

Table 1.2.a
NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2018

I. CORPORATE OBJECTIVES

- To perform the missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system (Sec. 70 of EPIRA);
- To promote the utilization of indigenous and new and renewable energy sources, particularly in performing its Missionary Electrification mandate (Section 2(h) of EPIRA);
- To manage and continue to be responsible for watershed rehabilitation and management and shall be entitled to the environmental charge equivalent to one-fourth of one centavo per kilowatt-hour energy sales (Section 34(d) of EPIRA);
- 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 to undertake 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

- 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 and implement the overall island/off-grid capacity and transmission system;
- Promote/implement the adoption of renewable hybrid systems;
- Watershed protection, eco-tourism for watersheds and vegetable rehabilitation;
- Dam integrity and safety, dam management protocol and flood forecasting and mitigation; and
- Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b
 NATIONAL POWER CORPORATION
 ASSUMPTIONS, FY 2016-2018
 SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE	
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Inc (Dec)</u> <u>2017/2016</u>	<u>2018/2017</u>
1. ENERGY SALES, GWH	432	599	668	38.66	11.52

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
2. ENERGY GENERATION, GWH	<u>444</u>	<u>631</u>	<u>706</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
HYDRO	5	7	7	1%	1%	1%
OIL BASED	439	624	699	99%	99%	99%

Table 1.2c
 NATIONAL POWER CORPORATION
 COMPARATIVE BALANCE SHEET, FY 2016-2018
 (In Thousand Pesos)

PARTICULARS	FY 2016 (Unaudited)	FY 2017 (GAA)	FY 2017 (Estimate)	FY 2018 (Proposed)
ASSETS				
Current Assets	25,893,542	20,505,225	24,612,491	23,687,291
Cash	236,601	-	939,934	1,143,237
Investments in Securities	14,456,992	5,431,784	8,656,086	3,971,895
Accounts Receivables	9,561,155	12,897,597	13,152,560	16,597,333
Inventories	1,439,674	1,479,359	1,443,011	1,443,011
Cash Advances to Various Parties	122,372	648,317	344,152	455,067
Other Current Assets	76,748	48,168	76,748	76,748
Fixed Assets	10,977,460	18,101,292	13,747,972	19,740,826
Deferred Assets	576,353	1,774	576,353	576,353
Other Assets	1,526,136	3,795,404	1,526,136	1,526,136
TOTAL ASSETS	38,973,491	42,403,695	40,462,952	45,530,606
LIABILITIES				
Current Liabilities	5,886,057	2,440,169	3,049,552	3,087,804
Accounts Payable to suppliers or trade creditors	4,623,398	1,004,855	1,649,928	1,637,140
Accounts Payable - Others	1,222,205	1,388,383	1,352,693	1,402,784
Current portion of borrowings	40,454	46,931	46,931	47,880
Long Term Liabilities	604,908	555,377	557,977	557,028
Borrowings	604,908	555,377	557,977	557,028
Deferred Liabilities	2,507,378	2,293,423	4,424,748	5,062,618
TOTAL LIABILITIES	8,998,343	5,288,969	8,032,277	8,707,450
STOCKHOLDERS' EQUITY				
Paid-in Capital	27,048,871	27,048,871	27,048,871	27,048,871
Retained Earnings	716,028	7,859,266	3,171,555	7,564,036
Other Capital	2,210,249	2,206,589	2,210,249	2,210,249
TOTAL STOCKHOLDERS' EQUITY	29,975,148	37,114,726	32,430,675	36,823,156
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	38,973,491	42,403,695	40,462,952	45,530,606

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2016-2018
(In Thousand Pesos)

