BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

Case 07-M-0906

Joint Petition of Iberdrola, S.A., Energy East Corporation, RGS Energy Group, Inc., Green Acquisition Capital, Inc., New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation for Approval of the Acquisition of Energy East Corporation by Iberdrola, S.A.

January 31, 2008

Exhibit ___ (SMF – 2)

STANDARD
&POOR'S

RATINGSDIRECT®

September 30, 2007

Issuer Ranking:

U.S. Electric Utility Companies, Strongest To Weakest

Primary Credit Analyst:
John W Whitlock, New York (1) 212-438-7678; john_whitlock@standardandpoors.com

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

Issuer Ranking:

U.S. Electric Utility Companies, Strongest To Weakest

The following list contains Standard & Poor's Ratings Services' ratings, outlooks, and business and financial profiles for regulated electric utilities. This list reflects the current ratings and outlooks as of Nov. 30, 2007. It also reflects several alterations in how each company's credit profile is portrayed and how it is ranked in the list. First and foremost, utility business risk and financial risk profiles are now communicated through the Standard & Poor's corporate ratings risk matrix (see the article "U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix" published today on RatingsDirect). Second, the two sub-sectors (transmission & distribution utilities and integrated utilities) have been eliminated from the list. Third, the rankings within each rating/outlook grouping (e.g., BBB+/Stable/--) are based on relative business risk instead of on overall credit quality, so that you can compare Standard & Poor's assessment of a utility's business risk to its like-rated peers.

A Standard & Poor's rating outlook assesses the potential direction of an issuer's long-term debt rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. "Positive" indicates that a rating may be raised; "negative" means a rating may be lowered; "stable" indicates that ratings are not likely to change; and "developing" means ratings may be raised or lowered.

Utility business profiles can be categorized as "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" under the credit ratings methodology applied to all rated corporate entities at Standard & Poor's. To determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility: markets and service area economy; competitive position; fuel and power supply; operations; asset concentration; regulation; and management. Issuer credit ratings, shown as long-term rating/outlook or CreditWatch/short-term rating, are local and foreign currency unless otherwise noted. A dash (--) indicates not rated.

U.S. Regulated Electric Utilities

Company	Corporate credit rating	Business profile	Financial profile
Madison Gas & Electric Co.	AA-/Stable/A-1+	Excellent	Modest
-			
American Transmission Co.	A+/Stable/A-1	Excellent	Intermediate
Midwest Independent Transmission System Operator Inc.	A+/Stable/--	Excellent	Intermediate
NSTAR Electric Co.	A+/Stable/A-1	Excellent	Intermediate
NSTAR Gas Co.	A+/Stable/--	Excellent	Intermediate
NSTAR	A+/Stable/A-1	Excellent	Intermediate
-			
Florida Power & Light Co.	A/Stable/A-1	Excellent	Intermediate
KeySpan Energy Delivery Long Island	A/Stable/A-1	Excellent	Intermediate
KeySpan Energy Delivery New York	A/Stable/A-1	Excellent	Intermediate
Northern Natural Gas Co.	A/Stable/--	Excellent	Intermediate
Alabama Power Co.	A/Stable/A-1	Excellent	Intermediate

