

Part III
Corporate Operating Budget

**National Electrification Administration
National Power Corporation
Philippine National Oil Company**

Table 1.1.a
NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2021

I. CORPORATE OBJECTIVES

1. Total electrification on an area coverage basis for additional sitios and ensure immediate power restoration after natural/man-made disasters and calamities.

II. CORPORATE PRIORITIES

1. To provide financial, institutional, technical and legal assistances to electric cooperatives (ECs);
2. Energization of 1,085 additional sitios; and
3. To 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 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	9,416,250	6,410,493	7,674,246	6,848,983
Cash and Cash Equivalents	4,790,717	3,053,454	3,704,416	3,487,648
Loans Receivables	2,269,817	1,807,644	2,307,040	2,301,832
Other Receivables	2,349,975	1,544,278	1,657,199	1,054,132
Inventories	2,668	1,973	2,548	2,398
Prepayments	3,073	3,144	3,043	2,973
Non-Current Assets	10,575,484	10,259,170	9,687,501	9,186,019
Long Term Loans Receivable	10,377,177	10,017,174	9,489,718	8,935,940
Property, Plant and Equipment	183,872	227,524	183,323	235,607
Other Assets	14,435	14,472	14,460	14,472
TOTAL ASSETS	19,991,734	16,669,663	17,361,747	16,035,002
LIABILITIES				
Current Liabilities	14,085,621	2,286,479	2,465,264	1,735,856
Financial Liabilities	76,115	27,204	62,589	65,150
Inter-Agency Payables	12,566,821	876,963	876,535	49,587
Other Payables	1,442,685	1,382,312	1,526,140	1,621,119
Non-Current Liabilities	544,916	112,659	538,892	531,496
Financial Liabilities	66,034	76,178	60,060	52,749
Deferred Credits	478,882	36,481	478,832	478,747
TOTAL LIABILITIES	14,630,537	2,399,138	3,004,156	2,267,352
TOTAL EQUITY	5,361,197	14,270,525	14,357,591	13,767,650
TOTAL LIABILITIES AND EQUITY	19,991,734	16,669,663	17,361,747	16,035,002

Table 1.1.c
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES				
Operating Revenues				
Service and Business Income	713,213	594,959	738,370	686,475
Other Revenues	36,145	56,203	64,162	53,980
TOTAL REVENUES	749,358	651,162	802,532	740,455
II. OPERATING EXPENSES				
Personnel Services	286,402	350,586	350,586	371,832
Maintenance and Other Operating Expenses	115,554	170,660	170,660	168,742
Financial Expenses	97,689	65,947	65,947	30,934
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	26,060	23,391	23,391	26,842
TOTAL OPERATING EXPENSES	525,705	610,584	610,584	598,350
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	223,653	40,578	191,948	142,105
IV. FOREX DIFFERENTIAL-GAIN (LOSS)	(334)	-	-	-
V. NET PROFIT AFTER FOREX GAIN	223,319	40,578	191,948	142,105
VI. INCOME TAX	67,065	13,154	57,921	42,632
VII. NET PROFIT/(LOSS) AFTER INCOME TAX	156,254	27,424	134,027	99,473
Subsidies from the National Government	1,414,454	2,299,625	1,993,629	1,827,500
VIII. NET PROFIT AND SUBSIDIES	1,570,708	2,327,049	2,127,656	1,926,973

Table 1.1.d
NATIONAL ELECTRIFICATION ADMINISTRATION
STAFFING SUMMARY, FY 2019-2021
(In Thousand Pesos, Except No. of Positions)

POSITION	2019		2020 GAA		2021	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Two Corporate Positions						
Administrator	1	2,137	1	2,137	1	2,137
Deputy Administrator	4	6,639	4	6,666	4	6,720
Management/Executive Group	14	18,140	18	23,428	23	29,934
Supervisory Group	19	19,369	29	28,885	24	24,075
Professional/Technical Group (High Level)	73	53,753	83	63,358	83	61,281
Professional/Technical Group (Entry Level)	73	35,228	84	40,294	85	40,401
Technical Support	54	17,119	67	21,932	65	20,615
Administrative/Others	49	10,417	55	11,542	56	11,731
TOTAL	287	162,802	341	198,242	341	196,893

Table 1.1.e
NATIONAL ELECTRIFICATION ADMINISTRATION
OTHER COMPENSATION, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020 GAA	2021 PROPOSED
MANDATORIES	41,549	49,037	49,275
Representation & Transportation Allowance	5,912	6,108	6,570
Personnel Economic Relief Allowance	6,915	8,184	8,184
Mid-year Bonus	13,432	16,520	16,408
Year-end Bonus and Cash Gift	15,290	18,225	18,113
FIXED EXPENDITURES	21,630	26,590	27,562
PAG-IBIG Contributions	289	409	409
Retirement and Life Insurance Premium	19,357	23,789	23,627
Health Insurance Premium	1,639	1,983	3,117
Employees' Compensation Insurance Premium	345	409	409
OTHER COMPENSATION	32,098	45,981	47,741
Per Diem of Members of the Board	2,169	2,304	2,304
Special Counsel Allowance	143	135	960
Loyalty Pay	930	-	35
Clothing/Uniform Allowance	1,728	2,046	2,046
Overtime Pay	-	7,429	3,715
Performance-Based Bonus	6,816	11,023	11,337
Performance-Based Incentive	-	2,016	2,016
Performance-Based Incentive for FY 2015	962	-	-
Productivity Enhancement Incentive	1,418	1,705	1,705
Anniversary Bonus	780	-	-
CNA Incentive	7,181	-	-
PRAISE Incentive	-	9,251	9,251
Honoraria	330	220	4,520
Monetization of Leave Credits	-	9,852	9,852
Energy Award	6,801	-	-
Service Recognition Incentive	2,840	-	-
TERMINAL AND RETIREMENT BENEFITS	28,323	30,736	30,018
Terminal Leave	28,323	30,736	30,018
COMPENSATION ADJUSTMENT	-	-	20,343
GRAND TOTAL	123,600	152,344	174,939

