



Manila Electric Company

3Q 2012 Investors' Briefing and Teleconference

**Pasig Room, Lopez Building
Meralco Center, Pasig City
October 29, 2012**

**Conference Call No. : 00852 2112-9200 (HK)
Passcode: MERALCO**



OPERATIONS REPORT

9M 2012 Results

Oscar S. Reyes
President and Chief Executive Officer





Highlights



Energy Sales & Customer Count



➤ Sept 2012 YTD Energy Sales Up 7.6% vs. 2011

Consolidated sales of 24,448 GWh (1,724 GWh more than 2011)

- **Robust performance of major segments vs. 2011**
 - In spite of effect of decline in sales in August due to weather disturbances and long weekends/holidays
 - Growth led by Industrial, up 12.9% , followed by Commercial and Residential , at 5.7% and 5.1%, respectively.
- **Consolidated Customer Count up 3.5% to 5.16 million**
 - Total of 130,042 new customers from beginning of 2012

Energy Sources & Purchases



➤ Sept 2012 Net System Input Up 6.8% vs. 2011

- Consolidated NSI of 26,358 GWh (1,673 GWh more than 2011)
- Peak Demand at 5,633 MW, up 6.6% vs. 2011
- NPC leading source of consolidated power supply at 48.3%, IPPs / new PSA at 45.4% and WESM at 6.2%
- IPPs/SGC remain as lowest cost source of supply
 - By type of fuel, Nat Gas accounts for 56.0%, Coal at 31.2% and balance of 12.8% are mixed fuel sources

Customer Retail Rates



- Jan-Sept 2012 Ave. Rate up 70¢/kWh vs. 2011
- From P9.02/kWh to P9.72/kWh (or 8% higher)
- Generation, Universal Charges and Taxes accounted for the increase (81¢/kWh)
- Mitigated largely by lower Distribution Charge (down 8¢/kWh)
- Generation Charge the largest component of customers' bill at 58.3%; Meralco share 15.8%; NGCP is 10.3%

Operational Performance



- Sustained outperformance vs. Regulatory Standards
- 12-MMA System Loss ended September 2012 at 7.19%, improved by 0.24%pts. vs. 2011
- Due to improved service, efficiency and quality, all S-Factor performance within rewards range
- GSL performance within allowed limits

Biz Updates



➤ Events of Interest / Business Updates

- **Impact of major weather events: Tropical Storms - Gener (July 29-30), Haikui and Habagat (August 7-10)**
 - 73 GWh estimated unserved energy
 - Estimated damage to facilities P82M
 - Meralco crews worked round-the-clock to restore much of the service within 24 hours
- **Various Communication Campaigns / Programs / Initiatives**
- **Meralco: PMAP's "2012 Employer of the Year"**
 - 32 years following Meralco's first such award in 1980.
- **Meralco Power Gen Update on Redondo Peninsula Energy**



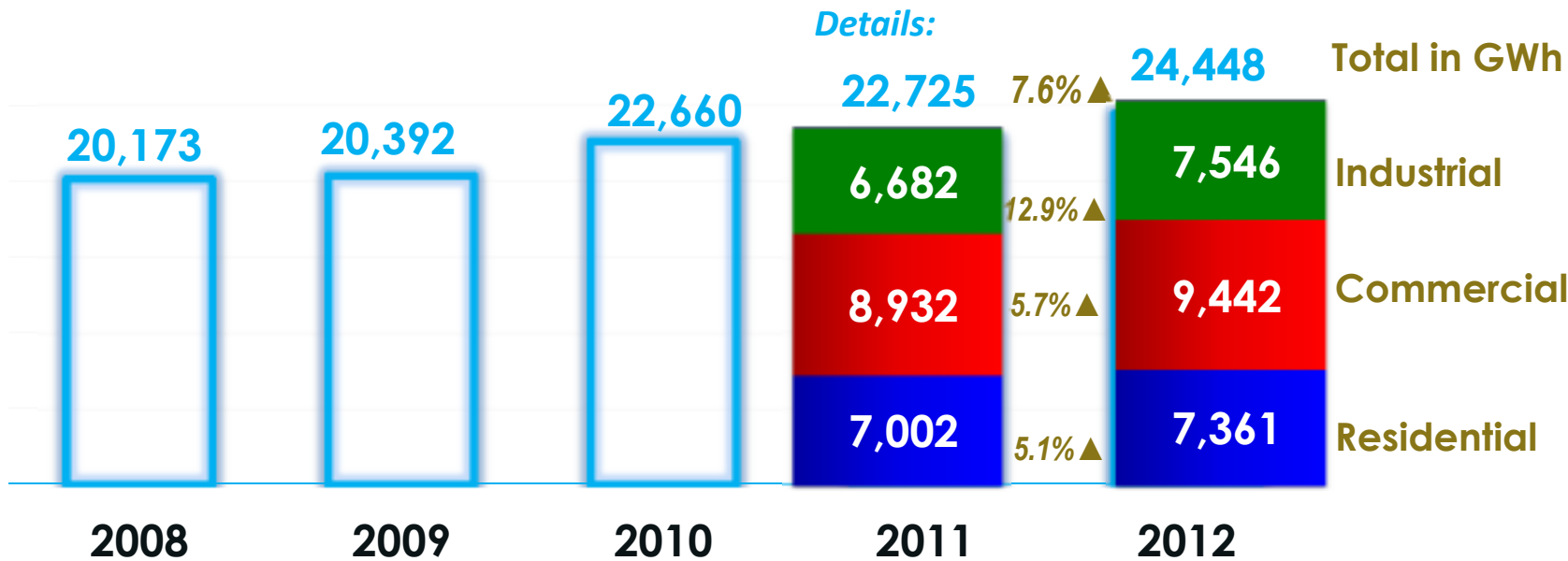


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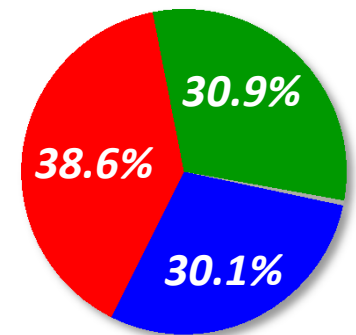


Sept 2012 YTD Energy Sales

- Consolidated sales up 7.6% vs. 2011 (1,724 GWh more than last year)
- Robust performance of major segments vs. 2011
 - In spite of unserved energy in July – August due to typhoons/Habagat & holidays



Share of Sales:



Growth Drivers:

- **Electrical Machinery** (semicon)
- **Food & Beverage**
- **Basic Metals** (metal plates, strips, bars, rods, etc.)

- **Real Estate** (condominiums, BPO office space)
- **Private Services** (hotels, rest., private schools, gyms)
- **Transport, Storage and Communication**

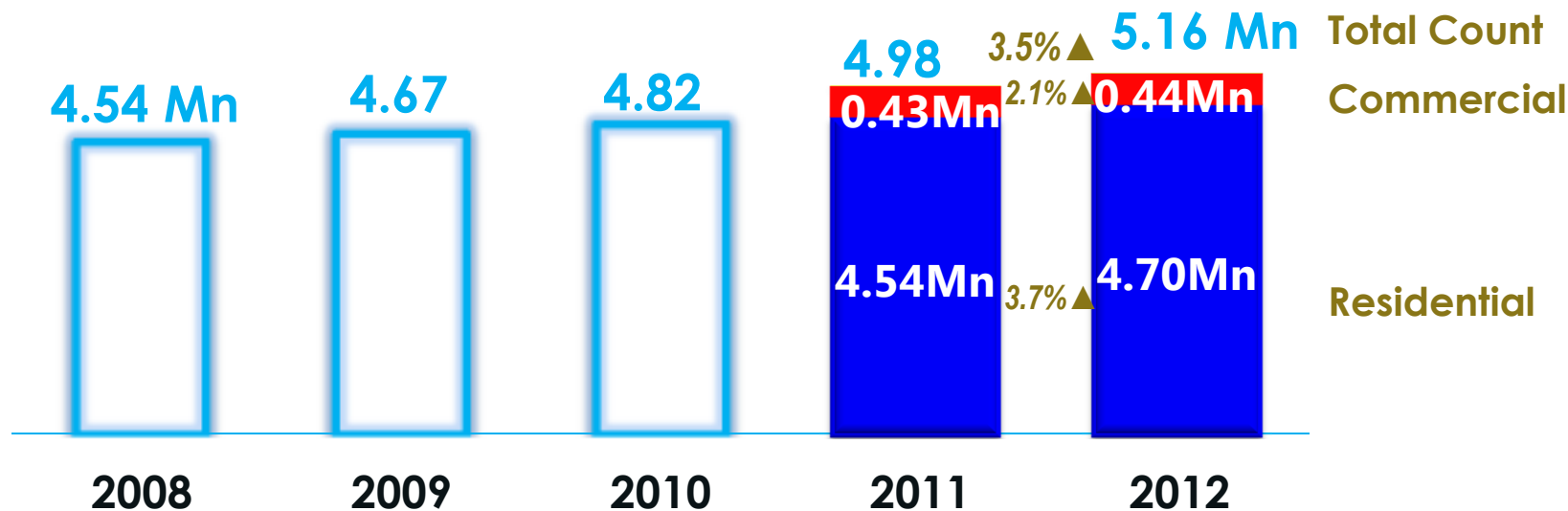
- **Housing units growth, higher household usage and slightly warmer temp** (ave temp, 28 °C vs. 2011's 27.5°C)



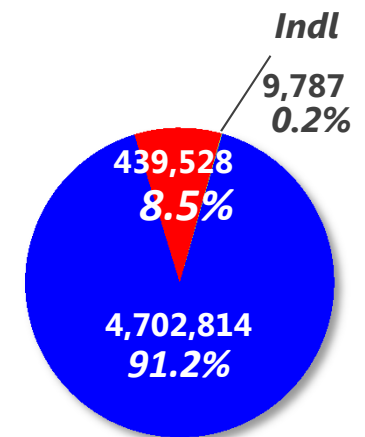
Sept 2012 YTD Customer Count

- Billed customer count up 3.5% vs. 2011 to 5.16 million customers
- Total of 130,042 new customers* from beginning of 2012, majority Residential

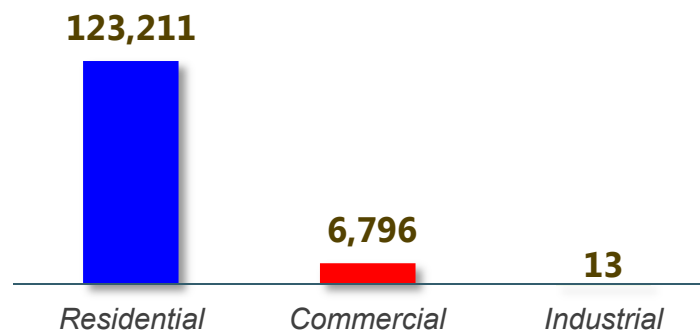
Details:



Share of Count:



New Customers:



130,042 new customers as of Sept 30, 2012
*net, additions less terminations

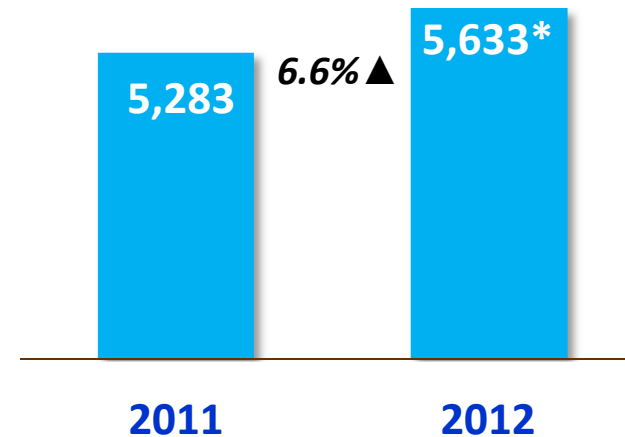
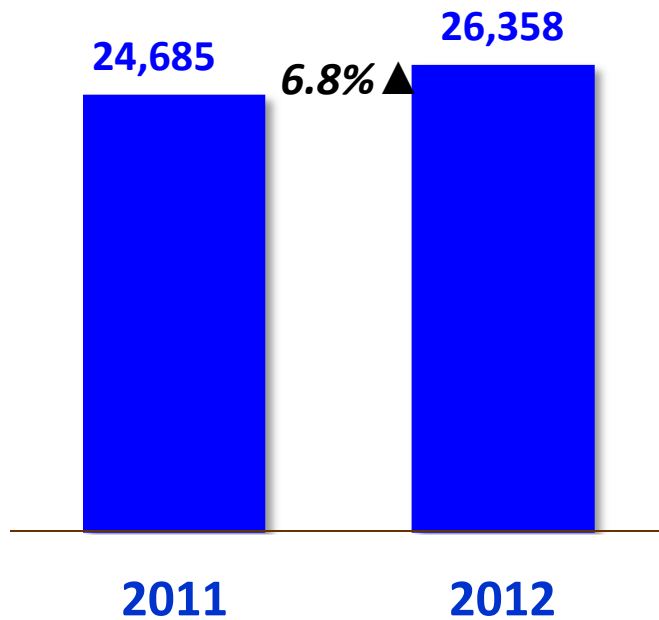


