



IEnova 2017 Analyst Day

Tuesday, 13th June 2017

Introductory Remarks

Sue Bradham

Director of Investor Relations and M&A, IEnova

Welcome

Good morning, everyone. I am Sue Bradham, Director of Investor Relations and M&A. I am pleased to welcome everyone to IEnova's first analyst conference. For those of you on the webcast, you will be able to ask questions via the link at the bottom of your webcast screen.

Forward-looking statements and disclosure statement

Before starting, let me remind everyone that we will be discussing forward-looking statements today, within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those discussed today. In the presentation, you will find our disclosure statement. The forward-looking statements contained in this presentation speak only as of today, June 13, 2017, and the company does not assume any obligation to update or revise any of these forward-looking statements in the future. I would also like to mention that the facts and figures in this presentation are derived from a variety of government resources, as well as our own best estimates based on our knowledge of the market. In addition, all IEnova financial information is reported in dollars, the functional currency of the company and in accordance with international financial reporting standards. The full definition of EBITDA and adjusted EBITDA can be found in our financial statements, which are available on our website.

Speaker introduction

With that, let me introduce our first speaker, IEnova's Chairman and CEO, Carlos Ruiz Sacristan.

Meeting Overview

Carlos Ruiz Sacristan

Chairman and CEO, IEnova

Welcome remarks

Good morning to everyone here in New York and also good morning to those joining us on the webcast. Welcome to our first IEnova analyst conference. I really appreciate the work that our analysts are doing. It has been really great, especially considering how fast the Mexican energy market is changing.

Meeting overview

Jeff Martin

This morning, I am joined by several executives from Sempra IEnova. We are pleased to share with you our plans to deliver growth in Mexico's evolving market. I trust that you find this information useful and interesting. We will start with a presentation from Jeff Martin, Sempra's Executive VP and Chief Financial Officer. He will share with you his views in relation to IEnova. After that, I will talk about IEnova's track record and its strengths. Mostly, I will discuss our commitment to continue new projects to sustain our growth in the Mexican evolving market.

Tania Ortiz

After the break, we will have Tania Ortiz, our Chief Development Officer, describing in detail the different growth opportunities that fit our business model.

Nelly Molina

Unfortunately, because of personal reasons, Arturo Infanzón is unable to be here today, but he sends his regards to you all. This is also a very good opportunity to demonstrate our bench strength. In his place, Nelly Molina, our VP of Finance, will address M&A opportunities that represent additional growth for our company. She will also describe our strong balance sheet and our plans to finance our future growth.

Final Remarks and Q&A

After the presentation, I will join you again to make some final remarks in relation to our view regarding dividends and also some other very important topics. At the end, we will have plenty of time for question and answers.

External speaker

Today, at lunch, we have an external speaker, Federico Reyes Heróles. He is one of the top Mexican political analysts, and Federico will share with you his views in relation to the Mexican economy and the political environment. He will also share with you his views in relation to the NAFTA negotiations. I hope you will join us for lunch. I guarantee you that it will be most interesting.

Introductions*Sempra team*

It is now my pleasure to introduce to you some of the key members of the Sempra team that are here today. First of all, Dennis Arriola. He is a board member of IEnova and Senior Executive Vice-President of Corporate Strategy and External Affairs. Trevor Mihalik, Senior VP, Controller and Chief Accounting Officer. And Rick Vaccari, VP of Investor Relations. Thank you all of you.

IEnova team

Also here with us are key members of IEnova. Juan Rodriguez, Chief Corporate Affairs Officer. Roberto Rubio, VP and Controller. Jorge Molina, Commercial VP. And Juancho Eekhout, Development VP.

Jeff Martin

Now I would like to hand the presentation over to Jeff Martin, who is a member of the IEnova board and has always been a key supporter of our company and our future. Jeff has been with the Sempra family since 2004, holding important executive positions, including the President and CEO of Sempra Gas & Power. He also served before as VP of Investor Relations. Currently, he is Executive VP and Chief Financial Officer and he is also a great soccer fan, which is very important. Jeff, thank you very much for being with us today.

Sempra

Jeff Martin

Executive VP and Chief Financial Officer, Sempra

Welcome

Thank you, Carlos. We had a lot of fun this last week as the United States played Mexico in soccer, so that was a hotly talked about topic inside the Sempra IEnova family. Let me welcome everyone on behalf of the Sempra family of companies. We always enjoy coming to New York. As a former investor relations person, it is great to see so many people that I have worked with for such a long period of time.

Introduction to Sempra

Overview

A really quick introduction to Sempra. Many of you know the company relatively well. It is a \$29 billion market cap company. We have invested in and operate a portfolio of companies here in the United States as well as Mexico, Peru and Chile. We have a very unique strategy, which I am going to describe to you this morning.

Forecasting future performance

It really offers us a unique opportunity to be able to forecast our financial performance over a longer period of time than a lot of companies in our space. As you can see on this slide, we have an opportunity between now and 2021 to grow our earnings per share at roughly 10-11%, nearly twice our industry average. We also have the opportunity to grow our dividend between now and 2019 at an 8-9% rate. Beyond 2019, we have a very large project in Cameron in Louisiana that will come online and we will probably revisit the dividend with a goal of trying to increase it or do some sort of special dividend at that time.

Approach to investments

We think we have a relatively unique total returns story and a big part of it is how we approach our investments. Before I go into our strategy company by company, I would like to briefly spend a little bit of time with you just to show you a film which I think captures some sense of what we are all about at Sempra.

[VIDEO]

Rationing capital

So, you heard in my opening remarks some of the remarks by our chairman about the important of us having long-term visibility with respect to our strategy and our financial performance. This slide is intended to emphasise what is most important for us. Personally, I do not think our future has ever been brighter at Sempra. I have been here since 2004. But the key issue for us is to make sure we are really disciplined in terms of how we ration capital. On this slide, we are talking about how we ration that capital. It is about making sure we are focused on growing markets, regulatory compacts where we have certainty of returning our capital and a return on capital, and markets where we can have long-term contracts. I think our overall contract portfolio has an average tenure of about 15 years. So, as you think about making investments in quality utilities and long-term infrastructure projects, it is really the quality of

those long-term contracts. It is the quality of the credit of those counter parties that gives us a high level of confidence in our ability to deliver our results over the next five years.

Growth platforms

Secondly, in the video, Debbie talked about the importance of growth platforms. As we cast opportunities across the energy space domestically and globally, we are really focused on four macro trends that we have talked about quite a bit in 2017. Each of these touches all of our portfolio of companies, and represent a great example of why we think IEnova is going to be so successful.

Safety and reliability, and system modernisation

Safety and reliability and system modernisation. Obviously, these topics are alive and well in what we are doing in the United States, but this is at the core of what IEnova is all about. As you think about their ability to attack the natural gas infrastructure market in Mexico, you think about the third point on this slide, about electrification and decarbonisation. California, as an example, has a 50% renewable portfolio standard. One of the sister companies to IEnova, SDG&E currently delivered, as of the end of 2016, 43% of all of its power from qualified renewable resources.

Renewables in Mexico

Think about the economies of learning we have had in the United States with our renewable business and our utilities and how we are going to leverage that in Mexico. Mexico recently passed a renewable portfolio standard to 35%, and today has a content of around 15–16%. Clean energy in Mexico is a huge opportunity and we have a competitive advantage in Mexico precisely because of the investments and experience we have made in the United States.

Global gas and liquids demand

Finally, the fourth point, global gas and liquids demand. This is a big market place. One of the things we have talked about thematically is that, much like oil, natural gas is making a transition from being a regionally priced commodity to being a global commodity. Natural gas is also creating a revolution in Mexico as we displace one oil-fired gas plant after another. So, natural gas is a big part of the decarbonisation story in Mexico. We believe that IEnova is helping to lead that.

Sempra and IEnova

The final point I would make is that this is an important part of our strategy. We think this company has remarkable growth prospects in Mexico. We currently own 66% of IEnova. We have a strong presence on the board. I would also say that Carlos Ruiz joined our board of directors at Sempra back in 2007-2008. One of our great opportunities was to bring Carlos off our board to run this business for us. When you think about our commitment to success in Mexico, it is very strong and a lot of our executives have cross pollinated and are actually involved in IEnova's leadership. Carlos Ruiz was a big part of that. I think that was a big win for us.

Opportunities go to leaders

I will conclude by saying that we believe our industry is changing a lot. In certain parts of the United States, we think that change in the next ten years will be greater than change in the last 100. At Sempra, we are all about building a brand around leadership, technology and

innovation. Our business thesis is that opportunities go to leaders. When you think about IEnova and its opportunity in natural gas, its opportunity in renewables and its opportunities now in the evolving fuels business in Mexico, we see this as a great opportunity for leadership to make a difference in Mexico for businesses and consumers alike.

Closing remarks

I will close with that. We are very pleased to be here. We will be here throughout the day and will join you for lunch. Let me welcome back to the stage, our leader and a good friend, Carlos Ruiz.

IEnova Overview

Carlos Ruiz Sacristan

Chairman and CEO, IEnova

Acknowledging Sempra

Thank you very much Jeff for your vision and for the support from both you and your team. I would like to point out the importance of Sempra management in achieving our goals. First, I want to acknowledge Sempra President and CEO Debbie Reed. She is one of the most experienced executives in the industry and has provided exceptional guidance and support to our business. I would also like to thank Joe Householder, Corporate Group President of Infrastructure for his valuable finance and strategic advice to IEnova.

