

BUDGETS OF DEPARTMENT OF ENERGY ATTACHED CORPORATIONS.

III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2012
(In Thousand Pesos)
SUMMARY

		Current_Operating_Expenditures			
		Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A.	PROGRAM/ACTIVITY/PROJECT				
1.	•General Administration and Support	P 91,366	P 229,839	P 56,127	P 377,332
2.	Operations	17,923	56,325	3,960,100	4,034,348
3.	Debt Servicing		98,478		98,478
	Principal		44,305		44,305
	Interest Expense		54,173		54,173
	TOTAL	P 109,289	P 384,642	P 4,016,227	P 4,510,158
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III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2012
(In Thousand Pesos)
CORPORATE BORROWINGS

Schedule 1

		Current_Operating_Expenditures			
		Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A.	PROGRAM/ACTIVITY/PROJECT				
1.	Operations			P 2,000,000	P 2,000,000
	TOTAL			P 2,000,000	P 2,000,000
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III. PHILIPPINE NATIONAL OIL COMPANY

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2012
(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	P	91,366	P	229,839	P	56,127	P	377,332
2. Operations		17,923		56,325		1,960,100		2,034,348
3. Debt Servicing				98,478				98,478
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Principal				44,305				44,305
Interest Expense				54,173				54,173
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TOTAL	P	109,289	P	384,642	a/ P	2,016,227	P	2,510,158
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a/ MOOE, net of allowance for depreciation of P41.597 Million

Special Provision(s)

1. Budget Flexibility and Report. The Philippine National Oil Company (PNOC), through its Board of Directors, is authorized to realign programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the requirements which may arise from factors beyond the PNOC'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, increase in taxes, inflation, change in interest rates, payment of obligations as a result of final judgment of the court, and changes in programs/projects: PROVIDED, That the realigned funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses: PROVIDED, FURTHER, That allocation for Personal Services in the approved Corporate Operating Budget shall not be augmented by savings from MOOE and Capital Outlays, or by new funding sources.

The PNOC shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance a comprehensive financial and narrative report on the aforesaid budgetary adjustments within thirty (30) days after such adjustments are made. The President of PNOC shall be responsible for ensuring that said report is likewise posted on the official website of the PNOC.

2. Funds for Capital Outlays. Notwithstanding the provisions of Special Provision No. 1, 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 as well as foster conditions related to oil or petroleum operations which shall include actual exploration, production, refining, tankerage and/or shipping, storage, and transport: 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 stated herein. This provision shall apply to the PNOC and all its subsidiaries.

3. Augmentation Beyond Approved Corporate Operating Budget. The PNOC is hereby authorized to augment and disburse funds beyond the total approved in this Act for the payment of monetary claims, tax deficiency assessments, and damages pursuant to any final and executory decision that may be rendered in the following cases: (i) Voltaire Rovira vs. PNOC, Court of Appeals G.R. CV No. 80608; (ii) PNOC vs. Commissioner of Internal Revenue, Court of Tax Appeals, Case No. 7930; and (iii) such other case/s that may be filed and resolved during the year: PROVIDED, That the amount to be disbursed shall come from corporate funds.

Special Provisions Applicable to NEA, NPC and PNOC, FY 2012

1. Payment of Compensation. Payment of salaries, wages, and allowances or other forms of compensation shall be in accordance with applicable laws, rules and regulations, such as, but not limited to R.A. No. 10149, R.A. No. 6758, as amended, Corporate Compensation Circular No. 10, dated February 15, 1999, and Memorandum Order No. 20, s. 2001.

2. Acquisition of Equipment. The acquisition of equipment, funded from internally generated funds, budgetary support or authorized borrowings, shall be subject to Corporate Budget Circular No. 17, s. 1996, National Budget Circular (NBC) No. 446, dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998, NBC No. 2010-2 dated March 1, 2010 and other applicable Presidential issuances and existing statutory requirements.

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

4. 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 private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

5. Transparency Seal. To enhance transparency and enforce accountability, the NEA, NPC and PNOC shall maintain a transparency seal to be posted on their official websites. The transparency seal shall contain the following information: (i) the corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) year-end financial reports and trial balances for the last three (3) fiscal years; (iii) their approved corporate operating budgets and corresponding targets immediately upon approval thereof; (iv) amount of budgetary support from the National Government; (v) major programs and projects categorized in accordance with the five (5) key result areas under E.O. No. 43, s. 2011; (vi) the programs/projects beneficiaries as identified in the applicable special provisions; (vii) status of implementation, and program/project evaluation and/or assessment reports; and (viii) annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants.

The respective heads of NEA, NPC and PNOC shall be responsible for ensuring compliance with this requirement.