



May 4, 2020

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Gentlemen:

We reply to your letter dated May 4, 2020 (received thru EDGE Submission System at 8:35 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco cuts 2020 network capital expenditure to P9.34B” posted in Business Mirror (Online Edition) on May 4, 2020. The article reported in part that:

“The Manila Electric Co. (Meralco) has reduced its network capital expenditure (capex) to P9.34 billion this year, from P17.84 billion, as various projects were stalled by the enhanced community quarantine (ECQ).

‘Because of the ECQ, the design, engineering, and construction, and even procurement of our capex project have been delayed that we had to recast our budget from P17.84 billion to P9.34 billion. This is only for the network side,’ said Meralco First Vice President and Head of Networks Ronnie Aperocho.

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Only 27 percent, or P2.54 billion, of the revised network capex was utilized in the first quarter.

This year's reprogrammed network capex include P2.88 billion for new connections, P2.39 billion for asset renewals, P2.27 billion to address load growth, P58 million for electrification project, P45 million for 'Build, Build, Build' (BBB) and Private-Public Partnership (PPP) and P75 million for immovable and movable nonnetwork assets.

Aperocho said the balance of P8.5 billion would be carried over to next year.

..."

With reference to the said news article, we would like to confirm the statements attributed to our Mr. Ronnie L. Aperocho, Senior Vice President and Head of Networks, with the following clarification/correction:

1. On this year's reprogrammed network capex , the "P58 million for electrification project" should actually read as P580 million; the "P45 million for 'Build, Build, Build' (BBB) and Private-Public Partnership (PPP)" should actually read as P450 million; and the "P75 million for immovable and movable non-network assets" should actually read as P750 million.
2. The designation of rank of Mr. Aperocho as First Vice President should actually read as Senior Vice President.



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