

Table 1.2.a
NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2020

I. CORPORATE OBJECTIVES

- To perform the missionary electrification function through the Small Power Utilities Group (SPUG) and be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system [Sec. 70 of RA 9136];
- To promote the utilization of indigenous and new and renewable energy sources, particularly in performing its Missionary Electrification mandate [Section 2(h) of RA 9136];
- To manage and continue the Corporation's responsibility in watershed rehabilitation and management and be entitled to the environmental charge equivalent to one-fourth of one centavo per kilowatt-hour energy sales [Section 34(d) of RA 9136];
- To continue to be responsible for dam structure and all other appurtenant structure necessary for the safe and reliable operation of hydropower plants (Sec. 6 (d), Rule 23 of RA 9136-IRR);
- To continue undertaking the rehabilitation, upgrading and uprating of undisposed generation assets; and
- To venture into business development of its allied products and services to enhance its revenue generation.

II. CORPORATE PRIORITIES FOR THE BUDGET YEAR

- Reliable supply of electricity in missionary electrification areas;
- Operation and maintenance, rehabilitation, upgrading and uprating of generation assets in the main grids as needed;
- Rehabilitation and management of watershed areas; and
- Implementation of Corporate Social Responsibility Program.

III. MAJOR PROGRAMS AND PROJECTS

- Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service;
- Develop/implement the overall island/off-grid capacity and transmission system;
- Promote/implement the adoption of renewable hybrid systems;
- Vegetative rehabilitation and watershed protection;
- Dam integrity and safety, dam management protocol and flood forecasting and mitigation; and
- Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b
 NATIONAL POWER CORPORATION
 ASSUMPTIONS, FY 2018-2020
 SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE	
	2018	2019	2020	2019/2018	2020/2019
1. ENERGY SALES, GIGAWATT HOURS	413	525	556	1.27	1.06

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2018	2019	2020	2018	2019	2020
2. ENERGY GENERATION, GIGAWATT HOURS	431	550	580	100%	100%	100%
HYDRO	5	7	6	1%	1%	1%
OIL BASED	426	543	574	99%	99%	99%

Table 1.2.c
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2018-2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	30,050,843	17,793,490	23,219,488	24,381,700
Cash and Cash Equivalents	17,739,542	4,535,402	2,522,451	2,924,090
Receivables	4,365,395	11,161,120	10,403,081	8,732,345
Inventories	1,221,425	1,313,927	1,221,425	1,221,425
Other Current Assets	6,724,481	783,041	9,072,531	11,503,840
Non-Current Assets	13,475,290	29,721,904	22,518,767	24,633,058
Investments	1,720	-	1,720	1,720
Receivables	759,960	-	1,057,314	1,057,314
Property, Plant and Equipment	12,329,500	27,042,449	20,957,956	23,072,247
Other Non-Current Assets	384,110	2,679,455	501,777	501,777
TOTAL ASSETS	43,526,133	47,515,394	45,738,255	49,014,758
LIABILITIES				
Current Liabilities	9,416,661	6,691,994	5,347,545	7,760,337
Financial Liabilities	7,604,212	5,241,361	3,684,164	5,878,439
Inter-Agency Payables	346,789	1,450,633	346,789	346,789
Trust Liabilities	55,649	-	55,650	55,649
Deferred Credits/Unearned Income	1,008,630	-	1,139,118	1,143,905
Current Portion of Lease Obligation	-	-	-	-
Other Payables	401,381	-	121,824	335,555
Non-Current Liabilities	4,947,571	4,595,296	4,892,979	4,852,050
Financial Liabilities	577,112	501,668	518,807	477,878
Lease Obligations	3,668	-	3,668	3,668
New Borrowings	573,444	501,668	515,139	474,210
Trust Liabilities	229,581	-	229,581	229,581
Deferred Credits/Unearned Income	3,563,034	4,093,628	3,566,747	3,566,747
Provisions	577,844	-	577,844	577,844
Other Liabilities	-	-	-	-
TOTAL LIABILITIES	14,364,232	11,287,290	10,240,524	12,612,387
STOCKHOLDERS' EQUITY				
Government Equity	29,161,901	36,228,104	35,497,731	36,402,371
TOTAL STOCKHOLDERS' EQUITY	29,161,901	36,228,104	35,497,731	36,402,371
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	43,526,133	47,515,394	45,738,255	49,014,758

