

**I. NATIONAL ELECTRIFICATION ADMINISTRATION**

**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2022**

(In Thousand Pesos)

**SUMMARY**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 394,975	P 385,076	P	780,051
2. Support to Operations			89,416	89,416
3. Operations		<u>2,100,850</u>		<u>2,100,850</u>
Locally-Funded Project		<u>2,100,850</u>		<u>2,100,850</u>
a. Rural Electrification		2,100,850		2,100,850
4. Loans to Electric Cooperatives			<u>1,200,000</u>	<u>1,200,000</u>
<b>TOTAL</b>	<u>P 394,975</u>	<u>P 2,485,926</u>	<u>P 1,289,416</u>	<u>P 4,170,317</u>

**I. NATIONAL ELECTRIFICATION ADMINISTRATION**

**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2022**

(In Thousand Pesos)

**NATIONAL GOVERNMENT EQUITY AND/OR SUBSIDY**

Schedule I

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. Locally-Funded Project	P	<u>2,100,850</u>	P	<u>2,100,850</u>
a. Rural Electrification		<u>2,100,850</u>		<u>2,100,850</u>
<b>TOTAL</b>	<u>P</u>	<u>2,100,850</u>	<u>P</u>	<u>2,100,850</u>

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2022**

Schedule II

(In Thousand Pesos)

**CORPORATE FUNDS**

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 394,975	P 385,076	P	780,051
2. Support to Operations			89,416	89,416
3. Loans to Electric Cooperatives			1,200,000	1,200,000
<b>TOTAL</b>	P 394,975	P 385,076 <sup>a/</sup>	P 1,289,416	P 2,069,467

a/ net of depreciation expense of P27.648 Million

**Special Provision(s)**

**1. Approval of the FY 2022 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2022 Corporate Operating Budget (COB) of the NEA is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

**2. Acquisition of Equipment.** The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular (B.C.) No. 2016-5 dated August 22, 2016, as amended by B.C. No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 and other guidelines issued thereon.

**3. Payment of Compensation and Benefits.** Payment of salaries, allowances and other benefits shall be in accordance with applicable laws, rules and regulations such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001 and Executive Order No. 36 dated July 28, 2017.

**4. Payment of Terminal Leave Benefits.** Payment of terminal leave benefits shall be computed in accordance with the rates, conditions and procedure prescribed under applicable laws and guidelines issued thereon.

The amount of Twenty Eight Million Four Hundred Sixty-Nine Thousand Pesos (P28,469,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel based on the list submitted by NEA to the DBM.

**5. Budget Flexibility and Report.** The NEA Board of Administrators is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NEA's control such as, but not be limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; and (v) change in schedule of project implementation.

In the exercise of said authority, the NEA shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

**6. Augmentation Beyond the Approved Corporate Operating Budget.** The NEA Board of Administrators is authorized to augment and disburse funds beyond the total amount approved in this Act for the continuous implementation of the Sitio Electrification and Barangay Line Enhancement Projects, and the rehabilitation, repair or reconstruction of distribution facilities damaged by natural and human-induced calamities. The funds shall be sourced from new funding sources as certified by the Chief Accountant and Administrator of NEA.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

**7. Remittance of Cash Dividends.** Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NEA shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

**8. Audit of Government Funds.** Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

**9. Transparency Seal.** To enhance transparency and enforce accountability, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and

Financial Accountability Reports; (viii) Final People's Freedom of Information (FOI) Manual signed by the head of agency, Agency Information Inventory, 2020 and 2021 FOI Summary Report, and 2020 and 2021 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The Administrator of the NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NEA.

10. **Reporting and Posting Requirements.** The NEA shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on the budgetary adjustments. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NEA website.

**B. DEPARTMENT OF ENERGY**

**B.1. NATIONAL ELECTRIFICATION ADMINISTRATION**

For subsidy requirements in accordance with the program(s) and project(s), as indicated hereunder . . . . . P 2,100,850,000

New Appropriations, by Program

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
Operations	P	<u>2,100,850,000</u>		P <u>2,100,850,000</u>
NATIONAL RURAL ELECTRIFICATION PROGRAM		<u>2,100,850,000</u>		<u>2,100,850,000</u>
<b>TOTAL NEW APPROPRIATIONS</b>	P	<u>2,100,850,000</u>		P <u>2,100,850,000</u>

**Special Provision(s)**

1. **Subsidy to the National Electrification Administration.** The amount of Two Billion One Hundred Million Eight Hundred Fifty Thousand Pesos (P2,100,850,000) appropriated herein under the subsidy to NEA shall be used for the implementation of the National Rural Electrification Program.

The NEA is authorized to deduct engineering and administrative overhead (EAO) expenses not exceeding three percent (3%) of the project cost. The authorized EAO expenses shall be limited to: (i) pre-construction activities after detailed engineering; (ii) construction project management; (iii) testing and quality control; (iv) acquisition, rehabilitation and repair of related equipment and parts; and (v) contingencies in relation to pre-construction activities. The EAO expenses shall be treated or booked-up as capitalized expenditures and form part of the project cost.