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

U.S. Regulated Electric Utilities(cont.)			
Georgia Power Co.	A/Stable/A-1	Excellent	Intermediate
Mississippi Power Co.	A/Stable/A-1	Excellent	Intermediate
Gulf Power Co.	A/Stable/--	Excellent	Intermediate
San Diego Gas & Electric Co.	A/Stable/--	Excellent	Intermediate
Wisconsin Public Service Corp.	A/Stable/A-2	Excellent	Intermediate
FPL Group Inc.	A/Stable/--	Excellent	Intermediate
Southern Co.	A/Stable/A-1	Excellent	Intermediate
Central Hudson Gas & Electric Corp.	A/Stable/--	Excellent	Intermediate
-			
Consolidated Edison Co. of New York Inc.	A/Negative/A-2	Excellent	Intermediate
Orange and Rockland Utilities Inc.	A/Negative/A-2	Excellent	Intermediate
Rockland Electric Co.	A/Negative/--	Excellent	Intermediate
Consolidated Edison Inc.	A/Negative/A-2	Excellent	Intermediate
-			
Massachusetts Electric Co.	A-/Stable/A-2	Excellent	Intermediate
Narragansett Electric Co.	A-/Stable/A-2	Excellent	Intermediate
New England Power Co.	A-/Stable/A-2	Excellent	Intermediate
Wisconsin Gas LLC	A-/Stable/A-2	Excellent	Intermediate
Peoples Gas Light & Coke Co. (The)	A-/Stable/A-2	Excellent	Intermediate
North Shore Gas Co.	A-/Stable/--	Excellent	Intermediate
Duke Energy Indiana Inc.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Carolinas LLC	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Ohio Inc.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Kentucky Inc.	A-/Stable/--	Excellent	Intermediate
Wisconsin Electric Power Co.	A-/Stable/A-2	Excellent	Intermediate
Northern States Power Wisconsin	A-/Stable/--	Excellent	Intermediate
Wisconsin Power & Light Co.	A-/Stable/A-2	Excellent	Intermediate
Southern Indiana Gas & Electric Co.	A-/Stable/--	Excellent	Intermediate
MidAmerican Energy Holdings Co.	A-/Stable/--	Excellent	Aggressive
PPL Electric Utilities Corp.	A-/Stable/A-2	Excellent	Aggressive
Niagara Mohawk Power Corp.	A-/Stable/A-2	Excellent	Aggressive
PacifiCorp	A-/Stable/A-1	Excellent	Aggressive
Cinergy Corp.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Corp.	A-/Stable/--	Excellent	Intermediate
MidAmerican Energy Co.	A-/Stable/A-1	Excellent	Aggressive
National Grid USA	A-/Stable/A-2	Excellent	Intermediate
Peoples Energy Corp.	A-/Stable/A-2	Strong	Intermediate
Integrys Energy Group Inc.	A-/Stable/A-2	Strong	Intermediate
-			
Public Service Co. of North Carolina Inc.	A-/Negative/A-2	Excellent	Aggressive
South Carolina Electric & Gas Co.	A-/Negative/A-2	Excellent	Aggressive
SCANA Corp.	A-/Negative/--	Excellent	Aggressive

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

U.S. Regulated Electric Utilities(cont.)			
•			
Southern California Edison Co.	BBB+/Stable/A-2	Excellent	Intermediate
Pacific Gas and Electric Co.	BBB+/Stable/A-2	Excellent	Intermediate
Public Service Co. of Colorado	BBB+/Stable/A-2	Excellent	Aggressive
Northern States Power Co.	BBB+/Stable/A-2	Excellent	Aggressive
PECO Energy Co.	BBB+/Stable/A-2	Excellent	Intermediate
Southwestern Public Service Co.	BBB+/Stable/A-2	Excellent	Aggressive
Interstate Power & Light Co	BBB+/Stable/A-2	Excellent	Aggressive
Wisconsin Energy Corp.	BBB+/Stable/A-2	Excellent	Aggressive
Xcel Energy Inc.	BBB+/Stable/A-2	Excellent	Aggressive
Florida Power Corp d/b/a Progress Energy Florida Inc	BBB+/Stable/A-2	Excellent	Aggressive
Carolina Power & Light Co d/b/a Progress Energy Carolinas Inc	BBB+/Stable/A-2	Excellent	Aggressive
Kentucky Utilities Co.	BBB+/Stable/A-2	Excellent	Intermediate
Louisville Gas & Electric Co.	BBB+/Stable/--	Excellent	Intermediate
Progress Energy Inc.	BBB+/Stable/A-2	Excellent	Aggressive
Alliant Energy Corp.	BBB+/Stable/A-2	Excellent	Aggressive
E.ON U.S. LLC	BBB+/Stable/--	Excellent	Intermediate
Oklahoma Gas & Electric Co.	BBB+/Stable/A-2	Excellent	Intermediate
OGE Energy Corp.	BBB+/Stable/A-2	Strong	Intermediate
ALLETE Inc.	BBB+/Stable/A-2	Strong	Intermediate
Montana-Dakota Utilities Co.	BBB+/Stable/--	Strong	Intermediate
•			
Enogex Inc.	BBB+/Watch Neg/--	Satisfactory	Intermediate
•			
Connecticut Natural Gas Corp.	BBB+/Negative/--	Excellent	Intermediate
Southern Connecticut Gas Co.	BBB+/Negative/--	Excellent	Intermediate
New York State Electric & Gas Corp.	BBB+/Negative/A-2	Excellent	Aggressive
Central Maine Power Co.	BBB+/Negative/--	Excellent	Aggressive
Rochester Gas & Electric Corp.	BBB+/Negative/--	Excellent	Aggressive
Energy East Corp.	BBB+/Negative/A-2	Excellent	Aggressive
Baltimore Gas & Electric Co.	BBB+/Negative/A-2	Strong	Intermediate
Otter Tail Corp.	BBB+/Negative/--	Strong	Intermediate
Portland General Electric Co.	BBB+/Negative/A-2	Strong	Intermediate
Idaho Power Co.	BBB+/Negative/A-2	Strong	Aggressive
IDACORP Inc.	BBB+/Negative/A-2	Strong	Aggressive
•			
International Transmission Co.	BBB/Positive/--	Excellent	Aggressive
ITC Holdings Corp.	BBB/Positive/--	Excellent	Aggressive
CenterPoint Energy Houston Electric LLC	BBB/Positive/--	Excellent	Aggressive
Virginia Electric & Power Co.	BBB/Positive/A-2	Excellent	Intermediate
CenterPoint Energy Inc.	BBB/Positive/A-2	Excellent	Aggressive
CenterPoint Energy Resources Corp	BBB/Positive/--	Excellent	Aggressive

