



- **AboitizPower and Davao Water District ink agreement for hydro project**

AboitizPower, through wholly owned subsidiary Hedcor, Inc., on Thursday (March 25, 2010) signed a Compromise Agreement (CA) with the Davao City Water District (DCWD), thereby paving the way for the eventual construction of a 10 to 15 megawatt (MW) hydroelectric power plant along the Tamugan River.

The CA, which was signed by Hedcor president & COO Rene Ronquillo and DCWD chairman Eduardo Bangayan, puts to rest conflicting claims on the water of the Tamugan River. Davao City Mayor Rodrigo Duterte was instrumental in getting both parties to agreeing and settling the row that had been ongoing for many years.

For his part, AboitizPower president and CEO Erramon Aboitiz said, "We are very pleased to have found a win-win solution to the issue where all stakeholders would enjoy the benefits of the Tamugan river resource. Now, more than ever, it is imperative that we develop Mindanao's hydro resources for the benefit of everyone. We would like to thank Mayor Duterte for his assistance and the Board of the DCWD for keeping an open mind."

The Tamugan plant, once completed, will add further to AboitizPower's renewable generating capacity which recently saw the start of operations of Sibulan Hydro, another greenfield hydroelectric power plant in Mindanao.

Mindanao is currently suffering from rotating brownouts due to low water levels at Lake Lanao, located in Northern Mindanao, and the main source of power for the Mindanao grid, and a lack of generation capacity capable of filling the void.

AboitizPower is the holding company for the Aboitiz Group's investments in power generation, distribution, retail and power services. It is a major producer of renewable energy in the country with several hydroelectric and geothermal assets in its generation portfolio. The non-renewable portfolio consists of plants throughout the country. The distribution utilities it owns and operates are located in Luzon, Visayas and Mindanao. ([www.abotizpower.com](http://www.abotizpower.com))

**For more information:**

Theresa Gonzales  
[theresa.gonzales@abotiz.com](mailto:theresa.gonzales@abotiz.com)  
Tel 032 411 1753

Mia Bontol  
[mia.bontol@abotiz.com](mailto:mia.bontol@abotiz.com)  
Tel 02 793 2800

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