



Republika ng Pilipinas  
**Pambansang Pangasiwaan ng Patubig**  
(NATIONAL IRRIGATION ADMINISTRATION)  
Lungsod ng Quezon

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OUR REFERENCE:

MC No. 25 s, 2009

**TO : THE SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS, DEPARTMENT/REGIONAL/OPERATION MANAGERS, PROJECT MANAGERS, IRRIGATION SUPERINTENDENTS, PROVINCIAL IRRIGATION ENGINEERS AND ALL OTHERS CONCERNED.**

**SUBJECT : Supplemental Guidelines to MC No. 20, s. 2007 Special Policy for VIG on Service Fee for DRD Operations of UPRIS and MARIIS.**

**Per Revised guidelines on the Evaluation of Field Units Viability Incentive Grant under MC No. 20, s. 2007, the income derived from all revenue generating projects/activities operated by the unit except income derived from power generation shall be considered in the computation of Viability Incentive Grant.**

**In the case of UPRIS and MARIIS, the service fee being received from First Gen and Aboitiz, respectively, is for services rendered or performed by the personnel of the DAM and Reservoir Divisions of the two Integrated Irrigation Systems for the management, operation, maintenance and rehabilitation of the non-power components and other appurtenants structures of the dam. The service fee is not derived directly from power generation and neither is it from the traditional income of NIA from where the source of VIG under MC # 20, s. 2007 were contemplated. Since such income is generated on services rendered by only UPRIS and MARIIS having been the administrator of the multi purpose dams, a situation which is not enjoyed by other regions, a special policy is hereby being issued for the recognition of such income as special income subject to VIG under a distinct allocated funds.**

**Hence, the service fee payment of First Gen and Aboitiz should be treated as income item in VIG computation for DRD of UPRIS and MARIIS. On the other hand, the corresponding cost incurred for the operation, maintenance and rehabilitation of the non-power components and other appurtenant structures should be included as expense item in the computation of VIG as provided under item 1.6.4 of MC # 20 s. 2007.**

**Determination of net income for VIG purpose:**

**Gross income from First Gen/SNAP**

**Less: DRD-OM Expense**

**Expense of Capital Outlay (Expired Cost)**

**Share of OMS-HO Expense**

**Net Income**

**Proposed computation of VIG for DRDs of UPRIS and MARIIS.**

**VIG = 0.30 of Net Income/1.30**

**Net Income = Gross Income from First Gen Less Total Expenses  
10% of Gross Income as share for CO Expense**

**Example:**

**Where : GI = 75,500,400**

**DRD Expense= 25,000,000.00**

**OMStaff Expenses= 14,000,000.00 x 90% share**

**10% of GI as share for CO Expense = 7,550,040.00**

**Where : TE = 45,150,040.00**

**Net Income = 75,500,400.00 - 45,150,040.00**

**= 30,350,360.00**

**VIG = 0.30 x 30,350,360.00/1.3**

**= 7,003,929.00**

**This supplemental MC shall be used in the viability performance evaluation of DRD of UPRIS and MARIIS starting calendar year 2007. Distribution of the VIG shall not exceed one month of the basic salary of DRD personnel and 20% of VIG shall be distributed subject to the discretion of the concerned Operations Manager. Any excess amount, if any, shall be considered as savings which shall be distributed in accordance with the existing incentive policies.**

**Please be guided accordingly.**

  
**CARLOS A. SALAZAR**  
**Administrator**

*11 June 2009*