

# **Part II**

## **Corporate Operating Budget**

Table 1.1.a  
NATIONAL ELECTRIFICATION ADMINISTRATION  
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2025

**I. CORPORATE OBJECTIVES**

Intensify implementation of total electrification on Electric Cooperatives (ECs) coverage area and promote inclusive development through rural electrification.

**II. CORPORATE PRIORITIES**

To pursue the policy of the state to attain sustainable development in the rural areas by total electrification program and bring electricity through the ECs as its implementing arm.

**III. MAJOR PROGRAMS AND PROJECTS**

1. Complete the National Rural Electrification Program;
2. Carry out rural development program through Rural Electrification Program;
3. Establish credit facility to finance and help the ECs to construct, acquire, own, operate and maintain generating facilities through Renewable Energy (RE) projects pursuant to Section 9 of R.A. No. 10531 or the NEA Reform Act; and
4. Intensify implementation of household electrification.

Table 1.1.b  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
ASSETS				
Current Assets	9,595,101	8,942,987	8,561,080	6,744,730
Cash and Cash Equivalents	3,636,093	3,336,374	3,777,278	3,343,941
Loans Receivables	1,903,303	1,789,463	1,892,898	1,868,518
Other Receivables	4,042,527	3,803,172	2,878,326	1,518,893
Inventories	7,725	8,725	7,925	8,925
Prepayments	5,453	5,253	4,653	4,453
Non-Current Assets	8,931,948	9,296,322	9,210,490	10,116,423
Long Term Loans Receivable	8,764,631	8,980,718	8,894,886	9,674,370
Property, Plant and Equipment	154,508	302,295	302,295	428,244
Other Assets	12,809	13,309	13,309	13,809
TOTAL ASSETS	18,527,049	18,239,309	17,771,570	16,861,153
LIABILITIES				
Current Liabilities	7,344,630	7,074,879	6,222,803	4,974,156
Financial Liabilities	51,651	51,951	30,763	30,734
Inter-Agency Payables	5,574,394	5,288,784	4,391,065	3,020,197
Trust Liabilities	1,620,759	1,636,618	1,741,386	1,864,136
Provisions	79,353	79,353	41,416	41,216
Other Payables	18,473	18,173	18,173	17,873
Non-Current Liabilities	650,422	650,422	591,418	591,418
Financial Liabilities	75,511	75,511	16,407	16,307
Deferred Credits	574,911	574,911	575,011	575,111
TOTAL LIABILITIES	7,995,052	7,725,301	6,814,221	5,565,574
TOTAL EQUITY	10,531,997	10,514,008	10,957,349	11,295,579
TOTAL LIABILITIES AND EQUITY	18,527,049	18,239,309	17,771,570	16,861,153

Table 1.1.c  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
**COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>I. REVENUES</b>				
Operating Revenues				
Service and Business Income	627,716	656,182	672,151	672,704
Other Revenues	41	8,589	2,589	2,615
<b>TOTAL REVENUES</b>	<b>627,757</b>	<b>664,771</b>	<b>674,740</b>	<b>675,319</b>
<b>II. OPERATING EXPENSES</b>				
Personnel Services	361,614	429,401	429,401	413,060
Maintenance and Other Operating Expenses	133,845	203,915	203,915	208,669
Financial Expenses	24	-	50	100
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	33,513	20,528	20,528	41,144
<b>TOTAL OPERATING EXPENSES</b>	<b>528,996</b>	<b>653,844</b>	<b>653,894</b>	<b>662,973</b>
<b>III. NET PROFIT/(LOSS) BEFORE FOREX GAIN</b>	<b>98,761</b>	<b>10,927</b>	<b>20,846</b>	<b>12,346</b>
<b>IV. FOREX DIFFERENTIAL-GAIN (LOSS)</b>	<b>(442)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V. NET PROFIT/(LOSS) AFTER FOREX GAIN</b>	<b>98,319</b>	<b>10,927</b>	<b>20,846</b>	<b>12,346</b>
<b>VI. OTHER INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain / Loss on Sale of Disposed Assets	-	-	-	-
<b>VII. INCOME TAX</b>	<b>25,382</b>	<b>3,278</b>	<b>6,254</b>	<b>3,704</b>
<b>VIII. NET PROFIT/(LOSS) AFTER INCOME TAX</b>	<b>72,937</b>	<b>7,649</b>	<b>14,592</b>	<b>8,642</b>
Subsidies/ Equity from the National Government	1,732,646	3,021,892	6,021,892	2,659,835
<b>IX. NET PROFIT AND SUBSIDIES</b>	<b>1,805,583</b>	<b>3,029,541</b>	<b>6,036,484</b>	<b>2,668,477</b>

Table 1.1.d  
NATIONAL ELECTRIFICATION ADMINISTRATION  
STAFFING SUMMARY, FYs 2023-2025  
(In Thousand Pesos, Except No. of Positions)

POSITION	2023 AUDITED		2024				2025 PROPOSED	
			GAA		ESTIMATES			
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions								
Administrator	1	3,825	1	3,825	1	3,825	1	3,825
Deputy Administrator	4	11,405	4	11,405	4	11,405	4	11,405
Management/Executive Group	17	27,624	18	28,882	18	28,882	18	28,882
Supervisory Group	20	23,568	25	29,620	25	29,620	25	29,620
Professional/Technical Group (High Level)	66	61,541	86	85,152	86	85,152	86	86,620
Professional/Technical Group (Entry Level)	81	46,731	91	57,482	91	57,482	91	52,482
Technical Support	58	24,070	57	23,595	57	23,595	57	23,595
Administrative/Others	58	11,969	58	15,091	58	15,091	58	15,091
TOTAL	305	210,733	340	255,052	340	255,052	340	251,520

Table 1.1.e  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
**OTHER COMPENSATION, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>MANDATORIES</b>	<b>261,204</b>	<b>315,212</b>	<b>315,212</b>	<b>312,278</b>
Salaries	210,733	255,052	255,052	251,520
Representation and Transportation Allowance	6,098	7,788	7,788	8,976
Personnel Economic Relief Allowance	7,173	8,160	8,160	8,160
Mid-year Bonus	17,095	21,256	21,256	20,961
Year-end Bonus and Cash Gift	20,105	22,956	22,956	22,661
<b>FIXED EXPENDITURES</b>	<b>27,282</b>	<b>37,518</b>	<b>37,518</b>	<b>37,202</b>
Pag-IBIG Contributions	353	612	612	816
Retirement and Life Insurance Premium	23,066	30,608	30,608	30,184
Health Insurance Premium	3,495	5,890	5,890	5,794
Employees' Compensation Insurance Premium	368	408	408	408
<b>OTHER COMPENSATION</b>	<b>45,564</b>	<b>444,749</b>	<b>107,580</b>	<b>405,999</b>
Per Diem of Members of the Board	2,196	3,072	3,072	3,072
Special Counsel Allowance	15	3,060	3,060	2,340
Loyalty Pay	140	665	665	120
Clothing/Uniform Allowance	1,836	2,040	2,040	2,380
Overtime Pay	2,415	17,942	17,942	3,329
Performance-Based Bonus	9,272	13,610	13,610	12,382
Performance-Based Incentive	407	2,016	2,016	2,016
Productivity Enhancement Incentive	1,523	1,700	1,700	1,700
Collective Negotiation Agreement	8,939	-	-	-
Anniversary Incentive	-	1,020	1,020	-
PRAISE Incentive	3,290	14,548	14,548	3,000
Honoraria	465	9,614	9,614	1,388
Monetization of Leave Credits	7,013	30,909	30,909	30,303
Energy Award	1,965	-	-	-
Service Recognition Incentive	6,088	-	-	-
Backwages	-	337,169	-	337,169
Health Maintenance Organization	-	-	-	6,800
Provident Fund	-	7,384	7,384	-
<b>TERMINAL AND RETIREMENT BENEFITS</b>	<b>13,340</b>	<b>42,971</b>	<b>42,971</b>	<b>53,971</b>
Terminal Leave	13,340	42,971	42,971	53,971
<b>COMPENSATION ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>347,390</b>	<b>840,450</b>	<b>503,281</b>	<b>809,450</b>

