

**BUDGETS OF DEPARTMENT OF
ENERGY ATTACHED 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 1999 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 1999
(In Thousand Pesos)
SUMMARY

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			Total
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
1. General Administration and Support	35,948	63,224	226,742	325,914
2. Support to Operations	146,187	31,612	1,657	179,456
3. Operations	57,517	31,611	2,980	92,108
4. Locally-Funded Projects		666,746	182,420	849,166
4.1 Rural Electrification		666,746	161,420	828,166
4.2 Solar Energy Programme			21,000	21,000
5. Foreign-Assisted Projects		1,310	704,957	706,267
A. Foreign Borrowings		1,310	704,957	706,267
a.5.1 Rural Electrification			704,957	704,957
a.5.2 Institutional Strengthening		1,310		1,310
6. Debt Servicing		1,812,267		1,812,267
6.1 Loan Repayment		1,312,267		1,312,267
6.2 Conversion of Interest on MG advances		500,000		500,000
7. Provision for Dividend		14,400		14,400
8. Others			10,485	10,485
Total	239,652	2,621,170 */	1,129,241	3,990,063

*/MOOE, Net of Allowance for Depreciation of P12.710 Million

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
NATIONAL GOVERNMENT EQUITY AND/OR SUBSIDY

Schedule I

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. Locally-Funded Project		200,000		200,000
1.1 Rural Electrification		200,000		200,000
2. Debt Servicing		817,221		817,221
2.1 Loan Repayment		317,221		317,221
2.2 Conversion of Interest on NG advances		500,000		500,000
Total		1,017,221		1,017,221

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
CORPORATE BORROWINGS

Schedule II

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. Foreign-Assisted Projects		1,310	704,957	706,267
A. Foreign Borrowings		1,310	704,957	706,267
a.1.1 Rural Electrification			704,957	704,957
a.1.2 Institutional Strengthening		1,310		1,310
Total		1,310	704,957	706,267

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
CORPORATE FUNDS

Schedule III

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			Total
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	
1. General Administration and Support	35,948	63,224	226,742	325,914
2. Support to Operations	146,187	31,612	1,657	179,456
3. Operations	57,517	31,611	2,980	92,108
4. Locally-Funded Projects		466,746	182,420	649,166
4.1 Rural Electrification		466,746	161,420	628,166
4.2 Solar Energy Programme			21,000	21,000
5. Debt Servicing		995,046		995,046
5.1 Loan Repayment		995,046		995,046
6. Provision for Dividend		14,400		14,400
7. Others			10,485	10,485
Total	239,652	1,602,639	424,284	2,266,575

Special Provisions

1. **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 herein approved, 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/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.

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

2. **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.

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999

(In Thousand Pesos)

SUMMARY

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			Total
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
1. General Administration and Support	1,545,721	803,710	3,352,704	5,702,135
A. Head Office Support Group	1,545,721	803,710	1,579,854	3,929,285
B. Eng'g. Admin./Survey/Dev. Studies/Planning			1,772,850	1,772,850
2. Support to Operations	84,888	5,290,498		5,375,386
A. Nuclear Power Village/Test-Run/Other Expenses	84,888	5,290,498		5,375,386
3. Operations	4,681,193	80,040,469	8,842,548	93,564,210
A. Utility Operations	4,278,193	3,849,007	6,503,169	14,630,369
B. Strategic Power Utilities Group	403,000	290,441	834,829	1,528,270
C. Spares			1,504,550	1,504,550
D. Production of Goods (Power Generation)		75,901,021		75,901,021
4. Foreign-Assisted Projects			25,514,748	25,514,748
A. Generation			1,225,509	1,225,509
B. Transmission Lines & Substations			18,491,319	18,491,319
C. Others			2,524,905	2,524,905
D. Interest during Construction			3,273,015	3,273,015
5. Debt Servicing		36,230,000		36,230,000
6. Other Expenditures	16,334	5,814,481		5,830,815
TOTAL	6,328,136 a/	128,179,158 b/	37,710,000	172,217,294

a/ PS, inclusive of P3.433H for casuals

b/ MOOE, net of allowance for depreciation of P11.944B

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999

(In Thousand Pesos)

CORPORATE BORROWINGS

Schedule I

A. PROGRAM/ACTIVITY/PROJECT	<u>Current Operating Expenditures</u>			Total
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
1. General Administration and Support			3,352,704	3,352,704
A. Head Office Support Group			1,579,854	1,579,854

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
SUMMARY

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. General Administration and Support	41,966	131,220	6,565	179,751
2. Operations	8,029	298,924	1,553,204	1,860,157
3. Others				
Debt Servicing				
Principal		905,121		905,121
Interest Expense		1,089,708		1,089,708
TOTAL	49,995	2,424,973 a/	1,559,769	4,034,737

a/ MOOE, net of allowance for depreciation of P19.906M

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
CORPORATE BORROWINGS

Schedule I

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. Operations			462,000	462,000
TOTAL			462,000	462,000

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
CORPORATE FUNDS

Schedule II

Current Operating Expenditures

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. PROGRAM/ACTIVITY/PROJECT				
1. General Administration and Support	41,966	131,220	6,565	179,751
2. Operations	8,029	298,924	1,091,204	1,398,157
3. Others				
Debt Servicing				
Principal		905,121		905,121
Interest Expense		1,089,708		1,089,708
TOTAL	49,995	2,424,973 a/	1,097,769	3,572,737

a/ MOOE, net of allowance for depreciation of P19.906M

Special Provisions

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 herein approved, 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, 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 traveling, 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.

