



R. Scott Mahoney
Vice President - General Counsel

April 30, 2014

Ms. Kathleen H. Burgess, Secretary
State of New York Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Dear Ms. Burgess:

Re: Order Adopting Staff Report and Approving Reorganization, Subject to Conditions as Modified and Clarified, and Making Findings on Management Audit Compliance (Case 12-M-0066, Case 12-E-0065, and Case 10-M-0551)

Pursuant to Appendix I Paragraph (5)(h) of the November 5, 2013 Order Adopting Staff Report and Approving Reorganization, Subject to Conditions as Modified and Clarified, and Making Findings on Management Audit Compliance, New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E") hereby files its quarterly governance report to the notify the Commission of the following: (i) a list of changes in directors, committee members, officers or executives at NYSEG, RG&E, RGS Energy Group, Inc. ("RGS"), Iberdrola USA Networks, Inc., ("Networks") and Iberdrola USA, Inc. ("IUSA"); (ii) a list of completed major transactions (i.e., at least 5% of IUSA net assets) that relate to or affect NYSEG, RG&E, RGS, Networks or IUSA; (iii) significant changes in capitalization at NYSEG, RG&E, RGS, Networks, and IUSA; (iv) meetings of the Boards of Directors of Networks, IUSA, Iberdrola Energy Projects, Inc. ("IEP"), Iberdrola Renewables Holdings, Inc. ("IRHI"), and Iberdrola S.A. ("IBE"), which notifications shall be accompanied by the agendas for each of the Board meetings reported.

The information in this first quarterly report is for the period November 20, 2013, the date of reorganization to March 31, 2014.

(i) Changes in Directors, Committee Members, Officers or Executives:

▪ **New York State Electric & Gas Corporation**

Directors:
No Changes

Committee Members:
NYSEG has no committees

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An equal opportunity employer

Officers or Executives:

Mark S. Lynch President and Chief Executive Officer
(change – appointed CEO)

Effective 1/01/2014

▪ **Rochester Gas and Electric Corporation**

Directors:

No Changes

Committee Members:

RG&E has no committees.

Officers or Executives:

Mark S. Lynch President and Chief Executive Officer
(change – appointed CEO)

Effective 1/01/2014

▪ **RGS Energy Group, Inc.**

Directors:

No Changes.

Committee Members:

RGS has no committees.

Officers or Executives:

No Changes

▪ **Iberdrola USA Networks, Inc.**

Directors:

Antonio Espinosa de los Monteros Herrera

Effective 11/20/2013

G. Jean Howard, Lead Independent

Effective 11/20/2013

(Lead Independent Effective 12/04/2013)

Robert D. Kump

Effective 11/20/2013

Kathleen A. McGinty, Independent

Effective 11/20/2013

José Izaguirre Nazar

Effective 11/20/2013

Javier Villalba Sánchez

Effective 11/20/2013

R. Scott Mahoney, Secretary (Non-Director)

Effective 11/20/2013

Committee Members - Audit and Compliance:

G. Jean Howard

Effective 11/20/2013

Kathleen A. McGinty, Chairperson

Effective 11/20/2013

(Chairperson Effective 12/04/2013)

José Izaguirre Nazar

Effective 11/20/2013

Rafael Gil Nieves, Secretary (Non-Member)

Effective 12/04/2013

Officers or Executives:

| | | |
|-------------------|--|----------------------|
| Robert D. Kump | President and Chief Executive Officer | Effective 11/20/2013 |
| R. Scott Mahoney | Vice President – General Counsel and Secretary | Effective 11/20/2013 |
| José Maria Torres | Vice President and Chief Financial Officer | Effective 11/20/2013 |
| Kevin E. Walker | Chief Operating Officer | Effective 11/20/2013 |

▪ **Iberdrola USA, Inc.**

Directors:

| | |
|---|----------------------|
| Alfredo Elías Ayub, Independent | Effective 01/08/2014 |
| Pedro Azagra Blázquez | Effective 01/08/2014 |
| John Elias Baldacci, Vice Chairman, Independent | Effective 01/08/2014 |
| José W. Fernandez, Independent | Effective 01/08/2014 |
| Ignacio Sánchez Gálan, Chairman | Effective 01/08/2014 |
| Robert D. Kump | Effective 01/08/2014 |
| José Sáinz Armada | Effective 01/08/2014 |
| Alan D. Solomont, Independent | Effective 01/08/2014 |
| José Maria Torres | Effective 11/19/2013 |
| R. Scott Mahoney, Secretary (Non-Director) | Effective 01/08/2014 |
| Antonio Espinosa de los Monteros Herrera | Resigned 11/18/2013 |
| G. Jean Howard | Resigned 11/18/2013 |
| Robert D. Kump | Resigned 11/18/2013 |
| Kathleen A. McGinty | Resigned 11/18/2013 |
| Rafael Gil Nievas | Resigned 01/07/2014 |
| José Izaguirre Nazar | Resigned 11/18/2013 |
| José Maria Torres | Resigned 01/07/2014 |
| Javier Villaba Sánchez, Chairpreson | Resigned 11/18/2013 |

