

BUDGET OF THE THREE ENERGY CORPORATIONS

BUDGETS OF DEPARTMENT OF ENERGY ATTACHED CORPORATIONS

Sec.2. Approval of Annual Budgets of Corporations under R.A. No. 7638. Pursuant to Section 13, Chapter III of Republic Act No. 7638, the 1996 annual budgets of the National Electrification Administration (NEA), the National Power Corporation (NPC) and the Philippine National Oil Company (PNOC) are hereby approved as follows:

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996

(In Thousand Pesos)

SUMMARY

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support	P 21,003 P	58,095 P	6,728 P	85,826
2. Support to Operations	65,530	48,544	934	115,008
3. Operations	43,468	37,862	3,887,683	3,969,013
3.1 In-house for Lending Operation	43,468	28,041	64	71,573
3.2 Locally-Funded Projects			886,194	886,194
3.2.1 Rural Electrification			883,194	883,194
3.2.2 Mini-Hydro				
3.2.3 Solar Energy Program			3,000	3,000
3.3 Foreign Borrowings		9,821	2,998,425	3,008,246
3.3.1 Rural Electrification			2,998,425	2,998,425
3.3.2 Institutional Strengthening		9,821		9,821
3.4 Foreign Grants			3,000	3,000
3.4.1 Solar Energy Program			3,000	3,000
3.4.2 Institutional Strengthening				
4. Debt Servicing		1,592,222		1,592,222
4.1 Loan Repayment		1,320,803		1,320,803
4.2 Reserve for Sinking Fund		271,419		271,419
Total	P 130,001 P	1,736,723 *	3,895,345 P	5,762,069

*MOE, Net of Allowance for Depreciation/Amortization of Deferred Assets of P26.994 M.

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996
(In Thousand Pesos)
NATIONAL GOVERNMENT EQUITY AND/OR SUBSIDY

Schedule I

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			Total
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	
1. General Administration and Support				
2. Support to Operations				
3. Operations			P 495,750 P	495,750
3.1 In-house for Lending Operation				
3.2 Locally-Funded Projects			495,750	495,750
3.2.1 Rural Electrification			495,750	495,750
3.2.2 Mini-Hydro				
3.2.3 Solar Energy Program				
3.3 Foreign Borrowings				
3.3.1 Rural Electrification				
3.3.2 Institutional Strengthening				
3.4 Foreign Grants				
3.4.1 Solar Energy Program				
3.4.2 Institutional Strengthening				
4. Debt Servicing		537,587		537,587
4.1 Loan Repayment		537,587		537,587
4.2 Reserve for Sinking Fund				
Total	P	537,587 P	495,750 P	1,033,337

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996
(In Thousand Pesos)
CORPORATE BORROWINGS

Schedule II

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			Total
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	
1. General Administration and Support				
2. Support to Operations				

3. Operations	P	9,821 P	2,978,955 P	2,988,776
3.1 In-house for Lending Operation				
3.2 Locally-Funded Projects				
3.2.1 Rural Electrification				
3.2.2 Mini-Hydro				
3.2.3 Solar Energy Program				
3.3 Foreign Borrowings		9,821	2,978,955	2,988,776
3.3.1 Rural Electrification			2,978,955	2,978,955
3.3.2 Institutional Strengthening		9,821		9,821
3.4 Foreign Grants				
3.4.1 Solar Energy Program				
3.4.2 Institutional Strengthening				
4. Debt Servicing		357,632		357,632
4.1 Loan Repayment		357,632		357,632
4.2 Reserve for Sinking Fund				
Total	P	367,453 P	2,978,955 P	3,346,408

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996
(In Thousand Pesos)
CORPORATE FUNDS

Schedule III

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support	P 21,003 P	58,095 P	6,728 P	85,826
2. Support to Operations	65,530	48,544	934	115,008
3. Operations	43,468	28,041	412,978	484,487
3.1 In-house for Lending Operation	43,468	28,041	64	71,573
3.2 Locally-Funded Projects			390,444	390,444
3.2.1 Rural Electrification			387,444	387,444
3.2.2 Mini-Hydro				
3.2.3 Solar Energy Program			3,000	3,000
3.3 Foreign Borrowings			19,470	19,470
3.3.1 Rural Electrification			19,470	19,470
3.3.2 Institutional Strengthening				

3.4 Foreign Grants		3,000	3,000
3.4.1 Solar Energy Program			
3.4.2 Institutional Strengthening		3,000	3,000
4. Debt Servicing		697,003	697,003
4.1 Loan Repayment		425,584	425,584
4.2 Reserve for Sinking Fund		271,419	271,419
Total	P 130,001 P	831,683 *	420,640 P 1,382,324

*MOOE, Net of Allowance for Depreciation/Amortization of Deferred Assets of P26.994 M.