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
Traveling Expenses	15,017	20,000	20,000	20,000
Training and Seminar	11,902	16,419	16,419	12,627
Supplies and Materials	3,823	6,397	6,397	6,197
Gasoline, Oil and Lubricants	1,446	1,723	1,723	1,723
Water, Illumination and Power Service	9,199	14,000	14,000	14,000
Communication Expenses	6,141	6,692	6,692	6,893
Miscellaneous Expenses	3,380	4,096	4,096	4,096
Extraordinary and Miscellaneous Expenses	287	650	650	740
Professional Services	44,686	66,056	66,056	60,874
Repair and Maintenance	12,217	15,100	15,100	12,961
Taxes, Duties & Fees, Insurance Premiums	75,659	47,635	81,865	77,521
Advertising	115	255	255	122
Printing and Binding	299	289	289	317
Rents/ Lease	723	1,107	1,107	1,107
Membership in Professional Organizations	50	50	50	53
Subscription Expenses	252	247	247	5,267
Dividends	83,862	53,183	85,714	95,974
Other Maintenance & Operating Exp.	79	2,779	2,779	2,165
Financial Expense	97,689	65,947	65,947	30,934
Payment of NG Advances	811,659	811,660	811,660	811,659
Grant/Subsidies a/	5,460,546	13,169,107	12,863,111	1,827,500
Depreciation b/	26,060	23,391	23,391	26,842
TOTAL MOOE	6,665,091	14,326,783	14,087,548	3,019,572

a/ Inclusive of P4,046,092 (FY 2019) and P10,869,482,000 (FY 2020) for the conversion of National Government advances into subsidy chargeable against Unprogrammed Fund - Budgetary Support to Government-Owned or-Controlled Corporations.

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 2019 - 2021
 (In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020 GAA	2021 PROPOSED
Loans Outlay	701,523	245,000	500,000
Office Furniture, Fixtures and Equipment	622	10,390	10,390
Motor Vehicle	-	6,000	8,800
Information Technology Equipment Outlay	3,390	-	50,978
TOTAL CAPITAL OUTLAYS	705,535	261,390	570,168

Table 1.1.h
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
Cash flows from operating activities				
Collection of loans receivables	1,893,868	1,834,923	1,762,154	1,683,275
Receipt of government subsidy a/	2,833,594	2,299,625	1,993,629	1,827,500
Refund of subsidies from ECs	153,844	-	-	-
Collection of Other Receivables	82,299	93,769	96,455	99,979
Receipt of Trust Liabilities	254	-	-	-
Other cash receipts	396,911	65,211	129,162	107,208
Payment for Personnel Services	(249,062)	(350,586)	(350,586)	(371,832)
Payment for MOOE	(90,158)	(170,660)	(170,660)	(168,742)
Payment of Financial Expense	(142,028)	(65,947)	(65,947)	(30,934)
Release of loans to Electric Cooperatives	(701,523)	(245,000)	(245,000)	(500,000)
Grant of Subsidies	(1,844,093)	(1,531,263)	(1,993,629)	(1,827,500)
Payment for accounts payable	(36,574)	-	-	-
Remittance of Corporate Income Tax	(70,067)	(32,835)	(67,065)	(57,921)
Return of Subsidies to BTr	-	-	(1,261,050)	-
Other cash payments	(67,529)	-	-	-
Net cash flow from operating activities	2,159,736	1,897,237	(172,537)	761,033
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,012)	(16,390)	(16,390)	(70,168)
Net cash flow from investing activities	(4,012)	(16,390)	(16,390)	(70,168)
Cash flows from financing activities				
Payment of NG Advances	(811,659)	(811,660)	(811,660)	(811,659)
Remittance of Dividend to NG	(83,862)	(53,183)	(85,714)	(95,974)
Net cash flow from financing activities	(895,521)	(864,843)	(897,374)	(907,633)
Net increase/(decrease) in cash and cash equivalents	1,260,203	1,016,004	(1,086,301)	(216,768)
Cash and cash equivalents, beginning of the year	3,530,514	2,805,812	4,790,717	3,704,416
Cash and cash equivalents, end of the year	4,790,717	3,821,816	3,704,416	3,487,648

a/ Net of conversion of National Government advances into subsidy chargeable against Unprogrammed Fund - Budgetary Support to Government-Owned or-Controlled Corporations.

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

PARTICULARS	NG SUPPORT		CORPORATE FUNDS						GRAND TOTAL			
	MODE	TOTAL	PS	MODE	FINEX	CO	TOTAL	PS	MODE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	87,172	1,009,944	142,028	1,404	1,240,548	87,172	1,009,944	142,028	1,404	1,240,548
2. Support to Operations	-	-	57,284	96,677	-	923	154,884	57,284	96,677	-	923	154,884
3. Operations	-	-	104,606	53,228	-	1,685	159,519	104,606	53,228	-	1,685	159,519
Locally-funded Projects												
Rural Electrification/Others	1,844,093	1,844,093	-	-	-	-	-	-	1,844,093	-	-	1,844,093
Conversion of National Government advances into subsidy a/	4,046,092	4,046,092	-	-	-	-	-	-	4,046,092	-	-	4,046,092
Loans to Ecs	-	-	-	-	-	701,523	701,523	-	-	-	701,523	701,523
TOTAL	5,890,185	5,890,185	249,062	1,159,849	142,028	705,535	2,256,474	249,062	7,050,034	142,028	705,535	8,146,659

a/ Non-cash transactions, reflected in sources and uses for budgetary purposes

b/ Net of depreciation expense of P26.060 Million

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

PARTICULARS	NG SUPPORT		CORPORATE FUNDS				GRAND TOTAL					
	MOOE	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	112,187	1,019,050	65,947	5,245	1,202,429	112,187	1,019,050	65,947	5,245	1,202,429
2. Support to Operations	-	-	84,141	40,958	-	3,933	129,032	84,141	40,958	-	3,933	129,032
3. Operations	-	-	154,258	75,091	-	7,212	236,561	154,258	75,091	-	7,212	236,561
Locally-funded Projects												
Rural Electrification a/	1,993,629	1,993,629	-	-	-	-	-	-	1,993,629	-	-	1,993,629
Conversion of National Government advances into subsidy b/	10,869,482	10,869,482	-	-	-	-	-	-	10,869,482	-	-	10,869,482
4. Loans to Ecs	-	-	-	-	-	245,000	245,000	-	-	-	245,000	245,000
5. Return of subsidies c/	1,261,050	1,261,050	-	-	-	-	-	-	1,261,050	-	-	1,261,050
TOTAL	14,124,161	14,124,161	350,586	1,135,099 d/	65,947	261,390	1,813,022	350,586	15,259,260	65,947	261,390	15,937,183

a/ Net of projects identified/ recommended by the DBM/ certified for discontinuance (P250 Million out of Php 500 Million allocation of ECERF, Php 45 Million for Establishment of Customer Management and QR System and 10% of LGU/NGOs Resettlement Projects) for COVID-19 emergency measures in compliance with DBM NBC No. 580
 b/ Non-cash transactions, reflected in sources and uses for budgetary purposes
 c/ Return of unutilized subsidies pursuant to RA No. 11469 " Bayanihan to Heal as One Act", which pretains to obligated subsidies to Ecs for on-going projects
 d/ Net of depreciation expense of P23.391 Million

