

COVER SHEET

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S.E.C. Registration Number

A	B	O	I	T	I	Z		P	O	W	E	R		C	O	R	P	O	R	A	T	I	O	N			

(Company's Full Name)

3	2	N	D		S	T	R	E	E	T	,	B	O	N	I	F	A	C	I	O		G	L	O	B	A	L	
C	I	T	Y	,	T	A	G	U	I	G		C	I	T	Y	,	M	E	T	R	O		M	A	N	I	L	A
P	H	I	L	I	P	P	I	N	E	S																		

(Business Address: No. Street City / Town / Province)

M. JASMINE S. OPORTO														
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Contact Person

02-886-2800									
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Company Telephone Number

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

3rd Monday of May

0	5		2	0
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Month Day

Annual Meeting

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Secondary License Type, if Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

x

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier


STAMPS											
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SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **October 29, 2013**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134**
3. BIR TIN **200-652-460**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. 
Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 793-2800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of June 30, 2013)
Common Stock ₱1 Par Value	7,358,604,307
Amount of Debt Outstanding	₱59,540,906,000.00
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation (AboitizPower or the Company) recorded a 27% year-on-year ("YoY") decrease in its consolidated net income for the third quarter of 2013, from ₱6.2 billion (bn) to ₱4.8 bn. The movements in the peso-dollar exchange rate resulted to a ₱155.8 million (mn) non-recurring loss (versus last year's gain of ₱219.6 mn) due to the revaluation of consolidated dollar-denominated liabilities and placements. Without the one-off loss, AboitizPower's core net income for the third quarter of 2013 amounted to ₱4.9 bn, which is 23% lower YoY.

On a year-to-date ("YTD") basis, AboitizPower's bottomline performance recorded a 22% YoY decrease, from ₱18.4 bn to ₱14.3 bn. This translated to earnings per share of ₱1.94. The revaluation of consolidated dollar-denominated loans and placements resulted to a non-recurring loss of ₱1,436 mn (versus last year's gain of ₱1,165 mn). In addition, the Company realized a one-time, non-recurring expense of close to ₱88.0 mn mostly due to the prepayment of debt resulting in a one-time write-off of unamortized borrowing costs.

Adjusting for these one-offs, the Company's core net income for the first nine months of 2013 amounted to ₱15.8 bn, down by 12% YoY.

Business Segments

Power Generation

For the quarter ending September 30, 2013, the power generation business recorded an income contribution of ₱4.0 bn, 31% lower as compared to the same period last year. The adverse impact on earnings was mainly attributable to the lower margins registered by the Pagbilao plant and the higher fuel cost brought about by the implementation of the Geothermal Resource Supply Contract ("GRSC") for the Tiwi-Makban plants. When adjusted for non-recurring items, the group registered a 28% YoY decrease in its core net income, from ₱5.8 bn to ₱4.2 bn.

On a YTD basis, the generation business accounted for 83% of earnings contributions from AboitizPower's business segments, recording an income share of ₱12.1 bn for the first nine months of 2013, down 29% YoY. Netting out one-off items, AboitizPower's generation business shored in ₱13.6 bn for the period, which was 17% lower than last year.

The group's average price for its power decreased by 12% YoY during the first nine months of 2013. This was due to the YoY decline in both the average selling price of electricity sold to the spot market and average selling price under bilateral contracts of 23% and 10%, respectively.

On the other hand, AboitizPower's attributable net generation for the period in review grew by 4% YoY, from 7,903 GWh to 8,245 GWh due to the increase in demand brought about by the hotter weather during the summer months. Power sales through bilateral contracts for the period remained flat at 6,761 GWh. Meanwhile, spot market sales improved by 33% YoY from 1,118 GWh to 1,484 GWh.

Over the past several months, AboitizPower has been taking steps to shift the bulk of its contracts from energy-based contracts to capacity-based contracts. In general, the latter are essentially de-risked contracts since these provide a fixed capacity fee payment for the company covering capital recovery and operation and maintenance costs; allows for the full pass-through of fuel costs, which make up a significant portion of the Company's operating costs; and includes provisions for inflation-related adjustments and where applicable, forex adjustments on these costs. The combination of these features allows the Company to minimize revenue to cost mismatches. As such, the shift to capacity-based contracts will allow AboitizPower to benefit from more stable and predictable cash flows and minimize volatility in the Company's cash flow generation.

On a capacity basis, the Company's attributable sales decreased by 3% YoY from 1,562 MW to 1,514 MW as a result of lower sales for ancillary services as well as the decrease in bilateral sales. Ancillary volumes dropped by 52% during the period due to the lower acceptance rate by the National Grid Corporation of the Philippines ("NGCP") while sales by the Tiwi-Makban plants dropped due to lower contract levels. On the other hand, the start of the implementation of commercial transactions under an interim development system for Open Access last June 26, 2013, helped support AboitizPower's initiative to shift the bulk of its sales from bilateral energy contracts to capacity-based contracts. The Company, through its licensed Retail Energy Suppliers ("RES"), was able to secure close to 280 MW in contracts with various off-takers under the scheme.

To mitigate the impact of the new steam supply contract for the Tiwi-Makban plants, AboitizPower was able to close an interim agreement last August 14, 2013 with the steam supplier that will supplement the GRSC. The agreement, which originally had a term of two months, called for a revenue sharing agreement when spot market prices are greater

than the GRSC-determined fuel cost, thus making the plants more competitive. The agreement has since been extended by another two months. Ultimately, the Company aims to close a more permanent agreement with the steam supplier that will also enable the full development of the existing steam field and maximize utilization of the Tiwi-Makban plants.

Power Distribution

For the period July to September 2013, the power distribution group registered a 5% YoY increase in its income contribution, from ₱765.4 mn to ₱800.7 mn. AboitizPower's attributable electricity sales for the quarter ending September 30, 2013 was at 1,027 GWh, increasing by 4% from 986 GWh a year ago. The strong performance of the distribution group can be attributed to the increase in sales across all customer classes as compared to the same period last year, with the residential and commercial segments registering notable sales growth of 6% and 5% respectively.

Expansions in volumes and margins resulted to an 11% YoY growth in the power distribution group's earnings share for the first nine months of 2013, from ₱2.2 bn to ₱2.4 bn. Total attributable electricity sales increased by 3% YoY, from 2,935 GWh to 3,024 GWh. The residential segment spearheaded the growth in sales with a 6% YoY expansion in volume sales, while commercial and industrial accounts registered YoY growth of 5% and 3%, respectively. The group's year-to-date gross margin on a per kWh basis improved to ₱1.73 from ₱1.60 a year ago. This was due to the improvement in the systems loss levels of all the distribution utilities, which were maintained within the government-imposed cap of 8.5%. Approved adjustments under performance-based rate ("PBR") also helped support the increase in gross margins.

Financial Condition

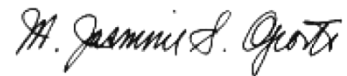
As of September 30, 2013, the Company's total consolidated assets amounted to ₱157.4 bn, 3% lower than the year-end 2012 level of ₱163.1 bn. The Company's consolidated Cash and Cash Equivalents was at ₱15.5 bn, while total consolidated interest-bearing liabilities was at ₱58.5 bn. Equity Attributable to Equity Holders of the Parent increased by 3% to ₱83.1 bn from year-end 2012 level. As of September 30, 2013, the Company's current ratio was at 2.3x (versus year-end 2012's 2.7x), while net debt-to-equity ratio was at 0.5x (versus year-end 2012's 0.4x).

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ POWER CORPORATION

By

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

M. JASMINE S. OPORTO

Corporate Secretary

Date: October 29, 2013