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July 19, 2019

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Gentlemen:

We reply to your letter dated July 19, 2019 (received thru EDGE Submission System at 8:53 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco seeks regulatory approval for P15.19 B emergency capex” posted in philstar.com on July 19, 2019. The article reported in part that:

“Manila Electric Co. (Meralco) is seeking regulatory approval for its urgent capital spending next year.

Meralco has filed an application with the Energy Regulatory Commission (ERC) for its proposed P15.19 billion emergency capital expenditure for regulatory year 2020, which starts on July 1, 2019 to June 30, 2020.

The company filed a ‘very urgent capex projects’ to provide reliable service to its customers while waiting for the regulatory reset of the fifth regulatory period starting July 1 to June 30, 2023.

‘Meralco’s very urgent regulatory year 2020 capital expenditure application is intended to avert the foreseen emergency situations. Primarily, these capex projects are necessary to ensure the

reliable operation of its distribution network and continuous distribution service and connection to meet the growing needs of its more than six million customers,' Meralco said in its filing.

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Meralco has also allotted P475.54 million for the relocation of electrical facilities affected by the construction of government projects.

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Meanwhile, Meralco is seeking clearance for 50 residual projects worth P10.46 billion....

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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 very urgent CAPEX projects for Regulatory Year 2020 (July 1, 2019 to June 30, 2020). However, it is clarified that the proposed CAPEX amounts are still subject to the approval of the Energy Regulatory Commission.

Very truly yours,



JOCELYN C. VILLAR-ALTAMIRA
Assistant Vice President & Head
Corporate Governance and
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