



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

November 26, 2019

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 November 26, 2019 (received thru EDGE Submission System at 9:01 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco needs ₱18 B in 2020 for network upgrade, expansion” posted in Manila Bulletin (Online Edition) on November 25, 2019. The article reported in part that:

“Power utility giant Manila Electric Company (Meralco) will be needing ₱18 billion next year for its load network upgrade and expansion to accommodate not just demand growth for customers but also to underpin the infrastructure development program of the government.

According to Ronnie L. Aperoch, Meralco senior vice president and head of networks, the targeted capital spending will just be for the network improvement of the utility firm – including reinforcements to its smart grid journey.

‘We need ₱18 billion just for networks... that will already include our requirements to support Build, Build, Build and the PPP (Public-Private Partnership) program of the government,’ he said.

Bulk of the project funding, he expounded, shall be funneled to the pipelined smart substations of the company – and the relocation of poles and other distribution facilities that will be traversed by various infrastructure projects of the State.

He noted that next year's programmed budget would entail massive jump from the company's spending of ₱12 billion this 2019. So far, ₱11 billion of that allocation had already been expended as of third quarter this year.

...."

With reference to the said news article, we would like to confirm the statements attributed to our Senior Vice President and Head of Networks, Ronnie L. Apercho with a clarification that the said intended capital expenditures are still subject to the approval of the Energy Regulatory Commission.

Thank you.



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