Table 1.1.a
NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2022

I. CORPORATE OBJECTIVES

1. Total electrification on an area coverage basis for additional sitios, upgrading of barangay lines, renewable energy projects and immediate power restoration after natural/man-made disasters and calamities.

II. CORPORATE PRIORITIES

1. Provide financial, institutional, technical and legal assistances to electric cooperatives (ECs);

2. Energization of 1,085 additional sitios; and

3. Provide assistance to ECs for the restoration/rehabilitation of distribution line damaged by natural/man-made disasters and calamities.

III. MAJOR PROGRAMS AND PROJECTS

1. Complete the National Rural Electrification Program;

2. Encourage Rural Development program through Rural Electrification Program;

3. Intensify implementation of Household Electrification; and

4. Mitigate calamity-related damage to the EC distribution system and facilities, and to facilitate rehabilitation/restoration of identified assets.

Table 1.1.b
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	8,601,844	6,848,983	8,047,233	7,136,065
Cash and Cash Equivalents	3,861,883	3,487,648	3,665,461	3,421,147
Loans Receivables	1,929,919	2,301,832	1,878,407	1,881,773
Other Receivables	2,804,027	1,054,132	2,497,500	1,827,500
Inventories	1,811	2,398	1,691	1,541
Prepayments	4,204	2,973	4,174	4,104
Non-Current Assets	9,873,695	9,186,019	9,372,226	9,496,837
Long Term Loans Receivable	9,676,203	8,935,940	9,122,425	9,176,029
Property, Plant and Equipment	181,548	235,607	233,832	304,827
Other Assets	15,944	14,472	15,969	15,981
TOTAL ASSETS	**18,475,539**	**16,035,002**	**17,419,459**	**16,632,902**
LIABILITIES				
Current Liabilities	1,272,383	1,735,856	454,912	400,615
Financial Liabilities	97,534	65,150	84,008	86,569
Inter-Agency Payables	913,100	49,587	102,230	31,389
Trust Liabilities	244,115	-	244,115	244,115
Other Payables	17,634	1,621,119	24,559	38,542
Non-Current Liabilities	495,173	531,496	489,149	481,753
Financial Liabilities	74,438	52,749	68,464	61,153
Deferred Credits	420,735	478,747	420,685	420,600
TOTAL LIABILITIES	**1,767,556**	**2,267,352**	**944,061**	**882,368**
TOTAL EQUITY	16,707,983	13,767,650	16,475,398	15,750,534
TOTAL LIABILITIES AND EQUITY	**18,475,539**	**16,035,002**	**17,419,459**	**16,632,902**

Table 1.1.c
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES				
Operating Revenues				
Service and Business Income	643,875	686,475	739,740	645,386
Other Revenues	24,776	53,980	53,980	26,981
TOTAL REVENUES	**668,651**	**740,455**	**793,720**	**672,367**
II. OPERATING EXPENSES				
Personnel Services	291,547	371,832	371,832	394,975
Maintenance and Other Operating Expenses	87,520	168,742	168,742	201,183
Financial Expenses	40,111	30,934	30,934	-
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	19,733	26,842	26,842	27,648
TOTAL OPERATING EXPENSES	**438,911**	**598,350**	**598,350**	**623,806**
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	**229,740**	**142,105**	**195,370**	**48,561**
IV. FOREX DIFFERENTIAL-GAIN (LOSS)	**(427)**	**-**	**-**	**-**
V. NET PROFIT/(LOSS) AFTER FOREX GAIN	**229,313**	**142,105**	**195,370**	**48,561**
VI. INCOME TAX	**67,821**	**42,632**	**68,611**	**15,367**
VII. NET PROFIT/(LOSS) AFTER INCOME TAX	**161,492**	**99,473**	**126,759**	**33,194**
Subsidies from the National Government	1,441,279	2,497,500	2,497,500	1,827,500
VIII. NET PROFIT AND SUBSIDIES	**1,602,771**	**2,596,973**	**2,624,259**	**1,860,694**

Table 1.1.d
NATIONAL ELECTRIFICATION ADMINISTRATION
STAFFING SUMMARY, FY 2020-2022
(In Thousand Pesos, Except No. of Positions)

POSITION	2020 UNAUDITED		2021				2022 PROPOSED	
			GAA		ESTIMATE (As Revised)			
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions								
Administrator	1	2,137	1	2,137	1	2,137	1	2,171
Deputy Administrator	4	6,666	4	6,720	4	6,721	4	6,747
Management/Executive Group	18	23,271	23	29,934	23	29,934	23	30,057
Supervisory Group	21	21,191	24	24,075	24	24,076	25	25,475
Professional/Technical Group (High Level)	66	48,083	83	61,281	83	61,280	101	75,438
Professional/Technical Group (Entry Level)	73	34,671	85	40,400	85	40,399	66	32,013
Technical Support	55	17,252	65	20,615	65	20,615	69	22,286
Administrative/Others	48	10,113	56	11,731	56	11,731	52	10,932
TOTAL	**286**	**163,384**	**341**	**196,893**	**341**	**196,893**	**341**	**205,119**

Table 1.1.e
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021 GAA	2022 PROPOSED
MANDATORIES	**205,717**	**246,168**	**256,184**
Salaries	163,384	196,893	205,119
Representation & Transportation Allowance	6,521	6,570	6,990
Personnel Economic Relief Allowance	6,974	8,184	8,184
Mid-year Bonus	13,408	16,408	17,093
Year-end Bonus and Cash Gift	15,430	18,113	18,798
FIXED EXPENDITURES	**21,798**	**27,562**	**29,266**
PAG-IBIG Contributions	330	409	409
Retirement and Life Insurance Premium	19,059	23,627	24,614
Health Insurance Premium	2,068	3,117	3,834
Employees' Compensation Insurance Premium	341	409	409
OTHER COMPENSATION	**41,937**	**47,741**	**47,924**
Per Diem of Members of the Board	2,181	2,304	2,304
Special Counsel Allowance	15	960	1,200
Loyalty Pay	15	35	155
Uniform/Clothing Allowance	1,752	2,046	2,046
Overtime Pay	158	3,715	3,715
Performance-Based Bonus	7,569	11,337	11,160
Performance-Based Incentive	315	2,016	2,016
Productivity Enhancement Incentive	1,434	1,705	1,705
CNA Incentive	7,246	-	-
PRAISE Incentive	9,314	9,251	9,251
Honoraria	575	4,520	4,520
Monetization of Leave Credits	-	9,852	9,852
Energy Award	7,711	-	-
Service Recognition Incentive	2,855	-	-
Other Bonuses	797	-	-
TERMINAL AND RETIREMENT BENEFITS	**22,095**	**30,018**	**28,469**
Terminal Leave	22,095	30,018	28,469
COMPENSATION ADJUSTMENT	**-**	**20,343**	**33,132**
GRAND TOTAL	**291,547**	**371,832**	**394,975**

