



October 30, 2024

ATTY. SUZY CLAIRE R. SELLEZA

Head, Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.
29TH Floor, BDO Equitable Tower
8751 Paseo de Roxas
Makati City

Dear Atty. Selleza:

We reply to your correspondence (received via email on October 30, 2024 at 12:05 pm) requesting confirmation of the information contained in the news article entitled “Meralco expects P16-B refund for customers” published in the Business World today.

The article reported in part that:

“Manila Electric Co. (Meralco) expects to refund around P16 billion to its customers once the energy regulator finalizes the fifth regulatory reset, which reviews and sets the distribution rates for 2022 to 2026.

The refund will be issued only if the covered years are deemed a “lapsed period.”

The rate reset process is usually a “forward-looking” exercise that requires the regulated entity to submit forecasted expenditures and proposed projects over a five-year regulatory period for the ERC to review and adjust rates.

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Meralco last underwent a rate reset process for the 4RP covering the period from July 1, 2015 to June 30, 2022, which accounted for a lapsed period.

In a decision dated June 16, 2022 and promulgated July 5, 2022, the ERC ordered Meralco to issue a refund worth a total of more than P40 billion, which is equivalent to 73 centavos per kilowatt-hour (kWh) following recalculations.

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We confirm the accuracy of the information in the subject news article.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William S. Pamintuan', written over the printed name.

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