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CN 01 100 1634748

Audit Report as per

TRCert - ISO 9001:2015

for

National Transmission Corporation (TRANSCO)

Quezon Avenue cor BIR Road , Diliman, Quezon City Philip-
pines

Client	Standard(s)	Certification Number(s)	Audit Type
National Transmission Corporation (TransCo)	ISO 9001:2015	01 100 1634748	First Follow-Up Audit

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Audit Leader	:	Zenaida Cruz
Audit Team	:	Michelle Pestañas ,Abigail Salomon, Hilario Capili, Faustino Mantucu-Technical Expert
Client's representative	:	Atty. Melvin A. Matibag , President & CEO Atty. Leon T. Tapel , Jr. , QMS Head
Audit Date	:	2019 October 24-25

1 Audit result

Management system effectiveness was verified on site by means of random sampling by an appropriately selected audit team. This applies in particular to the compliance of workflows with standard requirements and the descriptions in management system documentation. The special features of the organization's business activities, the applicable statutory and regulatory requirements and the requirements set forth in other generally applicable documents were also taken into account. This was done by means of a sampling approach, by conducting interviews and reviewing the appropriate documentation. Audit findings and recommendations regarding opportunities for improvement have been set forth in Sections 4 of this report.

<input type="checkbox"/>	The last audit revealed nonconformities which have been demonstrably corrected. The corrections and corrective actions taken in this respect have been verified.
<input type="checkbox"/>	A stage 1 audit was performed and the organization found ready for certification. Identified weaknesses, if any, have been eliminated and the respective corrective action verified.
<input checked="" type="checkbox"/>	The current audit revealed the following nonconformities: Standard(s): No. of nonconformity ISO 9001 Zero (0)
<input type="checkbox"/>	The major nonconformities (No. x) with individual standard elements require a re-audit to verify the effectiveness of the corrections and corrective actions (probable date:..ddmmyyyy)
<input checked="" type="checkbox"/>	The organization has established and maintains an effective system to ensure compliance with its policy and objectives. The audit team confirms in line with the audit targets that the organization's management system complies with, adequately maintains and implements the requirements of the stand-

The auditor therefore recommends

<input type="checkbox"/>	Award of the new certificates.
<input checked="" type="checkbox"/>	Maintenance of the existing certification.
<input type="checkbox"/>	Inclusion of the changes (see Section 3) in the scope of application of existing certifications
<input type="checkbox"/>	Maintenance or issue of the certificates only after successful completion of a re-audit.

2 Scope

2.1 Description of the organization

The National Transmission Corporation (TransCo) is a government-owned and controlled corporation created under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001.

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Since March 1, 2003, TransCo operated and managed the power transmission system that links power plants to the electric distribution utilities nationwide. The same law mandated the privatization of transCo through an outright sale or management concession agreement.

Following the public bidding conducted in December 2007, the transCo concession was awarded to the National Grid Corporation of the Philippines (NGCP), which eventually secured a congressional franchise to operate the transmission network through Republic Act No. 9511

On January 15, 2009, TransCo turned over the management and operation of its nationwide transmission system to NGCP. Ownership of all transmission assets however, remain with TransCo.

The three functional groups and the corresponding departments under them are the following:

Concession Contracts Management Group

- Grid Code Compliance and TDP Monitoring Department
- Compliance & Monitoring Department
- Sub-Transmission Divestment Department

Legal, ROW and Land Management Services Group

- Right of Way (ROW) & Land Management Services Department
- Legal Counseling Department
- Litigation Department

Corporate Services Group

- Administration Department
- Finance Department

Independent of the above functional groups are the Utility Management Department, Internal Audit Department, Office of the Corporate Secretary

2.2 Scope of certification

Scope of certification: (per standard):	Concession Contract Management, Settlement of right of way claims, Divestment of sub-transmission assets, Operation and Maintenance of electrical systems of contracted economic zones and Administration of Feed-in-Tariff Allowance Fund
ISO 9001 standard requirements to be excluded from the scope: 	8.3 Design and Development of Products and Services
Reasons for exclusions:	The requirement of 8.3 Design and Development of Products and Services have been identified to be not applicable to TransCo QMS in as much as TransCo does not design or develop products and services for its customers. Services rendered by TransCo to its customers are described in applicable procedures which do not constitute any design work.