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	7,914	20,000	20,000	20,000
Training and Seminar	5,295	12,627	12,627	12,627
Supplies and Materials	3,659	6,197	6,197	6,197
Gasoline, Oil and Lubricants	1,115	1,723	1,723	1,534
Water, Illumination and Power Service	5,363	14,000	14,000	14,000
Communication Expenses	4,830	6,893	6,893	6,893
Miscellaneous Expenses	1,833	4,096	4,096	3,586
Extraordinary and Miscellaneous Expenses	118	740	740	740
Professional Services	43,352	60,874	60,874	78,893
Repair and Maintenance	8,335	12,961	12,961	12,961
Taxes, Duties & Fees, Insurance Premiums	71,880	77,521	87,421	88,411
Advertising	55	122	122	122
Printing and Binding	357	317	317	379
Rents/ Lease	237	1,107	1,107	1,500
Membership in Professional Organizations	48	53	53	53
Subscription Expenses	186	5,267	5,267	19,370
Other Maintenance & Operating Expenses	8	2,165	2,165	2,528
Financial Expense	40,111	30,934	30,934	-
Payment of NG Advances	811,659	811,659	811,660	-
Grant/Subsidies	1,441,279	2,497,500	2,497,500	1,827,500
Dividends	85,715	95,974	85,242	97,685
Other Dividends	-	-	-	17,597
Depreciation a/	19,733	26,842	26,842	27,648
TOTAL MOOE	**2,553,082**	**3,689,572**	**3,688,741**	**2,240,224**

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

Table 1.1.g
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF CAPITAL OUTLAYS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021 GAA	2022 PROPOSED
Loans Outlay	454,494	500,000	1,200,000
Office Furniture, Fixtures and Equipment	1,068	10,390	10,390
Building Structures	9,748	-	-
Motor Vehicle	1,500	8,800	9,300
Information Technology Equipment Outlay	2,689	50,978	69,726
TOTAL CAPITAL OUTLAYS	**469,499**	**570,168**	**1,289,416**

Table 1.1.h
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
Cash flows from operating activities				
Collection of loans receivables	1,508,108	1,683,275	1,683,275	1,665,653
Receipt of government subsidy	1,441,279	2,497,500	2,497,500	1,827,500
Refund of subsidies from ECs	127,181	-	-	-
Collection of Other Receivables	90,473	99,979	99,979	104,815
Receipt of Trust Liabilities	7,506	-	-	-
Other cash receipts	332,565	107,208	126,723	54,685
Payment for PS	(241,578)	(371,832)	(371,832)	(394,975)
Payment for MOOE	(59,393)	(168,742)	(168,742)	(201,183)
Payment of Financial Expense	(12,786)	(30,934)	(30,934)	-
Release of loans to ECs	(454,494)	(500,000)	(500,000)	(1,200,000)
Grant of Subsidies	(1,277,447)	(2,497,500)	(2,497,500)	(1,827,500)
Release of VAT reimbursement to Nishizawa	(20,161)	-	-	-
Payment for accounts payable	(45,313)	-	-	-
Remittance of Corporate Income Tax	(67,065)	(57,921)	(67,821)	(68,611)
Return of Subsidies	(1,261,050)	-	-	-
Other cash payments	(84,280)	-	-	-
Net cash flow from operating activities	**(16,455)**	**761,033**	**770,648**	**(39,616)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(15,005)	(70,168)	(70,168)	(89,416)
Net cash flow from investing activities	**(15,005)**	**(70,168)**	**(70,168)**	**(89,416)**
Cash flows from financing activities				
Payment of NG Advances	(811,659)	(811,659)	(811,660)	-
Remittance of Dividend to NG	(85,715)	(95,974)	(85,242)	(115,282)
Net cash flow from financing activities	**(897,374)**	**(907,633)**	**(896,902)**	**(115,282)**
Net increase/(decrease) in cash and cash equivalents	**(928,834)**	**(216,768)**	**(196,422)**	**(244,314)**
Cash and cash equivalents, beginning of the year	**4,790,717**	**3,704,416**	**3,861,883**	**3,665,461**
Cash and cash equivalents, end of the year	**3,861,883**	**3,487,648**	**3,665,461**	**3,421,147**

Table 1.1.i
NATIONAL ELECTRIFICATION ADMINISTRATION
SOURCES AND USES OF FUNDS By Expense Class, FY 2020
(In Thousand Pesos)

PARTICULARS	NG SUPPORT				CORPORATE FUNDS					GRAND TOTAL				
	PS	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	-	241,578	1,153,425	12,786	-	1,407,789	241,578	1,153,425	12,786	-	1,407,789
2. Support to Operations	-	-	-	-	-	-		15,005	15,005	-	-	-	15,005	15,005
3. Operations														
Locally-funded Projects														
Rural Electrification/Others	-	2,558,658		2,558,658	-	-	-	-	-	-	2,558,658	-	-	2,558,658
4. Loans to ECs	-	-		-	-	-	-	454,494	454,494	-	-	-	454,494	454,494
TOTAL	**-**	**2,558,658**	**-**	**2,558,658**	**241,578**	**1,153,425** a/	**12,786**	**469,499**	**1,877,288**	**241,578**	**3,712,083**	**12,786**	**469,499**	**4,435,946**

a/ Net of depreciation expense of P19.733 Million

Table 1.1.j
NATIONAL ELECTRIFICATION ADMINISTRATION
SOURCES AND USES OF FUNDS By Expense Class, FY 2021 (As Revised)
(In Thousand Pesos)

PARTICULARS	NG SUPPORT				CORPORATE FUNDS					GRAND TOTAL				
	PS	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	-	371,832	1,133,465	30,934	-	1,536,231	371,832	1,133,465	30,934	-	1,536,231
2. Support to Operations	-	-	-	-	-	-		70,168	70,168	-	-	-	70,168	70,168
3. Operations														
Locally-funded Projects Rural Electrification	-	2,497,500	-	2,497,500	-	-	-	-	-	-	2,497,500	-	-	2,497,500
4. Loans to ECs	-	-	-	-	-	-	-	500,000	500,000	-	-	-	500,000	500,000
5. Return of subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**2,497,500**	**-**	**2,497,500**	**371,832**	**1,133,465** a/	**30,934**	**570,168**	**2,106,399**	**371,832**	**3,630,965**	**30,934**	**570,168**	**4,603,899**

a/ Net of depreciation expense of P26.842 Million

Table 1.1.k

NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS By Expense Class, FY 2022

(In Thousand Pesos)

PARTICULARS	NG SUPPORT				CORPORATE FUNDS					GRAND TOTAL				
	PS	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	-	394,975	385,076	-	-	780,051	394,975	385,076	-	-	780,051
2. Support to Operations	-	-	-	-	-	-	-	89,416	89,416	-	-	-	89,416	89,416
3. Operations														
Locally-funded Projects														
Rural Electrification	-	1,827,500	-	1,827,500	-	-	-	-	-	-	1,827,500	-	-	1,827,500
4. Loans to ECs	-	-	-	-	-	-	-	1,200,000	1,200,000	-	-	-	1,200,000	1,200,000
TOTAL	**-**	**1,827,500**	**-**	**1,827,500**	**394,975**	**385,076** a/	**-**	**1,289,416**	**2,069,467**	**394,975**	**2,212,576**	**-**	**1,289,416**	**3,896,967**

a/ Net of depreciation expense of P27.648 Million

CORPORATE OPERATING BUDGET

I. NATIONAL ELECTRIFICATION ADMINISTRATION

1. Approval of the FY 2022 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2022 Corporate Operating Budget (COB) of the NEA 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 (B.C.) No. 2016-5 dated August 22, 2016, as amended by B.C. No. 2017-1 dated April 26, 2017, A.O. 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 E.O. No. 36 dated July 28, 2017.

