

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| Component | Target | | Submission | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | | | | | | | |
|---|--|--|------------|---|--|--------|--|---------|--|------------------------------------|--------|------|------|--------------------|------|------------------------------|------|-------------------|------|-----------|------|------------------------------|-------------|
| | Objective/Measure | Formula | Weight | 2016 | Actual | Rating | | | Score | Rating | | | | | | | | | | | | | |
| 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 | 5% | Satisfactory Rating | 4.01 with adjectival rating of Satisfactory | 5% | 4.01 | 5.00% | <ul style="list-style-type: none"> 2016 Customer Satisfaction for the National Transmission Corporation prepared by: Human Development Program, Development Academy of the Philippines <table border="1"> <thead> <tr> <th>Respondent Sector</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>NGCP</td> <td>4.21</td> </tr> <tr> <td>RE Developers-REPA</td> <td>4.28</td> </tr> <tr> <td>RE Developers-FIT Incentives</td> <td>3.89</td> </tr> <tr> <td>Business Locators</td> <td>3.99</td> </tr> <tr> <td>AFAB/BCEZ</td> <td>3.37</td> </tr> <tr> <td>Service Quality Index</td> <td>4.01</td> </tr> </tbody> </table> | Respondent Sector | Rating | NGCP | 4.21 | RE Developers-REPA | 4.28 | RE Developers-FIT Incentives | 3.89 | Business Locators | 3.99 | AFAB/BCEZ | 3.37 | Service Quality Index | 4.01 |
| Respondent Sector | Rating | | | | | | | | | | | | | | | | | | | | | | |
| NGCP | 4.21 | | | | | | | | | | | | | | | | | | | | | | |
| RE Developers-REPA | 4.28 | | | | | | | | | | | | | | | | | | | | | | |
| RE Developers-FIT Incentives | 3.89 | | | | | | | | | | | | | | | | | | | | | | |
| Business Locators | 3.99 | | | | | | | | | | | | | | | | | | | | | | |
| AFAB/BCEZ | 3.37 | | | | | | | | | | | | | | | | | | | | | | |
| Service Quality Index | 4.01 | | | | | | | | | | | | | | | | | | | | | | |
| SO 2 Ensure Continuous Supply of Electricity in the Main Grid Through NGCP | | | | | | | | | | | | | | | | | | | | | | | |
| 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) | SA=The sum of all circuit hours available / (Number of circuits) x (Number of hours in period) | 2.50% | Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%) | Average Luzon (99.28%) Visayas (99.78%) Mindanao (99.77%) | 2.50% | Luzon (99.28%) Visayas (99.78%) Mindanao (99.77%) | 2.50% | <ul style="list-style-type: none"> TransCo Annual Grid Operations Report [Comparative 2015-2016 System Interruption Severity Index (SISI) By Region] | Validated with internal documents. | | | | | | | | | | | | | |
| 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: SISI=[(MW lost x duration(min))/System Peak Load (MW)] x 100% | 2.50% | Luzon (17.96 mins.) Visayas (121.83 mins.) Mindanao (30.74 mins.) | Average Luzon (11.993 mins.) Visayas (20.664 mins.) Mindanao (8.823 mins.) | 2.50% | Luzon (11.993 mins.) Visayas (20.664 mins.) Mindanao (8.823 mins.) | 2.50% | <ul style="list-style-type: none"> TransCo Annual Grid Operations Report 2016 Comparative 2015-2016 System Availability] | Validated with internal documents. | | | | | | | | | | | | | |