IEnova

Delivering growth for 20 years

Our commitment to deliver growth in an evolving market, this is the reason why we are here today. To share with you our plans to deliver growth in a market that is evolving very fast in a framework of energy reforms. For more than 20 years, IEnova has been delivering substantial growth and adapting to market changes and conditions. We will continue to do so by seeking new opportunities that fit our business model.

Leading private energy company in Mexico

Today, IEnova is the leading private energy company in Mexico. Our track record speaks for itself. Our core business is to develop, build, own and operate large energy infrastructure. We have a diversified portfolio that includes natural gas and liquid pipelines and storage, as well as clean power generation. We deliver a stable and growing cash flow to our shareholders. Our business is based on long-term, take or pay, dollar contracts with creditworthy counterparties. These contracts generate attractive returns across our portfolio which we have been able to maintain for the past 20 years.

IEnova listed on the Mexican Stock Exchange

I am very proud that in 2013 we became the first and only energy company listed on the Mexican stock exchange. Today, we are very well positioned to capture new opportunities from the reform. We have a strong management team with an average of more than 20 years' experience in the sector. I believe that our team is one of the most capable in the Mexican energy industry. It is very important to mention that we also have very strong support from

the Sempra energy team. As you will see this morning, we are in the right place, at the right time, with the right team and with the right parent company.

How we got here

Leading the market since 1995

Let me now give you some more ground to understand how we got here. We have been leaders since the energy market was first opened in 1995. We won the first natural gas distribution bid and started the ecogas business. We did this with a \$20 million investment. Later, we developed the first pipeline project in Baja California, as well as Energía Costa Azul, which is the first LNG terminal on the west coast of North America, and also the largest in the country.

In 2010, we acquired El Paso's assets in Mexico, including the joint venture with PEMEX, Gasoductos de Chihuahua. In 2012, we won our first CFE pipeline bids, with a total investment of almost \$1 billion. As you know, 2013 was a very important year for IEnova. We completed our first corporate debt and our public offering. After that, we were able to achieve significant growth in 2014 and 2015. We won three large gas pipelines and started operations with the first US-Mexico cross border wind farm.

Achievements last year

Although our strategy has continually been a success, last year deserves special attention. We completed more than \$5 billion of transactions. That included \$2.2 billion in acquisitions, a \$1.6 billion equity follow-on, \$600 million in additional debt capacity and the award of \$1 billion of greenfield projects. This includes our first contract to develop, build and operate solar plants, as well as two CFE pipelines. One of them is the Texas-Tuxpan marine project, the largest in the CFE's program, and the first to be built by a private company in Mexico. This is one of the most important projects in our country and one of the largest natural gas marine pipelines in the world. We have a 40-60 percent joint venture with TransCanada, a leading natural gas transportation company, with marine pipeline construction experience as well as proven execution in Mexico. Just three weeks ago, by the way, we had a public event to announce the start of construction of this very important project.

First PPA between a private generator and industrial customer

Earlier this year, we achieved another first in the Mexican energy sector. We executed the first PPA between a private generator and industrial customer. Now, in relation to our execution capacity, let me tell you that by the end of this week, this Friday, we will have completed the construction of all our pipelines that are scheduled to start operation this year. This is a very important achievement for us.

Growth

As a result of our asset expansion, IEnova has grown from a \$20 million gas distribution utility, to a diversified energy company with total assets of almost \$7.5 billion. This growth has translated into significant shareholder value. As I mentioned before, in 2013, we raised around \$600 million in our IPO to fund our growth. Last year, after a successful follow-on, we raised an additional \$1.6 billion in capital to support our growth and increase our liquidity. It is important to mention that Sempra participated in the follow-on with \$350 million, which demonstrates again its commitment to support IEnova.

Market capitalization

As you can see on the slide, our market capitalization has more than doubled from \$3.2 billion in 2013 to close to \$7.5 billion yesterday. We are now among the top 17 largest publicly traded companies in the country. This reflects that IEnova is not only a leader in the sector, but also one of the leading companies in the country. In addition to being part of the Mexican Stock Exchange Index since 2013, last year we were also included in other very important indexes in the world.

EBITDA

This is my favourite slide, because it shows how our company's growth has materialized into solid financial performance. As you can see, our adjusted EBITDA has grown at the rate of 26% annually. I would like to point out that across our portfolio of assets, we have been able to maintain returns of 9–11% nominal unlevered after tax and in US dollar. It is very important to mention that the weighted average return of our portfolio is in the high end of that range, close to 11%, and we do plan to continue to keep those returns. We are not going to change the returns in the market. Our financial discipline has allowed us to grow significantly while achieving attractive returns, a strong balance sheet, an investment grade rating, and an efficient capital structure. All of this has allowed us to achieve this outstanding performance. This year, we expect our adjusted EBITDA to increase almost 50% to reach our mid-point guidance of \$750 million.

Looking forward*EBITDA expectations*

Now the main question is will IEnova be able to maintain a high rate of growth. I believe the answer is yes. I am confident that we will. Looking forward, if we do nothing more than execute on our existing long-term contracts, by 2019, our adjusted EBITDA is expected to almost double from the follow-on, and nearly triple from the IPO. Let me repeat that. Our EBITDA is expected to almost double from the follow-on, and nearly triple from the IPO, which should translate into increased value for our shareholders. However, I am really confident that we will do much more. As we will discuss in detail later, there are many opportunities for new investment that are consistent with our business model, risk profile and attractive returns.

Past projects

In the past 20 years, we have had an incredible track record. We have been able to complete 25 large projects and three important acquisitions. Execution has been quite challenging. Nevertheless, we have been able to complete all of them on budget and with the expected return and economics. Even in the cases in which we had to adjust our construction schedule due to unforeseen circumstances, our returns remained complete because we received total compensation according to the original calendar.

Increased development, construction and operational capabilities

Because we understand the need to adapt to the evolving market, our development, construction and operational capabilities have increased. Now we are able to execute a large number of projects of different types and scale, and across a wider geographical footprint. In addition, and very important, we maintain safe and efficient operations in our portfolio. We are committed to the protection of the environment and we are a responsible partner with the communities in which we operate.

Evolving markets

Now let us turn to how the markets are evolving and creating new alternatives. Mexico energy reform is profound and comprehensive. The implementation has been quite fast and successful. In fact, just three years after the approval of the reform, we have seen a big transformation of the sector. So far, around \$70 billion have been committed to investment in operation and production, gas pipelines and clean energy. Most of the activities that were limited to the government are now open to the private sector. Before, we were only allowed to participate in natural gas distribution, transportation and storage as well as power generation. Now, private companies can invest in the whole energy value chain, including storage and transportation of liquids, gathering and processing, and electricity transmission, among others.

Potential clients

In addition to alteration of customers, PEMEX, CFE and CENAGAS, now – and this is very important – the energy reform is attracting the participation of private companies throughout the sector, increasing our potential to diversify our customer base and counterparty risk. For example, private companies are now involved in the exploration and production of oil and gas, as well as the supply and marketing of fuel. Many of them are looking for companies such as IEnova with expertise in Mexico to own and operate the assets that they need to access the markets. Our potential clients include many oil companies, refineries, local distributors, marketers, among others.

Potential customers

On the other hand, in the case of the private sector, many industrial and large commercial companies looking for clean sources of electricity are also our potential customers. Serving all of them will require significant investment. Let me stress that we will continue to be highly rigorous on the great analysis of our counterparts in order to have strong visibility of our revenues. We estimate that initial investment required in the areas in which we are going to participate is close to \$45 billion. What this really means is that there are plenty of alternatives and opportunities for us.

Strategic plan

Our strategic plan includes new development of public and private customers in liquids, natural gas and power sector. It also includes accretive M&A opportunities in these areas. I would like to stress again that we plan to maintain the same long-term, take or pay dollar contract model within our target rate of return. We definitely want to be a key participant in the mainstream sector. We plan to develop new liquid pipelines and storage facilities that are required to meet growing demand for gasoline and diesel. Just last week, PEMEX and CFE announced very attractive projects in liquid pipelines and storage terminals. We are also looking into fee-based gathering and processing.

Natural gas pipelines

Secondly, we will also continue to pursue natural gas pipelines and storage projects as the system continues to interconnect and expand, generating new investment needs.

Clean energy

Third, because it is very important for us, we will dedicate significant efforts to expand our clean energy portfolio by developing new wind and solar projects. These sectors are one of the

newest in Mexico and the growth potential is extraordinary. We have the resources and the expertise to be a leader in the clean energy business.

Investment in power

Fourth, we are actively pursuing the development of Energía Costa Azul liquefaction facility. Fifth, as the power market evolves, we will evaluate investment in power and transmission. In a moment, Tania will talk in detail about our plans for developing all these businesses and the resulting potential growth. Lastly, we are pursuing growth through strategic decisions that feed our business model. After Tania's presentation, Nelly will discuss this further.

Concluding remarks

Potential growth and financial discipline

To summarise, I would like to emphasise that we have the skills, the financial strength and the expertise to continue to grow in the liquids, natural gas, clean energy and electricity market by pursuing both greenfield projects and M&As. I want to be very clear. We will continue to be selective on our capital allocation and we will remain disciplined in order to achieve our target returns. Tania and Nelly will discuss all this in detail after the break.

Video introduction

I will leave you now with a short video about our company. I hope you enjoy it. We will see you again after the break.

