



ABT

10 July 2023

HON. RAPHAEL PERPETUO M. LOTILLA
Chairman and DOE Secretary
MR. JESUS CRISTINO P. POSADAS
President and CEO (PCEO)
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
Building 6, Energy Center, Rizal Drive
Bonifacio Global City, Taguig City

RECEIVED BY:	21-012
PNOC OFFICE OF THE PRESIDENT	
ON:	JUL 14 2023
Time:	9:50
Name:	AWIN

**RE: VALIDATION RESULT OF PNOC'S
2022 PERFORMANCE SCORECARD**

Dear Secretary Lotilla and PCEO Posadas,

We respectfully furnish you with the validation result of PNOC's 2022 Performance Scorecard (*Annex A*), where PNOC obtained an overall score of **93.96%**.

Very truly yours,

Justice **ALEX L. QUIROZ (ret.)**
Chairperson

cc: COA Resident Auditor – PNOC

**PHILIPPINE NATIONAL OIL COMPANY (PNOC)
Validated 2022 Performance Scorecard**

Component	Objective/Measure	Formula	Wt.	Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks	
					2022	Actual	Rating	Score	Rating			
SO 1 Contribute to Energy Security Targets												
SOCIAL IMPACT	SM 1	Petroleum Products Sourcing, Storage and Distribution Project	Actual Accomplishment	2.50%	All or Nothing	PNOC President-approved Inception Report, and Work & Financial Plans on Strategic Petroleum Reserve (SPR) Program	Status Report	-	-	0.00%	<ul style="list-style-type: none"> Secretary's Certificate dated 27 October 2022 signed Atty. Antonio Buenviaje 	The PNOC Board during its regular meeting on 21 October 2022, took note of the PNOC Management report on the DOE directive to suspend all activities relevant to the development and pursuance of the Strategic Petroleum Reserve (SPR) and Targeted Fuel Relief Program (TFRP) Initiatives. Based on the guidance given, oil is a sunset industry and considering this, the SPR and TFRP shall be subjected to policy and financial viability review.
	SM 2	Development of Decentralized Energy System through the Use of Waste to Energy Technology (DES-WTE Project)	Actual Accomplishment	2.50%	All or Nothing	PNOC President-approved Concept Study/Paper on Decentralized Energy Systems (DES) Using Waste to Energy Technologies	PNOC President-approved Concept Proposal entitled: Development of Decentralized Energy System/s (DES) Project, approved on 17 March 2022	-	PNOC President-approved Concept Proposal entitled: Development of Decentralized Energy System/s (DES) Project, approved on 16 March 2022	2.50%	<ul style="list-style-type: none"> Memorandum dated 16 March 2022 Concept Proposal entitled Development of Decentralized Energy System/s (DES) Project, approved on 16 March 2022 	Validated with internal document. The concept study considered the following technologies for implementation at the PNOC ESB- solar PV, onshore wind, and waste-to-energy.
			Sub-total		5.00%				-		2.50%	