Net System Input (NSI) & Peak Demand

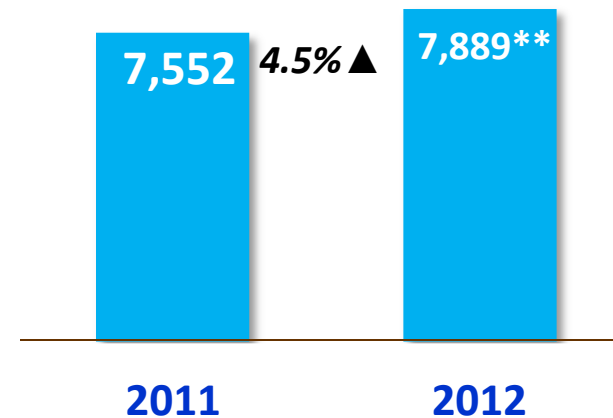
- Sept 2012 YTD's consolidated NSI of 26,358 GWh, up 6.8% vs. 2011
- YTD Peak demand recorded on May 10, 2012 still the YTD Peak

Meralco YTD Peak Demand, MW:

Net System Input, GWh:



Luzon YTD Peak Demand, MW:



*occurred May 10, 2012 as against May 18, 2011 peak;
surpasses May 26, 2010's 5,374 MW record (all-time high)

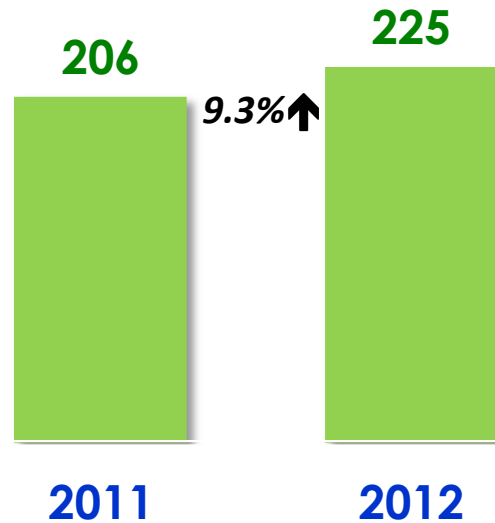
** occurred April 27, 2012



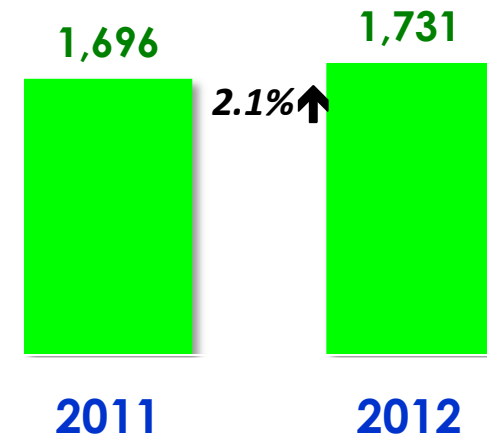
9M 2012 CEDC Sales, NSI & Customer Count

➤ Energy Sales, NSI and Customer Count sustained growth vs. 2011

Energy Sales, GWh



Customer Count



NSI, GWh



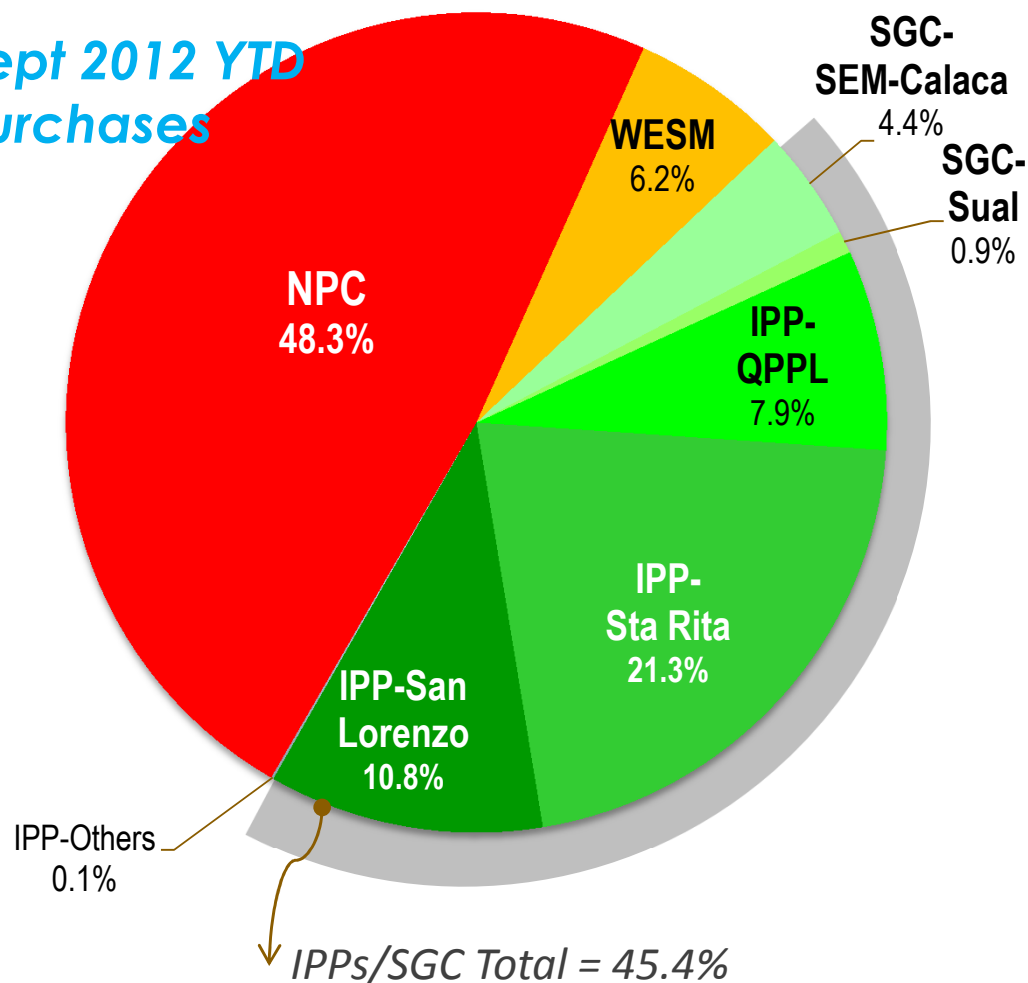
	Sales, Share	Count, Share
Commercial	48.8%	55.9%
Industrial	49.4%	6.2%
Residential	1.4%	34.6%



Sept 2012 YTD Power Supply Mix, Volume

- NPC Transition Supply Contracts the largest source at 48.3%, IPPs at 45.4%
- WESM purchases lower than last at 6.2% but power plants and Malampaya plant maintenance shutdowns precluded further reduction of higher priced WESM supply

Sept 2012 YTD
Purchases



SOURCE	GWh	Share
NPC*	12,743	48.3%
WESM	1,645	6.2%
IPPs/SGC Total	11,970	45.4%
Sta. Rita	5,623	21.3%
San Lorenzo	2,855	10.8%
QPPL	2,081	7.9%
SEM-Calaca	1,153	4.4%
Sual	234	0.9%
Others	24	0.1%
Total NSI	26,358	100%

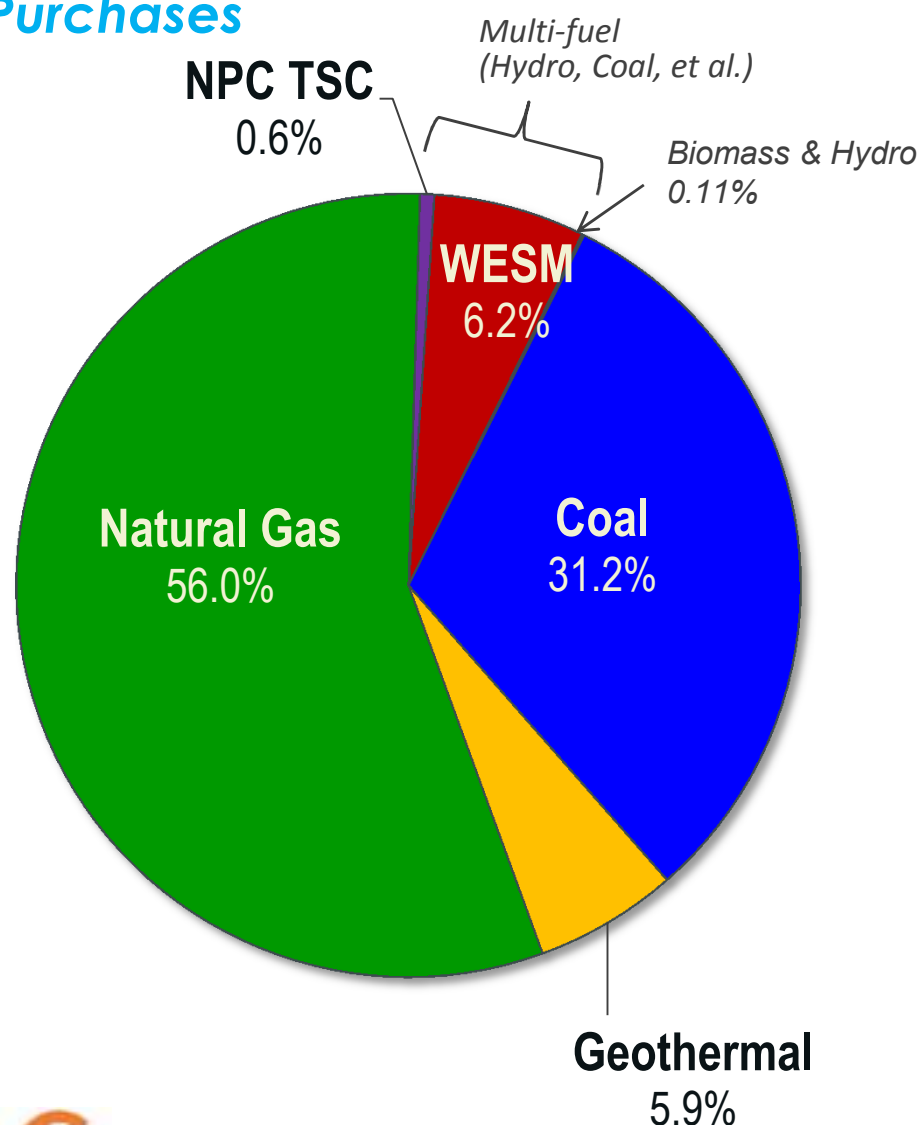
*Including Special Programs (Ecozone and CCP)

Sept 2012 YTD Power Plant Mix

OPERATIONS REPORT
as of Sept 30, 2012

➤ Majority of Meralco's purchased power sourced from Natural Gas & Coal-fired plants

