

# **NATIONAL POWER CORPORATION**

**Table 1.2.a**

## **NATIONAL POWER CORPORATION CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2011**

### **CORPORATE OBJECTIVES**

NPC shall continue to:

- a. Perform the missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system. (Section 70 of EPIRA)
- b. Promote the utilization of indigenous and new and renewable energy sources, particularly in performing its Missionary Electrification mandate (Section 2(h) of EPIRA).
- c. Be responsible for watershed rehabilitation and management and shall be entitled to the environmental charge equivalent to one-fourth of one centavo per kilowatt-hour sales (Section 34(d) of EPIRA).
- d. Undertake the operation, maintenance, rehabilitation, upgrading and uprating of undisposed generation assets which have been transferred to PSALM under the EPIRA.
- e. Venture into business development of its allied products and services to enhance revenue generation.

### **I. CORPORATE PRIORITIES**

NPC shall have the following priorities:

- a. Operation and Maintenance, rehabilitation, upgrading and uprating of Generation Assets, as needed
- b. Pursue missionary/barangay electrification, off-grid power generation and capacity addition.
- c. Rehabilitation and Management of Watershed Areas
- d. Load capacity support program in the absence of private sector participation and to support growth and demand in Visayas and Mindanao.
- e. Corporate Social Responsibility Program
- f. Nuclear power development program
- g. Realignment of Corporate Organization structures within the framework of Change Program

## **II. MAJOR PROGRAMS AND PROJECTS**

### **A. MAJOR PROGRAMS**

- a. Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service
- b. Develop and implement dispatch model that shall optimize utilization of generation mix and minimize cost.
- c. Develop/implement the over-all island/off-grid capacity
- d. Develop communication plan to support a nuclear power development program
- e. Organizational re-engineering and right-sizing

### **B. SPUG PROJECTS FOR FY 2011**

#### **❖ Missionary/ Barangay Electrification**

-  NPC Barangay Electrification Service – Remote Area Electrification Service (RAES) – 17 Barangays

#### **❖ Power Generation in Luzon, Visayas & Mindanao**

- ❖ Capacity Addition – 61.059 MW
- ❖ Various Transmission Lines Project (69 kV)– 150.41ckt. km.
- ❖ Various Transmission Lines Project (13.8 kV)– 77.5368ckt. km.

Table 1.2.b

**NATIONAL POWER CORPORATION****ASSUMPTIONS, FY 2009-2011****SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION**

	UNAUDITED	ESTIMATES	PROJECTED	RATE		
				% Inc (Dec)		
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2010/2009</u>	<u>2011/2010</u>	
1. ENERGY SALES, GWH	501	740	782	47.70	5.68	
	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	ESTIMATES	PROJECTED	UNAUDITED	ESTIMATES	PROJECTED
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2. ENERGY GENERATION, GWH	528	765	803	100%	100%	100%
HYDRO	6	6	7	1%	1%	1%
OIL BASED	522	759	796	99%	99%	99%

Table 1.2c  
**NATIONAL POWER CORPORATION**  
**COMPARATIVE BALANCE SHEET, FY 2009-2011**  
(In Thousand Pesos)

PARTICULARS	FY 2009 Unaudited	FY 2010 Estimates	FY 2011 Projected
<b>ASSETS</b>			
<b>Current Assets</b>	<b>6,570,304</b>	<b>8,625,747</b>	<b>10,970,941</b>
Cash	1,559,391	-	603,869
Investments in Securities	3,644	3,644	3,644
Accounts Receivables	3,277,203	6,307,411	8,046,864
Inventories	1,721,104	2,099,769	2,082,744
Cash Advances to Various Parties	8,962	205,813	224,710
Other Current Assets	-	9,110	9,110
Fixed Assets	9,037,926	10,915,903	13,367,393
Deferred Assets	8,909	66,842	79,249
Other Assets	159,964	159,963	159,963
<b>TOTAL ASSETS</b>	<b>15,777,103</b>	<b>19,768,455</b>	<b>24,577,546</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>	<b>6,624,115</b>	<b>3,569,718</b>	<b>2,935,410</b>
Accounts Payable to suppliers or trade creditors	6,523,543	3,519,149	2,888,908
Current portion of borrowings	100,572	50,569	46,502
<b>Long Term Liabilities</b>	<b>1,047,846</b>	<b>8,602,895</b>	<b>15,268,024</b>
Borrowings	1,047,846	1,116,230	943,367
New Borrowings	-	7,486,665	14,324,657
Deferred Liabilities	71,145	71,145	71,145
<b>TOTAL LIABILITIES</b>	<b>7,743,106</b>	<b>12,243,758</b>	<b>18,274,579</b>
<b>STOCKHOLDERS' EQUITY</b>			
Paid-in Capital	27,048,871	27,048,870	27,048,871
Retained Earnings	(21,238,741)	(21,748,040)	(22,969,771)
Other Capital	2,223,867	2,223,867	2,223,867
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>8,033,997</b>	<b>7,524,697</b>	<b>6,302,967</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>15,777,103</b>	<b>19,768,455</b>	<b>24,577,546</b>

