



National Transmission Corporation

April 29, 2015

HON. CESAR L. VILLANUEVA

Chairman

GOVERNANCE COMMISSION for GOCCs (GCG)

3rd Floor, Citibank Center, Citibank Plaza

8741 Paseo de Roxas,

Makati City, Philippines 1126

ATTENTION: Ms. Stella A. Punzalan
Corporate Governance Officer IV

SUBJECT : Submission of the 1st Quarter Monitoring Report for CY 2015 Performance Scorecard

Dear Chairman Villanueva:

We respectfully submit our 1st Quarter Monitoring Report on TransCo's Interim Performance Scorecard for 2015 (copy attached), which was approved by GCG and the TransCo Board during the Performance Agreement Negotiation (PAN) meeting on April 22, 2015.

Please take note that the 1st quarter accomplishments on the following measures are not yet available as of this date:

Measures		Status as of 2015 1st Quarter
SM 1	Satisfaction rating based on a survey conducted by a third party	Process of selecting service providers on going
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)	No available data yet (NGCP's schedule of reporting to ERC will be on October 2015)
SM 3	System Interruption Severity Index (SISI) (Measures the severity of interruption (in system-minutes) of a single delivery point or a system)	No available data yet (NGCP's schedule of reporting to ERC will be on October 2015)
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	The new targets were agreed between GCG and TransCo only on April 22, 2015
SM 5	Timely release of payments to RE Developers	Target to be set in October as agreed during the PAN held on April 22, 2015
SM 8	Cost Efficiency - TransCo	Interim financial report will be available by 2nd week of June 2015
SM 10	Collection of Revenues re 3rd Reg. ROW Related Capex3	Programmed quarterly target is not applicable. Targets are for the entire year.
SM 12	Collection Efficiency (FIT-All)	Target to be set in October as agreed during the PAN held on April 22, 2015
SM 16A	Presentation of comprehensive time-bound action plans on how to address the issues on ROW claims validation	The new targets were agreed between GCG and TransCo only on April 22, 2015
SM 17A	Presentation of comprehensive time-bound action plans on how to address the issues in the survey of Transmission Lines	The new targets were agreed between GCG and TransCo only on April 22, 2015

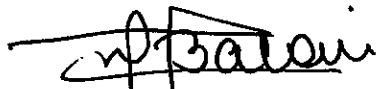
Letter to GCG
 Submission of 2015 1st Quarter Accomplishment
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Measures		Status as of 2015 1st Quarter
SM 18	Compliance with Rule 6, Section 8e of EPIRA IRR Mandate to divest STAs to qualified Distribution Utilities	Programmed quarterly targets cannot be appropriately applied to SM #s 18, 19 and 20. The targets of the Sub Transmission Divestment Department (SDD) are for the entire year.
SM 19	Signed Joint Applications	
SM 20	Amount of Sale Packages contracted in 2015	
SM 21	Development of a Competency Framework	on going discussion with CSC - CSI

Thank you for your usual support and assistance to TransCo.

Truly yours,


ROLANDO T. BACANI
 President and CEO

NATIONAL TRANSMISSION CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS

Component	Objective/Measure	Formula	Weight	Baseline 2014	RESPONSIBLE GROUP	2015				Revised Full Year Target
						1 st Quarter		2 nd Quarter		
						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				Satisfactory level
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%)	No available data yet (NGCP's schedule of reporting to ERC will be on October 2015)			Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)
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(mn))/System Peak Load (MW)] x 100%	2.50%	n/a	GTMD	Luzon (17.96) minutes Visayas (121.83 mins) Mindanao (30.74 mins)	No available data yet (NGCP's schedule of reporting to ERC will be on October 2015)			Luzon (17.96) minutes Visayas (121.83 mins) Mindanao (30.74 mins)
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	4	
		Σ No. of Expropriation Cases Initiated	5.00%	24	ROW	4	4	6	28	
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	N/A	5.00%	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	Submission to GCG by October 2015	
SO 4	Efficient administration of the Feed-In Tariff (FIT) Allowance Fund									
SM 5	Timely release of payments to RE Developers	% of time payment to RE Developers is within 15 days of due date	2.00%	n/a	FIT-ALL TEAM	Target to be set in October as agreed during the PAN held on April 22, 2015				Target to be set 6 months from normalization (October 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	63%	8.16%		63%	
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	63%	17.81%		63%	
		Sub-total	36.00%							
SO 6	Ensure TransCo's financial viability									
SM 8	Cost Efficiency - TransCo	Actual Utilization of OpEx Budget	8.00%	n/a	FINANCE	P69.8	the Interim report is not yet available	P72.8	P285M	
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	P0.7611 for every P1 revenue generated		P0.9064 for every P1 revenue generated	
SM 10	Collection of Revenues re 3rd Reg. ROW Related Capex3	Actual amount collected	2.50%	n/a	FINANCE	Interim financial report will be available by 2nd week of June 2015				P386M(1)
SM 11	Collection Efficiency (UMD Ecozones)	Total Collections over Total Receivables X 100 (UMD)	3.50%	99.14%	UMD	99.12%	87.22%		99.12%	
		Sub-total	16.00%							
SO 7	Enhance performance on mandated roles and responsibilities									
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 in October as agreed during the PAN held on April 22				Target to be set 6 months from normalization (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%	
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 NGCP to the ERC	5.00%	n/a	GTMD	85%	42.86%	x	85.00%	
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 NGCP facilities in accordance with the Annual Inspection Schedule	5.00%	61	GTMD	10	18		65 (Unbundle 65)	
SM 16	No. of ROW Claims Validated	Σ Actual number of ROW claims validated	5.00%	159	ROW	27	22	36	175	
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		The targets are for discussion/ deliberation by TransCo Management	Submission to GCG by October 2015	

NATIONAL TRANSMISSION CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS

Component				Baseline	RESPONSIBLE GROUP	2015			
Objective/Measure	Formula	Weight	2014	1 st Quarter		2 nd Quarter		Revised Full Year Target	
					Target	Actual	Target	Actual	
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	72 kms
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	Submission to GCG by October 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 6e of EPIRA IRR Mandate to divest STAs to qualified Distribution Utilities	Σ 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
SM 19	Signed Joint Application	Σ No. of Joint Applications Filed with ERC	4%	5	SDD				11
SM 20	Amount of Sale Packages contracted in 2015	Σ Amount in Million sales	3%	P45.56 M	SDD				P60M
		<i>Sub-total</i>	<i>44.00%</i>						
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			Submission to GCG by 2015
		<i>Sub-total</i>	<i>6.00%</i>						
		TOTAL	100%						

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