COVER SHEET

MANILA ELECTRIC COMPANY
(Company's Full Name)

LOPEZ BUILDING, ORTIGAS AVENUE
PASIG CITY
(Company's Address)

16220
(Company's Telephone Number)

DECEMBER 31
(Fiscal Year Ending)

LAST TUESDAY OF MAY
(Annual Meeting)

SEC FORM 17-C
(Form Type)

PW-102
(S. E. C. Registration No.)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. **Date of Report:** *March 28, 2006*
2. **SEC Identification Number:** *PW-102*
3. **BIR Tax Identification Code:** *350-000-101-528*
4. **Name of Issuer as specified in its Charter:** *Manila Electric Company*
5. **Country of Incorporation:** *Philippines*
6. **Industry Classification: (SEC use only)**
7. **Address of principal office:** *Lopez Building, Ortigas Avenue, Pasig City*
8. **Issuer's telephone numbers:** *16220 local 3186* **Area Code:** *0300*
9. **Former name or former address:** *Not Applicable*
10. **Securities registered pursuant to Sections 18 and 12 of the SRC or Sections 4 and 8 of the RSA:**

Title of Each Class	*Number of Shares of Common Stock Outstanding*
Class "A"	*604,250,762*
Class "B"	*402,863,481*
Total	*1,007,114,243*

Amount of Debt Outstanding: *P123.02 Billion (as of November 30, 2005)*

11. Item Number reported: Item 9 (Other Events)

Please see attached:

1) *Letter to Director Justina F. Callangan on the Company's 2005 Financial & Operating Results for the year ended December 31, 2005.*

2) *Invitation to a presentation on the Year End 2005 Operating Results; and Invitation to a Teleconference on the Year End 2005 Operating Results, to be held on March 30, 2006, at 2:00 p.m., at the Basement Mini Theater, Lopez Building, Meralco Center, Ortigas Avenue, Pasig City.*

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MANILA ELECTRIC COMPANY
Issuer

GIL S. SAN DIEGO
Vice President, Assistant
Corporate Secretary and
Information Disclosure Officer

Date: March 28, 2006

cc: Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange (PSE)

Manila Electric Company (MERALCO) has scheduled its 2005 Year End results on March 30, 2006 at 2:00 PM. This will be held at the:

BASEMENT Mini Theater
Lopez Building, Meralco Center
Ortigas Avenue, Pasig City

Meralco has also arranged for a simultaneous Conference Call facility. Details for the Conference Call are as follows.

Conference Call Number +852 2112 1333
Passcode: MERALCO

Those who wish to attend are requested to fill up the appropriate form (please see attached forms) and send through fax at:

Meralco Fax: + 632 631 5591

MERALCO

YOU ARE INVITED
TO A TELECONFERENCE PRESENTATION
ON THE YEAR END 2005 OPERATING RESULTS

Thursday, March 30, 2006
2:00 PM (Manila Time)

Conference Call Number*
+852 2112-1333
Passcode: MERALCO

* Please call at least five (5) minutes before the scheduled time.

Instant Replay Number**
+852 2112-1000
Passcode: MERALCO

**Available until March 31, 2005

Please confirm your participation by faxing this page with the following data to +632 631-5591 on or before March 29, 2005. If you have questions, please call Roger Rosario or Elaine Shih of MERALCO at the following numbers:

+632 1622-2450
+632 1622-2341
+632 632-8323

NAME	:	
JOB FUNCTION	:	
COMPANY	:	
ADDRESS	:	
CITY, COUNTRY	:	
TELEPHONE	:	
FAX	:	
E-MAIL	:	

MERALCO

YOU ARE INVITED TO A PRESENTATION ON THE YEAR-END 2005 OPERATING RESULTS

Thursday, March 30, 2006
2:00 PM

at the
BASEMENT Mini Theater
Lopez Building, Meralco Center
Ortigas Avenue, Pasig City

Please confirm your participation by faxing this page with the following data to:

+632 631- 5591

on or before March 29, 2006. If you have questions, please call Roger Rosario or Elaine Shih of MERALCO at the following numbers:

+632 1622-2450
+632 1622-2341
+632 632-8323

NAME	:	
JOB FUNCTION	:	
COMPANY	:	
ADDRESS	:	
CITY, COUNTRY	:	
TELEPHONE	:	
FAX	:	
E-MAIL	:	

COVER SHEET

MANILA ELECTRIC COMPANY
(Company's Full Name)

LOPEZ BUILDING, ORTIGAS AVENUE
PASIG CITY
(Company's Address)

16220
(Company's Telephone Number)

DECEMBER 31
(Fiscal Year Ending)

LAST TUESDAY OF MAY
(Annual Meeting)

LETTER TO MS. JUSTINA F. CALLANGAN
(Corporation Finance Department)
(Form Type)

PW-102
(S. E. C. Registration No.)

