

**Operator:** Good morning ladies and gentlemen and welcome to EEB 2<sup>nd</sup> quarter 2017 Investors Conference Call, as a reminder this conference call is being recorded, under the tap download you will find today's presentation.

I would now like to turn the call over to Ms. Astrid Álvarez CEO EEB, company of Grupo Energía de Bogotá, please go ahead Ms. Álvarez.

**Mr. Naranjo:** Sorry, before starting my name is Julián Naranjo and I am EEB's Financing and IR Manager, I'm going to present first of all, today's results presentation that will be made by Ms. Álvarez our Chief Executive Officer of EEB.

The presentation is also divided into four parts; first our CEO will make some introductory comments and key updates, second we will briefly review the main developments during this quarter, third we will have a look of EEB's Financial Performance during 2<sup>nd</sup> quarter 2017 and the most important financial indicators, to conclude this Conference we will be pleased to open the call to a Question and Answer session. Now I turn the call over to Ms. Álvarez, please Ms. Álvarez go ahead.

**Ms. Álvarez:** Good morning and welcome everybody to our earnings conference results for the first half of this year. I would like to start by walking you through what we have achieved. EEB is the only group in Latin America to operate in the entire low emissions energy chains, including power generation, transmission, distribution and commercialization, natural gas transportation and distribution.

We have over 6 million customers in Colombia, Brazil, Peru and Guatemala.

Well right now, we are going to a very important process, two in fact; first we are just divesting our non-core investments, last semester we finalized the valuation process, the minimum price for the first stage of this process. Second semester 2017 we plan to finalize the divestment process.

In regard to the democratization process, our main shareholders –The City of Bogotá– is planning to divest up to a 20% of the company's share, maintaining 56.26% controlled stake after this process. The City has designated EEB to lead this divestment process, in fact for us it's a big responsibility; probably we will be going through this process very well.

We recently hired the investment bank consortium of three banks, very important banks in the world to carry out the valuation process. We hope to conclude phase one on the second half of this year 2017. As you know we have to follow the Law 226 in Colombia, we have to follow very specific process by that Law.

In that sense, we have our good financial performance over 580.8 million dollars consolidated revenues and 260.5 million dollars of net profit during the first half of this year.

The Company will pay dividends in 2017 for an amount of nearly 909 billion Colombian Pesos to over 3,000 shareholders, which evidence the company's strength and profitability due to its national monopolized business.

Our shares show a strong positive behavior on the local market throughout this year with an average value of 1.887 Colombian Pesos each during the first half.

EEB's shares were also placed in the 11<sup>th</sup> position in COLCAP, the ranking local

index, with the share of 4.43% turning it into an attractive and stable long-term investment opportunity for local and international investors, not only by its price return of 5.01% achieved during the year to date, but also by its outside valuation potential.

Furthermore, analysts' consensus estimates an average target price for our share of 2,043 Colombian Pesos. EEB share had a high value of 2,020 Colombian Pesos the past June 21<sup>st</sup>.

We have continued our steady growth in terms of Consolidated Adjusted EBITDA, which by the end of this first half year reached 1.4 trillion Colombian Pesos, a slightly decrease compared to previous year mainly due to the lower revenues due to the merger effect of EEC (Empresa Energía de Cundinamarca) and lower dividends from associates.

EEB consolidated as the second transmission entity in the country of Colombia with a 15.2% market share in the income of the national transmission system. Also it is executing 8 of the 21 main projects of the national transmission system in Colombia that are currently in develop for the country as part of the main energy plan of the country.

It is also in charge of the execution of 2 in 11 expansion projects of the regional transmission system awarded through public tender process, and two private initiatives that are also in execution, for a total of 12 projects, which will strengthen the transmission system in Colombia. We expect to complete them as early as possible and continue our dedicated work in this matter.

As regard of our natural gas activity, TGI consolidated as the major gas transportation company in Colombia, with network throughout 14 Departments and 157 Municipalities, transporting the 70% of the total natural gas consumed in the country, with nearly 4,000 km of pipelines.

We keep our good results track, and we reached an EBITDA of 350 million dollars, maintaining an EBITDA margin of 80% which is a very high standard for this business in this Industry.

In Guatemala through TRECESA, our company TRECESA; we are significantly progressing over there in the development of the project named PET1, this is a project for the construction of new 230 Kw Transmission lines through 582 miles and 24 expansion and constructions works for new sub-stations which will help to double the National Transmission System capacity.