[VIDEO]

Growth Plan

Tania Ortiz Mena

Chief Development Officer, IEnova

Growth opportunities

Good morning everyone, and welcome back. Today, I will talk about our growth plan. I will explain a more detailed sense of the size of each of the opportunities that we will be pursuing. I will talk about why we believe IEnova can and will be successful in capturing these new opportunities. I will provide some specifics about timing and areas of focus in the short term in each of the segments in which we intend to participate.

As Carlos mentioned, the Mexican market is evolving. It is evolving very quickly, and it is providing us with a very wide variety of options to continue to grow and diversify our business, and this is very important. We will not only diversify our asset base. We will also diversify our customer base.

Areas of focus

Our areas of focus will be the following: first, continuing to capture opportunities in natural gas infrastructure; second, broadening our participation in the liquid fuels business, particularly in gathering and processing as well as refined products, storage and pipelines; third, increasing our participation in renewal generation; fourth, entering electric transmission.

Size of opportunities

To give you an idea of the size of the opportunities in each segment, these are our estimates, which I would say are fairly conservative, of how much investment is needed in total in each of these areas. In natural gas, we estimate that about \$10 billion are needed through 2025. In liquids infrastructure, another \$10 billion, roughly, are needed in gathering and processing, as well as refined products, storage and pipelines. And in the generation business, including renewables and transmission, we estimate that around \$25 billion are required through 2025.

That means that there are \$45 billion of opportunities out there, which are available for us to pursue. Obviously in this evolving market, we have widened our customer outreach efforts. So, PEMEX and CFE will continue to be very important customers and partners to us, but you will be seeing a lot more bilateral transactions.

Power Purchase Agreement

Over the past few months, I think we have already proven that this new diversification strategy is working and can work. Just a few months ago, we announced that we executed the first Power Purchase Agreement between a private generator and an industrial off-taker. This was the first PPA that was executed in the entire country after the energy reform, and it is a contract that follows our business model. It is a 20-year take or pay, dollar denominated contract for 100% of the capacity. It is with a very solid off-taker, Deacero, one of the leading steel producers in Mexico. This contract will translate into a 110-megawatt solar facility in the state of Sonora.

As I will explain throughout the presentation, today we are also in very advanced discussions with private off-takers to potentially develop liquids terminals. So, we are very confident that this strategy will allow us to continue to grow earnings and diversify our business while maintaining the same business model, the same risk profile and the same target rates of return.

Everything that I will be discussing today is in addition to the projections that Carlos described through 2019. This is, like Carlos said, if we do nothing more, we will double our EBITDA by 2019. Everything that I will discuss today is on top of those projections that Carlos mentioned.

Evolving environment

Before I go into a detailed description of each of the segments in which we will participate, I would like to point out a few differences, because I know that all of these issues are in your mind.

Customer mix

First, let me talk about the customer mix. CFE and PEMEX will continue to have a very dominant role in the market, and they will continue to be a key customer for us. And we hope to continue to expand our partnership with both PEMEX and CFE, but we will very proactively seek to contract with new market participants, which are private companies.

Some good examples are the E&P companies that are entering the market. We are in discussions with them to see if we can develop gathering and processing infrastructure. The new international refining companies or international traders that want to enter the fuel markets need import facilities and distribution facilities, which we can build for them. The industrial customers that want to contract renewables we are also talking with them. So, you will see a very different customer mix and diversification of our customer mix.

Visibility

Second, regarding visibility, I know you were all used to seeing that very long list of CFE pipeline bids, and you would know where we would be targeting our growth through the next two, three or four years. We will still see some CFE and PEMEX bids and obviously you will have relevant information about those, but because we are holding a lot of bilateral negotiations with private off-takers, it is commercial sensitive to disclose that information. So, we will try to provide color around our areas of focus, timing in what we are doing, but it will not be so easy for us to give you a list of the deals that we are negotiating.

Diversity of scale

The third difference, and I think this is also very important, is the diversity of scale. During the past three or four years, we had those huge CFE pipeline bids – \$0.5 billion to \$1 billion projects each. We will still see some very large projects, primarily the projects that are sponsored by the government. One good example is the transmission bids. Or maybe some of the outstanding gas pipeline bids. But, you will also see a lot of medium-sized projects. By medium-sized projects, I mean projects that go from \$100 million to maybe \$0.5 billion, and those are the types of projects that we are negotiating with private counterparties. In that area, you will see the gathering and processing projects. You will see the refined fuels infrastructure projects. You will see the renewable projects. Now, with those mid-sized projects, what we intend to do is replicate several projects so they can actually add scale to our business. And obviously there are much smaller projects which we are simply deciding not to pursue, because they do not move the needle in terms of growth.

Now that I described how this is a different environment, I will go into each segment and describe where we see the opportunities.

Refined products

Let me start with refined products infrastructure, because this is first a very exciting opportunity. And second, it is a very short-term opportunity.

Open fuels market

Mexico has developed a full regulatory framework with a very comprehensive set of rules and regulations for the creation of a truly open fuels market. This is a tremendous opportunity. So, price liberalization of gasoline, diesel and LPG already started this year. It started in northwest Mexico, and it is expected to be completed throughout the entire country by the end of this year. In fact, just this week, as you see all the area in orange – Monterrey, Tamaulipas, Chihuahua, and Coahuila – prices will be liberalized in that area. In parallel, PEMEX was forced to offer open access in its existing fuels products infrastructure to third parties. So, the PEMEX open season started in northwest Mexico and will gradually progress throughout the country as prices are liberalized.

In the first open season, PEMEX released about 30% of its capacity, so the remaining capacity continues to be held by a PEMEX subsidiary. A single U.S. west coast refinery took that 30% available capacity, which means that anyone else out there that wants to enter the market needs a new facility to be built.

Until this year, PEMEX was the only retail gasoline brand in Mexico. Today there are already eight brands and a lot of the major retail companies are looking to enter the market. Just last

month, BP opened their first gas station in Mexico City. Their prices are no different from prices in the PEMEX gas stations, but there is a very long line of cars wanting to pump gasoline at the BP gas station. It is an exciting, new experience for Mexican consumers.

Current infrastructure is insufficient

Let me explain what is driving the need for refined products infrastructure. Mexico heavily relies on refined products – diesel, jet fuel and gasoline – imported into Mexico. So, all of the products that comes into the Mexican Gulf Coast and central Mexico is imported from either the U.S. Gulf Coast or northwest Europe. Into the Pacific, we are also seeing product coming all the way from the U.S. Gulf Coast, across the Panama Canal and we are also receiving products from the U.S. west coast and from Asia. So once the products land in this very congested and fairly old, I would say, marine terminals in Mexico, they are primarily trucked throughout the country. Trucking as you know is very risky, and it is very expensive compared to any other alternative.

Now, Mexico is among the ten largest consumers of gasoline in the entire world. During the past ten years, gasoline demand has increased by more than 15%, and domestic gasoline production has decreased by almost 20%, which means that today, Mexico imports more than 50% of its gasoline. But in spite of these very fundamental changes in supply and demand dynamics, Mexico has pretty much the pipeline capacity and our storage capacity for refined fuels has pretty much remained the same since 1990. So, it is a huge market. It is a growing market. It is more and more dependent on imports, and there is insufficient capacity to move all those fuels.

Significant infrastructure required

In response to this problem, the Ministry of Energy is about to issue a new energy security policy to dictate minimum inventory requirements. Today, Mexico has inventories for gasoline for three days. If we have bad weather in the Port of Tuxpan, Mexico City runs out of gasoline. That is how bad it is. So, the minimum inventory requirement is going to be 11 days by 2025. This requires a huge buildout of gasoline infrastructure in the country. But even at 11 days, Mexico is going to fall way short of what I will call best international standards that are around 60 days in countries like the United States or Western Europe.

So, you can see all these drivers: market opening up, very reliant on imports, bad infrastructure. There is immediate need for new marine facilities to import refined fuels, and there are a lot of market participants that want to capture that opportunity. As we build those marine terminals to receive imported fuels, we will also require inland terminals where you can store and distribute those fuels to the demand centers. And eventually, as we build scale between marine terminals and inland terminals, we will require pipeline to interconnect both facilities.

According to the Ministry of Energy, the investments that are needed in refined fuels infrastructure through 2025 is \$8 billion and all of the international players that are looking at entering this market understand the need to anchor new infrastructure in order to access the market.

IEnova positioned to capture opportunities

Let me talk now about IEnova and why we think we are very well position to capture this opportunity. First, very importantly, we are one of the very, very few companies in Mexico that

already has experience in liquids infrastructure. We own an LPG pipeline that goes from Burgos to Monterrey, one of the very few privately-owned LPG pipelines in the country. We own an LPG storage and delivery facility in Guadalajara, one of the largest cities in the country. We own an ethane pipeline in southern Mexico. And of course, we have Energía Costa Azul LNG terminal, which very importantly includes one of the very few privately-owned ports in Mexico, which we permitted, developed, built and operate. So, we believe that our experience and our brand reputation will allow us to capture very large investment opportunities.

Actively pursuing projects

Let me talk about some specific projects that we are working on.

Monterrey

In Mexico, we are of course looking at Monterrey. Monterrey is a premium market, because it is very close to the border and it has access to the U.S. supplies both by land and by sea. So, we are looking at both marine and land options in parallel to access the Monterrey market. Second this was an exciting announcement that we made yesterday regarding the port of Veracruz. Just yesterday, we submitted a bid to the port of Veracruz to develop a marine terminal to receive and store hydrocarbons. We will know the results by the end of next month, but the idea there is to build a substantial hydrocarbon facility that will be the entry point for supply of both gasoline and diesel into central Mexico. And central Mexico is obviously the largest market in Mexico. It is the Mexico City market. So, we are confident that if we win this bid, we will have a fully subscribed terminal.

