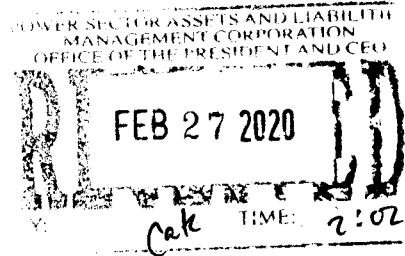




17 February 2020

MR. CARLOS G. DOMINGUEZ
Chairperson and DOF Secretary
ATTY. IRENE JOY BESIDO-GARCIA
OIC President and CEO (PCEO)
**POWER SECTOR ASSETS & LIABILITIES
 MANAGEMENT CORPORATION (PSALM)**
 24th Floor, Vertis North, Corporate Center Astra cor. Lux Drives
 Vertis North, Mindanao Avenue, 1105 Quezon City



RE : TRANSMITTAL OF 2020 PERFORMANCE SCORECARD

Dear Sec. Dominguez and OIC PCEO Besido-Garcia,

This is to formally transmit the Charter Statement and Strategy Map (**Annex A**) and 2020 Performance Scorecard (**Annex B**) of PSALM. The same is to be posted in PSALM's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

The PSALM proposed Charter Statement, Strategy Map and Performance Scorecard submitted on 29 July 2019² were **MODIFIED** based on the discussions made during the technical panel meeting (TPM) held on 08 November 2019 and evaluation of revised documents submitted through its letter dated 25 November 2019³ and through email dated 12 December 2019.

We take this opportunity to inform PSALM that Item 5 of GCG Memorandum Circular No. 2017-02⁴ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. PSALM is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of the 1st Quarter Monitoring Report for 2020.

FOR YOUR COMPLIANCE.

Very truly yours,

SAMUEL G. DAGFIN JR.
Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES C. DORAL
Commissioner

¹ CODE OF CORPORATE GOVERNANCE FOR GOCCS, dated 28 November 2012.
² Officially received by the Governance Commission on 29 August 2019.
³ Officially received by the Governance Commission on 29 November 2019.
⁴ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.



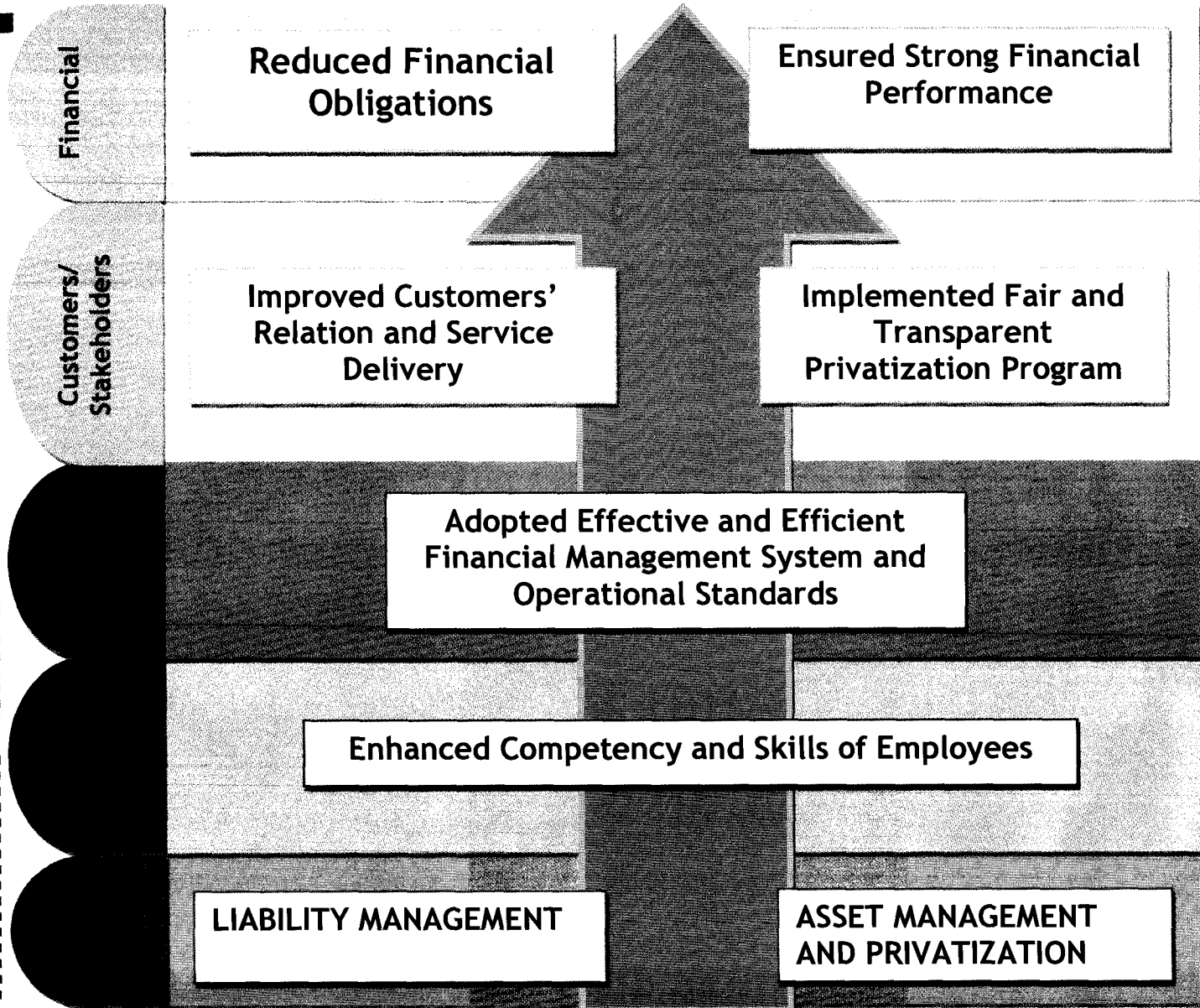
VISION BY 2026: A debt-free PSALM towards a competitive electric power industry through strategic asset privatization and financial management

