

Power Sector Assets and Liabilities Management (PSALM) Corporation

	Component			GCG-approved		1st Quarter Accomplishments (As of 31 March 2019)		
	Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Target	Actual	
Perspective 1: Financial	SO 1	Reduced financial obligations (FO)						
	SM 1	Amount of Net Reduction in FO	$FO_{previous\ year} - FO_{current\ year}$	30.0	Actual over Target	PHP11.48 Billion 1st Quarter: PHP61.74 Billion 2nd Quarter: PHP57.05 Billion 3rd Quarter: PHP8.01 Billion 4th Quarter: PHP8.15 Billion (Reduction from PHP435.860 Billion to PHP424.376 Billion) Forex Used: 2017 Year-end rate (PHP49.923 = US\$1)	1st Qtr: PHP61.74 Billion <i>Debt: (PHP6.01 Billion)</i> <i>Lease: (PHP7.26 Billion)</i> <i>Refinance: PHP75 Billion</i>	PHP12.97 Billion (Reduction from PHH430.06 Billion to PHP417.09 Billion) Forex Used: 2017 Year-end rate (PHP49.923 = US\$1)
						PHP15.21 Billion (Restated)^{1/} 1st Quarter: (PHP61.49 Billion) 2nd Quarter: PHP60.04 Billion 3rd Quarter: PHP8.26 Billion 4th Quarter: PHP8.40 Billion (Reduction from PHP449.189 Billion to PHP433.978 Billion) Forex Used: 2018 Year-end rate (PHP52.724 = US\$1)	1st Qtr: (PHP61.49 Billion) <i>Debt: PHP6.00 Billion</i> <i>Lease: PHP7.50 Billion</i> <i>Refinance: (PHP75 Billion)</i>	PHP13.36 Billion (Reduction from PHH449.19 Billion to PHP435.83 Billion) Forex Used: 2018 Year-end rate (PHP52.724 = US\$1)
	SO 2	Ensured strong financial performance						
	SM 2	Collection Efficiency for Current Power Sales	$\frac{Collections\ from\ Current\ Power\ Sales}{Current\ Power\ Sales}$	10.0	Actual over Target	93%	90%	93% <u>PHP3.246 billion</u> PHP3.474 billion
SM 3	Amount of Delinquent/Overdue Accounts Collected	$\frac{Collections\ from\ Non - Current\ Accounts}{Projected\ Collections\ from\ Non - Current\ Accounts}$	5.0	Actual over Target	PHP4.12 billion 1st Quarter: PHP0.72 Billion 2nd Quarter: PHP0.57 Billion 3rd Quarter: PHP0.13 Billion 4th Quarter: PHP2.78 Billion	1st Qtr: PHP0.72 billion	PHP1.66 Billion	
SM 4	Percentage Share of Overhead Expenses to Total Income	$\frac{(PS + MOOE) - Bad\ Debts}{Total\ Income}$	5.0	Actual over Target	8.92% <u>PHP0.778 Billion</u> PHP8.729 Billion	6%	3.28% <u>PHP0.12 Billion</u> PHP3.65 Billion	

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Perspective 1: Financial	SM 5	EBITDA Margin of Operating Power Assets	$\frac{EBITDA\ of\ Operating\ Power\ Assets}{Net\ Utility\ Revenue}$	5.0	Actual over Target	4.88% Annual: PHP1.479 Billion PHP30.327 Billion	3%	20.48% PHP1.969 Billion PHP9.616 Billion
	SM 6	Universal Charge (UC) Remittance Efficiency of Collecting Entities (CEs)	$\frac{\Sigma UC\ Actual\ Remittance}{Total\ UC\ Collection + Maintaining\ balance}$	7.0	Actual over Target	98%	95%	98.57% PhP28.650 Billion PhP29.065 Billion
	SM 7	Percentage of UC-ME disbursed to NPC Percentage of UC-ME-REDCI disbursed to RE Developers	$\frac{\Sigma UC\ Actual\ Disbursement}{Total\ UC\ Remittance + Maintaining\ balance}$ $\frac{Total\ Cash\ Incentive\ Disbursed}{\sum_{i=1}^n G_i r_i}$ <small>Where: n = the number of REDs G_i = Net Generation in KWH of the ith RED r_i = ERC - approved Cash Incentive Rate for the ith</small>	8.0	Actual over Target	100%	100%	100% NPC: PHP3.064 Billion PHP3.064 Billion RE Developers: No cash incentive claims were received during the 1 st quarter of 2019, hence, no disbursement of cash incentive
	Sub-total:			70.0				
Perspective 2: Customers/ Stakeholders	SO 3	Implemented fair and transparent privatization program						
	SM 8	No. of Power Assets Successfully Privatized	Actual accomplishments	10.0	All or Nothing	797.92 MW Caliraya- Botocan- Kalayaan HEPPs	<ul style="list-style-type: none"> Result of Study on Privatization Options and Structures Receipt of DOE's direction on privatization of CBK 	<ol style="list-style-type: none"> Secured Office of the Government Corporate Counsel conformity to engage consulting services for the conduct of study on the privatization options and structures for PSALM's Independent Power Producer (IPP) contracts on 10 January 2019; Requested the Commission on Audit (COA) concurrence on the subject procurement of consulting services on 17 January 2019; Secured COA reply that the subject procurement is covered by the provisions of RA 9184 and its IRR on 18 March 2019; Finalized the bidding documents for the subject procurement of consulting services for the conduct of study on the privatization options and structures for PSALM's IPP contracts on 22 and 29 March 2019; and Conducted Pre-Procurement Conference with PSALM's Bids and Awards Committee on 28 March 2019.