Sept 2012 YTD Purchases

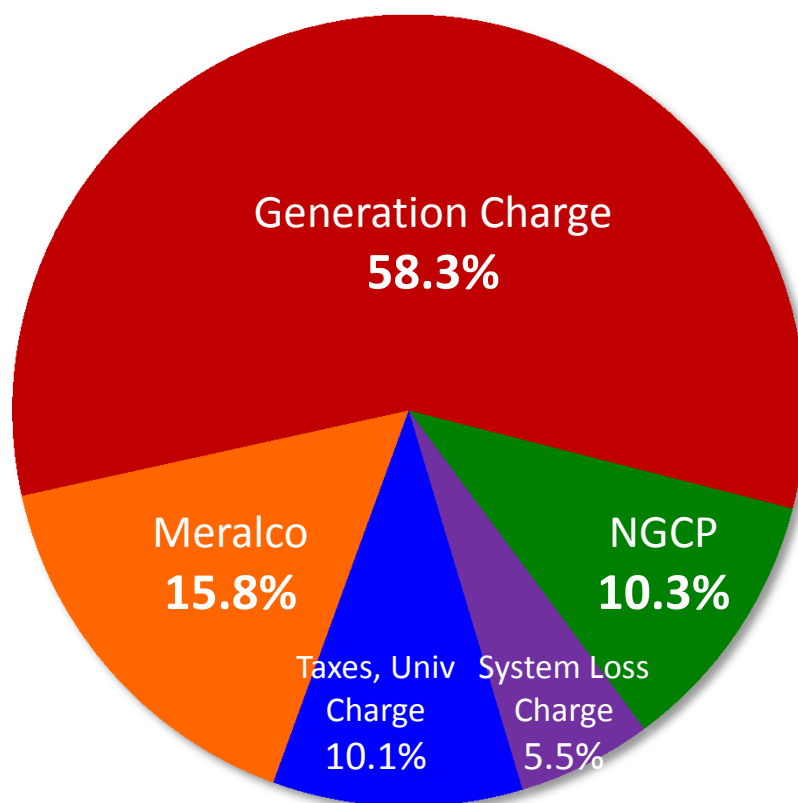


TYPE	GWh	Share
Natural Gas	14,766	56.0%
Coal	8,213	31.2%
Geothermal	1,555	5.9%
Biomass/Run-of-River Hydro	25	0.11%
NPC TSC (multi-fuel)	155	0.6%
WESM (multi-fuel)	1,645	6.2%
Total NSI	26,358	100.0%

Jan - Sept 2012 Ave. Retail Rate

- Up 70¢/kWh vs. 2011 (or increased by 8%)
- Generation Charge, Taxes accounted for the increase (total 81¢/kWh)
- Mitigated largely, by lower Distribution Charge (down 8¢/kWh)
- Generation Charge the largest component in customer's bill at 58.3%
- Distribution Charge (Meralco) 15.8%; Transmission Charge (NGCP) 10.3%

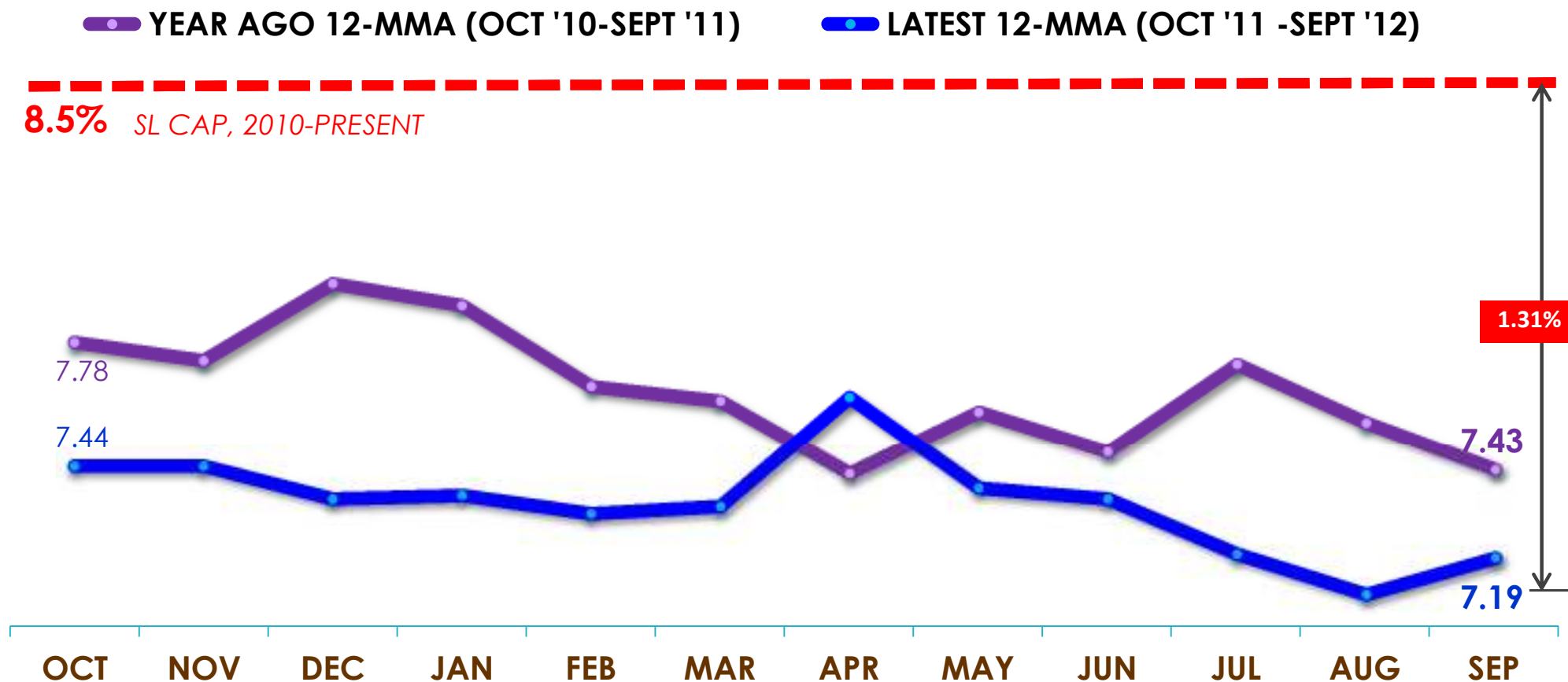
Sept 2012 YTD Share per component



BILL COMPONENT	Jan-Sept 2012 Overall Ave, P/kWh	Jan-Sept 2011 Overall Ave, P/kWh	Inc/ (Dec)
Generation Charge	5.67	5.02	13%
Distribution Charge (MERALCO)	1.54	1.62	(5%)
Transmission Charge (NGCP)	1.00	1.03	(3%)
System Loss Charge	0.53	0.52	4%
Taxes, Univ Charge	0.98	0.83	18%
TOTAL	9.72	9.02	8%

System Loss Performance

- 12-MMA ending September 2012 at 7.19%
- Lower by 0.24% vs. Sept 2011's 7.43%

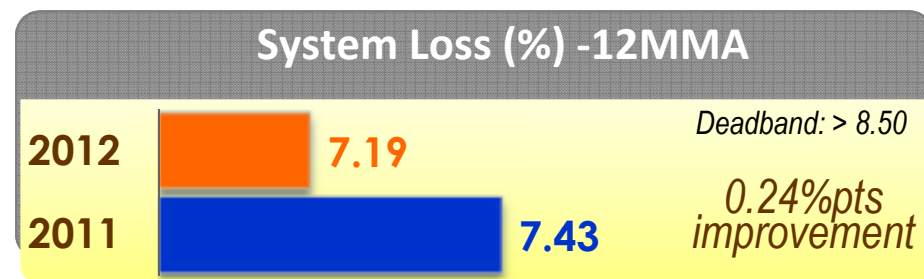
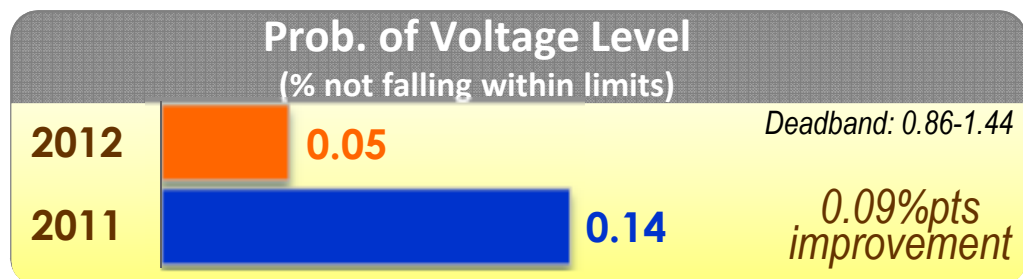
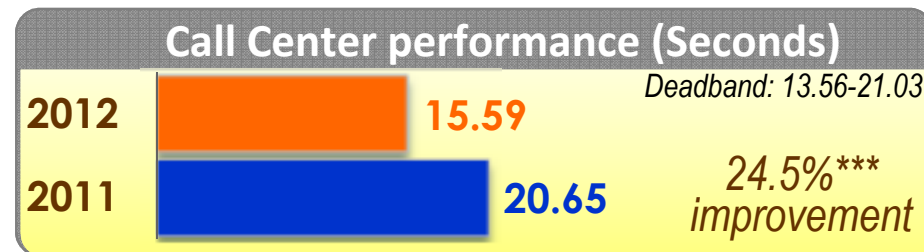
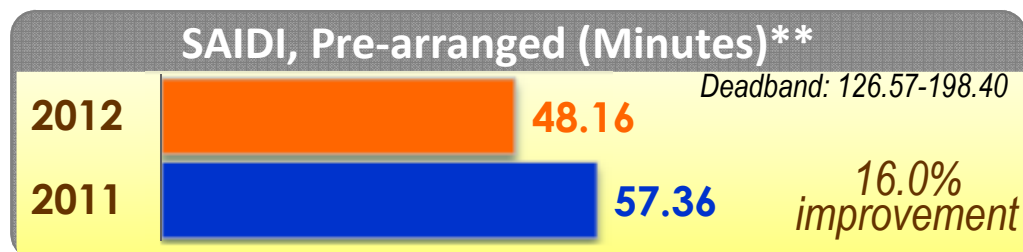
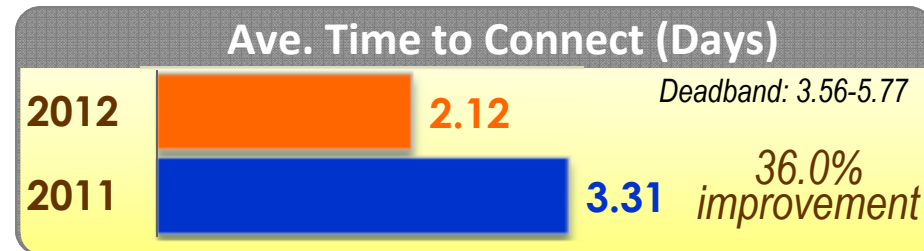
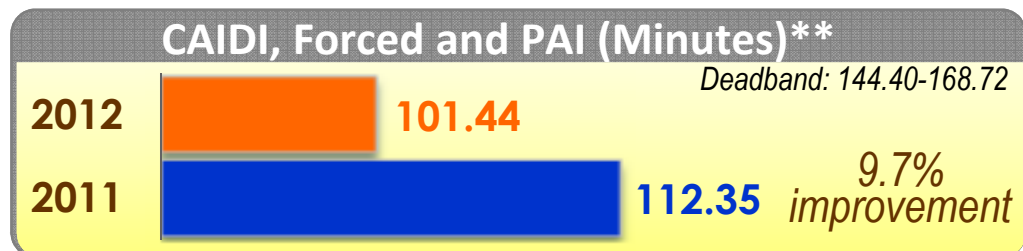
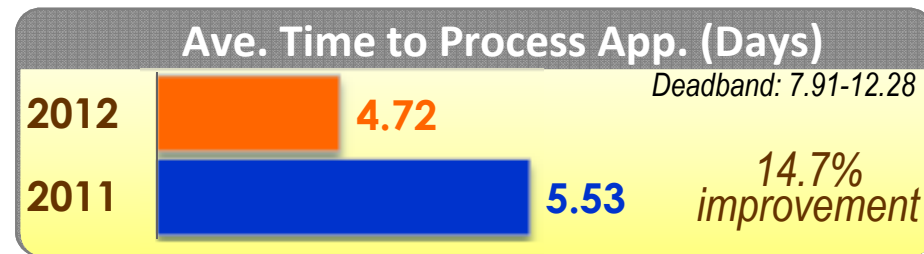
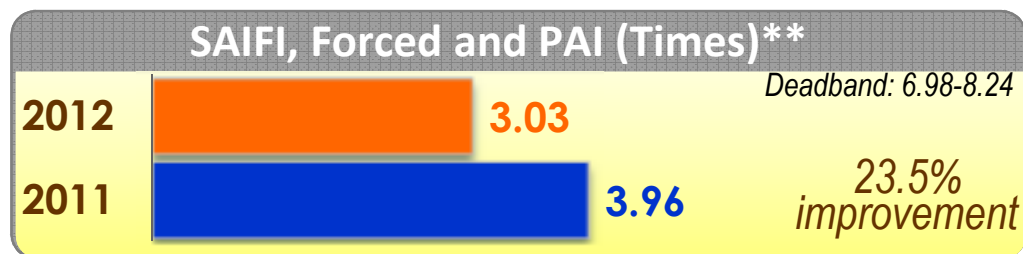


