



Power Sector Assets and Liabilities Management (PSALM) Corporation

	Component			GCG-approved		4th Quarter Accomplishments (As of 31 December 2018)	
	Strategic Objective (SO)/ Strategic Measure (SM)	Formula	Weight %	Rating System	Annual Target	Target	Actual
Perspective 1: Financial	SO 1	Reduced financial obligations (FO)					
	SM 1	Amount of Net Reduction in FO $FO_{previous\ year} - FO_{current\ year}$	30.0	Actual over Target	PHP45.37 billion 1st Quarter: PHP10.70 billion 2nd Quarter: PHP3.20 billion 3rd Quarter: PHP13.26 billion 4th Quarter: PHP18.21 billion (Reduction from PHP466.23 billion to PHP420.86 billion) Forex Used: 2017 Year-end rate (PHP49.923 = US\$1)	4th Qtr: PHP18.21 billion	PHP36.17 billion (Reduction from PHP466.23 billion to PHP430.06 billion) Forex Used: 2017 Year-end rate (PHP49.923 = US\$1)
	SO 2	Ensured strong financial performance					
	SM 2	Collection Efficiency for Current Power Sales $\frac{Collections\ from\ Current\ Power\ Sales}{Current\ Power\ Sales}$	10.0	Actual over Target	93%	93%	93% PHP10.472 billion PHP11.296 billion
	SM 3	Collection Efficiency for Non-Current/ Overdue Account* $\frac{Collections\ from\ Non - Current\ Accounts}{Projected\ Collections\ from\ Non - Current\ Accounts}$	5.0	Actual over Target	Board-approved: 95% PHP5.87 billion PHP6.18 billion ----- GCG-approved: 15.40% PHP 15.0 billion PHP97.41 billion	95%	133% PHP8.24 billion PHP6.18 billion ----- 8.46% PHP 8.24 billion PHP97.41 billion
SM 4	Percentage Share of Overhead Expenses to Total Income $\frac{(PS + MOOE) - Bad\ Debts}{Total\ Income}$	5.0	Actual over Target	Board-approved: 3% ----- GCG-approved: 2%	3%	2.78% PHP 0.745 billion PHP26.811 billion	
SM 5	EBITDA Margin of Remaining Power Assets $\frac{EBITDA\ of\ Remaining\ Power\ Assets}{Net\ Utility\ Revenue}$	5.0	Actual over Target	4.04% Annual: PHP0.890 billion PHP22.022 billion Quarter: PHP0.2225 billion PHP5.5055 billion	4.04% PHP0.2225 billion PHP5.5055 billion	16.61% PHP 5.854 billion PHP35.254 billion	
		Sub-total:	55.0				

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Sum

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Perspective 2: Customers/ Stakeholders	SO 3	Implemented fair and transparent privatization program						
	SM 6	No. of Power Assets Successfully Privatized		10.0	Graduated Scale	650 MW Malaya TPP (Turnover)	650 MW Malaya TPP (Turnover)	<p>Privatization of Malaya TPP and the Land underlying the Plant:</p> <p>1. On 5-7 October 2018, PSALM published the Invitation to Bid for the privatization of Malaya TPP and the Land underlying the plant in three (3) newspapers with general circulation;</p> <p>2. The PSALM Privatization Bids and Awards Committee (PBAC) declared four (4) bidders as compliant with all the requirements of the Documentary Deliverables (DocDel) under Section IB-06 of the Bidding Procedures on 28 November 2018;</p> <p>3. The PBAC, in its letter dated 04 December 2018, notified the four (4) qualified/compliant bidders and six (6) disqualified bidders on their submissions of DocDel pursuant to IB-06 of the Bidding Procedures;</p> <p>Procurement of Consulting Services for Malaya TPP:</p> <p>4. After two-failed public biddings and two-failed negotiation for the Procurement of Consulting Services for Privatization of Malaya TPP, the conduct of third round of negotiation under negotiated procurement (two-failed biddings) is still on-going with extended proposal submission deadline on 7 January 2019. This is pursuant to the PSALM Board of Directors (BOD) direction on 19 June 2018 that PSALM Management is required to procure a third (3rd) Party Advisor for the Valuation of Malaya TPP, which will be the basis of the PSALM Board in determining the Reserve Price for said asset;</p> <p>5. On 03 December 2018, the PSALM Management apprised the Board on the above stated failure of biddings for consultancy services and on the privatization of Malaya TPP.</p> <p><i>Note: As a result of failed biddings/negotiations for the Consultancy Services in 2018 and January 2019, the PSALM Board, in its meeting on 31 January 2019, approved the new schedule of Bid Submission Deadline on 24 April 2019 for the privatization of Malaya TPP</i></p>
	SM 7	No. of Lots Disposed under Strategic Plan	$(\sum \text{lots disposed} \div \text{Total lots titled to PSALM}) \times 100\%$	5.0	Graduated Scale	95 lots in 10 locations	95 lots in 10 locations	<ul style="list-style-type: none"> • 5 lots in 2 locations - successfully disposed • 90 lots in 8 locations - not disposed <p>PSALM was unable to dispose the real estate assets numbering 90 lots in 8 locations due to the following:</p>

