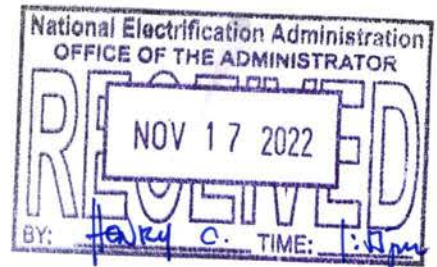


11 November 2022

LR- 010992

HON. RAPHAEL PERPETUO M. LOTILLA
 Chairperson and DOE Secretary
MR. EMMANUEL P. JUANEZA
 Administrator
NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)
 NIA Road, Government Center
 Diliman, Quezon City



**RE: VALIDATION RESULT OF NEA'S
 2021 PERFORMANCE SCORECARD**

Dear Sec. Lotilla and Administrator Juaneza,

This is to formally transmit the validation result of NEA's 2021 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, NEA obtained an over-all score of **95.48%** (See **Annex A**). The same is to be posted on NEA's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of 2021 Performance-Based Bonus (PBB) to eligible officers and employees, NEA can grant such incentive only upon receipt of a confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.²

FOR NEA'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
 Chairperson

Atty. GIDEON D.V. MORTEL, D.C.L.
 Commissioner

Atty. GERALDINE MARIE B. BERBERABE-MARTINEZ
 Commissioner

cc: COA Resident Auditor – NEA



¹ "Code of Corporate Governance for GOCCs," dated 28 November 2012.
² "GOCC Governance Act of 2011."

**NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)
Validated 2021 Performance Scorecard**

Component			Target	Submission		GCG Validation		Supporting Documents	Remarks																									
	Objective/Measure	Formula	Weight	2021	Actual	Rating	Score	Rating																										
SOCIAL IMPACT	SO 1	To empower member-consumers as responsible owners of the Electric Cooperatives																																
	SO 2	To ensure that the Electric Cooperative provide accessible, adequate, quality, and reliable service																																
STAKEHOLDERS	SM 1	Number of Completed and energized sitio projects	Total actual completed and energized sitio projects	20%	1,085	1,096	20%	913	16.83%	<ul style="list-style-type: none"> List of Completed and Energized Sitio Projects as of December 31, 2021. CFIAs and Accomplishment Report from ECs 2021 SEP Accomplishment per Fund Source <table border="1"> <thead> <tr> <th>Supporting Documents</th> <th>No of Sitios</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>CFIA with signature</td> <td>128</td> <td></td> </tr> <tr> <td>EC Report with signature</td> <td>384</td> <td>excluding Sukelco-counted under CFIA</td> </tr> <tr> <td>BIT Report*</td> <td>288</td> <td>System-generated</td> </tr> <tr> <td>EC Report without signature</td> <td>294</td> <td>Excluded</td> </tr> <tr> <td><i>Subtotal based on SM 1 submissions</i></td> <td>800</td> <td></td> </tr> <tr> <td>PLUS: CFIA from SM 11</td> <td>113</td> <td>Unsigned EC reports but with CFIAs submitted for SM 11</td> </tr> <tr> <td>TOTAL</td> <td>913</td> <td></td> </tr> </tbody> </table>	Supporting Documents	No of Sitios	Remarks	CFIA with signature	128		EC Report with signature	384	excluding Sukelco-counted under CFIA	BIT Report*	288	System-generated	EC Report without signature	294	Excluded	<i>Subtotal based on SM 1 submissions</i>	800		PLUS: CFIA from SM 11	113	Unsigned EC reports but with CFIAs submitted for SM 11	TOTAL	913	
	Supporting Documents	No of Sitios	Remarks																															
CFIA with signature	128																																	
EC Report with signature	384	excluding Sukelco-counted under CFIA																																
BIT Report*	288	System-generated																																
EC Report without signature	294	Excluded																																
<i>Subtotal based on SM 1 submissions</i>	800																																	
PLUS: CFIA from SM 11	113	Unsigned EC reports but with CFIAs submitted for SM 11																																
TOTAL	913																																	
SM 2	Number of consumers connected	Total actual consumers connected	15%	400,000	533,602	15%	582,083	15.00%	<ul style="list-style-type: none"> Status of Energization as of 31 December, 2021 Quarterly Reports from the ECs <table border="1"> <thead> <tr> <th>Area</th> <th>Connections</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>243,861</td> </tr> <tr> <td>Visayas</td> <td>152,850</td> </tr> <tr> <td>Mindanao</td> <td>185,372</td> </tr> <tr> <td>Total</td> <td>582,083</td> </tr> </tbody> </table>	Area	Connections	Luzon	243,861	Visayas	152,850	Mindanao	185,372	Total	582,083															
Area	Connections																																	
Luzon	243,861																																	
Visayas	152,850																																	
Mindanao	185,372																																	
Total	582,083																																	