Internal auditing throughout the multi-site organization was verified with a positive result. The management representative has appropriate authority over the sites included in the multi-site organization.

The company operates in single shift for office operation (8am to 5pm, Monday to Friday) and 3 shifts working schedule for the Baguio and Bataan operation (6am to 2pm, 2pm to 10pm , 10pm to 6am, from

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Monday to Sunday). The audit took appropriate account of multi-shift operations and provided for representative auditing of all shifts. Sample records of night shift operation were verified and found consistent with actual records as in the day shift.

A small manpower force deployed in the night shift maintains the operations with sufficient supervision. No unique activity exists in the other shift. Likewise, all support and administration activities are carried out during daytime operation.

The following sites and their scopes are included in the scope of certification:

Site No. (CN ext.)	Sites included in cert. Name/address of site	No. of emp.	Scope and processes	Standard(s)	Audited
01 / 01 100 163474 8	National Transmission Corporation (TransCo) Quezon Avenue cor BIR Road , Dlliman, Quezon City Philippines	237 (as of the time of audit)	Concession Contract Management, Settlement of right of way claims, Divestment of sub-transmission assets, Operation and Maintenance of electrical systems of contracted economic zones and Administration of Feed-in-Tariff Allowance Fund	ISO 9001:2015	<input checked="" type="checkbox"/>
02 / 01 100 163474 8	National Transmission Corporation (TransCo) – Visayas Satellite Office Room 3B, 3 rd Floor Caville Residences Building, Silver Hills Subdivision, Nasipit Talamban, Cebu City, Philippines	10 (as of the time of audit)	Settlement of right of way claims.	ISO 9001:2015	<input checked="" type="checkbox"/>
03/ 01 100 163474 8	National Transmission Corporation (TransCo) – Mindanao Satellite Office Napocor Compound, Kumintang St., Mintal, Davao City, Philippines	12 (as of the time of audit)	Settlement of right of way claims.	ISO 9001:2015	<input checked="" type="checkbox"/>
04/ 01 100 163474 8	National Transmission Corporation (TransCo) 3F PEZA Admin Building, Baguio City Economic Zone, Loakan Road, Baguio City, Philippines	15 (as of the time of audit)	Operation and Maintenance of electrical systems of contracted economic zones	ISO 9001:2015	<input checked="" type="checkbox"/>

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05/ 01 100 163474 8	National Transmission Corporation (TransCo) 3F Administration Building, Freeport Area of Bataan, Mariveles, Bataan Philip- pines	22 (as of the time of audit)	Operation and Maintenance of electrical systems of contracted economic zones	ISO 9001:20 15	<input checked="" type="checkbox"/>
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3 Changes in the management system / Contract review

The following changes have been implemented in the management system and the management system documentation since the last audit. Major changes are:

- Changes in Organizational Structure
 - o Creation of Corporate Planning Department (previously under HR)
 - o Creation of Asset Management Department (previously under Finance Dept)
 - o Utility Management Department now under VP of Transmission Management Group(previously reporting to Office of the president)
 - o Corporate IS/IT now under Corporate Planning (previously under Admin)
 - o Creation of Procurement Management Unit and Procurement Management Division under Human Resource Administrative Department Resource Management Services Group
- Increase in manpower from 164 (Y2018) to 296 (Y2019)
- Changes in External /Internal Issues

The description of the scope in the certificate appropriately reflects the scope of the management system.

The audit plan was not changed during the audit

4 Audit findings

The audit findings related to the audited standards are listed in the Annexes to this report (see. Annex ISO 9001:2015).

