



## **MEMORANDUM ORDER NO. 2019-06**

### **RESTRUCTURING OF THE POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)**

**WHEREAS**, under Republic Act (R.A.) No. 9136, the Power Sector Assets and Liabilities Management Corporation (PSALM) was created to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate and other disposable assets, and IPP contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner;

**WHEREAS**, PSALM requested the approval of its Restructuring Plan (RP) from the Governance Commission for GOCCs (GCG), with a total of two hundred sixty (260) plantilla positions;

**WHEREAS**, the Secretary of the Department of Energy (DOE) duly endorsed the restructuring of PSALM;

**WHEREAS**, the PSALM Governing Board, through a Board Resolution signed by the majority of its principal members, approved the revised PSALM RP;

**WHEREAS**, the Governance Commission for GOCCs (GCG), pursuant to Section 5(a) of the "GOCC GOVERNANCE ACT OF 2011" (R.A. No. 10149), is mandated to "evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized, in consultation with the department or agency to which a GOCC is attached";

**WHEREAS**, the restructured organizational structure and staffing pattern is expected to:

- a. Respond to the PSALM Governing Board's directive to accelerate its privatization activities within the next three (3) years;
- b. Transform into a dynamic organization within its remaining corporate life that is responsive to recent developments of the power industry and priorities of the government; and
- c. Attain unity of command, rational and equitable work distribution, efficiency and customer satisfaction;

#### **NOW, BE IT –**

**RESOLVED**, the organizational restructuring of PSALM is hereby **APPROVED** with a total of **two hundred sixty (260)** plantilla positions, as reflected in the documents below which form part of this Memorandum Order, to wit:

1. Annex A – Overview;
2. Annex B – Organizational Structure;

3. Annex C – Staffing Pattern; and
4. Annex D – Functional Statements

**RESOLVED FURTHER**, that the implementation of this Order shall comply with the following conditions and guidelines:

1. Filling up of vacant positions shall be programmed to ensure overall financial viability of agency operations, actual revenue collection and operating requirements;
2. Funding requirements for regular positions shall be included in the Corporate Operating Budget of PSALM;
3. PSALM shall adopt and offer the retirement and separation package for the affected personnel using the incentives provided under existing laws;
4. The Governing Board through the President/Chief Executive Officer (PCEO) shall be accountable for the payment of separation benefits to the retirees/separated employees pursuant to existing laws;
5. The implementation of the new organizational structure and staffing shall commence within two (2) months from receipt of the Memorandum Order. A quarterly progress report shall thereafter be submitted to the GCG until such time that the implementation has been completed; and
6. The pertinent civil service, budgetary, accounting, auditing and other relevant laws, rules and regulations shall be complied with.

**DONE**, in the City of Makati, this 20<sup>th</sup> day of May 2019.

**BY AUTHORITY OF THE COMMISSION:**

**SAMUEL G. DAGPIN, JR.**  
*Chairman*

  
**MICHAEL P. CLORIBEL**  
*Commissioner*

  
**MARITES C. DORAL**  
*Commissioner*