Component				Target	Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Weight	2021	Actual	Rating	Score	Rating			
SO 3	To generate peak performance among Electric Cooperatives to ensure competitiveness									
SM 3	Number of EC officials and employees graduated from certification/competency program	Absolute Number	5.00%	1,100	2,061	5.00%	1,670	5.00%	<ul style="list-style-type: none"> EC Summary of Trainings 2021 Attendance Sheets and Certificates 	Upon validation, 391 names were excluded from the validated accomplishment due to lack of supporting documents. Nonetheless, NEA still exceed its target of 1,100 by 570 (or 51.82%) EC officials and employees graduated within the year.
SO 4	To enhance networking to gain support for program implementation									
SM 4	Improved EC Overall Performance Rating from "B" and "C" at least "A" Rating	Number of Improved ECs over Total Number of ECs under "B" and "C"	0%	Improvement from Baseline	2020 EC Categorization was deferred as per BR No. 2021-082	0%	Status Report on the deferral of the 2020 EC Categorization	0%	<ul style="list-style-type: none"> NEA Board of Administrators Board Resolution No. 2021-82 dated 27 August 2021 	Based on validation, the 2020 categorization was deferred as approved by NEA BOA and reflected in BR No. 2021-082. It was conveyed that the 2020 Overall Performance of ECs were affected due to the COVID pandemic, hence, the 2020 Key Performance Standard assessment for 2020 was suspended.
SM 5	Percentage of Satisfied Customers	No. of Satisfied Respondents / Total No. of Respondents	5.00%	90%	99.16%	5.00%	99.16%	5.00%	<ul style="list-style-type: none"> Final Report on the Conduct of 2021 CSS for NEA prepared by Market Relevance Corp. 10 sample accomplished questionnaires 	118 out of 119 ECs rated NEA with at least satisfactory rating. 2 ECs refused to participate in the 2021 CSS to complete the 121 EC universe. Overall, the Stakeholder's Satisfaction Survey conducted by the MRC for NEA is compliant with the prescribed guidelines of GCG.
		Sub-total	45.00%			45.00%		41.83%		

STAKEHOLDERS

Component				Target	Submission		GCG Validation		Supporting Documents	Remarks											
Objective/Measure	Formula	Weight	2021	Actual	Rating	Score	Rating														
SO 5 To sustain the organization's viability and ensure accountability and transparency																					
FINANCIAL	SM 6	Amount of loans facilitated (PHP Billion)	Below Php 250M is 0%. For the amount ≥ Php 250M, 10% is proportionally distributed.	10.00%	500 Million	583.06 Million	10.00%	583.064 Million	10.00%	<ul style="list-style-type: none"> Summary of Peso Release for 2021 Summary of Loans Facilitated for 2021 	The breakdown of the accomplishment is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Loan Type</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Capital Projects</td> <td>432.995</td> </tr> <tr> <td>Working Capital</td> <td>100.069</td> </tr> <tr> <td>STCF</td> <td>50.000</td> </tr> <tr> <td style="text-align: right;"><i>Total</i></td> <td>583.064</td> </tr> </tbody> </table> *In Million Pesos	Loan Type	Amount	Capital Projects	432.995	Working Capital	100.069	STCF	50.000	<i>Total</i>	583.064
	Loan Type	Amount																			
	Capital Projects	432.995																			
Working Capital	100.069																				
STCF	50.000																				
<i>Total</i>	583.064																				
SM 7	Percentage of ECs under Category B, C, and D provided with loans	Category B, C, and D ECs provided with loans over Total number of B,C, and D ECs	0%	Report of Actual Accomplishments	22% (4 out of 18 ECs)	00%	Report of Actual Accomplishments	0.00%	<ul style="list-style-type: none"> Summary of Loan Releases to B, C, and D ECs as of January-December 31, 2021 Report on Issued Checks for Loan Releases 	NEA provided loans to four (4) ECs under the B, C, and D categories, amounting to ₱94.280 M.											
SM 8	High Collection Efficiency (%)	$\frac{\sum \text{Total collections} - \text{advanced payments (due for succeeding year)}}{\sum \text{Amortization due for the year}}$	5.00%	97.23%	98.39%	5.00%	98.36%	5.00%	<ul style="list-style-type: none"> Status of EC Loan Repayments as of December 2021 Amortizations Due vs. Actual Collection for the Year 2021 Recomputed Status of EC Loan Repayment as of December 2021 	Upon validation, it was gathered that NEA initially reported 138.36% collection efficiency for SIASELCO. It was clarified that SIASELCO's advance payment inadvertently included the amount that was transferred to "unexpended subsidy per COA AOM 2021-014 (2020) per JEV#2021-11-005318 dated November 11, 2021" and the "Capitalized interest on JICA Loan converted to into subsidy." Hence, a re-computation was made which resulted to 98.36% NEA's collection efficiency in 2021.											