PARTICULARS	FY 2016 (Unaudited)	FY 2017 (GAA)	FY 2017 (Estimate)	FY 2018 (Proposed)
I. REVENUES	10,237,709	16,735,867	14,318,285	17,381,022
Operating Revenues	8,653,514	15,790,312	13,624,185	16,062,198
Other Revenues	1,584,195	945,555	694,100	1,318,824
II. COST OF SALES	2,714,796	4,602,506	4,602,506	6,705,069
III. GROSS PROFIT	7,522,913	12,133,361	9,715,779	10,675,953
IV. OPERATING EXPENSES/OTHER EXPENSES	6,344,172	8,299,317	8,602,725	8,230,044
Personnel Services	797,009	1,235,298	1,235,962	1,259,583
Maintenance and Other Operating Expenses	1,721,847	1,890,001	1,889,981	2,253,061
Interest Expense	9,058	6,969	6,969	4,750
Non-cash Expenses	1,276,585	1,129,250	1,370,128	1,211,520
Depreciation of fixed assets (operating plants)	276,690	489,214	341,588	426,212
Provision for Doubtful Accounts	934,334	639,716	966,299	715,158
Depreciation of Non- Operating Plants & Others	65,561	320	62,241	70,150
Other Expenses	2,539,673	4,037,799	4,099,685	3,501,130
V. NET PROFIT BEFORE LOSS ON FOREX FLUCTUATION	1,178,741	3,834,044	1,113,054	2,445,909
Less: LOSS ON FOREX FLUCTUATION	(72)	-	-	-
VI. NET PROFIT AFTER LOSS ON FOREX FLUCTUATION	1,178,669	3,834,044	1,113,054	2,445,909
ADD: Subsidies	980,822	2,798,245	2,798,245	2,080,702
Subsidies from National Government	980,822	2,798,245	2,798,245	2,080,702
VII. NET PROFIT BEFORE INCOME TAX	2,159,491	6,632,289	3,911,299	4,526,611
LESS: Income Tax	512,636	857,949	594,306	618,494
VIII. NET PROFIT AFTER INCOME TAX	1,646,855	5,774,340	3,316,993	3,908,117

Table 1.2.e
 NATIONAL POWER CORPORATION
 STAFFING SUMMARY, FY 2016-2018
 (In Thousand Pesos, Except No. of Positions)

POSITIONS	2016 Actual		2017 Estimate		2018 Proposed	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	1,418	1	1,418	1	1,418
Senior Vice President	-	-	-	-	-	-
Vice President	6	5,156	6	5,652	6	5,652
Management/Executive Group	126	82,913	139	96,723	139	98,021
Technical Group	1,168	383,977	1,231	413,607	1,231	419,757
Technical Support	407	178,038	419	187,727	419	190,145
Administrative/Others	90	17,272	91	18,204	91	18,471
Sub-total	1,798	668,774	1,887	723,331	1,887	733,464
B. Non-Itemized Positions						
Co-Terminus	81	30,540	81	33,529	81	34,856
Contractuals	25	4,345	27	4,977	27	4,977
Casuals	110	25,896	123	31,305	123	31,306
Sub-total	216	60,781	231	69,811	231	71,139
TOTAL	2,014	729,555	2,118	793,142	2,118	804,603

Table 1.2.f
 NATIONAL POWER CORPORATION
 COMPENSATION OF ITEMIZED POSITIONS, FY 2016 - 2018
 (In Thousand Pesos)

