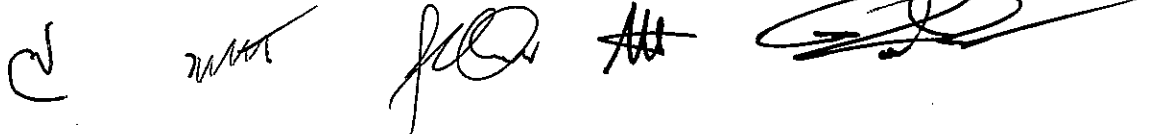


**SUMMARY OF AGREEMENTS
NATIONAL TRANSMISSION CORPORATION
2015**

GOCC PROPOSAL									
Component									
		Weight	Formula	Rating Scale	Baseline			Target	GCG COMMENTS
					2012	2013	2014	2015	
SO1	Enhance customer/stakeholders satisfaction in line with the mandates of TransCo								
SM1	Satisfaction rating based on a survey conducted by a third party	5%	Five point satisfaction scale. At least 4 rating to be considered satisfactory	Pass or fail	N/A	N/A	N/A	Satisfactory Level	
SO2	Ensure continuous supply of electricity in the main grid through NGCP								
SM2	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)	2.50%	SA=The sum for all circuit hours available / (Number of circuits) x (Number of hours in period)	Actual/Target	N/A	N/A	N/A	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	
SM3	System Interruption Severity Index (SISI) (Measures the severity of interruption (in system-minutes) of a single delivery point or a system)	2.50%	Ratio of the unserved energy to the system peak load: SISI=[(MW lost x duration(min))/System Peak Load (MW)] x 100%	Target/Actual	N/A	N/A	N/A	Luzon : 17.96 minutes Visayas:121.83 mins Mindanao :30.74 mins	
SO3	Ensure uninterrupted access for the operation and maintenance by the NGCP of the existing transmission lines and other transmission-related facilities								
SM4	No. of ROW Claims/cases approved for settlement or Expropriation Cases Initiated	10%	No. of ROW Claims/Cases Approved for Settlement or No. of Expropriation Cases Initiated	Actual/Target	21	24	28	32	Unbundle 32 between number of claims approved for settlement and number of expropriation cases initiated.
SM4A	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	5%						Submission to GCG by October 2015	This shall encompass SM4, SM16 and SM17
SO4	Efficient administration of the Feed-In Tariff (FIT) Allowance Fund								

CUSTOMERS/STAKEHOLDERS




**SUMMARY OF AGREEMENTS
NATIONAL TRANSMISSION CORPORATION
2015**

GOCC PROPOSAL									
Component									GCG COMMENTS
		Weight	Formula	Rating Scale	Baseline			Target	
					2012	2013	2014	2015	
SM5	Timely release of payments to RE Developers	2.00%	% of time payment to RE Developers is within 15 days of due date	Target/Actual	N/A	N/A	N/A	Target to be set 6 months from normalization (October 2015)	
SO5	Ensure NGCP's implementation of corrective actions based from the findings by TransCo								
SM6	Total number of major findings/observations corrected ¹	5%	No. of major findings/observations corrected over total agreed major observations for correction	Actual/Target	59%	61%	N/A	63%	
SM7	Total number of minor findings/observations corrected ²	4%	No. of minor findings/observations corrected over total agreed minor observations for correction	Actual/Target	59%	61%	N/A	63%	
SO6	Ensure TransCo's financial viability								
SM 8	Cost Efficiency - TransCo	8%	Budget OPEX/Actual Utilization	Target/Actual	N/A	N/A	N/A	P285M	
SM 9	Cost Efficiency - Utility Management Department (UMD)	2%	UMD Expenses/Revenue	Target/Actual	N/A	N/A	N/A	P0.9064 for every P1 revenue generated	
SM 10	Collection of Revenues re 3rd Reg. ROW Related Capex ³	2.5%	Actual amount collected	Actual/Target	N/A	N/A	N/A	P386M	
SM 11	Collection Efficiency (UMD Ecozones)	3.5%	Total Collections/Total Receivables) X 100 (UMD)	Actual/Target	98.47%	98.80%	99.14%	99.12%	
SO7	Enhance performance on mandated roles and responsibilities								
SM12	Collection Efficiency (FIT-All)	2.0%	Fit-All Fund Collection/Total Fit-All Fund Receivables	Actual/Target	N/A	N/A	N/A	Target to be set 6 months from normalization (October 2015)	