MERALCO
Ortigas Avenue, Pasig City
0300 Philippines

27 March 2006

MS. JUSTINA F. CALLANGAN
Director, Corporation Finance Department
SECURITIES & EXCHANGE COMMISSION
SEC Bldg., EDSA, Greenhills
Mandaluyong City

Dear Ms. Callangan,

We are submitting to your office the attached report of Manila Electric Company for the year ended December 31, 2005.

We are furnishing you an advanced copy of the Company's year-end results as we intend to release these information to the investors, analysts and the general public. These reports are not substitute reports for SEC Form 17-A. We shall be filing separately the complete annual reports (SEC Form 17-A) 105 days after end of the fiscal year, i.e. on or before April 15, 2006.

Thank you.

Sincerely,

RAFAEL L. ANDRADA
First Vice President & Treasurer

DANIEL D. TAGAZA
Executive Vice-President & Chief Financial Officer

cc: Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange

Tel. No. (632) 631-2222 • (632) 16220

Manila Electric Company
2005 Consolidated Financial and Operating Results

MERALCO
very lifetime and today

FINANCIAL HIGHLIGHTS

I. NET INCOME (LOSS)

For the year ended December 31, 2005, the results of the Company's operations were significantly affected by two major factors:

- The consistent provisioning for probable losses in the event of a final and executory adverse decision of the unbundling rate case pending in the Supreme Court, which amounted to P5.90 billion, and

- The effect of the transition from the Company's previous accounting policies referred to as the "previous Generally Accepted Accounting Principles (GAAP)" to the "Philippine Financial Reporting Standards (PFRS) / Philippine Accounting Standards (PAS)" on the reported financial position, financial performance and cash flows of the Company.

Prior to the transition to PFRS/PAS, the Company realized a net income of P599 million, and further excluding the provision for probable losses, net income would have been P4.43 billion.

Given the impact of the provision for probable losses and the effect of the changes in accounting policies, the Parent Company concluded the year 2005 with a net loss of P411 million, 79.7% lower than the restated net loss of P 2.03 billion in 2004.

On consolidated basis, the net loss attributable to equity holders of the parent in 2005 was P350 million, 81.4% lower than the net loss of P1.88 billion in 2004.

II. REVENUES

Revenues increased by 14.9% from P151.61 billion in 2004 to P174.27 billion in 2005 mainly attributed to the following significant changes:

- The 0.6% sales growth coupled with the increase in purchased power costs have increased the Parent Company's revenue from sale of electricity by 15.9% from P147.35 billion to P170.85 billion in 2004 and 2005, respectively.

III. EXPENSES (INCOME)

Total expenses (income) increased by 13.7% from P154.70 billion in 2004 to P175.96 billion this year.

Purchased power cost in 2005 soared by as much as 19.5% to 148.87 billion from P124.60 billion in 2004. This was primarily due to 19.8% increase in the average cost of purchased power per KWH.

Operation and maintenance expenses increased by 12.5% to P10.41 billion for the year ended December 31, 2005, compared with P9.26 billion in the same period in 2004 due primarily to net provisions for various tax assessment and legal claims, increase in contractors' services and increase in pension cost and other long-term employee benefits.

Interest and other financial expenses increased by 9.0% from P4.13 billion in 2004 to P 4.50 billion in 2005.

- The increase occurred in amortization of debt issue costs by as much as P280 million and in interest expense on loan and other payables by as much as P122 million.

Interest and other financial income increased by 247.6%, P656 million in 2004 to P 2.28 billion in 2005. Major factors for the year-on-year improvements were:

- Interest income increase by P784 million and a tax refund of P894 million was recognized. The tax refund pertains to the claim with the BIR for the taxable year 2001 as a result of the Supreme Court decision on the P0.167/KWH refund to customers. This amount granted by the BIR shall be refunded to the Company through the issuance of Tax Credit Certificate proportionate to its actual refund to customers.