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

U.S. Regulated Electric Utilities(cont.)			
Dominion Resources Inc.	BBB/Positive/A-2	Excellent	Intermediate
-			
Yankee Gas Services Co	BBB/Stable/--	Excellent	Aggressive
Michigan Consolidated Gas Co.	BBB/Stable/A-2	Excellent	Aggressive
Public Service Electric & Gas Co.	BBB/Stable/A-2	Excellent	Aggressive
AEP Texas Central Co	BBB/Stable/--	Excellent	Aggressive
AEP Texas North Co	BBB/Stable/--	Excellent	Aggressive
Columbus Southern Power Co.	BBB/Stable/--	Excellent	Aggressive
Ohio Power Co.	BBB/Stable/--	Excellent	Aggressive
Appalachian Power Co.	BBB/Stable/--	Excellent	Aggressive
Dayton Power & Light Co.	BBB/Stable/--	Excellent	Aggressive
DPL Inc.	BBB/Stable/--	Excellent	Aggressive
Western Massachusetts Electric Co.	BBB/Stable/--	Excellent	Aggressive
Atlantic City Electric Co.	BBB/Stable/A-2	Excellent	Aggressive
Potomac Electric Power Co.	BBB/Stable/A-2	Excellent	Aggressive
Delmarva Power & Light Co.	BBB/Stable/A-2	Excellent	Aggressive
Green Mountain Power Corp.	BBB/Stable/--	Excellent	Aggressive
Kentucky Power Co.	BBB/Stable/--	Excellent	Aggressive
Public Service Co. of Oklahoma	BBB/Stable/--	Excellent	Aggressive
Southwestern Electric Power Co.	BBB/Stable/--	Excellent	Aggressive
Connecticut Light & Power Co.	BBB/Stable/--	Excellent	Aggressive
Public Service Co. of New Hampshire	BBB/Stable/--	Excellent	Aggressive
Hawaiian Electric Company, Inc.	BBB/Stable/A-2	Excellent	Aggressive
Detroit Edison Co.	BBB/Stable/A-2	Excellent	Aggressive
American Electric Power Co. Inc.	BBB/Stable/A-2	Excellent	Aggressive
Northeast Utilities	BBB/Stable/--	Excellent	Aggressive
DTE Energy Co.	BBB/Stable/A-2	Excellent	Aggressive
Indiana Michigan Power Co.	BBB/Stable/--	Strong	Aggressive
El Paso Electric Co.	BBB/Stable/--	Strong	Aggressive
PEPCO Holdings Inc.	BBB/Stable/A-2	Strong	Aggressive
Hawaiian Electric Industries Inc.	BBB/Stable/A-2	Strong	Aggressive
-			
Entergy Arkansas Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Louisiana LLC	BBB/Watch Dev/--	Strong	Aggressive
Entergy Mississippi Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Gulf States Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Corp.	BBB/Watch Dev/--	Strong	Aggressive
System Energy Resources Inc.	BBB/Watch Dev/--	Strong	Aggressive
-			
Jersey Central Power & Light Co.	BBB/Negative/--	Excellent	Aggressive
Metropolitan Edison Co.	BBB/Negative/--	Excellent	Aggressive
Pennsylvania Electric Co.	BBB/Negative/--	Excellent	Aggressive

