



**27 OCTOBER 2022**

**JESUS CRISTINO P. POSADAS**  
*President and CEO*  
**PHILIPPINE NATIONAL OIL COMPANY (PNOC)**  
 PNOC Building 6, Energy Center, Rizal Drive,  
 Bonifacio Global City Taguig City

**ACKNOWLEDGEMENT RECEIPT**

LETTER **24 OCTOBER 2022**  
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION  
 OF MONITORING REPORT OF PERFORMANCE  
 TARGETS FOR 3RD QUARTER OF 2022 WITH  
 SUPPORTING DOCUMENTS**

The said document was officially received by the Governance Commission on 27 October 2022 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 5328-2030 or (02) 5318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-0257-27-10-2022-018087**.

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Received by:

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Signature over Printed Name

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Date and Time

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October 24, 2022

**HON. ALEX L. QUIROZ**

Chairman  
Governance Commission for GOCCs  
Office of the President of the Philippines  
3/F Citibank Center, Citibank Plaza  
8741 Paseo De Roxas  
Makati City

Dear Chairman Quiroz:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the Third Quarter of 2022.

We hope you find our submitted documents in order. Our focal person for your staff to coordinate with should you have any questions, clarifications or need additional information, is Ms. Alma B. Taganas, Officer in Charge of the Strategy Management Office (email: [abtaganas@pnoc.com.ph](mailto:abtaganas@pnoc.com.ph)).

Thank you.

Very truly yours,

  
**JESUS CRISTINO P. POSADAS**  
President and CEO

**PNOC MAIN OFFICE**  
Building 6, Energy Center, Rizal Drive,  
Bonifacio Global City, Taguig, Philippines 1634  
(+632) 8789 7662  
[www.pnoc.com.ph](http://www.pnoc.com.ph)  
ISO 9001:2015

**INDUSTRIAL PARK**  
Barangay Batangas Dos, Mariveles  
Bataan, Philippines 2105  
(+6347) 244 5884 and 86  
[industrialpark@pnoc.com.ph](mailto:industrialpark@pnoc.com.ph)  
ISO 9001:2015  
ISO 45001:2018  
ISO 14001:2015

**ENERGY SUPPLY BASE**  
Barangay Mainaga, Mabini  
Batangas, Philippines 4202  
+63 917 515 4036  
[energysupplybase@pnoc.com.ph](mailto:energysupplybase@pnoc.com.ph)  
ISO 9001:2015  
ISO 45001:2018

**PHILIPPINE NATIONAL OIL COMPANY**  
**MONITORING REPORT OF CY 2022 PERFORMANCE TARGETS**  
**THIRD QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter	
					2022	Actual	Actual	Target	Actual	Target	
<b>SOCIAL IMPACT</b>	SO 1	Contribute to Energy Security Targets									
	SM 1	Petroleum Products Sourcing, Storage and Distribution Project (Strategic Petroleum Reserve Program)	Actual Accomplishment	2.50%	All or Nothing	President Approved Inception Report and Work and Financial Plan on Strategic Petroleum Reserve (SPR) Program	Revised the Terms of Reference (TOR) to include DOE's recommendation of incorporating a short-term implementation plan in the scope of work.  Submitted to DOE the revised TOR in Feb. 2022 for review and approval, in compliance to the requirements of DOE DC No. 2021-09-028.  Award of contract will slide to a later date this year.	Secured DOE Endorsement on the Revised TOR for the engagement of Transaction Advisor on June 27, 2022	Conduct of Technical Feasibility Study	PNOC President approved the revised TOR and work order for the engagement of Transaction Advisor.  Conducted procurement activities thru PNOC Bids and Awards Committee.  The scheduled opening of best and final offer on August 23 was postponed, per directive from PNOC Management.  On Sept. 9, 2022, a meeting was held between the PNOC President and DOE Secretary where guidance and directives were given on the current PNOC projects and initiatives, including that for SPR.  See Annex A	Conduct of Technical Feasibility Study (continuation from Q3)  Receipt, Review and Acceptance of Technical Feasibility Study  Commencement of the conduct of Full Detailed Feasibility Study
	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	President Approved Concept Study/Paper on Decentralized Energy Systems (DES) Using Waste to Energy Technologies	Completed the DES Project Concept Paper. Submitted and approved by the PNOC President on March 16, 2022.	Preparation of the Pre-Feasibility Study in the Development of Decentralized Energy Systems (DES) project ongoing.	Development of Project Framework/Pre-Feasibility Study (continuation)	Completed the initial draft on the Pre-Feasibility Study on the Development of another DES Project in PNOC Energy Supply Base (2 MW Solar Facility).	Development of Project Framework/Pre-Feasibility Study (continuation)