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

PARTICULARS	NG SUPPORT		CORPORATE FUNDS						GRAND TOTAL			
	MOOE	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	130,141	1,024,614	30,934	24,559	1,210,248	130,141	1,024,614	30,934	24,559	1,210,248
2. Support to Operations	-	-	78,085	35,436	-	14,735	128,256	78,085	35,436	-	14,735	128,256
3. Operations	-	-	163,606	74,246	-	30,874	268,726	163,606	74,246	-	30,874	268,726
Locally-funded Projects Rural Electrification	1,827,500	1,827,500	-	-	-	-	-	-	1,827,500	-	-	1,827,500
4. Loans to Ecs	-	-	-	-	-	500,000	500,000	-	-	-	500,000	500,000
TOTAL	1,827,500	1,827,500	371,832	1,134,296	a/ 30,934	570,168	2,107,230	371,832	2,961,796	30,934	570,168	3,934,730

a/ Net of depreciation expense of P26.842 Million

CORPORATE OPERATING BUDGET

I. NATIONAL ELECTRIFICATION ADMINISTRATION

1. Approval of the FY 2021 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2021 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, Administrative Order 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 Executive Order 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 Thirty Million Eighteen Thousand Pesos (P30,018,000) 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, 2019 and 2020 FOI Summary Report, and 2019 and 2020 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 the 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 2021**

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

Table 1.2.b
 NATIONAL POWER CORPORATION
 ASSUMPTIONS, FY 2019-2021
 SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE	
	2019	2020	2021	% Inc (Dec) 2020/2019	2021/2020
1. ENERGY SALES, GWH	430	429	568	1.00	1.33

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2019	2020	2021	2019	2020	2021
2. ENERGY GENERATION, GWH	451	452	606	100%	100%	100%
HYDRO	3	4	6	1%	1%	1%
OIL BASED	447	449	600	99%	99%	99%

Table 1.2c
NATIONAL POWER CORPORATION
COMPARATIVE OF STATEMENT FINANCIAL POSITION, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	FY 2019 UNAUDITED	FY 2020 GAA	FY 2020 ESTIMATE (As revised)	FY 2021 PROPOSED
ASSETS				
Current Assets	28,242,325	24,381,700	22,695,123	21,491,568
Cash and Cash Equivalents	14,266,766	2,924,090	3,291,911	688,935
Receivables	4,016,013	8,732,345	17,191,190	19,193,879
Inventories	1,439,090	1,221,425	1,469,441	1,469,441
Other Current Assets	8,520,456	11,503,840	742,581	139,313
Non-Current Assets	14,556,206	24,633,058	24,519,039	28,486,535
Investments	1,720	1,720	1,720	1,720
Receivables	425,252	1,057,314	425,251	425,251
Property, Plant and Equipment	11,745,934	23,072,247	20,455,882	24,423,379
Other Non-Current Assets	2,383,300	501,777	3,636,185	3,636,185
TOTAL ASSETS	42,798,531	49,014,758	47,214,162	49,978,104
LIABILITIES				
Current Liabilities	8,359,045	7,760,337	10,966,885	13,770,230
Financial Liabilities	6,303,948	5,878,439	9,406,306	12,209,650
Inter-Agency Payables	589,898	346,789	410,167	410,167
Trust Liabilities	77,199	55,649	77,199	77,199
Deferred Credits/Unearned Income	962,163	1,143,905	939,040	939,040
Current Portion of lease obligation				
Other Payables	425,837	335,555	134,173	134,173
Non-Current Liabilities	3,325,487	4,852,051	2,674,662	2,635,259
Financial Liabilities	497,869	477,878	456,940	417,537
Trust Liabilities	245,733	229,581	245,733	245,733
Deferred Credits/Unearned Income	1,944,758	3,566,747	1,394,958	1,394,958
Provisions	637,127	577,844	577,031	577,031
TOTAL LIABILITIES	11,684,532	12,612,388	13,641,547	16,405,489
STOCKHOLDERS' EQUITY				
Government Equity	31,113,999	36,402,371	33,572,615	33,572,615
TOTAL STOCKHOLDERS' EQUITY	31,113,999	36,402,371	33,572,615	33,572,615
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	42,798,531	49,014,758	47,214,162	49,978,104

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES	19,802,832	27,464,447	22,199,114	20,159,360
Operating Revenues	17,605,146	26,065,186	20,722,082	18,541,285
Other Revenues	2,197,686	1,399,261	1,477,032	1,618,075
II. COST OF SALES	4,502,512	6,360,991	6,360,991	7,793,231
III. GROSS PROFIT	15,300,320	21,103,456	15,838,123	12,366,129
IV. OPERATING EXPENSES/OTHER EXPENSES	13,150,234	14,782,385	14,722,716	15,893,396
Personnel Services	1,095,161	1,594,581	1,571,124	1,822,036
Maintenance and Other Operating Expenses	1,653,881	2,134,433	2,203,537	2,617,849
Interest Expense	2,996	2,683	2,274	2,344
Non-cash Expenses	995,909	1,389,652	1,112,529	1,260,931
Depreciation of Fixed Assets (operating plants)	416,447	477,064	496,880	680,651
Provision for Doubtful Accounts	425,993	714,398	472,500	403,728
Depreciation of Non- Operating Plants & Others	153,469	198,190	143,149	176,552
Other Expenses	9,402,287	9,661,036	9,833,252	10,190,236
V. NET PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON FOREX FLUCTUATION	2,150,086	6,321,071	1,115,407	(3,527,267)
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	34,656	-	-	-
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	2,184,742	6,321,071	1,115,407	(3,527,267)
ADD: Subsidies	1,502,923	2,095,978	1,931,117	5,756,313
Subsidies from National Government	1,502,923	2,095,978	1,931,117	5,756,313
VIII. NET PROFIT/(LOSS) BEFORE INCOME TAX	3,687,665	8,417,049	3,046,524	2,229,046
LESS: Income Tax	494,614	1,322,667	482,338	-
IX. NET PROFIT/(LOSS)	3,193,051	7,094,382	2,564,186	2,229,046
X. SUBSIDY TREATED AS DEFERRED INCOME	-	-	-	-
XI. NET AMOUNT INCLUSIVE OF DEFERRED INCOME	3,193,051	7,094,382	2,564,186	2,229,046