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

The amount of Twenty Eight Million Four Hundred Sixty Nine Thousand Pesos (P28,469,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel based on the list submitted by NEA to the DBM.

5. Budget Flexibility and Report. The NEA Board of Administrators 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 NEA's control such as, but not limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; and (v) change in schedule of project implementation.

In the exercise of said authority, the NEA 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 NEA Board of Administrators is authorized to augment and disburse funds beyond the total amount approved in this Act for the continuous implementation of the Sitio Electrification and Barangay Line Enhancement Projects, and the rehabilitation, repair or reconstruction of distribution facilities damaged by natural and human-induced calamities. The funds shall be sourced from new funding sources as certified by the Chief Accountant and Administrator of NEA.

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

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

8. 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.

9. Transparency Seal. To enhance transparency and enforce accountability, the NEA 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 the head of agency, Agency Information Inventory, 2020 and 2021 FOI Summary Report, and 2020 and 2021 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The Administrator of the NEA and the Administration'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 NEA.

10. Reporting and Posting Requirements. The NEA 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 the budgetary adjustments. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NEA website.

Table 1.2.a
NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2022

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 & mitigation; and
- Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b
NATIONAL POWER CORPORATION
ASSUMPTIONS, FY 2020 - 2022
SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE % Inc (Dec)	
	2020	2021	2022	2021/2020	2022/2021
1. ENERGY SALES, GWH	426	585	545	1.37	0.93

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2020	2021	2022	2020	2021	2022
2. ENERGY GENERATION, GWH	449	612	571	100%	100%	100%
HYDRO	2	6	5	0.38%	1%	1%
OIL BASED	447	606	566	99.62%	99%	99%

Table 1.2.c
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	**24,803,174**	**21,491,568**	**23,242,531**	**23,663,270**
Cash and Cash Equivalents	9,035,294	688,935	3,223,367	4,267,935
Receivables	4,255,267	19,193,879	7,248,567	3,994,348
Inventories	1,825,178	1,469,441	1,855,621	1,855,621
Other Current Assets	9,687,435	139,313	10,914,976	13,545,366
Non-Current Assets	**15,821,127**	**28,486,536**	**24,189,880**	**28,345,087**
Receivables	389,541	425,251	389,541	389,541
Investments Property	2,317		2,317	2,317
Property, Plant and Equipment	12,881,840	24,423,379	21,250,592	25,405,801
Deferred Tax Assets	1,647,450		1,647,450	1,647,450
Other Investments	1,720	1,720	1,720	1,719
Other Non-Current Assets	898,259	3,636,186	898,260	898,259
TOTAL ASSETS	**40,624,301**	**49,978,104**	**47,432,411**	**52,008,357**
LIABILITIES				
Current Liabilities	**7,799,962**	**13,770,230**	**10,597,044**	**12,591,361**
Financial Liabilities	5,594,848	12,209,650	8,830,838	10,679,492
Inter-Agency Payables	484,937	410,167	434,672	434,672
Trust Liabilities	55,351	77,199	55,351	55,351
Deferred Credits/Unearned Income	1,097,797	939,040	1,228,285	1,327,843
Other Payables	567,029	134,174	47,898	94,003
Non-Current Liabilities	**3,869,963**	**2,635,259**	**2,222,426**	**2,179,245**
Financial Liabilities	484,981	417,537	443,903	400,722
Trust Liabilities	237,477	245,733	237,477	237,477
Deferred Credits/Unearned Income	2,570,950	1,394,958	964,491	964,491
Provisions	576,555	577,031	576,555	576,555
TOTAL LIABILITIES	**11,669,925**	**16,405,489**	**12,819,470**	**14,770,606**
STOCKHOLDERS' EQUITY				
Government Equity	**28,954,376**	**33,572,615**	**34,612,941**	**37,237,751**
TOTAL STOCKHOLDERS' EQUITY	**28,954,376**	**33,572,615**	**34,612,941**	**37,237,751**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**40,624,301**	**49,978,104**	**47,432,411**	**52,008,357**

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	FY 2020 UNAUDITED	2021		FY 2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES	**15,683,694**	**20,159,360**	**23,381,202**	**21,490,662**
Operating Revenues	13,778,358	18,541,285	21,711,809	19,189,335
Other Revenues	1,904,829	1,618,075	1,669,393	2,301,327
Extraordinary Gain	507			
II. COST OF SALES	**3,806,200**	**7,793,231**	**7,098,833**	**6,308,537**
III. GROSS PROFIT	**11,877,494**	**12,366,129**	**16,282,369**	**15,182,125**
IV. OPERATING EXPENSES/OTHER EXPENSES	**10,807,851**	**15,893,396**	**15,990,800**	**16,741,741**
Personnel Services	1,007,867	1,822,036	1,827,373	1,843,530
Maintenance and Other Operating Expenses	1,671,856	2,617,849	2,617,849	2,777,761
Interest Expense & Finance Charges	2,228	2,344	2,443	1,965
Non-cash Expenses	1,127,158	1,260,931	1,160,440	1,221,197
Depreciation of fixed assets (operating plants)	401,466	680,651	518,765	556,819
Provision for Doubtful Accounts	506,211	403,728	468,008	472,507
Depreciation of Non-Operating Plants & Others	219,481	176,552	173,667	191,871
Other Expenses	6,998,742	10,190,236	10,382,695	10,897,288
V. NET PROFIT/(LOSS) BEFORE GAIN(LOSS) ON FOREX FLUCTUATION	**1,069,643**	**(3,527,267)**	**291,569**	**(1,559,616)**
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	**(24,415)**			
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	**1,045,228**	**(3,527,267)**	**291,569**	**(1,559,616)**
ADD: Subsidies	**1,688,891**	**5,756,313**	**5,606,313**	**4,184,426**
Subsidies from National Government	1,688,891	5,756,313	5,606,313	4,184,426
VIII. NET PROFIT/(LOSS BEFORE INCOME TAX	**2,734,119**	**2,229,046**	**5,897,882**	**2,624,810**
LESS: Income Tax	243,314	-	239,121	
IX. NET PROFIT/(LOSS)	**2,490,805**	**2,229,046**	**5,658,761**	**2,624,810**

Table 1.2.e
NATIONAL POWER CORPORATION
STAFFING SUMMARY, FY 2020-2022
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2020 UNAUDITED		2021 ESTIMATE		2022 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	2,128	1	2,137	1	2,137
Senior Vice President	-	-	-	-	1	1,860
Vice President	4	6,742	6	10,096	6	10,125
Management/Executive Group	123	138,991	145	163,626	145	165,557
Technical Group	1,118	507,766	1,228	558,702	1,231	565,804
Technical Support	372	220,325	431	253,927	430	257,484
Administrative/Others	85	20,102	93	21,226	95	21,875
TOTAL	**1,703**	**896,054**	**1,904**	**1,009,714**	**1,909**	**1,024,842**
B. Non-Itemized Positions						
Co-Terminous	67	41,269	80	45,270	80	45,790
Contractuals	27	5,550	27	5,567	27	5,567
Casuals	105	36,928	122	38,285	123	38,464
TOTAL	**199**	**83,747**	**229**	**89,122**	**230**	**89,821**
GRAND TOTAL	**1,902**	**979,801**	**2,133**	**1,098,836**	**2,139**	**1,114,663**