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2018-2020
(In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES	17,794,432	18,821,248	24,471,448	27,464,447
Operating Revenues	15,697,976	17,991,994	22,909,955	26,065,186
Other Revenues	2,096,456	829,254	1,561,493	1,399,261
II. COST OF SALES	4,388,500	7,316,456	7,982,713	8,155,116
III. GROSS PROFIT	13,405,932	11,504,792	16,488,735	19,309,331
IV. OPERATING EXPENSES/OTHER EXPENSES	11,603,193	10,315,763	14,620,425	14,782,385
Personnel Services	915,522	1,235,200	1,170,930	1,594,581
Maintenance and Other Operating Expenses	1,503,953	1,779,542	1,994,891	2,134,433
Interest Expense	5,743	2,971	3,613	2,683
Non-cash Expenses	959,430	1,444,545	1,240,663	1,389,652
Depreciation of Fixed Assets (operating plants)	406,391	727,241	440,079	477,064
Provision for Doubtful Accounts	431,784	589,347	791,051	714,398
Extraordinary Loss and Loss on Disposal/Retirement of Assets	4,979	-	-	-
Depreciation of Non- Operating Plants & Others	116,276	127,957	9,533	198,190
Other Expenses	8,218,545	5,853,505	10,210,328	9,661,036
V. NET PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON FOREX FLUCTUATION	1,802,739	1,189,029	1,868,310	4,526,946
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	50	-	-	-
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	1,802,789	1,189,029	1,868,310	4,526,946
ADD: Subsidies	349,890	1,028,986	4,522,574	2,095,978
Subsidies from National Government	349,890	1,028,986	4,522,574	2,095,978
VIII. NET PROFIT/(LOSS) BEFORE INCOME TAX	2,152,679	2,218,015	6,390,884	6,622,924
LESS: Income Tax	425,942	534,182	805,035	1,322,667
IX. NET PROFIT/(LOSS)	1,726,737	1,683,833	5,585,849	5,300,257
X. SUBSIDY TREATED AS DEFERRED INCOME	-	-	-	-
XI. NET AMOUNT INCLUSIVE OF DEFERRED INCOME	1,726,737	1,683,833	5,585,849	5,300,257

Table 1.2.e
NATIONAL POWER CORPORATION
STAFFING SUMMARY, FY 2018-2020
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2018 ACTUAL		2019 ESTIMATE		2020 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	1,722	1	2,102	1	2,137
Senior Vice President	0	0	0	0	0	0
Vice President	5	8,169	6	10,041	6	10,096
Management/Executive Group	125	130,053	142	161,451	144	162,340
Technical Group	1,133	503,062	1,229	563,467	1,230	558,575
Technical Support	369	205,367	423	251,377	428	253,127
Administrative/Others	77	17,277	90	20,662	95	21,684
TOTAL	1,710	865,650	1,891	1,009,100	1,904	1,007,959
B. Non-Itemized Positions						
Co-Terminus	75	43,010	79	45,082	80	45,564
Contractuals	24	4,665	27	5,585	27	5,567
Casuals	114	34,573	121	38,290	122	38,285
TOTAL	213	82,248	227	88,957	229	89,416
GRAND TOTAL	1,923	947,898	2,118	1,098,057	2,133	1,097,375