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter	
						2022	Actual	Actual	Target	Actual	Target	
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders										
	SM 3	Percentage of Satisfied Customers	Number of satisfied respondents / Total number of respondents	10%	Actual over Target  If less than 80% = 0%	90% Satisfied Customers (Lessees, PNOC Industrial Park Locators & ESB Customers)		Submitted to Procurement Management Division the approved Terms of Reference and Work Order Requisition for the engagement of consultant in line with the conduct of the PNOC Customer Satisfaction Survey for 2022	Procure/Bid Consultant for the Conduct of Customer Satisfaction Survey for CY 2022	Notice of Award (NOA) for the Conduct of CSS 2022 was forwarded and signed by the Third Party Consultant  See Annex B	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2022	
FINANCE	SO 3	Maintain a Sound Financial Condition										
	SM 4	Net Income	Income from Operations  <i>Add/deduct:</i> Forex Gains/Losses, Other Income, Income Tax & Unrealized Gains/Losses	25%	Actual over Target	P104.50 Million	P551.69 Million	P723.97 Million	P38.83 Million	P620.64 Million (as of August 31)  See Annex C	P 13.74 Million	
	SM 5	Budget Utilization Rate (BUR)	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	CO = 0.004% MOOE = 11%	CO = 2% MOOE = 22%		CO = 2% MOOE = 35%  Annex D		

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter	
					2022	Actual	Actual	Target	Actual	Target	
INTERNAL BUSINESS PROCESS	SO 4	Develop Energy Infrastructure									
	SO 5	Maintain Efficient Management of PNOG Energy Facilities									
	SM 6	Compliance to Integrated Management System (IMS) Standards for PNOG Industrial Park	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	Issued Special Orders for the composition of the Management Review Committee, IMS Team and Audit Team.  Ongoing Review and updating of IMS Documents and Manuals	Reviewed and updated the IMS Manuals and documents  Conducted the Internal Quality Audit last April to May 2022  Attended the "Action/Root Cause" Workshop	Review and updating of IMS Manual  Conduct of Internal Audit  Conduct of Management Review	Passed Re-Certification Audit conducted by Socotec  See Annex E	Conduct of Re-Certification Audit by CB  Issuance of Certificate by CB
INTERNAL BUSINESS PROCESS	SM 7	Pass Certification - ISO 9001:2015 Quality Management Systems for ESB Operations (Systems and Procedures) and ISO 45001:2018 Occupational Health and Safety Management System **	Actual Accomplishment	5.0%	All or Nothing	Pass 2nd Surveillance Audit	Conducted 3 IMS Meetings:  Jan. 25, 2022 Feb. 28, 2022 Mar. 28, 2022  Commenced review and update of HIRAC.	Conducted 3 IMS Meetings:  April 22, 2022 May 31, 2022 June 27, 2022  Completed review of HIRAC on May 31, 2022  Completed review of 3 processes: document approval and 2 emergency preparedness	Conduct IMS Meeting (9/12)  Conduct Internal Audit  Review/revise HIRAC/FMEA	Conducted 3 IMS Meetings:  July 29, 2022 Aug. 31, 2022 Sept. 27, 2022  Conducted IMS Internal Audit on August 8 to 12, 2022.  Conducted Management Review on Sept. 28, 2022  See Annex F	1. Conduct of Management Review and  2. Conduct of 2nd Surveillance Audit
	SO 6	Optimize Asset Productivity									
	SM 8	Operation of Energy Supply Base (ESB)	Total No. of DOS conducted over Total No. of Berthed Foreign Vessels	5%	Actual over Target	100% Conduct of the Declaration of Security (DOS) within 18 hours upon berth of foreign vessel at ESB Pier	Conducted 9/9 DOS of foreign vessels berthed at ESB.  Ave = 3 hours and 6 minutes	Conducted 11/11 DOS of foreign vessels berthed at ESB.  Ave = 2 hours and 57 minutes	100% Conduct of DOS within 18 hours upon berth of foreign vessel	Conducted 10/10 DOS of foreign vessels berthed at ESB  Ave = 3 hours and 5 minutes  See Annex G	100% Conduct of DOS within 18 hours upon berth of foreign vessel

