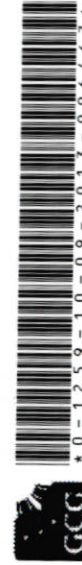


Description	Performance Measures		Baseline Data (if applicable)				Targets	
	Formula	Weight	Data Provider (if applicable)	2010	2011	2012	2013	2014
MFO 1. Financial Management Objective: To reduce financial obligations (FO)	Year-end FO	17.5%	N/A	PhP701.28 billion	PhP 696.48 billion	PhP662.18 billion	PhP638.78 billion	PhP614.38 billion
Performance Indicator 1: Reduction of FO Where: FO refers to debts and IPP lease obligations								Forex Used 2012 Year-end rate (PhP41.192 = US\$1)
Objective: To minimize forex risk exposure	Peso-Denominated FO/(Total FO-IPP lease obligations in USD with counterpart IPPA Payments in USD)	7.5%	N/A	61.8 billion PhP Share 485.1 billion	124.9 billion PhP Share 486.9 billion	146.02 billion PhP Share 475.3 billion	30.65%	29.70%
Performance Indicator 2 Percent of peso component in financial obligations portfolio								134.4 billion PhP Share 432.3 billion
Objective: To minimize liquidity risk by maintaining a high collection efficiency for power sales to TSC customers	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								
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%
Objective: To clean accounts retained at NPC's book of accounts	Amount Cleaned/Total Amount for Cleaning	10%	N/A	-	PhP 5.42 billion PhP36.67 billion	PhP 2.18 billion PhP31.32 billion	57%	100%
Performance Indicator 5 Percentage of the amount cleaned								PhP 4.78 billion PhP4.76 billion
Objective: To incur overhead expenses at reasonable level (within 5-10% of total income)	(PS+MOOE) - Bad Debts Total Income	5%	N/A	-	4.02%	4.43%	4%	4%
Performance Indicator 6 Percentage Share of Overhead Expenses on Total Income	Source: Statement of Comprehensive Income				PhP0.69 billion PhP17.20 billion	PhP0.74 billion PhP16.73 billion		



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Description	Formula	Weight	Data Provider (if applicable)	Baseline Data (if applicable)				Targets	
				2010	2011	2012	2013	2014	
MFO 1. Financial Management Objective: To reduce financial obligations (FO)	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	Where: FO refers to debts and IPP lease obligations						Forex Used: 2012 Year-end rate (PhP41.192 = US\$1)		
Objective: To minimize forex risk exposure	Peso-Denominated FO/(Total FO-IPP lease obligations in USD with counterpart IPPA Payments in USD)	7.5%	N/A	12.74% 61.8 billion PhP Share 485.1 billion	25.66% 124.9 billion PhP Share 486.9 billion	30.72% 146.02 billion PhP Share 475.3 billion	30.65% 142.3 billion PhP Share 464.3 billion	29.70% 134.4 billion PhP Share 452.5 billion	
Performance Indicator 2: Percent of peso component in financial obligations portfolio									
Objective: To minimize liquidity risk by maintaining a high collection efficiency for power sales to TSC customers	Collections from Power Sales in Current Year/ Power Sales in Current Year	4.5%	N/A	-	95.44% PhP40.84 billion PhP44.88 billion	94.95% PhP40.84 billion PhP43.12 billion	95%	95%	
Performance Indicator 3: Collection efficiency (CE) for current power sales									
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% PhP 5.42 billion PhP36.67 billion	6.97% PhP 2.18 billion PhP31.32 billion	10%	12%	
Objective: To clean accounts retained at NPC's book of accounts	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	
Objective: To incur overhead expenses at reasonable level (within 5-10% of total income)	(PS+MOOE) - Bad Debts Total Income	5%	N/A	-	4.02% PhP0.69 billion PhP17.20 billion	4.43% PhP0.74 billion PhP16.73 billion	4%	4%	
Performance Indicator 6: Percentage Share of Overhead Expenses on Total Income	Source: Statement of Comprehensive Income								