PARTICULARS	FY 2016 (Unaudited)	FY 2017 (GAA)	FY 2017 (Estimate)	FY 2018 (Proposed)
A. PERMANENT	<u>1,173,159</u>	<u>1,889,443</u>	<u>1,889,520</u>	<u>1,893,850</u>
GUARANTEED CASH COMP.	<u>831,434</u>	<u>895,699</u>	<u>895,337</u>	<u>905,661</u>
Salaries	668,775	723,330	722,414	733,464
P E R A	21,120	22,644	22,644	22,644
Transp. & Rep. Allowance	20,743	19,734	20,442	17,874
Mid-Year Bonus	57,357	60,278	60,201	61,122
Year-End Bonus / Cash Gift	63,439	69,713	69,636	70,557
VARIABLE CASH COMPENSATION	<u>5,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Productivity Incentive Pay				
Anniversary Bonus	5,001	-	-	-
FRINGE BENEFITS	<u>171,879</u>	<u>225,848</u>	<u>225,693</u>	<u>263,855</u>
Night Shift Differential	34,106	45,153	44,044	41,912
Overtime	33,958	42,274	46,778	167,359
Medical	8,732	-	-	-
Special Counsel Allowance	1,430	2,184	5,034	5,880
Uniform Allowance	8,855	9,435	9,435	9,435
Loyalty Pay				6,645
Performance-Based Bonus	84,798	126,802	120,402	32,624
FIXED EXPENDITURES	<u>91,991</u>	<u>97,945</u>	<u>98,539</u>	<u>99,840</u>
Retirement and Life Insurance Premium	80,508	86,800	86,690	88,016
Health Insurance Premium	7,255	6,395	7,321	7,296
Employee's Compensation Insurance Premium	2,112	2,375	2,264	2,264
PAG-IBIG Contributions	2,116	2,375	2,264	2,264
TERMINAL LEAVE & SEPARATION BENEFITS	<u>72,720</u>	<u>88,879</u>	<u>88,879</u>	<u>42,693</u>
PER DIEM OF BOARD MEMBERS	<u>134</u>	<u>384</u>	<u>384</u>	<u>1,536</u>
COMPENSATION ADJUSTMENT	<u>-</u>	<u>580,688</u>	<u>580,688</u>	<u>580,265</u>
B. CO-TERMINOUS	<u>49,689</u>	<u>91,031</u>	<u>90,920</u>	<u>85,306</u>
Salaries and Allowances	45,424	52,174	52,063	49,319
Terminal Leave & Separation Benefits	4,265	6,587	6,587	3,717
Compensation Adjustment	-	32,270	32,270	32,270
C. CASUAL	<u>41,029</u>	<u>61,704</u>	<u>61,728</u>	<u>59,581</u>
Salaries and Allowances	38,404	49,156	49,180	48,026
Terminal Leave & Separation Benefits	2,625	1,560	1,560	567
Compensation Adjustment	-	10,988	10,988	10,988
D. CONTRACTUAL	<u>7,199</u>	<u>9,813</u>	<u>9,823</u>	<u>10,406</u>
Salaries and Allowances	6,842	7,946	7,956	8,539
Compensation Adjustment	357	1,867	1,867	1,867
TOTAL	<u>1,271,076</u>	<u>2,051,991</u>	<u>2,051,991</u>	<u>2,049,143</u>
Operating	1,209,142	1,955,058	1,955,721	1,956,922
Capitalized	48,659	80,970	80,762	77,740
Other Expenses / Expenditures	13,275	15,963	15,508	14,481
	<u>1,271,076</u>	<u>2,051,991</u>	<u>2,051,991</u>	<u>2,049,143</u>

Table 1.2.g
 NATIONAL POWER CORPORATION
 DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES, FY 2016-2018
 (In Thousand Pesos)

PARTICULARS	FY 2016 (Unaudited)	FY 2017 (GAA)	FY 2017 (Estimate)	FY 2018 (Proposed)
Travelling Expenses & Per Diems	54,876	92,360	92,240	107,570
Communication Expenses	11,279	12,634	17,393	17,915
Repair & Maint of Govt. Facilities	518,801	595,098	582,087	674,681
Repair & Maint. of Govt Vehicles & Other Equipment	12,855	22,862	38,171	39,316
Transportation Services	5,547	9,208	10,720	11,042
Supplies and Materials	28,973	23,301	44,594	44,594
Rents	643,875	595,969	547,460	652,412
Interests (Debt Service - Interest)	9,058	6,969	6,969	4,750
Grants, Subsidies & Contributions	4,953	6,592	8,572	10,752
Award & Indemnities(Injuries & Damages)	-	1,524	1,500	1,500
Loan Repayments/Debt Service-Principal ^{a/}	41,885	46,931	46,931	47,880
Losses/Depreciation/Depletion/Amort. Of Cap. Recov. ^{b/}	276,690	489,214	341,588	426,212
Water, Illumination and Power Service	26,494	28,244	28,748	29,511
Auditing Services (Cost of Audit)	18,287	15,422	20,247	19,401
Training & Seminar Exp.(Human Resource Development)	10,691	11,514	12,774	13,157
Extraordinary and Other Miscellaneous Expenses	709	1,003	1,003	900
Taxes, Duties & Fees	4,569	18,058	19,603	24,757
Trading /Production (Fuel)	2,714,796	4,602,506	4,602,506	6,705,069
Gasoline Oil, and Lubricants	6,579	17,068	13,320	13,319
Fidelity Bonds & Insurance Premium	27,371	69,500	60,398	67,105
Representation & Entertainment Expenses	642	855	855	881
Cultural Expenses	437	802	578	802
Honorary Grant	4,141	3,956	408	408
Incentive Award	51,951	-	800	-
Miscellaneous Expenses	2,022	1,527	2,735	2,446
Director's and Officer's Liability Fund	22	5,565	5,050	5,240
Other Services	286,773	356,939	381,086	515,352
Others (Input Vat, Finance Charges, Other Expenses)	4,173,387	7,601,699	7,601,719	6,636,408
Total MOOE	8,937,663	14,637,320	14,490,055	16,073,380