All information gained during the audit will be treated with strict confidentiality by the audit team and the certification body. In view of the sampling approach applied to the audit, weaknesses and nonconformities may still exist which have not been identified during the audit

No.	Unit/Department Site	Positive findings
Site 1/ HQ: Diliman, Quezon City		

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1	Top Management	<p>Recipient of awards and recognition:</p> <ul style="list-style-type: none"> - Received certification from Office of the President Energy Audit Team for the total electricity savings of 304,724.9 kWh amounting to Php2,885,286.27 for the year 2018 as a result of its adopted energy savings programs/ measures. - Spearheaded together with Meralco, NGCP and NPC the recent successful Association of Electricity Supply Industry of East Asia and Western Pacific (AESIEAP) CEO Conference last September 22-25, 2019 held at Shangrila Mactan City, Cebu . - Certificate of Compliance for being fully-compliant with the Freedom of Information (FOI) 2018 requirement set forth by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems (Task Force Administrative Order (AO), 25, s. 2011). - Consistently Achieving the performance targets set by GCG from 2012-2018 to qualify for the PBB . <p>Corporate Social Responsibilities Initiatives :</p> <p>To help the national government improve the quality of education in the country, TransCo donated desktop computers and inkjet printer to the following schools:</p> <ul style="list-style-type: none"> - December 10, 2018 – Corazon Aquino elementary School, Quezon City - March 25, 2019 - Dalipit Elementary School Alitagtag , Batangas. <p>Initiatives and Programs to assist employees and further motivate them to do better and strive for excellence :</p> <ul style="list-style-type: none"> - Provided assistance to eight (8) employees who have completed their MBA as of June 30, 2019. - TransCo has institutionalized the PRAISE Program to recognize, acknowledge and reward productive , creative, innovative and ethical behavior of employees
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2	Corporate IS/IT	The improvement /development of the following systems is commendable. <ul style="list-style-type: none"> - Enterprise Material Management System (EEMS) – on-going testing - Paperless Daily Time Record - on-going testing
3	Right of Way (ROW) Management Department	Provision of Geographic Information System (GIS) effective Aug 6, 2019 – as part of digitalization activity.
4	Technical Services Department	Approved procurement for Transmission Assets Monitoring Database and Management System for consolidation of reports and monitoring.
Site 3: Davao		
5	Site 3 Mindanao - Davao	Effective implementation of the Quality Management System is very evident with the following: <ul style="list-style-type: none"> - Target for the number of claims validated is consistently exceeded for the last three (3) quarters of 2019 as reflected in the latest Performance Scorecard.
Site 4: Baguio		
6	Utility Management Department	Plaque of Commendation to TransCo-BCEZ-in recognition of its contributions and partnership to the projects and programs of PEZA-BCEZ, given March 25, 2019
General		
7	Control of Documented Information	Well-organized records management system where the retrieval of retained documented information is readily available and accessible.

The following recommendations and opportunities for improvement provided by the audit team are intended to contribute to the continuous improvement of the management system.

No.	Unit/Department Site	Recommendations and opportunities for improvement
Site 1/ HQ: Diliman, Quezon City		
1	Internal Audit	Need to review IQA Checklist to align with Observation Sheet (e.g. Management Review is rated 2 (OFI), but no record on Observation Sheet

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2	Corporate IS/IT	<p>May improve the following :</p> <ul style="list-style-type: none"> - Need to define criteria to measure actual accomplishment on some Quality objective defined in OPCR (e.g. average response to request for development of new system, etc) - Ensure to retain documented information on the conduct of ICT preventive maintenance. - Clarify schedule of ICT Preventive Maintenance Plan. - Consider to review risk register to include other risk relevant to the process so that appropriate action plan maybe established (e.g. manpower issue..)
3	Procurement	<p>Implementation on the new criteria for the success indicator to measure OPCR performance will be verified next visit.</p> <p>Consider to communicate result of Suppliers Evaluation Performance Rating to external provider as an input for their continual improvement as applicable.</p>
4	General Service – Transport/logistics	Ensure to consistently evaluate external provider that has significant impact on the quality management system.
5	Site 1 - Sub-Transmission Divestment	<p>In relevance to the Inspection Activity, findings and observations were noted and acknowledged by respective DUs. Ensure to establish procedure to further monitor the progress of achievement of corrective action without undue delay.</p> <p>Consider to enhance the conduct of Inspection and Reporting activities.</p>