Table 1.2.e
NATIONAL POWER CORPORATION
STAFFING SUMMARY, FY 2019-2021
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2019 ACTUAL		2020 ESTIMATE		2021 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	2,007	1	2,102	1	2,137
Senior Vice President	-	-	-	-	-	-
Vice President	5	7,728	6	10,041	6	10,095
Management/Executive Group	123	137,437	144	162,965	144	163,951
Technical Group	1,129	514,425	1,232	562,280	1,230	563,639
Technical Support	374	218,536	428	253,218	428	255,455
Administrative/Others	83	18,886	93	21,254	95	21,862
TOTAL	1,715	899,020	1,904	1,011,860	1,904	1,017,139
B. Non-Itemized Positions						
Co-Terminus	70	40,528	80	45,435	80	45,633
Contractuals	26	5,124	27	5,567	27	5,567
Casuals	105	31,662	122	38,284	122	38,292
TOTAL	201	77,314	229	89,286	229	89,492
GRAND TOTAL	1,916	976,334	2,133	1,101,146	2,133	1,106,631

Table 1.2.f
NATIONAL POWER CORPORATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
A. PERMANENT	1,594,062	2,181,606	2,207,719	2,561,618
GUARANTEED CASH COMPONENT	1,120,371	1,250,625	1,259,900	1,260,377
Salaries	899,020	1,007,959	1,011,860	1,017,139
Personnel Economic Relief Allowance	40,956	45,696	45,696	45,696
Representation and Transportation Allowance	21,365	19,458	24,180	18,498
Mid-Year Bonus	72,800	83,996	84,322	84,762
Year-End Bonus	72,800	83,996	84,322	84,762
Cash Gift	13,430	9,520	9,520	9,520
FRINGE BENEFITS	217,084	250,322	239,655	322,828
Night Shift Differential	43,230	78,571	74,397	80,512
Overtime	54,719	110,078	104,238	136,371
Medical	12,284	-	-	-
Special Counsel Allowance	3,366	3,120	4,836	2,760
Uniform Allowance	10,364	11,424	11,424	11,424
Loyalty Pay	-	-	-	155
Hazard Pay	-	-	70	59
Performance-Based Bonus	93,121	47,129	44,690	47,610
PRAISE Allowance	-	-	-	38,225
Anniversary Bonus	-	-	-	5,712
FIXED EXPENDITURES	120,356	135,752	136,243	143,439
Retirement and Life Insurance Premium	107,158	120,955	121,423	122,057
Health Insurance Premium	9,058	10,227	10,250	16,812
Employee's Compensation Insurance Premium	2,070	2,285	2,285	2,285
PAG-IBIG Contributions	2,070	2,285	2,285	2,285
TERMINAL LEAVE AND SEPARATION BENEFITS	135,640	543,371	570,385	687,586
PER DIEM OF BOARD MEMBERS	611	1,536	1,536	1,536
ICOMPENSATION ADJUSTMENT	-	-	-	145,852
B. CO-TERMINOUS	66,727	94,779	72,821	108,231
Salaries and Allowances	60,941	64,946	64,917	67,180
Compensation Adjustment	5,786	29,833	7,904	35,056
Terminal Leave and Separation Benefits	-	-	-	5,995
C. CASUAL	53,860	65,992	61,870	78,277
Salaries and Allowances	49,523	57,555	58,518	59,434
Compensation Adjustment	4,337	8,437	3,352	13,209
Terminal Leave and Separation Benefits	-	-	-	5,634
D. CONTRACTUAL	9,711	9,113	9,080	10,172
Salaries and Allowances	9,711	9,113	9,080	9,402
Compensation Adjustment	-	-	-	103
Terminal Leave and Separation Benefits	-	-	-	667
TOTAL	1,724,360	2,351,490	2,351,490	2,758,298
Operating	1,627,344	2,236,560	2,213,103	2,631,591
Capitalized	71,518	89,649	80,542	99,453
Other Expenses / Expenditures	25,498	25,281	57,845	27,254
	1,724,360	2,351,490	2,351,490	2,758,298

Table 1.2.g
NATIONAL POWER CORPORATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	70,779	116,487	116,487	77,340
Communication Expenses	13,864	13,577	20,871	14,708
Repair and Maintenance of Government Facilities	494,821	516,008	488,696	524,956
Repair and Maintenance of Government Vehicles and Other Equipment	11,719	13,818	21,063	12,433
Transportation Services	9,387	6,166	11,108	11,441
Supplies and Materials	18,445	23,184	40,564	19,568
Rents	378,094	518,515	493,825	664,262
Interests (Debt Service - Interest)	2,841	2,274	2,274	1,950
Grants, Subsidies and Contributions	7,647	11,053	11,053	11,726
Award and Indemnities (Injuries and Damages)	-	1,500	1,500	1,500
Loan Repayments/Debt Service-Principal ^{a/}	56,070	40,929	40,929	39,403
Losses/Depreciation/Depletion/Amortization of Capital Recovery ^{b/}	416,447	477,064	496,880	680,651
Water, Illumination and Power Service	23,225	30,946	28,922	31,874
Auditing Services	27,119	34,008	33,993	32,450
Training and Seminar Expense	11,150	12,570	15,297	12,947
Extraordinary and Other Miscellaneous Expenses	768	768	768	1,003
Taxes, Duties and Fees	6,430	29,074	32,122	48,141
Trading / Production (Fuel)	4,502,512	8,155,116	6,360,991	7,793,232
Gasoline, Oil, and Lubricants	9,320	10,057	14,258	10,359
Fidelity Bonds and Insurance Premium	46,792	60,921	61,111	73,310
Representation and Entertainment Expenses	561	681	681	595
Cultural Expenses	543	454	800	800
Honorary Grant	628	408	408	408
Incentive Award	64,809	864	3,927	824
Miscellaneous Expenses	992	715	541	529
Director's and Officer's Liability Fund	2,555	5,280	5,280	6,923
Other Services	454,233	727,380	800,262	1,059,752
Others (Input VAT, Finance Charges, Other Expenses)	13,211,010	14,341,182	16,449,289	12,744,973
Total MOOE	19,842,761	25,150,998	25,553,900	23,878,058

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 Expenses Class.