- As a result of the settlement agreement between First Gas and the Gas Sellers, the "Liability arising from deferred pass-through fuel costs" as of December 31, 2005 has been reduced to P7.86 billion of which P3.74 million has been classified as a current liability in accordance with the payment terms. Consequently, the interest cost recognized by the Company was also reduced.

However, depreciation and amortization decreased by 1.2% from P4.77 billion for the year 2004, to P4.72 billion in 2005.

Also, in compliance with the PAS 39, the present value impact on customers' Phase IV refund to be paid starting 2005 to 2010 was established. For 2005, the present value impact on customers' refund was P1.73 billion. This refund should be recognized at fair value and subsequently carried at amortized cost at effective interest rate. The Company obtained the present value of the refund liability as of April 2003 (finality of Supreme Court's refund decision) and amortized the resulting discount as interest expense over the life of the liability.

Furthermore, the provision for probable losses on disallowed receivables amounted to P 231 million. This formed part of the P 843 million in QPPL transmission line fees disallowed by ERC on September 20, 2004.

On the other hand, taxes other than income tax decreased by 63.0% from P622 million for the twelve months ended December 31, 2004, to P230 million for the period ended December 31, 2005. In accordance with the EVAT Law (RA No. 9337), made effective on November 1, 2005, the Company started collecting 10% VAT on electricity consumption in lieu of the national franchise tax of 2%.

As a result of the foregoing, loss before income tax was incurred at the amount of P 1.69 billion in 2005.

IV. LOSS PER SHARE

Loss per common share improved by 81.4% from P1.87 last year to P0.347 this year as an offshoot of the Company's effort to minimize consolidated losses sustained in 2004 of P 1.76 billion to P207 million in 2005.

V. CAPITAL EXPENDITURES

Capital expenditures were kept within the cap of P 5.75 billion at P 5.28 billion in 2005 from P 5.42 billion in 2004. The level of capital expenditures in 2005 was affected by lower-than-expected growth in new service applications and delay in government's road widening projects. The level of spending was at the ratio of 88% is to 12% for electric capital projects and non-electric projects, respectively.

OPERATIONAL HIGHLIGHTS

I. GWH SALES and BILLING KW DEMAND

The company's energy sales met major challenges in 2005 brought mainly by successive generation rate increases and the implementation of the EVAT. Despite these factors, however, the Company managed to register a modest 0.6% growth sustained by strong commercial sales and a significant increase in One Day Power Sales (ODPS) availment by major industrial customers. This is a program launched by Meralco in cooperation with NPC in 2000, aimed at making industries more viable and productive by offering lower electricity rates on NPC's unutilized capacity to self-generating industrial customers. For the month of December 2005, a total of 29 customers availed of the ODPS Program.

The Commercial segment continued to lead the growth in energy sales, increasing by 3.6%. This growth was propelled by Retail Trade which grew by a robust 16.8% with the opening of five new SM malls (Mall of Asia, SM Valenzuela, SM Molino, SM San Lazaro and SM Sucat), and the expansion/renovation of existing malls (Robinsons Galleria, Robinsons Manila and Greenhills V-Mall). The 10.4% growth in Transport, Storage and Communications due to expanded operations of the LRT and MRT also boosted sales. Real Estate sector grew by 5.1% as the call center and business process outsourcing continued to flourish. Hotel and Restaurant energy sales also increased by 5.3% due to the inflow of Asian visitors during the Southeast Asian Games.

Industrial sales remained flat growing by a modest 0.2% as rising rates and fuel prices burdened the industrial segment. Manufacturing which comprised the majority of industrial sales grew by 0.5%. Transport Manufacturing grew by 11.8% and Electrical Machinery by 9.8%. However, the Textiles, Chemical Products and Food Manufacturing Sectors shrunk by 12.6%, 4.2% and 2.3%, respectively. Faced with successive fuel hikes last year, industries increased their availment of the ODPS Program to mitigate rising operational

costs. As a result, ODPS availment led by Cement Manufacturing, Electrical Machinery, and Beverage Products sectors increased by 18% over 2004, effectively offsetting what could have been a 1.1% decline in consumption.

Residential sales, on the other hand, contracted by 2.2% as NPC rate hikes, fuel price spikes, the reduction of interclass cross subsidy, and the EVAT strained household budgets. As a result, residential per capita consumption declined by 5% from 2004. Lifeline rates, however, continued to provide relief to customers consuming below 100 KWH.

