



# National Transmission Corporation

October 26, 2015

**HON. CESAR L. VILLANUEVA**

Chairman

**GOVERNANCE COMMISSION for GOCCs (GCG)**

3<sup>rd</sup> Floor, Citibank Center, Citibank Plaza

8741 Paseo de Roxas,

Makati City, Philippines 1126

**ATTENTION:**       **Kenneth M. Rafols**  
*Corporate Governance Officer IV*  
Corporate Governance Office B (CGO-B)

**SUBJECT :**       **Submission of the 3<sup>rd</sup> Quarter Monitoring Report for CY 2015 Performance Scorecard**

We respectfully submit TransCo's 3<sup>rd</sup> Quarter Monitoring Report (attached) on our 2015 Performance Scorecard.

Please note that on October 23, 2015, the TransCo Board has approved the targets for the two FIT-All Fund administration performance measures which we have agreed to set in October 2015 as discussed during the PAN meeting on April 22, 2015:

Component				2015
Objective/Measure	Formula	Weight	Revised Full Year Target	
SM 5	Timely release of payments to RE Developers	Number of Months Payment was Made on Payment Date/Total Number of Months <i>Payment Date is - 5th day of the month or the next banking day</i>	2.00%	85%
SM 12	Collection Efficiency (FIT-All)	Fit-All Fund Collection over Total Fit-All Fund Receivables	2.00%	90%

Thank you for your usual support and assistance to TransCo.

Truly yours,

*Gen. M. Senal - OIC*  
**GENEROSO M. SENAL**  
Officer-In-Charge

		Component		Baseline		RESPONSIBLE E GROUP		2015				Revised Full Year		3rd Quarter	
Objective/Measure	Formula	Weight	2014	Target	1st Quarter Actual	2nd Quarter Actual	Target	Actual	Target	Actual	Target	Target	Actual	Target	Actual
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	5.00%	n/a	PSMT/ ADMIN/ HRD	Process of selecting service providers on going. Initial meeting with DAP conducted on July 3, 2015. Submitted documents to DAP and waiting for DAP's proposal.					Satisfactory level	Customer Survey being conducted by DAP	Conduct of DAP Customer Satisfaction Survey On Going		
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 for all circuit hours available / (Number of circuits) x (Number of hours in period)	2.50%	n/a	GTMD	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.36%) Visayas (99.78%) Mindanao (99.63%)	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.45%) Visayas (99.82%) Mindanao (99.49%)	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon (99.14%) Visayas (99.84%) Mindanao (99.68%)	
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=(QMW lost x duration(mn))/System Peak Load (MW) x 100%	2.50%	n/a	GTMD	Luzon (17.86) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon 3.23 mins Visayas 30.83 mins Mindanao 4.67 mins	Luzon (17.86) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon .614 mins Visayas .077 mins Mindanao 0.00 mins	Luzon (17.86) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon (17.96) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon (17.96) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon 2.59 mins Visayas 3.243 mins Mindanao 1.126mins		
SO 3	Ensure uninterrupted access for the operation and maintenance by the NGCP of the existing transmission lines and other transmission-related facilities														
SM 4	No. of ROW Claims/cases approved for settlement or Expropriation Cases Initiated	Σ No. of ROW Claims/cases approved for settlement	5.00%	4	ROW	1	1	1	1	4	4	1	1		
SM 4A	Presentation of comprehensive time-bound action plans on how to address the ROW claims issues and to provide options on how to hasten the resolution of claims	Σ No. of Expropriation Cases Initiated	5.00%	24	ROW	4	4	6	3	28	28	8	5		
SO 4	Efficient administration of the Feed-In Tariff (FIT) Allowance Fund														
SM 5	Timely release of payments to RE Developers	Number of Months Payment was Made on Payment Date/Total Number of Months Payment Date is - 30 day of the month or the next banking day	2.00%	n/a	FIT-ALL TEAM	The new targets were agreed between GCG and Transco only on April 22, 2015					The targets are for discussion/ deliberation by Transco Management	on going data consolidation for presentation to GCG for TWG, BTEC and Transco Board	Submission to GCG by October 2015	Submission to GCG by October 2015	Submitted to GCG on September 4, 2015
SO 5	Ensure NGCP's implementation of corrective actions based from the findings by TransCo														
SM 6	Total number of major findings/observations corrected	Σ No. of major findings/observations corrected over total agreed major observations for correction	5.00%	n/a	GTMD	15%	3.15%	16%	33.13%	63%	63%	16%	9.44%		
SM 7	Total number of minor findings/observations corrected	Σ No. of minor findings/observations corrected over total agreed minor observations for correction	4.00%	n/a	GTMD	15%	17.81%	16%	22.46%	63%	63%	16%	18.86%		
		Sub-total	36.00%												