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

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

Table 1.2.h
NATIONAL POWER CORPORATION
DETAILS OF CAPITAL OUTLAYS, FY 2016-2018
(In Thousand Pesos)

PARTICULARS	2016 Unaudited	2017 GAA	2017 Estimate	2018 Proposed
Land and Land Improvement Outlay	9,581	139,364	192,984	175,085
Buildings & Structures Outlay	449,846	2,649,195	3,682,369	1,800,334
Office Equipment, Furnitures and Fixtures	38,227	29,924	14,200	27,067
Machineries & Equipment Outlay	1,327,725	1,847,286	776,283	4,801,329
Transportation Equipment		122,312	122,245	105,011
TOTAL	1,825,379	4,788,081	4,788,081	6,908,826

Table 1.2.i
 NATIONAL POWER CORPORATION
 COMPARATIVE CASH FLOW STATEMENT, FY 2016-2018
 (In Thousand Pesos)

PARTICULARS	FY 2016 (Unaudited)	FY 2017 (GAA)	FY 2017 (Estimates)	FY 2018 (Proposal)
Cash flows from operating activities				
Cash generated from operations	13,721,591	15,904,950	13,461,603	15,201,407
Receipt of government subsidy	980,822	2,798,245	2,798,245	2,080,702
Payment for salaries	(387,498)	(1,235,298)	(1,235,962)	(1,259,583)
Payment to suppliers	(2,448,293)	(4,624,710)	(5,150,970)	(6,529,855)
Payment of taxes	(747)	(862,130)	(627,698)	(622,734)
Other inflows/outflows	(6,462,072)	(8,449,650)	(9,232,454)	(6,143,545)
Net cash flow from operating activities	5,403,803	3,531,407	12,764	2,726,392
Cash flows from investing activities				
Purchase of property, plant and equipment	(746,230)	(4,770,715)	(4,578,044)	(6,803,358)
Other inflows/outflows	133,535	-	(145,399)	(91,792)
Net cash flow from investing activities	(612,695)	(4,770,715)	(4,723,443)	(6,895,150)
Cash flows from financing activities				
Repayment of loan	(41,885)	(46,931)	(46,931)	(47,880)
Interest payment	(9,148)	(6,969)	(6,969)	(4,750)
Dividend Payment of Bureau of Treasury	(300,000)	(300,000)	(332,994)	(259,500)
Other inflows/outflows	(125)	-	-	-
Net cash flow from financing activities	(351,158)	(353,900)	(386,894)	(312,130)
Effect of Exchange Rate	3,465	-	-	-
Net increase/(decrease) in cash and cash equivalents	4,443,415	(1,593,208)	(5,097,573)	(4,480,888)
Cash and cash equivalents, beginning of the year	10,250,178	7,024,992	14,693,593	9,596,020
Cash and cash equivalents, end of year	14,693,593	5,431,784	9,596,020	5,115,132