CUSTOMERS/STAKEHOLDERS

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| | Component | | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks | |
|-------------------------|--|--|---|----------------|---|--|----------------|--------|----------------------|---|---|
| | Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | Rating | | | |
| CUSTOMERS/STAKEHOLDERS | SO 3 Ensure Uninterrupted Access for the Operation and Maintenance by the NGCP of the Existing Transmission Lines and Other Facilities | | | | | | | | | | |
| | SM 4 | No. of ROW Claims/Cases Approved for Settlement or Expropriation Cases Initiated | Σ No. of ROW Claims/Cases Approved for Settlement | 10% | 5 | 35 | 10.00% | 4 | 9.00% | <ul style="list-style-type: none"> Summary of claims/cases approved for settlement/authority to pay as of December 31, 2016 Status of expropriation cases as of December 31, 2016 | There were four (4) ROW claims approved for settlement and thirty-one (31) expropriation cases filed in court. Total claims amounted to ₱69.60 Million. |
| | | | Σ No. of Expropriation Cases Initiated | | 29 | | | 31 | | | |
| SM 5 | Presentation of comprehensive time-bound action plans on: a) how to address the ROW claims issues and to provide options on how to hasten the resolution of claims b) how to address issues on ROW claims validation | - | 3% | Signing of MOU | TransCo Board Approved the deletion of signing of | 0% | - | 0.00% | | The matters for inclusion in the planned MOUs were instead included in the outsourcing of survey activities on existing transmission facilities. | |
| CUSTOMERS/S TAKEHOLDERS | SO 4 Efficient Administration of the Feed-In Tariff (FIT) Allowance Fund | | | | | | | | | | |
| | SM 6 | Timely release of payments to Renewable Energy (RE) developers | No. of months payment made on payment date/total number of months | 3% | 90% | 100% timely release of payments to RE developers | 3% | 100% | 3.00% | <ul style="list-style-type: none"> Summary of Payments to RE Developers Land Bank of the Philippines (LBP) Certificate of Payment | TransCo collected P6,580,886,755.95, net of kWh Sales in 2016. All payments were made on due date. |
| CUSTOMERS/S TAKEHOLDERS | SO 5 Ensure NGCP's Implementation of Corrective Actions Based from the Findings by TransCo | | | | | | | | | | |
| | SM 7 | Total number of major findings/ observations corrected ³ | Σ No. of major findings/observations corrected over total agreed major observations for correction | 4% | 70% | 73.10% | 4% | 73.10% | 4.00% | <ul style="list-style-type: none"> Summary of CY2016 Inspections Report of Major Observations for CY2016 | For the year ended 2016, 1,478 out of 2,022 major findings/observations were corrected or closed by NGCP. |

³ Major observations are deficiencies and defects that can affect the quality and reliable delivery of transmission service. Henceforth, all major observations/findings will be submitted to ERC.

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| Component | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | |
|--|--|---|---------------------------------|--|--|---|----------------------|---------------------------|--|---|--|-------------------|-----------------------------|---------|------------|-----------------|--------------|
| Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | | | Rating | | | | | | | | |
| SM 8 | Total number of minor findings/observations corrected ⁴ | \sum No. of minor findings/observations corrected over total agreed | 4% | 70% | 73.31% | 4% | 73.31% | 4.00% | <ul style="list-style-type: none"> Summary of CY2016 Inspections Report of Minor Observations for CY2016 | For the year ended 2016, 2,395 out of 3,267 minor findings/observations were corrected or closed by NGCP. | | | | | | | |
| <i>Subtotal</i> | | | 34% | | | 31% | | 30% | | | | | | | | | |
| SO 6 Ensure TransCo's Financial Viability | | | | | | | | | | | | | | | | | |
| FINANCE | SM 9 | Cost Efficiency - TransCo | Controllable OPEX over Revenues | 8% | ₱ 0.02 for every ₱ 1 revenue generated | 0.01855 | 8.00% | 0.01856 | 8.00% | <ul style="list-style-type: none"> Cost Efficiency Calculation Report for the year ended 31 December 2016. | Details are as follows: <table border="1"> <tr> <td>Controllable OPEX</td> <td>₱184.55M</td> </tr> <tr> <td>Revenue</td> <td>9,944.84M</td> </tr> <tr> <td>Cost Efficiency</td> <td>₱0.01856/ ₱1</td> </tr> </table> | Controllable OPEX | ₱184.55M | Revenue | 9,944.84M | Cost Efficiency | ₱0.01856/ ₱1 |
| | Controllable OPEX | ₱184.55M | | | | | | | | | | | | | | | |
| | Revenue | 9,944.84M | | | | | | | | | | | | | | | |
| Cost Efficiency | ₱0.01856/ ₱1 | | | | | | | | | | | | | | | | |
| SM 10 | Cost Efficiency – Utility Management Department (UMD) | UMD Expenses over Revenue | 3% | ₱0.8779 for every ₱1 revenue generated | 0.7655 | 3% | 0.7655 | 3.00% | <ul style="list-style-type: none"> Cost Efficiency Calculation Report for the year ended 31 December 2016 Subsidiary Ledgers of UMD OPEX | Details are as follows (in millions): <table border="1"> <tr> <td>UMD Expenses</td> <td>₱ 21.528</td> </tr> <tr> <td>Revenue from Economic Zones</td> <td>28.123</td> </tr> <tr> <td>Efficiency</td> <td>₱0.7655/₱1</td> </tr> </table> | UMD Expenses | ₱ 21.528 | Revenue from Economic Zones | 28.123 | Efficiency | ₱0.7655/₱1 | |
| UMD Expenses | ₱ 21.528 | | | | | | | | | | | | | | | | |
| Revenue from Economic Zones | 28.123 | | | | | | | | | | | | | | | | |
| Efficiency | ₱0.7655/₱1 | | | | | | | | | | | | | | | | |
| FINANCE | SM 11 | Collection of Revenues re 3 rd Reg. ROW Related Capex ⁵ | Actual amount collected | 2.50% | ₱307.13M | Collected total of ₱291.69M issued OR to NGCP on 12/29/16 | 2.37% | ₱291.69M collected amount | 2.37% | <ul style="list-style-type: none"> Copy of Official Receipt issued by TransCo to NGCP, issued on 29 Dec. 2016 Copy of Manager's Check paid to TransCo dated, 29 Dec. 2016 | Validated with internal documents. | | | | | | |

⁴ Minor observations are deficiencies and defects that do not affect the quality and reliable delivery of the transmission service.

