requirement of the Corporation to cover NPP subsidies for the year.

Income from Grants and Donations in Cash and in Kind. This account is used by NPC to recognize income derived from the implementation of Angat, Dam and Dyke Strengthening Project (ADDSP) as per Memorandum of Agreement entered into by Metropolitan Waterworks & Sewerage System (MWSS) and NPC in 2016.

The increase in Income from Donation was attributed to donations received during the year from the Ministry of Health-Japan and Metropolitan Waterworks and Sewerage System (MWSS).

MWSS recognition of income is a decrease from the recorded advances under GL 262 because of the partial performance of condition had been complied.

22. PERSONNEL SERVICES

22.1 Salaries and Wages

Particulars	2019	2018
Salaries and Wages-Regular	887,253,045	816,521,788
Salaries and Wages-Casual/Contractual	29,009,840	28,288,830
Total	**916,262,885**	**844,810,618**

The increase on salaries and wages was due to the implementation of the Modified Salary Schedule (MSS).

22.2 Other Compensation

Particulars	2019	2018
Personnel Economic Relief Allowance (PERA)	43,287,241	43,485,140
Representation Allowance (RA)	10,921,722	10,938,382
Transportation Allowance (TA)	9,741,483	9,964,034
Clothing/Uniform Allowance	10,927,835	10,884,000
Productivity Incentive Allowance	100,604,067	79,829,952
Honoraria	8,785,747	11,484,925
Longevity Pay	-	755,000
Overnight and Night Pay	99,034,909	109,889,945
Year End Bonus	77,728,217	70,790,004
Cash Gift	8,915,500	8,983,000
Mid Year Bonus	75,912,693	68,690,078
Other Bonuses and Allowances	3,977,002	2,120,000
Total	**449,836,416**	**427,814,460**

The increase of above accounts were attributed to the increase in Productivity Incentive Allowance, Year End Bonus and other bonuses and allowances brought about by the implementation of the Modified Salary Schedule (MSS). Also, increase in clothing allowance from P5,000 to P6,000,

22.3 Personnel Benefits Contributions

Particulars	2019	2018
Retirement and Life Insurance Premiums	109,394,013	100,816,140
Pag-IBIG Contributions	2,191,400	2,191,300
PhilHealth Contributions	9,400,289	9,076,713
Employees Compensation Insurance Premiums	2,160,600	2,174,875
Total	**123,146,302**	**114,259,028**

The implementation of the MSS resulted to higher basic pay, hence, there's a corresponding increase in statutory deduction of employees.

22.4 Other Personnel Benefits

Particulars	2019	2018
Terminal Leave benefits	143,612,240	93,322,301
Other Personnel Benefits	13,312,428	13,421,948
Total	**156,924,668**	**106,744,249**

23. MAINTENANCE AND OTHER OPERATING EXPENSES

23.1 Other Maintenance and Operating Expenses

Particulars	2019	2018
Advertising Expenses	**4,876,142**	**7,612,000**
Printing and Publication Expenses	**2,396,429**	**84,000**
Representation Expenses	**5,039,200**	**2,470,010**
Representation/Entertainment	2,484,359	1,510,634
Contingency Fund-Board	2,435,646	959,376
Director's & Committee Member's Fee	67,553	-
Contingency Fund-President	51,642	-
Transportation and Delivery Expenses	**9,525,541**	**5,301,884**
Rent/Lease Expenses	**380,172,506**	**451,398,233**
Donations	**119,524**	-
Other Maintenance and Operating Expenses	**12,487,095**	**13,022,820**
Athletics and Recreation	2,304,318	2,567,943
Financial Aid	6,278,936	6,679,462
Cultural Expenses	543,232	741,667
Christmas and Anniversary Expenses	2,152,094	1,650,784
Share in the National Wealth	1,027,750	753,324
Miscellaneous MOOE	180,765	629,640
Total	**414,616,437**	**479,888,947**

23.2 General Services

Particulars	2019	2018
Janitorial Services	96,621,412	97,757,676
Security Services	114,341,211	108,485,262
Other General Services	309,055,102	199,674,027
Total	**520,017,725**	**405,916,965**

23.3 Generation, Transmission and Distribution Expenses

Particulars	2019	2018
Generation, Transmission and Distribution Expenses		
Operation-Hydro Plant	27,866,084	23,653,998
Operation-Diesel Plant	317,566,297	212,737,470
Operation-Transmission & Substation	11,784,110	8,822,075
Total	**357,216,491**	**245,213,543**

23.4 Repairs and Maintenance

Particulars	2019	2018
Repairs and Maintenance-Infrastructure Assets	**291,783,531**	**327,861,191**
Hydro Plant	122,334,491	125,137,365
Diesel Plant	58,955,726	25,423,859
Transmission & Substation	3,273,811	2,384,854
Technical Services	424,629	566,230
Job Order for Maintenance	106,794,874	174,348,883
Repairs and Maintenance-Buildings and Other Structur	**9,601,885**	**6,811,511**
Repairs and Maintenance-Land Improvement	**404,355**	**705,961**
Repairs and Maintenance-Machinery and Equipment	**19,277,557**	**12,453,889**
Office/Laboratory Equipment	1,512,517	548,844
Store Equipment	42,333	395,477
Tools/Shop Garage	737,130	150,978
Power Operated Equipment	5,957,365	80,589
Communications Equipment	305,403	1,419,485
Computers	1,657,727	1,009,109
Miscellaneous Equipment	9,065,082	8,849,407
Repairs and Maintenance-Transportation Equipment	**9,186,780**	**9,061,162**
Total	**330,254,108**	**356,893,714**

23.5 Taxes, Insurance Premiums and Other Fees

Particulars	2019	2018
Taxes, Duties and Licenses	**146,097,863**	**111,927,524**
Licenses	6,179,762	11,264,189
Realty Tax	1,649,869	1,701,244
Other Taxes	138,268,232	98,962,091
Insurance Expenses	**47,319,920**	**43,331,053**
Total	**193,417,783**	**155,258,577**

23.6 Awards/Rewards, Prizes and Indemnities

Particulars	2019	2018
Awards/Rewards Expenses	87,427,522	118,668,620
Indemnities	259,500	-
Total	**87,427,522**	**118,668,620**

23.7 Travelling Expenses

Particulars	2019	2018
Travelling Expenses-Local	98,001,548	96,692,647
Travelling Expenses-Foreign	1,496,688	690,201
Total	**99,498,236**	**97,382,848**

The increase in travelling expenses was attributed to the increase in daily travel allowance for official local and foreign travels of government personnel prescribed under Executive Order No. 77 effective March 15, 2019.

23.8 Utility Expenses

Particulars	2019	2018
Water Expenses	6,803,102	7,309,093
Electricity Expenses	20,747,221	27,489,702
Total	**27,550,323**	**34,798,795**

23.9 Supplies and Materials Expenses

Particulars	2019	2018
Office Supplies Expenses	13,720,010	16,441,595
Fuel, Oil and Lubricants Expenses	17,643,925	18,380,909
Other Supplies and Materials Expenses	19,091,226	35,273,724
Total	**50,455,161**	**70,096,228**

23.10 Professional Services

Particulars	2019	2018
Auditing Services	30,907,678	22,692,316
Consultancy Services	5,056,127	5,694,629
Total	**35,963,805**	**28,386,945**

23.11 Communication Expenses

Particulars	2019	2018
Postage and Courier Services	1,424,992	1,247,218
Telephone Expenses	12,633,661	15,710,473
Internet Subscription Expenses	10,659,731	7,172,502
Cable, Satellite, Telegraph & Radio Expense	7,643	4,959
Total	**24,726,027**	**24,135,152**

23.12 Training and Scholarship Expenses

Particulars	2019	2018
Travelling Expenses-Local	98,001,548	96,692,647
Travelling Expenses-Foreign	1,496,688	690,201
Total	**99,498,236**	**97,382,848**

The increase was due to implementation of HRD training programs of the Corporation.

23.13 Confidential, Intelligence and Extraordinary Expenses

Particulars	2019	2018
Extraordinary and Miscellaneous Expenses	885,600	880,923
Total	**885,600**	**880,923**

24. FINANCIAL EXPENSES

Particulars	2019	2018
Interest Expenses	2,841,199	5,703,443
Bank Charges	154,747	39,154
Total	**2,995,946**	**5,742,597**

25. DIRECT COST

Particulars	2019	2018
Direct Cost (Fuel & Additives-Diesel Plant)	4,502,511,517	4,388,500,183
Total	**4,502,511,517**	**4,388,500,183**

This account represents the cost of fuel and thermal chemicals used by diesel plants for operations. The increase was attributed to the increase in volume of fuel consumed due to increase in power generation.

