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March 22, 2016

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Mesdames:

We reply to your letter dated March 22, 2016 (received thru EDGE Submission System at 8:22 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "CA ruling favors Meralco in power rate hike case" published in Manila Bulletin on March 22, 2016. The article reported in part that:

"The Court of Appeals (CA) has affirmed the 2011 decision of the Energy Regulatory Commission (ERC) that allowed the Manila Electric Company (Meralco) to increase its rates by P0.0168 per kilowatt hour.

In a decision written by Associate Justice Victoria Isabel Paredes, the CA dismissed the petition filed by the National Association of Electricity Consumers for Reforms, Inc. (Nasecore) which challenged the ERC Decision.

The ERC's 2011 decision upheld its earlier 2003 ruling which granted Meralco's application for the approval of its unbundled rates, appraisal of its properties, and proposed increase in rates.

...."

With reference to the said news article, we would like to confirm the statement that the Court of Appeals rendered a Decision dated February 29, 2016 in C.A. GR SP No. 129052 which affirmed the Orders of Energy Regulatory Commission (ERC) dated June 21, 2011 and February 4, 2013 respectively which resolved to maintain the latter's findings in granting its approval on Meralco's unbundled rates application.

We also would like to clarify that the said CA decision will not have any impact on Meralco's existing rates to its customers.

We trust that you will find the foregoing clarification in order.

Very truly yours,



WILLIAM S. PAMINTUAN

First Vice President

Assistant Corporate Secretary &
Information Disclosure Officer