• Official ERC-filed Meralco System Loss: excludes Clark Electric Distribution Corp. (CEDC) –
12MMA ending Sept 2012: 3.67%; Sept 2011: 4.05%

S-Factor Performance: Sept '12 YTD

➤ All indicators show improvement vs. 2011 and are within rewards* range

*ERC-imposed performance band



**SAIFI [System Average Interruption Frequency Index (Forced and Pre-Arranged)]; to replace IFR (Forced and Pre-arranged)

CAIDI [Customer Average Interruption Duration Index (Forced and Pre-Arranged)]; to replace CIT (Forced)

SAIDI [System Average Interruption Duration Index (Pre-Arranged)]; to replace CIT (Pre-arranged)

***still includes effect of 'Habagat', week 2 August; w/o this, Sept 2012 YTD is 8.03 with 61.1% improvement



GSL Performance: Jul-Sept 2012 (RY2013)

➤ All GSL performances are within set limits

GSL1 : Customer experiencing a cumulative duration of sustained service interruptions in a Regulatory Year that exceeds the threshold

Actual RY2013

3,130 customers

No. of Violations for RY2013 (Ceiling)

373,658

GSL2 : Customer experiencing a total number of sustained interruption in a Regulatory Year that exceeds the threshold

Actual RY2013

0 customer

No. of Violations for RY2013 (Ceiling)

18,989

GSL3: Restoration of supply to a customer after a fault on the secondary distribution network taking longer that the threshold time

Actual RY2013

8,895 incidents

No. of Violations for RY2013 (Ceiling)

234,439

GSL4 : Connection not provided on the day agreed with the customer

Actual RY2013

7,043 days delay

No. of Violations for RY2013 (Ceiling)

163,995



Other Biz Updates/ Events of Interest



Events of Interest/ Business Updates



Impact of TS Gener (July 29-30, 2012)



Impact of TS Haikui & Habagat (August 7-10, 2012)

SUMMARY	'Gener'	'Haikui' & 'Habagat'
Total circuits affected	262	69
Total customers affected	1.334 M	0.51 M
Estimated Unserved Energy	4.15 GWh	68.5 GWh
Estimated Damaged Facilities	P 7.0 M	P 75.1 M

DAMAGED FACILITIES	'Gener'	'Haikui' & 'Habagat'
Poles	27	38
Wires	33	36
Transformers	9	81
Miscellaneous Line Materials	157	115
Meters	95	37,727



Events of Interest/ Business Updates

Campaigns / Initiatives / Programs

Prepaid Retail Electricity System



- **Meralco- GE Smart Grid Cooperation**
- Oct 3 signing: Automated Metering Infrastructure Information System (AMI-IS) with GE
- Requirement specifications sign-off for PRES
- Signals start of system design phase.

Smart Grid Roadmap



- **Symposium on Smart Grid**
- Organized with Meralco Power Academy
- Attended by about 300 guests from the Academe (UP, UST, PLM, Ateneo, La Salle), other DU's (Davao Light, VECO, CEPALCO, Clark Electric) and professional organizations (IEEE, UAP, etc.).
- With speakers from other countries who shared global experiences and learnings on Smart Grid deployments.
- Topics include:
 - Smart Grid global perspective
 - Smart Metering
 - Network Automation
 - Prepaid Metering
 - Meralco's 2021 Smart Grid Vision

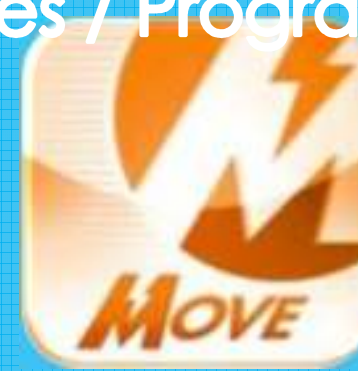
Events of Interest/ Business Updates

Campaigns / Initiatives / Programs



Electric Vehicle (EV)

- Finalized EV hypotheses for eTrike Market Research, which commenced September Week 1
- EV Steering Committee briefings on ongoing initiatives:
 - EV Charging station business design, models and pricing.
 - Pilot implementation of charging station in the Mandaluyong BC for 2012 as well as Botocan and Kamuning Charging stations for 2013.
 - Partnership with UP-DOST on the development of charging station equipment and standards.
- Attended ADB EV Industry meeting for discussion with interested bidders for Service Delivery and Warranty Mechanisms of eTrike project.



Meralco Virtual Engine - MOVE



- **Mobile app that makes Meralco services available anytime, anywhere for improved customer satisfaction and operational efficiency**
- Digital activations
 - Facebook . Twitter . Meralco Website . Blogs
- Business center promotions
- MPIC Synergies
 - Sun & PLDT
- Total Downloads as of Sept 30, 2012: 19,300

Events of Interest/ Business Updates

MERALCO: PMAP's 2012 Employer of the Year



- **49th PMAP Annual Conference**
- **September 12-14, 2012**
Waterfront Hotel, Lahug, Cebu.

- Power to Transform a Nation
- Our People: The real source of power
- Major considerations: Our people management programs, values and practices
- An employer of choice where the best talents would like to join and stay in
- Meralco being 1 of select 3 companies who have won the awards twice.
- A tribute and recognition to each and every employee in the Company.



MPG UPDATES

On Redondo Peninsula



RP Energy Project Status

- Site Preparation: **95% complete**; no significant progress in the last month due to weather conditions resulting in some slope erosion at back end of the property; demobilization of workers and equipment has commenced
- EPC: On-going negotiations with the leading bidder; technical specifications and commercial negotiations have been finalized; EPC Contract negotiations expected to be finalized in Nov 2012
- Transmission Line: On-going discussions between RPE and NGCP on interconnection scheme that will minimize completion schedule risks and lead to discussions on a Connection Agreement.
- SBMA Land Lease Agreement: Discussions with SBMA on an amended Lease Agreement are substantially complete. Approvals from the respective Boards to follow.



RP Energy Project Status

- Environmental Compliance Certificate (ECC): RPE has completed all the requirements of the Environmental Management Bureau (EMB) in connection with the ECC. Final review by the EMB and issuance of ECC to follow.
- BOI Certification: Final action by the BOI Board on RPE's application for incentives under the 2011 IPP list will be made upon submission by RPE of an ECC for the Project.
- Financing: Extended term-sheet negotiations with 3 mandated lead arrangers are substantially complete. Lead arrangers are awaiting Court of Appeals' decision on the Writ of Kalikasan filed against the Project.
- Coal Supply: Technical assessment of various coal offered to RPE has been completed. Negotiations with the preferred bidders will commence in the first half of Nov 2012.





FINANCIAL HIGHLIGHTS

9M 2012 Results

Betty C. Siy-Yap
Senior Vice President and Chief Finance Officer



Financial Highlights



Net Income: Reflecting Strong Energy Sales

EBITDA: Sustaining Strong Performance

Revenues: Driven by Volume Growth across all Customer Classes

Purchase Power Costs: Reflects increased demand

OPEX: Contained through Prudent Spending

Financial Position: Supporting Growth Initiatives

Debt profile: Pre-funding Investment Commitments

CAPEX: Strengthening the Robust DU Network

Cash Flow: Supporting the Overall Business



Financial Performance

(Amounts In Million Pesos, Except Per Share Data)	For the 9 months ended September 30		% Increase / (Decrease)
	2012	2011	
Gross Revenues	214,749	189,110	13.6
Electric	213,093	186,970	14.0
Non-electric	1,656	2,140	(22.6)
Costs and Expenses	195,936	174,742	12.1
Purchased power	175,369	150,602	16.4
Operations and maintenance expenses	12,625	13,611	(7.2)
Depreciation and amortization	4,177	4,087	2.2
Others	3,765	6,442	(41.6)
EBITDA	22,424	19,199	16.8
Core EBITDA	21,724	21,642	0.4
Income from Continuing Operations	13,579	9,649	40.7
Income from Discontinued Operations	197	625	(68.5)
Reported Net Income	13,646	9,951	37.1
Core Net Income	12,892	11,663	10.5
EBITDA Margin	10.4%	10.0%	4.0
Reported Earnings per share	12.11	8.83	37.1
Core Earnings per share	11.44	10.35	10.5

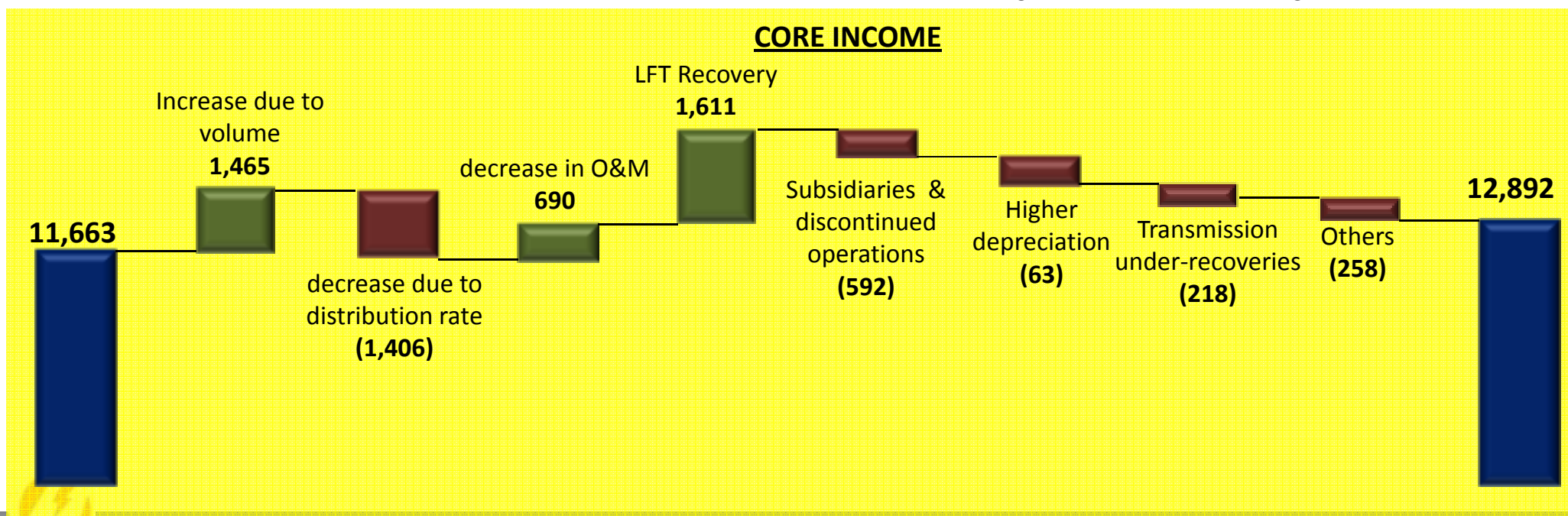
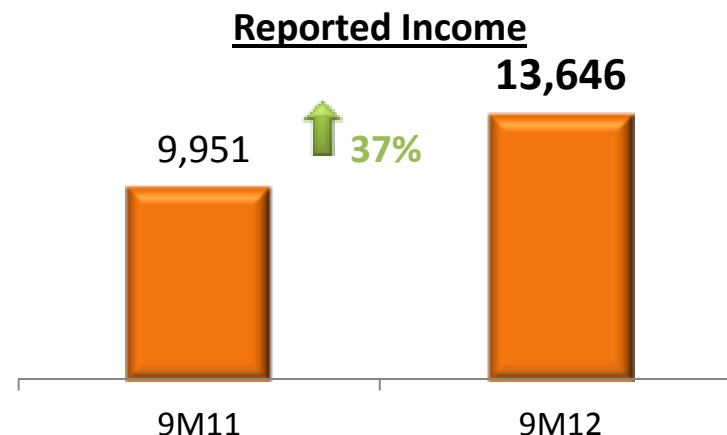
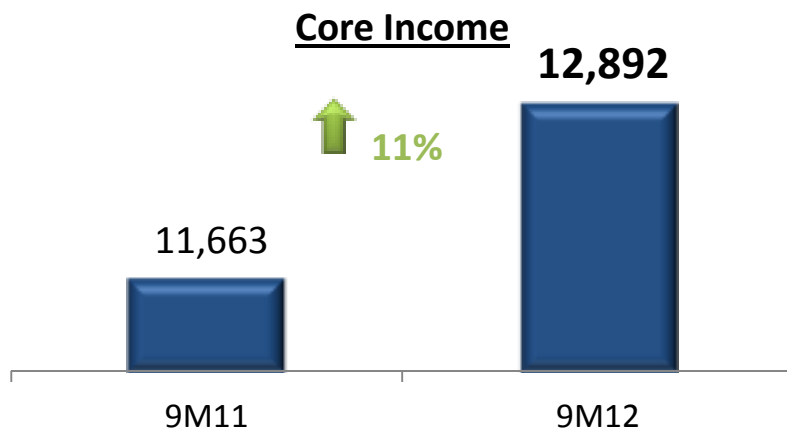