26. NON-CASH EXPENSES

26.1 Depreciation

Particulars	2019	2018
Depreciation-Infrastructure Assets	412,334,965	396,970,530
Depreciation-Buildings and Other Structures	35,017,367	31,508,829
Depreciation-Machinery and Equipment*	97,446,376	68,462,648
Total	**544,798,708**	**496,942,007**

**Includes depreciation of furnitures/fixtures, transportation equipment and leased assets.*

26.2 Depreciation – Other Assets

Particulars	2019	2018
Depreciation - Other Asset	25,117,800	25,725,500
Total	25,117,800	25,725,500

26.3 Impairment Loss

Particulars	2019	2018
Impairment Loss-Loans and Receivables	425,992,698	431,784,328
Total	425,992,698	431,784,328

27. NET ASSISTANCE / SUBSIDY / (FINANCIAL ASSISTANCE / SUBSIDY / CONTRIBUTION)

27.1 Assistance/Subsidy from National Government

Particulars	2019	2018
Subsidy from National Government	1,502,923,493	349,890,463
Less: Financial Assistance/Subsidy/Contribution		
Financial Assistance to Local Government Units	(4,302,184)	(4,271,657)
Financial Assistance to New Power Providers	(8,344,885,638)	(7,108,371,802)
Sub-total	(8,349,187,822)	(7,112,643,459)
Net Assistance/Subsidy/(Financial	(6,846,264,329)	(6,762,752,996)

The Subsidy to NPPs of missionary electrification areas represents the amount of share/subsidies to NPPs from UCME for providing power to the missionary electrification areas of NPC.

Significant increase of afore-said account was attributed to the following: a) an increase in subsidy from the National Government; b) higher energy off-take/new/additional NPPs, such as Renesons Energy Polilio, Inc., Philippine Hybrid Energy Systems Inc. and Sabang Renewable Energy Corp.; c) an increase in financial assistance to Local Government Units; and d) 6 days accrual for NPPs was recorded as prescribed by the COA.

The list of New Power providers are as follows:

New Power Provider	Area	2019	2018
DMCI Masbate Power Corp.	Masbate	1,313,357,723	1,169,118,654
Delta (Paragua)	Palawan(PPC)	781,187,445	806,289,518
Palawan Power Generation	Palawan(Tiniguiban,Narra)	327,758,593	330,853,643
Power Source Phils., Inc.	Rio tuba,Rizal Palawan	55,808,564	74,205,254
Power Source Phils., Inc.(Liminangcong)	Taytay, Palawan	34,079,037	30,575,302
Ormin Power Inc.	Oriental Mindoro	247,631,023	235,245,098
Inabasan Mini Hydro	Oriental Mindoro	5,477,557	-
Power One Corporation	Oriental Mindoro	316,994,795	315,716,336
Mindoro Grid Corporation	Oriental Mindoro	511,453,642	698,131,914
DMCI Palawan Power Corp.	Irawan, Quezon, Roxas	911,655,910	855,914,328
Calamian Island Power Corp.	Palawan(Busuanga,Coron)	394,642,433	337,888,865
Occidental Mindoro Consolidated Power Corporation (OMCPC)	Occ Mindoro	926,711,363	793,891,399
DMCI Power Corp. - Calapan	Oriental Mindoro	416,913,791	431,460,571
Sunwest Water & Elec. Co.	Tablas, Romblon	606,986,060	213,388,041
SUWECO - Catanduanes	Solong, Catanduanes	395,607,601	227,346,867
Cantingas Mini-Hydro Power Corp.	Romblon	-	12,550,798
PowerSource Phils. Inc. (PSPI) - Rizal	Palawan	9,776,539	1,485,908
Renesons Energy Polillo, Inc. (REP)	Polillo	76,553,429	-
Sabang Renewable Energy Corp. (SREC)	Puerto Prinsesa, Palawan	713,704	-
Philippine Hybrid Energy Systems INC (PHESI)	Mindoro/Romblon	7,006,309	-
Bantayan Island Power Corp	Bantayan, Cebu	216,759,447	167,584,750
S. I. Power Corporation (SIPCOR)	Siquijor	228,428,727	188,397,007
Powersource Phils. Inc. (Malapascua)	Bantayan, Cebu	23,820,252	22,257,350
Kaltimex Rural Energy Corp.	Tawi Tawi	535,561,694	196,070,198
GRAND TOTAL - SPUG		**8,344,885,639**	**7,108,371,802**

28. NON-OPERATING INCOME, GAIN OR LOSSES

28.1 Gains

Particulars	2019	2018
Gain on Foreign Exchange (Forex)	35,342,307	1,341,863
Gain on Disposal/Retirement of Assets	0	3,490
Other Gains/ Extraordinary Gain	254,465	0
Total	**35,596,772**	**1,345,353**

28.2 Losses

Particulars	2019	2018
Loss on Foreign Exchange (Forex) Fluctuation	0	0
Loss of Disposal/Retirement of Assets	85,857	4,978,520
Other Losses	0	0
Total	**85,857**	**4,978,520**

28.3 Non-Operating Income/Expenses

Particulars	2019	2018
Miscellaneous Income		
OMA Income	**938,947,737**	**1,073,138,728**
Personnel Related Expenses (PSALM-OMA)	510,768,221	588,643,624
MOOE (PSALM-OMA)	428,179,516	484,495,104
NON OMA Income	**42,963,533**	**75,108,246**
Bid Related Income	8,388,863	10,394,948
Other Miscellaneous Income	17,732,567	15,882,410
Income From Penalties For Shortfall Capacity	16,842,103	48,830,888
Total	**981,911,270**	**1,148,246,974**

Particulars	2019	2018
Miscellaneous Expenses		
OMA Expenses	**895,754,153**	**949,050,419**
Personnel Related Expenses	532,183,142	518,435,706
MOOE-Others	363,571,011	425,888,160
Honorarium BAC	2,229,589	4,726,553
NON OMA Expenses	**21,064,556**	**62,160,110**
Decommissioned Plants: Non-Operating Plants	**15,997,318**	**56,827,737**
Personnel Related Expenses	10,040,151	48,185,236
MOOE-Others	5,957,167	8,642,501
Honorarium BAC	**5,067,238**	**5,332,373**
Total	**919,048,298**	**1,011,210,529**

In compliance with COA AOM No. 2018-021 dated April 08, 2019, NPC classified the foregoing expense accounts based on the description of accounts provided under the Revised Government Chart of Accounts issued under COA Circular 2015-010. To comply with the COA recommendation, both Non-OMA and OMA expenses were accordingly distributed among the operating expenses as presented for the years 2018 and 2019.

Miscellaneous Expenses includes expenses on Personnel Services (PS) and Maintenance and Other Operating Expenses (MOOE) in the performance of NPC's obligation to the Operation and Maintenance Agreement (OMA) with PSALM recorded in NPC's books of accounts as well as expenses related to decommissioned plants of NPC and honorarium of BAC members.

Miscellaneous Income pertains to fund transfers received by NPC from PSALM for the payment of PS and MOOE (excluding fuel and insurance) in the performance of the OMA. This account also includes NPC's income from bid documents and other miscellaneous income of NPC.

In compliance to COA AOM No. 2017-10 dated April 19, 2018, NPC, in its letter dated October 31, 2018 to the COA-Government Accountancy Sector (GAS) has requested for a separate accounts/new general ledger accounts titled "*Income and Expense from Operation and Maintenance Agreement (OMA) with PSALM*". To date NPC still awaits clearance from COA-GAS.

For lack of appropriate account title, Miscellaneous Income and Miscellaneous Expense accounts were used for income/expenses attributed to NPC-PSALM OMA PS and MOOE transactions, pending approval of afore-cited request.

29. FINANCIAL MANAGEMENT

29.1 Financial Performance

NPC realized an operating revenue amounting to P19,758,927,305 higher by 11.5% or P2,040,898,836 compared to last year's operating revenue of P17,718,028,469.

NPC generated an operating income amounting to P10,455,454,129, higher by 18.2% or P1,611,496,872 when compared with last year of P8,843,957,257.

The Corporation's financial performance had increased from a Net Income of P1,726,736,940 in 2018 to P3,193,050,574 in 2019, higher by 84.9% or P1,466,313,634.

The increase in 2019 Net Income was mainly attributed to the increase in UCME and NG Subsidy.

