

Performance Measures				Baseline Data (if applicable)			Targets	
Description	Formula	Weight	Data Provider (if applicable)	2010	2011	2012	2013	2014
MFO 1. Financial Management								
<i>Objective: To reduce financial obligations (FO)</i>	Year-end FO	17.5%	N/A	PhP701.28 billion	PhP 696.48 billion	PhP662.18 billion	PhP638.78 billion	PhP614.38 billion
Performance Indicator 1: Reduction of FO	<i>Where: FO refers to debts and IPP lease obligations</i>						Forex Used, 2012 Year-end rate (PhP41.192 = US\$1)	Forex Used, 2012 Year-end rate (PhP41.192 = US\$1)
<i>Objective: To minimize forex risk exposure</i>	Peso-Denominated FO/(Total FO-IPP lease obligations in USD with counterpart IPPA Payments in USD)	7.5%	N/A	12.74%	25.66%	30.72%	30.65%	29.70%
Performance Indicator 2: Percent of peso component in financial obligations portfolio				61.8 billion PhP Share 465.1 billion	124.9 billion PhP Share 486.9 billion	146.02 billion PhP Share 475.3 billion	142.3 billion PhP Share 464.3 billion	134.4 billion PhP Share 452.5 billion
<i>Objective: To minimize liquidity risk by maintaining a high collection efficiency for power sales to TSC customers</i>	Collections from Power Sales in Current Year/ Power Sales in Current Year	4.5%	N/A		95.44%	94.95%	95%	95%
Performance Indicator 3: Collection efficiency (CE) for current power sales					PhP42.84 billion PhP44.88 billion	PhP40.94 billion PhP43.12 billion		
Performance Indicator 4: Collection efficiency for non-current power sales	Collections from Non-Current Power Sales/ Receivables from Non-Current Power Sales	3.0%	N/A		14.02%	6.97%	10%	12%
					PhP 5.42 billion PhP36.67 billion	PhP 2.18 billion PhP31.32 billion		
<i>Objective: To clean accounts retained at NPC's book of accounts</i>	Amount Cleaned/Total Amount for Cleaning	10%	N/A				57%	100%
Performance Indicator 5: Percentage of the amount cleaned							PhP 6.20 billion PhP10.96 billion	PhP 4.76 billion PhP4.76 billion
<i>Objective: To incur overhead expenses at reasonable level (within 5-10% of total income)</i>	<u>(PS+MOOE) - Bad Debts</u> Total Income				4.02%	4.43%	4%	4%
Performance Indicator 6: Percentage Share of Overhead Expenses on Total Income	<i>Source: Statement of Comprehensive Income</i>	5%	N/A		PhP0.69 billion PhP17.20 billion	PhP0.74 billion PhP16.73 billion		

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MFO 2. Asset Management								
<p><i>Objective: To reduce operating losses/enhance profitability of remaining power assets</i></p> <p>Performance Indicator 1: Operating income (loss) margin of remaining power assets</p>	<p>Net Operating Income (Loss) (NOI/L)/Net Utility Revenue (NUR)</p> <p>where: 1) NOI/L is equal to NUR less Total Costs 2) NUR refers to revenue from sale of electricity net of prompt payment discounts and mandatory rate reduction</p>	7.5%	N/A	<p>(20.56%) Loss Margin</p> <p>(PhP16 billion) PhP77.7 billion</p>	<p>(2.77%) Loss Margin</p> <p>(PhP1.4 billion) PhP50.6 billion</p>	<p>4.43% Profit Margin</p> <p>PhP24 billion PhP53.1 billion</p>	4.7% Profit Margin	4.7% Profit Margin
<p><i>Objective: To provide reliable contracted power supply to all customers</i></p> <p>Performance Indicator 2: Percentage of TSC customers provided with 100% of contracted energy</p>	<p>Number of TSC customers provided with 100% of contracted energy/Total Number of TSC Customers</p> <p>Note: Customers that are under maintenance/ under consumption and cases of under supply due to force majeure and other cases that is no fault on the part of PSALM shall be excluded in the computation.</p>	15.0%	N/A			<p>88%</p> <p>968 TSC customer months 1,103 TSC customer months</p>	92%	92%
<p><i>Objective: To bid out/ dispose of assets</i></p> <p>Performance Indicator 3: Successfully bid out/negotiated/disposed of capacity (in MW) with Notice of Award</p>	<p>Σ Capacity of power plants/IPP contract successfully bid out</p>	15%	N/A	<p>1,568 MW</p> <p>218 MW: Angat 150 MW: BacMan 1,200 MW: Ilijan</p>			<p>528 MW</p> <p>128 MW: PBs 101 to 104 400 MW: Unified Leyte</p>	<p>385.62 MW</p> <p>153.1 MW: Naga PPC 140 MW: Casecan 44.52 MW: Mt. Apo 1 48 MW: Mt. Apo 2</p>
<p>Performance Indicator 4: Gain/(Loss) on Sale from privatization of owned plants and appointment of IPP Administrators</p>	<p>Gain on Sale = ((ΣSale Price/ΣBook Value + IPP Costs)-1)*100</p>	10%	N/A	<p>(8.11%) Loss</p> <p>PhP191.7 billion PhP208.6 billion</p>			<p>Breakeven</p> <p>(Turnover of Unified Leyte)</p>	<p>11% Gain</p> <p>(Turnover of Angat, PBs 101 to 104, Naga, Casecan, Mt. Apo 1&2)</p>