Table 1.2.h
NATIONAL POWER CORPORATION
DETAILS OF CAPITAL OUTLAYS, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 UNAUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE (As Revised)	
Land and Land Improvement Outlay	39,253	204,293	218,388	101,274
Infrastructure Outlay	1,822,463	1,701,366	881,298	82,564
Buildings & Other Infrastructures Outlay	146,624	492,796	478,440	513,378
Machineries & Equipment Outlay	42,682	3,819,671	4,059,231	2,800,787
Transportation Equipment	23,858	34,637	34,637	138,744
Furniture, Fixtures and Books Outlay	734	7,551	7,494	1,082
Biological Assets Outlay	-		29,589	
Intangible Assets Outlay	-	135,711	139,000	230,214
TOTAL	2,075,614	6,396,025	5,848,077	3,868,043

Table 1.2.i
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2019-2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE	
Cash flows from operating activities				
Inflows	18,451,828	30,758,885	20,697,775	26,011,265
Cash generated from operations	15,025,137	27,263,646	17,366,394	18,537,954
Collection of receivables	120,217			
Receipt of government subsidy	1,502,923	2,095,978	1,931,117	5,756,313
Other inflows	1,803,551	1,399,261	1,400,264	1,716,998
Outflows	(18,947,066)	(25,446,808)	(23,306,526)	(25,417,443)
Payment for salaries	(689,798)	(1,594,581)	(1,571,124)	(1,822,036)
Payment for suppliers	(4,643,688)	(7,461,156)	(6,587,932)	(6,704,258)
Payment of taxes	(1,209)	(1,327,572)	(506,414)	(4,028)
Other outflows	(13,612,371)	(15,063,499)	(14,641,056)	(16,887,121)
Net cash flow from operating activities	(495,238)	5,312,077	(2,608,751)	593,822
Cash flows from investing activities				
Inflows	626,529	2,328,022	1,605,719	1,385,648
Proceeds from sale of unserviceable equipment				
Cash receipts from sale of assets				
Other inflows	626,529	2,328,022	1,605,719	1,385,648
Outflows	(2,104,486)	(6,266,339)	(5,928,620)	(3,967,496)
Purchase of property, plant and equipment	(2,104,486)	(6,485,674)	(5,928,620)	(3,967,496)
Other outflows		219,335		
Net cash flow from investing activities	(1,477,957)	(3,938,317)	(4,322,901)	(2,581,848)
Cash flows from financing activities				
Outflows	(1,495,522)	(972,122)	(4,043,203)	(614,950)
Repayment of loan	(56,070)	(40,929)	(40,929)	(39,403)
Dividend payment	(1,436,571)	(928,919)	(4,000,000)	(573,596)
Other outflows	(2,881)	(2,274)	(2,274)	(1,951)
Net cash flow from financing activities	(1,495,522)	(972,122)	(4,043,203)	(614,950)
Effect of Exchange Rate changes on cash and cash equivalents	(4,059)			
Net increase/(decrease) in cash and cash equivalents	(3,472,776)	401,638	(10,974,855)	(2,602,976)
Cash and cash equivalents, beginning of the year	17,739,542	2,522,451	14,266,766	3,291,911
Cash and cash equivalents, end of year	14,266,766	2,924,089	3,291,911	688,935

Table 1.2.j
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2019
 (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	-	-	-	-	484,298	469,019	1,345,780	2,299,097	484,298	469,019	1,345,780	2,299,097
a. Head Office Support Group	-	-	-	-	327,523	429,916	5,651	763,090	327,523	429,916	5,651	763,090
b. Engineering Administration / Survey/Development Studies Planning	-	-	-	-	156,775	39,103	1,340,129	1,536,007	156,775	39,103	1,340,129	1,536,007
2. Support to Operations	-	-	-	-	-	151,637	-	151,637	-	151,637	-	151,637
a. Other Expenses	-	-	-	-	-	151,637	-	151,637	-	151,637	-	151,637
3. Operations	-	-	1,028,986	1,028,986	674,873	5,687,374	10,843	6,373,090	674,873	5,687,374	1,039,829	7,402,076
a. Small Power Utilities Group	-	-	1,028,986	1,028,986	626,822	1,076,332	-	1,703,154	626,822	1,076,332	-	2,732,140
b. Spares	-	-	-	-	-	-	-	-	-	-	-	-
c. Production of Goods	-	-	-	-	48,051	4,502,512	10,843	4,502,512	-	4,502,512	-	4,502,512
d. Watershed Management	-	-	-	-	-	108,530	-	108,530	48,051	108,530	10,843	167,424
4. Debt Servicing	-	-	-	-	-	58,911	-	58,911	-	58,911	-	58,911
5. Other Expenditures	-	-	-	-	23,666	12,695,762	-	12,719,428	23,666	12,695,762	-	12,719,428
a. Input VAT	-	-	-	-	-	2,356,709	-	2,356,709	-	2,356,709	-	2,356,709
b. Bataan Nuclear Power Plant Preservation / Non-Operating Expenses	-	-	-	-	23,666	62,982	-	86,648	23,666	62,982	-	86,648
c. New Power Provider Subsidy	-	-	-	-	-	8,344,886	-	8,344,886	-	8,344,886	-	8,344,886
d. Income Tax	-	-	-	-	-	494,614	-	494,614	-	494,614	-	494,614
e. Dividends Paid	-	-	-	-	-	1,436,571	-	1,436,571	-	1,436,571	-	1,436,571
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	541,523	363,611	-	905,134	541,523	363,611	-	905,134
As operator of PSALIM's Assets	-	-	-	-	541,523	363,611	-	905,134	541,523	363,611	-	905,134
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	1,028,986	1,028,986	1,724,360	19,426,314	1,356,623	22,507,297	1,724,360	19,426,314	2,385,609	23,536,283
PRIOR YEAR'S NG SUBSIDY (FY2016-2018)	-	-	473,937	473,937	-	-	-	-	-	-	473,937	473,937
TOTAL	-	-	1,502,923	1,502,923	1,724,360	19,426,314	1,356,623	22,507,297	1,724,360	19,426,314	2,859,546	24,010,220