29.2 Filing of Petition/Application with the Energy Regulatory Commission (ERC) for the recovery of the following:

a. CY 2016 True-up

On 11 January 2019, NPC filed its application for the recovery / refund of revenue shortfall / surplus from the Universal Charge for Missionary Electrification (UCME) for CY 2016 before the ERC and docketed under ERC Case No. 2019-004 RC. NPC proposed to offset the amount of **(PhP1.484Bn)**, or equivalent to **(PhP0.0162/kWh)** from the existing Basic UCME under the Provisional Authority or to offset against the unrecovered true-up petitions in compliance with ERC Resolution No. 21, Series of 2011 and ERC Resolution No. 22, Series of 2006, respectively.

b. 18th GRAM and 18th ICERA DAA

On 05 April 2019, NPC filed its application for the 18th Generation Rate Adjustment Mechanism (GRAM) and 18th Incremental Currency Exchange Rate Adjustment (ICERA) before the ERC as part of its compliance to the directives of the power rate regulation and docketed under ERC Case Nos. 2019-025 RC and 2019-026 RC, respectively. Adjustments corresponding to these filings covering the CY 2017 test period are referred to as Deferred Accounting Adjustments or DAAs which are pass-thru costs in NPC's rates. The proposed recovery amounted to **PhP2.0078Bn** if approved would translate into upward adjustments of rates in Luzon, Visayas and Mindanao areas amounting to PhP1.9017/kWh, PhP1.7718/kWh and PhP1.7316/kWh respectively, or an average increase of **PhP1.8235/kWh** and will also have a corresponding reduction in the UCME True-up Recovery for the same year. The proposed recovery for the 18th GRAM and 18th ICERA are spread into 24 months and 12 months, respectively.

c. CY 2020 BASIC UCME

NPC filed its petition of Basic UCME for the year 2020 before the ERC and docketed under ERC Case No. 2019-069 RC on 12 September 2019. In the said filing NPC prays for the adoption of the Proposed UCME for CY 2020 of **PhP18.461Bn**, with the corresponding rate of **PhP0.1920/kWh** and a recovery period of 12 months.

d. CY 2017 TRUE-UP

NPC also filed a petition for CY 2017 True-up under ERC Case No. 2019-084 RC on 28 October 2019. NPC proposed to recover the amount of **PhP849Mn**, or equivalent to **PhP0.0381** in 3 months.

Subsequently, on 19 November 2019 ERC issued and Order and Notice of Public hearing which will start on 11 March 2020.

e. Proposed New SAGR, Basic UCME, True-up, GRAM and ICERA public hearings

Completed public hearings for CY 2019 conducted in Luzon, Visayas and Mindanao areas for the following petitions / applications for recovery:

- 19 public hearings for CY 2016 True-up, 18th GRAM, 18th ICERA and CY 2020 UCME including attendance in the 14th Sangguniang Panglungsod (SP) of Cebu City Executive Session on (02 April 2019 and 11 June 2019)

- 36 public hearings for NPC's Petition on the Proposed New Subsidized Approved Generation Rate (SAGR) under ERC Case No. 2018-048 RC for Luzon, Visayas and Mindanao areas

30. OPERATIONAL HIGHLIGHTS

In furtherance of NPC's mandate to bring power as catalyst for development to the farthest, smallest and remotest areas and islands, the following are the Corporation's programs and project accomplishments in CY 2019:

30.1 Small Power Utilities Group (SPUG)

Among the notable accomplishments of SPUG in 2019, are the following:

Power plants with increased operating hours

NO.	SPUG POWER PLANTS	PROVINCE	OPERATING HOURS		DATE IMPLEMENTED
			From	To	
1	Tandubanak DPP	Tawi - Tawi	16	24	15-Jan-19
2	Tandubas DPP	Tawi - Tawi	16	24	15-Jan-19
3	West Simunul DPP	Tawi - Tawi	16	24	15-Jan-19
4	Pangutaran DPP	Sulu	12	16	24-Jan-19
5	Sitangkay DPP	Tawi - Tawi	16	24	4-Feb-19
6	Balabac DPP	Palawan	16	24	20-Mar-19
7	Manuk Mangkaw DPP	Tawi - Tawi	12	16	22-Apr-19
8	Agutaya DPP	Palawan	16	24	27-Apr-19
9	Tingloy DPP	Batangas	12	16	17-May-19
10	Cabra DPP	Occ. Mindoro	8	16	4-Jun-19
11	Palumbanes DPP	Catanduanes	8	16	12-Jun-19
12	Patnanungan DPP	Quezon	16	24	5-Sep-19
13	Mongpong DPP	Marinduque	16	24	12-Sep-19
14	Calayan DPP	Cagayan	12	16	25-Sep-19
15	Palanan DPP	Isabela	16	24	29-Oct-19
16	Sacol DPP	Zamboanga	16	24	8-Nov-19

New power plants

	PLANT (Date of Commercial Operation)	PROVINCE	RATED CAP. (KW)	DEP. CAP. (KW)	COMMISSIONING DATE
LUZON					
1	Paly DPP (30 March 2019)	Palawan	80	80	28-Mar-19
2	Calaguas DPP (01 May 2019)	Camarines Norte	90	90	15-Nov-18
3	Bancalaan 1 DPP	Palawan	80	80	27-Oct-19

Non-Operational/Privatized Missionary Areas of SPUG:

Areas	Province	Remarks
Polillo Island (Polillo DPP)	Quezon	Not operational. Generation was taken over by Renesons Energy Polillo Inc. last 25 May 2019
Mongpong Island (Mongpong DPP)	Marinduque	Interconnected to Marinduque mainland on 09 February 2019.
Polo Island (Mongpong DPP)	Marinduque	Interconnected to Marinduque mainland on 09 February 2018.
Bongao Island (Bongao DPP)	Tawi-Tawi	Not operational. Generation taken over by Kaltimex on 25 July 2018.
PB 108		On stand-by since 10 October 2017 due to rapid increased of seawater at the bottom bilge space. The power barge was drydocked at Cebu on 31 July 2019
PB 109		On stand by. For drydocking. Towed from Romblon Island to Bantigue Isabela on 29 November 2019.
Haponan Island (Haponan DPP)	Camarines Sur	On standby. CASURECO IV requested to stop its operation due to low collection efficiency since 04 June 2014
Burias Island, Municipality of Claveria (Claveria DPP)	Masbate	Claveria DPP was on standby since December 13, 2018 due to the take over of generation by Solar Philippines
PRES MINI-GRID		
B. TiTong MG 1	Masbate	Interconnected to MASELCO Distribution Grid since 20 Sept 2016
B. TiTong MG 2	Masbate	Interconnected to MASELCO Distribution Grid since 20 Sept 2016
Cawayan Exterior MG 1	Masbate	Interconnected to MASELCO Distribution Grid since 23 Dec 2016
Cawayan Exterior MG 2	Masbate	Interconnected to MASELCO Distribution Grid since 25 Dec 2016
Ubungan Dacu MG	Masbate	Interconnected to MASELCO Distribution Grid since 20 Aug 2016
Bolo MG 1	Masbate	Interconnected to MASELCO Distribution Grid since 09 Dec 2016
Bolo MG 2	Masbate	Interconnected to MASELCO Distribution Grid since 09 Dec 2016
Bolo MG 3	Masbate	Interconnected to MASELCO Distribution Grid since 09 Dec 2016
Tinago MG	Masbate	Interconnected to MASELCO Distribution Grid since 23 Dec 2016
Cabancalan MG (Placer)	Masbate	Interconnected to MASELCO Distribution Grid since 25 Apr 2016
Calumpang MG (Placer)	Masbate	Interconnected to MASELCO Distribution Grid since 25 Apr 2016
Locsoan MG	Masbate	Interconnected to MASELCO Distribution Grid since 14 May 2016
Tan-awan MG	Masbate	Interconnected to MASELCO Distribution Grid since 25 Apr 2016
Tumalaytay MG 3	Masbate	Interconnected to MASELCO Distribution Grid since 10 Feb 2017
Costa Rica MG	Masbate	Interconnected to TISELCO Distribution Grid since 20 Feb 2016
Matabao MG	Masbate	Interconnected to TISELCO Distribution Grid since 02 Dec 2017
Rizal MG	Masbate	Interconnected to TISELCO Distribution Grid since 02 Jan 2016
LUNA MG (San Jacinto)	Masbate	Interconnected to TISELCO Distribution Grid since 27 May 2013
Alta Vista MG	Masbate	Interconnected to TISELCO Distribution Grid since 01 Mar 2016
Sto. Niño. MG	Masbate	Interconnected to TISELCO Distribution Grid since 25 June 2016

30.2 Dams Management Department (DMD)

INFORMATION AND EDUCATION CAMPAIGN (IEC)

- The objective of this IEC is to impart important information and increase the level of awareness of concerned LGUs and the communities at the downstream of the dams with regards to the benefits of the dams and its operations in accordance with Dam Safety Program. This is a continuing activity to also prepare the communities and the LGUs in dealing with flood-related hazards that may becaused by dam operations. Twenty-two (22) IEC sessions were conducted, breakdown as follows: Ambuklao and Binga Dams = 5, San Roque Dam = 4, Angat Dam = 10 and Caliraya-Lumot Dams = 3.