MISSION

“We are an organization dedicated to:

- Ensure the orderly privatization of PSALM’s power and other disposable assets;
- Optimally liquidate PSALM’s financial obligations; and
- Efficiently administer the Universal Charge

- Professionalism
- Respect
- Excellence
- Teamwork
- Transparency
- Integrity



POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)

	Component				Baseline		Targets	
	Objective/Measure	Formula	Wt.	Rating System	2017	2018	2019	2020
SO 1	Reduced Financial Obligations (FO)							
SM 1	Amount of Net Reduction in FO	Previous Year's FO – Current Year's FO	30%	Actual over Target	₱41.91 Billion	₱36.17 Billion****	₱15.21 Billion†††	₱11.943 Billion###
SO 2	Ensured Strong Financial Performance							
SM 2	Collection Efficiency for Current Power Sales	$\frac{\text{Collections from Current Power Sales}}{\text{Current Power Sales}}$	10%	Actual over Target	93.09% ₱12.212 B ₱13.119 B	92.70% ₱10.472 B ₱11.296 B	93%	93%
SM 3	Amount of Delinquent/Overdue Accounts Collected	Σ Actual Collection	10%	Actual over Target	₱10.95 Billion	₱8.24 Billion	₱4.12 Billion	₱0.945 Billion
SM 4	Percentage Share of Overhead Expenses to Total Income	$\frac{(\text{PS} + \text{MOOE}) - \text{Bad Debts}}{\text{Total Income}}$	5%	Actual over Target	2.63% ₱0.544 B ₱20.664 B	2.78% ₱0.745 B ₱26.81 B	8.92%	14.00% ₱1.268 B ₱9.054 B
SM 5	EBITDA Margin of Remaining Power Assets	$\frac{\text{EBITDA of Remaining Power Assets}}{\text{Net Utility Revenue}}$	5%	Actual over Target	19.00% ₱5.381 B ₱28.330 B	17.31% ₱6.103 B ₱35.254 B	4.88% ₱1.479 B ₱30.327 B	10.00% ₱3.129 B ₱31.985 B
SM 6	Universal Charge (UC) Remittance Efficiency of Collecting Entities	$\frac{\Sigma \text{ UC Actual Remittance}}{\Sigma \text{ Total UC Collection}}$	7%	Actual over Target	98.42% ₱27.32 B ₱27.76 B	98.09% ₱30.59 B ₱31.18 B	98%	98%

**** Using 2017 yearend FOREX Rate (Php49.923 = US\$1).

††† Using 2018 yearend FOREX Rate (Php52.724 = US\$1).

Using 2018 yearend FOREX Rate (Php52.724 = US\$1). To be updated once the 2019 yearend FOREX Rate is available.

	Component				Baseline		Targets		
	Objective/Measure	Formula	Wt.	Rating System	2017	2018	2019	2020	
FINANCE	SM 7	Percentage of UC-ME Disbursed to NPC and RE Developers	$\frac{\Sigma \text{ UC Actual Disbursement}}{\Sigma \text{ Total UC Remittance}}$	8%	Actual over Target	N/A	100%	100%	100%
	<i>Sub-total</i>			<i>75%</i>					
	SO 3	Implemented Fair and Transparent Privatization Program							
STAKEHOLDER	SM 8	No. of Power Assets Successfully Privatized	Actual accomplishment	-	All or Nothing	650 MW Malaya TPP (Deferred. Subject to DOE's Policy Directions)	0	797.92 MW Caliraya-Botocan-Kalayaan HEPPs	797.92 MW Caliraya-Botocan-Kalayaan HEPPs (For monitoring)
	SM 9	No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{ Number of lots disposed}}{\Sigma \text{ Target Number of Lots for Disposal}}$	10%	Actual over Target	0	5 Pantabangan LLA (1) Limay CCTP LLA (4)	160 Bauang DPP (92) Batangas CFTPP (57) Paranaque CMP with NHA (4) Mexico Central Warehouse (1) Camalaniugan Substation (1) Sudipen Campsite (2) General Santos DPP (3)	76 + Lots Not Disposed in 2019

	Component				Baseline		Targets		
	Objective/Measure	Formula	Wt.	Rating System	2017	2018	2019	2020	
STAKEHOLDER	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%	Actual over Target 0% = if less than 80%	≥ Satisfactory Rating	N/A	90% Satisfied Customers ^{§§§§}	90% Satisfied Customers ^{*****}
	Sub-total			15%					
INTERNAL BUSINESS PROCESS	SO 5 Adopted Effective and Efficient Financial Management System and Operational Standards								
	SM 11	Compliance to Quality Standards	Actual accomplishment	5%	All or Nothing	Surveillance Audit Passed	QMS Surveillance Audit – 2 nd Phase; and System on WESM Billing	ISO 9001:2015 Recertification	Surveillance Audit Passed
	Sub-total			5%					
LEARNING AND GROWTH	SO 6 Enhanced Competency and Skills of Employees								
	SM 12	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{ Employees with required competencies met}}{\Sigma \text{ Total No. of Employees}}$	5%	All or Nothing	78.40% (Re-establish Baseline)	13.55% increase from 2017 baseline	93.40%	Increase from 2019 actual competency level
	Sub-total			5%					
TOTAL			100%						

§§§§ Using the Standard Methodology and Questionnaire prescribed by the GCG.

***** Using the Enhanced Standard Methodology and Questionnaire prescribed by the GCG.