

II. NATIONAL POWER CORPORATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024

(In Thousand Pesos)

SUMMARY

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAM/ACTIVITY/PROJECT				
1. General Administration and Support	P 698,932	P 491,691	P 224,643	P 1,415,266
a. Head Office Support Group	479,916	415,928	125,357	1,021,201
b. Engineering Administration/Survey/ Development Studies Planning	219,016	75,763	99,286	394,065
2. Support to Operations		61,901		61,901
a. Other Expenses		61,901		61,901
3. Operations	1,226,581	12,301,303	2,399,605	15,927,489
a. Small Power Utilities Group	1,141,053	1,808,307	2,367,809	5,317,169
b. Production of Goods		10,365,513		10,365,513
c. Watershed Management	85,528	127,483	31,796	244,807
4. Debt Servicing		956,743		956,743
a. Principal		41,680		41,680
b. Interest		915,063		915,063
5. Other Expenditures	21,173	20,397,747		20,418,920
a. Input VAT		1,649,792		1,649,792
b. Bataan Nuclear Power Plant Preservation / Non-Operating Expenses	21,173	38,851		60,024
c. NPP Subsidy		18,585,045		18,585,045
d. Income Tax		124,059		124,059
6. Personnel Services and Maintenance and Other Operating Expenses	931,298	629,244		1,560,542
a. As Operator of PSALM's Assets	931,298	629,244		1,560,542
7. Foreign-Assisted Project(s)			18,948	18,948
a. Agus Pulangui Rehabilitation Program (WB Grants)			18,948	18,948

TOTAL BEFORE PRIOR YEARS' NG SUBSIDY	<u>2,877,984</u>	<u>34,838,629</u>	<u>2,643,196</u>	<u>40,359,809</u>
PRIOR YEARS' NG SUBSIDY	<u> </u>	<u>118,100</u>	<u>958,530</u>	<u>1,076,630</u>
TOTAL	<u>P 2,877,984 P</u>	<u>34,956,729 P</u>	<u>3,601,726 P</u>	<u>41,436,439</u>

II. NATIONAL POWER CORPORATION**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024**

Schedule I

(In Thousand Pesos)

NATIONAL GOVERNMENT SUBSIDY

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. Operations	P		P	<u>1,316,421 P</u>
a. Small Power Utilities Group				<u>1,316,421</u>
TOTAL BEFORE PRIOR YEARS' NG SUBSIDY				<u>1,316,421</u>
PRIOR YEARS' NG SUBSIDY		<u>118,100</u>	<u>958,530</u>	<u>1,076,630</u>
TOTAL	<u>P</u>	<u>118,100 P</u>	<u>2,274,951 P</u>	<u>2,393,051</u>

II. NATIONAL POWER CORPORATION**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024**

Schedule II

(In Thousand Pesos)

CORPORATE FUNDS

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM/ACTIVITY/PROJECT				
1. General Administration and Support	P		P	<u>1,415,266</u>
a. Head Office Support Group		<u>479,916</u>	<u>415,928</u>	<u>1,021,201</u>
b. Engineering Administration/Survey/ Development Studies Planning		<u>219,016</u>	<u>99,286</u>	<u>394,065</u>

GENERAL APPROPRIATIONS ACT, FY 2024

2. Support to Operations		61,901		61,901
a. Other Expenses		61,901		61,901
3. Operations	1,226,581	12,301,303	1,083,184	14,611,068
a. Small Power Utilities Group	1,141,053	1,808,307	1,051,388	4,000,748
b. Production of Goods		10,365,513		10,365,513
c. Watershed Management	85,528	127,483	31,796	244,807
4. Debt Servicing		956,743		956,743
a. Principal		41,680		41,680
b. Interest		915,063		915,063
5. Other Expenditures	21,173	20,397,747		20,418,920
a. Input VAT		1,649,792		1,649,792
b. Bataan Nuclear Power Plant Preservation / Non-Operating Expenses	21,173	38,851		60,024
c. NPP Subsidy		18,585,045		18,585,045
d. Income Tax		124,059		124,059
6. Personnel Services and Maintenance and Other Operating Expenses	931,298	629,244		1,560,542
a. As Operator of PSALM's Assets	931,298	629,244		1,560,542
7. Foreign-Assisted Project(s)			18,948	18,948
a. Agus Pulangui Rehabilitation Program (WB Grants)			18,948	18,948
TOTAL	P 2,877,984 P	P 34,838,629 P^{a/}	P 1,326,775 P	P 39,043,388

a/ net of allowance for depreciation at P686.574 Million

Special Provision(s)

1. **Approval of the FY 2024 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638.** The FY 2024 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, A.O. No. 14 dated December 10, 2018, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, 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. 150, s. 2021.

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 Two Hundred Twenty Seven Million Eight Hundred Fifty Nine Thousand Pesos (P227,859,000) and Twenty One Million Four Hundred Eighty Six Thousand Pesos (P21,486,000) 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 amounts be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. **Budget Flexibility.** 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 and other sources as authorized under existing laws, guidelines and issuances, such as but not limited to R.A. No. 9136 and its IRR, 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 and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and (ix) year-end financial reports 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.