Table 1.2.d

**NATIONAL POWER CORPORATION****COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2009-2011**

(In Thousand Pesos)

<b>PARTICULARS</b>	<b>FY 2009 Unaudited</b>	<b>FY 2010 Estimates</b>	<b>FY 2011 Projected</b>
<b>REVENUES</b>	<b>4,436,215</b>	<b>10,473,239</b>	<b>10,469,334</b>
Operating Revenues	3,989,554	10,281,564	10,176,037
Other Revenues	446,661	191,675	293,297
<b>COST OF SALES</b>	<b>3,588,477</b>	<b>7,279,095</b>	<b>7,279,095</b>
<b>GROSS PROFIT</b>	<b>847,738</b>	<b>3,194,144</b>	<b>3,190,239</b>
<b>OPERATING EXPENSES/OTHER EXPENSES</b>	<b>3,723,188</b>	<b>3,869,162</b>	<b>4,542,397</b>
Personal Services	524,716	644,013	944,519
Maintenance and Other Operating Expenses	1,594,790	1,791,671	1,280,879
Interest Expense	11,972	160,730	647,364
Non-cash Expenses	612,304	621,966	640,630
Depreciation of fixed assets (operating plants)	533,285	492,926	541,256
Provision for Doubtful Accounts	1,215	61,777	99,374
Others	77,804	67,263	-
Allocation Other Opex	639,477		
Other Expenses	339,929	650,782	1,029,005
<b>NET PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON FOREX FLUCTUATION</b>	<b>(2,875,450)</b>	<b>(675,018)</b>	<b>(1,352,158)</b>
<b>GAIN/(LOSS) ON FOREX FLUCTUATION</b>	<b>1,305</b>	<b>(26,526)</b>	<b>130,428</b>
<b>NET PROFIT/(LOSS)</b>	<b>(2,874,145)</b>	<b>(701,544)</b>	<b>(1,221,730)</b>

Table 1.2.e

**NATIONAL POWER CORPORATION****STAFFING SUMMARY, FY 2009-2011**

(In Thousand Pesos, Except No. of Positions)

POSITIONS	2009 Actual		2010 Estimate		2011 Proposed	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT

**A. Itemized Positions**

## Top Three Corporate Positions

President	1	1,418	1	1,418	1	1,418
Senior Vice President	1	1,127	3	3,282	1	1,094
Vice President	9	8,661	10	9,420	9	8,478

Management/Executive Group	188	132,422	227	157,340	184	127,216
Technical Group	1,522	540,303	2184	764,093	1325	456,435
Technical Support	496	230,012	625	281,414	467	212,655
Administrative/Others	124	26,226	154	30,956	107	21,268

<b>Sub-total</b>	<b>2,341</b>	<b>940,169</b>	<b>3,204</b>	<b>1,247,923</b>	<b>2,094</b>	<b>828,563</b>
------------------	--------------	----------------	--------------	------------------	--------------	----------------

**B. Non-Itemized Positions**

Co-Terminous	158	66,958	179	73,700	158	65,262
Contractuals	247	56,625	262	58,576	246	55,229
Casuals	358	91,355	392	94,731	377	92,668

<b>Sub-total</b>	<b>763</b>	<b>214,938</b>	<b>833</b>	<b>227,008</b>	<b>781</b>	<b>213,159</b>
------------------	------------	----------------	------------	----------------	------------	----------------

<b>GRAND TOTAL</b>	<b>3,104</b>	<b>1,155,107</b>	<b>4,037</b>	<b>1,474,931</b>	<b>2,875</b>	<b>1,041,722</b>
--------------------	--------------	------------------	--------------	------------------	--------------	------------------

