



June 27, 2007

To Southern Connecticut Gas Customers:

It is with excitement and anticipation that Energy East, the parent of Southern Connecticut Gas, recently announced that we will be acquired by IBERDROLA, a global energy company headquartered in Bilbao, Spain.

IBERDROLA is one of the world's largest energy companies with more than 26,000 employees and 24 million customers. IBERDROLA is the world leader in renewable energy and a leader in clean, combined cycle generation. It has the largest wind portfolio in the world and almost 10,000 megawatts of hydro generation. In fact, IBERDROLA already owns and operates the largest wind facility on the East Coast – Maple Ridge, in upstate New York.

IBERDROLA places great emphasis on corporate responsibility and sustainability, and has received many awards for these efforts. For two years running, IBERDROLA has been named "One of the World's 100 Most Sustainable Companies."

We all recognize that the energy industry is at a major inflection point. Policymakers now recognize the need for our industry to make significant investments in our energy infrastructure. Our objective is to team with the states in which we do business to help meet the goals they have established to increase renewable sources of energy, improve energy efficiency, and invest in a secure and reliable energy infrastructure. We believe our combination with IBERDROLA will not only accelerate our progress but will transform the way we do business.

IBERDROLA's expertise and track record in all aspects of delivering sustainable, clean energy make it a strong partner to help support and advance Energy East's efforts. In particular, IBERDROLA has made almost \$4 billion in transmission and distribution investments over the past three years and has been successful in initiatives that have reduced customer demand and peak consumption. Its significant engineering and construction resources place it at the leading edge of environmental technologies. IBERDROLA looks forward to leveraging its experience to help address some of the most challenging energy and environmental issues in the Northeastern U.S.

While IBERDROLA is a global company, it manages its operations locally. Southern Connecticut Gas will continue to operate under the same name and the same local people who serve you today will continue to provide you with exceptional customer service.

We expect the transaction to be completed in 2008 following receipt of the required approvals. We believe this transaction is a unique opportunity to build a stronger future for our company, employees, and the states we serve. We hope to serve you even better in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Alessio".

Robert M. Alessio
President and CEO

An equal opportunity employer

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www.cngcorp.com

The logo for Energy East Company, featuring a stylized red and white graphic above the text "An Energy East Company".

An Energy East Company