Table 1.1.f

**NATIONAL ELECTRIFICATION ADMINISTRATION**  
**DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	21,875	25,370	25,370	26,000
Training and Seminar	11,377	13,000	13,000	20,000
Supplies and Materials	6,521	13,053	13,053	12,279
Gasoline, Oil, and Lubricants	3,436	4,000	4,000	4,000
Water, Illumination, and Power Service	9,984	13,500	13,500	13,500
Communication Expenses	4,827	8,550	8,550	8,550
Miscellaneous Expenses	4,339	6,268	6,268	6,300
Extraordinary and Miscellaneous Expenses	666	798	798	798
Professional Services	54,421	84,651	84,651	89,007
Repair and Maintenance	3,364	9,750	9,750	9,000
Taxes, Duties and Fees, Insurance Premiums	4,468	6,350	6,350	4,880
Corporate Income Tax	34,347	49,533	25,382	30,053
Advertising	40	300	300	300
Printing and Binding	403	550	550	550
Rents/Lease	575	2,000	2,000	2,000
Subscription Expenses	6,612	13,570	13,570	10,300
Dividends	54,161	85,889	45,330	47,052
Other Maintenance and Operating Expenses	192	2,205	2,205	1,205
Financial Expense	24	-	50	100
Grant/Subsidies	1,732,646	2,551,892	5,551,892	1,864,835
Depreciation	33,513	20,528	20,528	41,144
<b>TOTAL MOOE</b>	<b>1,987,791</b>	<b>2,911,757</b>	<b>5,847,097</b>	<b>2,191,853</b>

Table 1.1.g  
NATIONAL ELECTRIFICATION ADMINISTRATION  
DETAILS OF CAPITAL OUTLAYS, FYs 2023-2025  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
Loans Outlay	1,099,541	1,395,000	1,395,000	2,095,000
Office Furniture, Fixtures, and Equipment	1,466	38,526	38,526	4,367
Motor Vehicle	2,576	9,500	9,500	10,000
Information Technology Equipment Outlay	50	116,615	116,615	148,942
TOTAL CAPITAL OUTLAYS	1,103,633	1,559,641	1,559,641	2,258,309



Table 1.1.h  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
**COMPARATIVE STATEMENT OF CASH FLOWS, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
Cash flows from operating activities				
Collection of loans receivables	1,834,570	1,745,417	1,835,016	1,900,029
Receipt of government subsidy	1,732,646	2,551,892	5,551,892	1,855,950
Refund of subsidies from Electric Cooperatives	315,300	-	-	-
Collection of Other Receivables	102,825	119,294	120,627	122,750
Receipt of Trust Liabilities	168,351	-	-	-
Other cash receipts	432,680	104,998	111,200	111,402
Payment for Personnel Services	(329,844)	(503,281)	(503,281)	(472,281)
Payment for Maintenance and Other Operating Expenses	(101,809)	(203,915)	(203,915)	(208,669)
Payment of Financial Expense	-	-	(50)	(100)
Release of loans to Electric Cooperatives	(1,099,541)	(1,395,000)	(1,395,000)	(2,095,000)
Grant of Subsidies	(3,076,763)	(2,551,892)	(5,551,892)	(1,864,835)
Payment for accounts payable	(55,951)	-	(58,059)	-
Remittance of Corporate Income Tax	(34,347)	(49,533)	(25,382)	(30,053)
Money Claim and Backwages	-	(337,169)	-	(337,169)
Other cash payments	(333,499)	-	-	-
Net cash flow from operating activities	(445,382)	(519,189)	(118,844)	(1,017,976)
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,092)	(164,641)	(164,641)	(163,309)
Net cash flow from investing activities	(4,092)	(164,641)	(164,641)	(163,309)
Cash flows from financing activities				
Increase in Equity	-	470,000	470,000	795,000
Remittance of Dividend to National Government	(54,161)	(85,889)	(45,330)	(47,052)
Net cash flow from financing activities	(54,161)	384,111	424,670	747,948
Net increase/(decrease) in cash and cash equivalents	(503,635)	(299,719)	141,185	(433,337)
Cash and cash equivalents, beginning of the year	4,139,728	3,636,093	3,636,093	3,777,278
Cash and cash equivalents, end of the year	3,636,093	3,336,374	3,777,278	3,343,941

Table 1.1.i  
NATIONAL ELECTRIFICATION ADMINISTRATION  
USES OF FUNDS By Expense Class, FYs 2023 to 2025  
(In Thousand Pesos)

PARTICULARS	2023 Actual			2024 GAA			2025 Proposed					
	PS	MOOE <sup>a/</sup>	CO	TOTAL	PS	MOOE <sup>a/</sup>	CO	TOTAL	PS	MOOE <sup>a/</sup>	CO	TOTAL
NG SUPPORT	-	3,126,207	-	3,126,207	-	5,551,892	470,000	6,021,892	-	1,864,835	795,000	2,659,835
1. General Administration and Support	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	-	-	-	-	-	-	-	-
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
National Rural Electrification Program	-	3,126,207	-	3,126,207	-	5,551,892	-	5,551,892	-	1,827,500	-	1,827,500
Loans to Electric Cooperatives	-	-	-	-	-	-	470,000	470,000	-	-	795,000	795,000
4. Prior Years' Subsidy	-	-	-	-	-	-	-	-	-	37,335	-	37,335
CORPORATE FUNDS	355,470	504,697	1,103,633	1,247,377	523,400	338,016	1,107,423	1,968,839	809,450	285,874	1,463,309	2,558,633
1. General Administration and Support	355,470	360,953	-	716,423	523,400	338,016	-	861,416	809,450	285,874	-	1,095,324
2. Support to Operations	-	143,744	4,092	147,836	-	-	182,423	182,423	-	-	163,309	163,309
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
National Rural Electrification Program	-	-	-	-	-	-	-	-	-	-	-	-
Loans to Electric Cooperatives	-	-	1,099,541	1,099,541	-	-	925,000	925,000	-	-	1,300,000	1,300,000
GRAND TOTAL	355,470	3,630,904	1,103,633	4,373,584	523,400	5,889,908	1,577,423	7,990,731	809,450	2,150,709	2,258,309	5,218,468

a/ Net of depreciation expense

**NATIONAL ELECTRIFICATION ADMINISTRATION  
CORPORATE OPERATING BUDGET  
SPECIAL PROVISIONS**

**1. Approval of the FY 2025 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2025 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, A.O. No. 14 dated December 10, 2018, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

**3. Payment of Compensation and Benefits.** Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

**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 Fifty Three Million Nine Hundred Seventy One Thousand Pesos (P53,971,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel.