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

2. **Funds for Capital Outlays.** The provisions of paragraph 1 above notwithstanding, Capital Outlays, provided herein under Operations, Program 2, whether funded from internally generated funds, budgetary support or authorized borrowings, shall be utilized for the primary purposes of exploration, exploitation and development of indigenous energy resources: PROVIDED, That an amount not exceeding one billion pesos (P1,000,000,000) in the aggregate may be invested in entities not engaged in the said primary purposes: PROVIDED, FURTHER, That consistent with the privatization program of the government, such equity investment shall not exceed thirty six percent (36%) of the outstanding capital stock of any one such entity concerned: PROVIDED, FINALLY, That such Capital Outlays shall not be used as loans or advances to entities not engaged in the primary purposes herein defined. This provision shall apply to the Philippine National Oil Company and all its subsidiaries.

B. Eng'g. Admin./Survey/Dev. Studies/Planning		1,772,850	1,772,850
2. Operations		8,842,548	8,842,548
A. Utility Operations		6,503,169	6,503,169
B. Strategic Power Utilities Group		834,829	834,829
C. Spares		1,504,550	1,504,550
3. Foreign-Assisted Projects		25,514,748	25,514,748
A. Generation		1,225,509	1,225,509
B. Transmission Lines & Substations		18,491,319	18,491,319
C. Others		2,524,905	2,524,905
D. Interest during Construction		3,273,015	3,273,015
4. Debt Servicing	2,919,000		2,919,000
5. Other Expenditures	5,077,000		5,077,000
TOTAL	7,996,000	37,710,000	45,706,000

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, CY 1999
(In Thousand Pesos)
CORPORATE FUNDS

Schedule II

A. PROGRAM/ACTIVITY/PROJECT	Current Operating Expenditures			Total
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	
1. General Administration and Support	1,545,721	803,710		2,349,431
A. Head Office Support Group	1,545,721	803,710		2,349,431
2. Support to Operations	84,888	5,290,498		5,375,386
A. Nuclear Power Village/Test-Run/Other Expenses	84,888	5,290,498		5,375,386
3. Operations	4,681,193	80,040,469		84,721,662
A. Utility Operations	4,278,193	3,849,007		8,127,200
B. Strategic Power Utilities Group	403,000	290,441		693,441
C. Production of Goods (Power Generation)		75,901,021		75,901,021
4. Debt Servicing		33,311,000		33,311,000
5. Other Expenditures	16,334	737,481		753,815
TOTAL	6,328,136	120,183,158		126,511,294

Special Provisions

1. **Budget Flexibility and Report.** The National Power Corporation through its Board of Directors, is authorized to realign/reallocate the projects/programs and their corresponding budgetary requirements herein approved, 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, increase in oil/steam/coal prices, currency depreciation, inflation, change in generation mix and demand, interest rate, new loans/financing that may be contracted or sourced, substitute programs and projects, change in schedule of project implementation, and correction, transfer, or elimination at NPC's expense, of projects or installations that are a hazard to the health or safety of inhabitants, and reorganization, privatization, or subsidiarization, 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 (MOOE) as well as Capital Outlays or by new funding sources.

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

2. **Restrictions on the Use of Funds.** In the event that certain NPC power plants have been completely subsidiarized and privatized before 1999, any amount earmarked for the rehabilitation and other costs intended for said power plants as reflected in the Corporate Operating Budget shall not be made available for such plants.

3. **Restriction on the Grant of New/Additional Compensation.** No amount herein authorized shall be used to cover payment of new/additional cash compensation such as salaries and allowances, unless approved by Congress. PROVIDED, That the grant of new/additional non-cash and other economic benefits shall be subject to existing laws, rules and regulations.

Special Provisions Applicable to NEA, NPC, and PMOC

1. **Payment of Compensation.** Payment of salaries, wages, and allowances or other forms of compensation shall be in accordance with Republic Act No. 6758 known as, Compensation and Position Classification Act of 1989, 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. **Remittance of Dividends.** Dividend 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.

3. **Acquisition of Equipment.** The acquisition of equipment, whether funded from internally generated funds, budgetary support or authorized borrowings, shall be subject to Corporate Budget Circular No. 17, s. 1996, National Budget Circular No. 446, s. 1995 as supplemented by the National Budget Circular No. 446-A, S. 1998, and other applicable Presidential Issuances and other existing statutory requirements.

4. **Jurisdiction of the Commission on Audit.** The constitutional jurisdiction of the Commission on Audit over funds and resources of the government including the appropriations herein authorized for Energy Corporations shall remain unimpaired.