Table 1.2g

**NATIONAL POWER CORPORATION****DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES**

(In Thousand Pesos)

<b>PARTICULARS</b>	<b>FY 2009 Unaudited</b>	<b>FY 2010 Estimates</b>	<b>FY 2011 Projected</b>
Travelling Expenses & Per Diems	31,030	50,761	70,959
Communication Expenses	4,576	26,784	26,310
Repair & Maint of Govt. Facilities	374,367	408,974	305,018
Repair & Maint. of Govt Vehicles & Other Equipment	12,138	60,259	14,562
Transportation Services	4,031	6,641	9,676
Supplies and Materials	13,066	54,936	14,258
Rents	607,447	562,001	490,927
Interests (Debt Service - Interest)	11,973	160,730	647,364
Grants, Subsidies & Contributions	379	8,307	7,673
Award & Indemnities	0	300	0
Loan Repayments/D Serv-Principal a/	133,140	109,699	46,502
Losses/Depreciation/Depletion/Amort. of Cap. Recov. b/	533,285	648,492	541,256
Water, Illumination and Power Service	2,403	23,030	15,708
Social Security Benefits	0	0	0
Auditing Services	0	10,580	11,664
Training & Seminar Expenses	2,391	16,078	4,331
Extraordinary and Other Miscellaneous Expenses	350,249	179,502	12,189
Anti-Insurgency/Contingency/Emergency Expenses	5	0	0
Taxes, Duties & Fees	950	20,930	21,368
Trading /Production	3,588,476	7,279,095	7,279,096
Gasoline Oil, and Lubricants	6,279	17,781	22,035
Fidelity Bonds & Insurance Premium	72,032	58,135	69,821
Loss on Foreign Exchange	0	0	0
Commitment Fees & Other Charges	0	0	0
Other Services	113,447	286,673	184,380
Others (Input Vat, Finance Charges, Other Expenses)	1,558,440	2,265,194	2,053,872
<b>Total MOOE</b>	<b>7,420,104</b>	<b>12,254,882</b>	<b>11,848,969</b>

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

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

Table 1.2h  
**NATIONAL POWER CORPORATION**  
**DETAILS OF CAPITAL OUTLAYS, FY 2009-2011**  
(In Thousand Pesos)

PARTICULARS	2009 Unaudited	2010 Estimate	2011 Projected
34 Land and Land Improvements Outlay	12,326	99,955	20,410
35 Buildings & Structures Outlay	920,381	3,767,626	3,968,822
36 Furniture, Fixtures, Equipment and Books Outlay	116,435	195,858	473,956
38 Information Technology Equipment Outlay	<u>547</u>	<u>59,561</u>	<u>13,842</u>
<b>TOTAL</b>	<b><u>1,049,689</u></b>	<b><u>4,123,000</u></b>	<b><u>4,477,030</u></b>

Table 1.2i  
**NATIONAL POWER CORPORATION**  
**COMPARATIVE CASH FLOW STATEMENT, FY 2009-2011**  
(In Thousand Pesos)

PARTICULARS	FY 2009 Unaudited	FY 2010 Estimates	FY 2011 Projected
<b>Cash flows from operating activities</b>			
Cash generated from operations	3,436,969	8,683,648	8,950,515
Payment for salaries	(34,217)	(644,013)	(944,519)
Payment to suppliers	(2,267,590)	(7,508,297)	(7,273,421)
Payment of taxes	(947)	(12,034)	(11,750)
Other inflows/outflows	<u>(1,639,800)</u>	<u>(4,325,759)</u>	<u>(3,253,905)</u>
Net cash flow from operating activities	<u>(505,585)</u>	<u>(3,806,455)</u>	<u>(2,533,080)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(156,710)	(2,770,742)	(3,007,177)
Other inflows/outflows	<u>-</u>	<u>-</u>	<u>-</u>
Net cash flow from investing activities	<u>(156,710)</u>	<u>(2,770,742)</u>	<u>(3,007,177)</u>
<b>Cash flows from financing activities</b>			
New borrowings	-	7,486,681	6,837,992
Proceeds from loans, bonds, notes	2,269,331	1,801,554	-
Repayment of loan	-	(4,109,699)	(46,502)
Interest payment	(15,267)	(160,730)	(647,364)
Other inflows/outflows	<u>(77,288)</u>	<u>-</u>	<u>-</u>
Net cash flow from financing activities	<u>2,176,776</u>	<u>5,017,806</u>	<u>6,144,126</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><b>1,514,481</b></u>	<u><b>(1,559,391)</b></u>	<u><b>603,869</b></u>
<b>Cash and cash equivalents, beginning of the year</b>	<u><b>44,910</b></u>	<u><b>1,559,391</b></u>	<u><b>-</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><u><b>1,559,391</b></u></u>	<u><u><b>-</b></u></u>	<u><u><b>603,869</b></u></u>

