March 29, 2022

MS. JANET A. ENCARNACION
Head, Disclosure Department
Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

ATTY. MARIE ROSE M. MAGALLEN-LIRIO
Head – Issuer Compliance and Disclosure Department
PHILIPPINE DEALING & EXCHANGE CORP.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Gentlemen:

We reply to your letter dated March 29, 2022 (received thru EDGE Submission System at 08:14 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco to spend P150 billion in next 4 years" posted in philSTAR.com on March 29, 2022. The article reported in part that:

"MANILA, Philippines — Manila Electric Co. (Meralco) is alloting P149.66 billion for its capital expenditure (capex) program in the next four years.

Meralco has filed an application with the Energy Regulatory Commission (ERC) for the approval of its proposed Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Fifth Regulatory Period (5RP).

Operating under Performance-Based Regulation (PBR), the 5RP will start on July 1 this year and end on June 30, 2026.

On a per year basis, Meralco has set a capex budget of P37.53 billion for 2023, P43.5 billion for 2024, P36.37 billion for 2025, and P32.25 billion for 2026.

. . . . ”

With reference to the said news article, we would like to confirm that an application has been filed by MERALCO for the approval of its proposed CAPEX projects for 5th Regulatory Period covering the years (July 1, 2022 to June 30, 2026), with the clarification that the said proposed CAPEX amounts are still subject to the hearing and approval of the Energy Regulatory Commission.

Thank you.

WILLIAM S. PAMINTUAN
Senior Vice President
Assistant Corporate Secretary &
Information Disclosure Officer