**5. Budget Flexibility.** 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 be 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, which shall include, but not limited to, MOOE and Capital Outlays.

**6. Augmentation Beyond 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 Strategized Rural Electrification and Operational Reliability for Electric Cooperatives 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 mandate and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and (ix) year-end financial reports for the last three (3) fiscal years.

The Administrator of the NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

Table 1.2.a  
**NATIONAL POWER CORPORATION**  
**CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2025**

## **I. CORPORATE OBJECTIVES**

1. 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 (Section 70 of R.A. No. 9136);
2. To promote the utilization of indigenous and new and renewable energy sources, particularly in performing its missionary electrification mandate [Section 2 (h) of R.A. No. 9136];
3. 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 R.A. No. 9136];
4. To continue to be responsible for dam structure and all other appurtenant structure necessary for the safe and reliable operation of hydropower plants [Section 6 (d), Rule 23 of R.A. No. 9136-IRR];
5. To continue to undertake the rehabilitation, upgrading and uprating of undisposed generation assets; and
6. To venture into business development of its allied products and services to enhance its revenue generation.

## **II. CORPORATE PRIORITIES**

1. Reliable supply of electricity in missionary areas;
2. Sustain system reliability and power quality in the small island grids;
3. Increased the use of Renewable Energy (RE) in missionary areas;
4. Operation and maintenance, rehabilitation, upgrading and uprating of generation assets in the main grids as needed;
5. Rehabilitation and management of watershed areas; and
6. Corporate Social Responsibility Program.

## **III. MAJOR PROGRAMS AND PROJECTS**

1. Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service;
2. Develop/implement the overall island/off-grid capacity and transmission system;
3. Pursue the use of RE and energy-efficient technologies;
4. Vegetative rehabilitation, watershed protection, and eco-tourism for watersheds;
5. Dam integrity and safety, dam management protocol, and flood forecasting and mitigation; and
6. Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b  
NATIONAL POWER CORPORATION  
ASSUMPTIONS, FYs 2023 - 2025  
SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE	
	2023	2024	2025	% Inc (Dec)	
				2024/2023	2025/2024
1. ENERGY SALES, GWH	496	502	547	1.01	1.09

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2023	2024	2025	2023	2024	2025
2. ENERGY GENERATION, GWH	515	523	568	100%	100%	100%
HYDRO	6	3	5	1%	1%	1%
OIL BASED	509	520	563	99%	99%	99%

Table 1.2.c  
**NATIONAL POWER CORPORATION**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>ASSETS</b>				
<b>Current Assets</b>	<b>20,086,300</b>	<b>21,679,072</b>	<b>21,898,978</b>	<b>21,215,340</b>
Cash and Cash Equivalents	3,371,438	2,546,566	2,975,163	2,718,211
Receivables	12,221,475	12,917,516	13,988,172	14,134,408
Inventories	2,254,037	2,477,735	2,254,037	2,254,037
Other Current Assets	2,239,350	3,737,255	2,681,606	2,108,684
<b>Non-Current Assets</b>	<b>24,267,955</b>	<b>29,485,694</b>	<b>26,961,990</b>	<b>28,857,195</b>
Receivables	230,590	287,888	230,590	230,590
Investments Property	4,941	2,317	4,941	4,941
Property, Plant and Equipment	12,911,350	20,060,092	15,563,997	17,459,202
Intangible Assets	9,606	11,185	50,993	50,993
Deferred Tax Assets	4,221,962	2,833,001	4,221,962	4,221,962
Other Investments	1,720	1,720	1,720	1,720
Other Non-Current Assets	6,887,787	6,289,491	6,887,787	6,887,787
<b>TOTAL ASSETS</b>	<b>44,354,256</b>	<b>51,164,766</b>	<b>48,860,968</b>	<b>50,072,535</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>	<b>15,140,138</b>	<b>6,634,453</b>	<b>24,131,334</b>	<b>24,626,295</b>
Financial Liabilities	12,506,525	4,225,122	21,497,722	21,992,683
Inter-Agency Payables	984,190	835,398	984,190	984,190
Trust Liabilities	51,549	44,414	51,549	51,549
Deferred Credits/Unearned Income	1,245,421	1,207,445	1,245,421	1,245,421
Other Payables	352,451	322,074	352,451	352,451
<b>Non-Current Liabilities</b>	<b>8,318,895</b>	<b>23,121,598</b>	<b>8,318,896</b>	<b>8,318,896</b>
Financial Liabilities	371,036	15,360,881	371,036	371,036
Trust Liabilities	6,365,890	6,580,566	6,365,890	6,365,890
Deferred Credits/Unearned Income	842,077	391,820	842,077	842,077
Provisions	739,893	788,331	739,893	739,893
<b>TOTAL LIABILITIES</b>	<b>23,459,033</b>	<b>29,756,051</b>	<b>32,450,230</b>	<b>32,945,191</b>
<b>STOCKHOLDERS' EQUITY</b>				
<b>Government Equity</b>	<b>20,895,223</b>	<b>21,408,715</b>	<b>16,410,738</b>	<b>17,127,344</b>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>20,895,223</b>	<b>21,408,715</b>	<b>16,410,738</b>	<b>17,127,344</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>44,354,256</b>	<b>51,164,766</b>	<b>48,860,968</b>	<b>50,072,535</b>

