

December 17, 2024

**ATTY. SUZY CLAIRE R. SELLEZA**

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

Dear Atty. Selleza:

We reply to your correspondence (received via email on December 16, 2024 at 3:07 pm) requesting confirmation of the information contained in the news article entitled “Meralco eyes P50B for upgrades” published in the Business World yesterday.

The article reported in part that:

*“THE Manila Electric Co. (Meralco) may earmark as much as P70 billion to improve its distribution network and roll out smart meters, among others, over the next five years.*

*Of the amount programmed from 2025 to 2029, P30 billion may be allotted for infrastructure enhancement and P40 billion to finance the roll out of four million smart meters.*

*Network improvement may involve storm hardening initiatives, system improvement projects and pole relocation. Meralco said it foresees the need to be even more aggressive in investing in grid modernization projects and operational efficiency through advanced metering infrastructure (AMI) that will make the network more robust, more resilient, and more intelligent.*

*Meralco, according to First Vice President and Head of Networks Froilan J. Savet, will initially rollout 390,000 smart meters from 2025 up to the first half of 2026. This will involve a capital expenditure of P4.56 billion. Meralco will also deploy next year its mobile medium-voltage switchgear.*

*Meralco spent P26 billion for capex during the nine months of the year, of which P5.3 billion were utilized for distribution network projects that included new connections, asset renewals, and load growth projects, among others. The balance was used for the development of solar power plants and facilities for the telco tower business.*

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With reference to the subject news article, we would like to confirm the statements attributed to Mr. Froilan J. Savet, First Vice President and Head of Networks of Manila Electric Company (“Meralco” or the “Company”) with the clarification that of the PhP70 Billion capital expenditure mentioned in the news article, P30 Billion will be specifically allocated for Meralco’s infrastructure hardening and resiliency initiatives; and the total capital expenditures spent by Meralco as of the end of the third quarter of 2023 amounted to PhP15.3 Billion.

We trust that you find the foregoing clarification in order.

Very truly yours,



**WILLIAM S. PAMINTUAN**

Senior Vice President

Assistant Corporate Secretary and  
Information Disclosure Officer