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Performance Indicator 5: Area of real estate assets disposed	Σ Land area disposed	2.5%	N/A	228,616 sq. m.	1,506,025 sq. m.	15,536 sq. m.	115,547 sq. m.	2,149,469 sq. m.
Performance Indicator 6: Gain on Sale from disposal of real estate assets	Gain on Sale = ((Sale Price/ Σ Book Value)-1)*100	2.5%	N/A	-25.48% Gain <u>PhP0.097 billion</u> PhP0.131 billion	1,122.41% Gain <u>PhP0.919 billion</u> PhP0.075 billion	24.19% Gain <u>PhP0.019 billion</u> PhP0.016 billion	18% Gain	187% Gain
Total		100%						
General Administrative Services (GAS)								
Quantity 1: Percentage disbursement of statutory obligations under the EPIRA, in accordance with guidelines			N/A		100%	100%	100%	100%
					<ul style="list-style-type: none"> PhP 2.89 billion UC PhP 2.16 billion condoned EC loan PhP 426 million for ER 1-94 PhP 187.3 million for Share in National Wealth 	<ul style="list-style-type: none"> PhP 6.99 billion UC PhP 2.01 billion condoned EC loan PhP 933.8 million for ER 1-94 PhP 193.8 million for Share in National Wealth 	<ul style="list-style-type: none"> Universal Charge Loan Condonation Benefits under ER 1-94 Share in National Wealth of Host Communities 	<ul style="list-style-type: none"> Universal Charge Loan Condonation Benefits under ER 1-94 Share in National Wealth of Host Communities
Quantity 2: No. of business process enhancement program/project implemented			N/A	1 Migration to ISO 9001:2008 Certification	1 ISO 9001:2008 3rd Surveillance Audit	1 Establishment of Budget Control and Monitoring System	1 ISO 9001:2008 Re-Certification	1 ISO 27001 Certification
Organizational Outcome: Liquidated PSALM's financial obligations	(Previous Year - Current Year FO) + Previous Year FO		COA Audited FS	8.16%	0.68%	4.93%	3.53%	3.82%
Organizational Outcome Indicator 1: Percent reduction in financial obligations								
Sector Outcome 1: Reduced PSALM's share in the Consolidated Public Sector Debt (CPSD)	Yearend FO + CPSD		DOF	10.49% <u>PhP701.3 billion</u> PhP6,682.8 billion	9.17% <u>PhP696.5 billion</u> <u>PhP7,593.4 billion</u>	8.80% <u>PhP662.2 billion</u> PhP7,525.2 billion	8.49% <u>PhP638.8 billion</u> PhP7,525.2 billion	8.16% <u>PhP614.4 billion</u> PhP7,525.2 billion
Sector Outcome Indicator 1: PSALM's FO Share in the Consolidated Public Sector Debt							<i>Note: Using 2012 CPSD Level No available projected CPSD.</i>	<i>Note: Using 2012 CPSD Level No available projected CPSD.</i>
Sector Outcome 2: Reduced PSALM's market share in the power generation industry	PSALM's Remaining Capacity + National Grid Capacity		ERC	27.56% Capacity Share <u>4,022.06 MW</u> 14,593.54 MW	27.01% Capacity Share <u>4,045.57 MW</u> 14,976.01 MW	26.62% Capacity Share <u>4,051.15 MW</u> 15,219.63 MW	22.38% Capacity Share <u>3,517.57 MW</u> 15,717.37 MW	17.93% Capacity Share <u>2,817.39 MW</u> 15,717.37 MW
Sector Outcome Indicator 2: Reduction in market share of PSALM				<i>Using capacities provided under ERC Resolution No. 20 series of 2010.</i>	<i>Using capacities provided under ERC Resolution No. 04 series of 2011.</i>	<i>Using capacities provided under ERC Resolution No. 04 series of 2012.</i>	<i>Using capacities provided under ERC Resolution No. 03 series of 2013.</i>	<i>Using capacities provided under ERC Resolution No. 03 series of 2013.</i>

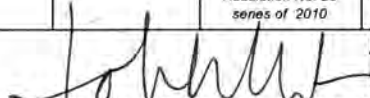


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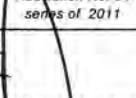
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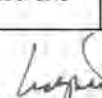
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