Table 1.2.f
NATIONAL POWER CORPORATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		FY 2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
A. PERMANENT	1,432,290	1,819,216	1,816,199	2,181,606
GUARANTEED CASH COMPONENT	1,093,248	1,249,286	1,255,978	1,250,625
Salaries	865,650	1,008,288	1,009,099	1,007,959
Personnel Economic Relief Allowance	54,132	45,360	45,384	45,696
Representation and Transportation Allowance	20,728	18,138	23,856	19,458
Mid-Year Bonus	73,043	84,025	84,092	83,996
Year-End Bonus	71,258	84,025	84,092	83,996
Cash Gift	8,437	9,450	9,455	9,520
FRINGE BENEFITS	170,967	233,649	223,794	250,322
Night Shift Differential	39,363	82,156	75,653	78,571
Overtime	49,786	89,161	85,487	110,078
Medical	10,486	-	-	-
Special Counsel Allowance	2,415	5,880	6,484	3,120
Uniform Allowance	9,986	11,340	11,346	11,424
Loyalty Pay	-	265	255	-
Performance-Based Bonus	58,931	44,847	44,569	47,129
FIXED EXPENDITURES	115,981	135,685	135,831	135,752
Retirement and Life Insurance Premium	103,364	120,995	121,092	120,955
Health Insurance Premium	8,564	10,154	10,201	10,227
Employee's Compensation Insurance Premium	2,020	2,268	2,269	2,285
PAG-IBIG Contributions	2,033	2,268	2,269	2,285
TERMINAL LEAVE AND SEPARATION BENEFITS	51,630	199,060	199,060	543,371
PER DIEM OF BOARD MEMBERS	464	1,536	1,536	1,536
B. CO-TERMINOUS	68,910	73,221	74,102	94,779
Salaries and Allowances	65,935	63,493	64,374	64,946
Terminal Leave and Separation Benefits	2,975	9,728	9,728	29,833
C. CASUAL	54,798	56,729	58,840	65,992
Salaries and Allowances	54,412	54,665	56,776	57,555
Terminal Leave and Separation Benefits	386	2,064	2,064	8,437
D. CONTRACTUAL	7,583	9,005	9,030	9,113
Salaries and Allowances	7,583	9,005	9,030	9,113
TOTAL	1,563,581	1,958,171	1,958,171	2,351,490
Operating	1,433,958	1,862,094	1,861,523	2,236,560
Capitalized	65,688	80,336	80,622	89,649
Other Expenses / Expenditures	63,935	15,741	16,026	25,281
	1,563,581	1,958,171	1,958,171	2,351,490

Table 1.2.g
 NATIONAL POWER CORPORATION
 DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2018-2020
 (In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	72,741	66,480	66,480	116,487
Communication Expenses	12,194	12,798	20,564	13,577
Repair and Maintenance of Government Facilities	388,354	532,992	599,721	516,008
Repair and Maintenance of Government Vehicles and Other Equipment	10,165	13,241	26,951	13,818
Transportation Services	5,250	5,812	14,631	6,166
Supplies and Materials	15,179	29,842	53,335	23,184
Rents	446,477	405,118	484,082	518,515
Interests (Debt Service - Interest)	5,704	2,971	3,029	2,274
Grants, Subsidies and Contributions	7,166	10,642	11,053	11,053
Award and Indemnities (Injuries and Damages)	-	1,500	1,500	1,500
Loan Repayments/Debt Service-Principal ^{a/}	69,161	57,185	58,305	40,929
Losses/Depreciation/Depletion/Amortization of Capital Recovery ^{b/}	406,391	855,198	440,079	477,064
Water, Illumination and Power Service	29,170	30,396	28,911	30,946
Auditing Services	19,925	25,298	30,461	34,008
Training and Seminar Expense	11,848	11,012	18,374	12,570
Extraordinary and Other Miscellaneous Expenses	763	886	900	768
Taxes, Duties and Fees	7,745	29,050	26,124	29,074
Trading / Production (Fuel)	4,388,500	7,316,456	7,982,713	8,155,116
Gasoline, Oil, and Lubricants	9,480	8,363	16,809	10,057
Fidelity Bonds and Insurance Premium	42,802	54,986	46,665	60,921
Representation and Entertainment Expenses	539	661	661	681
Cultural Expenses	742	455	454	454
Honorary Grant	610	408	408	408
Incentive Award	80,896	-	800	864
Miscellaneous Expenses	184	717	688	715
Director's and Officer's Liability Fund	824	5,270	5,300	5,280
Other Services	340,899	533,615	540,019	727,379
Others (Input VAT, Finance Charges, Other Expenses)	11,032,573	9,389,442	14,970,067	14,341,182
Total MOOE	17,406,282	19,400,794	25,449,084	25,150,998

a/ This account is not considered as an expense item in the Profit and Loss Statement.

b/ This is a non-cash expense account, therefore not included in the Statement of Sources and Uses of Funds, by Expenses Class.