Pacific coast

Another interesting opportunity is the Pacific coast. For U.S. west coast refiners, the Mexican Pacific coast is a premium market. So, we are working with them and we are in advanced discussions to develop facilities in the smaller isolated markets along the Mexican Pacific coast, including Baja, Baja Sur, Sonora and Sinaloa.

And finally, Guadalajara is also a very interesting market. We already own an LPG distribution and storage facility in that area. We believe we can expand it to include other fuels, and it would be supplied through a new terminal in the port of Manzanillo.

Other opportunities

Again, our team is working full time on these opportunities. Last week, as Carlos just mentioned, we had some exciting news from both CFE and PEMEX. CFE is converting its power plants from fuel oil to natural gas, so it no longer has any use for its fuel oil tanks and facilities. So, it is launching a process to find a partner that will work with them to convert their fuel oil terminals into clean products terminals in order to offer access to third parties. They are starting this process in Northwest Mexico, in Rosarito, Puerto Libertad and Mexicali and if they are successful, they will progress throughout the country. Bids are due in August, our team is just reviewing the materials to date, so we will let you know as we find more about this process. But it may be a good fit for us.

Second, the PEMEX CEO in a conference just last Thursday announced a PEMEX mid-stream development plan. Their plan says that Mexico requires 11 product pipelines, four storage terminals as well as rail. He was not very specific as to how PEMEX intends to develop this, but he did say that many of these pipelines may be developed either by private companies or jointly

by PEMEX together with private companies. It was very surprising also to hear his estimates on investment requirements, because he said that \$15 billion are needed in this infrastructure. So, this is actually double of what the Ministry of Energy is saying. So, obviously things are happening in the mid-stream space and they are happening very quickly. And again, we believe we are very well positioned to capture these opportunities.

Let me give you an idea about size. Each of these, for example, marine terminals, investments will be between \$100 million and \$200 million. As I described, these marine terminals will often be associated with inland terminals. So, you can add another \$100 million to \$200 million. Sometimes you have one marine terminal associated with two inland terminals. So, if you look at each set of opportunities, we may be looking somewhere between \$200 million and \$500 million for each set of opportunities. We are actively in discussions with about 10 prospective customers for different projects throughout the country. Our prospective customers include refiners, integrated oil companies and global traders.

Gathering and processing

Let me now switch to gathering and processing. Gathering and processing is more of a mid-term opportunity. Last year, Mexico held its first exploration and production auctions. They were super successful. They were the first auctions in 70 years, so Mexico was actually able to attract commitments for about \$50 billion last year. But this year's E&P auctions I think are particularly interesting to IEnova, because it is this year in what we call 'round two' where a lot of the fields where gas resources are located will be bid, particularly in the Burgos Basin. In the Burgos Basin up north, it is a continuation of the U.S. gas basin. So, as we are seeing participants entering that space, we are reaching out to them to be able to develop gathering and processing infrastructure for these companies.

Gathering and processing is an area where we do not have any experience. And where we do not have the appropriate experience, we seek out strategic partners. So, in this particular case, we are already working with a partner who has ample gathering and processing experience in the U.S. The business model that we intend to pursue is a fee-based model. At this point, we do not anticipate pursuing commodity-based structure in the gathering and processing space. So again, it is important to watch the results of round two of the E&P auctions.

Natural gas market

Now let me talk about one of my favorite subjects, natural gas. During the past four years, we saw a spectacular build out of pipeline infrastructure in Mexico to provide access to abundant U.S. gas supplies. The Mexican gas network will grow from approximately 12,000 kilometers in 2012 to 20,000 kilometers by 2018. IEnova was successful in capturing approximately 30% of these growth opportunities. However, there is still significant unserved demand in pipelines and other gas infrastructure.

Growth prospects

Let me talk about where we see the opportunities.

New pipelines

First, there are a couple of pipelines yet to be tendered under the original government program. That is about \$4 billion of pipelines. Most of them are in southern Mexico and the bid schedules have not yet been disclosed, but obviously we will be following those closely.

Interconnections

Second, we are holding discussions with CENAGAS. CENEGAS is an independent system operator. It is a new entity that inherited all of the old PEMEX gas pipelines. We are talking to them and actually they approached us to see if we can build interconnections between their system and our pipelines to provide more flexibility and more reliability to both systems. It is an interesting investment opportunity.

Compression

Third, we are in very advanced negotiations with existing customers to add compression or existing pipelines to add either capacity or pressure on those systems.

Laterals

Fourth, we are reaching out to industrial consumers that are located along our pipeline routes. Now that they have access to natural gas, we believe they will be interested in switching to cleaner and cheaper natural gas for their industrial processes. Some of these projects may seem smaller in scale, but we do again see the ability to have multiple projects.

Distribution

Another interesting opportunity is gas distribution. Today, only 7% of Mexican households have access to natural gas, because gas was simply not available. As we build this large pipeline system, we are confident that we will see more distribution companies growing along our pipeline. Just in Sonora, where Carlos mentioned we just finished our 1,000-kilometer pipeline system, there are two new distribution systems being developed in Sonora and Sinaloa.

Underground storage

Another opportunity – and this is something that keeps me up at night – is underground storage. You may not believe this, but Mexico has no underground gas storage whatsoever. So, we are relying on imports from the U.S. And, if for any reason, be it weather, technical or even political, gas supplies from the U.S. get curtailed, we will have blackouts throughout northern Mexico. So, I do believe that Mexico urgently needs underground gas storage. I think the Ministry of Energy obviously sees the necessity too, because they are working on a specific strategic natural gas storage policy. What they have told us is that they hope to issue that policy by the end of this year, which would set specific mandates for natural gas storage.

We also know that CENAGAS, the independent system operator, is already formally evaluating the technical and economic feasibility of adding storage to its system. This is another area where we do not necessarily have any experience in IEnova, but of course, we are very lucky to have a parent company that has the appropriate experience, and they are always willing to help out to start the business.

So, the scope of the storage facilities and the size will be determined once these policies are issued. But we think investments will be around \$300 million-\$400 million each.

Liquefaction

And finally, regarding Energía Costa Azul, our liquefaction project, this is more of a long-term opportunity, but it is a very exciting opportunity because it could be the largest single natural gas infrastructure project in the history of Mexico. It is perfectly positioned to serve markets in the Pacific basin, and it could be the first liquefaction facility in North America. Because permitting and the development schedules for these facilities tend to be very long, we already

filed all of the major permits in Mexico, both environmental and regulatory and we hope to get those permits maybe by the end of this year. Once we have those permits, we will begin marketing the project with potential customers, and depending on customer feedback, we will determine the development schedule for the project.

So, as you can see, we have a wide variety of options still in the natural gas market.

Power sector

Now, let me turn to the power market, because this is another area where we have very short-term opportunities. The Mexican power market has already evolved from a CFE monopoly to a market where we have an independent system operator. We have multiple generators. We have several wholesale marketers. And, we have a growing base of private customers.

Clean Energy Transition Law

In December of 2015, the Mexican Senate approved the Clean Energy Transition Law, which sets very aggressive mandates for clean energy by 2024. Thirty-five percent of energy generated in Mexico has to come from clean sources by 2024. These goals imply a clean energy market of more or less 2.5 gigawatts per year between now and 2024. So, we expect investments at least for the next five years to be between \$10 billion and \$15 billion just in renewable energy.

Renewables

Last year, Mexico held its first two auctions for renewable energy and starting this year, we will see one auction per year for somewhere between 2,000 and 3,000 megawatts each. As you can see in this forecast, the majority of capacity additions will be in renewables, and solar will capture a very relevant share of those new projects. We are focusing our efforts to participate in these auctions, but we are also very proactively reaching out to industrial consumers.

We expect that in the future, private consumers, particularly in the renewable business, could represent 30% to 50% of the customer base. Obviously as generation expands, there will be new transmission required in Mexico, and that is another segment in which we intend to participate maintaining the same business model – long-term contracts dollar denominated.

Attractive investment

Let me stop here for a second before I go into specific opportunities and address a concern that I know that we have heard from many of you. It is to understand why renewables are a good fit for our portfolio, why they are consistent with our business model and how they will continue to add growth. First, let me explain. Renewable energy in Mexico is cost-competitive on its own. We do not have any subsidies. We do not have any tax incentives. Actually, I believe that Mexico made the right decision by waiting to promote renewables until technology costs were competitive with conventional energy.

Cost competitive

So, why are costs so competitive? First, of course, we are getting the benefits of the global effects of reductions in equipment costs. We do have cheaper land and cheaper labor costs. But also very importantly, we do not have special import duties on panels imported from China. That is a huge difference. In countries such as the U.S., I believe import duties on panels manufactured in China are as much as 30%.

In the last auction, we saw solar prices in Mexico among the lowest in the world. But I want to emphasize that cost reductions are driven by lower procurement costs, not by lower project economics. As we go after renewal projects, we will continue to maintain our target rates of return. We are not going to chase returns down.

Attractive contracts

Second, the renewable contracts are very consistent with IEnova's business model. They are 15-20 year contracts, dollar denominated, 100% of the capacity, with credit worthy counterparties. This is the same business model.

Upsides

Third, we are conservative in our operating model so that we can ensure that we can meet our delivery obligations. And sometimes we will even have upsides. We are also conservative in our financial model to ensure that we can meet our target returns.

