

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2008  
(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 581,259	P 741,092	P 185,723	P 1,508,074
	a.Head Office Support Group	355,824	741,092	185,723	1,282,639
	b.Eng'g. Admin./Survey/Development Studies Planning	225,435			225,435
2.	Support to Operations	34,924	3,290,976	2,730,845	6,056,745
	a.Other Expenses	34,924	3,290,976	2,730,845	6,056,745
3.	Operations	1,695,501	157,390,337	9,246,084	168,331,922
	a.Utility/Systems Operation	1,267,103	3,822,446	3,674,472	8,764,021
	b.Small Power Utilities Group	428,398	1,135,345	3,423,205	4,986,948
	c.Spares			2,148,407	2,148,407
	d.Production of Goods		152,432,546		152,432,546
4.	Foreign-Assisted Projects			710,306	710,306
	a.Generation			710,306	710,306
5.	Debt Servicing		35,378,336		35,378,336
6.	Other Expenditures		21,560,127		21,560,127
	TOTAL	P 2,311,684	P 218,360,868	P 12,872,958	P 233,545,510

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2008  
(In Thousand Pesos)  
CORPORATE BORROWINGS

Schedule I

		Current_Operating_Expenditures			
		Personal Services____	Maintenance and Other Operating Expenses____	Capital Outlays____	Total
A.	PROGRAM/ACTIVITY/PROJECT				
1.	General Administration and Support	P		P 185,723	P 185,723
	a.Head Office Support Group			185,723	185,723
2.	Support to Operations			2,567,973	2,567,973
	a.Other Expenses			2,567,973	2,567,973
3.	Operations			9,246,084	9,246,084
	a.Utility/Systems Operation			3,674,472	3,674,472
	b.Small Power Utilities Group			3,423,205	3,423,205
	c.Spares			2,148,407	2,148,407
4.	Foreign-Assisted Projects			710,306	710,306
	a.Generation			710,306	710,306
5.	Debt Servicing		26,674,261		26,674,261
	TOTAL	P	26,674,261	P 12,710,086	P 39,384,347

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2008  
(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 581,259	P 741,092		P 1,322,351
	a.Head Office Support Group	355,824	741,092		1,096,916
	b.Eng'g. Admin./Survey/Development Studies Planning	225,435			225,435
2.	Support to Operations	34,924	3,290,976	162,872	3,488,772
	a. Other Expenses	34,924	3,290,976	162,872	3,488,772
3.	Operations	1,695,501	157,390,337		159,085,838
	a.Utility/Systems Operation	1,267,103	3,822,446		5,089,549
	b.Small Power Utilities Group	428,398	1,135,345		1,563,743
	c.Production of Goods		152,432,546		152,432,546
4.	Debt Servicing		8,704,075		8,704,075
5.	Other Expenditures		21,560,127		21,560,127
	TOTAL	P 2,311,684	P 191,686,607	P 162,872	P 194,161,163

Special Provisions

1. Budget Flexibility. The National Power Corporation (NPC), 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 NPC's control. These may include, but shall not be limited to the following:

- (a) Increase in oil, steam, coal or natural gas prices;
- (b) Currency depreciation;
- (c) Inflation;
- (d) Change in generation mix and demand as well as interest rates;
- (e) Substitute programs and projects;
- (f) Change in generation/transmission system plan, purchased power program; (g) Project implementation and schedule, and correction;
- (h) Transfer, or elimination at NPC's expense of projects or installations that are hazardous to the health or safety of inhabitants;
- (i) Reorganization, subsidiarization or privatization should conditions warrant; and
- (j) Occurrence of natural calamities:

PROVIDED, That augmentation funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation and discretionary expenses: PROVIDED, FURTHER, That appropriations for Personal Services shall not be augmented by savings from Maintenance and Other Operating Expenses (MOOE) and Capital Outlays, or by new funding sources.

2. Augmentation Beyond Approved Corporate Operating Budget. The NPC is hereby authorized to augment and disburse funds beyond the total amount approved in this Act for the following:

- a) Increase in prices of fuel and power, and interest payments on debt service: PROVIDED, That such are the effect of peso devaluation, fuel price increase in the market, and increase in taxes and production costs beyond NPC's control; and
- b) Payment of taxes, fees and charges imposed by the National or Local Government that may be incurred by the NPC in connection with the asset and debt transfer from the NPC to the Power Sector Assets and Liabilities Management (PSALM) Corporation and National Transmission Corporation (TRANSCO):

PROVIDED, That the amount to be disbursed shall come from corporate funds or borrowings: PROVIDED, FURTHER, That new borrowings in excess of the amount included in the corporate operating budget as approved by Congress shall require the approval of the Joint Congressional Power Commission.

(DIRECT VETO - President's Veto Message, March 11, 2008, page 1192, R.A.No.9498)

3. Authority to Transfer Budget. Upon transfer to the Power Sector Assets and Liabilities Management (PSALM) Corporation of NPC's generation assets, liabilities, real estates and all other disposable assets as mandated by R.A. No. 9136, or the Electric Power Industry Reform Act of 2001, NPC may transfer to PSALM that portion of its budget corresponding to the transferred assets and liabilities pursuant to any agreement between NPC and PSALM in relation to such transfer of assets and liabilities.

In case of assignment or transfer to PSALM of any of NPC's Independent Power Producers (IPP) Contracts and/or IPP-related contracts and assets, NPC may transfer to PSALM that portion of its budget corresponding to the assigned or transferred contracts and assets pursuant to any agreement between NPC and PSALM in relation to such transfer of assets and liabilities.

4. Reportorial Requirement. A comprehensive financial and narrative report on the budgetary adjustments authorized under the preceding sections shall be submitted to the House Committee on Appropriations and the Senate Committee on Finance, including the Department of Budget and Management, within thirty (30) days after such adjustments are made.

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

6. Collection of Delinquent Receivables from Electric Cooperatives and Missionary IPPs. In order to augment its source of funds necessary to support the budgetary requirements of National Power Corporation and ensure the viability of its operations, the National Power Corporation Board 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, interests and other charges due from electric cooperatives and missionary IPPs: PROVIDED, That such settlement and compromise shall redound to the benefit of the National Government: PROVIDED, FURTHER, That no penalties on interests shall be charged by the NPC on missionary areas: PROVIDED, FINALLY, That the implementation of this special provision shall be subject to guidelines to be issued by the NPC Board of Directors and DOF.

(CONDITIONAL IMPLEMENTATION - President's Veto Message, March 11, 2008, page 1203, R.A. No. 9498)

7. Electrification Projects in Areas Covered by the Small Power Utilities Group (SPUG). In areas covered by the Small Power Utilities Group (SPUG) of NPC, the SPUG shall immediately cause the installation of power plants/powerhouses upon notification by the National Electrification Administration (NEA) that the said areas are included in the NEA's program of electrification.

(CONDITIONAL IMPLEMENTATION - President's Veto Message, March 11, 2008, page 1203, R.A. No. 9498)