RELIABILITY TESTING OF SPILLWAY GATES

- Annual spillway gates testing is being carried out with the Dam Operators to ensure reliability of the spillway gates in times of spilling operations. The tests were successfully conducted for the following dams:
  - Ambuklao and Binga Dams – August 20-21, 2019
  - San Roque Dam – February 27-March 06, 2019
  - Angat Dam – June 19, 2019
  - Caliraya Dam – July 5 and 12, 2019

DAMS, RESERVOIRS AND WATERWAYS DIVISION (DRWD)

a. Dams Integrity Surveillance

- The DMD – DRWD conducted 10 mandatory safety inspections/assessments. These inspections were done semi-annually to confirm the satisfactory behavior and condition of the large dams in Luzon, namely: Ambuklao, Binga, San Roque, Angat and Caliraya-Lumot Dams and their appurtenant structures. DRWD also participated int eh conduct of safety inspection of the dam and other non-power component of the privatized small hydroelectric plants namely: Buhi-Barit Hydroelectric Plant in Camarines Sur, Amlan Hydroelectric Plant in the Visayas Area, and LobocHydroelectric Plant in Bohol as initiated by Power Sector Assets and Liabilities Management Corporation (PSALM).

- The safety inspections/assessments were carried out to ensure the sustainability of the dam's safety/integrity and operability to effectively impound water needed for domestic water supply, irrigation, power generation and flood control. Inspection observations/findings and recommendations were reported and conveyed to the concerned Plant Management/Operator, and its compliance to the report recommendations were diligently being monitored.

- Dam instrumentation monitoring is a continuing activity for DMD-DRWD. The reliable and suitable scientific data gathering and surveillance to ensure the long-term performance and safety of dam and its appurtenances. These data are used for systematic evaluation of its structural safety and serve as basis for decision making.

b. Reservoir Water Utilization/Optimization

- The efficient reservoir management by DMD in coordination with the stakeholders and regulatory body manage to conserve water and stored energy, thus, alleviating the water crisis for the year 2019 due to El Nino. Furthermore, efficient and timely dam spilling operations minimized the effect of the outflow to downstream communities during the passage of typhoons or severe weather disturbances. DMD was able to manage and conserve water for both San Roque and Angat reservoirs.

c. Emergency Action Plan of Caliraya & Lumot Dams

- As part of the NPC Dam Safety Program, DRWD drafted the Emergency Action Plan (EAP) for Caliraya and Lumot Dams. This is to ensure that in the event of an emergency like a dam break scenario, all parties/stakeholders are aware of their individual roles in ensuring that the correct mitigation and communication measures are taken. Coordination meeting of LGUs and other stakeholders was conducted on 22 October 2019. A follow-up meeting with OCD was conducted in November 2019.

FLOOD FORECASTING AND WARNING SYSTEM DIVISION (FFWSD)

It is FFWSD's mandate to provide reliable flood forecasting and efficient dam discharge warning operation in order to protect the lives and properties of the communities at the downstream of the dams that are under NPC's responsibility namely Ambuklao, Binga, San Roque, Angat and Caliraya Dams. Aside from consistently following protocols and procedures relative to the operation of the dams, information and education campaign are annually being undertaken to strengthen the said mandate. Periodic preventive maintenance for the flood forecasting and warning system for dam operations (FFWSDO) equipment and facilities are also conducted for its sustainability. And in order to get abreast of the latest and innovative technologies, improvements are introduced or implemented to further enhance NPC's FFWSDO. Relative to these undertakings are accomplished this FY 2019, to wit:

a. Flood Forecasting and Dam Discharge Warning Operation

- The FFWSD has conducted flood forecasting and dam discharge warning operations in Ambuklao, Binga and Angat Dams due to Tropical Cyclones (TC) and enhanced Southwest Monsoons. Details are as follows:

  - Three (3) in Ambuklao Dam:
    - Southwest Monsoon (August 13-15, 2019)
    - TC Liwayway (September 2-3, 2019)
    - Southwest Monsoon (September 8-10, 2019)

  - Five (5) in Binga Dam:
    - Southwest Monsoon (August 13-15, 2019)
    - Southwest Monsoon enhanced by TC Ineng (August 24, 2019)
    - TC Jenny (August 27-28, 2019)
    - TC Liwayway (September 2-3, 2019)
    - Southwest Monsoon (September 8-10, 2019)

➢ One (1) in Angat Dam

- TC Usman (January 1-4, 2019)

FFWSDO PROJECT

a. Rehabilitation of Caliraya Flood Forecasting and Warning System for Dams Operations (FFWSDO) Project

This Project aims to provide reliable Flood Forecasting and Warning System for Dam Operations at Caliraya which will enhance monitoring and analysis of the data gathered using rain gauge stations, warning stations and water level stations and provide efficient way to disseminate warning announcements to areas located nearby the downstream of Caliraya Dam. Electrical works, Automation and Programming and Instrumentation are on-going. Testing and commissioning for Telemetry component already approved by ESD.

➢ As of 31 December 2019, the actual accomplishment is 77.21%.

b. Angat Dam and Dyke Strengthening Project (ADDSP)

- **Schedule I - Enhancement of Angat Dam Flood Forecasting and Warning System for Dam Operations**

  This Project involves installation of 7 rain gauge and 7 water level stations and additional 10 warning stations to improve the current flood forecasting and warning system of Angat. Only the Testing and Commissioning works including the Joint Final Inspections remains to be completed.

  ➢ As of 31 December 2019, the actual accomplishment is 94.68%.

- **Schedule II - Enhancement of the Communication Network for Angat Flood Forecasting and Warning System for Dam Operations**

  The Project aims to interconnect all dam offices to the Command Center at NPC-Diliman and to share all the data gathered to all stakeholders of Angat Dam including the PDRRMC in Malolos, Bulacan thus improving communication during dam releases. Testing and Commissioning with Joint Final Inspection already completed. Rectification works on-going.

  ➢ As of 31 December 2019, the actual accomplishment is 98.85%.

30.3 Power Engineering Services (PES)

The Power Engineering Services' major accomplishments for CY 2018 are as follows:

