



National Transmission Corporation

October 25, 2016

ATTY. JAIME MA. F. FLORES II

Chairman

GOVERNANCE COMMISSION for GOCCs (GCG)

3rd Floor, Citibank Center, Citibank Plaza

8741 Paseo de Roxas

Makati City, Philippines 1126

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

SUBJECT : **Submission of the 3rd Quarter Monitoring
Report for the 2016 Performance Scorecard**

Dear Commissioner Flores:

In compliance with the requirements under the 2016 Performance Agreement Negotiation, we respectfully submit the 3rd Quarter Monitoring Report on TransCo's Performance Scorecard for the year 2016 (copy attached).

Thank you.

Truly yours,

GENEROSO M. SENAL
Officer-In-Charge

Cf: Office of the Corporate Secretary

**NATIONAL TRANSMISSION CORPORATION
PERFORMANCE SCORECARD 3RD QUARTER ACCOMPLISHMENT MONITORING REPORT**

COMPONENT		2016		2016 TARGETS		2016		
		Objective/Measure	Formula	WEIGHTS	Rating Scale	RESPONSIBLE	3rd Quarter	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%	Pass or Fail	PSMT/ ADMIN/ HRD	Satisfactory Rating	The conduct of Satisfaction Survey was moved to 4th quarter due to change in the survey format from face to face to online format	Finalized TOR for the selection of 3rd party consultant due to change of survey format from face to face to online.
SO 2	Ensure continuous supply of electricity in the main grid through NGCCP							
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%	Actual/Target	GTMD	Luzon (99.19%) Visayas (99.52%) Mindanao (99.53%)	Luzon - 99.19% Visayas - 99.52% Mindanao - 99.53%	data will be available by 1st week of November 2016
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: $SISI = \frac{[MW \text{ lost} \times \text{duration}(\text{min})]}{\text{System Peak Load (MW)}} \times 100\%$	2.50%	Target/Actual	GTMD	Luzon (17.96 mins) Visayas (121.83 mins) Mindanao (30.74 mins)	Luzon - 17.96 mins Visayas - 121.83 mins Mindanao - 30.74 mins	data will be available by 1st week of November 2016
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	10.00%	Actual/Target	ROW	5	10	0
		Σ No. of Expropriation Cases Initiated		Actual/Target	ROW	29		12

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PERFORMANCE SCORECARD 3RD QUARTER ACCOMPLISHMENT MONITORING REPORT**

COMPONENT		2016		2016 TARGETS		
		Formula	WEIGHTS	Rating Scale	RESPONSIBLE	
Objective/Measure				Target	Actual	
SM5	Implementation of Comprehensive time-bound action plans on a) how to address the ROW claims issues and to provide options on how to hasten the resolution of claims b) how to address issues on ROW claims validation	N/A		Pass or Fail	ROW	-DELETED - TransCo Board Approved the deletion of signing of MOU due to the following reasons: 1. Time constraints & 2. Matters included in the MOU are already included in the outsourcing activities.
SO 4	Efficient administration of the Feed-In Tariff (FIT) Allowance Fund					
SM6	Timely release of payments to RE Developers	# OF MONTHS PAYMENT MADE ON PAYMENT DATE /TOTAL NUMBER OF MONTHS	4.00%	Actual/Target	FIT-ALL TEAM	90%
SO 5	Ensure NGCP's implementation of corrective actions based from the findings by TransCo					
SM7	Total number of major findings/observations corrected	Σ No. of major findings/observations corrected over total agreed major observations for correction	4.00%	Actual/Target	GTMD	18%
SM8	Total number of minor findings/observations corrected	Σ No. of minor findings/observations corrected over total agreed minor observations for correction	4.00%	Actual/Target	GTMD	18%
SO 6	Ensure TransCo's financial viability	Sub-total	32.00%			
SM9	Cost Efficiency - TransCo	Controllable OPEX/ Revenues	8.00%	Actual/Target	FINANCE	Quarterly target is Not Applicable - Target set at year end
SM10	Cost Efficiency - Utility Management Department (UMD)	UMD Expenses over Revenue	3.00%	Actual/Target	FINANCE/ UMD	P0.8779 for every P1 revenue generated

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PERFORMANCE SCORECARD 3RD QUARTER ACCOMPLISHMENT MONITORING REPORT**

