



REPUBLIKA NG PILIPINAS  
**PANGASIWAAN NG TUBIG AT ALKANTARILYA SA KALAKHANG  
MAYNILA**  
Metropolitan Waterworks and Sewerage System  
**REGULATORY OFFICE**  
Katipunan Road, Balara, Quezon City 1105, Philippines

**12 September 2013**

**MWSS RO RELEASES WATER RATE ADJUSTMENTS**

The Metropolitan Waterworks and Sewerage Systems Regulatory Office (MWSS RO) today (12 September 2013) announced a downward adjustment in average basic water charges, effectively denying the petition of its two concessionaires, Manila Water Co. Inc. and Maynilad Water Services Inc., to raise average water rates in the next five years as part of the MWSS RO rate rebasing review.

In two separate resolutions signed on Thursday morning by the MWSS Board of Trustees, headed by MWSS Chairman Ramon Alikpala, MWSS approved and ordered a negative adjustment in the average basic charges being implemented by the two concessionaires.

In a media briefing conducted at the MWSS headquarters in Quezon City, MWSS Acting Chief Regulator Atty. Emmanuel L. Caparas, said that the Board has given its nod to a negative adjustment of 29.47 percent of Manila Water's 2012 average basic water charge of Php 24.57 per cubic meter. The adjustment will be implemented in five equal tranches of -5.894 percent per charging year. The Ayala-owned Manila Water proposed a basic rate increase of Php 5.83 per cubic meter.

Likewise, the board approved a negative adjustment of 4.82 percent of Maynilad's 2012 average basic water charge of Php 30.28 per cubic meter. The adjustment will be implemented in five equal tranches of -0.964 percent per charging year. Maynilad is owned by the Metro Pacific, Consunji and Marubeni groups.

"During the entire rate rebasing process the MWSS Regulatory Office adhered to the Concession Agreement and followed the law. We engaged the concessionaires in hundreds of hours of discussions and evaluation of their documents. We interacted and consulted public as well as private sector groups and entities. The Regulatory Office gave everyone their due," Caparas said.

"The decision of the Regulatory Office for both concessionaires is contained in two separate resolutions – Manila Water's resolution is 38 pages long and Maynilad's is 35 pages. The resolutions are lengthy because we believe it is necessary to explain the process, as well as the reasons behind the actions taken. It is a measure of transparency and due process which we observed," Caparas added.

The reductions in water rates were due to disallowances for operating and capital expenditures. Substantial disallowances were effected for unsubstantiated expenses, unliquidated cash advances, infrastructure projects, unjustified variation orders, capitalized interest, among others.

This is the first time since the privatization of MWSS in 1997 that rates have gone down after a rate rebasing review has been conducted. The past two rate-rebasing reviews both resulted in huge increases in water rates.

Manila Water services customers in the East Zone which covers parts of Quezon City and Makati, the southeastern parts of Manila, Taguig, Pateros, Marikina, Pasig, San Juan, Mandaluyong, and Rizal province.

Maynilad, on the other hand, services customers in the West that Zone includes parts of Manila and Quezon City, west of South Super Highway in Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon as well as the municipalities of Bacoor, Imus, Kawit, Noveleta and Rosario in Cavite province.

###