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
TRANSMISSION LINE PROJECTS			
1.	Rehabilitation of Calapan - Bansud "1" 69kV T/L Project (44 kms)	F304I01	• Energized Calapan-Naujan and Naujan-Victoria T/L Sections on 25 May 2018 and 20 June 2018, respectively. • Certificate of Provisional Acceptance effective 25 May 2018 was already issued. • Project Close-Out Report submitted to Finance and other concerned offices on 04 January 2019. • Certificate of Final Acceptance issued on 18 June 2019.
2.	Virac - San Miguel 69kV T/L Project (15.15 kms)	J312A01	• Project accomplishment, 100% completed. For issuance of Certificate of Project Completion. • Energized at 13.8kV as of 26 July 2019. • Actual length was increased from 15.15 kms to 15.67 kms. • Preparation of Project Close-Out Report, 60% completed.
3.	Rehabilitation of Calapan - Bansud "2" 69kV T/L Project (42 kms)	F304I02	• Project accomplishment, 99.43% completed. • Project completed as of 13 September 2019. • Certificate of Project Completion already issued. • With rectified punchlist items for close-out. • Preparation of Project Close-Out Report, 90% completed.
4.	Bansud - Mansalay 69kV T/L (64.53 kms.)	F303A01	• Project accomplishment, 98.88% completed. • Remaining correction works (1.12%) for completion by January 2020. • Preparation of Project Close-Out Report, 60% completed.
5.	Rehabilitation of Calapan - Puerto Galera 69kV T/L Project (41 kms)	F305I01	• Project accomplishment, 98.60% completed. • Energized and completed as of 28 April 2018. • Commercially operated on 12 May 2018. • Certificate of Final Completion already issued. • Remaining correction works (1.40%) for completion by January 2020. • Project Close-Out Report submitted to Finance and other concerned offices on 29 November 2018.
6.	Rehabilitation of Boac - Torrijos 69kV T/L (47 kms)	I305I01	• Project accomplishment, 98.11% completed. • Project completed as of 14 November 2019 with minor correction works (1.89%) for completion. Ready for energization. • Certificate of Project Completion already issued. • Preparation of Project Close-Out Report, 30% completed.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
TRANSMISSION LINE PROJECTS			
7.	Mansalay - San Jose 69kV T/L Project, Schedule 1 & 2 (60 kms)	I324A02	Schedule 1: • Project accomplishment, 86.77% completed. • Stringing of Power Conductor and OHGW, 24 kms completed. • Suspension of works for Schedule 1 was issued effective 20 June 2019 due to Right-of-Way issues with the affected Indigenous People (IP) and request for re-routing of the transmission line approximately 9.28 kms by the Local Government Unit. • For resumption of work. Schedule 2: • Project accomplishment, 95.19% completed. For verification of rectified punch list items (4.81%). • Project completed as of 24 September 2019. • Certificate of Project Completion already issued. • Stringing of Power Conductor and OHGW, 26 kms completed. • Preparation of Project Close-Out Report, 40% completed.
8.	Rehabilitation of Minolo (Puerto Galera) - Mamburao 69kV Transmission Line Project (52 kms)	I321I01	• Project accomplishment, 36.85% completed. • Delivery of first batch of steel poles completed on 19 December 2019. • Factory Acceptance Test for insulator and steel poles (batch 2) was conducted on 11 January 2020. • Contract expiry/Target completion on 16 August 2020.
9.	Supply and Erection/ Installation of Roxas - Taytay 69kV T/L Project Roxas Substation - Alimanguan Junction (Schedule 1) (Structure 1-232)	J302A02	• Project accomplishment, 5.29% completed. • Ongoing check survey/staking of pole sites, delivery of steel poles at site and submission of brochures/drawings for NPC's approval. • Contract expiry/Target completion on 02 October 2020.
10.	Supply and Erection/ Installation of Roxas-Taytay 69kV T/L Project Alimanguan Junction-Taytay Substation (Schedule 2) (Structure 232-434)	J302A02	• Project accomplishment, 26.19% completed. • Ongoing delivery of steel poles at Contractor's stockyard. • Contract expiry/Target completion on 08 August 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
SUBSTATION PROJECTS			
1.	Virac (Marinawa) 69kV Substation Project (10 MVA)	I324A01	• Energized on 21 September 2019. • Project completed as of 02 May 2018. • Certificate of Final Acceptance already issued. • Preparation of Project Close-Out Report, 95% completed.
2.	Supply, Delivery, Construction/ Installation, Test and Commissioning 5 MVA Codon 69kV Substation Project	I315A04	• Energized on 21 September 2019. • Project completed as of 24 January 2019 and inaugurated on 25 July 2019. • Remaining punchlist item is the delivery of spare parts. • Preparation of Project Close-Out Report, 50% completed.
3.	Supply, Delivery, Construction, Installation, Testing & Commissioning of 5 MVA Taytay Substation Project	J310A02	• Project accomplishment, 99.09% completed. • Temporarily energized at 13.8kV. Remaining punchlist item is the delivery of spare parts. • Preparation of Project Close-Out Report, 60% completed.
4.	Supply, Delivery, Construction, Installation, Testing and Commissioning of 5 MVA San Miguel Substation	J310A01	• Project accomplishment, 58.59% completed. • Works were suspended on 10 April 2019 due to change in design plans to suit actual field condition; lifted on 26 July 2019. • Contract expiry/Target completion on 22 April 2020.
5.	Construction of New Rizal DPP, Punta Baja, Rizal, Palawan	E600M11	• Project accomplishment, 43.66% completed. • Show Cause Order was issued on 11 September 2019. • Contract expiry/Target completion on 8 March 2020.
6.	Rehabilitation and Transfer of Existing 10 MVA Power Transformer at Boac Substation Incl. Supply, Delivery, Construction/ Installation, Test & Commissioning of New 10 MVA Mogpog Substation	I324A03	• Project accomplishment, 6.40% completed. • Kick-off meeting was conducted on 28 October 2019. • Ongoing clearing, materials testing and survey/staking lay-out. • Contract expiry/Target completion on 24 August 2020.
7.	Supply, Delivery, Installation & Commisioning including Transfer of 5 MVA Transformer from Narra Substation to Brooke's Point Substation in Palawan	J310A04	• NOA was issued on 23 October 2019. • NTP for conformance of the Contractor. • Target completion on 4th Quarter of 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
CAPACITY ADDITION PROJECTS AND ASSOCIATED FACILITIES			
1.	Supply, Delivery, Installation, Test & Commissioning of 14 x 600 kW Gensets for Various SPUG Areas	E800A01	• Project completed as of 01 May 2014 with correction works for completion. • NPC is holding in abeyance the payment of billings/claims for the Contract unless all pending issues are resolved.
2.	Supply, Delivery , Installation, Test and Commissioning of 13 x 600 kW Gensets for Various SPUG Areas	E810A08	• 12 out of 13 units (7.2 MW/7.8 MW) commercially operated as of June 2017. One (1) unit (0.6 MW) commercially operated on January 2018. - Certificate of Final Acceptance (CFA) for all sites already issued. • Project Close-Out Report submitted to Finance and other concerned groups on 18 October 2019.
3.	Supply, Delivery, Installation, Test and Commissioning of 1 x 1.5 MW Modular Generating Sets for Dinagat DPP	K607A01	• Commercially operated as of 20 December 2017. • Project completed as of 02 October 2017. • Certificate of Final Acceptance effective 09 September 2019 was already issued. Remaining Punchlists JIF Nos. 2 & 5 and T & C punchlists, which were indicated in the Certificate of Acceptance, were already closed. • Project Close-Out Report submitted to Finance and to other concerned groups on 29 January 2018.
4.	Supply, Delivery, Installation, Test and Commissioning of 1 x 90 kW Modular Diesel Generating Sets and Associated Electrical Equipment for Rama Cinco DPP	E810A16	• 1x90 kW Gensets commissioned on June 2018. • Project completed as of 15 March 2019. • Project Close-Out Report already submitted to Finance and other concerned groups on 16 July 2019.
5.	3 x 600 kW D/G Sets for Power Barge-109 (1 Unit) and Power Barge-116 (2 Units)	E810A17	• Project completed as of 13 November 2018. PB 109: Genset was commercially operated since 06 August 2017. PB 116: Gensets were commercially operated since 21 October 2017. • Certificate of Acceptance already issued. • Project Close-out Report submitted to Finance and other concerned groups on19 April 2018.
6.	Construction of Power Facilities (Civil Works) including Relocation Works, Supply, Delivery, Erection/Installation, and Test of Balance of Plant for Calayan DPP	E400A01	• Project completed as of 06 February 2019. • With rectified punchlist items for close-out. • Preparation of Project Close-Out Report, 70% completed.
7.	Construction of Power Facilities including Supply, Delivery, Erection/Installation, Test & Commissioning of 1 x 100 kW Genset & its Auxiliaries and Associated Electrical Equipment for the Electrification of Six (6) Barangays at Camandag Island, Sto. Niño, Samar	E800A06	• Project completed and inaugurated as of 19 March 2019. • Certificate of Project Completion already issued. • Project Close-Out Report 100% completed. For submission to concerned groups on the 1st week of January 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
CAPACITY ADDITION PROJECTS AND ASSOCIATED FACILITIES			
8.	Construction of Power Facilities including Supply, Delivery, Erection/Installation, Test & Commissioning of 1 x 90 kW Genset & its Auxiliaries and Associated Electrical Equipment for the electrification of three (3) Barangays at Calaguas Group of Islands, Vinzons, Camarines Norte Under the Off-Grid Electrification Project	E800A05	• Project completed as of 16 May 2019. • Certificate of Project Completion already issued. • Project Close-out Report submitted to Finance and other concerned groups on 16 October 2019.
9.	Supply, Delivery, Installation / Erection of two (2) units twenty (20) ft. Collapsible Containerized Control Room for Tambo and Tabao, Lubang, Occ. Mindoro	E810A25	• Project completed as of 17 April 2018. • Certificate of Acceptance/ Complete Delivery already issued. • Project Close-out Report submitted to Finance and other concerned groups on16 October 2019.
10.	Contract for the Supply, Delivery, and Test of 31 Units of Quick Response Modular Diesel Gensets and Associated Electrical Equipment for SPUG Areas	E810A18	• Project completed as of 20 February 2019. • Project Close-out Report submitted to Finance and other concerned groups on 19 December 2019.
11.	Supply, Delivery, Installation, Test & Commissioning of 5 x 1.0 MW Modular Diesel Generator sets & associated electrical equipment for Boac DPP	E810A09	• Commercially operated as of 21 October 2017. • Project completed as of 11 July 2017. • Project commissioned on 26 May 2017 - 04 July 2017 • For rectification of punchlist items. • Preliminary Project Close-out Report submitted to Finance and other concerned groups on 06 February 2018.
12.	Construction of Power Facilities of 2 x 200 kW Generator Sets for Languyan DPP	E610A06	• Project accomplishment, 96.36% completed. • 2x200 kW Gensets for Languyan DPP energized/inaugurated on 10 December 2018. • Conducted JFI on 18-20 November 2019 and identified 38 punchlist items for rectification. • Preparation of Project Close-Out Report, 90% completed.
13.	Construction of Power Facilities incl. Supply, Delivery, Erection/Insatllation, Test & Commissioning of 2 x 50 kW Mod. Generating Sets, Assoc. Electrical Equipment and BOP for the Three (3) Barangays at Gibusong Island, Loreto, Dinagat under Off-Grid Electrification Project	E610A14	• Project accomplishment, 92.12% completed. • Conducted JFI on 20-22 December 2019. Ongoing rectification of 44 identified punchlist items. • Preparation of Project Close-Out Report, 74.5% completed. • Show Cause Order was issued to the Contractor on 09 August 2018. • Target commissioning by end of January 2020.
14.	Construction of Power Facilities Including Supply, Delivery, Installation, Test and Commissioning of 5 x 1.0 MW Containerized Generating Sets, Auxiliaries and Balance of Plant for Basilan Power Plant	E810A15	• Project accomplishment, 85.79% completed. • Five (5) units of diesel gensets already delivered at site. • Preparation of Project Close-Out Report, 45% completed. • Target energization/commissioning by end of January 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
CAPACITY ADDITION PROJECTS AND ASSOCIATED FACILITIES			
15.	Construction of Power Facilities including Supply, Erection/Installation and Test of Balance of Plant for 2 x 150 kW Pandami Diesel Power Plant	E610A08	• Project accomplishment, 84.60% completed. • 2x150 kW Gensets for Pandami energized/commercially operated on 24 October 2018. • Remaining works include tank foundation activities, FOST Leak Testing, fuel oil unloading/transfer pump, domestic water supply system and electrical services/accessories. • Target project completion by end of February 2020. • Preparation of Project Close-Out Report, 51% completed.
16.	Construction of Power Facilities including Supply, Delivery, Erection, Installation, Test and Commissioning of 90 kW Modular Generating Sets including BOP for Electrification of Five (5) Barangays at Tagubanhan Island	E610A10	• Project accomplishment, 83.36% completed. - The 90 KW diesel genset was already delivered at site. - Remaining works include delivery & installation of remaining switchyard appurtenances, XLPE cables and delivery of spare parts. - Final Show Cause Order already issued to the Contractor. - Target commissioning by 3rd quarter CY 2020.
