

**NATIONAL TRANSMISSION CORPORATION (TRANSCO)
Validated 2017 Performance Scorecard**

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks															
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating																	
CUSTOMER	SO 1	Enhance customer/stakeholders satisfaction in line with the mandates of TRANSCO																								
	SM 1	Satisfaction rating based on a survey conducted by a third party	Five-point satisfaction scale. At least 4 rating to be considered satisfactory	10.00%	Pass or Fail	Satisfactory Rating	4.13	10.00%	4.13	10.00%	<ul style="list-style-type: none"> 2017 Customer Satisfaction for the National Transmission Corporation prepared by: Human Development Program, Development Academy of the Philippines (DAP) Project Terminal report 	The survey was conducted on five (5) sectors with respective ratings as shown below:														
												<table border="1"> <thead> <tr> <th>Respondent Sector</th> <th>Service Quality Index (SQI)</th> </tr> </thead> <tbody> <tr> <td>NGCP</td> <td>3.97</td> </tr> <tr> <td>RE Developers-REPA</td> <td>4.39</td> </tr> <tr> <td>RE Developers-FIT Incentives</td> <td>4.31</td> </tr> <tr> <td>Business Locators</td> <td>4.29</td> </tr> <tr> <td>AFAB/BCEZ</td> <td>3.73</td> </tr> <tr> <td>Service Quality Index</td> <td>4.13</td> </tr> </tbody> </table>	Respondent Sector	Service Quality Index (SQI)	NGCP	3.97	RE Developers-REPA	4.39	RE Developers-FIT Incentives	4.31	Business Locators	4.29	AFAB/BCEZ	3.73	Service Quality Index	4.13
	Respondent Sector	Service Quality Index (SQI)																								
	NGCP	3.97																								
	RE Developers-REPA	4.39																								
	RE Developers-FIT Incentives	4.31																								
	Business Locators	4.29																								
	AFAB/BCEZ	3.73																								
	Service Quality Index	4.13																								
										According to DAP, the calculated SQI is equivalent to a "satisfactory rating."																
SO 2	Ensure continuous supply of electricity																									
SM 2	System Availability (SA) (Measures the long-term average fraction of time that a component or system is in service and satisfactorily performing its intended function)	The sum for all circuit hours available (Number of circuits) x (Number of hours in period)	3.00%	Actual/Target	Luzon - 99.19% Visayas - 99.52% Mindanao - 99.53%	Luzon - 99.36% Visayas - 99.78% Mindanao - 99.72%	3.00%	Luzon - 99.36% Visayas - 99.78% Mindanao - 99.72%	3.00%	<ul style="list-style-type: none"> Transmission Lines and Substations Performance Report CY 2017 	Validated with supporting documents.															

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
CUSTOMER	SM 3	System Interruption Severity Index (SISI) (Measures the severity of interruption (in system-minutes) of a single delivery point or a system)	Ratio of the unserved energy to the system peak load: {[MW lost x duration (min)]/System Peak Load (MW)}	3.00%	Actual/Target	Luzon - 17.96 mins Visayas - 121.83 mins Mindanao - 30.74 mins	Luzon - 5.80 mins Visayas - 15.56 mins Mindanao - 46.38 mins	2.00%	Luzon - 5.80 mins Visayas - 15.56 mins Mindanao - 46.38 mins	2.00%	<ul style="list-style-type: none"> Transmission Lines and Substations Performance Report CY 2017 <p>According to the report, failure to meet the target in Mindanao was due to the outage of the Baloi – Aurora 138kV line last May 2017. The transfer of load from Baloi to Agus5 resulted in the heavy loading of Agus5 which also tripped the line in the process.</p>	
	SO 3	Ensure uninterrupted access for the operation and maintenance by the NGCP of the existing transmission lines and other transmission-related facilities										
	SM 4	No. of ROW Claims/cases approved for settlement or Expropriation Cases Initiated	Σ No. of ROW Claims/cases approved for settlement + Σ No. of Expropriation Cases Initiated	8.00%	Actual/Target	160 (155 expropriation cases initiated and 5 approved for settlement)	115	5.75%	115	5.75%	<ul style="list-style-type: none"> Report on Claims/Cases with Approved Settlement/Authority Pay as of 31 December 2017 Report on Expropriation Cases Initiated as of 31 December 2017 Case Files and Checklist of Cases. <p>TRANSCO had five (5) cases with approved settlement/authority to pay and one hundred ten (110) expropriation cases initiated, or a total of one hundred fifteen (115) cases.</p>	
SO 4	Efficient administration of the Feed-in Tariff (FIT) Allowance Fund¹											

¹ Measure on "timely release of payments to RE Developers" excluded. Outcome measured under Customer Satisfaction Rating.

		Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating				
SO 5		Ensure NGCP's implementation of corrective actions based from the findings by TRANSCO										
CUSTOMER	SM 5	Total number of major findings/observations corrected	Σ No. of major findings/observations corrected over total agreed major observations for correction	5.00%	Actual/Target	75%	75.27%	5.00%	75.27%	5.00%	<ul style="list-style-type: none"> Summary of Inspections Observations for CY 2017 Actual List and Status of Inspections Observations 	1,114 out of the total 1,480 major findings/ observations were closed/ corrected by NGCP.
	SM 6	Total number of minor findings/observations corrected	Σ No. of minor findings/observations corrected over total agreed minor observations for correction	5.00%	Actual/Target	75%	79.97%	5.00%	79.97%	5.00%		3,067 out of the total 3,835 minor findings/ observations were closed/ corrected by NGCP.
	Subtotal		34.00%				30.75%		30.75%			
SO 6		Ensure TRANSCO's operational viability										
FINANCIAL	SM 7	Board approved action plans on how to address COA findings on CWIP	N/A	2.00%	Pass or Fail	Submission of Board-approved Action Plan	Presented and approved by the TRANSCO Board in September 2017	2.00%	Submission of Board-approved Action Plan	2.00%	<ul style="list-style-type: none"> TRANSCO Resolution No. TC 2017-019 dated 26 September 2017 	The action plan to address the COA findings on Construction Work in Progress (CWIP) Account was approved by TRANSCO Board on 26 September 2017.
	SM 8	Cost Efficiency - TRANSCO	<u>Controllable OPEX Revenues</u>	8.00%	Actual/Target	0.025	0.026	8.00%	0.024	8.00%	<ul style="list-style-type: none"> Cost Efficiency Report 31 December 2017 Schedule of Other Operating Expenses 	The target for this measure excludes the UMD Budget. Thus, in computing for actual Cost Efficiency, the UMD Budget is also excluded.

TRANSCO | 4 of 8
Validated Performance Scorecard 2017 (Annex A)

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
FINANCIAL	SM 9	Collection of Revenues re 3rd Reg. ROW Related Capex	Actual amount collected	5.00%	Actual/Target	₱356M	₱358.53M	5.00%	₱358.53M	5.00%	<ul style="list-style-type: none"> • TRANSCO Official Receipt No. 0028420 dated 31 March 2017 • TRANSCO Official Receipt No. 0028679 dated 07 September 2017 • TRANSCO Official Receipt No. 0028795 dated 06 November 2017. 	NGCP's total payment to TRANSCO amounted to ₱358,526,636.81.
	SM 10	Determination and monitoring of the Estimated Recovery Payment under the Concessionaire Agreement	N/A	5.00%	Pass or Fail	Submission of Semestral Monitoring Reports on Estimated Recovery Payment	Submitted three reports on Estimated Recovery Payment to the Board	5.00%	Submission of three reports on Estimated Recovery Payment	5.00%	<ul style="list-style-type: none"> • Three reports to the Board dated 29 May 2017, 30 August 2017 and 29 November 2017. 	Validated with supporting documents.
	Subtotal			20.00%				20.00%		20.00%		
INTERNAL PROCESSES	SO 7	Enhance performance on mandated roles and responsibilities										
	SM 11	Collection Efficiency (FIT-All)	Fit-All Fund Collection over Total Fit-All Fund Receivables	2.00%	Actual/Target	93.75%	93.77%	2.00%	93.77%	2.00%	<ul style="list-style-type: none"> • Collection Efficiency Report as of 31 December 2017 	Validated with supporting documents.