Economies of scale

Fourth, the renewables market is another area where scale is important. The size of our renewable projects will be somewhere between \$100 million and \$300 million. But if you saw the growth that is required in this market, we believe that we can replicate and have multiple projects so that we can build scale. In fact, we already are building scale around this business. As we build scale, we will be more competitive in our procurement costs, in our operating costs and create synergies.

Low risk

Fifth, these projects at least compared to some of the other areas in which we are active are fairly low risk. Operations are fairly simple, execution is fairly simple and there is very little volumetric risk imbedded in these contracts, because that is the way we design our project.

Customer base

Finally, we also see renewables as a great opportunity of expanding our customer base with strong credit worthy counterparties.

Attractive returns

Today, IEnova has 650 megawatts of projects either in operation or under construction in the renewable space. So, we actually became, a little bit to our surprise, one of the top five companies in Mexico in renewables. But despite intense competition, if you look at our renewables portfolio, our rates of return are between 9% and 11%. So, we have maintained very solid rates of return.

Investment opportunities

Short-term

Where are we focusing in the short term? We are focusing on developing greenfield projects. Our team is pursuing today literally maybe 20 or 30 greenfield projects in parallel. We are also looking at expanding our existing projects, not only our wind farms in operation, but we are already looking at expanding the solar farms that are under construction. With those projects, we do intend to participate in this year's auction. Offers are due in November, but we are also in discussions with industrial off-takers to try to replicate the deal that I described earlier with Deacero.

Mid-term

In the mid-term, another important effort is to build a platform where we can aggregate load from both either industrial or large commercial off-takers. That way we can reach out to a larger customer base.

Power transmission

Finally, I would like to briefly discuss power transmission. As you know, the government last year announced two power transmission bids. Each of them is a \$1.2 billion investment opportunity. The first one is a transmission line that will interconnect Oaxaca, which is very rich in renewable resources to central Mexico. It is a 600-kilometer line. The second opportunity is a line that will interconnect Baja California, which is currently isolated to the Sonora market. It is a 700-kilometer line. The bid schedules have not yet been disclosed, but we will obviously be very eager to participate in those.

Competitive environment

Before I conclude, let me talk a little bit about the competition. Obviously, competition has also evolved. Competition has increased, but it is very different by sector and obviously we have different tactics in each segment to ensure that we continue to be competitive.

Natural gas

In natural gas infrastructure, we are not seeing any new players. You still have three or four big competitors. We are confident that we can maintain our leadership position.

Renewables

The renewables segment I would say is fairly crowded. We have a wide variety and a large number of competitors, everything from very small local developers – three to five people – to infrastructure funds to the super-large international utilities. But the good news is that we are actually seeing more of those companies exiting the market rather than entering the market. And Nelly will provide more information as to why that is happening and where we see the opportunities.

Liquids

In liquids infrastructure, our competitors so far include international mid-stream companies. They include investment funds. And there are some trading and refining companies that are looking to develop infrastructure on their own. But in this area, we are positioning our brand early and we are positioning our brand well. So, potential participants do see us as an ideal choice to develop infrastructure for them.

Transmission

In transmission, at least the two projects that will be bid shortly are very large. They are very complex. So, what we are seeing is big international companies getting together to participate in these bids, and that is also what we intend to do. We are talking to some very large international players to go together as a consortium.

Summary

Our strategy over the next few years is to maintain our leadership in natural gas, to expand our participation in liquids, particularly in fuel storage and pipelines as well as gathering and processing, to consolidate our emerging leadership in renewables, to enter the electric

transmission sector. In order to achieve this, we have been expanding our team to ensure that we have the skills and the capabilities to capture these opportunities. Some members of my team are in the audience today, so I really hope you get a chance to talk to them.

In the next few years, another very exciting source of growth for IEnova will be M&A. So, I am going to stop here and I am going to introduce Nelly Molina, so she can discuss M&A. Thank you, Nelly.

M&A Potential

Nelly Molina

Vice President of Finance, IEnova

Thank you, Tania. It is great to have you all here. Thank you very much for coming. You just explored with Tania the full universe of the energy sectors in Mexico, and we can clearly see that IEnova has plenty of options to increase and expand our business. I will continue on that path and speak about how we can continue creating value through mergers and acquisitions.

Accelerate accretive growth

M&A is definitely a very important part of our future strategy, because it allows us to accelerate growth. In fact, it is so important that one-third of our growth since 2010 has come from acquisitions. So far, we have completed three very large transactions with a value close to \$3 billion. By acquiring assets that are very similar to those in our portfolio, we capture synergies. We also bring immediately new revenue, new customers and often new locations that we can leverage to further grow our business. We negotiate attractive returns in acquisitions that add to our financial performance with an immediate boost in our adjusted EBITDA and accretive earnings. In addition, with the acquisitions we bring new skills and resources that can be used to capture additional business opportunities for IEnova.

Today, we are known as a key and serious player in Mexico, because of our previous acquisitions, our success in the clean energy auctions, our active participation in government bids, and our reputation for execution of construction projects. This definitely will bring a lot of potential M&A transactions in the future.

Pursuing renewable deals

Now, where do we believe those new M&A potential transactions may come from? Well, from a variety of business sources. For instance, in the renewable world today, we have more than 2,000 megawatts for sale in a combination of projects that are in development, in construction and in operations. You may wonder why there are so many at this time on sale. The market is rapidly changing and there are several reasons.

First, there are companies that are looking for strategic partnerships with companies that have execution and operation capabilities, just like IEnova, so they get help to complete the projects. Others are spinning off development projects for which they do not have the resources to complete. And some of the developers are monetizing projects so they can recycle capital. Other opportunities for IEnova may come from the international companies that Tania mentioned, or the companies that are reorganizing their international portfolios and they may

get mandated to sell their Mexican assets. For us, this is extremely important, and I can only tell you for now that we are currently evaluating individual projects and groups of assets.

Gas and liquids

Liquids sector

In the gas and liquids sector, we can also use strategic acquisitions to continue growing. For example, and Tania mentioned it as well as Carlos, is the recent announcement of PEMEX for their mid-stream development plan. They are seeking partnerships to co-invest with them in at least 11 pipelines, at least four terminals and rails. We believe these could represent very important opportunities for IEnova. They have indicated that these investments could reach \$15 billion of investment.

CFE, as Tania mentioned, also has some legacy liquid storage assets. They are underutilized, because they had converted much of their power generation to natural gas. The potential acquisitions and partnerships with PEMEX and CFE could accelerate our entry into the liquid sector by accessing existing infrastructure.

We are today very open to the different arrangements, type of contracts and commercial structures that are compatible, of course, with our business model.

Natural gas sector

Let us talk about the natural gas sector for a moment. PEMEX no longer owns any natural gas pipelines. They only have the Ramones-Norte pipeline. Eventually, it makes sense that they will divest of their ownership in that. We would be a natural buyer of that pipeline because we already own 25% and we operate it.

We are looking into the optimization of our pipeline and gas distribution businesses through a strategic partnership that can bring scale and meaningful synergies to us.

M&A, again, could contribute a lot to our future, and we are very confident that there will be sufficient opportunities in M&A to close in the next few years acquisitions all across our major lines of business. I can only tell you that we are evaluating individual projects and groups of assets that could lead to additional investments of north of \$1 billion.

Financial Highlights and Funding Capabilities

Nelly Molina

Vice President of Finance, IEnova

Now, I would like to take a moment to talk about four specific financial topics: our balance sheet scale and strength; the quality of our adjusted EBITDA and its predictability; our debt profile and debt capacity; our other alternatives to fund future and significant growth.

That is our plan. We want to continue delivering growth in a financial, disciplined way. Throughout this portion of this portion of the presentation, I am going to focus on how the quantity and quality of our contracts and assets creates this ability into how our EBITDA is constructed and how it is visible as a platform for the additional growth.

Balance sheet and strength

Due to all of our activity in 2016 that you have heard Carlos say, our total asset base went from \$3.5 billion to \$7.2 billion. As a result, in 2017, for the first time, IEnova is expecting its revenues to reach \$1 billion.

Over the past few years – five years actually – we have deployed \$3 billion of capital. We have a peak of annual expenditures close to \$800 million on multiple and complex construction projects. This does not count the \$2.2 billion that we have invested in M&A activity during the same period. This year, we expect our capital expenditures to be around \$820 million. During the next two years, 2018 and 2019, we expect it to be around \$400 million. The majority of these capex investments will be dedicated to completion of the marine pipeline and our three new solar projects.

High quality EBITDA

Now I will review our results over the past five years. Carlos already went through our impressive increasing EBITDA during 2017 and how that was achieved by adding new contracts and acquisitions. Now, I would like to focus for a moment on the quality of this adjusted EBITDA.

First, it is based on revenues that are anchored for long-term, dollar denominated and where tariffs and revenues are predictable and coming from credit-worthy counterparties. Our revenues come from different types of assets and an expanded customer base do not have commodity risk. In the past five years, our adjusted EBITDA has grown from adding these type of assets – the gas pipelines, liquids infrastructure, wind farms and of course, the acquisitions.

As a result of expanding our gas and liquids division, we have added also revenue from the government, CFE included, CENAGAS and PEMEX. And for the renewable world, we have added very credit-worthy counterparties, such as San Diego Gas and Electric, Cemex, and FEMSA among others. After 2017, we should also have a substantial increase in EBITDA, as additional contracted projects are in service. And, we expect two others in 2018 and 2019, earnings and EBITDA coming from the Marine pipeline, which we own 40% with TransCanada and from our three solar projects.