Table 1.2.f
NATIONAL POWER CORPORATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2020 - 2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
A. PERMANENT	**1,497,982**	**2,561,618**	**2,563,859**	**2,645,743**
GUARANTEED CASH COMPONENT	**1,115,341**	**1,260,377**	**1,257,396**	**1,279,570**
Salaries	896,054	1,017,139	1,009,714	1,024,842
Personnel Economic Relief Allowance	41,138	45,696	45,696	45,816
Representation and Transportation Allowance	22,359	18,498	24,180	19,014
Mid-Year Bonus	73,309	84,762	84,143	85,404
Year-End Bonus	74,259	84,762	84,143	85,404
Cash Gift	8,222	9,520	9,520	9,545
Productivity Enhancement Incentive (PEI)	-	-	-	9,545
FRINGE BENEFITS	**176,518**	**322,828**	**330,024**	**336,248**
Night Shift Differential	33,366	80,512	90,086	80,631
Overtime	57,209	136,371	124,095	140,571
Medical	12,123	-	-	-
Special Counsel Allowance	1,470	2,760	2,765	12,245
Uniform/Clothing Allowance	10,302	11,424	11,424	11,454
Loyalty Pay	-	155	165	4,375
Hazard Pay	10,083	59	59	59
Honoraria	-	-	12,900	7,081
Performance-Based Bonus	51,965	47,610	44,596	47,932
PRAISE Allowance	-	38,225	38,225	31,900
Anniversary Bonus	-	5,712	5,709	-
FIXED EXPENDITURES	**123,417**	**143,439**	**139,493**	**147,403**
Retirement and Life Insurance Premium	107,186	122,057	121,166	122,981
Health Insurance Premium	12,108	16,812	13,757	19,840
Employee's Compensation Insurance Premium	2,055	2,285	2,285	2,291
PAG-IBIG Contributions	2,068	2,285	2,285	2,291
TERMINAL LEAVE & SEPARATION BENEFITS	**82,210**	**687,586**	**689,558**	**649,211**
PER DIEM OF BOARD MEMBERS	**496**	**1,536**	**1,536**	**1,536**
COMPENSATION ADJUSTMENT	**-**	**145,852**	**145,852**	**231,775**
B. CO-TERMINOUS	**64,045**	**108,231**	**106,356**	**111,965**
Salaries and Allowances	59,903	67,180	66,288	67,653
Terminal Leave & Separation Benefits	4,142	35,056	34,073	35,312
Compensation Adjustment	-	5,995	5,995	9,000
C. CASUAL	**59,892**	**78,277**	**78,145**	**85,256**
Salaries and Allowances	57,156	59,434	60,273	60,590
Terminal Leave & Separation Benefits	2,736	13,209	12,238	15,187
Compensation Adjustment	-	5,634	5,634	9,479
D. CONTRACTUAL	**9,681**	**10,172**	**9,938**	**11,857**
Salaries and Allowances	9,234	9,402	9,168	9,433
Terminal Leave & Separation Benefits	447	103	103	1,110
Compensation Adjustment	-	667	667	1,314
TOTAL	**1,631,600**	**2,758,298**	**2,758,298**	**2,854,821**
Operating	1,530,367	2,631,591	2,641,957	2,645,543
Capitalized	69,343	99,453	80,619	113,763
Other Expenses / Expenditures	31,890	27,254	35,722	95,515
	1,631,600	**2,758,298**	**2,758,298**	**2,854,821**

Table 1.2.g
NATIONAL POWER CORPORATION
DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES, FY 2020 - 2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	28,868	77,340	77,340	77,340
Communication Expenses	15,218	14,708	25,526	16,145
Repair and Maintenance of Government Facilities	444,857	524,956	539,945	540,691
Repair and Maintenance of Government Vehicles and Other Equipment	13,161	12,433	31,697	13,963
Transportation Services	8,582	11,441	17,281	11,441
Supplies and Materials	28,985	19,568	70,843	30,750
Rents	390,949	664,262	747,521	828,120
Interests (Debt Service - Interest)	2,119	1,950	2,033	1,965
Grants, Subsidies and Contributions	6,472	11,726	11,726	12,190
Award and Indemnities(Injuries and Damages)	-	1,500	1,500	1,520
Loan Repayments/Debt Service-Principal *a/*	37,974	39,403	41,077	43,182
Losses/Depreciation/Depletion/Amortization of Capital Recovery *b/*	401,466	680,651	518,765	556,819
Water, Illumination and Power Service	26,337	31,874	38,177	31,874
Auditing Services	25,507	32,450	30,680	34,612
Training & Seminar Expense	2,406	12,947	18,950	12,947
Extraordinary and Other Miscellaneous Expenses	711	1,003	1,003	1,003
Taxes, Duties & Fees	10,309	48,141	53,089	65,437
Trading /Production (Fuel)	3,806,200	7,793,232	7,098,834	6,308,537
Gasoline, Oil, and Lubricants	8,217	10,359	17,491	10,359
Fidelity Bonds and Insurance Premium	49,134	73,310	72,525	75,362
Representation and Entertainment Expenses	546	595	595	839
Cultural Expenses	189	800	800	800
Honorary Grant	408	408	-	-
Incentive Award	68,537	824	824	857
Miscellaneous Expenses	205	529	501	722
Director's and Officer's Liability Fund	-	6,923	6,910	-
Contingencies	1,113	-	-	-
Other Services	541,145	1,059,752	852,924	1,010,789
Others (Input Vat, Finance Charges, Other Expenses)	12,421,877	12,744,973	13,437,615	12,992,156
Total MOOE	**18,341,492**	**23,878,058**	**23,716,172**	**22,680,420**

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 Expense Class.

Table 1.2.h
NATIONAL POWER CORPORATION
DETAILS OF CAPITAL OUTLAYS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 Proposed
		GAA	ESTIMATE (As Revised)	
Land and Land Improvement Outlay	20,117	101,274	111,194	142,902
Infrastructure Outlay	1,184,719	82,564	53,208	23,438
Buildings and Other Infrastructures Outlay	71,141	513,378	378,678	690,927
Machineries and Equipment Outlay	492,527	2,800,787	2,792,159	3,363,517
Transportation Equipment	1,077	138,744	136,065	72,679
Furniture, Fixtures and Books Outlay	1,177	1,082	5,864	3,537
Intangible Assets Outlay	-	230,214	240,875	301,264
TOTAL	**1,770,758**	**3,868,043**	**3,718,043**	**4,598,264**

