



February 11, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA Greenhills,
Mandaluyong City, Metro Manila

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.,**
Director, Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

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

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **MS. VINA VANESSA S. SALONGA**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

We submit for your files the SEC Form 17-C (Current Report) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By

A handwritten signature in black ink, appearing to read 'M. Jasmine S. Oporto', is written in a cursive style.

M. JASMINE S. OPORTO

Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

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

Contact Person

02- 886-2729

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of

0 5 1 8

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

DISCLOSURE
Aboitiz Power Corporation - Legal Proceedings

Subject of the Disclosure	:	Imposition of financial penalties on Therma Mobile, Inc., a subsidiary of Aboitiz Power Corporation
Background/Description of the Disclosure	:	--
Name of the court or agency in which the proceedings are pending	:	Philippine Electricity Market Corporation (PEMC)
Date Instituted	:	5 March 2014
Docket Number	:	PEMC ECO Case No. 2014-0009 – Therma Mobile, Inc.
Principal Parties	:	Therma Mobile, Inc. (TMO) Philippine Electricity Market Corporation(PEMC)
Nature and description of the legal proceedings	:	<p>This case involves an investigation of TMO in the dispatch of its power barges during the November and December 2013 supply period. As a result of the MERALCO price hike case brought before the Supreme Court, the Supreme Court ordered the Energy Regulatory Commission (ERC) to investigate anti-competitive behavior and abuse of market power allegedly committed by some WESM participants.</p> <p>PEMC conducted the investigations under the “Must Run” and “Must-Offer” rules of the Wholesale Electricity Spot Market (WESM) Rules.</p> <p>PEMC initially found that TMO withheld capacity during the period under investigation. In its letter dated January 30, 2015, the PEM Board imposed financial penalties amounting to Php234.9million on TMO. According to the PEM Board, the penalties will be collected from TMO through the WESM settlement process.</p> <p>TMO maintains that there is no basis for the PEMC decision. It did not withhold any capacity for the period covered, as it was physically impossible for TMO to transmit more than 100MW to MERALCO. Although TMO’s rated capacity is 234 MW (net), it could only safely, reliably and consistently deliver 100MW during the November and December 2013 supply period because of limitations of its engines and the 115kv transmission line. This temporary limitation of TMO’s plant was confirmed during a dependable capacity testing conducted on November 21, 2013. At this period, TMO’s engines and transmission lines were still undergoing rehabilitation after having been non-operational for the last five years.</p>
Effect (s) on the Issuer’s business or operations, if any	:	The financial penalties imposed on TMO will have an adverse effect on the financials of Aboitiz Power Corporation.
Other relevant Information	:	TMO is currently studying its legal options to protect its rights.