Overall Billing KW Demand rose by 1.8% to 29,918 KW in 2005. This increase was mainly due to the 3.9% rise in commercial demand offsetting the 1.4% decline in demand from the industrial segment.

II. AVERAGE RETAIL RATE

The average retail rate as of the month of December 2005 rose to P7.62/KWH from P7.09/KWH in the same period in 2004. On a per customer class, the average retail rates for the month of December 2005 compared to December 2004 were:

Customer Class	December 2005 Average Rate (P/KWH)	December 2004 Average Rate (P/KWH)
Residential	8.30	7.41
Commercial	7.76	7.27
GS, Small and Medium	8.33	7.71
Large	7.48	7.09
Very Large	7.01	6.66
Industrial	6.65	6.44
Small and Medium	7.95	7.28
Large	6.93	6.57
Very Large	6.45	6.42
Extra Large	6.08	6.03
T O T A L	**7.62**	**7.09**

Generation charges increased 5% from P4.5313/KWH in December 2004 to P4.7564/KWH in the same period in 2005 mainly due to the additional increase granted to NPC in ERC's final approval of the NPC rate application and the increases in NPC's GRAM and ICERA for the year. The increase would have been more if not for the maximized NPC off-peak energy sourcing and higher dispatch of Meralco IPPs.

In two specific instances, NPC increased its rates by P 1.59/KWH in November 2004 followed by another P 0.47/KWH in May 2005. However, with the higher dispatch of Meralco IPPs, Meralco customers were shielded from the full impact of the NPC increases

and, on the average, only paid an additional P 1.08/KWH in November 2004 and P 0.36/KWH in May 2005.

The increase in customer billings due to the generation charge increases was tempered by the third and last tranche of TransCo's removal of the Intra-Regional Grid Cross Subsidy reducing Meralco's Transmission Charge rate by an average of around P0.06/KWH starting the month of November 2005.

Furthermore, close to an additional 10% in electricity charges were billed to customers on their energy consumption starting November 1, 2005 due to the implementation of the EVAT Law.

It is worth noting that overall energy cost increases last year were driven by rising generation costs and the implementation of the EVAT while the distribution charge of Meralco has remained unchanged since our rate unbundling in June 2003.

III. SYSTEM LOSS

A breakthrough was achieved in the area of system loss in 2005 with its reduction of 0.89 percentage points to 10.21%, the lowest level attained by the Company since 2001.

As a result, this improvement substantially diminished our unrecoverable purchased power cost (system loss above the 9.5% cap) by almost P1.00 billion last year despite the rise in the cost of purchased power per KWH and without additional budgets.

This milestone can be attributed to the implementation of the preventive and holistic System Loss Management Program starting May 2005 focused on strengthening the meter and billing process, effective pilferage-deterrence measures (i.e., the elevation of meters and the retirement of idle service facilities in identified high-loss areas), and management of the demand and capacity of the sub-transmission and distribution networks.

Furthermore, with the augmentation of regular inspection crews by operations and maintenance teams in pilferage detection efforts, the number of services inspected increased significantly. Consequently, the number of services in which irregularities were detected went up by 12.5% compared to 2004.

Related to this, in August 2005, MERALCO and the Department of Interior and Local Government (DILG) signed a Memorandum of Agreement (MOA) aimed at strengthening the campaign against electricity pilferage. The MOA was signed by Mr. Manuel M. Lopez and DILG Secretary Angelo Reyes. With the MOA, greater cooperation of local government officials to bring down system loss in their respective areas was realized.

IV. SYSTEM RELIABILITY

In 2005, system reliability, in terms of Interruption Frequency Rate (IFR) and system availability, in terms of Cumulative Interruption Time (CIT), continued to break record levels. IFR was reduced by 14.69% to 11.38 and CIT was shortened by 18.87% to 9.46 hours - a single-digit level for the first time.

The continued improvements in Meralco's electric service were part of the benefits still being reaped from the completion of well-planned sub-transmission, substation, and distribution projects in the previous years and continuous implementation of a focused preventive and proactive electric system maintenance program.

This was supported by concerted efforts by different offices to reduce the occurrence of pre-arranged interruptions and undetermined trippings and strict compliance to standards and procedures during line construction and maintenance works.