a/ MOOE, net of allowance for depreciation at P416.447 Million

Table 1.2.k
 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 Services	-	-	-	-	781,259	283,549	2,833,872	3,898,680	781,259	283,549	2,833,872	3,898,680
a. Head Office Support Group	-	-	-	-	577,012	248,695	145,383	971,090	577,012	248,695	145,383	971,090
b. Engineering Administrative/Survey/ Development Studies Planning	-	-	-	-	204,247	34,854	2,688,489	2,927,590	204,247	34,854	2,688,489	2,927,590
2. Support to Operations	-	-	-	-	89,575	162,462	-	252,037	89,575	162,462	-	252,037
a. Other Expenses	-	-	-	-	89,575	162,462	-	252,037	89,575	162,462	-	252,037
3. Operations	-	-	1,186,206	1,186,206	820,205	8,198,279	1,078,625	10,097,109	820,205	8,198,279	2,264,831	11,283,315
a. Small Power Utilities Group	-	-	1,186,206	1,186,206	757,130	1,708,543	282,927	2,748,600	757,130	1,708,543	1,469,133	3,934,806
b. Spares	-	-	-	-	-	-	778,733	778,733	-	-	778,733	778,733
c. Production of Goods	-	-	-	-	-	6,360,991	-	6,360,991	-	6,360,991	-	6,360,991
d. Watershed Management	-	-	-	-	63,075	128,745	16,965	208,785	63,075	128,745	16,965	208,785
4. Debt Service	-	-	-	-	-	43,203	-	43,203	-	43,203	-	43,203
5. Other Expenditures	-	-	-	-	18,471	15,813,973	4,464	15,836,908	18,471	15,813,973	4,464	15,836,908
a. Input VAT	-	-	-	-	-	2,833,523	-	2,833,523	-	2,833,523	-	2,833,523
b. Bataan Nuclear Power Plant Preservation	-	-	-	-	18,471	29,618	4,464	52,553	18,471	29,618	4,464	52,553
c. New Power Provider Subsidy	-	-	-	-	-	8,468,494	-	8,468,494	-	8,468,494	-	8,468,494
d. Income Tax	-	-	-	-	-	482,338	-	482,338	-	482,338	-	482,338
e. Dividends Paid	-	-	-	-	-	4,000,000	-	4,000,000	-	4,000,000	-	4,000,000
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	641,979	555,555	-	1,197,534	641,979	555,555	-	1,197,534
As operator of PSALM's Assets	-	-	-	-	641,979	555,555	-	1,197,534	641,979	555,555	-	1,197,534
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	=	=	1,186,206	1,186,206	2,351,489	25,057,021	3,916,961	31,325,471	2,351,489	25,057,021	5,103,167	32,511,677
PRIOR YEAR'S NG SUBSIDY (FY 2016-2018)	-	-	909,772	909,772	-	-	-	-	-	-	909,772	909,772
TOTAL	-	-	2,095,978	2,095,978	2,351,489	25,057,021	3,916,961	31,325,471	2,351,489	25,057,021	6,012,939	33,421,449

a/ MOOE, net of allowance for depreciation at P496.880 Million

Table 1.2.1
 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
	-	-	-	-	776,381	480,776	873,998	2,131,155	776,381	480,776	873,998	2,131,155
1. General Administration and Support Services	-	-	-	-	579,472	99,887	1,124,338	579,472	444,979	99,887	1,124,338	
a. Head Office Support Group	-	-	-	-	196,909	774,111	1,006,817	196,909	35,797	774,111	1,006,817	
b. Engineering Administrative/ Survey/ Development Studies Planning	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	602,141	-	602,141	-	602,141	-	-	602,141
a. Other Expenses	-	-	-	-	602,141	-	602,141	-	602,141	-	-	602,141
3. Operations	-	-	1,186,206	1,186,206	1,145,108	9,930,304	1,773,066	12,848,478	1,145,108	9,930,304	2,959,272	14,034,684
a. Small Power Utilities Group	-	-	1,186,206	1,186,206	1,045,377	2,049,237	1,029,478	4,124,092	1,045,377	2,049,237	2,215,684	5,310,298
b. Spares	-	-	-	-	-	-	681,976	681,976	-	-	681,976	681,976
c. Production of Goods	-	-	-	-	99,731	87,836	61,611	249,178	99,731	87,836	61,611	249,178
d. Watershed Management	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt Service	-	-	-	-	-	41,354	-	41,354	-	41,354	-	41,354
5. Other Expenditures	-	-	-	-	27,254	11,570,611	34,773	11,632,638	27,254	11,570,611	34,773	11,632,638
a. Input VAT	-	-	-	-	-	2,817,556	-	2,817,556	-	2,817,556	-	2,817,556
b. Bataan Nuclear Power Plant Preservation	-	-	-	-	27,254	30,507	34,773	92,534	27,254	30,507	34,773	92,534
c. New Power Provider Subsidy	-	-	-	-	-	8,722,548	-	8,722,548	-	8,722,548	-	8,722,548
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	809,555	572,222	-	1,381,777	809,555	572,222	-	1,381,777
As operator of PCSALM's Assets Terminal Leave/Separation Benefits	-	-	-	-	809,555	572,222	-	1,381,777	809,555	572,222	-	1,381,777
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	1,186,206	1,186,206	2,758,298	23,197,408	2,681,837	28,637,543	2,758,298	23,197,408	3,868,043	29,823,749
PRIOR YEAR'S NG SUBSIDY (FY 2016-2018)	-	-	4,570,107	4,570,107	-	-	-	-	-	-	4,570,107	4,570,107
TOTAL	-	-	5,756,313	5,756,313	2,758,298	23,197,408	2,681,837	28,637,543	2,758,298	23,197,408	8,438,150	34,393,856

a/ MOOE, net of allowance for depreciation at P680.651 Million

II. NATIONAL POWER CORPORATION

1. Approval of the FY 2021 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2021 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, Administrative Order 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 Executive Order 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 Two Hundred Eighty Seven Million Four Hundred Eighty Six Thousand Pesos (P287,486,000) and Four Hundred Forty Eight Million Four Hundred Sixty Eight Thousand Pesos (P448,468,000) 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) 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 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 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 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 head of agency, Agency Information Inventory, 2019 and 2020 FOI Summary Report, and 2019 and 2020 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 budgetary adjustments. The President of the 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 2021

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 ensure energy security by providing vital energy infrastructure conducive to a balanced and sustainable growth of the economy;
4. To contribute to the country's economic growth by fostering activities relating to oil and petroleum and other energy operations;
5. 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; and
6. To maintain and strengthen the company's financial health and operating efficiency.