Special Provisions

1. Audit of Government Funds - The status or use of all government funds received, whether in the form of equity, subsidy, grant, loan, contribution or any kind of assistance shall be subject to audit by the Commission on Audit up to and including any end-user entity.

2. Budget Flexibility and Report - The National Electrification Administration, through its Board of Administrators, is authorized to realign/reallocate the projects/programs and their corresponding budgetary requirements as contained in its submission pursuant to the 1996 Budget Call, as well as augment the requirements which may arise from factors beyond the Corporation's control. These may include, but shall not be limited to, currency depreciation, inflation, change in interest rate, new loans/financing that may be contracted or sourced, substitute projects and programs, and schedule of project implementation should conditions warrant: PROVIDED, That augmentation funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation and discretionary expenses: PROVIDED, FURTHER, That the Personal Services shall not be augmented by savings from Maintenance and Other Operating Expenses as well as Capital Outlays, or by new funding sources, except in cases when there is government-wide general salary increase.

A report on the aforesaid budgetary adjustments shall be submitted to the House Committee on Appropriations and the Senate Committee on Finance, copy furnished the Department of Budget and Management, within thirty (30) days after such adjustments are made.

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996

(In Thousand Pesos)

SUMMARY

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
1. General Administration and Support	P 805,216 P	836,968 P	3,626,059 P	5,268,243
A. Head Office Support Group	805,216	836,968	1,032,000	2,674,184
B. Engineering Admin./Surveys/Dev. Studies/Planning			2,594,059	2,594,059
2. Support to Operations	46,411	570,000		616,411
A. NPC Training Center/Test-Run Plants	46,411	570,000		616,411
3. Operations	4,466,585	50,912,838	5,772,000	61,151,423
A. Utility Operations/SO/IBNG/SPUG	4,183,784	4,905,838	3,551,000	12,640,622
B. Small Island Grids	282,801	220,000	552,000	1,054,801
C. Spares			1,669,000	1,669,000
D. Production of Goods (Power Generation)		39,815,000		39,815,000
E. Other Expenses		5,972,000		5,972,000
4. Locally-Funded Projects			629,000	629,000
5. Foreign-Assisted Projects			27,829,641	27,829,641
A. Generation			5,737,000	5,737,000
B. Transmission Lines & Substation			19,108,641	19,108,641
C. Others			385,000	385,000
D. Interest during Construction			2,599,000	2,599,000
6. Debt Servicing		20,446,000		20,446,000
7. Other Expenditures		1,881,642	306,000	2,187,642
TOTAL	P 5,318,212 P	74,647,448 P	38,162,700 P	118,128,360

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996
(In Thousand Pesos)
CORPORATE BORROWINGS

Schedule I

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			Total
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	
1. General Administration and Support			P 3,610,059 P	3,610,059
A. Head Office Support Group			1,016,000	1,016,000
B. Engineering Admin./Surveys/Dev. Studies/Planning			2,594,059	2,594,059
2. Support to Operations				
A. NPC Training Center/Test-Run Plants				
3. Operations			5,772,000	5,772,000
A. Utility Operations/SO IBMG/SPOG			3,551,000	3,551,000
B. Small Island Grids			552,000	552,000
C. Spares			1,669,000	1,669,000
D. Production of Goods (Power Generation)				
E. Other Expenses				
4. Locally-Funded Projects			629,000	629,000
5. Foreign-Assisted Projects			26,757,641	26,757,641
A. Generation			5,737,000	5,737,000
B. Transmission Lines & Substation			18,036,641	18,036,641
C. Others			385,000	385,000
D. Interest during Construction			2,599,000	2,599,000
6. Debt Servicing				
7. Other Expenditures			602,000	908,000
TOTAL	P 602,000 P		37,074,700 P	37,676,700

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996
(In Thousand Pesos)
CORPORATE FUNDS

Schedule II

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support	P 805,216 P	836,968 P	16,000 P	1,658,184
A. Head Office Support Group	805,216	836,968	16,000	1,658,184
B. Engineering Admin./Surveys/Dev. Studies/Planning				
2. Support to Operations	46,411	570,000		616,411
A. NPC Training Center/ Test-Run Plants	46,411	570,000		616,411
3. Operations	4,466,585	50,912,838		55,379,423
A. Utility Operations/SO IBMG/SPUG	4,183,784	4,905,838		9,089,622
B. Small Island Grids	282,801	220,000		502,801
C. Spares				
D. Production of Goods (Power Generation)		39,815,000		39,815,000
E. Other Expenses		5,972,000		5,972,000
4. Locally-Funded Projects				
5. Foreign-Assisted Projects			1,072,000	1,072,000
A. Generation				
B. Transmission Lines & Substation			1,072,000	1,072,000
C. Others				
D. Interest during Construction				
6. Debt Servicing		20,446,000		20,446,000
7. Other Expenditures		1,279,642		1,279,642
TOTAL	P 5,318,212 P	74,045,448 P	1,088,000 P	80,451,660

Special Provision

1. **Restrictions on the Use of Fund.** In the event that certain NPC power plants have been completely subsidiarized and privatized before the end of 1996, any balance of the amounts earmarked for rehabilitation and other costs intended for said power plants reflected in the Corporate Operating Budget, shall not be made available for such plants.