I know there is no reason to repeat it, but I will. Our adjusted EBITDA will nearly triple from the IPO and almost double from the follow on, but of course you can't complain. We are not counting additional growth contracts that we can add or additional M&A activities during this period. This growth is through 2019.

Asset and customer diversification

Right now, our adjusted EBITDA is generated by approximately 55% of the transportation services. In our growth path, another objective that we met is the diversification of assets and customers. In this graph, you can see a breakdown of that adjusted EBITDA by type of business in the gas and power segments. This is highly diversified across all assets. I remember at the time of the IPO in 2013, one single asset generated more than 50% of our EBITDA. That was the LNG asset. At this time because we added more than 10 pipelines to provide transportation services, now it represents only approximately one quarter.

Let us look at some other metrics. Since the IPO and through 2017, we grew our number of assets from 16 to 25. The number of activities that we now handle is 8. And we have increased

our presence in the state locations from 8 to 13. All of this translates into highly visible, high quality financial performance generated from a diversified business portfolio.

Debt capacity

Let us now look at our debt capacity.

Capital structure

Currently, we have a healthy and conservative capital structure. Debt, which is now on a consolidated basis, approximately \$2 billion. Debt accounts for approximately 30% as of the end of the first quarter of this year. We have been very deliberate and basically how we leverage IEnova. If you were to ask us how we envision this company in terms of debt to equity ratio, we can tell you that we see this company with approximately 50/50 ratio, probably no more than that.

Given our healthy capital structure, we currently have very strong credit ratings. From Moody's we have a global scale rating of Baa1, and from S&P a local rating of AAA, the highest possible. These ratings are consistent with our low debt/equity ratio. One key attribute that the agencies take into account is the strong support from our world-class parent company, Sempra. They really take that into account to give us our ratings. In our case, those agencies are focused on a key metric – net debt to consolidated EBITDA. To keep our investment grade, that ratio should be kept in a range from 3.5 to 4.0 times. As of the end of the first quarter, we estimated it to be 3.1, because we have \$2 billion consolidated debt. We are committed to maintaining investment grade, and this target level ration, because it helps us to keep low cost of capital.

Debt maturities

On the right portion of the slide, you can see the different structures that we have on our consolidated debt and the different maturities. In our short-term portion, we have an intercompany loan coming from Sempra of about \$335 million. Our revolver line we also treat as short term, but it matures in 2020, because it has a five-year tenor which was contracted in 2015. The majority of our debt matures after 2020, and it is related at this time with a 12 and 20-year tenor project finances that we inherited from the two acquisitions last year, Ventika and Gasoductos de Chihuahua (GDC). The remaining portion is a ten-year local bond, with a maturity in 2023.

Last year, and this is very important, we have increased our revolver line from \$600 million to \$1.2 billion. Currently, \$720 million is available for use. This liquidity will allow IEnova to fund the current capital commitments, the projects in construction and M&A opportunities.

Talking about the costs, currently we estimate our weighted average cost of debt of around 3.8%. We consider this very efficient, very competitive in the current market.

Other sources

So then, what do we do with debt? What do we want to do in IEnova? We want to focus on changing the debt profile to longer-term tenors. We are planning this year to refinance our short-term debt, so that we can have a better match between the debt maturity and the tenors of our contracts and cash flows. We can do that by accessing the international and/or local debt markets. If we do that, we can then reserve the full \$1.2 billion of the revolver to capture new opportunities, so we can quickly react to the opportunities that are presented any moment.

How much long-term debt can we raise to fund these capital commitments and new growth? Once additional projects are placed in service and our EBITDA increases, we expect to have approximately \$1.5 billion to \$1.8 billion of total debt capacity, long-term as I indicated, during the next two years. That is our vision of debt. Aside from this, you know that we have many alternatives to fund significant growth and at the same time maintain our investment credit ratings.

So, other than our short- and long-term debt capacity, we can use our cash flows from operations, which are increasing as we place projects in service, and the cash that we now consolidate from GDC, which has significantly increased, as well as Ventika. Another source of funding is investing in joint ventures, where we may be allowed to raise finance, non-recourse to IEnova and it does not get consolidated onto our balance sheet. We also have copied a model that Sempra uses in the U.S. They have used project financing to fund joint ventures due to the advantages of minimizing the equity funding and optimizing the long-term debt secured only by the projects.

And, although it is an option for us, equity issuances is not under the current plan, because we are yet to maximize the use of other alternatives to funding that are less costly and more efficient to our shareholders. Be assured that we are going to continue evaluating all of the options to make funding decisions that are best for IEnova and for our stakeholders.

Financial objectives

Finally, I would like to tell you about our financial objectives going forward and under the premise to continue delivering growth. We intend to continue growing EBITDA in a disciplined way through the same business model and expected returns. And by the way, what returns? The range of return that we want to target is from 9%-11%. That is under a dollar basis, nominal, after-tax and unlevered.

So, we expect also keep a strong balance sheet maintaining our credit ratings. And we will continue managing in a disciplined way our cash and debt. We want to increase shareholder value through the increasing EBITDA and the distribution of dividends. Be assured that we want to maximize all of our financial capacities in order to fuel IEnova's growth.

With that, I thank you very much and I will ask Carlos to come back to give final remarks.

Closing Remarks

Carlos Ruiz Sacristán

Chairman and Chief Executive Officer, IEnova

Thank you very much Tania and thank you very much Nelly. Those were two really good presentations. I hope that you enjoyed.

Growing dividends

Now I would like to briefly talk a little bit about dividends. Dividends are an important topic that many of our investors ask about. Over the past six years, as you can see in the chart, we have paid \$850 million in dividends, without limiting our growth. Each year, our dividend payment increased, until last year when we had a limitation in the tax profit account, and we only paid \$140 million. But we no longer have that limitation.

We do not have a dividend policy and we are not planning to have one. Instead, each year our shareholders delegate to our Board of Directors to determine the dividend amount and the way it is to be paid. That being said, I would like to be clear that our intention is to continue paying dividends that grow annually. Dividends are another area in which we plan to deliver growth.

Ideally positioned

In closing, let me tell you that for more than 20 years, IEnova has demonstrated a successful track record in winning and securing profits and delivering growth. IEnova has a diversified asset base, a safe and sustainable operation and stable cash flows creating a strong platform for additional growth. The evolving market has opened significant investment options that should allow us to continue expanding our business. We have a sound financial structure to enable us to execute our growth plans. IEnova is ideally positioned to deliver growth, while maintaining its business model and attractive rate of returns. As I mentioned this morning, IEnova, I believe, is in the right place, at the right time, with the right team and with the right parent company.

Thank you very much and now I invite Tania and Nelly for question and answers.

Q&A

Sue Bradham: While we quickly get setup here, I just want to explain the process for Q&A. Ale and I are going to come around with microphones and we ask that you please use them so not just the people in this room can hear, but also those on the webcast. And when you raise your hand, we will bring them around.

Carlos Ruiz Sacristán: Somebody told me that you have a question that is in relation to the Mexican economy, NAFTA and the Mexican electoral year 2018. I will take that question. I will be really brief, because of after lunch, Federico Reyes Heróles, is going to talk about that, and I hope that we both have the same conclusions.

The Mexican economy has performed really well in the past six months. The Mexican peso has appreciated substantially since November, close to 16%-17%. The stock exchange has increased almost 10%. And the projections for the Mexican economy and the growth of GDP have been changed by the government and by other analysts.

This improvement in performance has to do with two things. First of all, that we have in Mexico strong fundamentals. But I would think even more important, an important decline on the pessimism that existed at the beginning of the year in relation to Mexico due to the problems and the facts about the negotiation of NAFTA, and also the U.S. Mexican relations. That pessimism has been reduced and that is why we are seeing better indicators.

Today, we know that NAFTA will have to go through negotiations, and that they will start in less than 90 days. The Secretary of Commerce has stated that he expects to finish negotiation by December or early next year, and the result of the negotiation will take place in 2019. I was part of the negotiation team in NAFTA 20 years ago. I know NAFTA quite well, and I believe that we are going to end up with a modern version of NAFTA which will include better conditions regarding dispute settlement, something very important, investment protection rules. NAFTA has a Chapter 11, which really protects investment in assets. But other trade agreements that United States has signed and Mexico has signed after that include not only protections for

assets, but also include protection for contracts. That will be extremely important. Also, I believe that energy chapter will be included, and also e-trade agreements will be included. We will end up, I believe, with an enhanced North American Free Trade Agreement that will improve North American competitiveness with the rest of the world.

With regards to the Mexican 2018 elections, I think it is too early to say something. Recent polls show that for voters' intentions, no party has more than 30% of voter intentions. MORENA party, which is the leading party in the polls, its candidate has been campaigning for the last 18 years. So, his name is very well known, and obviously since the other parties do not have candidates at all yet, he is on top of the list. But I expect once the PRI, PAN and PRD defines its candidates, we are going to see a switch on this electoral pulse. As you know, the final result will have to do with the party candidates, also will have to do, and this is going to be very important, with the ability to form alliances. Also, I will say with what is going to happen with the trade agreement negotiation in the United States and with the relations with the United States.

I do believe that regardless of the outcome of this election, first of all the energy reform is here to stay. That reform was a continuation of a change that required 75% of the congress and 51% of the state congress to vote. So, it is not easy to change that. Second, I feel that Mexico has a very mature democracy and very strong institutions which have an independent central bank. We have a system of checks and balances that ensures the growth of the country. And, in these circumstances, I believe that IEnova is well positioned to continue growth our portfolio and developing strategic acquisitions.