Table 1.2.i
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATE (As Revised)	
Cash flows from operating activities				
Inflows	16,949,866	26,011,266	28,862,556	28,602,464
Cash generated from operations	13,655,116	18,537,954	18,888,648	22,070,605
Collection of receivables	118,031	-	-	-
Receipt of government subsidy	1,688,891	5,756,313	5,606,313	4,184,426
Other inflows	1,487,828	1,716,999	4,367,595	2,347,433
Outflows	(16,333,925)	(25,417,443)	(25,822,117)	(22,259,042)
Payment for salaries	(738,978)	(1,822,036)	(1,827,373)	(1,843,530)
Payment for suppliers	(4,215,649)	(6,704,258)	(7,995,311)	(5,758,353)
Payment of taxes	(429,906)	(4,028)	(281,114)	(66,257)
Other outflows	(10,949,392)	(16,887,121)	(15,718,319)	(14,590,902)
Net cash flow from operating activities	615,941	593,823	3,040,439	6,343,422
Cash flows from investing activities				
Inflows	1,146,428	1,385,648	-	-
Other inflows	1,146,428	1,385,648	-	-
Outflows	(2,151,451)	(3,967,496)	(8,221,520)	(4,992,463)
Purchase of property, plant and equipment	(2,151,451)	(3,967,496)	(8,221,520)	(4,992,463)
Net cash flow from investing activities	(1,005,023)	(2,581,848)	(8,221,520)	(4,992,463)
Cash flows from financing activities				
Outflows	(4,040,093)	(614,951)	(630,846)	(306,391)
Repayment of loan	(37,974)	(39,403)	(41,077)	(43,182)
Dividend payment	(4,000,000)	(573,596)	(587,736)	(261,244)
Other outflows	(2,119)	(1,952)	(2,033)	(1,965)
Net cash flow from financing activities	(4,040,093)	(614,951)	(630,846)	(306,391)
Effect of Exchange Rate changes on cash and cash equivalents	(3,904)			
Net increase/(decrease) in cash and cash equivalents	(4,433,079)	(2,602,976)	(5,811,927)	1,044,568
Cash and cash equivalents, beginning of the year	**13,468,373**	**3,291,911**	**9,035,294**	**3,223,367**
Cash and cash equivalents, end of year	**9,035,294**	**688,935**	**3,223,367**	**4,267,935**

Table 1.2.j
NATIONAL POWER CORPORATION
SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2020
(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	-	-	-	-	441,288	496,576	746,591	1,684,455	441,288	496,576	746,591	1,684,455
a. Head Office Support Group					287,496	457,506	4,598	749,600	287,496	457,506	4,598	749,600
b. Eng'g. Admin./Survey/ Development Studies Planning					153,792	39,070	741,993	934,856	153,792	39,070	741,993	934,856
2. Support to Operations	-	-	-	-	-	82,427	-	82,427	-	82,427	-	82,427
a. Other Expenses						82,427		82,427	-	82,427	-	82,427
3. Operations	-	-	1,021,345	1,021,345	628,373	4,981,479	2,823	5,612,674	628,373	4,981,479	1,024,168	6,634,019
a. Small Power Utilities Group			1,021,345	1,021,345	583,003	1,105,091		1,688,093	583,003	1,105,091	1,021,345	2,709,438
b. Spares				-					-	-	-	-
c. Production of Goods						3,806,200		3,806,200	-	3,806,200	-	3,806,200
d. Watershed Management					45,370	70,188	2,823	118,381	45,370	70,188	2,823	118,381
4. Debt Servicing	-	-	-	-	-	40,094	-	40,094	-	40,094	-	40,094
5. Other Expenditures	-	-	-	-	31,890	11,992,099	-	12,023,989	31,890	11,992,099	-	12,023,989
a. Input VAT				-		1,690,453		1,690,453	-	1,690,453	-	1,690,453
b. BNPP Preservation/Non-Optg Expenses				-	31,890	27,998		59,888	31,890	27,998	-	59,888
c. NPP Subsidy						6,030,334		6,030,334	-	6,030,334	-	6,030,334
d. Income Tax						243,314		243,314		243,314		243,314
e. Dividends Paid						4,000,000		4,000,000		4,000,000		4,000,000
6. Personal Services and Maintenance and Other Operating Expenses	-	-	-	-	530,049	347,351	-	877,400	530,049	347,351	-	877,400
As operator of PSALM's Assets				-	530,049	347,351		877,400	530,049	347,351	-	877,400
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	1,021,345	1,021,345	1,631,600	17,940,026	749,413	20,321,039	1,631,600	17,940,026	1,770,758	21,342,384
PRIOR YEAR'S NG SUBSIDY (FY2016-2019)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	1,021,345	1,021,345	1,631,600	17,940,026	749,413	20,321,039	1,631,600	17,940,026	1,770,758	21,342,384

a/ MOOE, net of allowance for depreciation of P411.466 Million

Table 1.2.k
NATIONAL POWER CORPORATION
SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2021
(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	-	-	-	-	**776,379**	**550,031**	**636,418**	**1,962,828**	**776,379**	**550,031**	**636,418**	**1,962,828**
a. Head Office Support Group				-	579,470	516,012	223,687	1,319,169	579,470	516,012	223,687	1,319,169
b. Engineering Admin./Survey/ Development Studies Planning				-	196,909	34,019	412,731	643,659	196,909	34,019	412,731	643,659
2. Support to Operations	-	-	-	-	-	**817,939**	-	**817,939**	-	**817,939**	-	**817,939**
a. Other Expenses				-	-	817,939		817,939	-	817,939	-	817,939
3. Operations	-	-	**1,036,206**	**1,036,206**	**1,145,110**	**9,166,649**	**2,012,040**	**12,323,799**	**1,145,110**	**9,166,649**	**3,048,246**	**13,360,005**
a. Small Power Utilities Group			1,036,206	1,036,206	1,045,377	1,972,844	1,390,050	4,408,271	1,045,377	1,972,844	2,426,256	5,444,477
b. Spares				-			605,316	605,316	-	-	605,316	605,316
c. Production of Goods				-		7,098,834		7,098,834	-	7,098,834	-	7,098,834
d. Watershed Management			-	-	99,733	94,971	16,674	211,378	99,733	94,971	16,674	211,378
4. Debt Service	-	-	-	-	-	**43,111**	-	**43,111**	-	**43,111**	-	**43,111**
5. Other Expenditures	-	-	-	-	**27,254**	**11,835,896**	**33,379**	**11,896,529**	**27,254**	**11,835,896**	**33,379**	**11,896,529**
a. Input VAT						3,082,829		3,082,829	-	3,082,829	-	3,082,829
b. BNPP Preservation				-	27,254	30,519	33,379	91,152	27,254	30,519	33,379	91,152
c. NPP Subsidy				-		8,722,548		8,722,548	-	8,722,548	-	8,722,548
6. Personal Services and Maintenance and Other Operating Expenses	-	-	-	-	**809,555**	**783,778**	-	**1,593,333**	**809,555**	**783,778**	-	**1,593,333**
As operator of PSALM's Assets				-	809,555	783,778		1,593,333	809,555	783,778	-	1,593,333
								-	-	-	-	-
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	**1,036,206**	**1,036,206**	**2,758,298**	**23,197,404**	**2,681,837**	**28,637,539**	**2,758,298**	**23,197,404**	**3,718,043**	**29,673,745**
PRIOR YEAR'S NG SUBSIDY (FY2016-2020)	-	-	**4,570,107**	**4,570,107**	-	-	-	-	-	-	**4,570,107**	**4,570,107**
TOTAL	-	-	**5,606,313**	**5,606,313**	**2,758,298**	**23,197,404**	**2,681,837**	**28,637,539**	**2,758,298**	**23,197,404**	**8,288,150**	**34,243,852**