Table 1.2 j  
**NATIONAL POWER CORPORATION**  
**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2009**  
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE BORROWINGS				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support	-	-	-	-	34,523	91,760	20,711	146,994	34,523	91,760	20,711	146,994
a. Head Office Support Group	-	-	-	-	34,523	91,760	1,562	127,845	34,523	91,760	1,562	127,845
b. Eng'g. Admin./Survey/ Development Studies Planning	-	-	-	-	-	-	19,149	19,149	-	-	19,149	19,149
2. Support to Operations	-	-	-	-	-	-	-	-	-	-	-	-
a. Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
3. Operations	423,690	1,527,713	373,869	2,325,272	73,243	3,563,793	119,186	3,756,222	496,933	5,091,506	493,055	6,081,494
a. Ulility/Systems Operation	-	-	-	-	-	-	3,766	3,766	-	-	3,766	3,766
b. Small Power Utilities Group	423,690	1,503,030	373,280	2,300,000	73,243	-	-	73,243	496,933	1,503,030	373,280	2,373,243
c. Spares	-	-	589	589	-	-	-	-	-	-	589	589
d. Production of Goods	-	24,683	-	24,683	-	3,563,793	-	3,563,793	-	3,588,476	-	3,588,476
e. Watershed Management	-	-	-	-	-	-	115,420	115,420	-	-	115,420	115,420
4. Locally-Funded Projects	-	-	-	-	-	-	306,195	306,195	-	-	306,195	306,195
5. Foreign-Assisted Projects	-	-	229,728	229,728	-	-	-	-	-	-	229,728	229,728
a. Generation	-	-	-	-	-	-	-	-	-	-	-	-
b. Transmission Lines and Substations	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	-	-	200,233	200,233	-	-	-	-	-	-	200,233	200,233
d. Interest During Construction	-	-	29,495	29,495	-	-	-	-	-	-	29,495	29,495
6. Debt Servicing	-	-	-	-	-	145,113	-	145,113	-	145,113	-	145,113
7. Other Expenditures	-	-	-	-	-	1,558,440	-	1,558,440	-	1,558,440	-	1,558,440
8. Personal Services - as Operator of PSALM's Assets	-	-	-	-	1,773,194	-	-	1,773,194	1,773,194	-	-	1,773,194
<b>TOTAL</b>	<b>423,690</b>	<b>1,527,713</b>	<b>603,597</b>	<b>2,555,000</b>	<b>1,880,960</b>	<b>5,359,106</b>	<b>446,092</b>	<b>7,686,158</b>	<b>2,304,650</b>	<b>6,886,819</b>	<b>1,049,689</b>	<b>10,241,158</b>

