

Exhibit 18

Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

<p>1. APPLICANT/SPONSOR BERKOWITZ, S.A. Energy East Corporation, RGS Energy Group, Inc., Green Acquisition Capital, Inc., New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation</p>	<p>2. PROJECT NAME See Attachment</p>
<p>3. PROJECT LOCATION: Municipality See Attachment. County See Attachment.</p>	
<p>4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) See Attachment.</p>	
<p>5. PROPOSED ACTION IS: <input checked="" type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/></p>	
<p>6. DESCRIBE PROJECT BRIEFLY: See Attachment.</p>	
<p>7. AMOUNT OF LAND AFFECTED: Initially <u>N/A</u> acres Ultimately <u>N/A</u> acres</p>	
<p>8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly</p>	
<p>9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe: N/A</p>	
<p>10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: See Attachment.</p>	
<p>11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: See Attachment.</p>	
<p>12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N/A</p>	
<p align="center">I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: <u>See Response to Question 1 (above)</u> Date: <u>8/1/07</u></p> <p>Signature: <u>[Handwritten Signature]</u></p>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment



PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4? If yes, coordinate the review process and use the FULL EAF.
 Yes No

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.
 Yes No

C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:

C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:

C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly:

C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)?
 Yes No If Yes, explain briefly:

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?
 Yes No If Yes, explain briefly:

PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

- Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.
- Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts **AND** provide, on attachments as necessary, the reasons supporting this determination.

 Name of Lead Agency

 Date

 Print or Type Name of Responsible Officer in Lead Agency

 Title of Responsible Officer

 Signature of Responsible Officer in Lead Agency

 Signature of Preparer (If different from responsible officer)



BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

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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.
-----x

Case No. _____

ATTACHMENT TO SHORT ENVIRONMENTAL ASSESSMENT FORM

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**

I. Introduction

The action at issue is New York State Public Service Commission approval for IBERDROLA, S.A. ("IBERDROLA"), via its wholly-owned subsidiary Green Acquisition Capital, Inc. ("Green Acquisition"), to acquire 100 percent of the common stock of Energy East Corporation ("Energy East"), the parent holding company of New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E") (the "Proposed Transaction").

II. Background

IBERDROLA is a corporation (*Sociedad Anónima*) organized under the Laws of the Kingdom of Spain. IBERDROLA's shares are publicly traded on the Madrid Stock Exchange. IBERDROLA's principle place of business is Calle Cardenal Gardoqui, 8, 48008 Bilbao, Spain. IBERDROLA provides services to approximately 22 million electric points of supply and 2 million gas points of supply in Europe and the Americas, including 10 million points of supply in Spain, 7.7 million in Brazil, 3.4 million in the United Kingdom, and approximately 1 million in Guatemala and Bolivia.

Green Acquisition is a New York corporation that was formed by IBERDROLA solely for the purpose of merging with and into Energy East in the Proposed Transaction. Green Acquisition is a wholly-owned subsidiary of IBERDROLA.

Energy East is a public utility holding company with operations in Connecticut, New

York, Massachusetts, Maine, and New Hampshire, serving approximately 1.8 million electric customers and 900,000 natural gas customers. Energy East's principal business subsidiaries are engaged in regulated natural gas transportation, storage and distribution operations in Connecticut, upstate New York, Maine, Massachusetts, and New Hampshire, and in regulated electric transmission, distribution and generation operations in upstate New York and Maine. Energy East has two service company affiliates, Utility Shared Services Corporation and Energy East Management Corporation, which provide certain corporate and back office services to their affiliates. Energy East is the ultimate parent of RGS Energy Group, Inc. ("RGS"), NYSEG and RG&E.

RGS is a holding company organized under the laws of the State of New York. It is a wholly-owned subsidiary of Energy East. RGS is the intermediate holding company for NYSEG and RG&E. The corporate headquarters of RGS are located at 89 East Avenue, Rochester, New York.

NYSEG is a regulated public utility engaged in the purchase, distribution and transmission of electricity, and the purchase, distribution and transportation of natural gas in the central, eastern and western parts of New York State. NYSEG has approximately 870,000 electric and 257,000 gas customers. NYSEG's corporate headquarters are located at 89 East Avenue, Rochester, New York and its operations center is located in Binghamton, New York.

RG&E is a regulated public utility engaged principally in the business of generating, purchasing, transmitting and distributing electricity, and purchasing, transporting and distributing natural gas in nine upstate New York counties. RG&E has approximately 359,000 electric and 297,000 gas customers. RG&E's corporate headquarters are located at 89 East Avenue, Rochester, New York and its operations center is located in Rochester, New York.

On June 25, 2007, Energy East, IBERDROLA and Green Acquisition entered into an Agreement and Plan of Merger (the "Merger Agreement") whereby the acquisition of Energy East by IBERDROLA will be accomplished by the merger of Green Acquisition with and into Energy East, with Energy East as the surviving corporation that will be wholly-owned by IBERDROLA. NYSEG and RG&E will continue to be wholly-owned subsidiaries of Energy East and, therefore, will become wholly-owned subsidiaries of IBERDROLA as a result of the Proposed Transaction.

The Proposed Transaction will have no negative impact on the customers of NYSEG and RG&E. The ability of NYSEG and RG&E to provide safe and adequate service will not be adversely affected by the Proposed Transaction. There will be no changes to the rates, terms or conditions of service provided to NYSEG and RG&E customers in connection with the Proposed Transaction. The Proposed Transaction does not involve the alteration or construction of new facilities and IBERDROLA contemplates that no utility company operations, plant, equipment, franchises, permits or other assets of NYSEG or RG&E will change or be transferred in connection with the Proposed Transaction. The Proposed Transaction will not involve any changes to land use and will comply with existing

zoning and other land use restrictions. No long-term, short-term, direct, indirect or cumulative impacts to the environment will occur as a result of the proposed action.

In addition to the Commission's approval sought herein, certain other federal and state regulatory filings and approvals must be made and approvals obtained, including filings with the Federal Energy Regulatory Commission, the Securities Exchange Commission, the Federal Communications Commission, the Connecticut Department of Public Utility Control, the Maine Public Utilities Commission, and the New Hampshire Public Utilities Commission. In addition, Exon-Florio filings, and filings in compliance with the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended, are required.

III. Conclusion

The Proposed Transaction will have no potentially significant environmental impact. There are no proposed operational changes for NYSEG and RG&E as a result of the Proposed Transaction. NYSEG and RG&E will continue to operate in accordance with all of their existing New York permits and certificates. The proposed action at issue is merely a change in corporate ownership and structure at the parent holding company level.