17.	Construction of Power Facilities including Supply, Delivery, Erection, Test and Commissioning of BOP for New Areas Electrification in Samar Province in Three (3) Schedules (9 Areas)	E610A09	• Overall accomplishment: 81.43% completed. Schedule 1: 77.17% Schedule 2: 88.41% Schedule 3: 81.90% • All nine (9) units were delivered at site. • Ongoing delivery and installation of transformers, cables, instrumentation and switchyard appurtenances to respective sites. • For preparation of Project Close-Out Report. • Target commissioning by 3rd quarter CY 2020.
18.	Supply, Delivery, Installation, Test and Commissioning for 10 x 600 kW Modular Gensets for Various SPUG Areas	K606A01	• Project accomplishment, 80.53% completed as of suspension. • NPC is holding in abeyance implementation of all remaining activities unless all pending issues are resolved. • Under arbitration case.
19.	Construction of Power Facilities incl. Supply, Erection/ Installation, Test & Commissioning of Forty Seven (47) Units of Modular Diesel Generating Sets and Electrical Equipment for Luzon SPUG Areas under Schedule 1	H820A01	• Project accomplishment, 80.37% completed. • 44 out of 47 units were delivered to 17 project sites. • Test & Commissioning for Rizal DPP, Culion DPP and Linapacan DPP conducted on December 2019 with identified punchlist items for rectification. • Work suspended effective 02 May 2019 due to difficulty in hauling/delivery of gensets and electrical equipment to project sites and design changes to suit actual field condition. Resumption of works was issued on 19 November 2019 where four (4) sites (Itbayat, Sabtang Rapu-Rapu and San Pascual) remained suspended. • For delivery of remaining three (3) Units of diesel gensets. • Final Show Cause Order issued to the Contractor last 1 April 2019. • Target commissioning of remaining units by 1st quarter CY 2020. • For preparation of Project Close-Out Report.
20.	Construction of Power Facilities including Supply, Delivery, Erection, Test and Commissioning of 2 x 180 kW Modular Generating Sets and Associated Electrical Equipment and BOP for the Electrification of 4 Barangays at Naro Island, Masbate	E610A13	• Project accomplishment, 75.33% completed. • 2 Units of diesel gensets and electrical appurtenances already delivered at site. • Final Show Cause Order issued to the Contractor last 01 April 2019. • Target commissioning of remaining units by 1st quarter CY 2020.
21.	Construction of Power Facilities including Supply, Delivery, Installation, Test and Commissioning of 4 x 1.0 MW Containerized D/G Sets and Auxiliaries for Boac DPP	E610A18	• Project accomplishment, 71.98% completed. • Four (4) Units of diesel gensets were already delivered at site. • Target completion is on 11 March 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
CAPACITY ADDITION PROJECTS AND ASSOCIATED FACILITIES			
22.	Construction of Power Facilities Including Supply, Delivery, Installation, Test and Commissioning of 190 kW Modular Gensets for the Electrification of Five (5) Barangays (Tictabon, Tumaloptap, Pangapuyan, Manalipa and Great Sta. Cruz DPP) at Zamboanga Del Sur	E610A11	• Project accomplishment, 30.33% completed as of suspension of works. • Contract was suspended since 18 October 2019 due to unavailability of Special Agreement on Protected Areas (SAPA) from DENR. • Four (4) Units of diesel gensets and electrical appurtenances already delivered at respective sites. One (1) Unit still remains at Zamboanga City Port Area. • PMD, SPUG-MOD and Contractor conducted site inspection at Great Sta. Cruz, Pangapuyan and Tictabon DPPs on 21 December 2019 to assess Contractor's accomplishment and remaining activites. • Project Close-Out Report, 39.28% completed. - 0.18 MW Target commissioning by end of February 2020. - 0.01 MW Target commissioning by end of June 2020.
23.	Supply, Delivery, Installation, Test and Commissioning of 2 x 100 kW Modular Diesel Gensets, Associated Electrical Equipment and BOP for Tausan DPP under the Off-Grid Electrification Project	K840A02	• Project accomplishment, 11.26% completed. • Delays were due to insufficient construction materials, equipment for site grading and manpower resources. • Target completion is on 09 March 2020.
24.	Construction of Power Facilities for the 2 x 150 kW D/G & 13.8kV Distribution Line Including Supply, Delivery, Erection/Installation, Test & Commissioning of BOP in Pag-asa Kalayaan Island, Palawan	E610A28	• Project accomplishment, 2.86% completed as of suspension of works. • Notice to Proceed was conformed on 23 October 2019. • The Contract took effect on 30 October 2019. • Suspension of works effective 12 November 2019 is due to LGU of Kalayaan's advice to suspend mobilization due to prevailing rough waters in the West Philippine Sea.
25.	Supply, Delivey, Erection/ Installation, Test & Commissioning of 22 Units of Modular Generating Sets & Electrical Equipment for Mindanao SPUG Areas - Schedule III	K840A01	• Kick-off meeting was conducted on 13 August 2019. • NOA and NTP were issued on 20 August 2019 and 12 November 2019, respectively. • The Contractor has not yet mobilized at site. • For submission of implementation schedule for approval.
26.	Supply & Installation, Test & Commissioning of Eight (8) Units of Modular D/G Including BOP for Electrification of New Areas in Occidental Mindoro in Two (2) Schedules (Schedule 2)	E610A28	• Project accomplishment, 4.23% completed (estimated). • NOA and NTP were issued on 12 April 2019 and 15 August 2019 respectively. • Kick-off meeting was conducted on 12 September 2019. • Ongoing submission of drawings/plans and brochures for NPC's approval.
27.	Supply, Delivery, Installation, Test and Commissioning of Generator Transformers and Line Materials for Connection of 300 kW, 160 kW and 80 kW D/G Sets for Various SPUG Diesel Power Plants in Three (3) Packages	E810A29	• Project accomplishment, 29.48% completed (estimated). • For submission of implementation schedule for approval. • Target completion date is on 23 May 2020.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
CAPACITY ADDITION PROJECTS AND ASSOCIATED FACILITIES			
28.	Supply & Installation, Test & Commissioning of Thirteen (13) Units of Modular D/G and Associated Electrical Equipment for Six (6) Areas of BAPA in Palawan in Three (3) Schedules (Schedule 1)	E610A23	• NOA was issued on 14 September 2019. • Contract is still for signature of the Contractor. Follow-up letters dated 21 October 2019 and 08 November 2019 were already sent to the Contractor to return the signed Contract.
29.	Supply, Delivery, Installation, Test & Commissioning of 300 kW and Below Gensets for Various SPUG Areas	I601A01	• NPC's Take-over of the Contract effective 22 November 2016. • Payment of billings/claim on hold until all pending issues are resolved.
FUEL OIL STORAGE TANKS PROJECTS			
1.	Supply, Delivery, Installation and Test of 60m³, 35m³, and 10m³ Fuel Oil Storage Tanks for Various SPUG Power Plants including Construction of Associated Facilities under Batch 1, Schedule 1	E810A06	• Project completed as of 08 May 2019. • Certificate of Project Completion already issued. • Preparation of Project Close-Out Report, 95% completed. For submission to Finance and other concerned groups by end of January 2020.
2.	Supply, Delivery, Installation and Test of 60m³, 35m³, and 10m³ Fuel Oil Storage Tanks for Various SPUG Power Plants including Construction of Associated Facilities under Batch 1, Schedule 4	E810A07	• Project completed as of 23 August 2019. • Preparation of Project Close-Out Report, 95% completed. For submission to Finance and other concerned groups.
3.	Supply, Delivery, Installation and Test of 60m³, 35m³, and 10m³ Fuel Oil Storage Tanks for Various SPUG Power Plants including Construction of Associated Facilities under Batch 1, Schedule 6	E810A05	• Project completed as of 14 December 2018. • Project was turned-over to SPUG on 18 May 2019. • Project Close-Out Report already submitted to Finance and other concerned groups on 12 September 2019.
4.	Supply, Delivery, Installation and Test of 60m³, 35m³, and 10m³ Fuel Oil Storage Tanks for Various SPUG Power Plants including Construction of Associated Facilities under Batch 2, Schedule 1	E610A05	• Overall accomplishment: 97.13% • Actual accomplishment per site: Maripipi: 96.68% Kerikite: 99.12% Sto. Niño: 96.85% Biasong: 98.71% Costa Rica: 96.84% Biri: 95.15% Almagro: 98.07% Batag: 97.02% San Vicente: 96.66% • Target project completion by end of January 2020. • Final Show Cause Order was issued on 15 August 2018. • For preparation of Project Close-Out Report.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
PLANT/FACILITIES BETTERMENT PROJECTS			
1.	Construction of New Mechanized Warehouse for Agus 2 HEP	B110A63	• Project completed as of 06 November 2018. • Project Close-out Report 100% completed. For transmittal to concerned groups.
2.	Rehabilitation of AGUS 6 HEP Unit No. 3 Draft Tube Liner	B145I75	• Project completed as of 24 October 2018. • Project Close-out Report, 100% completed. For transmittal to concerned groups.
3.	Rehabilitation of Pulangi IV HEP Reservoir Project - Phase 3 (Maintenance Dredging of Lower Reservoir)	B161I64	• Project completed as of 25 July 2018. • Final Billing was already audited and awaiting for the release of funding from PSALM. • Preliminary Project Close-Out Report already submitted to Finance and other concerned groups on 24 September 2018.
4.	Installation of Concrete Barrier at Units 3,4 & 5 Tailrace at AGUS 6 HEP	B145Z74	• Project completed as of 12 January 2019. • First and Final Billing was already audited at Mingen Office, awaiting for the processing and approval of Reversion of Funds for the Variation Order. • Preliminary Project Close-Out Report already submitted to Finance and other concerned groups on 23 May 2019.
5.	Construction of Operator's Quarter and Office in Languyan DPP	E782A14	• Project completed as of 26 April 2019. • Certificate of Project Completion already issued. • Ceremonial Turn-Over was held on 03 December 2019. • Preparation of Project Close-Out Report, 98% completed
6.	Construction of SPUG Mindanao Central Office Building, Davao City (Mintal)	K990A01	• Project completed as of 10 December 2019. • Three (3) JFI remaining punchlist items for rectification by the Contractor. Land title was already forwarded to LLRD on 19 October 2019 and the request for consolidation plan is under filing of petition at court. • Inauguration is scheduled on 06 February 2020. • Preparation of Project Close-Out Report, 69.64% completed.
7.	Construction of SPUG- Bicol Operation's Warehouse at Ligao City, Albay	E60W1S1	• Project completed as of 16 August 2019. • Certificate of Project Completion already issued. • Project Close-out Report 100% completed. For transmittal to concerned groups.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
PLANT/FACILITIES BETTERMENT PROJECTS			
8.	Construction of SPUG Bohol Office and Staff House	E990A01	• Project completed as of 29 August 2019. • Certificate of Project Completion already issued. • Preparation of Project Close-Out Report, 60% completed.
9.	Design, Supply, Delivery, Installation, Test and Commissioning of Limasawa Solar Photovoltaic (PV) with Energy Storage System (ESS) - Diesel Hybrid Power Plant	E810A28	• Project accomplishment, 98.37% completed. • Ongoing rectification of remaining 19 out of 42 JFI punchlist items by the Contractor. • Preparation of Project Close-Out Report, 80.36% completed.
10.	Construction of SPUG MQNLOD Satellite Building located at Regional Government Center (RGC), Carig Sur, Tuguegarao City, Cagayan	E600A25	• Project accomplishment, 90.17% completed. • Target schedule of Joint Final Inspection by end of January 2020. • For preparation of Project Close-Out Report.
11.	Sacol DPP Renovation & Facilities Improvement	E781A12	• Project accomplishment, 79.57% completed. • Show Cause Order was issued on 26 April 2019. • Preparation of Project Close-Out Report, 63.87% completed.
12.	Rehabilitation of Office/ Administration Building at Pulanglupa DPP	L991I01	• Project accomplishment, 81.20% completed. • Contractor's request for time extension is under evaluation by PIC B. • For preparation of Project Close-Out Report.
13.	Rehabilitation of Caliraya Flood Forecasting & Warning System for Dam Operations (FFWSDO) Project	A100A07	• Project accomplishment, 80.40% completed. • Target schedule of Test and Commissioning and Joint Final Inspection of Telemetry Stations by end of January 2020. • For preparation of Project Close-Out Report.
14.	Construction of Power Facilities for the Transfer of Sabtang Diesel Power Plant	L990A01	• Project accomplishment, 79.52% completed as of suspension. • Contract was suspended since 01 August 2019 due to unfavorable weather condition and unavailability of motor boats following the recent earthquake incident in Batanes.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
PLANT/FACILITIES BETTERMENT PROJECTS			
15.	Tandubanak DPP Renovation & Facilities Improvement	E781A36	• Project accomplishment, 40.41% completed. • Delays were due to insufficient construction materials, manpower resources and late submission of drawings and brochures. • Show Cause Order was issued on 26 June 2019. • Target project completion by end of February 2020. • Preparation of Project Close-Out Report, 33.33% completed.
16.	Contract for the Expansion of Powerhouse and Construction of Bunkhouse for Pilar Diesel Power Power Plant located at Pilar, Camotes Island, Cebu	K610K01	• Suspension of work effective 26 November 2019 due to non-availability of the building permit pending the submission of required ECC. • ECC was received on 13 December 2019. Ongoing processing of Building Permit for the eventual resumption of work.