	Component			Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks																						
	Objective/Measure	Formula	Wt.		2022	Actual	Rating	Score	Rating																								
STAKEHOLDERS	SO 2 Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders																																
	SM 3	Percentage of Satisfied Customers	No. of Satisfied Respondents over Total Number of Respondents	10%	Actual over Target <i>If less than 80% = 0%</i>	90% Satisfied Customers	96.23%	-	96.23%	10.00%	<ul style="list-style-type: none"> 2022 CSS Final Report prepared by UPLBFI 10 Sample Accomplished Questionnaires 	<table border="1"> <thead> <tr> <th>Satisfaction</th> <th>No. of Respondents</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>35</td> <td>66.04%</td> </tr> <tr> <td>Satisfied</td> <td>16</td> <td>30.19%</td> </tr> <tr> <td>Neither</td> <td>2</td> <td>3.77%</td> </tr> <tr> <td>Dissatisfied</td> <td>0</td> <td></td> </tr> <tr> <td>Very Dissatisfied</td> <td>0</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>53</td> <td>96.23%</td> </tr> </tbody> </table> <p>Of the 53 interviewed customers, 14 were from PNOC's Industrial Park, 25 from the Energy Supply Base, and 14 were Lessees.</p>	Satisfaction	No. of Respondents	%	Very Satisfied	35	66.04%	Satisfied	16	30.19%	Neither	2	3.77%	Dissatisfied	0		Very Dissatisfied	0		TOTAL	53	96.23%
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FINANCE	SO 3 Maintain a Sound Financial Condition																																
	SM 4	Net Income	Income from Operations Add/deduct: Forex Gains/Loss, Other Income, Income Tax and Unrealized Gain/Loss	25%	Actual over Target	₱104.50 Million	₱3,364.47 Million	-	₱3,357.71 Million	25.00%	<ul style="list-style-type: none"> Email re Breakdown of Net Income for CY 2022 2022 PNOC COA Audited Financial Statements 	<p><i>In Php Millions</i></p> <table border="1"> <tbody> <tr> <td>Total Revenues</td> <td>6,378.66</td> </tr> <tr> <td>Total Expenses</td> <td>(1,957.28)</td> </tr> <tr> <td>Net Income Before Tax</td> <td>4,421.38</td> </tr> <tr> <td>- Income Tax Expense</td> <td>(1,066.00)</td> </tr> <tr> <td>+ Other Comprehensive income</td> <td>2.32</td> </tr> <tr> <td>Comprehensive Income</td> <td>3,357.69</td> </tr> <tr> <td>Unrealized Gain</td> <td>-</td> </tr> <tr> <td>Less: Dividends from operating subsidiaries</td> <td>-</td> </tr> <tr> <td>NI before dividends from operating subsidiaries</td> <td>₱3,357.69</td> </tr> </tbody> </table>	Total Revenues	6,378.66	Total Expenses	(1,957.28)	Net Income Before Tax	4,421.38	- Income Tax Expense	(1,066.00)	+ Other Comprehensive income	2.32	Comprehensive Income	3,357.69	Unrealized Gain	-	Less: Dividends from operating subsidiaries	-	NI before dividends from operating subsidiaries	₱3,357.69			
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FINANCE	SM 5	Budget Utilization Rate (BUR)	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	27.00%	-	26.31%	1.46%	<ul style="list-style-type: none"> 2022 Maintenance and Other Operating Expenses and Capital Outlay 2022 COB- MOOE 2022 Capital Outlay (All documents were signed by Mr. J.R. Racho, Manager of Treasury Department) <ul style="list-style-type: none"> 2022 PNOC COA Audited Financial Statements 	Breakdown as follows: <table border="1"> <thead> <tr> <th>In Millions</th> <th>2022 Approved Budget [A]</th> <th>Actual Disbursement (2022) [B]</th> </tr> </thead> <tbody> <tr> <td>MOOE</td> <td>409.874*</td> <td>230.367**</td> </tr> <tr> <td>CAPITAL OUTLAY</td> <td>707.608</td> <td>63.679</td> </tr> <tr> <td>TOTAL</td> <td>1,117.482</td> <td>294.046</td> </tr> <tr> <td>% BUR (B/A)</td> <td colspan="2">26.31%</td> </tr> </tbody> </table> *Net of Depreciation Expenses of Php 54.153 Million (GAA)	In Millions	2022 Approved Budget [A]	Actual Disbursement (2022) [B]	MOOE	409.874*	230.367**	CAPITAL OUTLAY	707.608	63.679	TOTAL	1,117.482	294.046	% BUR (B/A)	26.31%	
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INTERNAL BUSINESS PROCESS	SO 4 Develop Energy Infrastructure																										
	SO 5 Maintain Efficient Management of PNOC's Energy Facilities																										
	SM 6	PNOC Industrial Park Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	Passed Re-Certification Audit	-	Passed Re-Certification Audit	5.00%	<ul style="list-style-type: none"> Attestations dated 16 November 2022 issued by SOCOTEC Certification Philippines, Inc. 	PNOC Industrial Park – PNOC Park Management Department was assessed by SOCOTEC Certification Philippines, Inc. in accordance with the requirements of ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 and was recommended for certification. The scope of the certifications is Industrial Park Administration and Facility Operations Maintenance.															