*Margin on Gross Revenues, inclusive of pass-through charges

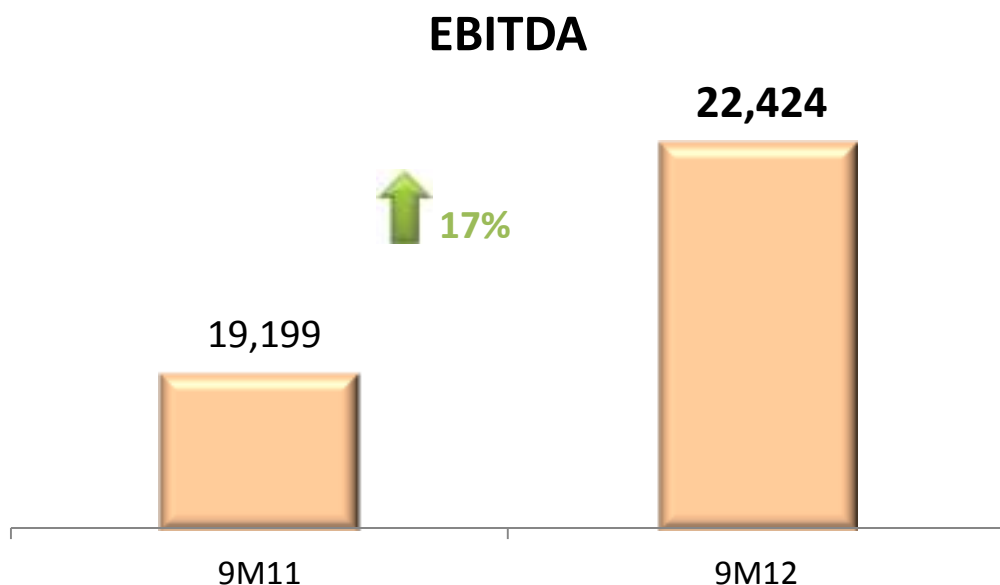
Net Income: Reflecting Strong 9M12 Energy Sales

Increase in volume and customer count drove net income levels

- Core income at P12.8B, up by 11% vs. last year
- Reported Income at P13.64B, up by 37% vs. last year

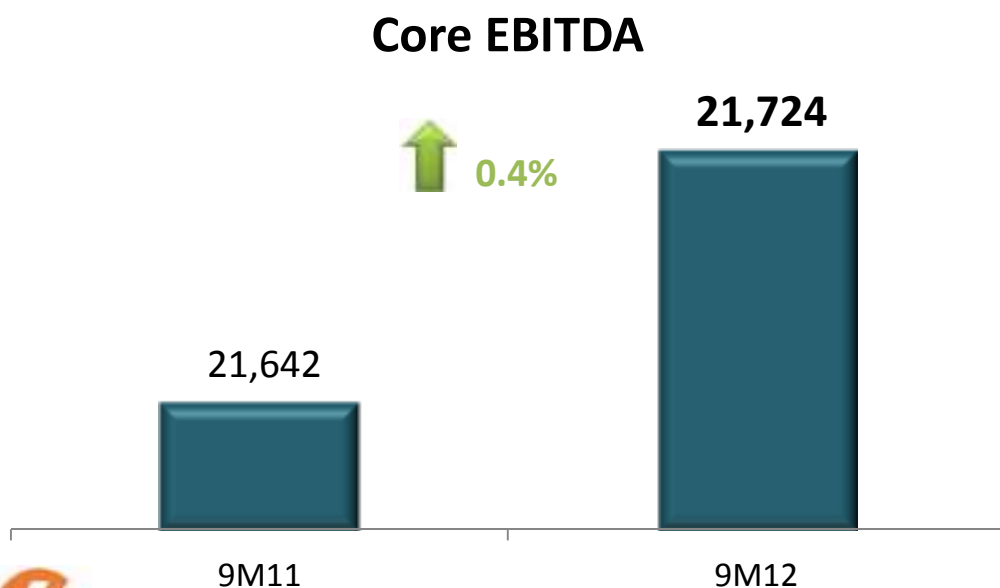


EBITDA: Sustaining Strong Performance



Revenue growth and contained operating expenses drove EBITDA level increases

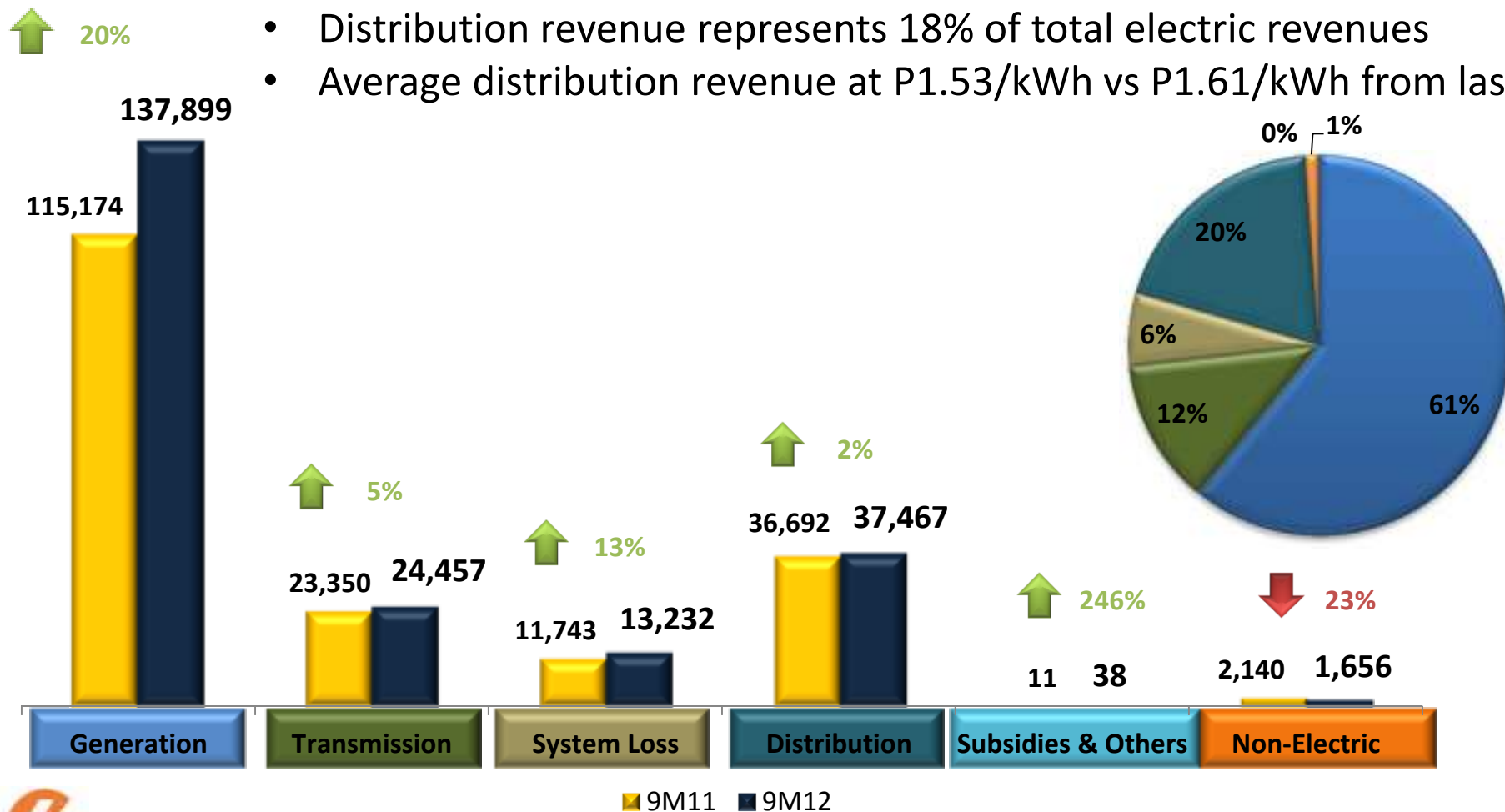
- 9M12 EBITDA at P22.4B, up by 17% vs. last year
- 9M12 Core EBITDA at P21.7B, up by 0.4% vs. last year



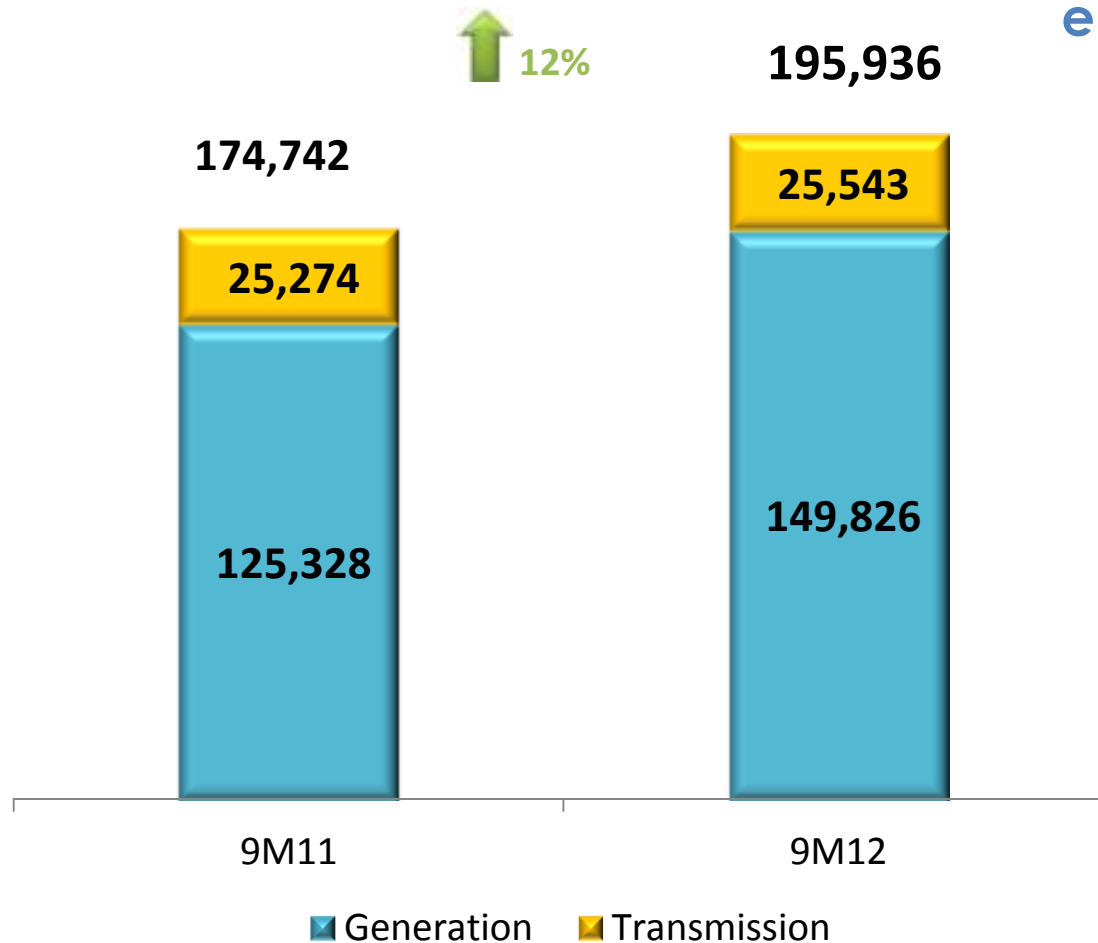
Revenues: Driven by Volume Growth across All Customer Classes

