



February 7, 2022

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street, cor. 5<sup>th</sup> Avenue  
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

Re: Clarification to the February 4, 2022 Manila Bulletin (Online Edition) News Article

Gentlemen:

This refers to your letter requesting us to confirm the veracity of the information contained in the Manila Bulletin (Online Edition) news article dated February 4, 2022 entitled "10 GenCos penalized by ERC for 'excessive' outages", the relevant portion of which is quoted hereunder:

"At least 10 generation companies (GenCos) that were tagged as culprits in last year's summer brownouts had been penalized by the Energy Regulatory Commission (ERC) for breaching the prescribed limits on 'forced outages' of generating facilities.

According to the ERC, those that have been meted with penalties were: Southwest Luzon Power Generation Corporation; TeaM Sual Corporation; SN-Aboitiz Power-Benguet Inc.; CBK Power Company Limited; SPC Island Power Corporation and Energy Development Corporation.

..."

We confirm that SN-Aboitiz Power Benguet, Inc. (SNAP-BI) received a show-cause order from the Energy Regulatory Commission (ERC) for an alleged breach in the prescribed limits on 'forced/unplanned outages' of generating facilities. This matter has been disclosed together with a Press Release on November 15, 2021, and subsequently amended on November 17, 2021.

In our previous disclosures, we informed the public that in a Decision issued by the ERC, SNAP-BI was meted the penalty of Php 875,000.00 for the alleged breach. SNAP-BI has paid the penalty but without prejudice to the filing of a Motion for Reconsideration (which sought a reversal of the Decision and a refund of the penalty imposed) to the ERC Decision which we believe prematurely deemed SNAP-BI as liable for the said penalty.

As of today, the matter has yet to be resolved with finality as deliberations on the Motion for Reconsideration, duly filed by SNAP-BI on November 17, 2021, are still ongoing.

We also wish to clarify that show-cause orders are a regular part of the ERC process wherein power generators are given the opportunity to explain any alleged discrepancies and outages. Final penalties and fines are determined and imposed upon the completion of the ERC adjudication process.

Rest assured that we will make the necessary disclosures once we are notified of the resolution of the relevant proceedings.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By:

  
**SAMMY DAVE A. SANTOS**

Assistant Corporate Secretary

Cc:

**PHILIPPINE DEALING & EXCHANGE CORP.**

Market Regulatory Services Group

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ATTENTION

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**ATTY. MARIE ROSE M. MAGALLEN-LIRIO**

Head – Issuer Compliance and Disclosures Department