Frank McGann (Bank of America Merrill Lynch): Thank you very much. Based on the discussion today as well as prior discussions that you have had in your regular conference call, you have it seems an almost unlimited portfolio of opportunities that you can look at. And the M&A size seems potentially very exciting as time goes on. I was just wondering how you prioritize that, how you think of that in terms of: one, keeping a focus within the company, because you have so many different segments you can invest in; and then secondly, what types of synergies are you looking for when you look at these? How competitive do you think the market is going to be for these assets, because it seems that there are many assets so maybe that will in some respects make the competition more diffused so you can actually get really high levels of return, but potentially the competition will be very, very strong anyway? So, I was just wondering how you think the overall outlook will be for returns as well.

Carlos Ruiz Sacristán: Yes, thank you. In relation to your first question, the opportunities do not always come in the order that we would like. That is why we have built a strong development team in order to be able to study different opportunities and be ready. What we spoke about today is that we are increasing the number of activities in which we are going to participate. We will participate on the refined liquids position. We are participating in the clean energy and other aspects. So, the size of the cake for IEnova has substantially increased.

We tend to keep our return as Nelly mentioned between 9-11% unleveraged in dollars and after taxes. I think that even though there is competition, and I will ask Tania to answer the question about competition, the returns are there, because the number of opportunities is huge and the need for resources to invest is very important. And that is why we see that those rates of returns are going to stay.

Tania Ortiz Mena: With regards to competition in addition to what Carlos mentioned, I think the key is discipline. We have a very clear business model, large infrastructure projects, take or pay dollars denominated. In addition to that, I think scale is important. And, none of it is really the super large projects. But to go into areas where we can capture multiple projects and it is not a single opportunity, I think that is also important as we prioritize. As I discussed, competition is there, but our challenge is to maintain our discipline, to maintain our target rates of return. I think the way to achieve that is again by entering markets early. When you saw our video, we have had a lot of firsts, and if you do that, you are able to capture the highest rates of return. And before the market starts getting crowded you jump onto the next opportunity. So again, be disciplined and move fast.

Vanessa Quiroga (Credit Suisse): A question about renewables, maybe mainly for Tania – should we be worried about all these projects that are currently on sale in Mexico? Why do you think so many projects are on sale? And do you expect if you try to do M&A in those projects, do you think that sellers will actually gain positive returns from their original investments or base.

Tania Ortiz Mena: Why are there so many projects for sale? I think the reason is that barriers of entry to renewables are very low. It may seem a little simpler than it is in developing these projects. You go and buy a piece of land. You get a permit and you submit an offer, and then it turns out you need to finance, build and operate a \$250 million project. So, these companies are basically facing the reality of having to execute and having to finance, and they are struggling with it, because they do not have the expertise. And they do expect to get positive returns, Vanessa, but I am not sure that they all will, because again, we are not going to sacrifice our returns. There are also some much large companies that are also looking at stepping out of the market maybe because they were too aggressive in their returns. But again, we will maintain our discipline.

Nick Lipman (Morgan Stanley): I have three questions. First is a follow-up from Frank's question, if you could and it is probably for you Tania. And wow, that is a lot of projects. You are very busy. How do you make these decisions? If you can talk a little bit about portfolio required, rate of return for different areas that would be helpful. Also, it is clear that the renewable opportunity I think in Mexico is humungous. So, what is sort of the maximum that you would think that would be ideal for the portfolio? Two, the regulatory model in Mexico is at best immature and unproven, so it is phenomenal what is happening. What makes you nervous as we approach 2018 in terms of regulation and in terms of continuity? And then finally, I was watching all of this and listening to what you were saying, it is fantastic. But, why Oaxaca? I have just seen so many companies struggle with indigenous rights with the geography, political issues. Why is that project still around? Those are my three questions.

Tania Ortiz Mena: Well again prioritizing, I think we tend to be very pragmatic. We have a very clear business model. We have very clear target rates of return. So, we tend to be pragmatic as to catching the next wave. Last year was very much about renewables. It was entering the solar space. Why? Because, Mexico held two auctions, prices were there and we decided to go after that opportunity. This year, I hope is going to be very much about fuels infrastructure, because the market is opening and international refiners want that infrastructure to be built. So, it is a very wide variety of opportunities, but they are not available at the exact same time. So, we will be pragmatic while maintaining our business model.

With regards to the regulatory framework in general, the Mexican regulators are very open about receiving feedback from investors, particularly investors that have a proven track record and a proven commitment in Mexico as to how to incorporate best international practices. They are not trying to be extremely creative or original. They are incorporating the best international practices, and there are very formal channels. For example, before any new regulations are issued, they are actually published for public comments and the regulator has the obligation to respond to each of those comments. So, we do have the ability to participate, and they do want to listen to us. In the past 20 years, we have seen them be very, very receptive to our feedback.

Now with regards to Oaxaca, I hear what you are saying. One of the biggest challenges developing projects in Mexico has to do with land and has to do with communities. And that is why we have a very professional team. In fact, our head of Community Relations, Juan, is here with us, and he can discuss all the different adventures he has had dealing with different communities. So, you just need to have a very professional team on the ground dealing with these issues. And yes, Oaxaca is particularly complex and if we decide to pursue that project, once the final bid documents are published, we will very closely analyze potential community issues, because it will be a key challenge, without a doubt.

Carlos Ruiz Sacristán: I have a final word on Oaxaca. It is a very beautiful state. They have really good food, and they have a lot of wind. They tell us that the rights of way have been secured by CFE mostly. So, if that is the case, that opportunity could become quite interesting.

Christian Audi (Santander): I had three questions, one for each one of you. Carlos first, obviously you have grown significantly and in the past you have had to deal mostly with the PEMEX's and CFE's of the world. But now as you pursue new projects, you are going to have to deal with private companies and the number of customers, as Tania showed in her presentation, will grow. How concerned are you with counterparty risk, because now you are going to have to be increasingly more disciplined? Can you talk a little bit about how the company is planning to deal with that or changing to be able to deal with that?

Tania, thank you for the very detailed presentation. I was wondering if you could discuss a little bit more regarding the expected return levels on a per segment basis. You grouped them between liquids, natural gas and power, so just in general terms, how do the returns differ?

And then Nelly, you talked about raising or having the capacity to raise \$1.5 to \$1.8 billion in debt. Can you talk a little bit about how the cost of debt could increase vis-à-vis the 3.8% weighted cost of debt that you showed in your presentation?

Carlos Ruiz Sacristán: As I was saying in my presentation, the market in Mexico is evolving, and IEnova has to adapt to those changes and conditions. One other thing is that before we only had government counterparty risk, PEMEX, CFE and CENAGAS. But now the reform opens and you see opportunities with the private sector, not only in clean energy but also on liquids and storage. One of the important things that we watch very carefully is the counterparty risk. From a risk point, we want to make sure that our customers that we are selling these services have the quality that we will need. So, we do in depth analysis of these companies. When they are public it is easier, because there is quite a good exchange. If not, many of those companies, even though they do not have shares on the exchange, they have issued their public exchange,

and then you have enough information. So, one of the conditions on the contract is that we can see their financials in order to make sure that we have counterparty risk.

Second, in some instances, we have some guaranties, from their part. And third, we are assured that the projects that we are building are projects where just in case something happens we could go to the market and sell. And lastly, something I did not mention, these projects, the rates of returns are something that is very sound. We do not generate financial ideas and deals with the contracts that we are going to contract those projects with a very high rate. We are extremely conservative of the value the assets at the end of the life.

Tania Ortiz Mena: Regarding our rates of return, it has to do with complexity and size I would say. So, our target rate is again 9%-11%, dollar based, unlevered after tax. But if you look for example at renewables, they are smaller, lower execution risk. Maybe you will see those in 9%-10% range. But if you think for example, the Marine pipeline, what is on the higher end of the range. It is a very large project with much more technical complexity. If you look at the liquids space, our expectation, we are just starting to go into that space, but my expectation would be for liquids to be more on the high end of our range.

Nelly Molina: Regarding the increase of the cost of debt, although there is a good market we believe internationally and locally, the cost of debt from 3.8% to probably 5.0% would still be reasonable for us in our estimations. If the cost of debt further increases, definitely, this should be included in the returns that we are targeting.

Pablo Monsivais (Barclays): I have a very basic question. What are the main challenges that you are seeing in the liquids infrastructure market and also on the clean energy market? Is this more a problem of execution, counterparty risk or regulatory framework? And my second question is – in the clean energy market are you more favorable to invest in the wind or the in the solar segment? And why is this a priority to the other?

Carlos Ruiz Sacristán: The clean energy market and the liquids markets are starting. The liquids market is new. As Tania mentioned, we are just participating on the first part of the liquids base. But in that market, I think, generation is all right. I think that there is enough of many large potential customers that want to participate with us in that market, that are really credit worthy companies. Most of them are companies from the United States and Europe that want to participate in the market. These companies were already selling gasoline to Mexico, but that were selling that gasoline through PEMEX. And now what they want to do is to go directly to the customers, because they are going to make a better return. So, there are future opportunities, but we will continue to make sure that the counterparty risk is analyzed and we feel comfortable about that.

On the clean energy market, I think that the attention is more or less the same. We have the opportunity to sell this energy to the government, and we have the opportunity to sell this electricity to the private sector. This is very well regulated and we feel very comfortable with what we are doing.

Tania Ortiz Mena: I think solar versus wind.