In the implementation of the Sitio Electrification Projects, the NEA shall observe the following:

- (a) Prioritize sitios where the absolute number of indigents and the incidence of poverty are high as identified in the latest official poverty statistics of the PSA as well as those with the high probability of being energized;
- (b) Loans outlay to electric cooperatives shall be recorded as equity contribution of the National Government to NEA when its authorized capitalization is increased by law, while grants thereto remain to be treated as subsidy;
- (c) Release funds only to electric cooperatives which have fully liquidated funds from previous years' electrification projects: Provided, however, that in cases where the electric cooperatives are not qualified to implement projects for barangay and sitio electrification, the NEA may enter into a Memorandum of Agreement with DPWH, and the latter through its district engineering offices will implement the project; and
- (d) Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation or retirement benefits.

Release of funds for Sitio Electrification Projects shall be subject to the following: a) submission of National Unified Electrification Strategy as certified by the DOE; b) submission of parameters for the selection of beneficiary sitios as certified by the DOE; and c) submission of a certification from the Barangay Chairperson on the population and number of houses per sitio, map of the municipality or city indicating the sitios and barangays to be energized, and cost of energizing a sitio.

2. **Electric Cooperatives Emergency and Resiliency Fund.** The amount of Two Hundred Twenty Four Million Three Hundred Fifty Thousand Pesos (P224,350,000) appropriated herein shall be used exclusively for the Electric Cooperatives Emergency and Resiliency Fund pursuant to R.A. No. 11039.

3. **Prior Years' Subsidy Releases from the National Government.** The NEA is hereby authorized to use subsidy released for programs and projects in 2016-2021 to cover the additional funding requirements of activities or projects covered by the programs or sub-programs indicated herein. Accordingly, the NEA shall prepare a work and financial plan covering the projects or activities to be funded from prior years' subsidies subject to the endorsement of the NEA's Board of Administrators, to be submitted to the DBM for approval.

4. **Special Provisions Applicable to All Government Corporations.** In addition to the foregoing special provisions, the special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the NEA.

New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
Operations				
Access to electrification expanded	P	2,100,850,000	P	2,100,850,000
<b>NATIONAL RURAL ELECTRIFICATION PROGRAM</b>		<u>2,100,850,000</u>		<u>2,100,850,000</u>
Sitio Electrification Sub-program		<u>2,100,850,000</u>		<u>2,100,850,000</u>
<b>Project(s)</b>		<u>2,100,850,000</u>		<u>2,100,850,000</u>
<b>Locally-Funded Project(s)</b>		<u>2,100,850,000</u>		<u>2,100,850,000</u>
Sitio Electrification Project		1,627,500,000		1,627,500,000
Electric Cooperatives Emergency and Resiliency Fund		224,350,000		224,350,000
Solar Electrification of Schools and Other Government Buildings		70,000,000		70,000,000
Line Enhancement and Improvement of Distribution Lines of Luuk, Sulu - Sulu Electric Cooperative (SULECO)		29,000,000		29,000,000
Line Enhancement and Improvement of Distribution Lines of Abucayan to Pinaglabanan to Lamon to Tamban, Goa to Sipaco to Map-id to Guibahoy, Lagonoy-Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV)		50,000,000		50,000,000
Line Enhancement and Improvement of Distribution lines of Sta. Misericordia, Sto. Domingo, Albay up to Salvacion Substation - Albay Electric Cooperative, Inc. (ALECO)		50,000,000		50,000,000
Line Enhancement and Improvement of Distribution Lines of Barangay 1 to Denrica, Garchitorena, Camarines Sur and Barangay 4 to Harrison to Canlong, Camarines Sur - Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV)		<u>50,000,000</u>		<u>50,000,000</u>
Sub-total, Operations		<u>2,100,850,000</u>		<u>2,100,850,000</u>
<b>TOTAL NEW APPROPRIATIONS</b>	P	<u><u>2,100,850,000</u></u>	P	<u><u>2,100,850,000</u></u>

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

## Current Operating Expenditures

## Maintenance and Other Operating Expenses

Financial Assistance/Subsidy

2,100,850

Total Maintenance and Other Operating Expenses

2,100,850

**B. DEPARTMENT OF ENERGY**

**B.1. NATIONAL ELECTRIFICATION ADMINISTRATION**

**STRATEGIC OBJECTIVES**

**SECTOR OUTCOME**

Infrastructure development accelerated and operations sustained

**ORGANIZATIONAL OUTCOME**

Access to electrification expanded

**PERFORMANCE INFORMATION**

**ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)**

**BASELINE**

**2022 TARGETS**

Access to electrification expanded

**NATIONAL RURAL ELECTRIFICATION PROGRAM**

Outcome indicator

1. Percentage increase of connections / identified potential consumers

89% potential connections

91% by 2022

Output indicator

1. No. of sitios completed and energized

1,085 sitios

---