II. CORPORATE PRIORITIES

1. Development of the PNOC Strategic-Petroleum Reserve (SPR).
2. Possible investment in the Liquefied Natural Gas (LNG) Hub Project.
3. Continue the sale/optimization of the remaining 97.67 petajoules of PNOC's Banked Gas.
4. Continue the sale and optimization of the corporate real estate assets.
5. Maintain the efficient management of the properties at the Energy Center.
6. Continue to efficiently manage and operate the Energy Supply Base (ESB) and proceed with the construction of the new port facilities.
7. Continue to efficiently manage and operate the PNOC Industrial Park.
8. Approve and monitor the work plans and programs of for PNOC-Exploration Corporation (PNOC-EC) and PNOC-Renewables Corporation (PNOC-RC) as well as its budget in compliance with their respective mandates.
9. Continuous implementation of the GCG-approved reorganization plan.
10. Continued compliance with the requirements to maintain the ISO Certification for PNOC, the Industrial Park and the ESB.
11. Ensure adequate and timely compliance with the reportorial submissions required by various government oversight agencies.

Table 1.3.a
PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2021

III. MAJOR PROGRAMS AND PROJECTS

1. PROGRAMS

- a. Provision of strategic and business directions, business research and development, project management, asset management, management of Industrial Park and ESB operations, financial planning, strategy management, administrative, legal, management of information systems, internal audit, corporate relations, compliance, contracted services, and maintenance of quality management system (PNOC) and integrated management system (PAFC).
- b. Investment of cash in low-risk securities that will provide the company with maximum yields, and provision of short term funding requirements for 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 thru sale, lease, joint venture and/or other appropriate schemes.
- d. Repairs and maintenance of PNOC Buildings at the Energy Center.

2. PROJECTS

- a. Development of the PNOC SPR.
- b. Possible investment in the LNG Hub Project.
- c. Sale/Optimization of the Banked Gas.
- d. Sale/Optimization of the Value of the Real estate Assets.

Table 1.3.b
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE BALANCE SHEET, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE	
ASSETS				
Current Assets	2,826,352	2,611,726	2,611,726	2,817,675
Cash and cash equivalent	307,370	135,032	135,032	336,852
Investments - current	1,558,024	1,558,024	1,558,024	1,558,023
Receivables	565,708	518,547	518,547	522,708
Other current assets	395,250	400,123	400,123	400,092
Non-Current Assets	37,656,072	32,848,147	32,848,147	32,715,492
Investments	12,027,135	7,027,136	7,027,136	7,027,136
Receivables	58,058	59,858	59,858	61,658
Investment Property	11,358,039	11,358,039	11,358,039	11,358,038
Property, Plant and Equipment	330,085	675,883	675,883	696,896
Banked Gas Inventory	13,536,590	13,381,066	13,381,066	13,225,599
Other non-current assets	346,165	346,165	346,165	346,165
TOTAL ASSETS	40,482,424	35,459,873	35,459,873	35,533,167
LIABILITIES				
Current Liabilities	725,722	547,570	547,570	497,092
Financial Liabilities	101,215	101,215	101,215	101,215
Inter-Agency Payables	35,289	55,322	55,322	47,765
Trust Liabilities	231,776	231,776	231,776	231,776
Other Payables	357,442	159,257	159,257	116,336
Non-Current Liabilities	3,244,978	3,242,055	3,242,055	3,250,223
Deferred credits/unearned income	459,076	447,959	447,959	447,935
Provisions	32,357	40,551	40,551	48,743
Deferred tax liabilities	2,753,545	2,753,545	2,753,545	2,753,545
TOTAL LIABILITIES	3,970,700	3,789,625	3,789,625	3,747,315
STOCKHOLDER'S EQUITY				
Government Equity	3,114,596	3,114,596	3,114,596	3,114,596
Revaluation Surplus				
Retained Earnings	33,398,184	28,556,708	28,556,708	28,672,312
Cumulative Changes in Fair Value	(1,056)	(1,056)	(1,056)	(1,056)
TOTAL STOCKHOLDER'S EQUITY	36,511,724	31,670,248	31,670,248	31,785,852
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	40,482,424	35,459,873	35,459,873	35,533,167

Table 1.3.c
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATE	
I. REVENUES				
Operating Revenues	1,201,369	931,289	931,289	873,284
Other Revenues	9,428	-	-	-
TOTAL REVENUES	1,210,796	931,289	931,289	873,284
II. OPERATING EXPENSES				
Personnel Services	108,776	181,113	181,113	199,934
Maintenance and Other Operating Expenses	154,940	292,238	292,238	331,645
Financial Expenses	8,789	12,307	12,307	8,664
Non-Cash Expenses				
Depreciation of Fixed Assets	44,209	48,450	48,450	51,929
Other Non-Cash Expenses	6,872	-	-	-
TOTAL OPERATING EXPENSES	323,586	534,108	534,108	592,172
III. NET PROFIT/(LOSS) BEFORE INCOME TAX	887,210	397,181	397,181	281,112
IV. INCOME TAX	(172,871)	(80,132)	(80,132)	(49,904)
V. NET PROFIT AFTER INCOME TAX	714,339	317,049	317,049	231,208
Other Comprehensive Income/(Loss) a/	(285)			
VI. NET PROFIT AND SUBSIDIES	714,054	317,049	317,049	231,208

a/ Unrealized loss on FOREX realignment of dollar account (P333,000) offset by unrealized gain on Revaluation of Investments (P48,000)

Table 1.3.d
PHILIPPINE NATIONAL OIL COMPANY
STAFFING SUMMARY, FY 2019 - 2021
(In Thousand Pesos, Except No. of Positions)

POSITION	2019 ACTUAL		2020 GAA		2021 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Positions						
President	1	2,107	1	2,137	1	2,137
Sr. Vice-President	2	3,507	3	5,188	3	5,219
Managerial / Executive Group	10	9,287	9	11,999	15	19,181
Supervisory Group	7	6,120	22	23,131	22	22,424
Technical Group	22	11,467	61	31,525	49	27,005
Technical Support Group	14	9,396	15	10,819	17	12,275
Administrative Group / Others	55	24,773	64	31,051	68	33,184
Sub Total	111	66,657	175	115,850	175	121,425
B. Non-Itemized Positions						
Contractuals						
Basic	N	0	N		E	
Other Benfits	N	0	N		E	
Sub Total						
Total	111	66,657	175	115,850	175	121,425