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Description	Performance Measures				Data Provider (if applicable)	Baseline Data (if applicable)				Targets	
	Formula	Weight	2010	2011		2012	2013	2014			
MFO 2. Asset Management <i>Objective: To reduce operating losses/enhance profitability of remaining power assets</i> Performance Indicator 1: Operating income (loss) margin of remaining power assets <i>where:</i> 1) NOI/L is equal to NJR less Total Costs 2) NJR refers to revenue from sale of electricity net of prompt payment discounts and mandatory rate reduction	$\frac{\text{Net Operating Income (Loss) (NOI/L)/Net Utility Revenue (NUR)}}{\text{Total Costs}}$	7.5%	(20.56%) Loss Margin (Php16.6 billion) Php77.7 billion	(2.77%) Loss Margin (Php1.4 billion) Php50.6 billion	4.43% Profit Margin Php22.4 billion Php53.1 billion	4.7% Profit Margin	4.7% Profit Margin				
Objective: To provide reliable contracted power supply to all customers Performance Indicator 2: Percentage of TSC customers provided with 100% of contracted energy	$\frac{\text{Number of TSC customers provided with 100% of contracted energy/Total Number of TSC Customers}}{\text{Total Number of TSC Customers}}$ <p><i>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.</i></p>	15.0%	N/A	-	88%	92%	92%				
Objective: To bid out/ dispose of assets Performance Indicator 3: Successfully bid out/negotiated/disposed of capacity (in MW) with Notice of Award	$\frac{\sum \text{Capacity of power plants/IPP contract successfully bid out}}{\text{Total Capacity of power plants/IPP contract}}$	15%	1,568 MW 218 MW: Angat 150 MW: BacMan 1,200 MW: Ilijan	-	-	528 MW 128 MW/PBs 101 to 104 400 MW: Unified Leyte	385.62 MW 153.1 MW: Naga PPC 140 MW: Casacnan 44.52 MW: Mt. Apo 1 48 MW: Mt. Apo 2				
Performance Indicator 4: Gain/(Loss) on Sale from privatization of owned plants and appointment of IPP Administrators	$\frac{\text{Gain on Sale} - (\text{Sale Price} - \text{Book Value} + \text{IPP Costs})}{\text{Sale Price} - \text{Book Value} + \text{IPP Costs}} \times 100$	10%	(8.11%) Loss Php191.7 billion Php208.6 billion	-	-	Break-even (Turnover of Unified Leyte)	11% Gain (Turnover of Angat, PBs 101 to 104, Naga, Casacnan, Mt. Apo 1&2)				






Performance Measures			Baseline Data (if applicable)				Targets	
Description	Formula	Weight	Data Provider (if applicable)	2010	2011	2012	2013	2014
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 PhP0.097 billion PhP0.131 billion	1,122.41% Gain PhP0.919 billion PhP0.075 billion	24.19% Gain PhP0.019 billion 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 condensed 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 condensed 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				8.16%	0.68%	4.93%	3.53%	3.82%
Organizational Outcome Indicator 1: Percent reduction in financial obligations	(Previous Year - Current Year FO) / Previous Year FO		COA Audited FS					
Sector Outcome 1: Reduced PSALM's share in the Consolidated Public Sector Debt (CPSD)	Yearend FO + CPSD		DOF	10.49% PhP701.3 billion PhP6,882.8 billion	9.17% PhP696.5 billion PhP7,593.4 billion	8.80% PhP662.2 billion PhP7,525.2 billion	8.49% PhP638.8 billion PhP7,525.2 billion	8.16% PhP614.4 billion PhP7,525.2 billion
Sector Outcome Indicator 1: PSALM's FO Share in the Consolidated Public Sector Debt							Note: Using 2012 CPDSD Level. No available projected CPDSD.	
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 4,022.06 MW 14,593.54 MW	27.01% Capacity Share 4,045.57 MW 14,976.01 MW	26.62% Capacity Share 4,051.15 MW 15,219.63 MW	22.38% Capacity Share 3,517.57 MW 15,717.37 MW	17.93% Capacity Share 2,817.39 MW 15,717.37 MW
Sector Outcome Indicator 2: Reduction in market share of PSALM				Using capacities provided under ERC Resolution No. 20 series of 2010	Using capacities provided under ERC Resolution No. 04 series of 2011	Using capacities provided under ERC Resolution No. 04 series of 2012	Using capacities provided under ERC Resolution No. 03 series of 2013	Using capacities provided under ERC Resolution No. 03 series of 2013


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 10 September 2013


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