



Julián Martínez-Simancas
General Secretary and Secretary of the Board of Directors

To the National Securities Market Commission

Bilbao, November 17, 2010

Re: Consummation of the sale of the indirect shareholding interest of IBERDROLA USA, INC. in CONNECTICUT NATURAL GAS CORPORATION, THE SOUTHERN CONNECTICUT GAS COMPANY and THE BERKSHIRE GAS COMPANY

Dear Sirs,

Reference is made to our notice of significant event of the date hereof (registration number 133,262).

Pursuant to Section 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby advise you that IBERDROLA, S.A. estimates that, subject to the final audit and tax analysis, the sale to UIL HOLDINGS CORPORATION of the indirect shareholding interest of IBERDROLA USA, INC. in CONNECTICUT NATURAL GAS CORPORATION, THE SOUTHERN CONNECTICUT GAS COMPANY and THE BERKSHIRE GAS COMPANY will not have a significant impact on the consolidated profit and loss account.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

General Secretary and Secretary of the Board of Directors

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IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of IBERDROLA, S.A. may not be offered or sold in the United States of America except according to an effective registration statement under the Securities Act or according to a valid exemption from registration.

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