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
INTERNAL PROCESSES	SM 12	1.) Concessionaire's compliance to the Concession Agreement. 2.) Inspection of Books and Records	Conduct of TRFLAT quarterly meetings and submission of Annual Report	8.00%	Pass or Fail	Joint conduct of TRFLAT with PSALM Quarterly meeting with minutes and one TRFLAT report	Conducted 8 meetings with minutes with TRFLAT IBR Report received by NGCP last 29 Dec. 2017	8.00%	Joint conduct of 8 TRFLAT meetings with PSALM and one TRFLAT report	8.00%	<ul style="list-style-type: none"> Eight (8) Minutes of meetings TRFLAT Report dated 21 December 2017. 	Validated with supporting documents.
	SM 13	Technical Review/Assessment of Projects	Projects reviewed and acted upon <i>within 60 working days from publication date</i> Projects filed by NGCP	5.00%	Actual/Target	100%	16/16 Projects in 60 Days	5.00%	100%	5.00%	<ul style="list-style-type: none"> Copy of ERC Applications Technical Review and Assessment Monitoring Sheet for FY 2017 Technical Review and Assessment of Sixteen (16) Projects. 	All sixteen (16) projects were reviewed and acted upon within 60 working days from publication date.
	SM 14	No. of inspection conducted in accordance with the Annual Inspection Schedule, and aligned with the Board approved COB, including Projects Under Construction and New Projects	Σ No. of inspections conducted in accordance with the Annual Inspection Schedule	8.00%	Actual/Target	77	77	8.00%	77	8.00%	<ul style="list-style-type: none"> Summary of Inspections of Transmission Assets and Projects (CY 2017) Actual Inspection Reports 	Validated with supporting documents.

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks												
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating														
INTERNAL PROCESSES	SM 15	No. of ROW Claims Validated	Σ Actual number of ROW claims validated	6.00%	Actual/Target	200	205	6.00%	205	6.00%	<ul style="list-style-type: none"> Report on Status of ROW Claims for 2017 Actual ROW Claims <table border="1"> <thead> <tr> <th>Area</th> <th>No. of Claims</th> </tr> </thead> <tbody> <tr> <td>North Luzon</td> <td>48</td> </tr> <tr> <td>South Luzon</td> <td>60</td> </tr> <tr> <td>Visayas</td> <td>40</td> </tr> <tr> <td>Mindanao</td> <td>57</td> </tr> <tr> <td>TOTAL</td> <td>205</td> </tr> </tbody> </table>	Area	No. of Claims	North Luzon	48	South Luzon	60	Visayas	40	Mindanao	57	TOTAL	205
	Area	No. of Claims																					
	North Luzon	48																					
	South Luzon	60																					
Visayas	40																						
Mindanao	57																						
TOTAL	205																						
SM 16	Length of T/L and S/S profiled and identified	N/A		5.00%	Actual/Target	2,000km	2,007km	5.00%	2,005.88km	5.00%	<ul style="list-style-type: none"> As Built/Sketch Plans covering 2,005.88 km of transmission lines profiled <table border="1"> <thead> <tr> <th>Area</th> <th>Length</th> </tr> </thead> <tbody> <tr> <td>North Luzon</td> <td>582.93</td> </tr> <tr> <td>South Luzon</td> <td>421.36</td> </tr> <tr> <td>Visayas</td> <td>307.11</td> </tr> <tr> <td>Mindanao</td> <td>694.48</td> </tr> <tr> <td>TOTAL</td> <td>2005.88</td> </tr> </tbody> </table>	Area	Length	North Luzon	582.93	South Luzon	421.36	Visayas	307.11	Mindanao	694.48	TOTAL	2005.88
Area	Length																						
North Luzon	582.93																						
South Luzon	421.36																						
Visayas	307.11																						
Mindanao	694.48																						
TOTAL	2005.88																						
SO 8	Divest remaining sub-transmission assets to qualified distribution utilities even as the operation and maintenance of such assets are already transferred to NGCP.																						
SM 17	Signed Joint Applications	Σ No. of Joint Applications Filed with ERC		2.00%	Actual/Target	2 Joint Applications Filing	1	1.00%	1	1.00%	<ul style="list-style-type: none"> Copy of Joint Application (ERC Case No. 2017-91 RC) filed with the ERC Officially received by the ERC on 31 October 2017.												
Subtotal				36.00%				35.00%		35.00%													

	Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
LEARNING AND GROWTH	SO 9	Enhance employee's skills and competence										
	SM 18	Percentage of employees with required competencies met	$\frac{\text{No. of Employees with Required Competencies Met}}{\text{Total Employees}}$	5.00%	Actual/Target	16.56%	16.56%	5.00%	17.65%	5.00%	<ul style="list-style-type: none"> Competency Assessment Report 	27 out of 153 employees (17.65%) met the required competencies.
	SM 19	ISO Certification 9001:2008	N/A	5.00%	Pass or Fail	ISO Certified	ISO Certified – February 2017	5.00%	ISO Certified	5.00%	<ul style="list-style-type: none"> ISO Certificate 9001:2008 dated 24 March 2017. 	Validated with supporting documents.
	Subtotal			10.00%				10.00%		10.00%		
TOTAL			100.00%				95.75%		95.75%			