a/ MOOE, net of allowance for depreciation of P518.765 Million

Table 1.2.1

NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2022

(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	-	-	-	-	**807,740**	**580,329**	**2,135,078**	**3,523,147**	**807,740**	**580,329**	**2,135,078**	**3,523,147**
a. Head Office Support Group				-	589,689	547,167	142,020	1,278,876	589,689	547,167	142,020	1,278,876
b. Engineering Admin./Survey/ Development Studies Planning					218,051	33,162	1,993,058	2,244,271	218,051	33,162	1,993,058	2,244,271
2. Support to Operations	-	-	-	-	-	**410,502**	-	**410,502**	-	**410,502**	-	**410,502**
a. Other Expenses				-	-	410,502		410,502	-	410,502	-	410,502
3. Operations	-	-	**1,186,206**	**1,186,206**	**1,211,160**	**8,505,969**	**1,271,015**	**10,988,144**	**1,211,160**	**8,505,969**	**2,457,221**	**12,174,350**
a. Small Power Utilities Group			1,186,206	1,186,206	1,111,612	2,088,022	545,034	3,744,668	1,111,612	2,088,022	1,731,240	4,930,874
b. Spares				-			720,506	720,506	-	-	720,506	720,506
c. Production of Goods				-		6,308,537		6,308,537	-	6,308,537	-	6,308,537
d. Watershed Management			-	-	99,548	109,410	5,475	214,433	99,548	109,410	5,475	214,433
4. Debt Service	-	-	-	-	-	**43,182**	-	**43,182**	-	**43,182**	-	**43,182**
5. Other Expenditures	-	-	-	-	**33,908**	**11,877,855**	**5,965**	**11,917,728**	**33,908**	**11,877,855**	**5,965**	**11,917,728**
a. Input VAT						2,731,152		2,731,152	-	2,731,152	-	2,731,152
b. Bataan Nuclear Power Plant Preservation				-	33,908	28,246	5,965	68,119	33,908	28,246	5,965	68,119
c. New Power Provider Subsidy				-		9,118,457		9,118,457	-	9,118,457	-	9,118,457
6. Personal Services and Maintenance and Other Operating Expenses	-	-	-	-	**802,013**	**705,764**	-	**1,507,777**	**802,013**	**705,764**	-	**1,507,777**
As operator of PSALM's Assets				-	802,013	705,764		1,507,777	802,013	705,764	-	1,507,777
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	**1,186,206**	**1,186,206**	**2,854,821**	**22,123,601**	**3,412,058**	**28,390,480**	**2,854,821**	**22,123,601**	**4,598,264**	**29,576,686**
PRIOR YEAR'S NG SUBSIDY (FY2016-2020)	-	-	**2,998,220**	**2,998,220**	-	-	-	-	-	-	**2,998,220**	**2,998,220**
TOTAL	-	-	**4,184,426**	**4,184,426**	**2,854,821**	**22,123,601**	**3,412,058**	**28,390,480**	**2,854,821**	**22,123,601**	**7,596,484**	**32,574,906**

a/ MOOE, net of allowance for depreciation of P556.819 Million

II. NATIONAL POWER CORPORATION

1. Approval of the FY 2022 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2022 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 (B.C.) No. 2016-5 dated August 22, 2016, as amended by B.C. No. 2017-1 dated April 26, 2017, A.O. 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 E.O. 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 procedure prescribed under applicable laws and guidelines issued thereon.

The amounts of Three Hundred Twenty Million Eight Hundred Sixty Five Thousand Pesos (P320,865,000) and Three Hundred Seventy Nine Million Nine Hundred Fifty Five Thousand Pesos (P379,955,000) 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 missionary electrification, and rehabilitation and management of watershed areas 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 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 the head of agency, Agency Information Inventory, 2020 and 2021 FOI Summary Report, and 2020 and 2021 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 the budgetary adjustments. The President of 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.

Table 1.3.a
PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2022

I. CORPORATE OBJECTIVES

1. To enhance the country's energy self-sufficiency by undertaking the exploration, development and utilization of energy resources both oil and non-oil based with due regard for the environment;

2. To provide and maintain a stable supply of coal, oil and petroleum products for domestic requirements by engaging in their production and refining, transportation, importation, marketing and distribution;

3. To contribute to the country's economic growth by fostering activities relating to oil and petroleum and other energy operations;

4. To manage, operate and develop a parcel of land, consisting approximately of 530 hectares in Limay and Mariveles in Bataan, as a petrochemical industrial zone;

5. To manage, operate and develop the Energy Supply Base (ESB) in Mabini, Batangas, as a logistics facility for onshore and offshore exploration activities in petroleum and other energy related fields; and

6. To maintain and strengthen the company's financial health and operating efficiency.

II. CORPORATE PRIORITIES

1. Development of the Strategic Petroleum Reserve (SPR) including committed participation in the National Oil Contingency Plan and the Targeted Fuel Relief Program.

2. Creation of business alliances for developments in the Liquefied Natural Gas (LNG) industry and other energy and energy-allied projects.

3. Strengthen the negotiation for the sale of the remaining 97.67 petajoules of PNOC’s Banked Gas.

4. Optimization of the PNOC’s real estate assets.

5. Continuous development of the ESB ports and efficiently manage and operate the ESB.

6. Rehabilitation of the PNOC Industrial Park (PIP) port and facilities, and continue its efficient management.

7. Approve and monitor the work plans and programs of the PNOC Exploration Corporation and the PNOC Renewables Corporation as well as its budget in compliance with their respective mandates.

8. Enhance corporate competencies based on the GCG-approved Reorganization Plan.

9. Maintenance of ISO QMS Certification for the PNOC, and the IMS Certification of the Industrial Park and the ESB.

10. Ensure adequate and timely compliance with government oversight agencies’ reportorial requirements.

Table 1.3.a
PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2022

III. MAJOR PROGRAMS AND PROJECTS

1. PROGRAMS

a. Provision of strategic and business directions, business research and development, project management, asset management, management of PIP and ESB operations, financial planning, strategic planning, administrative, legal, management of information systems, internal audit, corporate relations, compliance, contracted services, maintenance of quality management system (PNOC Head Office and ESB) and integrated management systems (PIP and ESB).

b. Investment of cash in low risk securities that will provide the company with maximum yields, and provision of short term funding requirements for the PNOC’s projects.

c. Administration/management of existing properties through payment of taxes, registration, titling, survey and appraisal, protection of properties; and disposition/utilization of properties through sale, lease, joint venture and/or other appropriate schemes.

d. Repairs and maintenance of PNOC Buildings 2, 3, 4, 5 and 6, and ESB and PIP facilities.

2. PROJECTS

a. Development of the SPR.

b. Possible investment in the LNG Related Project.

c. Optimization of the Value of Real Estate Assets, including the PNOC Development and Management Corpotation’s assets .

d. Development of the ESB Port.