INTERNAL BUSINESS PROCESS	Component			Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.		2022	Actual	Rating	Score	Rating		
SM 7	PNOC Energy Supply Base (ESB) Compliance to Quality Management Systems (QMS) Standards for ESB Operations (Systems and Procedures)	Actual Accomplishment	2.5%	All or Nothing	Pass ISO 9001:2015 QMS 2 nd Surveillance Audit	Passed 2 nd Surveillance Audit for PNOC ESB's ISO 9001:2015 and ISO 45001:2018	-	Passed 2 nd Surveillance Audit for PNOC ESB's ISO 9001:2015 and ISO 45001:2018	5.00%	<ul style="list-style-type: none"> Attestation dated 22 November 2022 issued by SOCOTEC Certification Philippines, Inc. 	<p>PNOC-ESB successfully completed the annual surveillance audit conducted on 28 October 2022 in accordance with the requirements of ISO 9001:2015 and 45001:2018 and was recommended for continued certification.</p> <p>The scope of certification is Operation and Administration of Energy Supply Base & Port Facilities.</p>
			2.5%		ISO 45001:2018 Occupational Health and Safety Management System Certification						
SO 6 Optimize Asset Productivity											
SM 8	Operation of Energy Supply Base (ESB)	Total No. of Declaration of Security (DOS) conducted within 18 hours from berthing over Total No. of Berthed Foreign Vessels	5%	Actual over Target	100% Conduct of Declaration of Security (DOS) within 18 hours after berth of foreign vessel at ESB Pier	100% Conducted Forty-Six (46) DOS out 46 berthed foreign vessels at ESB	-	100% (46/46)	5.00%	<ul style="list-style-type: none"> Summary of Time Berth Log (Q1-Q4) Individual DOS 	Validated with internal documents.

INTERNAL BUSINESS PROCESS	Component			Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.		2022	Actual	Rating	Score	Rating		
SM 9	Improvement/ Upgrade of ESB Facility	Actual Accomplishment	5%	All or Nothing	Completion of repair of damaged RIP-RAP	Completed 100% repair of damaged RIP-RAP		100% Completion of repair of damaged RIP-RAP	5.00%	For both improvement (Damaged RIP-RAP and Construction of Ingress/Egress): <ul style="list-style-type: none"> • Presentation Report with Photo Documentations • Certificate of Inspection • Inspection and Acceptance Report 	The repair of the damaged RIP-RAP was completed on 15 February 2022 while the construction of Ingress/Egress was completed on 02 March 2022.
			5%		Completion of Construction of Ingress/Egress Ramp at ESB Main Gate	Completed 100% construction of Ingress/Egress Ramp at ESB Main Gate		100% Completion of construction of Ingress/Egress at ESB Main Gate	5.00%		
SM 10	No. of PDMC Assets Utilized / Disposed at a Gain	No. of PDMC Assets Utilized/ Disposed at a Gain	4%	Actual over Target	Disposal through sale of 5 additional Costa Verde and/or El Pueblo Properties	Disposed seven (7) additional Costa Verde and two (2) El Pueblo properties		Disposed seven (7) additional Costa Verde and two (2) El Pueblo properties	4.00%	<ul style="list-style-type: none"> • Deeds of Absolute Sale for seven (7) Costa Verde properties and two (2) El Pueblo properties • Transfer of Title Certificates 	The total sale price for the nine (9) sold properties is ₱20,635,745.45.
			4%		Disposal through sale of 10 Socialized Housing Program Lots	Disposed sixteen (16) Socialized Program Lots		Disposed sixteen (16) Socialized Program Lots	4.00%		