Committee Members -Audit and Compliance:

| | |
|---|----------------------|
| José W. Fernandez, Chairperson, Independent | Effective 01/16/2014 |
| José Sáinz Armada | Effective 01/16/2014 |
| Alan D. Solomont, Independent | Effective 01/16/2014 |
| Rafael Gil Nievas, Secretary (Non-Member) | Effective 01/16/2014 |
| Kathleen A. McGinty, Chairperson | Resigned 11/18/2013 |
| Rafael Gil Nievas, Secretary | Resigned 11/18/2013 |
| José Izaguirre Nazar | Resigned 11/18/2013 |

Officers:

| | | |
|-------------------|--|----------------------|
| Robert D. Kump | Chief Corporate Officer | Effective 01/08/2014 |
| R. Scott Mahoney | General Counsel and Secretary | Effective 01/08/2014 |
| Robert D. Kump | President and Chief Executive Officer | Resigned 12/4/2013 |
| R. Scott Mahoney | Vice President – General Counsel and Secretary | Resigned 12/4/2013 |
| José Maria Torres | Vice President and Chief Financial Officer | Resigned 12/4/2013 |
| Kevin E. Walker | Chief Operating Officer | Resigned 12/4/2013 |

(ii) A list of completed major transactions (i.e., at least 5% of IUSA net assets) that relate to or affect NYSEG, RG&E, RGS, Networks or IUSA.

- **NYSEG**
NYSEG had no transactions that were at least 5% of IUSA net assets for the period ending March 30, 2014.
- **RG&E**
RG&E had no transactions that were at least 5% of IUSA net assets for the period ending March 30, 2014.
- **RGS**
RGS had no transactions that were at least 5% of IUSA net assets for the period ending March 30, 2014.
- **Networks**
Networks had no transactions that were at least 5% of IUSA net assets for the period ending March 30, 2014.
- **IUSA**
IUSA had no transactions that were at least 5% of IUSA net assets for the period ending March 30, 2014.

(iii) Significant changes in capitalization:

- **NYSEG**
There were no issuances or redemptions of long-term debt, common stock, or preferred stock and no equity infusions.
- **RG&E**
There were no issuances or redemptions of long-term debt, common stock, or preferred stock and no equity infusions.
- **RGS**
There were no issuances or redemptions of long-term debt, common stock, or preferred stock and no equity infusions.

- **Networks**

On November 20, 2013, Networks issued 100 shares of its common stock to IUSA in exchange for IUSA's interest in the common stock or partnership interest in the following IUSA subsidiaries:

- (a) 1,000 shares of the common stock of RGS Energy Group, Inc., a New York corporation, representing all of its outstanding capital stock;
- (b) 1,000 shares of the common stock of CMP Group, Inc., a Maine corporation, representing all of its outstanding capital stock;
- (c) 26 shares of the common stock of Iberdrola USA Enterprises, Inc., a Maine corporation, representing all of its outstanding capital stock;
- (d) 200 shares of the common stock of Iberdrola USA Management Corporation, a Delaware corporation, representing all of its outstanding capital stock;
- (e) general partnership interests of LNG Marketing Partners, a Connecticut general partnership, representing 10% of its outstanding general partnership interests;
- (f) general partnership interests of LNG Storage Partners, a Connecticut general partnership, representing 20.0857% of its outstanding general partnership interests

- **IUSA**

On November 19, 2013, IUSA's capital increased by \$7,271,000,000 through the issuance of 143 new shares of IUSA common stock to Iberdrola UK Finance Limited ("IBFL") in consideration for 6,785.644 shares of common stock of Iberdrola Renewables Holdings, Inc., ("IRHI") (representing all of the outstanding capital stock of IRHI).

(iv) Meetings of the Boards of Directors –Agendas.

- **Networks**

Attached to a separate trade secret filing are agendas for the following meetings:

| | |
|------------------|-----------------------------|
| December 4, 2013 | Networks Board of Directors |
| February 6, 2014 | Networks Board of Directors |

- **IUSA**

Attached to a separate trade secret filing is an agenda for the following meeting:

January 16, 2014 IUSA Board of Directors

- **Iberdrola Energy Projects, Inc. (IEP)**

No meetings.

- **Iberdrola Renewables Holdings, Inc. (IRHI)**

No meetings.

- **Iberdrola S.A. (IBE):**

Attached to a separate trade secret filing are agendas for the following meetings:

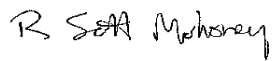
November 19, 2013 Iberdrola, S.A. Board of Directors

December 17, 2013 Iberdrola, S.A. Board of Directors

February 18, 2014 Iberdrola, S.A. Board of Directors

March 26, 2014 Iberdrola, S.A. Board of Directors

Sincerely,



R. Scott Mahoney
Vice President – General Counsel and Secretary
Iberdrola USA Networks, Inc.