Table 1.2.h
 NATIONAL POWER CORPORATION
 DETAILS OF CAPITAL OUTLAYS, FY 2018-2020
 (In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Land and Land Improvement Outlay	38,889	305,703	183,207	204,293
Infrastructure Outlay	-	-	3,606,820	1,701,366
Buildings and Other Infrastructures Outlay	931,007	1,088,660	186,650	492,796
Machineries and Equipment Outlay	1,635,777	4,053,893	4,823,280	3,819,671
Transportation Equipment	-	171,688	171,688	34,637
Furniture, Fixtures and Books Outlay	35,083	12,859	3,563	7,551
Biological Assets Outlay	-	-	7,392	-
Intangible Assets Outlay	-	-	143,790	135,711
TOTAL	2,640,756	5,632,803	9,126,390	6,396,025

Table 1.2.i
 NATIONAL POWER CORPORATION
 COMPARATIVE STATEMENT OF CASH FLOWS, FY 2018-2020
 (In Thousand Pesos)

PARTICULARS	FY 2018 AUDITED	FY 2019 GAA	FY 2019 ESTIMATE	FY 2020 PROPOSED
Cash flows from operating activities				
Inflows	16,563,757	20,405,661	22,298,461	30,758,885
Cash generated from operations	14,465,578	19,376,675	16,285,152	27,263,646
Collection of receivables	144,712			
Receipt of government subsidy	349,890	1,028,986	4,522,574	2,095,978
Other inflows	1,603,577		1,490,735	1,399,261
Outflows	(16,051,483)	(19,084,237)	(28,663,787)	(25,446,807)
Payment for salaries	(728,333)	(1,235,200)	(1,170,930)	(1,594,581)
Payment for suppliers	(4,029,939)	(7,214,558)	(8,436,982)	(7,461,156)
Payment of taxes	(1,739)	(538,588)	(833,686)	(1,327,572)
Other outflows	(11,291,472)	(10,095,891)	(18,222,189)	(15,063,498)
Net cash flow from operating activities	512,274	1,321,424	(6,365,326)	5,312,078
Cash flows from investing activities				
Inflows	448,728	-	2,409,867	2,328,022
Proceeds from sale of unserviceable equipment	1,280			
Cash receipts from sale of assets				
Other inflows	447,448		2,409,867	2,328,022
Outflows	(1,334,352)	(6,119,166)	(9,763,527)	(6,266,339)
Purchase of property, plant and equipment	(1,334,352)	(5,713,139)	(9,206,091)	(6,485,674)
Other outflows		(406,027)	(557,436)	219,335
Net cash flow from investing activities	(885,624)	(6,119,166)	(7,353,660)	(3,938,317)
Cash flows from financing activities				
Outflows	(1,485,293)	(654,345)	(1,498,105)	(972,122)
Repayment of loan	(69,161)	(57,185)	(58,305)	(40,929)
Dividend payment	(1,410,309)	(594,189)	(1,436,771)	(928,919)
Other outflows	(5,823)	(2,971)	(3,029)	(2,274)
Net cash flow from financing activities	(1,485,293)	(654,345)	(1,498,105)	(972,122)
Effect of Exchange Rate changes on cash and cash equivalents	12,775			
Net increase/(decrease) in cash and cash equivalents	(1,845,868)	(5,452,087)	(15,217,091)	401,639
Cash and cash equivalents, beginning of the year	19,585,410	9,987,489	17,739,542	2,522,451
Cash and cash equivalents, end of year	17,739,542	4,535,402	2,522,451	2,924,090