Table 1.2.d  
**NATIONAL POWER CORPORATION**  
**COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED <sup>1/</sup>	2024		2025 PROPOSED <sup>1/</sup>
		GAA	ESTIMATES	
<b>I. REVENUES</b>	<b>12,233,376</b>	<b>19,843,618</b>	<b>12,970,144</b>	<b>20,973,263</b>
Operating Revenues	3,130,019	17,730,842	4,028,484	18,460,386
Other Revenues	9,103,357	2,112,776	8,941,660	2,512,877
<b>II. COST OF SALES</b>	<b>9,309,166</b>	<b>11,304,500</b>	<b>11,573,039</b>	<b>11,427,759</b>
<b>III. GROSS PROFIT</b>	<b>2,924,210</b>	<b>8,539,118</b>	<b>1,397,105</b>	<b>9,545,504</b>
<b>IV. OPERATING EXPENSES/OTHER EXPENSES</b>	<b>6,368,280</b>	<b>8,571,751</b>	<b>8,150,269</b>	<b>9,291,528</b>
Personnel Services	1,954,659	2,856,812	2,856,812	2,999,083
Maintenance and Other Operating Expenses	2,654,061	3,363,523	3,248,219	3,524,792
Interest Expense & Finance Charges	235,570	915,063	471,786	1,139,215
Non-cash Expenses	<u>1,523,990</u>	<u>1,374,452</u>	<u>1,573,452</u>	<u>1,628,438</u>
Depreciation of fixed assets (operating plants)	721,777	686,574	686,574	762,228
Provision for Doubtful Accounts	585,261	665,760	665,760	638,378
Extraordinary Loss & Loss on Disposal/Retirement of Assets	5,080	-	-	-
Depreciation of Non- Operating Plants & Others	211,872	22,118	221,118	227,832
Other Expenses	-	61,901	-	-
<b>V. NET PROFIT/(LOSS) BEFORE GAIN(LOSS) ON FOREX FLUCTUATION</b>	<b>(3,444,070)</b>	<b>(32,633)</b>	<b>(6,753,164)</b>	<b>253,976</b>
<b>VI. GAIN/(LOSS) ON FOREX FLUCTUATION</b>	<b>(13,535)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION</b>	<b>(3,457,605)</b>	<b>(32,633)</b>	<b>(6,753,164)</b>	<b>253,976</b>
<b>ADD: Subsidies</b>	<b>1,550,272</b>	<b>2,393,051</b>	<b>2,268,679</b>	<b>749,557</b>
Subsidies from National Government	1,555,241	2,393,051	2,274,951	1,620,905
Assistance from Government Corporations	13,667,988	18,585,045	18,585,045	14,598,267
Financial Assistance to Local Government Units and other losses	(4,969)	-	(6,272)	(871,348)
Subsidy to New Power Providers	(13,667,988)	(18,585,045)	(18,585,045)	(14,598,267)
<b>VIII. NET PROFIT/(LOSS BEFORE INCOME TAX)</b>	<b>(1,907,334)</b>	<b>2,360,418</b>	<b>(4,484,485)</b>	<b>1,003,533</b>
LESS: Income Tax	-	124,059	-	286,926
<b>IX. NET PROFIT/(LOSS)</b>	<b>(1,907,334)</b>	<b>2,236,359</b>	<b>(4,484,485)</b>	<b>716,607</b>

1/ Following the revised accounting policy on the presentation of New Power Providers Subsidy.

Table 1.2.e  
**NATIONAL POWER CORPORATION**  
**STAFFING SUMMARY, FYs 2023-2025**  
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2023 AUDITED		2024 ESTIMATES		2025 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
<b>A. Itemized Positions</b>						
Top Three Corporate Positions						
President	1	4,960	1	4,960	1	5,655
Senior Vice President	-	-	1	4,068	1	4,279
Vice President	4	16,377	5	16,082	6	21,019
Management/Executive Group	118	167,991	135	167,812	146	218,007
Technical Group	1,055	630,475	1,137	662,732	1,305	846,679
Technical Support	372	312,375	525	405,085	430	371,739
Administrative/Others	86	24,396	94	93,349	95	29,924
<b>TOTAL</b>	<b>1,636</b>	<b>1,156,574</b>	<b>1,898</b>	<b>1,354,088</b>	<b>1,984</b>	<b>1,497,301</b>
<b>B. Non-Itemized Positions</b>						
Co-Terminous	66	22,935	80	58,515	100	76,641
Contractuals	25	3,842	27	7,138	27	7,309
Casuals	105	18,794	123	47,772	130	56,495
<b>TOTAL</b>	<b>196</b>	<b>45,571</b>	<b>230</b>	<b>113,426</b>	<b>257</b>	<b>140,445</b>
<b>GRAND TOTAL</b>	<b>1,832</b>	<b>1,202,145</b>	<b>2,128</b>	<b>1,467,513</b>	<b>2,241</b>	<b>1,637,747</b>



Table 1.2.f

**NATIONAL POWER CORPORATION**  
**COMPENSATION OF ITEMIZED POSITIONS, FYs 2023 - 2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>A. PERMANENT</b>	<b>1,841,868</b>	<b>2,679,275</b>	<b>2,679,275</b>	<b>2,790,526</b>
<b>GUARANTEED CASH COMPONENT</b>	<b>1,494,324</b>	<b>1,697,440</b>	<b>1,697,440</b>	<b>1,881,915</b>
Salaries	1,156,574	1,354,088	1,354,088	1,497,301
Personnel Economic Relief Allowance	44,740	45,072	45,072	47,616
Representation and Transportation Allowance	24,787	53,820	53,820	67,608
Mid-Year Bonus	100,117	112,840	112,840	124,775
Year-End Bonus	105,444	112,840	112,840	124,775
Cash Gift	11,074	9,390	9,390	9,920
Productivity Enhancement Incentive	11,071	9,390	9,390	9,920
Service Recognition Incentive	40,516	-	-	-
<b>FRINGE BENEFITS</b>	<b>170,052</b>	<b>544,527</b>	<b>544,527</b>	<b>464,201</b>
Night Shift Differential	26,584	103,541	103,541	121,079
Overtime	66,315	143,479	143,479	161,211
Medical	50,810	18,780	18,780	19,840
Special Counsel Allowance	6,466	15,317	15,317	16,482
Uniform/Clothing Allowance	11,150	11,268	11,268	13,888
Loyalty Pay	190	725	725	1,670
Hazard Pay	17	59	59	59
Honoraria	6,770	7,081	7,081	6,966
Performance-Based Bonus	298	64,245	64,245	81,104
PRAISE Allowance	1,452	34,225	34,225	33,425
Communication Allowance	-	10,398	10,398	8,478
Provident Fund	-	135,409	135,409	-
<b>FIXED EXPENDITURES</b>	<b>170,357</b>	<b>201,540</b>	<b>201,540</b>	<b>222,582</b>
Retirement and Life Insurance Premium	143,629	162,491	162,491	179,676
PhilHealth Insurance Premium	22,285	32,288	32,288	35,763
Employees' Compensation Insurance Premium	2,219	2,254	2,254	2,381
Pag-IBIG Contributions	2,224	4,507	4,507	4,762
<b>TERMINAL LEAVE and SEPARATION BENEFITS</b>	<b>6,602</b>	<b>234,232</b>	<b>234,232</b>	<b>220,292</b>
<b>PER DIEM OF BOARD MEMBERS</b>	<b>532</b>	<b>1,536</b>	<b>1,536</b>	<b>1,536</b>
<b>B. CO-TERMINOUS</b>	<b>62,861</b>	<b>102,378</b>	<b>102,378</b>	<b>127,339</b>
Salaries and Allowances	59,557	93,881	93,881	114,843
Terminal Leave and Separation Benefits	3,304	8,497	8,497	12,496
<b>C. CASUAL</b>	<b>52,924</b>	<b>83,509</b>	<b>83,509</b>	<b>93,899</b>
Salaries and Allowances	52,711	77,753	77,753	86,283
Terminal Leave and Separation Benefits	213	5,756	5,756	7,616
<b>D. CONTRACTUAL</b>	<b>10,390</b>	<b>12,822</b>	<b>12,822</b>	<b>12,498</b>
Salaries and Allowances	10,303	11,962	11,962	11,617
Terminal Leave and Separation Benefits	87	860	860	881
<b>GRAND TOTAL</b>	<b>1,968,042</b>	<b>2,877,984</b>	<b>2,877,984</b>	<b>3,024,262</b>
<b>Operating</b>	1,942,054	2,774,870	2,774,870	2,915,442
<b>Capitalized</b>	-	-	-	-
<b>Other Expenses / Expenditures</b>	25,988	103,114	103,114	108,819
	<b>1,968,042</b>	<b>2,877,984</b>	<b>2,877,984</b>	<b>3,024,261</b>

