

**NATIONAL TRANSMISSION CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS
2nd QUARTER OF CY 2014**

OBJECTIVE	DESCRIPTION	Baseline	2014								
		2013	1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter	
			Target	Actual	Target	Actual		Target	Actual	Target	Actual
MFO1 COMPLIANCE OF THE CONCESSIONAIRE WITH THE CONCESSION AGREEMENT AND OTHER REGULATORY LAWS AND REGULATIONS											
Promote and protect government's interests by ensuring NGCP's compliance with the terms and conditions of the Concession Agreement, pertinent laws, rules, and regulations	No. of Inspections conducted in accordance with the Annual Inspection Schedule, and aligned with the Board approved COB, including PJUC and New Projects duly submitted to DOE and PSALM and issuance of a certification therefrom	55	14	14	16	16	61				
	Percent of observations acknowledged by NGCP as valid and with corrective action plans	98.44%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%			
MFO2 DIVESTMENT OF SUBTRANSMISSION ASSETS											
Divest remaining sub-transmission assets to technically and financially qualified distribution utilities	Negotiated Sales contracts in Compliance with Rule 6, Section 8e of EPIRA IRR Mandate	4	Please see notes below				subject to presentation and approval of the TransCo Board and renegotiation with GCG				
	Signed Joint Approved Applications filed with ERC with Dus complying with all the documents within the deadline	12	Please see notes below				2				
	Cumulative Amount of Sale Packages	P144.74M	Please see note #1								
MFO3 SETTLEMENT OF ROW CLAIMS											
Settlement of ROW Claims and Cases	No. of ROW Claims/cases approved for settlement/Expropriation Cases Initiated	24	4	3	5	2	subject to presentation and approval of the TransCo Board and renegotiation with GCG				
	No. of ROW Claims Validated	136	24	23	32	25	159				
	Length of Transmission Lines Surveyed	60.14 kms	13	12.65	13	6.93	66				
MFO4 UTILITY MANAGEMENT (as of May 31, 2014)											
Reduce the electrical energy losses on PEZA (CEZ & BCEZ) and AFAB's electrical distribution system	System Loss (%)	1.91%	1.60%	2.521%	1.60%	2.155%	1.60%				
Make electrical power readily available to PEZA and AFAB customers	Availability Factor (%) (net of force majeure)	99.899%	100%	99.989%	100%	99.937%	100%				
Attain an efficient collection of power bills from customers of PEZA and AFAB	Collection Efficiency (%)	98.80%	99.00%	91.32%	99.00%	95.33%	99.00%				
MFO5 FEED IN TARIFF (FIT) ALLOWANCE ADMINISTRATION			Subject to re-negotiation				subject to renegotiation				

Notes:

MFO#2:

1. No signed Subtransmission Asset (STA) sale contract despite on-going negotiations with various Distribution Utilities (DUs)
2. No Joint Application (JA) filed with the ERC due to lack of supporting documentary requirements

MFO#4 - data reflected for the 2nd quarter actual accomplishment is as of May 31, 2014.