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**SECURITIES AND EXCHANGE COMMISSION**

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TRANS - ASIA OIL AND ENERGY
DEVELOPMENT CORPORATION

(Company's Full Name)

LEVEL 11 PHINMA PLAZA
39 PLAZA DRIVE ROCKWELL CENTER
MAKATI CITY

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

Alan T. Ascalon
(Contact Person)

870-0100
(Company Telephone Number)

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Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

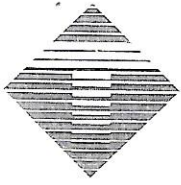
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STAMPS



TRANS-ASIA
OIL & ENERGY DEVELOPMENT
A PHINMA Company

3 June 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: **Hon. Justina F. Callangan**
Director, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We write in response to the Exchange's request for confirmation of the news article entitled "12 Firms Liable for 'Market Abuse'" posted in the Malaya Business Insight (Internet Edition) on June 3, 2015, which states in part:

"The Energy Regulatory Commission's (ERC) investigation unit found out that 12 companies committed anti-competitive behavior which led to the record high electricity spot prices in the later part of 2013.

The companies identified by ERC were Power Sector Assets and Liabilities Management Corp. which operates the Malaya and Casecnan plants, Pan-Asia, Therma Mobile Inc., Manila Electric Co. (Meralco), 1590Bauang, CIP II, TransAsia Power Gen, AP Renewables, Udenna Management Resources Corp., Strategic Power Development Corp., GNPowar Mariveles and SEM-Calaca Power Corp.

'The ERC expects the filing today of the corresponding complaints against those found by its Investigatory Unit (IU) to have committed acts constituting anti-competitive behavior or market abuse as stated in the report. Upon receipt of these complaints, it shall forthwith issue the orders for respondents to file their respective answers,' ERC executive director Francis Juan said in a text message.

Under the Electric Power Industry Reform Act, the companies can be slapped with fines from P50,000 to P50 million and the cases will be filed with the ERC, said Juan.

'Respondents will be accorded with due process after which, ERC will decide on the imposition of penalties, if warranted, and grant of other reliefs,' he added.

The 12 companies were said to be among those that withheld capacity during the November 2013 supply month which led to a controversial Meralco rate increase of P4.15 per kilowatt hour in the December 2013 billing."

Trans-Asia is the parent company of three (3) of the companies mentioned, namely CIP II Power Corporation (CIP II), which owns a 21 MW power plant in Bacnotan, La Union, Trans-Asia Power Generation Corporation (TAPGC), which owns a 52 MW plant in Norzagaray, Bulacan, and One Subic Power Generation Corporation, which is the operator of the 116 MW plant in Subic Bay, previously under ownership of Udenna Management and Resource Corporation (UMRC).

The ERC IU report cited the previous findings of the Philippine Electricity Market Corporation (PEMC) Enforcement and Compliance Office (ECO). PEMC included the three (3) plants in its charges for violations of the "Must Offer Rule", which requires that a generation facility/power plant must offer its full registered capacity to the spot market. However, as disclosed by Trans-Asia in its clarification of News Report issued to the SEC last 20 February 2015, PEMC has already cleared TAPGC of all charges and issued Non-Compliance Letters to CIP II and UMRC without any financial penalties. These companies were able to explain that during the period covered by the inquiry, 26 October to 25 December 2013, some engines of the power plants experienced periods of inability to deliver full registered capacity to the grid due to various reasons. However, this is typical for diesel power plants, Trans-Asia subsidiaries communicated with PEMC management and operations, to conduct a tedious review of each instance of offers lower than registered capacity.

In its individual letters dated 30 January 2015, addressed to CIP II, TAPGC, and UMRC respectively, in reference to PEMC ECO Case NO. 2014-0015 to 17, PEMC has confirmed that the PEM Board has deliberated on Trans-Asia subsidiaries during its 100th Regular Meeting held on 1 December 2014 and has decided to grant request for consideration, while CIP II and OSPGC were cited, however, no financial penalties were imposed on all 3 subsidiaries.

"The decision of the PEM Board was reached upon consideration of the results of the review of the panel constituted to conduct a review of the findings of the Enforcement and Compliance Office. The review by the panel, meanwhile, gave due consideration to the memorandum and supporting documents submitted by your company as well as the results of meetings held with representatives of your company," PEMC said.

The current ERC IU report interpreted any mismatch between the offered capacity and the full registered capacity of the plants regardless of circumstances as "Physical Withholding" which is considered an anti-competitive behaviour under the Market Surveillance, Compliance and Enforcement Market Manual. Significantly, none of Trans-Asia's plants have been charged of Economic Withholding, or offering at P62,000 per MW or any offer approaching this amount, or at any price that subsequently became the market clearing price for any interval.

Very truly yours,


ALAN T. ASCALON
VP-Legal