

To the National Securities Market Commission

Bilbao, April 8, 2009

SUBJECT: Assumption by Iberdrola International B.V. of the obligations of Energy East Corporation as issuer of certain bonds in the US domestic market

Dear Sirs,

We hereby inform you that on 8 April 2009 Iberdrola International B.V., a Dutch company whose sole shareholder is Iberdrola, S.A., has assumed, with the unconditional and irrevocable guarantee of Iberdrola, S.A., the obligations of Energy East Corporation, as issuer of the following bonds (the “**US Domestic Bonds**”):

- An aggregate of 200 million in U.S. dollar bonds with an annual coupon of 8.05% and maturity in 2010, CUSIP 29266MAA7.
- An aggregate of 400 million in U.S. dollar bonds with an annual coupon of 6.75% and maturity in 2012, CUSIP 29266MAD1.
- An aggregate of 200 million in U.S. dollar bonds with an annual coupon of 6.75% and maturity in 2033, CUSIP 29266MAE9.
- An aggregate of 500 million in U.S. dollar bonds with an annual coupon of 6.75% and maturity in 2036, CUSIP 29266MAF6.

As from the date hereof the holders of the US Domestic Bonds enhance their credit position and rank *pari passu* to the senior creditors of Iberdrola, S.A. as regards the assets of the Iberdrola Group.

Yours very truly,

IBERDROLA, S.A.

General Secretary and Secretary of the Board of Directors

IMPORTANT INFORMATION

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