Table 1.2.g  
**NATIONAL POWER CORPORATION**  
**DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES, FYs 2023 - 2025**  
(In Thousand Pesos)

PARTICULARS	2023 UNAUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	91,884	125,150	126,412	133,915
Communication Expenses	25,213	31,974	31,634	42,491
Repair and Maintenance of Government Facilities	885,497	837,198	831,990	973,752
Repair and Maintenance of Government Vehicles and Other Equipment	31,347	48,747	48,493	58,893
Transportation Services	8,399	9,117	9,053	12,937
Supplies and Materials	72,745	78,840	78,272	97,288
Rents	480,494	818,647	822,129	918,633
Interests (Debt Service - Interest)	163,547	915,063	415,063	955,093
Grants and Contributions	1,829	1,579	1,579	11,916
Award and Indemnities (Injuries and Damages)	-	700	700	721
Loan Repayments/Debt Service-Principal a/	41,947	41,680	541,680	1,283,023
Water, Illumination, and Power Service	39,472	33,828	34,614	39,461
Auditing Services	14,418	26,738	26,738	29,207
Training & Seminar Expense	14,283	19,458	18,432	22,150
Extraordinary and Other Miscellaneous Expenses	997	1,234	1,232	1,234
Taxes, Duties & Fees	204,275	69,834	65,246	76,767
Trading/Production (Fuel)	9,309,166	10,365,514	11,573,039	11,427,759
Gasoline, Oil, and Lubricants	37,802	46,729	45,394	50,138
Fidelity Bonds and Insurance Premium	32,707	39,728	39,862	42,092
Representation and Entertainment Expenses	4,027	4,164	4,050	5,179
Cultural Expenses	306	456	456	456
Incentive Award	55,236	-	-	849
Miscellaneous Expenses	2,367	488	612	1,453
Contingencies	-	636	636	439
Financial Assistance/Subsidy (ER 1-94)	4,969	6,272	6,272	-
Other Services	816,561	920,915	931,452	1,003,322
Others (Input Vat, Finance Charges, and Other Expenses)	14,695,175	20,620,488	19,301,693	15,525,758
Depreciation b/	739,223	686,574	907,692	762,228
<b>Total MOOE</b>	<b>27,773,885</b>	<b>35,751,751</b>	<b>35,864,421</b>	<b>33,477,154</b>

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 Expense Class.

Table 1.2.h  
NATIONAL POWER CORPORATION  
DETAILS OF CAPITAL OUTLAYS, FYs 2023-2025  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 Proposed
		GAA	ESTIMATES	
Loans Outlay	43,697	-	-	-
Land and Land Improvement Outlay	66,116	1,161	36,635	1,410
Infrastructure Outlay	788,831	217,321	2,115,361	260,603
Buildings and Other Infrastructures Outlay	89,000	613,395	218,250	981,058
Machineries and Equipment Outlay	256,924	2,702,116	1,137,794	3,040,687
Transportation Equipment	22,133	48,785	50,763	10,191
Furniture, Fixtures, and Books Outlay	-	-	1,536	-
Intangible Assets Outlay	-	18,948	41,387	5,796
<b>TOTAL</b>	<b>1,266,701</b>	<b>3,601,726</b>	<b>3,601,726</b>	<b>4,299,745</b>

Table 1.2.i  
**NATIONAL POWER CORPORATION**  
**COMPARATIVE STATEMENT OF CASH FLOWS, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
Cash flows from operating activities				
Inflows	26,177,386	41,178,712	33,007,003	38,205,913
Cash generated from operations	22,328,931	35,375,677	2,750,506	32,051,941
Collection of receivables	1,752,484	2,560,586	10,738	3,595,023
Receipt of government subsidy	1,570,547	2,393,051	2,274,951	1,620,905
Other inflows	525,423	849,398	27,970,808	938,044
Outflows	(31,243,122)	(38,059,965)	(36,367,768)	(34,002,390)
Payment for salaries	(1,188,519)	(3,051,742)	(2,588,479)	(3,176,681)
Payment for suppliers	(8,373,893)	(11,463,914)	(10,547,350)	(11,063,314)
Payment of taxes	-	(140,665)	(127,959)	(7,002)
Other outflows	(21,680,711)	(23,403,644)	(23,103,980)	(19,755,393)
Net cash flow from operating activities	(5,065,737)	3,118,747	(3,360,765)	4,203,523
Cash flows from investing activities				
Inflows	60,589	8,030	8,030	35,010
Cash receipts from sale of assets	-	-	-	-
Other inflows	60,589	8,030	8,030	35,010
Outflows	(1,196,452)	(4,907,591)	(2,594,157)	(4,257,369)
Purchase of property, plant and equipment	(1,196,452)	(4,907,591)	(2,594,157)	(4,257,369)
Net cash flow from investing activities	(1,135,863)	(4,899,561)	(2,586,128)	(4,222,359)
Cash flows from financing activities				
Inflows	5,955,869	2,000,000	6,947,500	2,000,000
Receipt of government equity	-	-	-	-
Proceeds from loans, bonds, notes	5,955,869	2,000,000	6,947,500	2,000,000
Other inflows	-	-	-	-
Outflows	(312,849)	(956,743)	(1,396,883)	(2,238,116)
Repayment of loan	(41,947)	(41,680)	(641,680)	(1,283,023)
Dividend payment	-	-	-	-
Other outflows	(270,902)	(915,063)	(755,203)	(955,093)
Net cash flow from financing activities	5,643,021	1,043,257	5,550,617	(238,116)
Net increase/(decrease) in cash and cash equivalents	(558,579)	(737,557)	(396,275)	(256,952)
Effect of Exchange Rate changes on cash and cash equivalents	(238)	-	-	-
Cash and cash equivalents, beginning of the year	3,930,255	3,284,123	3,371,438	2,975,163
Cash and cash equivalents, end of year	3,371,438	2,546,566	2,975,163	2,718,211

Table 1.1.j  
NATIONAL POWER CORPORATION  
USES OF FUNDS By Expense Class, FYs 2023 to 2025  
(In Thousand Pesos)