Table 1.2k

**NATIONAL POWER CORPORATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2010**

(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE BORROWINGS				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support	-	-	187,190	187,190	281,651	410,628	-	692,279	281,651	410,628	187,190	879,469
a. Head Office Support Group	-	-	138,658	138,658	209,007	410,628	-	619,635	209,007	410,628	-	758,293
b. Eng'g. Admin./Survey/ Development Studies Planning	-	-	48,532	48,532	72,644	-	-	72,644	72,644	-	48,532	121,176
2. Support to Operations	-	165,286	-	165,286	26,513	-	-	26,513	26,513	165,286	-	191,799
a. Other Expenses	-	165,286	-	165,286	26,513	-	-	26,513	26,513	165,286	-	191,799
3. Operations	-	929,612	2,512,732	3,442,344	489,812	7,730,527	-	8,220,339	489,812	8,660,139	2,512,732	11,662,683
a. Ulility/Systems Operation	-	-	-	-	-	-	-	-	-	-	-	-
b. Small Power Utilities Group	-	-	1,418,675	1,418,675	451,534	1,236,158	-	1,687,692	451,534	1,236,158	1,418,675	3,106,367
c. Spares	-	-	1,020,848	1,020,848	-	-	-	-	-	-	1,020,848	1,020,848
d. Production of Goods	-	929,612	-	929,612	-	6,349,483	-	6,349,483	-	7,279,095	-	7,279,095
e. Watershed Management	-	-	73,209	73,209	38,278	136,257	-	174,535	38,278	136,257	73,209	247,744
f. Dams, Res. & Fld. Forecasting	-	-	-	-	-	8,629	-	8,629	-	8,629	-	8,629
4. Locally-Funded Projects	-	-	1,321,524	1,321,524	-	-	-	-	-	-	1,321,524	1,321,524
5. Foreign-Assisted Projects	-	-	101,554	101,554	-	-	-	-	-	-	101,554	101,554
a. Generation	-	-	101,554	101,554	-	-	-	-	-	-	101,554	101,554
a. Transmission Lines and Substations	-	-	-	-	-	-	-	-	-	-	-	-
b. Others	-	-	-	-	-	-	-	-	-	-	-	-
c. Interest During Construction	-	-	-	-	-	-	-	-	-	-	-	-
6. Debt Servicing	-	270,428	-	270,428	-	-	-	-	-	270,428	-	270,428
7. Other Expenditures	-	2,099,909	-	2,099,909	-	-	-	-	-	2,099,909	-	2,099,909
8. Personal Services - as Operator of PSALM's Assets	-	-	-	-	1,941,539	-	-	1,941,539	1,941,539	-	-	1,941,539
<b>TOTAL</b>	<b>-</b>	<b>3,465,235</b>	<b>4,123,000</b>	<b>7,588,235</b>	<b>2,739,515</b>	<b>8,141,155</b>	<b>-</b>	<b>10,880,670</b>	<b>2,739,515</b>	<b>11,606,390</b>	<b>4,123,000</b>	<b>18,468,905</b>

**Table 1.2I**  
**NATIONAL POWER CORPORATION**  
**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2011**  
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE BORROWINGS				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support	-	-	408,131	408,131	629,409	208,284	-	837,693	629,409	208,284	408,131	1,245,824
a. Head Office Support Group	-	-	102,082	102,082	480,051	199,907	-	679,958	480,051	199,907	102,082	782,040
b. Eng'g. Admin./Survey/ Development Studies Planning	-	-	306,049	306,049	149,358	8,377	-	157,735	149,358	8,377	306,049	463,784
2. Support to Operations	8,221	-	-	8,221	-	1,020,785	-	1,020,785	8,221	1,020,785	-	1,029,006
a. Other Expenses	8,221	-	-	8,221	-	1,020,785	-	1,020,785	8,221	1,020,785	-	1,029,006
3. Operations	-	625,788	3,628,380	4,254,168	451,961	7,725,903	-	8,177,864	451,961	8,351,691	3,628,380	12,432,032
a. Utility/Systems Operation	-	-	-	-	-	-	-	-	-	-	-	-
b. Small Power Utilities Group	-	21,528	2,082,760	2,104,288	419,927	926,674	-	1,346,601	419,927	948,202	2,082,760	3,450,889
c. Spares	-	-	1,484,912	1,484,912	-	-	-	-	-	-	1,484,912	1,484,912
d. Production of Goods	-	559,361	-	559,361	-	6,719,735	-	6,719,735	-	7,279,096	-	7,279,096
e. Watershed Management	-	44,899	60,708	105,607	32,034	79,494	-	111,528	32,034	124,393	60,708	217,135
4. Locally-Funded Projects	-	-	440,519	440,519	-	-	-	-	-	-	440,519	440,519
5. Foreign-Assisted Projects	-	-	-	-	-	-	-	-	-	-	-	-
6. Debt Servicing	-	693,866	-	693,866	-	-	-	-	-	693,866	-	693,866
7. Other Expenditures	-	1,033,087	-	1,033,087	-	-	-	-	-	1,033,087	-	1,033,087
8. Personal Services - as Operator of PSALM's Assets	-	-	-	-	1,421,202	-	-	1,421,202	1,421,202	-	-	1,421,202
<b>TOTAL</b>	<b>8,221</b>	<b>2,352,741</b>	<b>4,477,030</b>	<b>6,837,992</b>	<b>2,502,572</b>	<b>8,954,972</b>	<b>-</b>	<b>11,457,544</b>	<b>2,510,793</b>	<b>11,307,713</b>	<b>4,477,030</b>	<b>18,295,536</b>