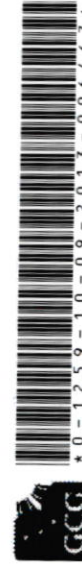


Description	Performance Measures		Baseline Data (if applicable)				Targets	
	Formula	Weight	Data Provider (if applicable)	2010	2011	2012	2013	2014
MFO 1. Financial Management Objective: To reduce financial obligations (FO)	Year-end FO	17.5%	N/A	PhP701.28 billion	PhP 696.48 billion	PhP662.18 billion	PhP638.78 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							142.3 billion PhP Share 464.3 billion	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 6.20 billion PhP10.96 billion	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)				