PARTICULARS	2023 Audited				2024 GAA				2025 Proposed			
	PS	MOOE <sup>a/</sup>	CO	TOTAL	PS	MOOE <sup>a/</sup>	CO	TOTAL	PS	MOOE <sup>a/</sup>	CO	TOTAL
<b>NG SUPPORT</b>	-	1,127,489	443,059	1,570,547	-	-	2,274,951	2,274,951	-	-	3,035,386	3,035,386
1. General Administration and Support	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	-	-	-	-	-	-	-	-
3. Operations	-	1,112,182	443,059	1,555,241	-	-	1,316,421	1,316,421	-	-	1,620,905	1,620,905
Missionary Electrification Program	-	-	-	-	-	-	-	-	-	-	-	-
4. Other Expenditures	-	15,307	-	15,307	-	-	-	-	-	-	-	-
5. Prior Years' Subsidy	-	-	-	-	-	-	958,530	958,530	-	-	1,414,481	1,414,481
<b>CORPORATE FUNDS</b>	1,968,042	25,741,376	780,339	28,489,757	2,877,984	34,956,729	1,326,775	39,161,488	3,024,261	32,714,926	1,264,359	37,003,546
1. General Administration and Support	455,649	265,538	2,555	723,742	698,932	621,781	280,059	1,600,772	691,551	585,683	357,780	1,635,014
2. Support to Operations	-	92,345	-	92,345	-	61,901	-	61,901	-	191,124	-	191,124
3. Operations	853,497	10,121,681	777,390	11,752,568	1,226,581	13,497,269	1,027,063	15,750,913	1,366,013	13,709,456	906,579	15,982,048
Missionary Electrification Program	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt Servicing	-	205,494	-	205,494	-	956,743	-	956,743	-	2,238,116	-	2,238,116
5. Other Expenditures	-	14,607,845	394	14,608,239	21,173	19,189,792	705	19,211,670	25,178	15,284,637	-	15,309,815
6. As operator of PSALM's Assets	658,897	443,667	-	1,102,564	931,298	629,244	-	1,560,542	941,519	705,910	-	1,647,429
7. Agus Pulangui Rehabilitation Program (WB Grants)	-	4,805	-	4,805	-	-	18,948	18,948	-	-	-	-
<b>GRAND TOTAL</b>	1,968,042	26,868,864	1,223,398	30,060,304	5,755,969	69,913,458	7,203,452	41,436,439	3,024,261	32,714,926	4,299,745	40,038,932

a/ Net of depreciation expense

**NATIONAL POWER CORPORATION  
CORPORATE OPERATING BUDGET  
SPECIAL PROVISIONS**

**1. Approval of the FY 2025 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638.** The FY 2025 Corporate Operating Budget (COB) of the NPC is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

**2. Acquisition of Equipment.** The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, A.O. No. 14 dated December 10, 2018, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

**3. Payment of Compensation and Benefits.** Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150 s. 2021, and such other guidelines issued by the GCG.

**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 Forty One Million Two Hundred Eighty Five Thousand Pesos (P241,285,000) shall be used exclusively for the payment of terminal leave to the affected NPC personnel based on the list submitted by NPC to the DBM. In no case shall said amounts be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

**5. Budget Flexibility.** The NPC Board of Directors is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NPC's control such as, but not limited to: (i) occurrence of natural calamities; (ii) currency depreciation; (iii) inflation; (iv) change in interest rates; (v) increase in oil, steam, coal or natural gas prices; (vi) change in generation mix and demand including purchased power; (vii) change in generation or transmission system plan or program; (viii) change in programs or projects; (ix) change in schedule of project implementation; (x) transfer or elimination of projects or installations that are hazardous to the health or safety of inhabitants; and (xi) reorganization, subsidiarization or privatization should conditions warrant.

In the exercise of said authority, the NPC shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

**6. Augmentation Beyond Approved Corporate Operating Budget.** The NPC Board of Directors is authorized to augment and disburse funds beyond the total amount approved in this Act exclusively for the MOOE and Capital Outlay requirements related to missionary electrification, and rehabilitation and management of watershed areas due to the effects of peso devaluation, fuel price increase in the market, improvement or changes in power generation activities or demand of customers, electrification of new areas, increase in taxes and production costs, or imposition of new taxes.

The fund shall be sourced from new funding sources, such as income arising from increase in universal and generation charges approved by the Energy Regulatory Commission or grant of financial assistance by LGUs and other sources as authorized under existing laws, guidelines and issuances such as, but not limited to, R.A. No. 9136 and its IRR, as certified by the Chief Accountant and President of NPC.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

**7. Collection of Delinquent Receivables from Electric Cooperatives under the Small Power Utilities Group.** In order to augment the fund sources necessary to support the budgetary requirements of the NPC and ensure the viability of its operations, the NPC Board of Directors is hereby authorized to act with finality, without further need of confirmation, appraisal, or assessment from other government agencies, the settlement and compromise of accrued penalties, interest and other charges due from electric cooperatives. In all cases, the NPC Board of Directors shall ensure that the approved settlement and compromise shall not be against provisions of law or public policy, and shall be consistent with public interest and redound to the benefit of the National Government.

**8. 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.

**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 NPC shall maintain Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Updated People's Freedom of Information (FOI) Manual signed by the head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and (ix) year-end financial reports for the last three (3) fiscal years.

The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.



Table 1.3.a

**PHILIPPINE NATIONAL OIL COMPANY  
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2025**

**I. CORPORATE OBJECTIVES**

1. To optimize the development of energy sources and accelerate the widespread adoption of cost-effective renewable energy technologies;
2. To effectively manage, operate and develop a 530-hectare of land located in Limay and Mariveles in Bataan, with the purpose of establishing a petrochemical zone and concurrently developing an energy hub within the PNOC Industrial Park (PIP);
3. Transforming the Energy Supply Base (ESB) Port in Mabini, Batangas, into a specialized offshore wind integration port;
4. To drive digital transformation initiatives aimed at enhancing operational efficiency, facilitating data-driven decision making, and fostering technological innovation across all organization processes; and
5. To maintain and strengthen the company's financial health and operating efficiency.

**II. CORPORATE PRIORITIES**

1. Establishment of an energy hub with a proof of concept
2. Retail electricity supplier for government agencies
3. Rooftop Solar Photovoltaic System for government agencies
4. Repurposing the ESB Port into a dedicated Offshore Wind Integration Port
5. Ensure banked gas recovery and monetization on a whole-of-government approach
6. Installation of Off-grid Solar Mill
7. Development of Mini Hydro Power Plant
8. Implementation of PNOC Information Systems Strategic Plan (ISSP)

**III. MAJOR PROGRAMS AND PROJECTS**

**1. PROGRAMS**

- a. Provision of strategic and business directions, business research and development, project management, asset management, management of PIP and ESB operations, financial planning, strategic planning, administrative, general counselling, management of information systems, internal audit, corporate relations, compliance, contracted services, maintenance of quality management systems (PNOC Head Office, ESB, and PIP) and integrated management systems (PIP and ESB);
- 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 through sale, lease, joint venture and/or other appropriate schemes; and
- d. Repair and maintenance of PNOC Buildings 2-6; and ESB and PIP facilities.