Site 2: Visayas Satellite Office- Cebu

6	Right of Way (ROW) & Land Management Services – Site 2 (Cebu)	<p>Need to revisit the IPCR as the following are not applicable :</p> <ul style="list-style-type: none"> • Memorandum for Expropriation Reviews and Initialed/Signed (replaced with Letter Offer) • Judicial Affidavits Reviewed and Initialed/Signed (no required supporting documents for timeliness) • Commissioner’s Report Reviewed and Initialed/Signed (there is a success indicator for quantity as 90% of 220 ROW Claims Validated). Further, there is a score in T3 (5) but there is no success indicator for the timeliness <p>May improve the Row Claims Process Monitoring to include the date as to when the supporting documents are completed for Letter Offer and Deed of Sale for better monitoring of its timeliness</p>
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7	Litigation – Site 2 (Cebu)	<p>May establish Success Indicators (targets + measure) e.g. timeliness, quantity, etc. for Memoranda that are for appropriate action (not those within the reglementary period)</p> <p>May improve the monitoring of Pleadings Filed/Submitted to indicate the total number of days for efficient analysis and evaluation of its timeliness</p> <p>Monitoring of actions taken for opportunities may be considered to track whether the actions are realized as planned.</p>
Site 3 : Mindanao Satellite Office- Davao		
8	Operation	To easily determine the status on every step of the process, consider indicating the necessary information (e.g. not applicable, done, reference to, etc.) in the Row Claims Process Monitoring Form instead of leaving it blank or unfilled.
9	Customer Feedback / Complaint	<p>As reference for the basis in initiating a continual improvement within the process, consider to retain a summarized documented information related to the following:</p> <ul style="list-style-type: none"> - Result of the customer satisfaction/feedback survey. <p>Complaint received including its resolution for valid and invalid concerns.</p>
10	IPCR	Consider reviewing the method for monitoring the individual performance to clearly indicate the actual accomplishment against the target instead of stating that the target was met. (e.g. actual average day for the timeliness target instead of within the target of 3 working days)
Site 4 : Baguio City		
11	Energy audit and metering services	<p>Need to review the Application for Electric Power Service Connection (FM-T-UMD-05A rev 1) to further clarify the current status and results of inspection assessment conducted prior installation of metering facility.</p> <p>Ensure to include in the remarks, those activities need to comply prior installation of meter in a consistent manner.</p>
12	Operation and Maintenance	<p>Maintenance Work Order is used to correct any findings seen during roaming inspection . May need to also update Substation Patrol Checklist on the status of the planned action as required on the form.</p> <p>Consider to include the Date of conduct of Preventive Maintenance was performed in the Maintenance Work Order FM-T-UM-01A rev 1 (i.e. MWWO No. BAG-14-39)</p>
13	Customer Satisfaction Survey	Consider to have a method to identify specific issues arising from customer satisfaction survey relevant to each site (Baguio & Bataan) so that appropriate corrective action maybe established by each as applicable.

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Site 5: Mariveles, Bataan

14	Utility Management – Site 5 (Bataan)	<p>May improve the following:</p> <ul style="list-style-type: none"> Inclusion of actual date and time of accomplishment in the Logbook and Maintenance Work Order FM-T-UM-01A Rev1 to support the performance of work accomplishment (%). The conduct of monitoring for Operation and Maintenance of AFAB Electrical Distribution System (Quality) and Budget Utilization (timeliness) <p>Revisit the Risk Assessment Criteria as this is not suitable for identified risks.</p> <p>e.g. Non-renewal of O&M contract AFAB (In actual, this does not happened even before)</p> <p>Likelihood 1 Rare (occurred in the last 1-2 years)</p> <p>Likelihood 2 Moderate (occurred at least once a year)</p> <p>Likelihood 3 Possible (occurred at least once in a semester)</p> <p>Likelihood 4 Likely (occurred at least once a quarter)</p> <p>Likelihood 5 Almost Certain (occurred once or more times in a month)</p> <p>May consider to identify other potential risks associated in Utility Management process , i.e. activities indicated in the OPCR</p>
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5 Dates