We have already energized more than 50% of the 860 km, and keep working closely with EEBIS Guatemala; this is another company that we have there in another major infrastructure project.

By the end of the year we expect to receive the 50% of the expected revenues of this project, an amount of 60 million dollars per year.

We have strengthened our Corporate Governance practices in line with the OCED standards and circular N° 028 from the Financial Superintendence of Colombia.

We keep also working in our external procedures in order to be part of national institutions that guarantee investors confidence in the long term.

We have pretty much enforced our OCED implementation procedures, and one of the main points I want to leave you here is that if anyone wants to have more information about this in our main Company Corporation, or in any of the companies we're very aware of your questions about this.

In the second quarter 2017 our company CÁLIDDA surpassed 500,000 residential and industry gas connections in Lima and Callao, reaching a network penetration of approximately 63% and over 2 million people to benefit of the gas distribution in Lima. Grupo Energía de Bogotá is today a key ally of the Peruvian Government in massification of natural gas.

We also saw significant results with our company CONTUGAS in Peru, with an EBITDA of 6.4 million dollars, and advancing in the commitment with the Peruvian Government to bring natural gas to 500,000 households by the year 2020.

In terms of our main associated companies EMGESA and CODENSA, an aggregated net income of 243 million dollars during the second quarter 2017, reflecting that EEC (Empresa Energía Cundinamarca) merger into CODENSA at the end of 2016.

All of these things to our Corporate strategy to create a superior value, by developing and growing large energy companies in high consumption and production regional access, also our philosophy is to partnering with sophisticated best of class operators who are leaders in their markets to execute the initiatives along the energy chain.

We will be pleased releasing more about of our business units, along the way as long some of the new developments comes in place.

Now I may turn the call over to the CFO Mr. Felipe Castilla. Thank you very much.

**Mr. Castilla:** Good morning to everybody, are we are going to use the presentation that we included in the web. First of all I would like to review on page five, how we are divided right now, just to remind everybody; we have created three strategic groups, one is the *Urban Energy Solutions*, the other is the *Interconnecting for Market Development* and the last one is the *Low Emission Generation*, and in each of those boxes you can see what companies are included.

Then, if we go to page six, just as a reminder; in the *Urban Energy Solutions* we have more than 6 million customers that are already supplied by our different networks, in electricity distribution we have more than 3.5 million customers in Colombia, we have 2.1million consumers in the natural gas distribution in Colombia, and in Peru we have more than 500,000 customers that are already connected to our networks.

For *Interconnecting for Market Development* we already have more than 12,500 kilometers of transmission grid, in the electricity transmission in Colombia we have more than 1,500 kilometers of transmission grid that are already on stream but we are building approximately the same amount in different projects. We have also on stream 400 kilometers of transmission lines in Central America through our Companies TRECSA and EEBIS Guatemala, we have more than 9,500 kilometers of the transmission grid in Peru through our subsidiaries that

we have in association with ISA in Peru and Consorcio Transmantaro, and we have more than 1,100 kilometers of transmission grid in Brazil through four Companies, four vehicles that we acquired in August of 2015.

In the natural gas transportation, as Ms. Astrid Álvarez mentioned before, we have more than 4,000 kilometers of pipelines that are handled directly by TGI here in Colombia.

In the *Low Emission Generation*, we have a market share of 23% in the country and almost 15,000 Gwh in power generation during 2016.

Now I will start making some key updates for the half of 2017. As Corporate Highlights just to remind you, on June 8<sup>th</sup>, the Capital District issued the decrees in which our divestment program were approved for the shares that EEB owns in Grupo Nutresa, Banco Popular, ISA and the shares that we hold in PROMIGAS through our vehicle EEB GAS SAS.

On June 20<sup>th</sup>, our extraordinary General Assembly was held in which they give us the permission for having a credit guarantee for CONTUGAS. CONTUGAS has currently a syndicated loan that is due on 2019, and we plan to extend that maturity, and we are going to support the Company through a credit guarantee in the level of TGI and EEB depending on the ownership in that Company, and also a substitute member of the Board of Directors of EEB was approved in that Assembly.

On June 23<sup>rd</sup> EEB reached a new high share price of 2,020 Colombian Pesos, and our analysts has a target price of 2,034.50 Colombian Pesos at this moment.

On July 5<sup>th</sup> EEB paid the first installment of the release of occasional reserves to the District of Bogotá. As a reminder of this operation, the District released in 2015 an amount of 558 billion Colombian pesos, from those 350 billion were for the City of Bogotá and they converted to a long-term debt for the next 10 years, and this year we paid the first installment of 35 billion Colombian Pesos.