Table 1.3.a  
PHILIPPINE NATIONAL OIL COMPANY  
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2025

2. PROJECTS

- a. Optimization of the value of PNOC's real estate assets
- b. Development of the ESB port
- c. Business research and development and possible investment in energy and energy-allied projects

Table 1.3.b  
**PHILIPPINE NATIONAL OIL COMPANY**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 ACTUAL	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>ASSETS</b>				
Current Assets	6,427,087	5,998,951	5,404,967	5,111,203
Cash and Cash Equivalents	1,683,903	3,553,768	659,983	48,419
Investments - current	3,602,943	1,159,297	3,602,943	3,352,943
Receivables	777,131	900,756	778,931	780,731
Other current assets	363,110	385,130	363,110	929,110
Non-Current Assets	35,427,163	33,259,554	35,622,258	36,586,336
Investments	12,691,962	8,822,327	12,691,962	12,691,962
Receivables	-	64,060	-	-
Investment Property	10,972,355	10,938,744	10,964,420	10,956,614
Property, Plant and Equipment	669,806	2,228,883	1,802,889	3,378,044
Intangible Assets	689	2	689	689
Banked Gas Inventory	10,415,688	10,549,280	9,485,635	8,882,364
Other non-current assets	676,663	656,258	676,663	676,663
<b>TOTAL ASSETS</b>	<b>41,854,250</b>	<b>39,258,505</b>	<b>41,027,225</b>	<b>41,697,539</b>
<b>LIABILITIES</b>				
Current Liabilities	2,886,108	703,539	1,753,977	1,544,522
Financial Liabilities	134,082	116,116	134,082	134,082
Inter-Agency Payables	399,295	101,924	284,824	258,355
Trust Liabilities	280,033	268,781	280,033	280,033
Other Payables	2,072,698	216,718	1,055,038	872,052
Non-Current Liabilities	2,601,313	2,669,241	2,440,060	2,448,459
Deferred credits/unearned income	227,002	249,882	44,756	44,833
Provisions	44,277	88,478	65,270	73,592
Deferred tax liabilities	2,330,034	2,330,881	2,330,034	2,330,034
<b>TOTAL LIABILITIES</b>	<b>5,487,421</b>	<b>3,372,780</b>	<b>4,194,037</b>	<b>3,992,981</b>
<b>STOCKHOLDER'S EQUITY</b>				
Government Equity	3,114,596	3,114,596	3,114,596	3,114,596
Retained Earnings	33,249,037	32,770,300	33,715,396	34,586,766
Cumulative Changes in Fair Value	3,196	829	3,196	3,196
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>36,366,829</b>	<b>35,885,725</b>	<b>36,833,188</b>	<b>37,704,558</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>41,854,250</b>	<b>39,258,505</b>	<b>41,027,225</b>	<b>41,697,539</b>

Table 1.3.c  
**PHILIPPINE NATIONAL OIL COMPANY**  
**COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 ACTUAL	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>I. REVENUES</b>				
Operating Revenues	4,937,712	1,332,653	3,504,429	3,316,403
Other Revenues	5,261	5,018	-	-
<b>TOTAL REVENUES</b>	<b>4,942,973</b>	<b>1,337,671</b>	<b>3,504,429</b>	<b>3,316,403</b>
<b>II. OPERATING EXPENSES</b>				
Personnel Services	160,879	224,803	224,803	227,096
Maintenance and Other Operating Expenses	216,474	544,969	567,944	839,160
Financial Expenses	7,147	7,294	7,320	7,305
Non-Cash Expenses				
Depreciation of Fixed Assets	19,215	67,070	33,382	43,709
Other Non-Cash Expenses	66,521	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>470,236</b>	<b>844,136</b>	<b>833,449</b>	<b>1,117,270</b>
<b>III. NET PROFIT/(LOSS) BEFORE FOREX GAIN</b>	<b>4,472,737</b>	<b>493,535</b>	<b>2,670,980</b>	<b>2,199,133</b>
<b>VI. INCOME TAX</b>	<b>1,053,625</b>	<b>54,141</b>	<b>562,266</b>	<b>456,392</b>
<b>VII. NET PROFIT/(LOSS) AFTER INCOME TAX</b>	<b>3,419,112</b>	<b>439,394</b>	<b>2,108,714</b>	<b>1,742,741</b>
Other Comprehensive Income	1,350	-	-	-
<b>VIII. NET PROFIT AND SUBSIDIES</b>	<b>3,420,462</b>	<b>439,394</b>	<b>2,108,714</b>	<b>1,742,741</b>

Table 1.3.d  
**PHILIPPINE NATIONAL OIL COMPANY**  
**STAFFING SUMMARY, FYs 2023-2025**  
(In Thousand Pesos, Except No. of Positions)

POSITION	2023 ACTUAL		2024				2025 PROPOSED	
			GAA		ESTIMATES			
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Positions								
President	1	3,037	1	2,270	1	2,270	1	2,270
Senior Vice-President	3	4,345	3	6,096	3	5,594	3	6,131
Managerial / Executive Group	10	15,505	12	17,514	12	18,299	11	17,547
Supervisory Group	12	11,816	23	22,063	26	25,015	27	26,922
Technical Group	32	19,542	24	16,538	40	25,713	49	30,065
Technical Support Group	18	14,147	33	22,023	24	18,177	24	18,348
Administrative Group / Others	40	27,449	87	46,678	74	38,114	83	43,126
TOTAL	116	95,841	183	133,182	180	133,182	198	144,409

Table 1.3.e  
**PHILIPPINE NATIONAL OIL COMPANY**  
**COMPENSATION OF ITEMIZED POSITIONS AND OTHER WAGES, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 ACTUAL	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>MANDATORIES</b>	<b>119,833</b>	<b>164,811</b>	<b>166,626</b>	<b>179,775</b>
Salaries	95,841	133,182	133,182	144,409
Representation and Transportation Allowance	4,118	5,025	5,456	5,556
Personnel Economic Relief Allowance	2,973	4,240	4,209	4,752
Mid-year Bonus	8,187	10,537	11,425	12,034
Year-end Bonus and Cash Gift	8,714	11,827	12,354	13,024
<b>FIXED EXPENDITURES</b>	<b>13,745</b>	<b>19,486</b>	<b>19,492</b>	<b>21,216</b>
Pag-IBIG Contributions	151	212	210	238
Retirement and Life Insurance Premium	11,713	15,982	15,982	17,329
Health Insurance Premium	1,728	3,080	3,090	3,411
Employees' Compensation Insurance Premium	153	212	210	238
<b>OTHER COMPENSATION</b>	<b>21,927</b>	<b>31,878</b>	<b>30,057</b>	<b>17,783</b>
Per Diem of Members of the Board	2,163	4,032	4,032	4,032
Loyalty/Longevity Pay	85	250	75	70
Clothing/Uniform Allowance	738	1,068	1,246	1,386
Overtime Pay	3,262	6,230	6,230	6,185
Performance-Based Bonus	8,538	5,101	4,225	4,136
Performance-Based Incentive	-	984	984	984
Productivity Enhancement Incentive	593	895	900	990
Anniversary Bonus	283	-	-	-
Honoraria	390	-	-	-
Service Recognition Incentive	2,366	-	-	-
Provident Fund	-	13,318	12,365	-
Collective Negotiation Agreement	3,509	-	-	-
<b>TERMINAL AND RETIREMENT BENEFITS</b>	<b>8,253</b>	<b>8,628</b>	<b>8,628</b>	<b>8,322</b>
Terminal Leave	7,595	7,389	7,389	7,323
Retirement Benefits	658	1,239	1,239	999
<b>GRAND TOTAL</b>	<b>163,758</b>	<b>224,803</b>	<b>224,803</b>	<b>227,096</b>