Table 1.3.e
PHILIPPINE NATIONAL OIL COMPANY
OTHER COMPENSATION, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020 GAA	2021 PROPOSED
MANDATORIES	16,999	29,447	30,437
Representation & Transportation Allowance	2,904	5,064	5,124
Personnel Economic Relief Allowance	2,467	4,200	4,200
Mid-year Bonus	5,565	9,654	10,119
Year-end Bonus and Cash Gift	6,063	10,529	10,994
FIXED EXPENDITURES	8,580	15,363	16,850
PAG-IBIG Contributions	122	210	210
Retirement and Life Insurance Premium	7,739	13,902	14,571
Health Insurance Premium	597	1,041	1,859
Employees' Compensation Insurance Premium	122	210	210
OTHER COMPENSATION	15,827	20,453	22,578
Per Diem of Members of the Board	2,157	4,032	4,032
Terminal Leave	8,487	6,960	6,960
Loyalty Pay	100		
Uniform Allowance	618	1,050	1,050
Overtime	2,169		2,106
Performance-Based Bonus	-	5,377	5,359
Performance-Based Incentive	-	926	963
Productivity Enhancement Incentive	512	875	875
Retirement Benefits	-	1,233	1,233
Maternity Benefits	40	-	-
PRAISE Incentive	129	-	-
Honoraria	594	-	-
CNA Incentive	-	-	-
Service Recognition Incentive	1,021	-	-
Compensation Adjustment	-	-	8,644
GRAND TOTAL	41,406	65,263	78,509

Table 1.3.f
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	2,222	5,502	5,502	5,345
Training & Scholarship Expenses	1,986	5,461	5,461	5,368
Supplies and Materials Expenses	9,505	14,081	14,081	15,798
Utility Expenses	15,326	37,587	37,587	37,367
Communication Expenses	5,271	7,108	7,108	8,991
Awards/Rewards, Prizes and Indemnities	-	5,000	5,000	5,000
Extraordinary and Miscellaneous Expenses	189	533	533	533
Professional Services	35,148	66,008	66,008	105,460
General Services	53,060	62,729	62,729	65,688
Repairs and Maintenance	5,241	11,726	11,726	8,427
Taxes, Insurance Premiums and Other Fees	19,506	37,373	37,373	35,087
Financial Expenses	8,789	12,307	12,307	8,664
Depreciation a/	44,209	48,450	48,450	51,929
Advertising, Promotional & Marketing Expenses	144	558	558	751
Printing & Publication Expenses	301	549	549	327
Representation Expenses	6,036	8,479	8,479	8,383
Membership Dues & Contributions to Organization	509	367	367	540
Rent/Lease Expenses	46	28	28	46
Subscription Expenses	52	5,129	5,129	12,056
Litigation/Acquired Assets Expenses	-	5,000	5,000	5,000
Major Events and Conventions Expenses	2,715	2,794	2,794	2,801
Other Maintenance and Operating Expenses	9,184	16,226	16,226	8,677
TOTAL MOOE	219,440	352,995	352,995	392,238

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

Table 1.3.g
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF CAPITAL OUTLAYS, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATES	
Land and Land Improvements Outlay	245	48,520	48,520	350
Investment Property Outlay	397	-	-	-
Building and Structures Outlay	2,062	286,683	286,683	43,592
Machinery and Equipment Outlay	25,139	9,070	9,070	1,498
Transportation Equipment Outlay	-	9,972	9,972	27,500
Refurbishing of Existing Motor Vehicle	-	400	400	-
Furniture, Fixtures and Book Outlay	-	1,635	1,635	-
TOTAL CAPITAL OUTLAYS	27,843	356,280	356,280	72,940

Table 1.3.h
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE CASH FLOW STATEMENT, FY 2019 - 2021
(In Thousand Pesos)

PARTICULARS	2019 AUDITED	2020		2021 PROPOSED
		GAA	ESTIMATES	
I. Cash flows from operating activities				
Inflows:				
Cash generated from operations	984,739	948,468	948,468	901,386
Collection of receivables	150,655	80,248	80,248	33,088
Other inflows	23,178	-	-	-
Outflows:				
Payment for salaries	(78,743)	(172,920)	(172,920)	(191,741)
Payment to suppliers	(150,709)	(304,545)	(304,545)	(340,310)
Payment of taxes	(48,791)	(103,380)	(103,380)	(84,576)
Other outflows	(364,220)	-	-	-
Net cash flow from operating activities	516,109	447,871	447,871	317,847
II. Cash flows from investing activities				
Inflows:				
Receipt of Interest Earned	282,507	128,274	128,274	112,963
Proceeds from Sale/Disposal of Investment Property	5,505	-	-	-
Receipt of Cash Dividends	2,474	2,474	2,474	2,474
Proceeds from Matured Investments	3,577,317	5,000,000	5,000,000	-
Outflows:				
Purchase of property, plant and equipment	(5,495)	(394,248)	(394,248)	(72,940)
Other outflows	(3,826,045)	-	-	-
Net cash flow from investing activities	36,263	4,736,500	4,736,500	42,497
III. Cash flows from financing activities				
Outflows:				
Dividend payment	(306,505)	(5,356,709)	(5,356,709)	(158,524)
Net cash flow from financing activities	(306,505)	(5,356,709)	(5,356,709)	(158,524)
Net increase/(decrease) in cash and cash equivalents	245,867	(172,338)	(172,338)	201,820
Cash and cash equivalents, beginning of the year	61,503	307,370	307,370	135,032
Cash and cash equivalents, end of the year	307,370	135,032	135,032	336,852

Table 1.3.i
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2019
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS			GRAND TOTAL				
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	76,611	109,379	24,064	210,054	76,611	109,379	24,064	210,054
II. Support to Operations	18,281	3,892	37	22,210	18,281	3,892	37	22,210
III. Operations	13,884	50,458	3,742	68,084	13,884	50,458	3,742	68,084
TOTAL	108,776	163,729 a/	27,843	300,348	108,776	163,729	27,843	300,348

a/ MOOE, net of allowance for depreciation at ₱48.450 Million and Input Value-Added Tax at ₱11.502 Million

Table 1.3.j
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	97,335	194,796	11,496	303,627	97,335	194,796	11,496	303,627
II. Support to Operations	20,013	5,542		25,555	20,013	5,542	0	25,555
III. Operations	63,765	104,207	344,784	512,756	63,765	104,207	344,784	512,756
TOTAL	181,113	304,545 a/	356,280	841,938	181,113	304,545	356,280	841,938

a/ MOOE, net of allowance for depreciation at P42.443 Million

Table 1.3.k
 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	72,940	613,183	199,934	340,309	72,940	613,183

a/ MOOE, net of allowance for depreciation at P51.929 Million

III. PHILIPPINE NATIONAL OIL COMPANY

1. Approval of the FY 2021 Corporate Operating Budget of the Philippine National Oil Company under R.A. No. 7638. The FY 2021 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 No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order 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 Executive Order 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) 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 head of agency, Agency Information Inventory, 2019 and 2020 FOI Summary Report, and 2019 and 2020 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 the 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.