



November 25, 2025

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Gentlemen:

We reply to the correspondence sent by the Disclosure Department of the Philippine Stock Exchange at 9:34 a.m. today requesting confirmation of the information contained in the news article entitled “Meralco eyes up to P30B for distribution project”. The news article was published in Business World (Online Edition) on November 25, 2025. The article reported in part that:

“POWER DISTRIBUTOR Manila Electric Co. (Meralco) is allocating a capital expenditure (capex) budget of P26 billion to P30 billion for 2026 to fund its distribution projects, its top executive said.

Speaking to reporters last week, Meralco Executive Vice-President and Chief Operating Officer Ronnie L. Aperochos said the company is earmarking a higher budget next year compared with this year’s P25 billion to support projects aimed at improving customer service.

‘Part of the capex is allocated for processing customer applications, constructing new substations, and replacing aging distribution facilities,’ Mr. Aperochos said.

He also noted that Meralco plans to conduct trials of an underground cable system within its franchise area.

The company is also setting aside P8 billion for the proposed rollout of smart meters under its advanced metering infrastructure (AMI) program.



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AMI is an integrated system of smart meters, communication networks, and implementation systems that enables two-way communication between utilities and customers. Smart meters allow electricity consumers to monitor their power consumption in real time.

The proposed capex forms part of Meralco's budget under the first regulatory period (RP) rate reset, set to begin next year. The rate reset process is a forward-looking exercise requiring utilities to submit forecasted expenditures and proposed projects for approval.

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The letter also requested confirmation of the information reported in the news article entitled "Meralco seeking up to P30-b annual capex". The news article was published in manilastandard.net on November 24, 2025. The article reported in part that:

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Meralco chief operating officer Ronnie Aperocho said these are initial minimum annual estimates and will still be presented to the Meralco board before submission to the regulator.

'We can't confirm final amounts yet, because there are still valuations to be done. We are not done with the budgeting yet,' he said.

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With reference to the two news articles that are the subject of the Exchange's request for clarification, we would like to confirm the statements attributed to our EVP and COO, Mr. Ronnie Aperocho, on the intention of Manila Electric Company (the "Company" or "MERALCO") to earmark a budget of around PhP30 billion for capital expenditures (capex) of its distribution utility business for the calendar year 2026. The proposed amount includes capex for second half of calendar year 2026 which forms part of the first regulatory period under the Rationalized Rules for Setting Distribution Wheeling Rates. Please note that the amount remains subject to approval by MERALCO's Board of Directors.

Separately, we confirm that the proposed CAPEX allocation for the Advanced Metering Infrastructure (AMI) Program is approximately PhP3 billion, which is likewise subject to approval by the Company's Board of Directors.

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