⁵ Based on computed WACC recovery for 3rd regulatory actual ROW payments at 15.04%.

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| Component | | | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks |
|-------------------------|---|---|-------|--|--|--------|-------------------------------|--------|--|--|
| Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | Rating | | | |
| SM 12 | Collection Efficiency (UMD Ecozones) | (Total Collections over Total Receivables) X 100 (UMD) | 3.50% | 99.48% | 99.49% | 3.50% | 99.49% | 3.50% | <ul style="list-style-type: none"> TransCo-UMD Collection Efficiency Report as of December 2016 TransCo-Bagui Ecozone and TransCo-AFAB Comparative Statistics Report on Power Distribution as of December 2016 | Out of ₱1,469,191,493.48 receivables, ₱1,461,702,976.14 were collected. |
| SM 13 | Determination and monitoring of the Estimated Recovery Payment under the Concession Agreement | N/A | - | Submission of Board-approved plan and semestral monitoring reports | Board-approved on 20 Dec 2016 | 0% | Board-approved on 20 Dec 2016 | 0.00% | <ul style="list-style-type: none"> Board Resolution No. TC2016-016 dated 20 Dec. 2016 Recovery Payment Mechanism Report submitted to the Board Technical Committee | Validated with internal documents |
| <i>Subtotal</i> | | | 17% | | | 16.87% | | 16.87% | | |
| INTERNAL PROCESS | | | | | | | | | | |
| SO 7 | Enhance Performance on Mandated Roles and Responsibilities | | | | | | | | | |
| SM 14 | Collection Efficiency (FIT-All) | Fit-All Fund Collection over Total Fit-All Fund Receivables | 3% | 92.50% | 93.75% Collected | 3% | 93.75% | 3.00% | <ul style="list-style-type: none"> Summary of FIT-All Collection as of 31 December 2016 | Out of ₱ 7,019,367,327 Fit-All Receivables for 2016, TransCo collected (with Energy Kwh Report) ₱ 6,580,886,756. |
| SM 15 | Availability Factor (Measures the electrical power readily available to customers of BCEZ and AFAB) | (Period Hours - Outage Hours) / Period Hours X 100 | 4% | 99.96% | 99.97% | 4% | 99.97% | 4.00% | <ul style="list-style-type: none"> Monthly Report on Economic Zones 2016 UMD Availability Factor Computation | Validated with internal documents. |
| SM 16 | Technical Review/Assessment of Projects | Ratio of projects | 5% | 85.00% | 100% of projects reviewed (5 out of 5) | 5% | 100% | 5.00% | <ul style="list-style-type: none"> Copy of ERC Applications Technical Review and Assessment Monitoring Sheet | Out of 5 ERC Applications by NGCP in 2016, 5 technical reviews were completed. |

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| | Component | | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks | |
|------------------|-------------------|--|---|--------|---|--|----------------|--|----------------------|--|--|
| | Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | Rating | | | |
| INTERNAL PROCESS | SM 17 | 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 | \sum No. of inspection conducted to NGCP facilities in accordance with the Annual Inspection Schedule | 8% | 70 | 70 | 8% | 70 | 8.00% | <ul style="list-style-type: none"> TransCo's Letter to DOE, re: Request for Certification on TransCo's Conducted Inspection of Transmission Assets and Projects for CY2016 Observation reports to NGCP on the inspection activities. Annual Inspection Schedule | All inspections were conducted in 2016 |
| | SM 18 | No. of ROW Claims Validated | \sum Actual number of ROW claims validated | 5% | 193 | 195 | 5% | 195 | 5.00% | <ul style="list-style-type: none"> Status of ROW Claims Validation as of December 31, 2016 Actual ROW Claims | Validated with internal documents |
| | SM 19 | Length of Transmission Lines Surveyed | \sum Actual length of Transmission Lines | 6% | 245 kms | 245.12 kms | 6% | 245.12 kms | 6.00% | <ul style="list-style-type: none"> Report on the length of transmission line surveyed as of December 31, 2016. Sample Sketch Plans covering 245.12 kms of transmission lines surveyed | Validated with internal documents |
| INTERNAL PROCESS | SM 19A | Presentation of comprehensive time-bound action plans on how to address the issues in the survey of Transmission Lines | N/A | 5% | Completion of Parcellary Survey for Schedule (1) Kadampat SS-San Manuel SS-San Jose SS 500Kv T/L & Schedule (2) Banilad SS-Naga SS- Suba SS 138Kv T/L | Schedule 1 – Field Survey completed. (As-Built Plan) Schedule 2 – Field Survey completed. (As-Built Plan) | 5% | Schedule 1 – Field Survey completed. (As-Built Plan) Schedule 2 – Field Survey completed. (As-Built Plan) | 5.00% | <ul style="list-style-type: none"> Final Index Maps of Tower Sites (As-Built Plans) | Validated with internal documents |

NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016

| Component | | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | | | |
|--|--------------------------|---|--------------|----------------------|--------------------------------|---|--------|---|--|--|-------------------|------|---------------------------|-----------|-------------------------------|------------|-------------------|----------|------|-----------|
| Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | Rating | | | | | | | | | | | | | |
| SO 8 Divest Remaining Sub-transmission Assets (STAs) to Qualified Distribution Utilities Even as the Operation and Maintenance of Such Assets are Already Transferred to NGCP | | | | | | | | | | | | | | | | | | | | |
| SM 20 | Signed Joint Application | \sum No. of Joint Applications Filed with ERC | 4% | 5 | 4 Joint Application Filing | 3.20% | 4 | 3.20% | <ul style="list-style-type: none"> Copy of Joint Applications filed with the ERC | The following were the joint applications filed with ERC in 2016: <table border="1"> <thead> <tr> <th>Joint Application</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>VECO-CEBECO II Consortium</td> <td>23 May 16</td> </tr> <tr> <td>CAMELCO-MORESCO II Consortium</td> <td>21 June 16</td> </tr> <tr> <td>MERALCO (Batch 3)</td> <td>4 Oct 16</td> </tr> <tr> <td>MECO</td> <td>13 Dec 16</td> </tr> </tbody> </table> | Joint Application | Date | VECO-CEBECO II Consortium | 23 May 16 | CAMELCO-MORESCO II Consortium | 21 June 16 | MERALCO (Batch 3) | 4 Oct 16 | MECO | 13 Dec 16 |
| Joint Application | Date | | | | | | | | | | | | | | | | | | | |
| VECO-CEBECO II Consortium | 23 May 16 | | | | | | | | | | | | | | | | | | | |
| CAMELCO-MORESCO II Consortium | 21 June 16 | | | | | | | | | | | | | | | | | | | |
| MERALCO (Batch 3) | 4 Oct 16 | | | | | | | | | | | | | | | | | | | |
| MECO | 13 Dec 16 | | | | | | | | | | | | | | | | | | | |
| | | <i>Subtotal</i> | 40% | | | 39.20% | | 39.20% | | | | | | | | | | | | |
| SO 9 Comprehensively Link Individual Performance to the Goals of the Organization. | | | | | | | | | | | | | | | | | | | | |
| LEARNING AND GROWTH | SM 21 | Ave. Percentage of Required Competencies Met | 4% | Establish a baseline | 95.92% | 4% | 95.92% | 4.00% | <ul style="list-style-type: none"> Raw data of computation of baseline competency Employee Competency Management System User Guide Actual validation of its Employee Competency Management System (IT system and software) TransCo Office Circular No. 2016-04 | Validated with internal documents. | | | | | | | | | | |
| | SM 22 | Rationalization / Restructuring Plan | Pass or Fail | 2.50% | Submission to GCG by June 2016 | Board-approved Reorganization Plan submitted to GCG on 30 Sept 2016 | 2.50% | Board-approved Reorganization Plan submitted to GCG on 30 Sept 2016 | 2.50% | <ul style="list-style-type: none"> Board-approved Reorganization Plan submitted to GCG | | | | | | | | | | |

**NATIONAL TRANSMISSION CORPORATION
Validated Performance Scorecard 2016**

| Component | | | | Target | Submission | | GCG Validation | | Supporting Documents | Remarks |
|-------------------|------------------------|-----------------|-------------|-----------|--|---------------|--|---------------|---|--|
| Objective/Measure | Formula | Weight | 2016 | Actual | Rating | Score | Rating | | | |
| SM 23 | ISO Certification 9001 | Pass or Fail | 2.50% | Certified | Notice of Award given to TUV Rheinland | 0.00% | Notice of Award given to TUV Rheinland | 0.00% | <ul style="list-style-type: none"> Timeline of Procurement of Supply of Professional Service for the Pre-Assessment, Assessment and Surveillance Audits of TransCo's Quality Management System Notice of Award given to TUV Rheinland | TransCo requested revision of target to "Award of ISO Certification Contract". The appeal was made considering the two failed biddings on 16 May and 12 August 2016. It was noted that TransCo issued a Notice of Award to TUV Rheinland on 11 October 2016. |
| | | <i>Subtotal</i> | 9.00% | | | 6.50% | | 6.50% | | |
| | | TOTAL | 100% | | | 93.57% | | 92.57% | | |