Also on July 5<sup>th</sup>, the first payment of dividends of the 50% of this year was made; the second payment is expected to be on October 31<sup>st</sup> of this year, and we are distributing the highest dividend in the history of EEB, at the amount of 99 Colombian Pesos per share.

On August 14<sup>th</sup>, finalized the first phase of the divestment program for the non-core assets that we mentioned before, for the case of ISA, Banco Popular and Grupo Nutresa no bids were presented. In the case of PROMIGAS, some bids were presented and we are in the process of analyzing if they comply with all the requirements established in our process.

Finally EEB is analyzing the possibility to continue with the second tranche of our local bonds that were issued during the first semester, and we are expecting the approval of our Board of Directors.

Going to the following page, on page nine; some key updates on TGI, as was presented before, they correspond to the IMD group (Interconnecting Market Development), and we just mention that on August 4<sup>th</sup> Mr. Julián García resigned as CEO of TGI, and immediately was named an interim CEO that is Mr. Jaime Orjuela, he is an electrical engineering that has been working in the

Group in the last 5-10 years, and he was working with the regulatory leaders and lately was handling one of the new business group that was mentioned before.

We also want to mention that the resolution CREG 090/2016 which sets regulated WACC is currently under discussion with regulator, and we expected that during the second half of the year there will be issued.

Also something that is very important for the company is that the resolution 026 of 2017, which was published in April, is also under review. This UPME resolution is trying to reinforce the natural gas supply in Colombia through different kind of projects, one of them is the changing of the directionality of one of the TGI's tranche that is the Mariquita – Yumbo and then will be converted in Yumbo – Mariquita, the construction of Loop of 10 inches in Mariquita – Gualanday, also having the possibility to have the bidirectionality of the gas pipeline from Ballena to Barrancabermeja, and also increasing the pumping capacity in El Cerrito – Popayán through additional compressors.

And also is very important the possibility to import natural gas through a regasification plant in the Pacific Ocean, and also building a new gas pipeline from Buenaventura to Yumbo.

We expect that these processes will be opened during the first half of 2018 and also they will be awarded, and there will be very important to TGI for participate in this public bid.

Going to what has been happening in CÁLIDDA, they correspond to the *Urban Energy Solutions*; first of all I would like to mention that Fitch Ratings maintained the “BBB” credit rating for the Company with a stable outlook. And in the case of Moody's the increased the outlook from stable to positive.

Also, as was mentioned by Ms. Astrid Álvarez, our client base has surpassed 500,000 customers that have been connected to our network, and our plan is to bring from 10,000 to 12,000 new customers per month, and we expect that by the end of the year we can achieve more than 60,000 to 70,000 additional clients.

During the second quarter of this year, our network length was enlarged by almost 500 kilometers, and the distribution system reached a total of almost 7,900 kilometers of underground pipelines.

The total revenues of the Company and the total adjusted revenues increased by 9% and 7% respectively, due to higher connection fees and the natural gas for vehicles segment.

The EBITDA and the Adjusted EBITDA margins grew mainly due to the higher income mentioned above and the higher demand of natural gas that has been at this moment.

We also reviewed the strategic plan for the Company and we launched it, and at this moment we are have a stronger commercial strategic plan for the Company, and at the beginning of September we will have an Investor Day in Colombia, here in Bogota to provide to the market further insights about Company's strategy.

For people that might be interested, we will issue the specific date in which that

Investor Day will be held.

Going to the expansion projects, we have divided in four pies, in which the investment is in the level of almost 190 million dollars during the first half of this year, as is seen in the graph, CTM is the largest Company that has been invested, followed by what we have invested in transmission lines directly through EEB here in Colombia.

Also if you see that by country, Colombia is holding the larger part of our investment with something close to 70% followed by Peru and then Guatemala through TRECSA and EEBIS.

Also if we see it in our strategic groups, the IMD (Interconnecting for Market Development) holds 59% of the investment, followed by Urban Energy Solutions with 28% and Low Emission Generation with 13%.

At this moment the main investment that has been holding the group is made by our associates with 55% and the remaining 45% through subsidiaries directly by EEB in the transmission line segment.

Going to the following page, page thirteen; we are including the main projects that have been developed, the first's projects that was mentioned by Ms. Astrid Álvarez. In that graph we are including what are the estimated revenues that each project will have in the future and what are the expected dates in which they will be on stream.

