



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 May 25, 2010 (registration number 125,755).

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 the consummation of 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 took place yesterday<sup>1</sup>.

The amount obtained in this transaction is, approximately, 1,250 million U.S. dollars<sup>2</sup> after the price adjustments. The equity value received is, approximately, 918 million U.S. dollars<sup>3</sup> compared to the 885 million U.S. dollars<sup>4</sup> announced on May 25, 2010.

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<sup>1</sup> IBERDROLA USA, INC. has transferred to UIL HOLDINGS CORPORATION the above referred shareholding interests through the sale of all of the shares in which the share capital of CTG RESOURCES INC., CONNECTICUT ENERGY CORPORATION and BERKSHIRE ENERGY RESOURCES is divided, whose sole assets are one hundred (100) per cent. of the share capital of CONNECTICUT NATURAL GAS CORPORATION, one hundred (100) per cent. of the share capital of THE SOUTHERN CONNECTICUT GAS COMPANY and one hundred (100) per cent. of the share capital of THE BERKSHIRE GAS COMPANY, respectively.

<sup>2</sup> Equivalent to 918.31 million Euros, according to the official exchange rate of 1 euro = 1.3612 U.S. dollars, corresponding to November 16, 2010.

This amount will be used by IBERDROLA USA, INC. to finance the construction by CENTRAL MAINE POWER COMPANY (a wholly-owned subsidiary of IBERDROLA USA, INC.) of an interconnection line between the United States of America and Canada under the Maine Power Reliability Program (MPRP).

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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<sup>3</sup> Equivalent to 674.40 million Euros, according to the official exchange rate of 1 euro = 1.3612 U.S. dollars, corresponding to November 16, 2010.

<sup>4</sup> Equivalent to 650.16 million Euros, according to the official exchange rate of 1 euro = 1.3612 U.S. dollars, corresponding to November 16, 2010.

## **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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