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1996

(In Thousand Pesos)

SUMMARY

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support	P 30,254 P	165,583 P	26,165 P	222,002
2. Operations	5,399	487,721	4,192,238	4,685,358
3. Others				
Debt Servicing				
Principal		551,688		551,688
Interest Expense		131,786		131,786
TOTAL	P 35,653 P	*/ 1,336,778 P	4,218,403 P	5,590,834

*/ MOOE, net of allowance for depreciation of P21.911 M

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS

(In Thousand Pesos)

CORPORATE BORROWINGS

Schedule I

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support				
2. Operations			P 2,863,900 P	2,863,900
3. Others				
Debt Servicing				
Principal				
Interest Expense				
TOTAL			P 2,863,900 P	2,863,900

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS
(In Thousand Pesos)
CORPORATE FUNDS

Schedule II

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1. General Administration and Support	P 30,254 P	165,583 P	26,165 P	222,002
2. Operations	5,399	487,721	1,328,338	1,821,458
3. Others				
Debt Servicing				
Principal		551,688		551,688
Interest Expense		131,786		131,786
TOTAL	P 35,653 P	1,336,778 P	1,354,503 P	2,726,934

*/ MOOE, net of allowance for depreciation of P21.911 M

Special Provision

1. Budget Flexibility and Report. The Philippine National Oil Company (PNOC), through its Board of Directors, is authorized to realign/reallocate the projects/programs and their corresponding budgetary requirements as contained in its submission pursuant to the 1996 budget call, as well as augment the requirements which may arise from factors beyond the Company's control. These may include, but shall not be limited to, increase in costs associated with the privatization of subsidiaries, increase in lending and equity infusion to subsidiaries, changes in foreign exchange rate, taxes, inflation, interest rates, payment of obligations as a result of final judgment of the court, and changes in programs/projects: PROVIDED, That augmentation funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation and discretionary expenses: PROVIDED, FURTHER, That the Personal Services shall not be augmented by savings from Maintenance and Other Operating Expenses (MOOE), as well as, Capital Outlays, or by new funding sources, except in cases when there is a government-wide salary increase.

A report on the aforesaid budgetary adjustments shall be submitted to the House Committee on Appropriations and the Senate Committee on Finance, copy furnished the Department of Budget and Management, within thirty (30) days after such adjustments are made.

2. Dividends Accruing to the National Government. The Philippine National Oil Company and its subsidiaries shall declare and remit at least fifty percent (50%) of their annual earnings as dividends to the national government: PROVIDED, HOWEVER That the additional cash dividends of PNOC for 1994 amounting to P3,440,602,117 pursuant to E.O. No. 260 shall form part of the total PNOC contribution to OPSF as herein provided.

3. Support to the OPSF. The Philippine National Oil Company shall remit to the Bureau of the Treasury, through the Secretary of Energy, the sum of Ten Billion Pesos (P10,000,000,000) or so much thereof as may be necessary, which amount is deemed automatically appropriated, to support the Oil Price Stabilization Fund (OPSF) established under Presidential Decree No. 1956.

Special Provisions Applicable to All of the Above-named Corporations

1. Payment of Compensation. Payment of salaries, wages, and allowances or other forms of compensation shall be in accordance with Republic Act No. 6758 (Salary Standardization Law), as amended by Joint Resolution No.1, s. 1994 of Congress and Executive Order No. 164, s. 1994, as well as Corporate Compensation Circular No. 10 and other pertinent implementing rules and regulations, unless the corporation is exempted therefrom by special law.

2. Compliance with the Attrition Law. Republic Act No. 7430 or the Attrition Law shall be strictly observed.

3. Remittance of Dividends. Dividends equivalent to at least fifty percent (50%) of annual net earnings shall accrue to the National Government and shall be remitted to the National Treasury pursuant to Republic Act No. 7656.

4. Acquisition of Equipment. The acquisition of equipment, whether funded from internally generated funds, budgetary support or authorized borrowings, shall be subject to existing statutory requirements and/or Presidential issuances.

5. Jurisdiction of the Commission on Audit. The constitutional jurisdiction of the Commission on Audit over government funds and resources shall remain unimpaired.