Table 1.2.j
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2018
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
	1. General Administration and Support	-	-	-	-	390,661	225,725	2,284,871	2,901,257	390,661	225,725	2,284,871
a. Head Office Support Group	-	-	-	-	242,339	181,939	6,632	430,910	242,339	181,939	6,632	430,910
b. Engineering Administration / Survey/Development Studies Planning	-	-	-	-	148,322	43,786	2,278,239	2,470,347	148,322	43,786	2,278,239	2,470,347
2. Support to Operations	-	-	-	-	-	117,703	-	117,703	-	117,703	-	117,703
a. Other Expenses	-	-	-	-	-	117,703	-	117,703	-	117,703	-	117,703
3. Operations	-	-	349,890	349,890	583,538	5,666,728	5,995	6,256,261	583,538	5,666,728	355,885	6,606,151
a. Small Power Utilities Group	-	-	349,890	349,890	542,622	1,130,763	-	1,673,385	542,622	1,130,763	349,890	2,023,275
b. Spares	-	-	-	-	40,916	4,388,500	-	4,388,500	40,916	4,388,500	-	4,388,500
c. Production of Goods	-	-	-	-	-	147,465	5,995	194,376	-	147,465	5,995	194,376
d. Watershed Management	-	-	-	-	-	74,865	-	74,865	-	74,865	-	74,865
4. Debt Servicing	-	-	-	-	-	-	-	-	-	-	-	-
5. Other Expenditures	-	-	-	-	59,878	10,488,982	-	10,548,860	59,878	10,488,982	-	10,548,860
a. Input VAT	-	-	-	-	-	1,519,498	-	1,519,498	-	1,519,498	-	1,519,498
b. Bataan Nuclear Power Plant Preservation / Non-Operating Expenses	-	-	-	-	59,878	24,861	-	84,739	59,878	24,861	-	84,739
c. New Power Provider Subsidy	-	-	-	-	-	7,108,372	-	7,108,372	-	7,108,372	-	7,108,372
d. Income Tax	-	-	-	-	-	425,942	-	425,942	-	425,942	-	425,942
e. Dividends Paid	-	-	-	-	-	1,410,309	-	1,410,309	-	1,410,309	-	1,410,309
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	529,504	425,888	-	955,392	529,504	425,888	-	955,392
As operator of PSALM's Assets	-	-	-	-	529,504	425,888	-	955,392	529,504	425,888	-	955,392
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	349,890	349,890	1,563,581	16,999,891	2,290,866	20,854,338	1,563,581	16,999,891	2,640,756	21,204,228
PRIOR YEAR'S NG SUBSIDY (FY2016-2018)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	349,890	349,890	1,563,581	16,999,891	2,290,866	20,854,338	1,563,581	16,999,891	2,640,756	21,204,228

Table 1.2.k
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2019
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY			CORPORATE FUNDS				GRAND TOTAL				
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support Services	-	-	1,028,986	1,028,986	479,700	473,299	6,308,925	7,261,924	479,700	473,299	7,337,911	8,290,910
a. Head Office Support Group	-	-	-	-	301,173	423,236	136,304	860,713	301,173	423,236	136,304	860,713
b. Engineering Administrative/Survey/ Development Studies Planning	-	-	1,028,986	1,028,986	178,527	50,063	6,172,621	6,401,211	178,527	50,063	7,201,607	7,430,197
2. Support to Operations	-	-	-	-	-	2,301,068	-	2,301,068	-	2,301,068	-	2,301,068
a. Other Expenses	-	-	-	-	-	2,301,068	-	2,301,068	-	2,301,068	-	2,301,068
3. Operations	-	-	-	-	833,556	9,504,039	1,788,299	12,125,894	833,556	9,504,039	1,788,299	12,125,894
a. Small Power Utilities Group	-	-	-	-	774,605	1,362,495	1,087,400	3,224,500	774,605	1,362,495	1,087,400	3,224,500
b. Spares	-	-	-	-	-	7,982,713	669,525	669,525	-	-	669,525	669,525
c. Production of Goods	-	-	-	-	58,951	158,831	31,374	249,156	58,951	158,831	31,374	249,156
d. Watershed Management	-	-	-	-	-	61,335	-	61,335	-	61,335	-	61,335
4. Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
5. Other Expenditures	-	-	-	-	18,021	12,186,488	180	12,204,689	18,021	12,186,488	180	12,204,689
a. Input VAT	-	-	-	-	-	3,225,474	-	3,225,474	-	3,225,474	-	3,225,474
b. Bataan Nuclear Power Plant Preservation	-	-	-	-	18,021	39,659	180	57,860	18,021	39,659	180	57,860
c. New Power Provider Subsidy	-	-	-	-	-	8,921,355	-	8,921,355	-	8,921,355	-	8,921,355
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	626,894	482,776	-	1,109,670	626,894	482,776	-	1,109,670
As operator of PSALM's Assets	-	-	-	-	626,894	482,776	-	1,109,670	626,894	482,776	-	1,109,670
TOTAL	=	=	1,028,986	1,028,986	1,958,171	25,009,005	8,097,404	35,064,580	1,958,171	25,009,005	9,126,390	36,093,566