Component				Target	Submission		GCG Validation		Supporting Documents	Remarks						
	Objective/Measure		Formula	Weight	2021	Actual	Rating	Score	Rating							
FINANCIAL	SM 9	Payment of NG Advances	Actual (Principal and Interest) Payment Agreed Target Principal Payment and Actual Interest for the Year	5.00%	Payment based on DOF-approved payment scheme	PHP 842.818 Million	5.00%	PHP 811,659,287.05 (Principal) PHP 35,998,861.46 (Interest)	5.00%	<ul style="list-style-type: none"> Status of NG Advances as of December 2021 Official Receipts issued by the Bureau of Treasury to NEA 	Upon validation, NEA made a total payment of ₱847.66 Million for NG Advances (Principal and Interest) to the Bureau of Treasury. It is noted that NEA's 2021 COA-Audited FS (Notes to FS) indicates zero (0) amount due to the BTr for its repayment of foreign loans. The BTr Monthly Consolidated Report on NG Collections from GOCCs for the period January 1-December 31, 2021 also indicates no amount due for Outstanding BTr Advances and Outstanding Interest on Advances from NEA.					
	SM 10	Continuing Electrification Subsidy Utilization Rate	Total 2020 SEP Disbursed over Total Continuing SEP Subsidy as of 31 December 2020	10.00%	100%	86.00%	8.60%	86.49%	8.65%	<ul style="list-style-type: none"> Memorandum dated 4 January 2022 Subsidy For 2020 Sitio Electrification Program (SEP) January 1, 2021 to December 31, 2021 Schedule of Subsidy Releases SEP 2020 as of December 31, 2020 	Below is the computation of the validated electrification subsidy utilization rate: <table border="1" style="margin-top: 10px;"> <tr> <td>Total Disbursements in 2021 (Jan-Dec) (a)</td> <td>₱973,040,536.47</td> </tr> <tr> <td>Total Continuing SEO Subsidy as of Dec 31, 2020 (b)</td> <td>₱1,125,081,690.54</td> </tr> <tr> <td>Electrification Subsidy Utilization Rate (a/b) x 100</td> <td>86.49%</td> </tr> </table>	Total Disbursements in 2021 (Jan-Dec) (a)	₱973,040,536.47	Total Continuing SEO Subsidy as of Dec 31, 2020 (b)	₱1,125,081,690.54	Electrification Subsidy Utilization Rate (a/b) x 100
Total Disbursements in 2021 (Jan-Dec) (a)	₱973,040,536.47															
Total Continuing SEO Subsidy as of Dec 31, 2020 (b)	₱1,125,081,690.54															
Electrification Subsidy Utilization Rate (a/b) x 100	86.49%															
Sub-total			30.00%			28.60%		28.65%								