Condition-based maintenance for line equipment and facilities focusing on the identification and minimization of potential causes of power interruptions through thermographic inspection was also emphasized last year.

Moreover, maintenance activities last year included detailed audit and frequent inspection of circuits with reliability performance problems and execution of sectionalizing schemes to isolate line troubles and minimize the extent of the areas without power.

REGULATORY UPDATES

Developments in the regulatory front are:

- Following the promulgation by the Energy Regulatory Commission (ERC) of the Distribution Wheeling Rate Guidelines (DWRG) in December 2004, the Company in January 2005 signified its intention to join the first group of distribution utilities that will undergo performance-based ratemaking (PBR). The on-going reset process will culminate in a rate filing under DWRG on August 31, 2006. Meralco will have performance-based rates starting July 2007.

- Hearings are on-going on the P0.1476/KWH rate application Meralco filed on May 31, 2005, its last filing under the Return on Rate Base (RORB) formula.

- The Company on March 11, 2005 filed with the Supreme Court (SC) a Petition for Review of the July 22, 2004 Decision of the Court of Appeals (CA) annulling and setting aside ERC's rulings on Meralco's unbundling. The case is still pending at the High Court.

- The SC in August 2005 upheld its earlier ruling which annulled and set aside ERC's grant of a provisional P0.12/KWH increase to Meralco in November 2003.

- In a Decision dated February 2, 2006 the SC nullified ERC's Order approving Meralco's second Generation Rate Adjustment Mechanism (GRAM) application and ruled as void the GRAM Rules promulgated by ERC in February 2003. According to the SC, the GRAM application should have been published and subjected to public hearings. The GRAM Rules did not require the publication of, and the conduct of hearings on, the GRAM filings. Both Meralco and ERC filed respective Motions for Reconsideration on the Decision.

- Starting November 2005, letters were sent out to customers covered by Phase IV of the refund, informing them of the amount, the options, and the requirements to be complied with for the release of the refund. This followed the Company's receipt of ERC's July 13 Order approving the amended Phase IV proposal and BIR's RMO No. 22-2005 prescribing the guidelines for the imposition of the creditable income tax on the refund of Phase IV customers. In a Decision dated December 22, 2005, the CA denied a petition seeking to annul ERC's Order approving Phase IV of the refund.

- In preparation for retail competition and open access, ERC promulgated the Distribution Service and Open Access Rules (DSOAR) and the Retail Electricity Supplier Licensing Guidelines. Other rules are currently being drafted and undergoing public consultations. Commercial operation of the Wholesale Electricity Spot Market (WESM) is expected mid-2006. Removal of intra-grid cross-subsidies in transmission charges was completed in October 2005. Full removal of inter-class cross-subsidies in the Meralco franchise has been extended to November 2006.

For further questions:
Meralco Investor Relations
Tel. Nos. (632) 16222450, (632) 6328323

MERALCO

Manila Electric Company

COMPARISON OF KILOWATT-HOUR SALES

For the years ended December 31, 2005 and 2004

(In million kWh)

Customer Class	2005	2004	% Change
Residential	8,550.72	8,741.60	(2.2)
Commercial	9,094.54	8,776.50	3.6
Industrial	7,019.18	7,003.69	0.2
Streetlights	141.76	138.52	2.3
TOTAL	**24,806.19**	**24,660.32**	**0.6**

MERALCO
more lasting sing kuryente

Manila Electric Company

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2005 and 2004

(Amounts in Million Pesos)

	2005	As restated 2004	% Change
REVENUES			
Sale of electricity	170,846	147,347	15.9
Sale of real estate	1,906	2,533	(24.8)
Sale of services	922	1,295	(28.8)
Others	594	439	35.3
	174,268	151,614	14.9
EXPENSES (INCOME)			
Purchased power	148,865	124,601	19.5
Operations and maintenance	10,414	9,255	12.5
Provision for probable losses	5,901	9,824	(39.9)
Depreciation and amortization	4,715	4,773	(1.2)
Interest and other financial expenses	4,504	4,134	9.0
ICERA II revenues	(2,934)	(1,330)	120.6
Foreign exchanges losses - net	2,859	1,352	111.5
Interest and other financial income	(2,280)	(656)	247.6
Present value impact on customers' refund	1,726	-	100.0
Real estate sold	1,038	1,687	(38.5)
Cost of contracts and services	832	871	(4.5)
Provision for (recovery of) probable losses on disallowed receivables	231	(215)	207.4
Equity in net earnings of associates and joint ventures	(142)	(222)	(36.0)
Taxes other than income tax	230	622	(63.0)
	175,959	154,696	13.7
LOSS BEFORE INCOME TAX	(1,691)	(3,082)	(45.1)
Income tax benefit	1,484	1,318	12.6
NET LOSS	**(207)**	**(1,764)**	**(88.3)**