Consolidated revenues up 14% to P214.7B; Distribution revenues at P37.5B, up 2% despite lower average rate

- Higher purchased power cost resulted in higher revenues from generation and system loss
- Distribution revenue represents 18% of total electric revenues
- Average distribution revenue at P1.53/kWh vs P1.61/kWh from last year



Purchase Power Costs: Reflects Increased Demand



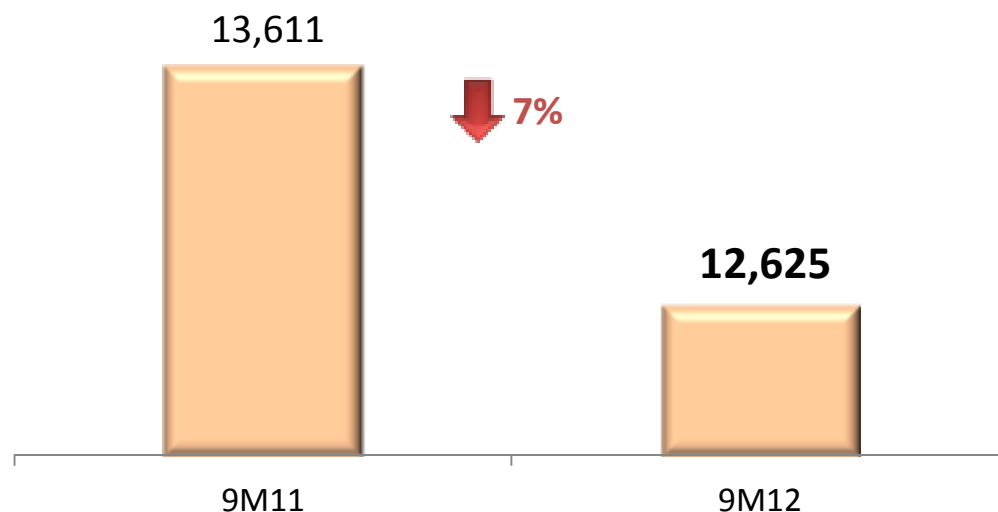
Purchase Power cost increasing as energy sales increase

- Total purchased power as at 9M12 at 26,358 GWh, up 7% vs. 24,685 GWh last year
- Average cost per kWh as at 9M12 at P6.65 vs P6.10 last year
- 59% of the increase in costs, or P14.6B was due to increase in rate of power producers; P10.2B represents increase in volume purchased
- WESM price for 9M12 peaked at P20.73 per KWh in July

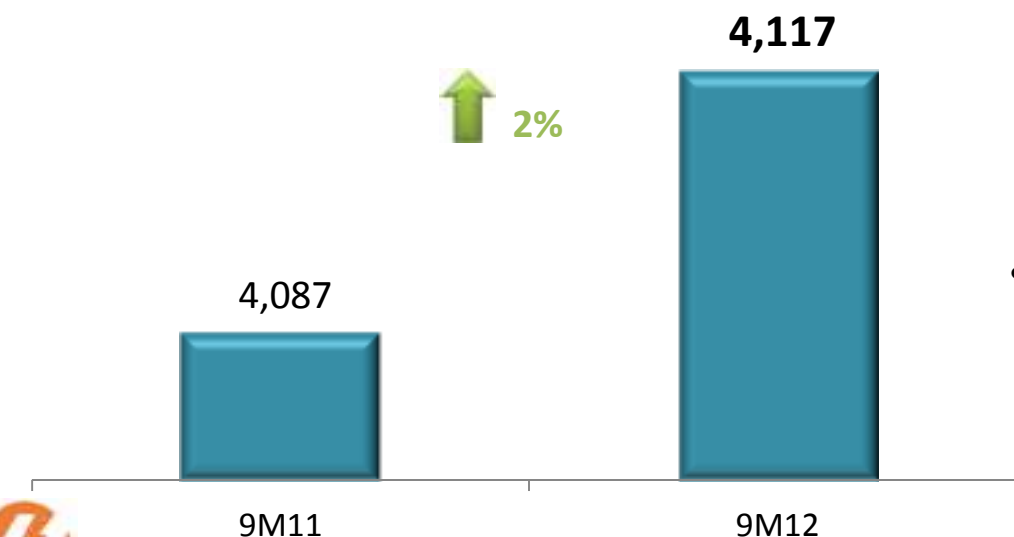


OPEX: Contained through Prudent Spending

Operating and Maintenance Costs



Depreciation and Amortization



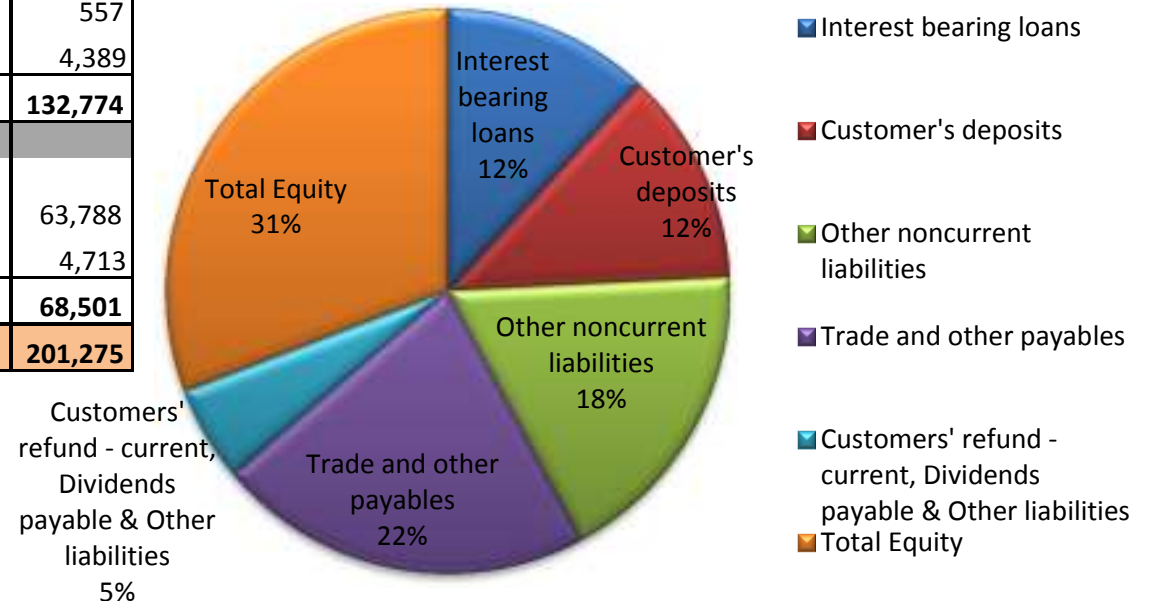
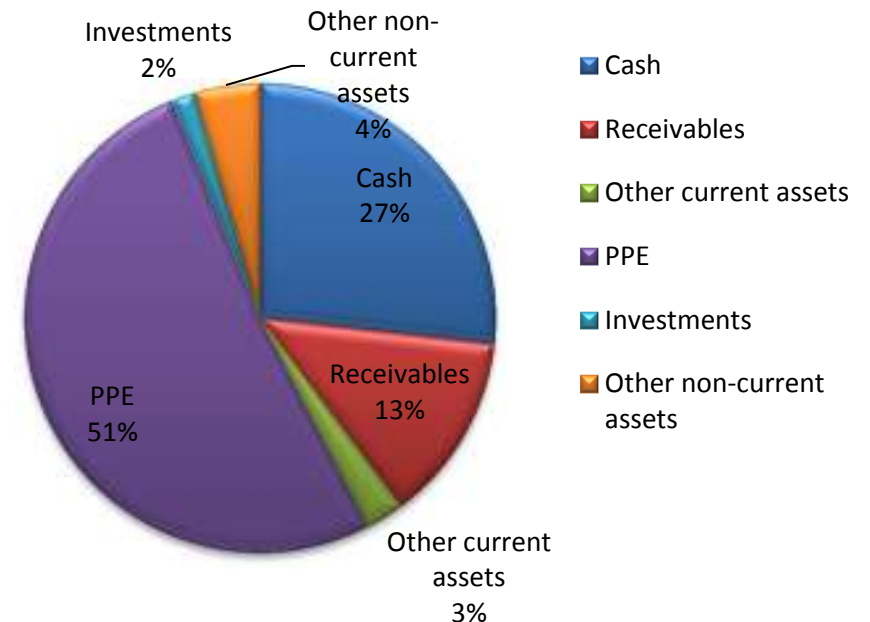
Well managed OPEX supports revenue and income growth

- **9M12 operating and maintenance expenses at P12.6B, 7% lower than 9M11**
 - ✓ Labor and contracted services amounted P8.8B representing 70% of total
 - ✓ Labor-related expenses in 9M12 at P6.2B, down by 7% vs. same period last year due to cost management initiatives
 - ✓ Provision for doubtful accounts decreased by 69% from 2.1B in 9M11 to P652M in 9M12
- **Depreciation increased by 2% to P4.2B in 9M12 due to completed CAPEX projects within the year**



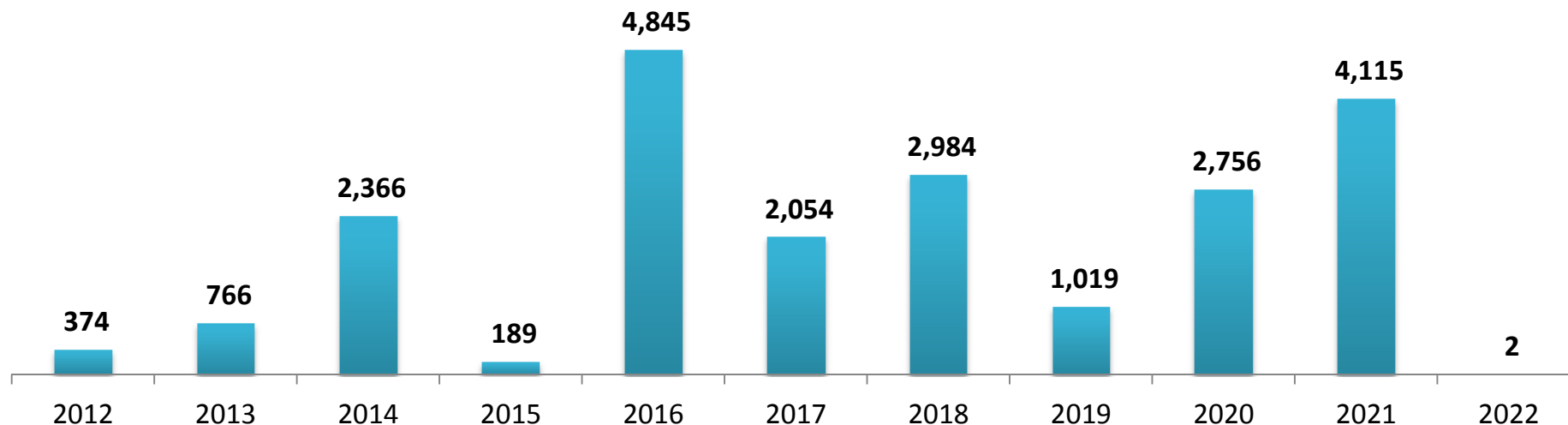
Financial Position: Supporting Growth Initiatives