II. NATIONAL POWER CORPORATION

1. Approval of the FY 2020 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2020 Corporate Operating Budget (COB) of the NPC is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Acquisition of Equipment. The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 and other guidelines issued thereon.

3. Payment of Compensation and Benefits. Payment of salaries, allowances and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to, P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001 and Executive Order No. 36 dated July 28, 2017.

4. Payment of Terminal Leave, Separation or Retirement Benefits. Payment of terminal leave, separation or retirement benefits shall be computed in accordance with the rates, conditions and procedures prescribed under applicable laws and guidelines issued thereon.

The amounts of One Hundred Eighty Seven Million Nine Hundred Fifty Nine Thousand Pesos (P187,959,000) and Three Hundred Ninety Three Million Six Hundred Eighty Two Thousand Pesos (P393,682,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected NPC personnel based on the list submitted by NPC to the DBM. In no case shall said amount be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. Budget Flexibility and Report. The NPC Board of Directors is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NPC's control such as, but not limited to: (i) occurrence of natural calamities; (ii) currency depreciation; (iii) inflation; (iv) change in interest rates; (v) increase in oil, steam, coal or natural gas prices; (vi) change in generation mix and demand including purchased power; (vii) change in generation or transmission system plan or program; (viii) change in programs or projects; (ix) change in schedule of project implementation; (x) transfer or elimination of projects or installations that are hazardous to the health or safety of inhabitants; and (xi) reorganization, subsidiarization or privatization should conditions warrant.

In the exercise of said authority, the NPC shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

6. Augmentation Beyond the Approved Corporate Operating Budget. The NPC Board of Directors is authorized to augment and disburse funds beyond the total amount approved in this Act exclusively for the MOOE and Capital Outlay requirements related to rehabilitation and management of watershed areas and missionary electrification due to the effects of peso devaluation, fuel price increase in the market, improvement or changes in power generation activities or demand of customers, electrification of new areas, increase in taxes and production costs, or imposition of new taxes.

The fund shall be sourced from the new funding sources, such as income arising from increase in universal and generation charges approved by the Energy Regulatory Commission or grant of financial assistance by LGUs as certified by the Chief Accountant and President of NPC.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

7. Collection of Delinquent Receivables from Electric Cooperatives under the Small Power Utilities Group. In order to augment the fund sources necessary to support the budgetary requirements of the NPC and ensure the viability of its operations, the NPC Board of Directors is hereby authorized to act with finality, without further need of confirmation, appraisal, or assessment from other government agencies, the settlement and compromise of accrued penalties, interest and other charges due from electric cooperatives. In all cases, the NPC Board of Directors shall ensure that the approved settlement and compromise shall not be against provisions of law or public policy, and shall be consistent with public interest and redound to the benefit of the National Government.

8. Procurement of Critical Supplies. The NPC shall ensure the timely and sufficient provision of fuel and spare parts for its Small Power Utilities Group to ensure adequate power supply in areas covered. For this purpose, the NPC shall resort to available modalities in the procurement thereof, subject to the pertinent provisions of R.A. No. 9184, its IRR, and other guidelines issued thereon.

9. Remittance of Cash Dividends. Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NPC shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

10. Audit of Government Funds. Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

11. Transparency Seal. To enhance transparency and enforce accountability, the NPC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom to Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2018 and 2019 FOI Summary Report, and 2018 and 2019 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NPC.

12. Reporting and Posting Requirements. The NPC shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on budgetary adjustments. The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NPC website.