

...SPC Power Corp. income down 7.3% in Q1

[Danessa Rivera](#) (The Philippine Star) - May 29, 2018 - 12:00am

MANILA, Philippines — SPC Power Corp. reported a slight drop in earnings in the first three months due to maintenance schedules of its plants and the full impact of the expiration of its income tax holiday.

SPC said its first quarter income amounted to P495.1 million, 7.3 percent lower than last year's P534 million.

"The decrease is mainly due to KSPC (c) lower generation brought about by planned overhaul of generating units and the expiration of income tax holiday in February 2017," SPC senior vice president for finance and administration Jaime Balisacan said in a statement.

The company also said it registered lower margins in the electricity supply business brought about by the combined effect of lower market price and temporary under-recovery of pass-through cost of fuel and purchased power due to timing difference.

During the period, it also incurred operating costs pending application for recovery under true-up mechanisms promulgated by the Energy Regulatory Commission (ERC).

For this year, SPC is determined to execute investment and operating strategies and expect earnings growth to follow.

"For one, the anticipated commercial operation of the 32-MW Power Barge 104 should already yield additional income to the group within the second half of the year," it said.

The anticipated commercial operations of Power Barge 104 in the second half would further add to the company's plant capacities in Cebu, Bohol and Iloilo, it said.

Last year, SPC was also challenged by the operating environment due to the impact of power system disturbance that hit the Visayas region in July, as well as the expiration of the income tax holiday in February.

Total comprehensive income was down six percent for the full-year from P1.79 billion to P1.68 billion. Despite the decline, this still translated to a double-digit return on average equity of 18.35 percent as compared to 21.09 percent the year before, Balisacan said.