

NATIONAL ELECTRIFICATION ADMINISTRATION

Table 1.1.a

NATIONAL ELECTRIFICATION ADMINISTRATION CORPORATE OBJECTIVE AND PRIORITIES FOR FY 2019

I. CORPORATE OBJECTIVE

Intensify implementation of total electrification on an area coverage basis for additional sitios, Strategized Sitio and Household Electrification for Off-Grid areas through Renewable Energy and ensure immediate power restoration after natural/man-made disasters and calamities.

II. CORPORATE PRIORITIES

1. To provide financial, institutional, technical assistances to electric cooperatives (ECs);
2. Energization of additional Seven Hundred Seventy Five (775) sitios, Strategized Sitio and Household Electrification for Off-Grid areas through Renewable Energy; and
3. To provide assistance to electric cooperatives (ECs) for the restoration/rehabilitation of distribution lines damaged by natural/man-made disasters and calamities.

III. MAJOR PROGRAMS AND PROJECTS

1. Complete the National Rural Electrification Program;
2. Encourage rural development through the 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 BALANCE SHEET, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
ASSETS				
Current Assets	13,250,469	9,975,915	10,331,512	9,339,953
Cash and Cash Equivalents	7,730,877	6,629,589	7,073,644	7,166,252
Loans Receivable, Matured Portion (Net)	2,318,457	2,748,636	2,318,963	1,707,615
Other Receivables (Net)	3,191,457	589,977	930,227	458,383
Inventories (Net)	6,131	6,130	5,296	4,431
Prepayments	3,547	1,583	3,382	3,272
Non-Current Assets	10,563,195	10,664,812	11,151,537	10,975,488
Long Term Loans Receivable	10,340,362	10,395,654	10,908,478	10,695,849
Property and Equipment (Net)	218,122	264,447	238,348	274,928
Other Assets	4,711	4,711	4,711	4,711
TOTAL ASSETS	23,813,664	20,640,727	21,483,049	20,315,441
LIABILITIES				
Current Liabilities	28,490,500	25,566,537	26,342,524	10,231,393
Financial Liabilities	141,678	138,397	144,878	141,248
Inter-Agency Payables	18,310,645	18,173,220	18,420,699	2,701,621
Other Payables	10,038,177	7,254,920	7,776,947	7,388,524
Non-Current Liabilities	58,514	59,366	55,064	51,414
Deferred Credits	58,514	59,366	55,064	51,414
TOTAL LIABILITIES	28,549,014	25,625,903	26,397,588	10,282,807
STOCKHOLDERS' EQUITY				
Government Equity	4,772,564	4,772,564	4,772,564	4,772,564
Donated Capital	177,561	177,561	177,561	177,561
Retained Earnings	(9,685,475)	(9,935,301)	(9,864,664)	5,082,509
TOTAL STOCKHOLDERS' EQUITY	(4,735,350)	(4,985,176)	(4,914,539)	10,032,634
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	23,813,664	20,640,727	21,483,049	20,315,441

Table 1.1.c
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
I. REVENUES				
Operating Revenues				
Service and Business Income	675,412	624,766	658,609	656,492
Other Revenues	32,666	70,004	36,171	56,126
TOTAL REVENUES	708,078	694,770	694,780	712,618
II. OPERATING EXPENSES				
Personnel Services	239,037	440,159	440,159	330,282
Maintenance and Other Operating Expenses	141,389	145,637	145,637	150,925
Financial Expenses	67,714	-	-	102,979
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	35,570	19,573	19,573	22,067
TOTAL OPERATING EXPENSES	483,710	605,369	605,369	606,253
III. NET PROFIT BEFORE FOREX GAIN	224,368	89,401	89,411	106,365
IV. FOREX DIFFERENTIAL- LOSS	(829)	-	-	-
V. NET PROFIT AFTER FOREX GAIN	223,539	89,401	89,411	106,365
VI. INCOME TAX	70,891	28,201	28,209	32,835
VII. NET PROFIT AFTER INCOME TAX	152,648	61,200	61,202	73,530
Subsidies from the National Government	2,050,736	2,036,939	2,036,939	1,527,944
Refund of Subsidy from NGOs/POs	367,752	-	-	-
Collection from Modular Gensets	22,525	-	-	83,421
VIII. NET PROFIT AND SUBSIDIES	2,593,661	2,098,139	2,098,141	1,684,895

Table 1.1.d
NATIONAL ELECTRIFICATION ADMINISTRATION
STAFFING SUMMARY, FY 2017 - 2019
(In Thousand Pesos, Except No. of Positions)