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Perspective 2: Customers/ Stakeholders	SM 7	No. of Lots Disposed under Strategic Plan	$(\sum \text{lots disposed} \div \text{Total lots titled to PSALM}) \times 100\%$		Graduated Scale	95 lots in 10 locations <ul style="list-style-type: none"> • Manila TPP (8) • Puerto Azul Guesthouse (2) • Naga Property (1) • Cebu DPP (21) • Aplaya DPP (49) • Laoag 'Defunct' DPP (1) • Malaya TPP (LLA) (5) • Pantabangan LLA Land (OEN) (1) • Bataan CCPP LLA Land (OEN) (4) • Gen. Santos DPP (Reconveyance) (3) 	<ul style="list-style-type: none"> • Manila TPP (8) • Puerto Azul Guesthouse (2) • Naga Property (1) • Cebu DPP (21) • Aplaya DPP (49) • Laoag 'Defunct' DPP (1) • Malaya TPP (LLA) (5) • Pantabangan LLA Land (OEN) (1) • Bataan CCPP LLA Land (OEN) (4) • Gen. Santos DPP (Reconveyance) (3) 	<ul style="list-style-type: none"> 1. The PSALM BOD approved the declaration of failures of bidding on 5 September 2018 and 3 December 2018, for the 1st and 2nd rounds of bidding for the Sale of Manila TPP land; 2. Conduct of Negotiated Procedures and timeline for the conduct of Negotiated Sale of Manila TPP Land Sale was approved by the PSALM BOD on 03 December 2018.
								1. Bidding for the Sale of Puerto Azul Guesthouse (Condominium Units) was declared failure.
								1. Bidding for the Sale of Naga (Bicol) Property was declared failure.
								1. The Procurement of Third-Party Real Estate Appraiser for Cebu Diesel Power Plant land is on-going.
								1. The Procurement of Third-Party Real Estate Appraiser for Aplaya Diesel Power Plant land is on-going.
								1. The Procurement of Third-Party Real Estate Appraiser for Defunct Laoag Diesel Power Plant land is on-going.
								1. The Procurement of Third-Party Real Estate Appraiser for Malaya TPP land is on-going.
								1. Successfully disposed 0.25 has. with a total payment of USD5,682.87 from First Gen Hydro Electric Power Corporation.
								1. Successfully disposed 6.56 has. with a total payment of USD998,671.51 from Panasia Energy Inc.
								1. Awaiting OGC's legal opinion on the Reconveyance of the land to the heirs of Mr. Honorio T. Allado.
SO 4	Improved customers' relation and service delivery							
SM 8	Percentage of Satisfied Customers	$\frac{\sum \text{Survey Rating}}{100 \text{ or above external service providers of PSALM surveyed}}$	5.0	All or Nothing	90% Satisfied Customers	90% Satisfied Customers	1. Actual conduct of 2018 Customer Satisfaction Survey after submission by Market Relevance Corporation of Inception Report and pilot-testing of survey tool; and 2. 108 out of 166 respondents answered within December 2018. Answers of other respondents to be obtained on or before 31 January 2019.	
	Sub-total:		20.0					




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Perspective 3: Internal Business Process	SO 5	Adopted effective and efficient financial management system and operational standards						
	SM 9	Universal Charge (UC) Remittance Efficiency of Collecting Entities (CEs)	$\frac{\Sigma UC \text{ Actual Remittance}}{\text{Total UC Collection}}$	8.0	Actual over Target	98%	98%	98.09% PhP30.588 Billion PhP31.183 Billion
	SM 10	Percentage of UC-ME disbursed to NPC and RE Developers	$\frac{\Sigma UC \text{ Actual Disbursement}}{\text{Total UC Remittance}}$	7.0	Actual over Target	100%	100%	NPC: <u>PHP12.559 Billion</u> PHP12.559 Billion RE Developers: <u>PHP0.048 Billion</u> PHP0.048 Billion
	SM 11	No. of Business Process Enhancement Program/ Project Implemented	$\Sigma \text{ Actual no. of Business Process Implemented}$	5.0	All or Nothing	2 (1) QMS Surveillance Audit - 2 nd Phase (2) System on WESM Billing	(1) QMS Surveillance Audit - 2 nd Phase (2) System on WESM Billing	1. Quality Management System (QMS) Surveillance Audit - 2nd Phase: a. Passed the QMS second surveillance audit (ISO 9001:2015) on 3 December 2018; 2. System on WESM Billing: a. Computerized Billing and Reporting System for WESM is fully operational with approved User's Manual effective 27 November 2018 and signed User Acceptance Certificate by the Power Accounts Management Division as the End-User.
		Sub-total:	20.0					
Perspective 4: Learning and Growth	SO 6	Enhanced competency and skills of employees						
	SM 12	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{ Employees with Required Competencies Met}}{\text{Total No. of Employees}}$	5.0	All or Nothing	10% Increase from 2017 Baseline 2017 Baseline: 78.40% of Employees Who Have Met The Competencies Required for the Position	10% Increase from 2017 Baseline	1. Out of the 150 personnel re-assessed, 138 personnel met the competencies required for their positions equivalent to 92% competency rating for 2018 or 13.6% increase from 2017 baseline.
		Sub-total	5.0					
		Total Weight	100.0					

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