COMPONENT		2016				2016		
		Objective/Measure	Formula	WEIGHTS	Rating Scale	RESPONSIBLE	2016 3rd Quarter Target	Actual
SM11	Collection of Revenues re 3rd Reg. ROW Related Capex	Actual amount collected	3.00%	Actual/Target	ROW/FINANCE	P307.13M [adjusted target due to actual collection in 2015 exceeded target; subject to adjustment once the new final determination (4th reg) is issued by the ERC after a regulatory reset]	Quarterly target is Not Applicable - Target set at year end	
SM12	Collection Efficiency (UMD Ecozones)	Total Collections over Total Receivables) X 100 (UMD)	4.00%	Actual/Target	UMD		99.48%	99.46%
SM13	Determination and monitoring of the Estimated Recovery Payment under the Concessionaire Agreement		0.00%	Pass or Fail		Submission of Board-approved plan and semestral monitoring reports	Submission of TWG plan for the Recovery Payment Mechanism	TransCo TWG finalized the Recovery Payment Plan last August 26, 2016
SO 7		Sub-total						
Enhance performance on mandated roles and responsibilities								
SM 14	Collection Efficiency (FIT-All)	Fit-All Fund Collection over Total Fit-All Fund Receivables	3.00%	Actual/Target	FIT-ALL TEAM		91.28%	92.09%
SM15	Availability Factor (Measures the electrical power readily available to customers of BCEZ and AFAB)	(Period Hours - Outage Hours)/Period Hours X 100	4.00%	Actual/Target	UMD		99.96%	99.89%
SM16	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%	Actual/Target	GTMD		85%	100% (1 out of 1 projects) (32 days)
SM17	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	8.00%	Actual/Target	GTMD		19	19
SM18	No. of ROW Claims Validated	Σ Actual number of ROW claims validated	5.50%	Actual/Target	ROW		58	59

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PERFORMANCE SCORECARD 3RD QUARTER ACCOMPLISHMENT MONITORING REPORT**

COMPONENT		2016		2016		2016		
Objective/Measure	Formula	WEIGHTS		Rating Scale		2016		
		Actual	Target	Actual	Target	3rd Quarter	Actual	
SM19	Length of Transmission Lines Surveyed	Σ Actual length of Transmission Lines Surveyed	6.50%	Actual/Target	ROW	245 KMS	74	74.75
SM19A	Presentation of comprehensive time-bound action plans on how to address the issues in the survey of Transmission Lines	N/A	5.00%	Actual/Target	ROW	Completion of Parcellary Survey for 1) Kadampat SS-San Manuel SS- San Jose SS 500 KV T/L and schedule (2) Bamilad SS-Naga -Suba SS 138 KV T/L	Contract implementation. Survey activities completed by year-end	Schedule 1 - Recovery of old control points, establishment & observation of primary project control points are completed. Establishment of Tower Site Coordinates is Ongoing Schedule 2 - Survey of transmission towers and lots affected are Completed. Data research & encoding of Tax Declarations, Titles and Technical Descriptions is on-going.
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.							
SM20	Signed Joint Application	Σ No. of Joint Applications Filed with ERC	4.00%	Actual/Target	SDD	5 Joint Applications Filing	1	0
		Sub-total	41.00%					
SO 9	Comprehensively link individual performance to the goals of the organization.							
SM21	Ave. Percentage of required competencies met	Formula used by CSC will be adopted (No. of Employees/No. of Competencies met)	4.00%	Pass or Fail	ADMIN/HRD	Average percentage of required competencies met. Establish a baseline	Development of Competency Assessment Tool	Online Competency Assessment Tool has been developed by the Corporate IS/IT

NATIONAL TRANSMISSION CORPORATION PERFORMANCE SCORECARD 3RD QUARTER ACCOMPLISHMENT MONITORING REPORT

COMPONENT		2016			2016	
		WEIGHTS	Rating Scale	RESPONSIBLE	2016 TARGETS	3rd Quarter
Objective/Measure	Formula				Target	Actual
SM22	Rationalization/Restructuring Plan	N/A	Pass or Fail	ADMIN/HRD	Submission to GCG by June 2016	GCG approved the extension of submission up to September 30, 2016
SM24	ISO Certification 9001	N/A	Pass or Fail	ISO Team	Certified	Submitted to GCG the Board approved Reorganization Plan including the supporting Annexes on September 30, 2016
		Sub-total	9.00%			2nd failed bidding (NPEC requirement not completed) in Aug. 2016. Subject to rebidding in the 4th quarter.
		TOTAL	100.00%			

NOTE:

The following measures are approved by the TransCo Board for renegotiation of targets and re-allocation of weights, which were included in our submission to GCG last September 30, 2016 (please see attached letter to GCG):

Measure	Objectives/Description	Requested Action for renegotiation
SM 5	Implementation of comprehensive time-bound action plans on a) how to address the ROW claims issues and to provide options on how to hasten the resolution of claims b) how to address issues on ROW claims validation	For deletion in the 2016 performance scorecard
SM 23	ISO Certification	Change of target from ISO Certified to Award of ISO Certification Contract

Approved by:

GENEROSO M. SENAL
Officer-in-Charge