Table 1.2.j
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2016
 (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	-	-	-	-	318,565	239,366	1,318,850	1,876,781	318,565	239,366	1,318,850	1,876,781
a. Head Office Support Group	-	-	-	-	200,318	195,214	7,104	402,636	200,318	195,214	7,104	402,636
b. Eng'g. Admin./Survey/	-	-	-	-	118,247	44,152	1,311,746	1,474,145	118,247	44,152	1,311,746	1,474,145
Development Studies Planning	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	-	487,847	-	487,847	-	487,847	-	487,847
a. Other Expenses	-	-	-	-	-	487,847	-	487,847	-	487,847	-	487,847
3. Operations	-	580,388	376,871	957,259	521,704	3,616,890	129,658	4,268,252	521,704	4,197,278	506,529	5,225,511
a. Small Power Utilities Group	-	580,388	376,871	957,259	480,152	705,829	110,399	1,296,380	480,152	1,286,217	110,399	1,876,768
b. Spares	-	-	-	-	-	2,714,796	-	2,714,796	-	2,714,796	-	2,714,796
c. Production of Goods	-	-	-	-	41,552	196,265	19,259	257,076	41,552	196,265	19,259	257,076
d. Watershed Management	-	-	-	-	-	50,942	-	50,942	-	50,942	-	50,942
4. Debt Servicing	-	-	-	-	-	-	-	-	-	-	-	-
5. Other Expenditures	10,810	15,261	-	26,071	-	3,670,279	-	3,670,279	10,810	3,685,540	-	3,696,350
a. Input VAT	-	-	-	-	-	831,888	-	831,888	-	831,888	-	831,888
b. BNPP Preservation Expens-	10,810	15,261	-	26,071	-	5,111	-	5,111	10,810	20,372	-	31,182
c. NPP Subsidy	-	-	-	-	-	2,020,644	-	2,020,644	-	2,020,644	-	2,020,644
d. Income Tax	-	-	-	-	-	512,636	-	512,636	-	512,636	-	512,636
e. Dividends Paid	-	-	-	-	-	300,000	-	300,000	-	300,000	-	300,000
6. Personal Services - as	-	-	-	-	419,997	-	-	419,997	419,997	-	-	419,997
operator of PSALM's Assets	-	-	-	-	419,997	-	-	419,997	419,997	-	-	419,997
TOTAL	10,810	595,649	376,871	983,330	1,260,266	8,065,324	1,448,508	10,774,098	1,271,076	8,660,973	1,825,379	11,757,428

Table 1.2.k
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2017
 (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	-	-	-	-	464,861	334,223	404,327	1,203,411	464,861	334,223	404,327	1,203,411
a. Head Office Support Group	-	-	-	-	293,203	275,362	161,353	729,918	293,203	275,362	161,353	729,918
b. Eng'g. Admin./Survey/ Development Studies Planning	-	-	-	-	171,658	58,861	242,974	473,493	171,658	58,861	242,974	473,493
2. Support to Operations	-	-	-	-	-	1,577,818	-	1,577,818	-	1,577,818	-	1,577,818
a. Other Expenses	-	-	-	-	-	1,577,818	-	1,577,818	-	1,577,818	-	1,577,818
3. Operations	-	-	2,798,245	2,798,245	850,418	6,158,264	1,585,509	8,594,191	850,418	6,158,264	4,383,754	11,392,436
a. Small Power Utilities Group	-	-	2,798,245	2,798,245	789,094	1,305,333	922,766	3,017,193	789,094	1,305,333	3,721,011	5,815,438
b. Spares	-	-	-	-	-	-	619,094	619,094	-	-	619,094	619,094
c. Production of Goods	-	-	-	-	61,324	4,602,505	43,649	4,602,505	-	4,602,505	43,649	4,602,505
d. Watershed Management	-	-	-	-	-	250,426	-	250,426	61,324	250,426	-	355,399
4. Debt Servicing	-	-	-	-	-	53,900	-	53,900	-	53,900	-	53,900
5. Other Expenditures	-	-	-	-	16,952	6,023,901	-	6,040,853	16,952	6,023,901	-	6,040,853
a. Input VAT	-	-	-	-	-	2,590,242	-	2,590,242	-	2,590,242	-	2,590,242
b. BNPP Preservation	-	-	-	-	16,952	31,281	-	48,233	16,952	31,281	-	48,233
c. NPP Subsidy	-	-	-	-	-	3,402,378	-	3,402,378	-	3,402,378	-	3,402,378
6. Personal Services - as Operator of PSALM's Assets Terminal Leave/Separation Benefits	-	-	-	-	719,760	-	-	719,760	719,760	-	-	719,760
	-	-	-	-	674,661	-	-	674,661	674,661	-	-	674,661
	-	-	-	-	45,099	-	-	45,099	45,099	-	-	45,099
TOTAL	-	-	2,798,245	2,798,245	2,051,991	14,148,106	1,989,836	18,189,933	2,051,991	14,148,106	4,788,081	20,988,178