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Perspective 2: Customers/ Stakeholders	SM 9	No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{ Number of lots disposed}}{\Sigma \text{ Target Number of lots for disposal}}$	5.0	Actual over	160 lots <ul style="list-style-type: none"> ▪ Bauang DPP (92) ▪ Batangas CFTPP (57) ▪ Paranaque CMP with NHA (4) ▪ Mexico Central Warehouse (1) ▪ Camalaniugan Substation (1) ▪ Sudipen Campsite (2) ▪ General Santos (3) 	Preparatory Activities	<ul style="list-style-type: none"> • Conducted the following:
							<ul style="list-style-type: none"> ▪ Bauang DPP (92) 	1. 06 February 2019 - Top Consult Inc. and Valuometrics Inc. acknowledged receipt of the Notice To Proceed for the Appraisal of Bauang and thereafter conducted appraisal of Bauang Property
							<ul style="list-style-type: none"> ▪ Batangas CFTPP (57) 	1. Continuous coordination with PSALM Office of the General Counsel (OGC) regarding the Case Folders
							<ul style="list-style-type: none"> ▪ Paranaque CMP with NHA (4) 	1. On-going validation of the Asset Profile conducted last year; and 2. Conducted site visit
							<ul style="list-style-type: none"> ▪ Mexico Central Warehouse (1) 	1. Updating of profile for both Real Estate Assets (REA) are on-going; 2. Preparatory activities for the Procurement of Third Party Appraisal for both REAs are on-going; and
							<ul style="list-style-type: none"> ▪ Camalaniugan Substation (1) 	3. The Camalaniugan Substation is informally occupied by Cagayan II Electric Cooperative, Inc for their operation, hence, PSALM is exploring for resolution
							<ul style="list-style-type: none"> ▪ Sudipen Campsite (2) 	1. On-going validation of the Asset Profile conducted last year; and 2. Conducted site visit
							<ul style="list-style-type: none"> ▪ General Santos DPP (3) 	1. On-going preparation of the required legal opinion on the transferability of reconveyance rights of the Vendor to his Heirs
		SO 4	Improved customers' relation and service delivery					
		SM 10	Percentage of Satisfied Customers	$\frac{\text{Total number of Satisfied Respondents}}{\text{Total number of Respondents}}$	5.0	Actual over Target 0% = if less than 80%	90% Satisfied Customers	<ul style="list-style-type: none"> • Evaluation and Review of pervious years' customer satisfaction survey
		Sub-total:		20.0				

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1st Quarter Monitoring Report

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	Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Target	Actual	
Perspective 3: Internal Business Process	SO 5	Adopted effective and efficient financial management system and operational standards						
	SM 11	Compliance to Quality Standards	Actual accomplishments	5.0	All or Nothing	ISO 9001:2015 Recertification	<ul style="list-style-type: none"> Preparatory activities (e.g., coordination meetings) 	<ol style="list-style-type: none"> Conducted Refresher Course on PSALM's Enterprise Risk Management (ERM) System on 21 and 22 February 2019; Reconstituted the Integrated Management System (IMS) Working Committees; and Formulated the IMS work plan for 2019
		Sub-total:		5.0				
Perspective 4: Learning and Growth	SO 6	Enhanced competency and skills of employees						
	SM 12	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{ Employees with Required Competencies Met}}{\text{Total No. of Employees}}$	5.0	Actual over Target	93.40%	<ul style="list-style-type: none"> Preparation of Individual Development Plan based on the 2017 Competency Assessment Report 	<ol style="list-style-type: none"> Finalized report on the 2018 Competency Human Resource Framework; Classified the 12 personnel identified to have competency gaps according to appropriate learning and development interventions; Discussed with the Career Development Committee the learning and development interventions identified for the 12 personnel with competency gap; and Processed the attendance to formal trainings of the 3 personnel with competency gaps, based on the schedules/availability of training programs gathered from various training providers
		Sub-total		5.0				
	Total Weight		100.0					

Note:

^{1/} Pursuant to the GCG-approved 2019 Performance Scorecard, the target should be updated once the 2018 yearend FOREX Rate is available