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

U.S. Regulated Electric Utilities(cont.)			
Cleveland Electric Illuminating Co.	BBB/Negative/--	Excellent	Aggressive
Ohio Edison Co.	BBB/Negative/A-2	Excellent	Aggressive
Pennsylvania Power Co.	BBB/Negative/--	Excellent	Aggressive
Toledo Edison Co.	BBB/Negative/--	Excellent	Aggressive
Texas-New Mexico Power Co.	BBB/Negative/--	Excellent	Aggressive
Cleco Power LLC	BBB/Negative/--	Strong	Aggressive
Cleco Corp.	BBB/Negative/--	Strong	Aggressive
FirstEnergy Corp.	BBB/Negative/--	Strong	Aggressive
Public Service Co. of New Mexico	BBB/Negative/A-3	Strong	Aggressive
PNM Resources Inc	BBB/Negative/A-3	Strong	Aggressive
-			
Northern Indiana Public Service Co.	BBB/Watch Neg/--	Excellent	Aggressive
Kansas City Power & Light Co.	BBB/Watch Neg/A-3	Strong	Intermediate
Great Plains Energy Inc.	BBB/Watch Neg/--	Strong	Intermediate
-			
Tampa Electric Co.	BBB-/Stable/A-3	Excellent	Aggressive
Potomac Edison Co.	BBB-/Stable/--	Excellent	Aggressive
West Penn Power Co.	BBB-/Stable/--	Excellent	Aggressive
Duquesne Light Co.	BBB-/Stable/--	Excellent	Aggressive
Duquesne Light Holdings Inc.	BBB-/Stable/--	Excellent	Aggressive
Kansas Gas & Electric Co.	BBB-/Stable/--	Excellent	Aggressive
Monongahela Power Co.	BBB-/Stable/--	Excellent	Aggressive
Consumers Energy Co.	BBB-/Stable/--	Excellent	Aggressive
Westar Energy Inc.	BBB-/Stable/--	Excellent	Aggressive
CMS Energy Corp.	BBB-/Stable/A-3	Excellent	Aggressive
Ohio Valley Electric Corp.	BBB-/Stable/--	Excellent	Aggressive
TECO Energy Inc.	BBB-/Stable/--	Strong	Aggressive
Empire District Electric Co.	BBB-/Stable/A-3	Strong	Aggressive
Edison International	BBB-/Stable/--	Strong	Aggressive
Black Hills Power Inc.	BBB-/Stable/--	Strong	Intermediate
Arizona Public Service Co.	BBB-/Stable/A-3	Strong	Aggressive
Pinnacle West Capital Corp.	BBB-/Stable/A-3	Strong	Aggressive
Allegheny Energy Inc.	BBB-/Stable/A-3	Strong	Aggressive
Union Electric Co. d/b/a AmerenUE	BBB-/Stable/A-3	Strong	Intermediate
Ameren Corp.	BBB-/Stable/A-3	Satisfactory	Aggressive
Black Hills Corp.	BBB-/Stable/--	Satisfactory	Intermediate
-			
Oncor Electric Delivery Co. LLC	BBB-/Watch Dev/--	Excellent	Intermediate
Entergy New Orleans Inc.	BBB-/Watch Dev/--	Satisfactory	Aggressive
-			
Puget Sound Energy Inc.	BBB-/Watch Neg/A-3	Excellent	Aggressive
Puget Energy Inc.	BBB-/Watch Neg/--	Excellent	Aggressive

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.

U.S. Regulated Electric Utilities(cont.)			
•			
Avista Corp.	BB+/Positive/B-1	Strong	Aggressive
NorthWestern Corp.	BB+/Positive/--	Strong	Aggressive
•			
Central Vermont Public Service Corp.	BB+/Stable/--	Excellent	Highly leveraged
Indianapolis Power & Light Co.	BB+/Stable/--	Excellent	Highly leveraged
IPALCO Enterprises Inc.	BB+/Stable/--	Excellent	Highly leveraged
•			
Commonwealth Edison Co.	BB/Positive/B	Satisfactory	Intermediate
Central Illinois Public Service Co.	BB/Positive/--	Satisfactory	Aggressive
Illinois Power Co.	BB/Positive/--	Satisfactory	Aggressive
Central Illinois Light Co.	BB/Positive/--	Satisfactory	Aggressive
CILCORP Inc.	BB/Positive/--	Satisfactory	Aggressive
•			
Tucson Electric Power Co.	BB/Stable/B-2	Strong	Highly leveraged
•			
Nevada Power Co.	BB-/Positive/--	Excellent	Highly leveraged
Sierra Pacific Power Co.	BB-/Positive/--	Excellent	Highly leveraged
Sierra Pacific Resources	BB-/Positive/B-2	Excellent	Highly leveraged
•			
Aquila Inc.	B+/Watch Pos/--	Satisfactory	Highly leveraged

•

Standard & Poor's. All rights reserved. No reprint or dissemination without S&Ps permission. See Terms of Use/Disclaimer on the last page.