



September 1, 2020

**MS. JANET A. ENCARNACION**

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**ATTY. MARIE ROSE M. MAGALLEN-LIRIO**

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Gentlemen:

We reply to your letter dated September 1, 2020 (received thru EDGE Submission System at 08:13 a.m.) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco may also lose franchise – Gatchalian” posted in Inquirer.net on August 31, 2020, it was reported that:

“MANILA, Philippines — Manila Electric Co. (Meralco) could suffer the fate of ABS-CBN for its refusal to readily comply with the orders of the Energy Regulatory Commission (ERC), Sen. Sherwin Gatchalian said on Sunday.

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Gatchalian, chair of the Senate energy committee, warned that Congress could exercise its oversight function to revoke Meralco’s franchise after it said it would appeal the P19-million fine that the ERC had imposed on the company for failing to clearly explain to customers the spike in their monthly bills.

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'[Meralco] should not appeal anymore because it's impossible that the penalty is just P19 million. They have to look at it as a whole,' Gatchalian told the Inquirer on the phone.

Meralco spokesperson Joe Zaldarriaga said the company respected the senator's statement.

'That's why we are meticulously studying the ERC decision,' Zaldarriaga said, adding that in the next days Meralco would take steps for the good of its customers.

'In fact, we also have fully complied with the installment plan. In fact, we went beyond the period stipulated by the ERC which started March 16 only. We included bills falling due March 1 to 15 in the installment plan ordered by the ERC,' he said in a statement.

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MERALCO confirms the statement of its spokesperson, Mr. Joe Zaldarriaga, that it is currently studying the decision of the ERC. MERALCO will immediately apprise the Exchange of any material development on this matter.

Sincerely,



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