



January 31, 2011

SECURITIES AND EXCHANGE COMMISSION

Attention: Director Justina F. Callangan
Corporation Finance Department

PHILIPPINE STOCK EXCHANGE, INC.

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

PHILIPPINE DEALING & EXCHANGE CORPORATION

Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer

Subject: Tariff adjustment

Gentlemen:

Please see attached tariff table which contains the new water rates to be implemented starting February 16, 2011 considering that the publication of the said rates will be on February 1, 2011. The water rates shall be effective fifteen (15) days after such publication.

Sincerely,

Joel P. Raquedan
Head, Legal and Corporate Governance Department



NOTICE TO MANILA WATER CUSTOMERS AND THE PUBLIC NEW WATER RATES FOR THE EAST ZONE



Pursuant to the recommendation of the MWSS-Regulatory Office(RO) in its Resolution No. 10-008-CA dated November 30, 2010 and as approved by the MWSS Board of Trustees (BOT) in MWSS BOT Resolution No.2011-008 dated January 13, 2011, effective 15 days after publication in a newspaper of general circulation, Manila Water Company, Inc. (MWCI) will implement the second tranche of the approved tariff adjustment under the Concession Agreement (CA) Term Extension equivalent to 5.29% and 3.90% Consumer Price Index to be applied respectively to the 2010 Basic Charge. The MWCI's CA Term Extension was approved through MWSS BOT Resolution No. 2009-072 on April 16, 2009 and subsequently, confirmed on April 28, 2009. The Republic of the Philippines through the Department of Finance issued a Performance Undertaking on MWCI's Concession Agreement Term Extension on October 19, 2009.

Manila Water Company, the East Zone concessionaire, covers the following areas: **Manila** (San Andres and Sta. Ana only), **Quezon City** (east of San Juan River, West Avenue, EDSA, Congressional and Mindanao Ave., Districts of Tandang Sora, Pasong Tamo and Matandang Balara), **Makati City** (east of South Super Highway), **Mandaluyong City**, **San Juan**, **Marikina City**, **Pasig City**, **Pateros**, **Taguig** - all in Metro Manila; Rizal Province.

The new schedule of water and sewer rates for all MWCI customers is as follows:

1. WATER CHARGE		Old Rate		New Rate		Old Rate		New Rate			
A. BASIC CHARGE											
RESIDENTIAL						SEMI-BUSINESS					
I. Consuming 10 cu. m. or less Discounted Monthly Water Bill											
		P	71.08/conn.	P	72.45/conn.						
II. Consuming more than 10 cu. m.											
First	10 cu.m.	P	81.74 /conn.	P	89.25 /conn.	First	10 cu.m.	P	81.74 /conn.	P	89.25 /conn. *
Next	10 cu.m.		9.97 /cu.m.		10.89 /cu.m.	Next	10 cu.m.		16.69 /cu.m.		18.22 /cu.m.
Next	20 cu.m.		18.91 /cu.m.		20.65 /cu.m.	Next	20 cu.m.		20.59 /cu.m.		22.48 /cu.m.
Next	20 cu.m.		24.90 /cu.m.		27.19 /cu.m.	Next	20 cu.m.		26.15 /cu.m.		28.55 /cu.m.
Next	20 cu.m.		29.09 /cu.m.		31.76 /cu.m.	Next	20 cu.m.		30.47 /cu.m.		33.27 /cu.m.
Next	20 cu.m.		30.47 /cu.m.		33.27 /cu.m.	Next	20 cu.m.		31.83 /cu.m.		34.76 /cu.m.
Next	50 cu.m.		31.83 /cu.m.		34.76 /cu.m.	Next	50 cu.m.		33.20 /cu.m.		36.25 /cu.m.
Next	50 cu.m.		33.20 /cu.m.		36.25 /cu.m.	Next	50 cu.m.		34.57 /cu.m.		37.75 /cu.m.
Over	200 cu.m.		34.57 /cu.m.		37.75 /cu.m.	Over	200 cu.m.		36.03 /cu.m.		39.34 /cu.m.
BUSINESS GROUP I						BUSINESS GROUP II					
First	10 cu.m.	P	371.48 /conn.	P	405.62 /conn.	P	First 10 cu.m.	P	401.94 /conn.	P	438.88 /conn.
Next	90 cu.m.		37.19 /cu.m.		40.61 /cu.m.	Next	90 cu.m.		40.44 /cu.m.		44.16 /cu.m.
Next	100 cu.m.		37.40 /cu.m.		40.84 /cu.m.	Next	100 cu.m.		40.66 /cu.m.		44.40 /cu.m.
Next	100 cu.m.		37.51 /cu.m.		40.96 /cu.m.	Next	100 cu.m.		40.97 /cu.m.		44.74 /cu.m.
Next	100 cu.m.		37.60 /cu.m.		41.06 /cu.m.	Next	100 cu.m.		41.29 /cu.m.		45.08 /cu.m.
Next	100 cu.m.		37.81 /cu.m.		41.28 /cu.m.	Next	100 cu.m.		41.49 /cu.m.		45.30 /cu.m.
Next	100 cu.m.		37.92 /cu.m.		41.40 /cu.m.	Next	100 cu.m.		41.82 /cu.m.		45.66 /cu.m.
Next	100 cu.m.		38.04 /cu.m.		41.54 /cu.m.	Next	100 cu.m.		42.13 /cu.m.		46.00 /cu.m.
Next	100 cu.m.		38.25 /cu.m.		41.77 /cu.m.	Next	100 cu.m.		42.33 /cu.m.		46.22 /cu.m.
Next	100 cu.m.		38.35 /cu.m.		41.87 /cu.m.	Next	100 cu.m.		42.65 /cu.m.		46.57 /cu.m.
Next	100 cu.m.		38.46 /cu.m.		41.99 /cu.m.	Next	100 cu.m.		42.98 /cu.m.		46.93 /cu.m.
Next	200 cu.m.		38.66 /cu.m.		42.21 /cu.m.	Next	200 cu.m.		43.19 /cu.m.		47.16 /cu.m.
Next	200 cu.m.		38.76 /cu.m.		42.32 /cu.m.	Next	200 cu.m.		43.49 /cu.m.		47.49 /cu.m.
Next	200 cu.m.		38.87 /cu.m.		42.44 /cu.m.	Next	200 cu.m.		43.70 /cu.m.		47.72 /cu.m.
Next	200 cu.m.		39.08 /cu.m.		42.67 /cu.m.	Next	200 cu.m.		44.02 /cu.m.		48.07 /cu.m.
Next	200 cu.m.		39.19 /cu.m.		42.79 /cu.m.	Next	200 cu.m.		44.33 /cu.m.		48.40 /cu.m.
Next	500 cu.m.		39.30 /cu.m.		42.91 /cu.m.	Next	500 cu.m.		44.54 /cu.m.		48.63 /cu.m.
Next	500 cu.m.		39.50 /cu.m.		43.13 /cu.m.	Next	500 cu.m.		44.86 /cu.m.		48.98 /cu.m.
Next	500 cu.m.		39.60 /cu.m.		43.24 /cu.m.	Next	500 cu.m.		45.17 /cu.m.		49.32 /cu.m.
Next	500 cu.m.		39.71 /cu.m.		43.36 /cu.m.	Next	500 cu.m.		45.38 /cu.m.		49.55 /cu.m.
Next	500 cu.m.		39.92 /cu.m.		43.59 /cu.m.	Next	500 cu.m.		45.70 /cu.m.		49.90 /cu.m.
Next	500 cu.m.		40.03 /cu.m.		43.71 /cu.m.	Next	500 cu.m.		46.02 /cu.m.		50.25 /cu.m.
Next	500 cu.m.		40.13 /cu.m.		43.82 /cu.m.	Next	500 cu.m.		46.22 /cu.m.		50.47 /cu.m.
Next	500 cu.m.		40.35 /cu.m.		44.06 /cu.m.	Next	500 cu.m.		46.54 /cu.m.		50.82 /cu.m.
Next	500 cu.m.		40.44 /cu.m.		44.16 /cu.m.	Next	500 cu.m.		46.86 /cu.m.		51.17 /cu.m.
Next	500 cu.m.		40.55 /cu.m.		44.28 /cu.m.	Next	500 cu.m.		47.06 /cu.m.		51.38 /cu.m.
Next	500 cu.m.		40.66 /cu.m.		44.40 /cu.m.	Next	500 cu.m.		47.38 /cu.m.		51.73 /cu.m.
Next	500 cu.m.		40.87 /cu.m.		44.63 /cu.m.	Next	500 cu.m.		47.59 /cu.m.		51.96 /cu.m.
Next	500 cu.m.		40.97 /cu.m.		44.74 /cu.m.	Next	500 cu.m.		47.92 /cu.m.		52.32 /cu.m.
Next	500 cu.m.		41.08 /cu.m.		44.86 /cu.m.	Next	500 cu.m.		48.22 /cu.m.		52.65 /cu.m.
Next	500 cu.m.		41.29 /cu.m.		45.08 /cu.m.	Next	500 cu.m.		48.43 /cu.m.		52.88 /cu.m.
Next	500 cu.m.		41.38 /cu.m.		45.18 /cu.m.	Next	500 cu.m.		48.75 /cu.m.		53.23 /cu.m.
Over	10000 cu.m.		41.49 /cu.m.		45.30 /cu.m.	Over	10000 cu.m.		49.05 /cu.m.		53.56 /cu.m.

