

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)

A	B	O	I	T	I	Z		C	O	R	P	O	R	A	T	E		C	E	N	T	E	R				
G	O	V	.		M	A	N	U	E	L		A	.		C	U	E	N	C	O		A	V	E	N	U	E
K	A	S	A	M	B	A	G	A	N		C	E	B	U		C	I	T	Y								

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

M. JASMINE S. OPORTO

Contact Person

(032) 411-1800

Company Telephone Number

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

0	5		1	7
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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. **November 4, 2010**
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
Outstanding and Amount of Debt Outstanding
(as of September 30, 2010) |
|-----------------------------------|--|
| Common Stock P1 Par Value | 7,358,604,307 |
| Amount of Debt Outstanding | P74,812,188,000 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation ("AP" or "the Company") recorded a consolidated net income of P5.8 billion for the quarter ending September 30, 2010, a 165% expansion versus the same period last year. The movements in the peso-dollar exchange rate resulted to P1.1 billion in non-recurring income (versus last year's P97 million) due to the revaluation of dollar-denominated loans and placements on a consolidated basis. This was offset by a one-time refinancing cost of P398 million incurred by an associate. This brings AP's core net income for the third quarter of 2010 to P5.1 billion, 144% higher year-on-year ("YoY").

On a year-to-date ("YTD") basis, AP's bottomline performance recorded a 388% YoY increase, from P3.8 billion to P18.5 billion, translating to an earnings

per share of ₱2.52. AP incurred a ₱536 million non-recurring income (versus last year's non-recurring loss of ₱171 million), which resulted from a ₱933 million foreign exchange net gain that was offset by a one off refinancing cost. Adjusting for these one-off's, the Company recorded a 354% YoY growth in its core net income, from ₱4.0 billion to ₱18.0 billion.

Business Segments

Power Generation

For the three-month period in review, the power generation business recorded an income contribution of ₱5.5 billion, posting a significant improvement of 187% YoY. When adjusted for non-recurring items, the group registered a 164% YoY growth in its core net income, from ₱1.8 billion to ₱4.8 billion.

AP's attributable power sold for the quarter was 69% higher YoY, from 1,396 GwH to 2,356 GwH. Fresh contributions from the Pagbilao coal-fired power plant, the power barges, the Sibulan hydropower plant and two units of the Cebu coal-fired power plant augmented AP's attributable net generation for the quarter.

On a YTD basis, the generation business accounted for 94% of earnings contributions from AP's business segments, recording an income share of ₱18.3 billion for the first nine months of 2010, up 516% YoY. Netting out one-off items, AP's generation business shored in ₱17.7 billion for the period, 466% higher than last year. This was on the back of a 195% YoY increase in total attributable power sales, from 2,489 GWh to 7,340 GWh. The Tiwi-Makban geothermal power plants, which were turned over to AP in May 2009, had a full nine months contribution in 2010. In addition to this, fresh contributions of assets acquired (the Pagbilao coal-fired power plant and the power barges) and completed Greenfield projects (the Sibulan hydropower plant and two 82 MW units of the Cebu coal-fired power plant) boosted net generation for the period.

As of end September 2010, AP's attributable capacity was at 2,030 MW, posting a 94% YoY increase. The expansion was due to the assumption of the dispatch control over the 700 MW contracted capacity of the Pagbilao coal-fired power plant in October 2009. Additional capacities resulted from the takeover of the two 100 MW power barges and the start of operations of the 42.5 MW Sibulan hydropower plant and the two 82 MW units of the 26%-owned Cebu coal-fired power plant.

Power Distribution

AP's attributable electricity sales for the quarter ending September 30, 2010 grew by 8% YoY, from 857 GwH to 924 GwH. Growth was spurred by increases in the attributable power consumption of the residential, commercial and industrial customers, recording YoY increases of 6%, 5% and 9%, respectively. Moreover, the distribution business' gross margin for the quarter improved on a YoY basis, as Davao Light & Power Company ("DLPC") and Visayan Electric Company ("VECO") shifted to the Performance Based Regulation ("PBR") scheme in August 2010. VECO's margin improvement was also brought about by the full three months impact of its approved ₱0.23 per kWh rate increase under the Return on Rate Base scheme, which took effect on September 10,

2009. All told, AP's distribution business recorded a 37% YoY expansion in income contribution for the quarter in review, from ₱477 million to ₱654 million.

On a YTD basis, total attributable electricity sales increased by 9%, from 2,460 GWh to 2,677 GWh. Leading the pack was the industrial segment recording an 11% YoY growth, while residential and commercial accounts registered 6% and 5% YoY expansions, respectively. The group's customer base still expanded YoY with the residential and non-residential segments growing by 5% and 3%, respectively. This strong showing, coupled with improved margins, resulted to an 11% YoY rise in income contribution, from ₱1.1 billion to ₱1.2 billion. The shift to PBR of AP's two distribution utilities in August 2010 and the full nine months effect of a rate increase (under the RORB) implemented by one of its distribution utilities enabled the business to offset the increase in costs incurred during the first half of 2010, which resulted from: (1) higher operating expenses due to the forced operation of the back-up power plant of AP's distribution utility in Mindanao; and (2) the additional costs absorbed by two of AP's distribution utilities resulting from the reduced systems loss allowance (from 9.5% to 8.5%).

Financial Condition

As of September 30, 2010, the Company's total consolidated assets amounted to ₱126.1 billion, 13% higher than year-end 2009 level of ₱111.3 billion. The Company's consolidated Cash and Cash Equivalents was at ₱10.3 billion, while total consolidated interest-bearing loans was at ₱64.3 billion. Equity Attributable to Equity Holders of the Parent increased by 47% to ₱50.7 billion from year-end 2009 level. Current ratio as of period-end was at 1.4x (versus year-end 2009's 0.7x), while net debt-to-equity ratio was at 1.1x (versus year-end 2009's 1.8x).

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



M. JASMINE S. OPORTO

Corporate Secretary

Date: November 4, 2010