INTERNAL BUSINESS PROCESS	Component			Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.		2022	Actual	Rating	Score	Rating		
SM 11	PNOC/ PAFC/ PSTC Property Utilized / Leased / Disposed	Actual Accomplishment	2%	Actual over Target	Utilization/ Lease/ Disposal of any one (1) PNOC/ PAFC/ PSTC Property	Leased of 1 PNOC Property & Disposed nine (9) PNOC Properties	-	Leased of 1 PNOC Property & Disposed nine (9) PNOC Properties	2.00%	<ul style="list-style-type: none"> Contract of Lease between PNOC and PRA dated 30 March 2022 Deeds of Absolute Sale for nine (9) PNOC properties sold 	<p>Leased to Philippine Reclamation Authority (PRA) office spaces at PNOC Building 4A, Energy Center, Bonifacio Global City.</p> <p>Disposed nine (9) PNOC properties in Batangas, Laguna, Bulacan and Tarlac. Total sale price for the 9 properties is ₱9,878,890.00.</p>
SM 12	Disposal of Banked Gas	Actual Accomplishment	5%	5%- 3 Petajoules (PJ) or more of banked gas delivered 3%- more than 1PJ up to less than 3PJ of banked gas delivered 1%- more than 0.5PJ of banked gas delivered	Delivery of 3 Petajoules (PJ) of Banked Gas (will be covered by a new contract)	Total delivery for the contract year of 2022 equals 11.08 PJ	-	11.08 PJ	5.00%	<ul style="list-style-type: none"> Email dated 28 April 2023 from Ms. Rowena Raymundo reflecting excerpts in the GSPAs with First Natgas Power Corp. for San Gabriel Power Plant and Prime Meridian PowerGen Corp. For the Avion Power Plan Monthly Delivery Statements (1Q to 4Q) 	<p>GSPAs with First NatGas Power Corp. and Prime Meridian PowerGen Corp. were signed on 24 December 2021.</p> <p>The report showed that there was a total of 11.08 PJ banked gas delivered in 2022.</p>
Sub-total			40%						40.00%		

LEARNING AND GROWTH

Component		Rating System	Target 2022	Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula			Wt.	Actual	Rating	Score			Rating	
SO 7 Acquire, Develop, Retain and Motivate Talents for Peak Performance											
SM 13	Percentage of employees with required competencies met	Number of Employees with Required Competencies over Total Number of Employees	5%	All or Nothing	Increase from 2021 Baseline	84.38%	-	84.38%	5.00%	<ul style="list-style-type: none"> Summary of Baseline Competency Profile as of December 2022 Person Profiling Report as of 31 December 2022 Individual Rating Sheets 	81 out of 96 employees (84.38%) met the required competencies for their position. This translates to 8.38% increase from 2021 competency level of 76% (76 out of 100).
SO 8 Develop, Implement and Maintain Efficient and Effective Systems											
SM 14	Compliance to Quality Standards	Actual Accomplishment	10%	All or Nothing	Pass 2 nd Surveillance Audit	Passed 2 nd Surveillance Audit	-	Passed 2 nd Surveillance Audit	10.00%	<ul style="list-style-type: none"> Attestation dated 20 October 2022 issued by SOCOTEC Certification Philippines, Inc. 	<p>PNOC successfully completed the annual surveillance audit conducted last 19 September 2022 in accordance with the requirements of ISO 9001:2015 and was recommended for continued certification.</p> <p>The scope of certification is Management of the provision of vital energy resource development and energy infrastructure conducive to a clean environment and balanced and sustainable economic growth.</p>
Sub-total			15%				-		15.00%		
TOTAL			100%				-		93.96%		