*Based on IRR-2008-03 dated 31 March 2008 and confirmed by MWSS BOT Res. No. 2008-064 dated 24 April 2008, the first 10 cubic meter of water consumed in Semi-Business customers shall be billed at Residential Rate.

B. Foreign Currency Differential Adjustment (FCDA) - A percentage of the Basic Charge subject to periodic review and adjustment. The FCDA for the 1st quarter of 2011 is 1.21% of the new Basic Charge.

2. A. ENVIRONMENTAL CHARGE (EC) - 18% of Water Charge applicable to all customers of MWCI

B. SEWERAGE CHARGE (SC)
10% of Water Charge for Residential and Semi Business
30% of Water Charge for Business Group I and II customers

3. MAINTENANCE SERVICE CHARGE

METER SIZE	AMOUNT (per conn.)
1/2" or 13mm	P 1.50
3/4" or 20mm	2.00
1" or 25mm	3.00

METER SIZE	AMOUNT (per conn.)
1 1/4" or 40mm	P 4.00
2" or 50mm	6.00
3" or 75mm	10.00

METER SIZE	AMOUNT (per conn.)
4" or 100mm	P 20.00
6" or 150mm	35.00
8" or 200mm	50.00

4. VALUE-ADDED TAX (VAT) 12% of the Charges 1, 2 and 3

THE MONTHLY BILL IS THE SUM OF 1, 2, 3, and 4.

Approved by:

Approved by:

MANUEL P. QUIZON
Chief Regulator, MWSS-RO

LEONOR C. CLEOFAS
OIC-Administrator, MWSS

GERARDO C. ABLA JR.
MWCI President

For further inquiries you may call Manila Water Company Hotline at 1627 or visit www.manilawater.com



What Does Manila Water Aim to Provide?



24/7 Potable Water
straight from your Taps



Adequate Pressure



Affordable Water Services



Quick Customer Service Response



Continuous Water Services
Despite Extreme Drought and Climate Change

Why Is There a Tariff Adjustment?



Manila Water is implementing projects to keep our water supply continuously reliable even in the midst of climate change or when a natural calamity strikes.



Proof that Manila Water is working for you is that our customers did not experience any water shortage during the 2010 El Niño months.



Your Manila Water is also expanding its reach to serve more areas in the Manila East Zone and Rizal towns.

What Else is Manila Water Doing?

Efficient System Loss Controls



This means that more water is off street leaks and more water goes into your taps.



Cleaning up Manila Bay and our Rivers



This is in support of the Clean Water Act and the Supreme Court decision to clean up Manila Bay.

Providing the same quality services to Marginalized Sectors and Senior Citizens



DISCOUNT Low-income residential households consuming 10 cubic meters or less in a month shall continue to enjoy the discounted monthly water bill.

Consumption of Residential Customers	Increase in Water Bill/Day	% of the East Zone Population Served
0 - 10 Cubic Meters	P0.05	17%
15 Cubic Meters	P0.68	50%
30 Cubic Meters	P1.92	



5% DISCOUNT Senior Citizen customers consuming 30 cubic meters or less are entitled to a 5% discount in the basic charge, pursuant to the Expanded Senior Citizens Act of 2010.



Planting more Trees
to Protect our Watersheds.



Water and Environmental Educational Programs

To join or learn more on this, email: watertrail@manilawater.com

Customer Service Hotline: 1627
www.manilawater.com