Item No.	Project Title	Work Order No.	STATUS/ACCOMPLISHMENT
PRE-CONSTRUCTION ACTIVITIES			
1.	Service Contract for the Investigation (Route) and Parcellary Survey of Abo-Abo-Quezon-Rizal 69kV T/L and Switching Station	J306D01	• All required works were completed as of 26 June 2018. • Certificate of Acceptance already issued. • Preparation of Project Close-Out Report, 90% completed.
2.	Service Contract for the Parcellary Survey of Roxas-Taytay 69kV T/L Project	J308P01	• All required works were completed as of 20 July 2018. • Certificate of Acceptance already issued. • Preparation of Project Close-Out Report, 75% completed.
3.	Service Contract for Parcellary Survey of Lots Affected by the Existing Puerto Princesa-Narra 69kV T/L Project	J309P01	• All required works were completed on 11 July 2018. • Certificate of Acceptance already issued. • Project Close-Out Report already submitted to Finance and other concerned groups on 17 September 2019.
4.	Service Contract for the Parcellary Survey of the Proposed 32 kms. Brooke's Point-Bataraza 69kV T/L Project	J320D01	• All required works were completed on 28 September 2018. • Certificate of Final Acceptance already issued. • Project Close-Out Report already submitted to Finance and concerned groups on 02 September 2019.
5.	Investigation (Route) Parcellary Survey for Taytay-El Nido 69kV T/L	J307P01	• Project accomplishment, 99.00% completed. • Plan & Profile of the re-routed portion was already approved. For finalization of Masterlist and actual site verification of contractor's accomplishment. • Show Cause Order was issued to the Contractor on 24 January 2019. • Preparation of Project Close-Out Report, 50% completed.
6.	Parcellary Survey of Codon-Pandan-Viga-San Miguel 69kV T/L in 3 Schedules (Catanduanes)	J300D02	• Project accomplishment, 95% completed. • Suspension of work effective 14 September 2018 due to delay on the final evaluation of the submitted Plan and Profile for spotting of pole sites was lifted effective 16 December 2019. • For preparation of Project Close-Out Report. • Revised contract expiry/Target completion on 02 January 2020.