Table 1.2.1
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2018
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY			CORPORATE FUNDS			GRAND TOTAL					
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	TOTAL			
1. General Administration and Support	-	-	-	-	414,766	289,541	1,735,000	2,439,307	414,766	289,541	1,735,000	2,439,307
a. Head Office Support Group	-	-	-	-	242,465	217,482	257,060	717,007	242,465	217,482	257,060	717,007
b. Eng'g. Admin./Survey/ Development Studies Planning	-	-	-	-	172,301	72,059	1,477,940	1,722,300	172,301	72,059	1,477,940	1,722,300
2. Support to Operations	-	-	-	-	-	885,245	-	885,245	-	885,245	-	885,245
a. Other Expenses	-	-	-	-	-	885,245	-	885,245	-	885,245	-	885,245
3. Operations	-	-	2,080,702	2,080,702	922,557	8,668,589	3,093,124	12,684,270	922,557	8,668,589	5,173,826	14,764,972
a. Small Power Utilities Group	-	-	2,080,702	2,080,702	863,287	1,687,970	2,095,974	4,647,231	863,287	1,687,970	4,176,676	6,727,933
b. Spares	-	-	-	-	-	-	964,765	964,765	-	-	964,765	964,765
c. Production of Goods	-	-	-	-	-	6,705,069	-	6,705,069	-	6,705,069	-	6,705,069
d. Watershed Management	-	-	-	-	59,270	275,550	32,385	367,205	59,270	275,550	32,385	367,205
4. Debt Servicing	-	-	-	-	-	52,630	-	52,630	-	52,630	-	52,630
5. Other Expenditures	-	-	-	-	14,481	4,773,405	-	4,787,886	14,481	4,773,405	-	4,787,886
a. Input VAT	-	-	-	-	-	2,271,766	-	2,271,766	-	2,271,766	-	2,271,766
b. BMPP Preservation	-	-	-	-	14,481	32,630	-	47,111	14,481	32,630	-	47,111
c. NPP Subsidy	-	-	-	-	-	2,469,009	-	2,469,009	-	2,469,009	-	2,469,009
6. Personal Services - as Operator of PSALM's Assets Terminal Leave/Separation Benefits	-	-	-	-	697,339	977,758	-	1,675,097	697,339	977,758	-	1,675,097
TOTAL	-	-	2,080,702	2,080,702	2,049,143	15,647,168	4,828,124	22,524,435	2,049,143	15,647,168	6,908,826	24,605,137

Table 1.2.m NATIONAL POWER CORPORATION

1. Approval of the FY 2018 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2018 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 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, E.O. No. 203, s. 2016, Corporate Compensation Circular No. 10 dated February 15, 1999, and Memorandum Order No. 20, s. 2001.

In addition, the amount of Six Hundred Twenty Five Million Three Hundred Ninety Thousand Pesos (P625,390,000) shall be used exclusively for the implementation of the Compensation and Position Classification System and other salary adjustment as may be approved by the President.

4. Payment of Terminal Leave, Separation and/or Retirement Benefits. Payment of terminal leave, separation and/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 Thirty Million Six Hundred Thirty Six Thousand Pesos (P30,636,000) and Sixteen Million Three Hundred Forty One Thousand Pesos (P16,341,000) 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 and/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) increased 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 and 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 and/or comply with the following:

(a) Said funds shall not be used for the 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.

The NPC shall submit, within thirty (30) days after such 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.

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 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 the 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 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 undertake bulk purchases or resort to the use of Ordering Agreement 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 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) realignments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractors or consultant; (v) major programs and projects categorized in accordance with the five key result areas under E.O. No. 43, s. 2011 and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or project; and (vii) Budget and Financial Accountability Reports, pursuant to COA and DBM J.C. No. 2014-1 dated July 1, 2014; and (viii) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of 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.