Due Date for the next audit

2020-10-26

Agreed date for the next audit

2020-10-26 (+0/-3 months)



Zenaida G. Cruz, Abigail Salomon, Michelle Pestanas,
Hilario Capili, Faustino Manlucu – Technical Expert

2019 October 25

Date

Audit Leader / Auditor(s)

Annex ISO 9001:2015

Item	Audit result
Context of the organization	The organization has determined internal and external issues related to the following subject areas (Note: subject areas can be legal requirements, co-operations, competition, community etc.)

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Item	Audit result
	<ul style="list-style-type: none"> • O& M Contract • TransCo has no regulatory power over the concessionaire • Cybersecurity • Recovery Payment (RP) • Noncompliance with established COA rules and regulations • Constant Change in Leadership • Arbitration cases <p>The organization has identified interested parties and the requirements of these parties. Examples for such determined interested parties are:</p> <ul style="list-style-type: none"> • Philippine Zone Authority (PEZA) • Energy Regulatory Commission (ERC) • National Grid Corporation of the Philippines (NGCP) • Authority of the Freeport Area of Bataan (AFAB) • Land Bank of the Philippines • ROW Claimants • FIT Eligible Renewable Energy Developer • Government Procurement Policy Board • Civil Services Commission (CSC) • Department of Energy • Department of Budget and Management (DBM) • Commission of Audit (COA) • Power Sector Assets and Liability Management (PSALM) • Bureau of Internal Revenue (BIR) • Employees • Congress/ Senate • Suppliers / Contractors / Service Providers • PEMC/ WESM • Distribution Utilities • Presidential Complaint Center
Policy / objectives	<p>Top Management has declared its quality policy binding and implemented. The quality policy is appropriate and provides a framework for the respective quality objectives. It commits all employees to pursue continuous quality system improvement. Key quality objectives include:</p> <ul style="list-style-type: none"> • SO1 : Enhance customer stakeholders satisfaction in line with the mandates of Transco • SO2 : Ensure continuous supply of electricity • SO3 : Ensure uninterrupted access for the operation and maintenance by the NGCP of the existing transmission lines and other transmission related facilities • SO4: Ensure NGCP's implementation of corrective actions based from the findings by TransCo thereby contributing to the continuous and reliable supply of electricity • SO5: Ensure Transco's operational viability • SO6: Enhance performance on mandated roles and responsibilities

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	<ul style="list-style-type: none"> SO7: Divest remaining sub-transmission assets (STAs) to qualified distribution utilities even as the operations and maintenance of such assets are already transferred to NGCP SO8 : Comprehensively link individual performance to the goals of the organization <p>Each Strategic Objectives (SO) are supported with strategic measures. Performance Scorecard is being measured quarterly.</p> <p>Each Division have their own OPCR and each employee is required to establish their own IPCR.</p> <p>These are measurable and are controlled, communicated and up-dated regularly.</p>
Process control including outsourced processes	<p>The processes available in the organization have been identified and documented. Process workflows and interactions have been described and appropriately controlled. The processes are evaluated at regular intervals by means of key performance indicators.</p> <p>Key processes within the scope of product realization include:</p> <p>Site 1 / HQ</p> <p>Concession Contracts Management Group</p> <ul style="list-style-type: none"> Grid Code Compliance and TDP Monitoring Department Compliance & Monitoring Department Sub-Transmission Divestment Department <p>Legal, ROW and Land Management Services Group</p> <ul style="list-style-type: none"> Right of Way (ROW) & Land Management Services Department Legal Counseling Department Litigation Department <p>Corporate Services Group</p> <ul style="list-style-type: none"> Administration Department Finance Department <p>Independent of the above functional groups are the Utility Management Department, Internal Audit Department, Office of the Corporate Secretary</p> <p>Site 2 & 3</p> <ul style="list-style-type: none"> Settlement of right of way claims and litigation <p>Site 4 and 5:</p> <ul style="list-style-type: none"> Operation and Maintenance of electrical systems of contracted economic zones (Activities : Energy Audit, Meter Reading, Nomination (projection of week ahead consumption), Power Billing, Collection, Distribution Line Inspection and Clearing, Monitors/maintains substation) <p>The following processes have been outsourced:</p> <ul style="list-style-type: none"> Surveying of the Right of Way and Property Conduct of Customer Survey Training Providers