Table 1.3.b
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATES (As Revised)	
ASSETS				
Current Assets	2,370,932	2,817,675	1,807,837	2,179,414
Cash and cash equivalent	414,655	336,852	47,563	418,508
Investments - current	1,012,861	1,558,023	1,012,861	1,012,861
Receivables	624,022	522,708	423,052	423,052
Other current assets	319,394	400,092	324,361	324,993
Non-Current Assets	33,826,320	32,715,492	33,585,796	33,341,056
Investments	8,319,252	7,027,136	7,719,253	6,819,253
Receivables	59,863	61,658	61,668	63,473
Investment Property	11,353,177	11,358,038	11,353,177	11,353,177
Property, Plant and Equipment	318,295	696,896	675,965	1,329,420
Banked Gas Inventory	13,429,634	13,225,599	13,429,634	13,429,634
Other non-current assets	346,099	346,165	346,099	346,099
TOTAL ASSETS	**36,197,252**	**35,533,167**	**35,393,633**	**35,520,470**
LIABILITIES				
Current Liabilities	760,968	497,092	469,335	535,222
Financial Liabilities	156,607	101,215	156,606	156,606
Inter-Agency Payables	51,023	47,765	45,471	64,213
Trust Liabilities	261,667	231,776	261,667	261,667
Other Payables	291,671	116,336	5,591	52,736
Non-Current Liabilities	3,264,167	3,250,223	3,247,075	3,255,774
Deferred credits/unearned income	476,150	447,935	450,865	451,371
Provisions	34,477	48,743	42,670	50,863
Deferred tax liabilities	2,753,540	2,753,545	2,753,540	2,753,540
TOTAL LIABILITIES	**4,025,135**	**3,747,315**	**3,716,410**	**3,790,996**
STOCKHOLDER'S EQUITY				
Government Equity	3,114,596	3,114,596	3,114,596	3,114,596
Revaluation Surplus				
Retained Earnings	29,058,713	28,672,312	28,563,819	28,616,070
Cumulative Changes in Fair Value	(1,192)	(1,056)	(1,192)	(1,192)
TOTAL STOCKHOLDER'S EQUITY	**32,172,117**	**31,785,852**	**31,677,223**	**31,729,474**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**36,197,252**	**35,533,167**	**35,393,633**	**35,520,470**

Table 1.3.c
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATES (As Revised)	
I. REVENUES				
Operating Revenues	882,458	873,284	612,547	780,308
Other Revenues	202,850			
TOTAL REVENUES	**1,085,308**	**873,284**	**612,547**	**780,308**
II. OPERATING EXPENSES				
Personnel Services	136,027	199,934	199,934	199,116
Maintenance and Other Operating Expenses	133,569	331,645	331,646	400,243
Financial Expenses	8,157	8,664	8,664	9,631
Non-Cash Expenses				
Depreciation of Fixed Assets	48,740	51,929	51,929	54,153
Other Non-Cash Expenses a/	13,132			
TOTAL OPERATING EXPENSES	**339,625**	**592,172**	**592,173**	**663,143**
III. NET PROFIT/(LOSS) BEFORE INCOME TAX	**745,683**	**281,112**	**20,374**	**117,165**
IV. INCOME TAX	**161,552**	**49,904**	**10,163**	**12,663**
V. NET PROFIT AFTER INCOME TAX	**584,131**	**231,208**	**10,211**	**104,502**
Other Comprehensive Income/(Loss)	(530)			
VI. NET PROFIT AND SUBSIDIES	**583,601**	**231,208**	**10,211**	**104,502**

a/ Unrealized loss on FOREX realignment of dollar account (₱3,015,000) and loss on redemption of investment (₱10,117,000)

Table 1.3.d
PHILIPPINE NATIONAL OIL COMPANY
STAFFING SUMMARY, FY 2020-2022
(In Thousand Pesos, Except No. of Positions)

POSITION	2020 UNAUDITED		2021 GAA		2022 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A.Itemized Positions						
Top Three Positions						
President	1	2,137	1	2,137	1	2,171
Sr. Vice-President	5	4,825	3	5,219	3	5,021
Managerial / Executive Group	8	10,125	15	19,181	12	14,590
Supervisory Group	12	10,915	22	22,424	24	22,642
Technical Group	50	26,092	49	27,005	52	27,758
Technical Support Group	10	5,925	17	12,275	15	9,693
Administrative Group / Others	73	26,103	68	33,184	74	35,518
Total	**159**	**86,122**	**175**	**121,425**	**181**	**117,393**

Table 1.3.e
PHILIPPINE NATIONAL OIL COMPANY
COMPENSATION OF ITEMIZED ITEMS, FY 2020 - 2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021 GAA	2022 PROPOSED
MANDATORIES	**108,064**	**151,862**	**145,986**
Salaries	86,122	121,425	117,393
Representation & Transportation Allowance	3,995	5,124	4,914
Personnel Economic Relief Allowance	3,087	4,200	4,158
Mid-year Bonus	6,852	10,119	9,007
Year-end Bonus and Cash Gift	8,008	10,994	10,514
FIXED EXPENDITURES	**11,399**	**16,850**	**16,660**
PAG-IBIG Contributions	154	210	208
Retirement and Life Insurance Premium	10,046	14,571	14,087
PhilHealth Insurance Premium	1,045	1,859	2,157
Employees' Compensation Insurance Premium	154	210	208
OTHER COMPENSATION	**16,564**	**22,578**	**22,168**
Per Diem of Members of the Board	-	4,032	4,032
Terminal Leave	11,121	6,960	6,960
Loyalty Pay	45	-	-
Uniform/Clothing Allowance	720	1,050	1,044
Overtime	2,095	2,106	2,169
Performance-Based Bonus	-	5,359	4,885
Performance-Based Incentive	-	963	940
Productivity Enhancement Incentive	641	875	905
Retirement Benefits	-	1,233	1,233
Honoraria	58	-	-
Hazard Pay	603	-	-
Service Recognition Incentive	1,281	-	-
Compensation Adjustment	**-**	**8,644**	**14,302**
GRAND TOTAL	**136,027**	**199,934**	**199,116**

Table 1.3.f
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021 GAA	2021 ESTIMATES	2022 PROPOSED
Travelling Expenses	653	5,345	5,345	4,634
Training & Scholarship Expenses	585	5,368	5,368	5,012
Supplies and Materials Expenses	12,075	15,798	15,798	13,954
Utility Expenses	12,221	37,367	37,367	57,384
Communication Expenses	5,356	8,991	8,991	6,204
Awards/Rewards, Prizes and Indemnities	-	5,000	5,000	5,000
Extraordinary and Miscellaneous Expenses	-	533	533	533
Professional Services	11,888	105,460	105,460	65,345
General Services	49,101	65,688	65,688	95,014
Repairs and Maintenance	8,249	8,427	8,427	11,202
Taxes, Insurance Premiums and Other Fees	19,104	35,087	35,087	103,299
Other Maintenance and Operating Expenses:	23,213	38,581	38,581	32,662
Advertising, Promotional & Marketing Expenses	51	751	751	153
Printing & Publication Expenses	3	327	327	335
Representation Expenses	4,152	8,383	8,383	6,711
Membership Dues & Contributions to Organization	406	540	540	588
Rent/Lease Expenses	-	46	46	2,500
Subscription Expenses	21	12,056	12,056	740
Litigation/Acquired Assets Expenses	-	5,000	5,000	5,000
Fees and Commission expenses	-	-	-	2,650
Major Events and Conventions Expenses	4,509	2,801	2,801	4,900
Per Diem of Members of the Board a/	1,931	-	-	-
Other Maintenance and Operating Expenses	12,140	8,677	8,677	9,085
Financial Expenses	8,157	8,664	8,664	9,631
Depreciation b/	48,740	51,929	51,929	54,153
TOTAL MOOE	**199,342**	**c/ 392,238**	**392,238**	**464,027**

a/ The budget for Per Diem of Members of the Board for 2021 and 2022 is included in the Personnel Services Budget.
b/ This is a non-cash expense account, therefore, not included in the Sources and Uses of Funds by Expense Class.
c/ Inclusive of Input Vatlue-Added Tax at P8.876 Million