**SUMMARY OF AGREEMENTS
NATIONAL TRANSMISSION CORPORATION
2015**

		GOCC PROPOSAL							GCG COMMENTS	
		Component								
		Weight	Formula	Rating Scale	Baseline			Target		
					2012	2013	2014	2015		
INTERNAL PROCESS	SM13	Availability Factor (%) (Measures the electrical power readily available to customers of BCEZ and AFAB)	4.0%	(Period Hours - Outage Hours)/Period Hours X 100	Actual/Target	99.98%	99.90%	99.90%	100.00%	
	SM14	Technical Review/Assessment of Projects	5%	Ratio of projects reviewed and acted upon within 60 working days from publication date over that filed by NGCP to the ERC	Actual/Target	N/A	N/A	N/A	85%	
	SM15	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	8%	# of inspection conducted to NGCP facilities in accordance with the Annual Inspection Schedule	Actual/Target	41	55	61	65	Unbundle 65
	SM16	No. of ROW Claims Validated	5%	Actual number of ROW claims validated	Actual/Target	121	136	159	175	
	SM16A	Presentation of comprehensive time-bound action plans on how to address the issues on ROW claims validation	2%						Submission to GCG by October 2015	These shall also be covered in the presentation of a comprehensive time-bound action plan on how to address the ROW claims issues and to provide options on how to hasten closing of claims (SM4A)
	SM17	Length of Transmission Lines Surveyed	6%	Actual length of Transmission Lines Surveyed	Actual/Target	51.07 kms	60.14 kms	66 kms	72 kms	
	SM17A	Presentation of comprehensive time-bound action plans on how to address the issues in the survey of Transmission Lines	2%						Submission to GCG by October 2015	
SO5	Divest remaining sub-transmission assets (STAs) to qualified distribution utilities even as the operation and maintenance of such assets are already transferred to NGCP.									



**SUMMARY OF AGREEMENTS
NATIONAL TRANSMISSION CORPORATION
2015**

GOCC PROPOSAL									GCG COMMENTS
Component									
	Weight	Formula	Rating Scale	Baseline			Target		
				2012	2013	2014	2015		
SM18	3%	Compliance with Rule 6, Section 8e of EPIRA IRR Mandate to divest STAs to qualified Distribution Utilities	Negotiated sales contracts	Actual/Target	10	4	3	3	
SM19	4%	Signed Joint Application	No. of Joint Applications Filed with ERC	Actual/Target	10	12	5	11	
SM20	3%	Amount of Sale Packages contracted in 2015	Amount in Million sales	Actual/Target	P744M	P144.74M	P45.56 M	P60M	
SO6	Comprehensively link individual performance to the goals of the organization.								
SM21	4%	Development of Competency Framework	N/A	Pass or fail	N/A	N/A	N/A	Submission to GCG by 2015	
Total Weight		100%							

¹ Major observations are deficiencies and defects that can affect the quality and reliable delivery of transmission service. Henceforth, all major observations/findings will be submitted to ERC.

² Minor observations: deficiencies and defects that do not affect the quality and reliable delivery of the transmission service

³ Based on computed WACC recovery for 3rd Reg actual ROW payments at 15.04%

For GCG:



RAINIER B. BUTALID
Commissioner

For TransCo:



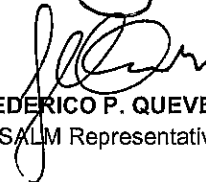
ASEC. MA. TERESA S. HABITAN
DOE Alternate



ROLANDO T. BACANI
President/CEO



MYLENE C. CAPONGCOL
DOE Alternate



FREDERICO P. QUEVEDO
PSALM Representative