Customers/Stakeholders

Component	Objective/Measure	Formula	Weight	Baseline		RESPONSIBLE E GROUP	2015			Revised Full Year Target	3rd Quarter ACTUAL		
				2014			1st Quarter		2nd Quarter				
				Target	Actual		Actual	Actual	Target			Actual	
Financial	SO 6	Ensure TransCo's financial viability											
	SM 8	Cost Efficiency - Transco	Actual Utilization of OpEx Budget	8.00%	n/a	FINANCE	P69.8	P42,190,673	P72.9	P42,02	P265M	P69.1	Sept 2015 Financial Reports on-going...
	SM 9	Cost Efficiency - Utility Management Department (UMD)	UMD Expenses over Revenue	2.00%	n/a	FINANCE/ UMD	P0.9064 for every P1 revenue generated	P0.8377 for every P1 revenue generated as reviewed by Finance	P0.9064 for every P1 revenue generated	P0.8139 for every P1 revenue generated as reviewed by Finance	P0.9064 for every P1 revenue generated	P0.9064 for every P1 revenue generated	P0.7768 for every P1 revenue generated subject to review by Finance (Financial Reports on-going)
	SM 10	Collection of Revenues re 3rd Reg- ROW Related Depts	Actual amount collected	2.50%	n/a	FINANCE	Programmed quarterly targets cannot be applied. The target set are for the entire year.						
	SM 11	Collection Efficiency (UMD Eozones)	Total Collections over Total Receivables) X 100 (UMD)	3.50%	99.14%	UMD	99.12%	87.22%	99.12%	90.3% for further validation of locators with promisory note included	99.12%	99.12%	99.55%
	SO 7	Enhance performance on mandated roles and responsibilities		16.00%									
	SM 12	Collection Efficiency (FIT-All)	FIT-All Fund Collection over Total FIT-All Fund Receivables	2.00%	n/a	FIT-ALL TEAM	Target to be set 6 months after implementation (October 2015)						
	SM 13	Availability Factor (Measures the electrical power readily available to customers of BCEZ and AFAB)	(Period Hours - Outage Hours)/Period Hours X 100	4.00%	99.90%	UMD	100.00%	99.91%	100%	99.95%	100%	100%	99.96%
	SM 14	Technical Review/Assessment of Projects	Ratio of projects reviewed and acted upon within 60 working days from publication date over that filed by NSCP to the ERC	5.00%	n/a	GTM/D	85%	42.86% (3/7)	85%	100% (3/3)	85.00%	85%	0/0 (No projects filed by NSCP to ERC for the 3rd quarter of 2015)
	SM 15	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	Σ No. of inspection conducted to NSCP facilities in accordance with the Annual Inspection Schedule	8.00%	61	GTM/D	18	18	18	17	65	19	16
	SM 16	No. of ROW Claims Validated	Σ Actual number of ROW claims validated	5.00%	199	ROW	27	22	36	60	175	48	49
SM 16A	Presentation of comprehensive time-bound action plans on how to address the issues on ROW claims validation	N/A	2.00%	N/A	ROW	The new targets were agreed between GCG and Transco only on April 22, 2015							
SM 17	Length of Transmission Lines Surveyed	Σ Actual length of Transmission Lines Surveyed	6.00%	66 kms	ROW	12 kms	15.25 kms	15 kms	8.5kms	72 kms	21 kms	27.911	
Internal Process													

NATIONAL TRANSMISSION CORPORATION  
MONITORING REPORT OF PERFORMANCE TARGETS AS OF SEPTEMBER 30, 2015

Component	Objective/Measure	Formula	Weight	Baseline 2014	RESPONSIBLE E-GROUP	2015							
						1 <sup>st</sup> Quarter Target	1 <sup>st</sup> Quarter Actual	2 <sup>nd</sup> Quarter Target	2 <sup>nd</sup> Quarter Actual	Revised Full Year Target	3 <sup>rd</sup> Quarter Target	3 <sup>rd</sup> Quarter ACTUAL	
SM 17A	Presentation of comprehensive time-bound action plans on how to address the issues in the survey of Transmission Lines	N/A	2.00%	n/a	ROW	The new targets were agreed between GCG and Transco only on April 22, 2015		The targets are for discussion/deliberation by Transco Management	on going data consolidation for presentation to GCG TWG, BTRC and Transco Board	Submission to GCG by October 2015	Submission to GCG by October 2015	Submitted to GCG on September 4, 2015	
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 18	Compliance with Rule 6, Section 8e of EPIRA/IRR Mandate to divest STAs to qualified Distribution Utilities	£ No. of negotiated sales contracts	3%	3	SDD	Programmed quarterly targets cannot be appropriately applied to SM #s 18, 19 and 20. The targets of the Sub Transmission Divestment Department (SDD) are for the entire year.	3				Programmed quarterly targets cannot be appropriately applied to SM #s 18, 19 and 20. The targets of the sub Transmission Divestment Department (SDD) are for the entire year.	1	
SM 19	Signed Joint Application Filed with ERCC	£ No. of Joint Applications Filed with ERCC	4%	5	SDD		11						1
SM 20	Amount of Sale Packages contracted in 2015	£ Amount in Million sales	3%	P45.56 M	SDD		PSDM						7.4 M
		Sub-total	44.00%										
SO 9	Comprehensively link individual performance to the goals of the organization.												
SM 21	Development of a Competency Framework	N/A	4%	n/a	ADMIN/HRD	on going discussion with CSC - CSI. MOA with CSC and Transco already reviewed by Legal. PR is now submitted to BAC				Submission to GCG by 2015	Conduct of competency training programs with CSC-CSI	Conduct of CSC Training on Competency is on going	
		Sub-total	6.00%										
		TOTAL	100%										

[1] Based on computed WACC recover for 3rd regulatory actual ROW payments at 15.04%.

NOTED BY: PSMT Members

Generoso M. Senal  
Juanilda R. Ombao  
Atty. Noel Z. De Leon  
Dina O. Dizon  
Bienvenido D. Valeros, Sr.  
Moises F. Rubio  
Rustico G. Nero  
Atty. Jose Jesus M. Moreno  
Leonor S. Quintia  
Jose Mari M. Ilagan