

**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				
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( Company's Full Name )

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K	A	S	A	M	B	A	G	A	N		C	E	B	U		C	I	T	Y								
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( Business Address: No. Street City / Town / Province )

M.	J	A	S	M	I	N	E	S.	O	P	O	R	T	O
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Contact Person

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Company Telephone Number

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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

0	5		1	8
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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
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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. **November 3, 2009**  
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. **Cebu City, Philippines**  
Province, country or other jurisdiction  
of incorporation
6.   
Industry Classification Code
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City**      **6000**  
Address of principal office      Postal Code
8. **(032) 411-1800**  
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<br>Outstanding and Amount of Debt Outstanding<br>(as of September 30, 2009) |
|-----------------------------------|--|
| <b>Common Stock P1 Par Value</b>  | <b>7,358,604,307</b>   |
| <b>Amount of Debt Outstanding</b> | <b>P30,421,877,000</b>   |
11. Indicate the item numbers reported herein: 9

**Item 9: Other Events**

Aboitiz Power Corporation ("AP" or "the Company") recorded a total net income of P2.2 billion for the quarter ending September 30, 2009, a 99% expansion versus the same period last year. The stronger peso resulted to a P97 million non-recurring gain due to the revaluation of dollar-denominated loans and placements on a consolidated basis, a reversal from a non-recurring net loss of P158 million it booked for the same period last year. This brings AP's core net income for the third quarter of 2009 to P2.1 billion, 67% higher year-on-year ("YOY").

On a year-to-date ("YTD") basis, AP recorded a 20% YOY increase in its bottomline, from P3.2 billion to P3.8 billion, translating to an earnings per share

of P0.52. With a non-recurring loss of P171 million (versus last year's non-recurring net loss of P281 million), core net income grew by 15% YOY, from P3.4 billion to P4.0 billion. The non-recurring loss for the period in review resulted from the one-off expenses related to the acquisition of the Tiwi-Makban geothermal plants, which was partially offset by foreign exchange gains that resulted from the revaluation of dollar-denominated loans and placements.

## **Business Segments**

### ***Power Generation***

For the quarter ending September 2009, the generation business recorded an income contribution of P1.9 billion, posting a 189% YOY increase. The strong showing was mainly due to the earnings shored in by 100%-owned AP Renewables, Inc. ("APRI"), owner and operator of the Tiwi-Makban geothermal plants, coupled with the improved earnings performances of both the hydro and oil-fired generation groups. When adjusted for non-recurring items, the group registered a 104% YOY growth in its core net income, from P885 million to P1.8 billion.

Total attributable power sold for the quarter was 183% higher YOY, from 494 GwH to 1,396 GwH. The expansion mainly came from the operation of the Tiwi-Makban geothermal power plants, which were turned over to APRI in May 2009. Moreover, higher rainfall for the quarter resulted to a 38% YOY increase in AP's attributable energy sales from its hydro assets.

For the period YTD September 2009, the generation business accounted for 78% of AP's bottomline, contributing close to P3.0 billion, up 49% YOY. Netting out one-off items, AP's generation business contributed P3.1 billion for the first nine months of 2009, P798 million more than last year. This was on the back of a 91% YOY increase in total attributable power sales, from 1,300 GwH to 2,489 GwH. The expansion mainly came from the operation of the 100MW Binga hydro power plant and the Tiwi-Makban geothermal power plants.

As of end-September 2009, AP's attributable capacity was at 1,040 MW, posting an 80% YOY expansion. The increase was due to the turnover of the Tiwi-Makban geothermal power plants in May 2009, which has an estimated sustainable capacity of 462MW.

### ***Power Distribution***

AP's attributable electricity sales for the quarter ending September 2009 grew by 8% YOY, from 796 GwH to 857 GwH. Growth was spurred by both residential and non-residential customers, recording increases of 8% and 7%, respectively. Moreover, the business' gross margin for the third quarter of this year versus last year improved mainly due to: (1) the rate increase implemented by Cotabato Light & Power Company, Inc. in May 2009, as it shifted to the Performance Base Regulation Scheme; and (2) the rate increase of Subic Enerzone Corporation, which resulted from its rate unbundling in November 2008. All told, the power distribution business contributed P477 million in the third quarter of 2009, recording a 34% YOY increase. On September 10, 2009, the Visayan Electric Company, Inc. implemented a rate increase of P0.23 per

kwh. Said rate increase was approved by the Energy Regulatory Commission under the Return on Rate Base scheme.

On a YTD basis, total attributable electricity sales increased by 6% YOY, from 2,329 GwH to 2,460 GwH. Both residential and non-residential customers continued to show healthy growth rates of 7% and 5%, respectively. The group's customer base still expanded with the residential segment growing by 5% and non-residential inching up by 1%.

Despite the robust volume growth recorded, the distribution group's income contribution for the period January to September 2009 remained flat at P1.1 billion. The strong gain in the third quarter was offset by the impact of the under recovery of cost of purchased power by AP's distribution utilities in March 2009, which resulted from the increase in the National Power Corporation's grid rates.

### **Financial Condition**

As of September 30, 2009, the Company's total consolidated assets amounted to P63.5 billion, 34% higher than year-end 2008 level of P47.3 billion. The Company's consolidated Cash and Cash Equivalents was at P5.5 billion, while total consolidated interest-bearing loans was at P23.7 billion. Equity Attributable to Equity Holders of the Parent increased by 8% to P32.5 billion from year-end 2008. Current ratio as of period end was at 0.8x (versus year-end 2008's 2.2x), while net debt-to-equity ratio was at 0.55x (versus year-end 2008's -0.13x).

### **Other Developments**

On September 30, 2009, APRI paid the Power Sector Assets and Liabilities Management Corporation ("PSALM") the sum of P12.1 billion as full payment for the Tiwi-Makban geothermal facilities, inclusive of accrued interest. Out of said amount, P11.6 billion represents the 60% balance in the purchase price stipulated in the Asset Purchase Agreement that was supposed to be paid over a period of seven years in fourteen equal semi-annual installments. This transaction will result to substantial interest cost savings. APRI earlier paid PSALM in May of this year the sum of P8.3 billion, representing the 40% downpayment, as a precondition to the turnover of the geothermal facilities. APRI won the competitive bid conducted by PSALM for the sale of the Tiwi-Makban geothermal facilities on July 30, 2008.

On October 1, 2009, Therma Luzon, Inc. ("Therma Luzon"), a wholly owned subsidiary of AP, assumed dispatch control of the 700MW contracted capacity of the Pagbilao Coal Fired Thermal Power Plant located in Pagbilao, Quezon as the first Independent Power Producer ("IPP") Administrator in the country. The turnover followed the successful completion by Therma Luzon of the conditions precedent required in the IPP Administration ("IPPA") Agreement with PSALM. As IPP Administrator, Therma Luzon will be responsible for procuring the fuel requirements of the Pagbilao Plant and selling the electricity generated by the plant.

Therma Luzon submitted the highest offer price for the Pagbilao IPPA in a competitive bid conducted by PSALM last August 28, 2009. The bid price amounted to US\$691 million as calculated in accordance with PSALM bid rules.

This value represents the present value of a series of monthly payments to PSALM from October 2009 to August 2025 using PSALM discount rates. The Pagbilao Plant is being operated by TEAM Energy under a build-operate-transfer scheme.

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".

**M. JASMINE S. OPORTO**

Corporate Secretary

Date: November 3, 2009