Table 1.3.f  
**PHILIPPINE NATIONAL OIL COMPANY**  
**DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 ACTUAL	2024		2025 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	1,266	4,257	4,257	19,349
Training and Scholarship Expenses	1,337	5,901	5,901	6,300
Supplies and Materials Expenses	8,634	20,966	18,881	19,909
Utility Expenses	36,602	60,841	52,454	53,885
Communication Expenses	5,274	6,506	6,200	6,761
Awards/Rewards, Prizes and Indemnities	-	119,688	94,599	66,831
Survey, Research Exploration and Development Expenses	-	10,000	-	-
Extraordinary and Miscellaneous Expenses	123	605	605	605
Professional Services	21,650	58,863	108,145	365,985
General Services	90,951	110,786	94,368	102,547
Repairs and Maintenance	10,127	25,088	31,939	37,200
Taxes, Insurance Premiums and Other Fees	73,278	86,182	106,493	96,794
Other Maintenance and Operating Expenses	14,257	35,286	44,102	62,994
Advertising, Promotional and Marketing Expenses	56	1,288	1,333	2,500
Printing and Publication Expenses	419	1,021	1,209	680
Representation Expenses	2,506	6,057	6,057	12,288
Transportation and Delivery Expense	-	58	157	142
Membership Dues & Contributions to Organizations	1,204	1,333	1,395	1,583
Rent/Lease Expense	-	-	3,000	4,962
Subscription Expenses	576	5,761	4,976	9,660
Documentary Stamp Tax	-	8	6	6
Litigation/Acquired Assets Expense	-	5,000	5,000	5,000
Major Events and Conventions Expenses	4,607	7,582	15,362	19,709
Other Maintenance and Operating Expenses	4,889	7,178	5,607	6,464
Financial Expenses	7,147	7,294	7,320	7,305
Depreciation a/	19,215	67,070	33,382	43,709
<b>TOTAL MOOE</b>	<b>289,861</b>	<b>619,333</b>	<b>608,646</b>	<b>890,174</b>

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, FYs 2023-2025  
(In Thousand Pesos)

PARTICULARS	2023 Actual	2024		2025 PROPOSED
		GAA	ESTIMATES	
Investment Outlay	-	-	-	566,000
Land and Land Improvements Outlay	461	99,374	448,811	3,800
Infrastructures Outlay	-	150,239	121,441	1,543,324
Building and Structures Outlay	9,376	903,415	541,435	29,550
Machinery and Equipment Outlay	2,313	24,930	43,271	12,384
Transportation Equipment Outlay	29,084	3,572	3,572	19,000
Furniture, Fixtures and Book Outlay	-	-	-	3,000
Intangible Assets Outlay	2,052	-	-	-
TOTAL CAPITAL OUTLAYS	43,286	1,181,530	1,158,530	2,177,058

Table 1.3.h  
**PHILIPPINE NATIONAL OIL COMPANY**  
**COMPARATIVE STATEMENT OF CASH FLOWS, FYs 2023-2025**  
(In Thousand Pesos)

PARTICULARS	2023 AUDITED	2024		2025 PROPOSED
		GAA	ESTIMATES	
<b>I. Cash flows from operating activities</b>				
Inflows	7,119,808	1,267,135	4,084,170	3,618,636
Cash generated from operations	6,310,224	1,266,741	4,084,170	3,618,636
Collection of receivables	793,731	-	-	-
Other inflows	15,853	394	-	-
Outflows	2,170,078	1,037,003	1,709,661	1,620,550
Payment for salaries	821,631	202,857	203,810	218,774
Payment for suppliers	395,532	552,263	575,264	846,465
Payment of taxes	930,910	281,883	930,587	555,311
Other outflows	22,005	-	-	-
<b>Net cash flow from operating activities</b>	<b>4,949,730</b>	<b>230,132</b>	<b>2,374,509</b>	<b>1,998,086</b>
<b>II. Cash flows from investing activities</b>				
Inflows	2,550,303	2,113,659	420,115	621,765
Receipt of Interest Earned	-	271,472	420,115	371,765
Proceeds from Sale/Disposal of Investment Property	8	8,000	-	-
Receipt of Cash Dividends	-	1,900	-	-
Proceeds from Matured Investments	2,253,739	1,832,287	-	250,000
Other Inflows	296,556	-	-	-
Outflows	6,179,211	1,181,530	1,158,530	2,177,058
Purchase of property, plant and equipment	7,567	1,181,530	1,158,530	1,611,058
Other outflows/Purchase of Investment Property	6,170,957	-	-	566,000
Purchase of Intangible Assets	687	-	-	-
<b>Net cash flow from investing activities</b>	<b>(3,628,908)</b>	<b>932,129</b>	<b>(738,415)</b>	<b>(1,555,293)</b>
<b>III. Cash flows from financing activities</b>				
Outflows	1,683,411	1,237,788	2,660,014	1,054,357
Dividend payment	1,683,411	1,237,788	2,660,014	1,054,357
<b>Net cash flow from financing activities</b>	<b>(1,683,411)</b>	<b>(1,237,788)</b>	<b>(2,660,014)</b>	<b>(1,054,357)</b>
Net increase/(decrease) in cash and cash equivalents	(362,589)	(75,527)	(1,023,920)	(611,564)
Effects of Exchange Rate changes on cash and cash equivalents	47,930	-	-	-
Cash and cash equivalents, beginning of the year	1,998,562	3,629,295	1,683,903	659,983
<b>Cash and cash equivalents, end of year</b>	<b>1,683,903</b>	<b>3,553,769</b>	<b>659,983</b>	<b>48,419</b>



Table 1.3.1  
PHILIPPINE NATIONAL OIL COMPANY  
SOURCES AND USES OF FUNDS By Expense Class, FYs 2023-2025  
(In Thousand Pesos)

PARTICULARS	2023 Actual			2024 GAA			2025 Proposed		
	PS	MOOE <sup>a/</sup>	CO	TOTAL	PS	MOOE <sup>a/</sup>	CO	TOTAL	TOTAL
CORPORATE FUNDS									
1. General Administration and Support	107,555	179,777	12,226	299,558	140,323	363,099	87,971	591,393	558,840
2. Support to Operations	20,029	1,730	-	21,759	31,147	3,105	-	34,252	35,808
3. Operations	36,174	89,139	31,060	156,373	53,333	209,060	1,070,559	1,332,952	2,655,971
GRAND TOTAL	163,758	270,646	43,286	477,690	224,803	575,264	1,158,530	1,958,597	3,250,619

a/ Net of depreciation expense

**PHILIPPINE NATIONAL OIL COMPANY  
CORPORATE OPERATING BUDGET  
SPECIAL PROVISIONS**

**1. Approval of the FY 2025 Corporate Operating Budget of the Philippine National Oil Company under R.A. No. 7638.** The FY 2025 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, A.O. No. 14 dated December 10, 2018, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

**3. Payment of Compensation and Benefits.** Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

**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 Seven Million Three Hundred Twenty Three Thousand Pesos (P7,323,000) and Nine Hundred Ninety Nine Thousand Pesos (P999,000) shall be used 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 amounts be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

**5. Budget Flexibility.** 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: PROVIDED, That any use of funds for Capital Outlay for production, refining, tankerage, and/or shipping, storage, and transport of oil or petroleum operations shall be subject to a detailed feasibility study.

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 but are engaged in any of PNOC's purposes as specified in Section 4 of P.D. No. 334, as amended.

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 and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Updated People's Freedom of Information (FOI) Manual signed by the head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and (ix) year-end financial reports for the last three (3) fiscal years.

The President of the PNOC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.