

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)

	Component				Baseline		Target		
	Objective/Measure	Formula	Wt.	Rating System	2015	2016	2017	2018	
FINANCE	SO 1	Reduced Financial Obligation (FO)							
	SM 1	Amount of Net Reduction in FO	Previous Year's FO – Current Year's FO	30%	Actual over Target	54.58 Billion	65.22 Billion	41.60 Billion ^{§§}	45.37 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	97.33% $\frac{24.44 \text{ B}}{25.11 \text{ B}}$	96.34% $\frac{16.304 \text{ B}}{16.923 \text{ B}}$	93%	93%
	SM 3	Collection Efficiency for Delinquent/Overdue Accounts	$\frac{\Sigma \text{ collection from overdue accounts}}{\Sigma \text{ overdue receivables}}$	5%	Actual over Target	N/A	N/A	Established Baseline	15.40% (P15B / P97.41B)
	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	1.49% $\frac{0.394 \text{ B}}{26.445 \text{ B}}$	1.76% $\frac{P0.409 \text{ B}}{P23.204 \text{ B}}$	1.76%	2.00%
	SM 5	EBITDA Margin of Remaining Power Assets	$\frac{\text{EBITDA of Remaining Power Assets}}{\text{Net Utility Revenue}}$	5%	Actual over Target	11.53% $\frac{3.56 \text{ B}}{30.86 \text{ B}}$	12.05% $\frac{P3.038 \text{ B}}{P25.218 \text{ B}}$	6.59% $\frac{P1.749 \text{ B}}{P26.571 \text{ B}}$	4.04% $\frac{P890.4 \text{ B}}{P22.022.1 \text{ B}}$
			Sub-total	55%					

^{§§} Using 2016 yearend FOREX Rate (Php49.813 = US\$1).

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

STAKEHOLDER	Component				Baseline		Target	
	Objective/Measure	Formula	Wt.	Rating System	2015	2016	2017	2018
	SO 3	Implemented Fair and Transparent Privatization Program						
SM 6	No. of Power Assets Successfully Privatized		10%	Graduated Scale ^{†††}	96 MW PB 101-103	32 MW PB 104	650 MW Malaya TPP (Deferred. Subject to DOE's Policy Directions)	650 MW Malaya TPP
SM 7	No. of Lots Disposed under Strategic Plan	$(\Sigma \text{ lots disposed} \div \text{total lots titled to PSALM}) \times 100\%$	5%	Graduated Scale ^{†††}	1 (Board-Approved Strategic Plan for Real Estate Assets)	12 Bataan CCPP (3) Bohol (2) Tiwi-Makban (7)	231 Calaca (123) ^{§§§} Manila TPP (8) Puerto Azul (1) GenSan (3) Bauang (96)	95 Manila TPP (8) Puerto Azul (2) Naga Property (1) Cebu DPP (21) Aplaya DPP (49) Laoag (1), Malaya TPP (LLA) (5) Pantabangan LLA (OEN) (1) Limay CCTP LLA (OEN) (4), GenSan DPP (Reconveyance) (3)

^{†††} Graduated Scale for Disposal of Power Assets
Public Bidding
100% Turnover
95% Issuance of Notice of Award
90% Declaration of Highest Bidder

^{†††} Graduated Scale for Disposal of Lots
Public Bidding
100% Turnover
95% Issuance of Notice of Award
90% Declaration of Highest Bidder

Option Existence Notice
100% Turnover
95% Issuance of Notice of Award
90% Declaration of Highest Bidder

^{§§§} Dependent on SCPC priority of acquisitions.

	Component				Baseline		Target		
	Objective/Measure	Formula	Wt.	Rating System	2015	2016	2017	2018	
	SO 4	Improved Customers' Relation and Service Delivery							
	SM 8	Percentage of Satisfied Customers	$\frac{\Sigma \text{ Survey Rating}}{\text{Total no. of customers surveyed}}$	5%	All or Nothing	Satisfactory	Satisfactory	\geq Satisfactory Rating	90% Satisfied Customers
			Sub-total	20%					
	SO 5	Adopted Effective and Efficient Financial Management Systems and Operational Standards							
INTERNAL BUSINESS PROCESS	SM 9	Universal Charge (UC) Remittance Efficiency of CEs	$\frac{\Sigma \text{ UC Actual Remittance}}{\Sigma \text{ Total UC Collection} + \text{Maintaining balance}}$	8%	Actual over Target	98.46% <u>22.996 B</u> 23.355 B	98.48% <u>P25.434 B</u> P25.827 B	98%	98%
	SM 10	Percentage of UC-ME Disbursed to NPC and RE Developers	$\frac{\Sigma \text{ UC Actual Disbursement}}{\Sigma \text{ Total UC Remittance} + \text{Maintaining balance}}$	7%	Actual over Target	N/A	N/A	N/A	100%
	SM 11	No. of Business Process Enhancement Program/Project Implemented	$\Sigma \text{ Actual no. of business process implemented}$	5%	All or Nothing	SPMS Manual	ISO 9001:2015 Certification	Surveillance Audit Passed	QMS Surveillance Audit – 2 nd Phase; and System on WESM Billing
				Sub-total	20%				
	SO 6	Enhanced Competency and Skills of Employees							
LEARNING AND GROWTH	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	Board-Approved Competency Framework	86.67%	Re-establish baseline****	10% increase from 2017 baseline
				Sub-total	5%				
			TOTAL	100%					

**** Based on Current TO and new formula.