Manila Electric Company

CONSOLIDATED BALANCE SHEETS

As of December 31, 2005 and 2004

(Amounts in Million Pesos)

ASSETS	2005	As restated 2004	% Change
Noncurrent Assets			
Utility Plant and others	93,237	93,200	0.0
Investments in associates and joint ventures	1,730	1,846	(6.3)
Investment properties - net	4,739	4,683	1.2
Deferred pass-through fuel costs	7,857	13,031	(39.7)
Other noncurrent assets	8,951	13,706	(34.7)
Total Noncurrent Assets	**116,514**	**126,466**	**(7.9)**
Current Assets			
Cash and cash equivalents	14,081	4,918	186.3
Trade and other receivables	30,893	28,299	9.1
Inventories - at net realizable value	1,230	1,074	14.5
Land and development costs	347	645	(46.2)
Other current assets	1,312	1,960	(33.1)
Total Current Assets	**47,853**	**36,896**	**29.7**
TOTAL ASSETS	**164,367**	**163,362**	**0.6**

STOCKHOLDERS' EQUITY AND LIABILITIES	2005	2004	% Change
Stockholders' Equity	**38,461**	**35,910**	**7.1**
Noncurrent Liabilities			
Interest-bearing loans and other borrowings - net of current portion	19,239	1,395	1,279.1
Customers' deposits	18,173	16,400	10.8
Provisions	16,897	10,313	64.8
Customers' refund	10,908	15,142	(28.0)
Deferred income tax liabilities	4,388	6,573	(33.2)
Liability arising from deferred pass-through fuel costs	4,121	13,031	(68.4)
Estimated liability for project development-net of current portion	1,515	-	100.0
Deferred gross profit	798	179	345.8
Other noncurrent liabilities	733	1,333	(45.0)
Total Noncurrent Liabilities	**76,872**	**64,366**	**19.4**
Current Liabilities			
Notes payable	384	442	(13.1)
Trade and other payables	39,549	32,684	21.0
Customers' refund	4,615	5,409	(14.7)
Interest-bearing loans and other borrowings - current portion	3,030	4,007	(24.4)
Interest-bearing loans and other borrowings -classified as current	-	19,822	(100.0)
Estimated liability for project development - current portion	1,218	692	76.0
Income tax payable	238	30	693.3
Total Current Liabilities	**49,034**	**63,086**	**(22.3)**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**164,367**	**163,362**	**0.6**

Manila Electric Company

CONSOLIDATED CASH FLOW STATEMENTS

For the years ended December 31, 2005 and 2004

(Amounts in Million Pesos)

	2005	As restated 2004	% change
CASH BALANCE, BEGINNING (Jan. 1)	**4,918**	**5,320**	**(7.6)**
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating and other income	7,091	3,953	79.4
Depreciation and amortization	4,715	4,773	(1.2)
Increase (decrease) in other assets and liabilities	11,239	5,537	103.0
Net Cash from Operations	**23,045**	**14,263**	**61.6**
Add : Equity issues	-	1,041	(100.0)
Short-term borrowings	-	-	
Long-term borrowings	81	5,864	(98.6)
TOTAL SOURCES OF FUNDS	**23,126**	**21,168**	**9.2**
Less : Short-term debt service	58	5,412	(98.9)
Long-term debt service	3,660	5,503	(32.4)
Other interest expense	3,758	2,636	42.5
Total Debt Service	**7,475**	**13,551**	**(44.8)**
Unrecoverable purchased power	1,054	1,998	(47.3)
Capital expenditures	5,278	5,421	(2.6)
Preferred equity redemptions	-	85	(100.0)
Cancellation of common stock	4	-	100.0
Refund to customers	152	515	(70.4)
TOTAL USES OF FUNDS	**13,963**	**21,570**	**(35.3)**
NET INCREASE (DECREASE) IN CASH	**9,163**	**(402)**	**2,380.4**
CASH BALANCE, END (Dec. 31)	**14,081**	**4,918**	**186.3**