Carlos Ruiz Sacristán: That is a good question. Solar projects are much easier than wind, and you can develop those faster. But wind, if you are in the right place can be quite attractive. So, we are pursuing the opportunities that develop in solar and wind price in order to see which

one matures and which has the better opportunity to sell electricity to our sites. So, we are working on both. We do not have really a target how much wind and how much solar. It will depend how things develop.

Sam Brothwell (Energy Income Partners): I have a question about the risks associated with the liquid fuel transportation. You mentioned the risks associated with moving gasoline and diesel by truck. How do you address the challenges of physical security? And also, who bears the risk? Is it the shipper or the pipeline that bears the risk of losses on product?

Tania Ortiz Mena: Well, product risk as I am sure you have all been reading about in the paper is certainly a problem in Mexico. It is at least a problem right now on the PEMEX pipelines. But there are different ways of addressing the problem, and they all have to be executed in parallel. First, there is a technical aspect. When we build these product pipelines, we intend to install fiber optic. We intend to install automatic shutdown mechanisms. We intend to have more supervision of what is happening with our systems so that we can react immediately. We can bury out pipes deeper to make them harder to access, and obviously, there is also talk about sometimes the cooperation between people that are operating the pipeline and people that are stealing the fuels. Obviously when you are responsible for the operations, those things should not happen.

Now from a regulator standpoint, what the energy regulatory commission intends to do is issue a rule under which if you are taking all the necessary actions to avoid fuel theft and you are still subject to fuel theft, the transportation company would only be responsible up to specific percentage, and beyond that it is the shipper's responsibility. There is obviously also insurance that you can have in place, but beyond all of this, this is a security issue that needs to be addressed by the government and we are confident that they are going to and they already focused on resolving this. Because the government does understand that the issue needs to be addressed in order to have the required improvement. That being said, in the very short term, we do not have any plans for new product pipelines. Right now, our very short-term focus is on those marine terminals and the inland terminals. Down the road, we will look at pipelines.

Pablo Ordóñez (Itaú): I have two quick questions from my side. Regarding your financing options, have you considered using the FIBRA-E vehicle that allows for more tax efficient dividend. And if yes, what types of assets would you like to monetize? Would it be renewables or pipelines? And second, on the dividend, thank you very much for the clarification. Is it fair to expect high single-digit growth rate in the dividend as in the past? Or would it be more variable?

Carlos Ruiz Sacristán: Well, first on the FIBRA-E, we have studied that at length. At the beginning, the FIBRA-E it did not have the right tax structure. That has been fixed. It is a mechanism to finance ourselves, but the question will be in the case that we use capital, which will be the better multiple, either to sell an asset to a FIBRA-E or to raise additional capital in the stock market. So, we have not yet seen any FIBRA-E whatsoever. There is just one that has to be with tollroads but is not exactly a FIBRA-E. So, we do not yet know the multiples, and we will study when we see something that is that.

Second, to build these assets is really hard, so we are not really looking or trying to sell something. It is our way of trying to buy something.

And the second question was the dividend. But as I said, we do not have a dividend policy. This is done every year by the shareholders and the Board of Directors, and the only thing that we can tell you is that we plan to grow annually our dividends, but we do not have a specific number to target that percentage. I am sorry because I know you will need that for your model. But I cannot anticipate it. I can say very strongly that we will continue to pay dividends that grow annually.

Emilio Romano (Bank of America Merrill Lynch): First of all, Tania, Nelly and Carlos for what has been one of the biggest, most successful stories of creating a company from scratch and creating a single play energy public company in Mexico. I have two questions for you. One is following up on the FIBRA-E, are you thinking of other type of capital structure solutions that you might use to fund to your business, and not only the FIBRA-E, if you have any idea or any thoughts of that? And the second one is – are you looking at some of the refinery assets that PEMEX is looking to JV?

Nelly Molina: Regarding how we can finance this company, yes, other than FIBRA-E there are some other types of structures of vehicles that we can setup in order to capture more market share in the different types of business that we run. And not only that, but probably make a very company sales financeable that captures additional projects other than ours will make a lot of sense. But we are evaluating all of the options and besides the FIBRA-E, we really think we have many other ways to finance this significant growth in the next few years.

Carlos Ruiz Sacristán: In relation to your question about the refineries, they are selling the refineries for PEMEX. No, not quite yet. We are open to participate in the refinery part of this. We are on the start of transportation. But we will participate in gathering and processing, in fee based structure, and we will too participate in all infrastructure that is connected to the refineries.

Jeremy Tonet (JP Morgan): Thanks for the presentation this morning. Tania, I was just wondering for the fuels opportunities that you were talking about, with more international refining players entering the market looking for liquids solutions, could you talk a bit more about why they would choose IEnova as opposed to maybe keeping projects internal for their own mid-stream side? Or just anything else as far as what you guys bring to the table to secure those growth opportunities.

Tania Ortiz Mena: Well, I would say first that many of the international refiners are not necessarily accustomed to owning their marine refuel facilities. Those marine facilities are terminals in general and are usually open access and they want the flexibility to be able to access different markets through these facilities. And we have spoken with pretty much every international refining or the international traders that want to enter this market, and very few of them do want to develop infrastructure on their own. It is a different country. It is different regulations. And what they want, and I think what they value in IEnova is first, our execution capacity, our history in Mexico and I think very importantly also, it is our long-term view. Some investments on some infrastructure fronts are looking to enter the mid-stream space, but they are going to get out in five or seven years. They want to know who is going to be operating those assets for the next 10 or 20 years. So, I think they find a lot of value in that. And in addition, we are very competitive in the way we build our capex and we are always on budget.

Greg Gordon (Evercore ISI): Can I take your comments with regard to the FIBRA-E to mean that you would prefer not to be a first mover in the market and see where other people can issue? Or do you want to evaluate that in some other way? And then I have another question.

Carlos Ruiz Sacristán: FIBRA-E is certainly an alternative to finance our growth along with other ideas that Nelly explained. Today, we have a very strong balance sheet. We can borrow from \$1.5 to \$1.8 billion to continue to finance as we grow. After if we need more resources, it could be an alternative. And again, that alternative has to be valued in relation to going to the market and doing a follow-on. But as of today, what we are focusing on is to finance the projects that we have with the balance sheet capacity and leverage capacity that we have.

Greg Gordon: Okay. That is sort of an answer to my second question, which was if this was a \$45 billion opportunity and you got just 10% of it, which would be way less than what you have historically been able to achieve, if you burn through your balance sheet capacity pretty quickly and you are saying look if we get to that crossroads at that point, you evaluate your lowest cost of capital?

Carlos Ruiz Sacristán: Exactly.

Greg Gordon: And you are not there yet?

Carlos Ruiz Sacristán: And that will be a high-class problem to have, no? And I hope that we will have it soon. The company needs to have more leverage to increase the returns, and then the opportunities are going to be there. And, we have to see which is the best way to finance and which is the lowest cost of capital for the company.

Greg Gordon: Okay, thank you.

Faisal Khan (Citigroup): I have three questions. My first one is just on the installed power generation in the country right now, the 72% that is conventional, how much more of that generation is going to be converted from fuel oil to natural gas? I am just trying to understand that discrete opportunity and the growth there.

Tania Ortiz Mena: I would say CFE has pretty much completed their conversion, not that it is in operation, but it is in the process of being converted. But, that conventional obviously includes some isolated areas, such as Baja California sur or some areas where you are still burning fuel oil and diesel. But I would say all of the conversion plans are already being executed.

Faisal Khan: Okay, so then the opportunity to grow volumes on the gas pipeline network is somewhat limited from the power generation side. Is that a fair statement?

Tania Ortiz Mena: Yes and no. With regards to conversation, yes, it is pretty much complete. One of the reasons why the buildout was so robust is because CFE planned for the next 20 years in terms of conversions. But in this new market, you can have new private generators building combined cycle plants on the pipeline routes to supply the growing market.

Faisal Khan: Okay. And then on the gas distribution side, you talked about the penetration rate in that market is about 7%. It seems really low, and you guys did not talk a lot about the opportunity to grow that footprint. Are there difficulties or barriers in order to grow that business to what would be a more...?

Tania Ortiz Mena: The challenge for distribution for IEnova is scale. We started our business with distribution. Obviously, Sempra's largest business is gas distribution. So, it is a business that we do like, but we will grow if it builds scale. And in order to build scale, I think we would be maybe thinking or considering if it is available a large acquisition. But just growing very small distribution companies in very small towns along our pipeline routes, again if it does not move the needle, we probably would not pursue those.

Faisal Khan: Okay. Then this last question on LNG the re-gas facility, so as you consider converting that into a liquefaction facility, are you thinking about making it both re-gas and liquefaction, or would you convert some of the re-gas contracts to liquefaction?

Tania Ortiz Mena: The answer would be we will convert that facility if and when it is better than our existing re-gas facility. So, we would not do anything that would affect the current re-gas economics. That is something that we are evaluating very, very carefully.

Question: Sempra went through a large and public and long debate over a total return vehicle and I just wanted to know if the FIBRA-E structure something that you guys could be considering on your own? Or is that something that you would need a parent involvement to make that decision?

Carlos Ruiz Sacristán: As I mentioned, we have the balance sheet to continue growing the company in the short term, and after that when we need more capital, we have to analyze different alternatives. And alternatives that Nelly mentioned, one is FIBRA-E or there is JV with potential partners that help us to develop new projects without having to consolidate all the debt and a follow-on. There a lot of alternatives that we will have to consider at the moment that we need the resources at the IEnova level. And those discussions always are very close with Sempra being the major at headquarters.

Well, thank you.

[END OF TRANSCRIPT]