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	<ul style="list-style-type: none"> Database Preventive Maintenance <p>These processes are appropriately reviewed and controlled.</p>
Risk-based thinking	<p>The requirements for risk-based thinking are being realized in the organization as follows:</p> <p>Risk-based thinking has been applied for the following processes:</p> <ul style="list-style-type: none"> Information system Human resource and administrative process ROW Management process Utility Management Process Operation and Maintenance Finance process <p>Examples of risks and opportunities of processes identified are:</p> <ul style="list-style-type: none"> Unauthorized access to data centers and computerized systems No person to provide guidance on safety matters Threat form landowners Accident Long term contract that will generate additional income for TransCo Improved maintenance service performance resulting in consistent power reliability Improved competence in fund management <p>Examples of measures taken to react on identified risks are:</p> <ul style="list-style-type: none"> Ensure updated Firewall Licenses and antivirus Request for the consideration and/or reclassification of position into Safety Officer Dialogue with landowners as the need arises Perform toolbox meeting prior the conduct of activity/Safety awareness Prepare for an early negotiation to come up with a "Win-win" proposal Continuous learning to adapt with the latest trends in Operation and Maintenance <p>Examples of risks and opportunities concerning the context of the organization are:</p> <ul style="list-style-type: none"> Non-renewal of O&M Contract BCEZ Non-renewal of O&M Contract BCEZ Uncertainty in the estimated amount of Recovery Payment (RP) as recorded in TransCo books No control over the transmission projects of the concessionaire Possible COA disallowances if found non-compliant with established audit requirements Changes in corporate priorities and direction Avenue to offer O & M services to local DU's and also to foreign utility company

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	<ul style="list-style-type: none"> Upgrading of personnel competency <p>Concerning risk based thinking the following tools are used:</p> <ul style="list-style-type: none"> Risk Management , PM-T-14 Risks Register Opportunities Register SWOT Analysis
Customer-related and other requirements	<p>The organization analyses and evaluates customer requirements and/or enquiries and any documented, assumed, statutory and regulatory requirements within the scope of a production and feasibility study performed in a team.</p> <p>Offers are prepared and approved by xxx. The person who prepared the offer reviews the contract to ensure its compliance with the offer and documents this compliance in an order confirmation. The same procedure applies to amendments.</p> <p>The following process requirements significantly affect product or service quality:</p> <ul style="list-style-type: none"> Compliance of the concessionaire with provision of the concession agreement And necessary regulatory requirements Administration of Feed In Tariff Allowance Fund for renewable energy generators Divestment of Sub-transmission assets Management of Right of way claims and cases Consultancy and other technical services for the PEZA Technical Assistance to the Department of Energy Conduct of biddings and contract preparation Legal Counselling Purchase and Delivery of goods and services Maintenance of buildings, facilities and grounds Management of human resources Monitoring of the corporation's financial condition Management of information system and Ensuring the security and safety of TransCo facilities and personnel <p>Key regulatory, statutory and customer-related requirements include:</p> <ul style="list-style-type: none"> RA 9193 (EPIRA) RA 9511 (Franchise Law) Open Access Transmission Service (OATS) Rule Rules for Setting Transmission Wheeling Rate (RTWR) for 2003 to around 2027 Other Issuances from ERC, DOE, NEDA, DOF/ DBM and PMS RA 9513 (Renewable Energy Act of 2008) ERC Resolution No. 24 series of 2013 (Guidelines on the collection of the Feed In tariff Allowance (FIT ALL) and Disbursement of the FIT All Fund) ERC Resolution 16 Series of 2010 (FIT Rules) ERC Resolution 15 Series of 2012 (Amended FIT Rules) ERC Resolution 18 , Series 2014 (ERC-approved Template of REPA)