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter
						2022	Actual	Actual	Target	Actual	Target
	SM 9	Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Repair of damaged RIP-RAP	Completed 100% repair of damaged RIP-RAP				
INTERNAL BUSINESS PROCESS		Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Construction of Ingress/Egress Ramp at ESB Main Gate	Completed 100% construction of Ingress/Egress Ramp at ESB Main Gate				
	SM 10	Number of PDMC Assets Utilized/Disposed at a Gain	Number 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 through Sale 6 Costa Verde and 1 El Pueblo Properties	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties	Disposed through Sale 1 Costa Verde Property  See Annex H	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties
		Number of PDMC Assets Utilized/Disposed at a Gain	Actual Accomplishment	4%	Actual over Target	Disposal through sale of 10 Socialized Housing Program Lots	Disposed through sale 8 Socialized Housing Program Lots	-	Disposal through sale of 3 Socialized Housing Program Lots	Disposed through sale 1 Socialized Housing Program Lot  See Annex I	Disposal through sale of 2 Socialized Housing Program Lots
	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 to Philippine Reclamation Authority office spaces at PNOC Building 4A, Energy Center, Bonifacio Global City.	Disposed through sale 3 PNOC Properties		Disposed through sale 6 PNOC Properties in Batangas, Bulacan and Tarlac City  See Annex J	Utilization/Lease/ Disposal of any one (1) PNOC/PAFC/ PSTC Property



Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter
						2022	Actual	Actual	Target	Actual	Target
	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 3 PJ of banked gas delivered  1% - more than 0.50 PJ of banked gas delivered	Delivery of 3 Petajoules (PJ) of Banked Gas	Approved by the PNOC Board the GSPAs with two buyers on Nov. 11, 2021.  Signed GSPAs with two buyers last December 24, 2021.  Delivered a total of 2.51 PJ as of March 26, 2022.	Final key terms of a new GSPA with a new buyer was approved by PNOC Board on June 22, 2022. The same was signed on June 23, 2022.  Delivered a total volume of 2.74 PJ (March 26 to June 25, 2022)  Total delivery for 1st semester equals 5.25 PJ	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas  Submission of Delivery Reportorial Requirement to DOE	Delivered a total volume of <b>2.79 PJ</b> (July 1 to Sept. 25, 2022)  Total delivery for the first to third quarters equals <b>8.221 PJ</b>  See Annex K	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance									
LEARNING & GROWTH	SM 13	Percentage of employees with required competencies met	Targeted Number of Employees with Required Competencies over Total Number of Targeted Employees	5%	All or Nothing	Increase from 2021 Baseline  Employees for competency matching will meet their required baseline competency by end of 2022  (2021 - 90.74%) 98 out of 108 total number of employees, or 90.74% have met their required competencies vis-à-vis position held.	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps.  Facilitated attendance of employees to trainings/ seminars:  In-house = 7 Local Training = 44	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps.  Facilitated attendance of employees to trainings/ seminars:  In-house = 2 Local Training = 14	Submit the 3rd Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR)	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps.  Facilitated attendance of employees to trainings/ seminars:  Local Training= 81  Annex L	Submit the 4th Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR), and Summary of Employee Baseline Competency Report;
	SO 8	Develop, Implement and Maintain Efficient and Effective Systems									
	SM 14	PNOC Compliance to Quality Standards (PNOC ISO Certification)	Actual Accomplishment	10%	All or Nothing	Pass 2nd Surveillance Audit	Issued Internal Audit Itinerary and Special Order for the composition of the Internal Quality Audit Team.	Conducted the Internal Quality Audit on June 1-10, 2022  Preparation of documentation and implementation requirements for the 2nd Surveillance Audit ongoing	Pass the 2nd Surveillance Audit	Passed 2nd Surveillance Audit  Submitted to Socotec the Customer Feedback Form  Annex M	Conduct Customer Satisfaction Survey
		<b>Total Weight</b>		<b>100%</b>							