



SMC GLOBAL POWER

8 July 2022

Philippine Dealing & Exchange Corp.

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head - Issuer Compliance and Disclosure Department

Gentlemen:

Further to the disclosures made by SMC Global Power Holdings Corp. (the "Corporation"), we advise that the Corporation received on July 5, 2022 from its external counsel, Poblador Bautista & Reyes Law Offices, a copy of the decision rendered by the Supreme Court En Banc on August 3, 2021 in the inter-related cases docketed as G.R. Nos. 210245, 210502 and 210255 (the "Decision") relating to the petitions filed before the Supreme Court by special interest groups questioning the approval by the Energy Regulatory Commission ("ERC") on the staggered collection by the Manila Electric Company ("Meralco") of its generation rates for the November 2013 billing period from its consumers (the "December 9, 2013 Order").

South Premiere Power Corp., San Miguel Energy Corporation, and Masinloc Power Partners Co. Ltd., wholly owned subsidiaries of the Corporation, (collectively, the "Relevant Subsidiaries"), were impleaded in the aforementioned case and enjoined from collecting its generation charges from Meralco under their respective power supply agreements.

In addition, on March 3, 2014, the ERC issued an order in Miscellaneous Case No. 2014-021 declaring the November and December 2013 Luzon wholesale electricity spot market ("WESM") prices as void, imposing the application of regulated prices, and mandating the Philippine Electricity Market Corporation (the operator of the WESM at that time) to calculate and issue adjustment bills using recalculated prices (the "March 3, 2014 Order").

The dispositive portion of the Decision states:

"WHEREFORE, premises considered, the March 3, 2014 Order of the Energy Regulatory Commission is declared **NULL** and **VOID**. The petition in G.R. No. 210502 is granted insofar as it prayed for the dismissal of the petitions in G.R. Nos. 210245 and 210255, as these are hereby **DISMISSED**. The December 9, 2013 Order of the Energy Regulatory Commission is **AFFIRMED**.

SO ORDERED."

In the event the Decision becomes final and executory, the Relevant Subsidiaries can proceed with the collection of deferred generation charges for November and December 2013 billing periods from

Meralco under their respective power supply agreements. Further, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 Order) for WESM sales and purchases made by the Relevant Subsidiaries, San Miguel Electric Corp. and Strategic Power Devt. Corp. (which are likewise wholly-owned subsidiaries of the Corporation) in November and December 2013 billing periods will have to be settled with the Independent Electricity Market Operator of the Philippines (the current operator of the WESM).

Very truly yours,

SMC GLOBAL POWER HOLDINGS CORP.

By:



ELENITA D. GO
Corporate Information Officer
Senior Vice President and General Manager