	9M12	9M11	% Change	YE2011
Cash	55,807	43,945	`	44,141
Receivables	27,148	26,711	2%	29,108
Other current assets	5,509	11,222	-51%	4,175
PPE	107,215	103,765	3%	105,510
Investments	3,301	8,758	-62%	2,486
Other non-current assets	9,532	5,502	73%	6,619
Total Assets	208,512	199,903	4%	192,039
Interest bearing loans	24,886	28,514	-13%	24,443
Customer's deposits	25,613	23,544	9%	24,080
Other noncurrent liabilities	37,323	29,197	28%	31,447
Trade and other payables	45,127	38,932	16%	41,608
Customers' refund - current	6,153	6,305	-2%	6,250
Dividends payable	1,023	468	119%	557
Other liabilities	4,196	6,061	-31%	4,389
Total Liabilities	144,321	133,021	8%	132,774
Equity attributable to equity holders of parent	63,941	62,333	3%	63,788
Non-controlling interests	250	4,549	-95%	4,713
Total Equity	64,191	66,882	-4%	68,501
Total Liabilities & Equity	208,512	199,903	4%	201,275



Debt Profile: Pre-funding Investment Commitments

Principal Repayment Schedule*



*Amounts in Million Pesos (PARENT)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Year End Loan Balance	22,914	22,148	19,781	19,592	14,748	12,694	9,710	8,691	5,935	1,820	-

- Consolidated debt balance as at end of 9M12 at P24.9B
 - ✓ All denominated in Philippine Peso
- Average interest rate at 5.7% in 2012
- Debt to EBITDA at 0.85x

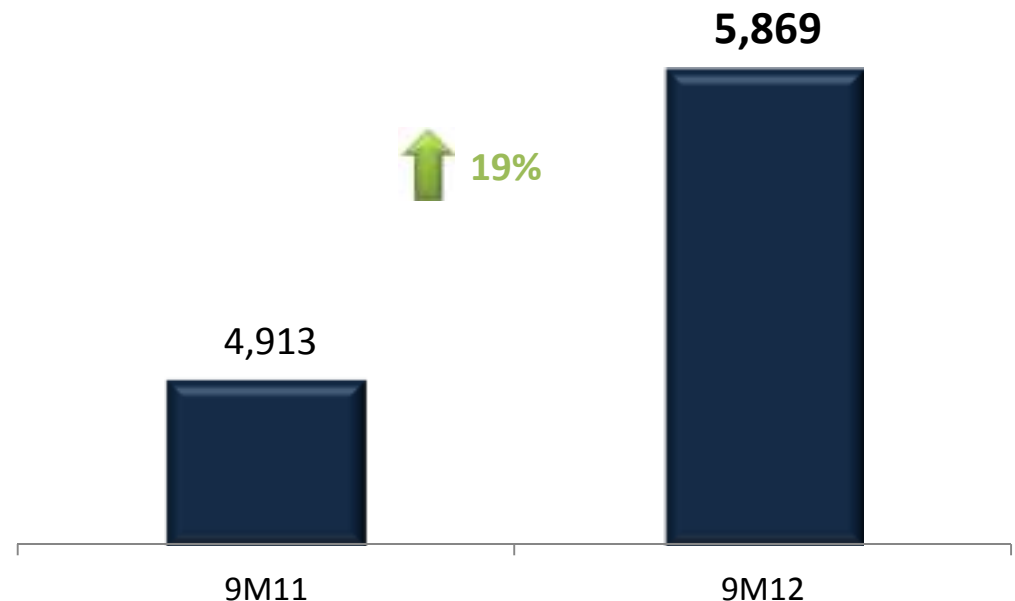


CAPEX: Strengthening the Robust DU Network



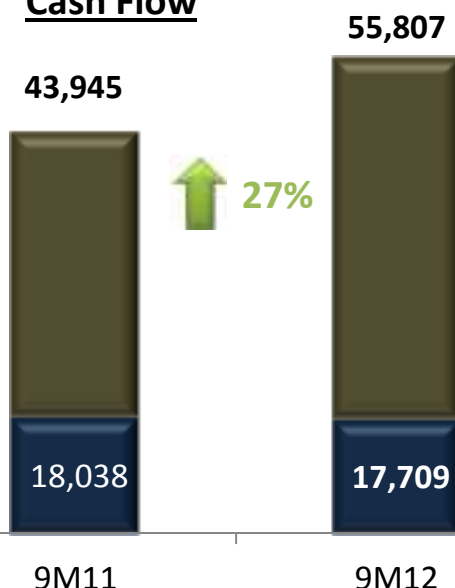
CAPEX ensures system efficiency and reliability

- 9M12 CAPEX at P5.9B, an increase of 19% from 9M11
- These CAPEX investments include
 - ✓ system improvement projects to meet requirements
 - ✓ Purchases of meters and distribution transformers
 - ✓ Lot acquisitions and business center construction



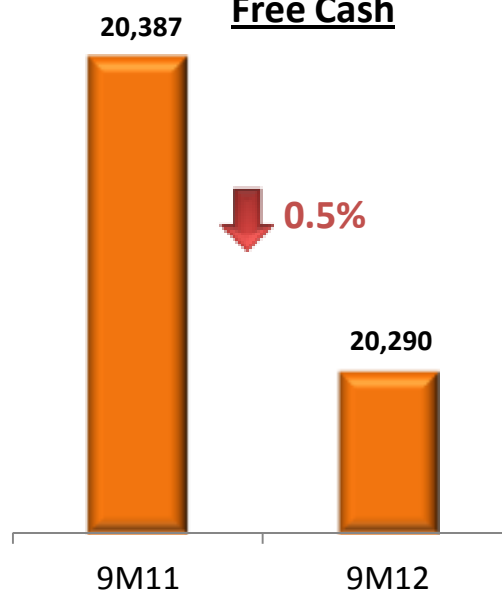
Cash Flow: Supporting the Overall Business

Cash Flow



(Amounts in Million Pesos)	9M12	9M11	Inc (Dec)	
			Amount	%
Cash flows from operating activities				
Operating income before working capital changes	30,109	27,727	2,382	8.6
Net change in working capital	2,283	(1,073)	3,356	312.8
Income tax paid	(5,020)	(3,180)	(1,840)	57.9
Net cash provided by operating activities	27,372	23,474	3,898	16.6
Net cash used in investing activities	(5,881)	(3,577)	(2,304)	64.4
Net cash used in financing activities	(9,825)	(322)	(9,503)	2,951.2
Net increase (decrease) in cash and cash equivalents	11,666	19,575	(7,909)	(40.4)
Cash balance, beginning	44,141	24,370	19,771	81.1
Cash balance, end	55,807	43,945	11,862	27.0

Free Cash



- Cash from operations amounted to P27.4B
 - Includes additional cash from collection of approved LFT recoveries, including carrying charges. P231M out of the P2,301M approved for recovery, inclusive of carrying charges, has been collected to date
- Cash disbursements for construction in progress and additions to utility plant and others amounted to P4,015M and P1,824M, respectively
- The Parent Company availed of a P3B long-term loan
- Payments of long-term interest-bearing liabilities amounted to P2.9B
- The ending cash balance also includes allotted funds totalling P17.7B for meter deposit refund, redemption of preferred shares, bill deposit refund and customer's (SC) refund



REGULATORY UPDATES

As at September 2012

Ivanne G. Dela Pena
First Vice President & Head, Regulatory Management



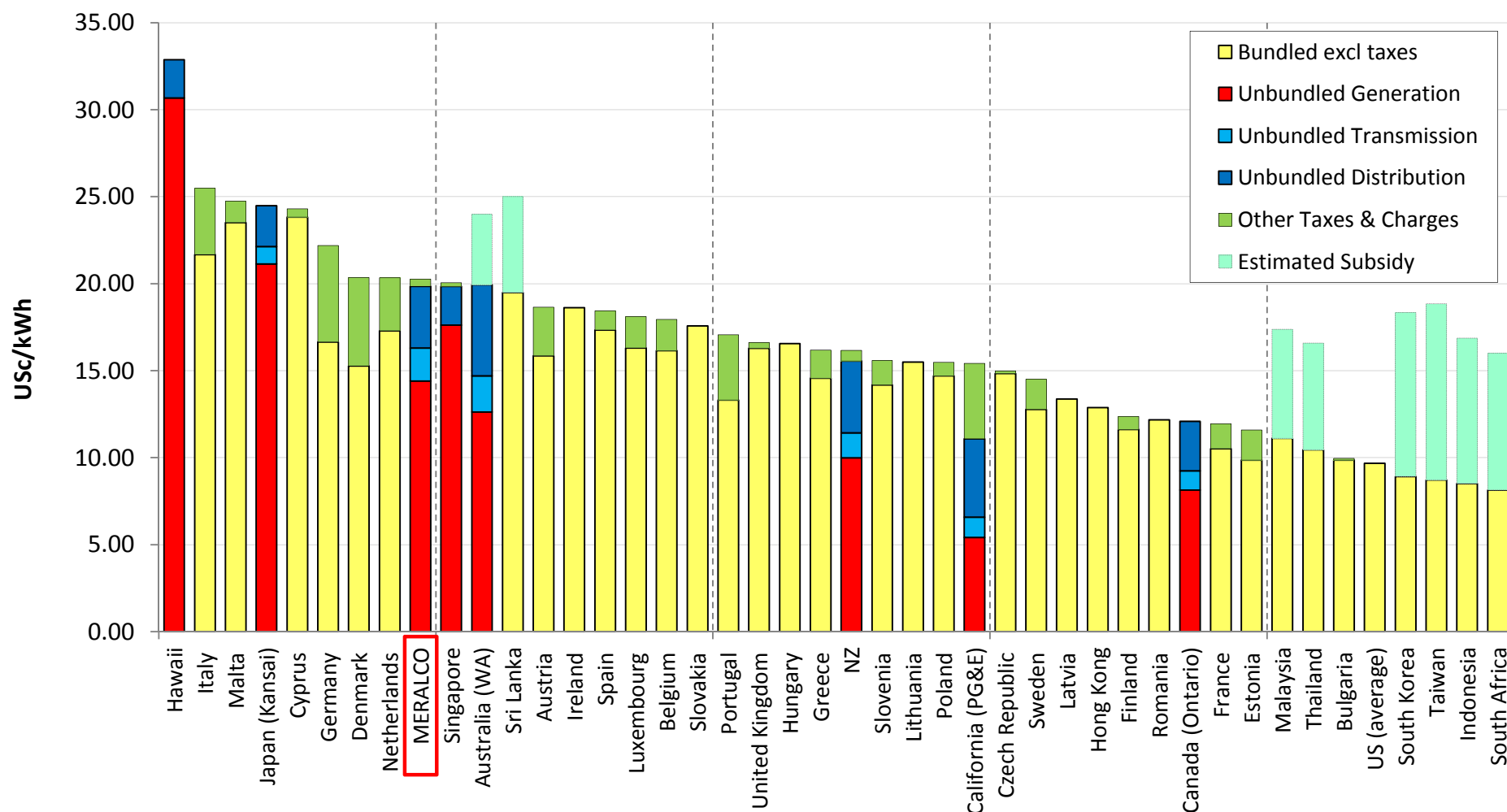
Regional Tariff Comparison Study

- Meralco commissioned the International Energy Consultants (IEC) in January to conduct a comparison study of Meralco's retail energy tariffs and components with selected markets in Asia and globally
 - Scope of the study included tariffs in 15 core markets (9 Asian countries, Australia, NZ, South Africa, Ontario, Hawaii and California), and supplementary data from the United States and countries in the Euro area
- Results of the study were presented in August to policy-makers (Department of Energy, Joint Congressional Power Commission, Energy Regulatory Commission) and industry stakeholders