30.4 Watershed Management Department

a. Watershed Rehabilitation

- Rehabilitated/Restored a total of 70.36 hectares of open and denuded areas of the watersheds in partnership with various stakeholders/communities through NPC's cooperative tree planting and seedling dispersal program.

- Produced a total of 437,748 indigenous seedlings of various species (both forest trees and fruit bearing).

- Maintained and protected about 3,000 hectares as part of the three (3) year maintenance and protection program of previously established plantations (Reforestation, Agroforestry and Non-Timber Forest Resource Management)

b. Watershed Protection

- Intensified forest law enforcement activity through conduct of 539 patrol operations (mobile/foot patrols and checkpoint operations) in intermittent schedule including weekends and holidays in partnership with local police/military personnel, LGUs, NGOs, POs and other watershed stakeholders.

- Complementing these partnerships is the mobilization and deployment of about 275Bantay Watershed Task Force (BWTF) volunteers for the first quarter of 2019. These strengthened alliances resulted to confiscation of around 5,829.50bd.ft. of logs/lumber, 1 unit of conveyance, and 4 sacks of charcoal.

- The authority of NPC encompasses regulation including the granting /issuances of permits for related and allowable land-use activities inside NPC-managed reservations (i.e. special tree cutting, wood recovery, land-use, etc.). At least 11 permits, 10 Notice of Violations (NOV) and 5 Cease and Desist Orders (5) were issued in 2019.

c. Resource Development

- Supplemental to NPC's forest protection efforts, is encouraging the support of the local communities inside the watersheds by sharing to them NPC's mandates and policies. Various avenue of information, education and campaigns such as lectures/film showing (54) were undertaken.

- Communities and stakeholders were also mobilized during the different environment related celebrations such as Earth Day and Arbor Day with a total of forty-eight (48) social mobilization activities conducted and about 1,100 pieces of information materials such as calendars, brochures were produced and distributed.

- Provision of alternative livelihood opportunities to communities, forms part of the community development and extension activities of NPC for 2019. At least 224swine gilts were dispersed to qualified beneficiaries/indigents within the watersheds selected farmers-cooperators. Likewise, at least 19 livelihood trainings were initiated by the Watershed Area Teams which varies from communal fuelwood farming, charcoal briquetting, rattan and bamboo production.

31. CONTINGENCIES

Status of pending cases filed by or against the Corporation as of December 31, 2019 are summarized below:

NON-OMA

NATURE	NO. OF CASES WITHOUT AMOUNT INVOLVED / NO BASIS /TO BE DETERMINED	CONTINGENT RECEIVABLES * (ESTIMATED AMOUNT INVOLVED)				CONTINGENT LIABILITIES*			
		Number of Cases	Total Amount (Php)	Number of Cases	Total Amount ($ US Dollars)	Number of Cases	Total Amount (Php)	Number of Cases	Total Amount ($ US Dollars)
EXPROPRIATION (Plant Related)	36					8	115,314,674.75		
Land Registration Cases	4					0			
ERC	51					0			
TAX	1					0			
OTHER CIVIL CASES	5					1	41,656,184.41		
EJECTMENT/RECOVERY OF POSSESSION/DAMAGES	12					3	3,683,780.00		
JUST COMPENSATION	5					1	4,738,800.00		
LABOR CASES	0					0			
CRIMINAL CASES	0					0			
ADMINISTRATIVE CASES	3					0			
TOTAL NUMBER OF CASES	117					13			
TOTAL ESTIMATED AMOUNT (Php & $)							165,393,439.16		

Nature	Number of Cases
Expropriation	*44*
Land Registration	*4*
ERC	*51*
Tax	*1*
Other Civil Cases	*6*
Ejectment/Recovery of Possession/Damages	*15*
Just Compensation	*6*
Labor	*0*
Criminal	*0*
Administrative	*3*
Cases Co-Handled by NPC with TransCo	
Total	***130***

32. RELATED PARTY TRANSACTIONS

32.1 Key Management Personnel

The key management personnel of NPC are the President and Chief Executive Officer (CEO), the Members of the Board of Directors (BOD), and the Members of the Management Committee.

Board of Directors

Members of the Governing Board are as follows:

Ex-Officio-Chairman	-	DOF Secretary Carlos G. Dominguez III
Ex-Officio-Vice Chairman	-	Energy Secretary Alfonso G. Cusi
Appointive Member	-	President and CEO Pio J. Benavidez
Ex-Officio-Member	-	DA Secretary William D. Dar
Ex-Officio-Member	-	DBM Secretary Wendel E. Avisado
Ex-Officio-Member	-	NEDA Secretary Ernesto M. Pernia
Ex-Officio-Member	-	DTI Secretary Ramon M. Lopez
Ex-Officio-Member	-	DILG Secretary Eduardo M. Año
Ex-Officio-Member	-	DENR Secretary Roy A. Cimatu

Designated Alternates

Department of Finance	-	Mr. Bayani H. Agabin
	-	Ms. Danielle Marie S. Rieza-Culangen
Department of Energy	-	Mr. Felix William B. Fuentebella
	-	Mr. Emmanuel P. Juaneza
Department of Agriculture	-	Mr. Ariel T. Cayanan
Department of Budget & Management	-	Mr. Ryan S. Lita
	-	Ms. Carmencita P. Mahinay
National Economic & Development Authority	-	Mr. Rolando G. Tungpalan
	-	Mr. Roderick M. Planta
Department of Trade & Industry	-	Mr. Raul V. Angeles
Department of Interior & Local Government	-	Ms. Epimaco V. Densing III
Department of Environment & Natural Resource	-	Mr. Sherwin S. Rigor
	-	Mr. Rabindranath P. Quilala
	-	Ms. Analiza Rebuelta-Teh
	-	Ms. Nonita S. Caguioa

Senior Management

The Corporation's executive officers are as follows:

President and Chief Executive Officer	-	Pio J. Benavidez
Vice President, Administration and Finance	-	Lorna T. Dy
OIC-Vice President, Power Engineering Services	-	Rafael L. Abergas
Vice President, Corporate Affairs Group	-	Rene B. Barruela
Vice President, Legal Counsel	-	Melchor P. Ridulme
Vice President, Small Power Utilities Group	-	Rogel T. Teves
Vice President, Mindanao Generation	-	Edmundo A. Veloso, Jr.
Sr. Department Manager, Resource Management Services	-	Manuel Luis B. Plofino

32.2 Key Management Personnel Compensation

The aggregate remuneration of the Members of the Management Committee are:

Particulars	2019	2018
Salaries and Wages	11,883,412	11,709,450
Other Compensation	6,144,789	5,885,836
Total	**18,028,201**	**17,595,286**

33. SUPPLEMENTARY INFORMATION REQUIRED UNDER RR No. 15-2010

In compliance with the requirements set forth by the BIR Revenue Regulation No. 15-2010, the following are the information on taxes, duties, licenses and fees paid or accrued during the taxable year 2019:

33.1 Vatable Revenues and Output tax:

Particulars	Net Sales/Receipts	Output VAT
Vatable sales	1,853,638,292	222,436,595
Sales to government	1,061,020,627	127,322,475
Zero-rated sales	81,891	-
Total	**2,914,740,810**	**349,759,070**

NPC is engaged in the sale of electricity, the collection of which are classified into the following:

a. ***VATable Sales*** – these are sales of electricity to power customers. Section 24(A) of Republic Act (RA) 9337, otherwise known as the Reformed Value-Added Tax (RVAT) Law of 2005, which took effect on November 1, 2005, NPC's sales of electricity were subjected to VAT.

b. ***Sale to government*** – these are sales of electricity to government entities who subject their payment to NPC to 5% withholding final VAT.

c. ***Zero-rates sales*** – the sale of electricity using renewable energy is 0% VAT.

33.2 Purchases and Input Taxes:

Particulars	Input VAT
Balance at January 1, 2019	**6,158,160,960**
Add: Input tax on depreciation deferred from previous period	205,577,208
Total balance at January 1, 2019	**6,363,738,169**
Add: Current year's domestic purchases/payments for:	
Purchase of capital goods exceeding P1 million	334,125,039
Domestic goods	577,091,413
Services	1,445,492,225
Subtotal	**2,356,708,677**
Total Input	**8,720,446,846**
Less: Deferred depreciation	456,490,253
Total Allowable Input Tax for CY 2019	**8,263,956,593**

33.3 Withholding Taxes:

Particulars	Amount
VAT and other percentage taxes	1,023,769,799
Expanded withholding taxes	353,809,970
Withholding taxes on compensation and benefits	136,318,831
Total	1,513,898,600

34. RESTATEMENT OF ACCOUNTS

The presentation of figures in CY 2019 financial statements has made it necessary, for comparative purposes, to restate relevant figures in CY 2018.