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	<ul style="list-style-type: none"> • Concession Agreement • Construction Management Agreement • Philippine Electrical Code Part 1 and 2 • Philippine Distribution Code • Philippine Grid Code
Customer satisfaction and complaints	<p>The organization maintains documented and effective procedures governing the handling of information, data analyses, improvement actions and responses to customer feedback.</p> <p>Customer Satisfaction was being measured through survey. Survey was conducted by third party (DAP). Out of 114 target respondents, 95.61% or 109 participated in the 2018 satisfaction survey. Based on results of the 2018 customer satisfaction survey, TransCo maintained its SQI at satisfactory levels and was able to consistently increase it from Y2016 up to Y2018 with 4.01, 4.13 and 4.37 consecutively. Furthermore, all dimension ratings also rose significantly from the 2017 results.</p> <p>Customer complaint is also being addressed by the organization through the use of List of Complaints. There were 15 customer valid complaints received from October 2018 – September 2019 up to present. Actions were established and verified.</p>
Internal audit and management review	<p>The organization measures MS implementation, maintenance and effectiveness by means of scheduled system audits. The organization reliably carries out these audits. There were 20 qualified Internal Auditor who attended and passed the Internal Audit Training for ISO 9001:2015 standard dated April 25-27, 2018 conducted by BMCH Inc. Mr. Christopher O. Serrano is the appointed Team Leader. The latest internal audits were conducted last March 12, 2019 and Sept. 2, 2019 covering the following processes : Top Management, Monitoring Compliance to concession contract Process, Administration of feed-in tariff allowance fund process and Divestment of sub-transmission assets process, Operation & Maintenance (O&M) of Electrical Distribution System of Contracted Economic Zones Process, Settlement of Right of way claims process, Human Resources / Competence & awareness management process, Supplier Management Process , Finance Department, Operation & Maintenance (O & M) of Electrical Distribution System of contracted economic zones process, Internal Audit, Satellite offices (Cebu, Davao, Bataan, Baguio) . There were 18 opportunities for improvement reported. There was no or zero(0) nonconformity identified in these internal audits .</p> <p>Top management reviews the organization's environmental management system at regular intervals and in line with the requirements to ensure its continuous suitability, adequacy and effectiveness. The management reviews of August 2, 2019 and October 16, 2019 was carried out in accordance with the requirements and was effective. Agenda of the meeting includes the following:</p> <ul style="list-style-type: none"> • Presentation of the Highlights of 5th and 6th Management Reviews • Changes in external and internal issues • Information on the performance and effectiveness of the QMS <ul style="list-style-type: none"> - Customer Satisfaction Survey and feedback from other relevant interested parties

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	<ul style="list-style-type: none"> - The extent to which quality objectives have been met - Process performance and conformity of products - Nonconformities and corrective actions - Monitoring and Measurements results - Audit Results - Performance of external providers • Adequacy of resources • Effectiveness of actions taken to address risks and opportunities • Opportunities for improvement
Use of certificate and logo	The logo and the certificate are used in compliance with the requirements. This has been checked by sampling. The sampling included business cards, company brochures or websites or others.

Chapter of standard	4.1	4.2	4.3	4.4	5.1	5.2	5.3	6.1	6.2	6.3		
Rating *	1	1	1	1	1	1	1	1	1	1		
No. of nonconformity												
Chapter of standard	7.1	7.2	7.3	7.4	7.5	8.1	8.2	8.3	8.4	8.5	8.6	8.7
Rating *	1	1	1	1	1	1	1	4	1	1	1	1
No. of nonconformity												
Chapter of standard	9.1	9.2	9.3	10.1	10.2	10.3						
Rating *	1	1	1	1	1	1						
No. of nonconformity												

- * **Rating:**
- 1 = conforming
 - 2 = not audited in this audit
 - 3 = failed/nonconformity (see nonconformity report)
 - 4 = not applicable