POSITION	2017 AUDITED		2018 GAA		2019 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions						
Administrator	1	1,411	1	958	1	2,137
Deputy Administrator	4	4,625	4	3,321	4	6,639
Management/Executive Group	14	13,542	23	16,917	18	23,746
Supervisory Group	19	14,826	35	16,837	30	29,326
Professional/Technical Group (High Level)	75	41,210	98	48,628	81	60,221
Professional/Technical Group (Entry Level)	80	26,634	90	33,725	95	34,473
Technical Support	50	16,646	52	15,258	60	21,773
Administrative/Others	43	14,315	47	9,598	51	18,507
TOTAL	286	133,209	350	145,242	340	196,822

Table 1.1.e
NATIONAL ELECTRIFICATION ADMINISTRATION
OTHER COMPENSATION, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2019 PROPOSED
MANDATORIES	36,408	41,438	49,852
Representation & Transportation Allowance	5,823	7,080	7,188
Personnel Economic Relief Allowance	6,809	8,400	8,160
Mid-year Bonus	11,119	12,104	16,402
Year-end Bonus and Cash Gift	12,657	13,854	18,102
FIXED EXPENDITURES	17,897	19,661	26,312
PAG-IBIG Contributions	341	420	408
Retirement and Life Insurance Premium	15,967	17,429	23,619
Health Insurance Premium	1,248	1,392	1,877
Employees' Compensation Insurance Premium	341	420	408
OTHER COMPENSATION	27,199	26,606	27,539
Per Diem of Members of the Board	1,704	2,304	2,304
Special Counsel Allowance	23	135	135
Loyalty Pay	20	-	935
Clothing/Uniform Allowance	1,435	1,750	2,040
Performance-Based Bonus	5,628	6,460	8,754
Performance-Based Incentive	-	257	579
Productivity Enhancement Incentive	1,393	1,750	1,700
Anniversary Bonus	-	-	1,020
CNA Incentive	7,525	-	-
PRAISE Incentive	9,251	-	-
Honoraria	220	-	220
Monetization of Leave Credits	-	13,950	9,852
TERMINAL AND RETIREMENT BENEFITS	24,324	27,409	29,757
Terminal Leave	23,904	23,129	29,757
Retirement Benefits	420	4,280	-
COMPENSATION ADJUSTMENT		179,803	
GRAND TOTAL	105,828	294,917	133,460

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
Travelling Expenses	15,414	20,000	20,000	16,972
Training and Seminar	15,477	15,000	15,000	15,941
Supplies and Materials	5,801	8,000	8,000	6,211
Gasoline, Oil and Lubricants	1,278	1,400	1,400	1,316
Water, Illumination and Power Service	9,997	11,000	11,000	10,297
Communication Services	6,308	6,800	6,800	6,497
Membership Dues and Contributions to Organizat.	43	49	49	49
Advertising	87	400	400	248
Printing and Binding	119	400	400	281
Rents/Lease	913	1,200	1,200	1,075
Publications, Books & Subscriptions	174	240	240	240
Professional Services	52,751	50,000	50,000	63,745
Repair and Maintenance	23,410	8,000	8,000	11,500
Grants, Subsidies and Contributions a/	2,441,013	2,036,939	2,036,939	16,443,518
Loan Repayments/Sinking Fund Contribution	24,765	-	-	-
Extraordinary and Miscellaneous Expenses (EME)	447	500	500	650
Taxes, Insurance Premium and Other Fees	127,360	81,511	175,596	82,915
Losses/Depreciation/Depletion b/	35,570	19,573	19,573	22,067
Miscellaneous Expenses	3,089	4,500	4,500	3,205
Other Maintenance and Operating Expenses	2,365	348	348	2,698
Financial Expenses	67,714			102,979
Payment of NG advances				811,660
TOTAL MOOE	2,834,095	2,265,860	2,359,945	17,604,064

a/ FY 2019 is inclusive of P14,915,574,000 for the conversion of NG advances into subsidy chargeable against Unprogrammed Fund

b/ 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 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2019 PROPOSED
Loans Outlay	2,646,877	2,250,000	1,550,000
Office Furniture, Fixtures and Equipment	183	6,637	15,805
Transportation Equipment Outlay		-	5,000
Information Technology Equipment Outlay	5,175	27,420	31,755
TOTAL CAPITAL OUTLAYS	2,652,235	2,284,057	1,602,560

Table 1.1.h
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE CASH FLOW STATEMENT, FY 2017 - 2019
(In Thousand Pesos)