Component				Target	Submission		GCG Validation		Supporting Documents	Remarks							
	Objective/Measure	Formula	Weight	2021	Actual	Rating	Score	Rating									
SO 6 To upgrade organizational infrastructures																	
INTERNAL PROCESS	SM 11	Percentage of sitio electrification projects funded that are fully compliant with NEA Standards and Specifications	$\frac{\text{Total compliant projects}}{\text{Total funded projects}}$	6.00%	70% of projects done as of end of September 2021	72.47%	6.00%	72.47	6.00%	<ul style="list-style-type: none"> List of Completed and Energized Sitio Projects as of December 31, 2021 Report on the percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications from 4th Quarter 2020 and 1st to 3rd Quarter of 2021 CFIAs 	The breakdown of accomplishment is as follows: <table border="1"> <tr> <td>Total sitios completed from Oct. 2020 to Sep 2021</td> <td>970</td> </tr> <tr> <td>Total inspected sitios completed Oct. 2020 to Sep. 2021</td> <td>703</td> </tr> <tr> <td>% of sitio electrification projects funded that are fully compliant with NEA Standard and Specifications</td> <td>$\frac{703}{970} = 72.47\%$</td> </tr> </table>	Total sitios completed from Oct. 2020 to Sep 2021	970	Total inspected sitios completed Oct. 2020 to Sep. 2021	703	% of sitio electrification projects funded that are fully compliant with NEA Standard and Specifications	$\frac{703}{970} = 72.47\%$
	Total sitios completed from Oct. 2020 to Sep 2021	970															
Total inspected sitios completed Oct. 2020 to Sep. 2021	703																
% of sitio electrification projects funded that are fully compliant with NEA Standard and Specifications	$\frac{703}{970} = 72.47\%$																
SM 12	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	$\frac{\text{Actual percentage of sitios completed and energized within 180 days from release of funds to ECs}}{[\text{Target rate}]} \times 100$	6.00%	50%	76.64%	6.00%	80.50%	6.00%	<ul style="list-style-type: none"> List of Completed and Energized Sitio Projects as of December 31, 2021. Report on Percentage of Sitios Completed and Energized within 180 Calendar Days from Release of Funds to ECs 	The breakdown of validated accomplishment is as follows: <table border="1"> <tr> <td>Total sitios completed as of December 31, 2021 (a)</td> <td>903</td> </tr> <tr> <td>Projects completed within 180 days from release of funds (b)</td> <td>735</td> </tr> <tr> <td>Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs (a/b)</td> <td>$\frac{735}{913} = 80.50\%$</td> </tr> </table> *Validated accomplishment based on available supporting documents submitted for SMs 1 and 11. Sitios from unsigned EC reports excluded.	Total sitios completed as of December 31, 2021 (a)	903	Projects completed within 180 days from release of funds (b)	735	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs (a/b)	$\frac{735}{913} = 80.50\%$	
Total sitios completed as of December 31, 2021 (a)	903																
Projects completed within 180 days from release of funds (b)	735																
Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs (a/b)	$\frac{735}{913} = 80.50\%$																

Component				Target	Submission		GCG Validation		Supporting Documents	Remarks																
	Objective/Measure	Formula	Weight	2021	Actual	Rating	Score	Rating																		
INTERNAL PROCESS	SM 13	Percentage of regular loans released within prescribed processing period	Loan released within period ÷ Total loan applications with complete documentations	3%	100%	100%	3%	100%	3.00%	<ul style="list-style-type: none"> Summary of No. of Working Days for Loans Facilitated-Short-Term CY 2021 Computation of Working days per Loans Applications for Loans Stamped Received by NEA Checks released 	NEA completed 46 out of 46 (100%) regular loans within the prescribed processing period.															
	Sub-total			15.00%			15.00%		15.00%																	
SO 7 To enhance human resources, knowledge, skills, and behavioral competencies																										
LEARNING AND GROWTH	SM 14	Compliance to Quality Standards	Actual Accomplishment	5.00%	Surveillance Audit Passed	Surveillance Audit Passed	5.00%	Surveillance Audit Passed	5.00%	TUV Rheinland Audit Report for National Electrification Administration	NEA maintained its Certification and passed the surveillance audit conducted on 20 December 2021 as reflected in the ISO 9001:2015 certification dated 26 December 2021.															
	SM 15	Percentage of employees with required competencies met	Total number of employees with required competencies over Total number of employees	5.00%	Increase from 2020 Competency Level	77.77%	5.00%	Increased by 6.09%	5.00%	<ul style="list-style-type: none"> 2021 Competency Assessment Report Individual Competency Rating Sheets 	Breakdown of validated accomplishment: <table border="1"> <thead> <tr> <th>Year</th> <th>No. of Assessed Employees</th> <th>No. of Employees who Met their Required Competencies</th> <th>Competency Level</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>286</td> <td>205</td> <td>71.68%</td> </tr> <tr> <td>2021</td> <td>297</td> <td>231</td> <td>77.77</td> </tr> <tr> <td colspan="3">Increase/ Decrease</td> <td>6.09%</td> </tr> </tbody> </table>	Year	No. of Assessed Employees	No. of Employees who Met their Required Competencies	Competency Level	2020	286	205	71.68%	2021	297	231	77.77	Increase/ Decrease		
Year	No. of Assessed Employees	No. of Employees who Met their Required Competencies	Competency Level																							
2020	286	205	71.68%																							
2021	297	231	77.77																							
Increase/ Decrease			6.09%																							
Sub-total			10.00%			10.00%		10.00%																		
TOTAL			100%			98.60%		95.48%																		