Average Retail Tariffs

All 44 Markets Surveyed



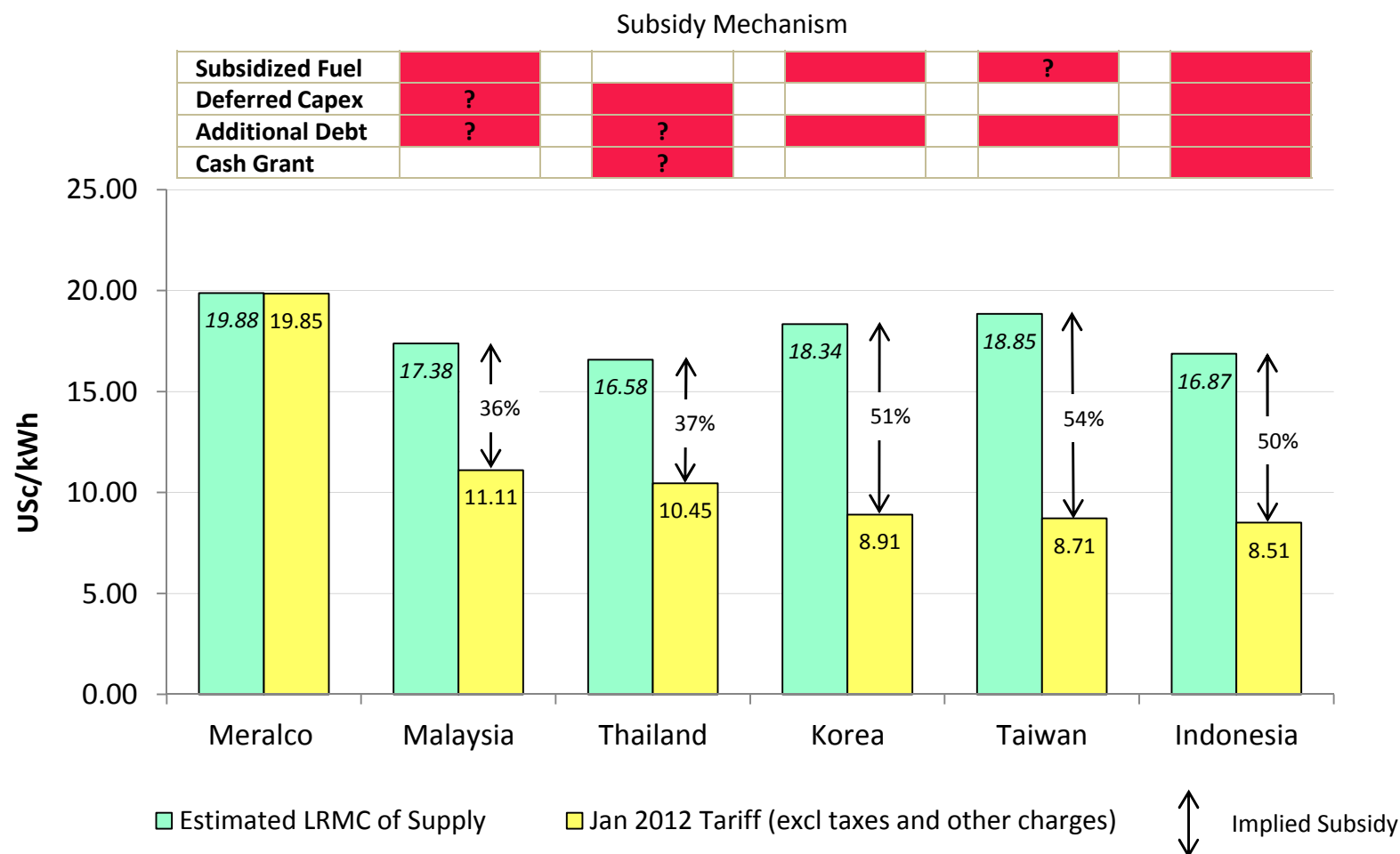
Notes

1. Weighted average tariff (all customer categories) excluding VAT
2. Tariffs for US (average) and Euro countries are for Nov 11. All other countries/states (incl Hawaii & California) are for Jan 2012
3. Assumes tariffs in 50 US states have no "Other" taxes
4. Estimated subsidies are based on long-run marginal cost of supply (including fuel subsidies) calculated by IEC



Regional Comparison of Subsidies

A comparison of true cost of supply versus average tariffs shows that many countries in the region heavily subsidize their electricity rates. These subsidies have been mainly caused by the inability to pass through fuel price increases during that period



MERALCO's Petition for Dispute Resolution

ERC Case No. 2008-083 MC

- Petition for Dispute Resolution filed by Meralco on 09 Sep 2008 vs. PMEC, TransCo, NPC & PSALM
 - One of the issues to be resolved is **double charging of line loss** starting 26 Jun 2006
- ERC released a Decision on 10 Mar 2010
 - ERC finds double charging in transmission line costs for TSC quantities from the start of Luzon WESM operations
 - Among the primary directives of the ERC were for:
 - PEMC to provide NPC/PSALM required segregated line rental amounts for TSC quantities including actual line loss embedded in line rental amounts from the start of WESM up to the most current billing month
 - NPC/PSALM to coordinate with Meralco to determine appropriate line loss charge that should have been charged the TSC quantities from the start of WESM up to the most current billing month



MERALCO's Petition for Dispute Resolution

ERC Case No. 2008-083 MC (1 of 2)

- In its Order dated 07 Mar 2011, the ERC:
 - Allowed PEMC to submit an alternative methodology for the segregation of line rental into congestion cost and line losses
 - PEMC stated that given existing resources, it is not feasible to reconstruct hourly historical data for each delivery point where contracted quantities are accounted for in the WESM settlement process
- On 11 Nov 2011, Meralco filed a Motion to implement the ERC's 10 Mar 2010 Decision
 - Meralco proposed that it may be more feasible to just deduct the 2.98% from NPC's TOU rates by:
 - **Refunding** 2.98% of TOU rate, including adjustments for fuel, purchased power & currency fluctuations, but excluding benefits to host communities (FBHC)
 - Extending a discount to Meralco equivalent to 2.98% of the TOU rate including NPC adjustments for **prospective** application



MERALCO's Petition for Dispute Resolution

ERC Case No. 2008-083 MC (2 of 2)

- In its Order dated 21 Jun 2012, the ERC directed Meralco to submit its computation of the amount of the double charging of line losses on a per month basis from 26 Jun 2006 up to the present
- Meralco complied with the ERC's directive through a Manifestation filed on 04 Jul 2012
 - Computed over-recovery in line loss associated with NPC contract energy from June 2006 to May 2012 amounted to **Php 9.1 Billion**



PSALM's comment on Meralco's P9.1B Estimate

- Hearing was conducted on 02 Oct 2012
 - ERC ordered PSALM/NPC to present on 16 Oct 2012 its computation of the double-charging for line loss for a sample date
- Hearing of 16 Oct 2012
 - PSALM/NPC presented its comparison of PEMC's line rental trading amount & PSALM/NPC's estimated embedded line loss in the TOU rate, following Meralco's proposal
 - Meralco was directed to submit its comment on PSALM's computation by 29 Oct 2012



Joint Statement of the Department of energy (DOE) and the Energy Regulatory Commission (ERC) on RCOA Implementation

JOINT STATEMENT OF DOE & ERC:



The Energy Regulatory Commission has resolved on 24 September 2012 to set the initial implementation of Retail Competition and Open Access (RCOA) on 26 December 2012.

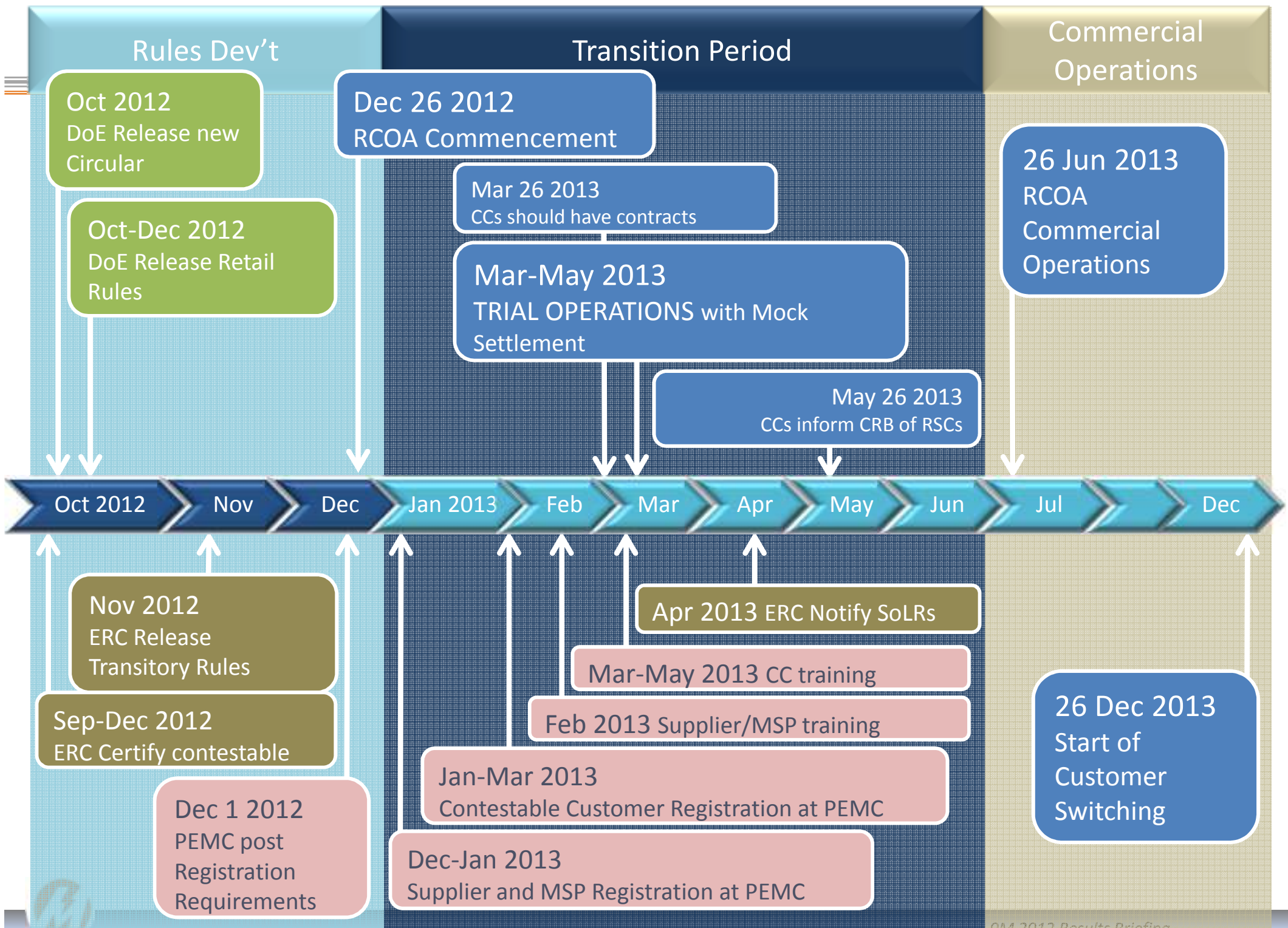
26 December start of six-month transition period.

The first six months of RCOA implementation is envisaged to be a transition period for all concerned parties to undertake all their assigned tasks to ensure a smooth transition to full RCOA implementation that includes the preparations as well as the realization of the different stages of operationalizing the mechanism for RCOA.

Trial run to be in place by March 2013 using interim development system

trial run will be in place by March 2013 while commercial transactions based on an interim development system will be engaged on 26 June 2013. IT infrastructure, on the other hand, is scheduled to be in place by the last quarter of 2013.

Full RCOA on 26 June 2013. IT systems for full implementation to be in place by end 2013.





Thank You



Cautionary Statements

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