PARTICULARS	2017 AUDITED	2018 GAA	2018 ESTIMATE (As Revised)	2019 PROPOSED
Cash flows from operating activities				
Collection of receivables	2,260,280	2,800,412	2,300,412	2,993,922
Receipt of government subsidy	2,050,736	2,036,939	2,036,939	16,443,518
Receipt of trust liabilities	7,510	-	-	-
Collection of other receivables	370,834	-	-	83,421
Cancellation of stale checks issued in prior years	27,662	-	-	-
Other cash receipts	81,748	70,004	70,004	86,586
Payment for Personnel Services	(111,034)	(440,159)	(440,159)	(330,282)
Payment for MOOE	(104,742)	(145,637)	(145,637)	(150,925)
Release of loans to ECs	(2,646,877)	(2,250,000)	(2,250,000)	(1,550,000)
Grant of subsidies	(2,064,755)	(2,036,939)	(2,036,939)	(1,527,944)
Payment for accounts payable	(23,031)	-	-	-
Remittance of corporate income tax	(53,655)	(27,234)	(70,891)	(28,209)
Refund of DAP	(23,616)	-	-	-
Other cash payments	(122,533)	-	-	-
Net cash flow from operating activities	(351,473)	7,386	(536,271)	16,020,087
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,358)	(34,057)	(34,057)	(52,560)
Net cash flow from investing activities	(5,358)	(34,057)	(34,057)	(52,560)
Cash flows from financing activities				
Payment of long-term liabilities	(33,186)	-	-	(102,979)
Conversion of NG Advances	-	-	-	(14,915,574)
Payment of NG advances (Principal)	-	-	-	(811,660)
Payment of Interest on NG Advances (Arrears)	-	-	-	-
Remittance of dividend to National Government	(69,989)	(36,477)	(86,905)	(44,706)
Net cash flow from financing activities	(103,175)	(36,477)	(86,905)	(15,874,919)
Net increase/(decrease) in cash and cash equivalents	(460,006)	(63,148)	(657,233)	92,608
Cash and cash equivalents, beginning of the year	8,190,883	6,692,737	7,730,877	7,073,644
Cash and cash equivalents, end of the year	7,730,877	6,629,589	7,073,644	7,166,252

Table 1.1.i
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2017
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support				15,545	31,974		750	48,269	15,545	31,974		750	48,269
2. Support to Operations				57,738	118,761		2,786	179,285	57,738	118,761		2,786	179,285
3. Operations				37,751	77,651		1,822	117,224	37,751	77,651		1,822	117,224
4. Locally-funded Projects Rural Electrification	2,064,755		2,064,755				2,646,877	2,646,877		2,064,755		2,646,877	4,711,632
5. Debt Servicing Loan Repayment					24,765	372		25,137		24,765	372		25,137
6. Others					177,229			177,229		177,229			177,229
TOTAL	2,064,755		2,064,755	111,034	430,380 a/	372	2,652,235	3,194,021	111,034	2,495,135	372	2,652,235	5,258,776

a/ net of depreciation expense of P35.570 Million

Table 1.1.j
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2018 (As Revised)
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS				GRAND TOTAL			
	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support				70,425	48,549	5,449	124,423	70,425	48,549	5,449	124,423
2. Support to Operations				237,686	163,854	18,391	419,931	237,686	163,854	18,391	419,931
3. Operations				132,048	91,030	10,217	233,295	132,048	91,030	10,217	233,295
4. Locally-funded Projects											
Rural Electrification	2,036,939		2,036,939				2,250,000		2,036,939	2,250,000	4,286,939
TOTAL	2,036,939		2,036,939	440,159	303,433 a/	2,284,057	3,027,649	440,159	2,340,372	2,284,057	5,064,588

a/ net of depreciation expense of P19.573 Million

Table 1.1.k
NATIONAL ELECTRIFICATION ADMINISTRATION
SOURCES AND USES OF FUNDS By Expense Class, FY 2019
(In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support				52,845	35,814		8,410	97,069	52,845	35,814		8,410	97,069
2. Support to Operations	14,915,574		14,915,574	181,655	123,112		28,908	333,675	181,655	15,038,686		28,908	15,249,249
3. Operations				95,782	64,914		15,242	175,938	95,782	64,914		15,242	175,938
4. Locally-funded Projects Rural Electrification	1,527,944		1,527,944				1,550,000	1,550,000		1,527,944		1,550,000	3,077,944
5. Debt Servicing Loan Repayment					811,660	102,979		914,639		811,660	102,979		914,639
TOTAL	16,443,518		16,443,518	330,282	1,035,500 a/	102,979	1,602,560	3,071,321	330,282	17,479,018	102,979	1,602,560	19,514,839

a/ net of depreciation expense of P22.067 Million

Table 1.1.1
NATIONAL ELECTRIFICATION ADMINISTRATION
SPECIAL PROVISIONS, FY 2019

1. Approval of the FY 2019 Corporate Operating Budget of the National Electrification Administration, National Power Corporation and Philippine National Oil Company under R.A. No. 7638. The FY 2019 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 No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, 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, and Memorandum Order No. 20, s. 2001.

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 Nine Million Seven Hundred Fifty Seven Thousand Pesos (P29,757,000) 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 head of agency, Agency Information Inventory, 2017 and 2018 FOI Summary Report, and 2017 and 2018 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. Reportorial 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.