Table 1.3.g
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF CAPITAL OUTLAYS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATES	
Land and Land Improvements Outlay	3,424	350	350	47,163
Infrastructures Outlay	-	-	-	78,200
Building and Structures Outlay	22,411	43,592	43,592	561,408
Machinery and Equipment Outlay	776	1,498	1,498	12,137
Transportation Equipment Outlay	5,509	27,500	27,500	8,300
Furniture, Fixtures and Book Outlay	-	-	-	400
TOTAL CAPITAL OUTLAYS	**32,120**	**72,940**	**72,940**	**707,608**

Table 1.3.h
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2020-2022
(In Thousand Pesos)

PARTICULARS	2020 UNAUDITED	2021		2022 PROPOSED
		GAA	ESTIMATES (As Revised)	
I. Cash flows from operating activities				
Inflows:				
Cash generated from operations	639,916	901,386	534,031	662,721
Collection of receivables	79,415	33,088	200,970	18,000
Other inflows	342,326	-	-	-
Outflows:				
Payment for salaries	(124,041)	(191,741)	(191,741)	(190,923)
Payment to suppliers	(118,139)	(340,310)	(340,309)	(409,874)
Payment of taxes	(24,213)	(84,576)	(73,786)	(43,524)
Other outflows	(187,355)	-	-	-
Net cash flow from operating activities	**607,909**	**317,847**	**129,165**	**36,400**
II. Cash flows from investing activities				
Inflows:				
Receipt of Interest Earned	244,964	112,963	102,605	145,334
Proceeds from Sale/Disposal of Investment Property	8,526	-	-	-
Receipt of Cash Dividends	1,925	2,474	1,925	1,925
Proceeds from Matured Invesments	5,881,255	-	600,000	900,000
Outflows:				
Purchase/Construction of Investment Property	(3,369)	-	-	-
Purchase of property, plant and equipment	(5,369)	(72,940)	(409,599)	(707,608)
Other outflows	(1,628,556)	-	-	-
Net cash flow from investing activities	**4,499,376**	**42,497**	**294,931**	**339,651**
III. Cash flows from financing activities				
Outflows:				
Dividend payment	(5,000,000)	(158,524)	(791,188)	(5,106)
Net cash flow from financing activities	**(5,000,000)**	**(158,524)**	**(791,188)**	**(5,106)**
Net increase/(decrease) in cash and cash equivalents	107,285	201,820	(367,092)	370,945
Cash and cash equivalents, beginning of the year	307,370	135,032	414,655	47,563
Cash and cash equivalents, end of the year	**414,655**	**336,852**	**47,563**	**418,508**

Table 1.3.i
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2020
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	92,277	119,754	5,290	**217,321**	92,277	119,754	5,290	**217,321**
II. Support to Operations	22,948	4,369	-	**27,317**	22,948	4,369	-	**27,317**
III. Operations	20,802	26,479	26,830	**74,111**	20,802	26,479	26,830	**74,111**
TOTAL	**136,027**	**150,602 a/**	**32,120**	**318,749**	**136,027**	**150,602**	**32,120**	**318,749**

a/ MOOE, net of allowance for depreciation at P48.740 Million and inclusive of Input Value-Added Tax at P8.876 Million

Table 1.3.j
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2021
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	132,655	189,534	18,953	**341,142**	132,655	189,534	18,953	**341,142**
II. Support to Operations	23,254	4,123	-	**27,377**	23,254	4,123	-	**27,377**
III. Operations	44,025	146,652	53,987	**244,664**	44,025	146,652	53,987	**244,664**
TOTAL	**199,934**	**340,309 a/**	**72,940**	**613,183**	**199,934**	**340,309**	**72,940**	**613,183**

a/ MOOE, net of allowance for depreciation at ₱51.929 Million

Table 1.3.k
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2022
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	132,336	182,380	38,870	**353,586**	132,336	182,380	38,870	**353,586**
II. Support to Operations	26,767	3,368	-	**30,135**	26,767	3,368	-	**30,135**
III. Operations	40,013	224,126	668,738	**932,877**	40,013	224,126	668,738	**932,877**
TOTAL	**199,116**	**409,874** a/	**707,608**	**1,316,598**	**199,116**	**409,874**	**707,608**	**1,316,598**

a/ MOOE, net of allowance for depreciation at ₱54.153 Million

III. PHILIPPINE NATIONAL OIL COMPANY

1. Approval of the FY 2022 Corporate Operating Budget of the Philippine National Oil Company under R.A. No. 7638. The FY 2022 Corporate Operating Budget (COB) of the PNOC 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 (B.C.) No. 2016-5 dated August 22, 2016, as amended by B.C. No. 2017-1 dated April 26, 2017, A.O. 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 E.O. 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 procedure prescribed under applicable laws and guidelines issued thereon.

The amounts of Six Million Nine Hundred Sixty Thousand Pesos (P6,960,000) and One Million Two Hundred Thirty Three Thousand Pesos (P1,233,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected PNOC personnel based on the list submitted by PNOC 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 PNOC 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 PNOC's control such as, but not limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; (v) increase in taxes; (vi) increase in costs associated with the privatization of subsidiaries; and (vii) payment of obligations as a result of final judgment of the court.

In the exercise of said authority, PNOC 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. Funds for Capital Outlays. Notwithstanding the provisions of Special Provision No. 5, the PNOC and its subsidiaries shall utilize Capital Outlays provided herein for the primary purposes of exploration, exploitation and development of energy resources as well as the production, refining, tankerage and/or shipping, storage, and transport of oil or petroleum operations.

An amount not exceeding One Billion Pesos (P1,000,000,000) in the aggregate and with equity investment not to exceed thirty six percent (36%) of the outstanding capital stock may be invested in entities not engaged in the above primary purposes.

In no case shall Capital Outlays be used as loans or advances to entities not engaged in the above primary purposes.

7. Augmentation Beyond Approved Corporate Operating Budget. The PNOC is hereby authorized to augment and disburse funds beyond the total amount approved in this Act, using corporate funds, for the payment of monetary claims, tax deficiency assessments, damages, and all other judgment obligations pursuant to any final and executory decision that may be rendered during the year.

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

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

9. 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.

10. Transparency Seal. To enhance transparency and enforce accountability, the PNOC 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 the head of agency, Agency Information Inventory, 2020 and 2021 FOI Summary Report, and 2020 and 2021 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of the PNOC 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 PNOC.

11. Reporting and Posting Requirements. The PNOC 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 the budgetary adjustments. The President of PNOC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the PNOC website.