In page fourteen we are including the forecast of the investment we are going to have on controlled companies, so we are not included in this graph what is expected through our associates. In those investments that you can see in that graph we are just including projects that we are executing, or they are already sanctioned or obligations that we have, but we are not including new development projects that are under analysis or we are participating in some process. We are just mentioning projects that are already sanctioned or they are obligations that we have to execute.

In that graph, we can see that we will be in the range of 1,500 million dollars that will be executed from year 2017 through year 2022.

Going now on the Financial Performance of the Company, on the operating revenues on the first half we have a decrease compared to the same period in 2016 and there are two main explanations, those are due to extraordinary situations that have happened in year 2016.

First of all we have to mention that EEC was a controlled company during almost all the 2016, the Company was already merged with CODENSA, and now we are including those results not in the controlled subsidiaries, we are including it as a participation method in different place in the P&L statement.

For that reason those revenues and expenses have been switched from the operational side to the participation method for associates in our P&L.

The second main impact is due to the higher volumes that were transported by TGI during the phenomena *El Niño* in the first half of 2016, I want to remind that the power generation companies were generating with natural gas and for that reason we transported more volume of gas, but this year is a regular year in

which we don't have those extraordinary revenues.

Going to the numbers in that sense, we have an increase of almost 14% equivalent to 19 billion Colombian Pesos in electricity transmission, that's due to the coming on stream of UPME projects awarded: Tesalia, Quimbo-Cali and Bolívar-Cartagena.

We have a reduction of almost 15% of almost 100 billion Colombian Pesos; the decrease in the revenues of TGI is due to higher gas volume contracted by thermo power generation sectors during the first half of 2016 and also for FX conversion considering that the Company is exposed due to the functional currency to US dollars.

And 7.6% of natural gas distribution Revenues due to the increase in CÁLIDDA's revenues, mainly from new power generation and industrial clients.

In the operational profit by segment, we have during the first half operating profit showed a decrease of 30%, that's also due to EEC merger effect on revenues as I mentioned, they are now consolidated in different places in our financial statement, and the lower income from natural gas transported that was already mentioned in the case of TGI.

We have a minor increase of almost 1.3% in electricity transmission, due to the project are coming on the stream, and in the case of TRECESA every time that we are able to energize a segment of the project we can collect some revenues and in that sense, those are included in this increase.

A decrease of almost 24% in the natural gas transportation due to lower revenues also combined with higher costs from maintenance during this first half.

And a decrease of 40% of natural gas distribution due to the higher revenues combined with increasing costs due to new users and industrial clients connected to CÁLIDDA's network.

We are also having an assignment of administrative expenses; we redistributed them in all of the business segments lines in terms of costs, which also explain the decrease in administrative expenses. If you see the numbers that we had last year, we included all the administrative expenses in one specific line, now we are distributing each of them in each of the business lines and for that reason they will be located in a different part in the P&L.

Going to the financial performance, we started with the EBIT we have a financial increase of almost 44% due to the financial income; we increased the returns on financial investments.

We are also having an increase of almost Will financial investment. We are also having in the increase of almost 22 billion Colombian Pesos and this is due mainly to the debt that we have been acquiring during this year. During the first half of 2017 we issued a local bond of almost 650 billion Colombian Pesos, mainly for financing our transmission line projects and the increase of our financial expense.

We have also a decrease of almost 115% in the net exchange different, mounted almost 165 billion Colombian Pesos. Last year we had a revaluation

and that created an income in our financial statements, and this year we have a devaluation that have created a minor expense and the difference between those two 165 billion Colombian Pesos, but this is extraordinarily due to the condition of the Colombian currency compared to the US dollar.

We are also having a 5% increase in the equity method, due to the merger of EEC with CODENSA as mentioned before, and also due to our Brazilian subsidiaries in the transmission lines business.

We also have a decrease of 20% in taxes, and this is due to the deferred tax at the level of TGI considering the foreign exchange effects.

And finally we have in the net income a reduction of almost 21%, the decrease as I mentioned before, for the extraordinary revenues that were presented in TGI last year, and also the income that was presented in the FX account last year due to the revaluation of Colombian Peso.

Going to the next page, we have in the financial performance how our EBITDA has been behaving; we have a decrease in the second quarter of 2017 on the last twelve months. This decrease is mainly due to the fact that we received fewer dividends from EMGESA and CODENSA due to the investment program they are developing at the Company level, but we expected that during the second half we will reduce the gap compared to the 2016 final results.

Finally, we are showing page nineteen our main financial indicators, in the net debt / consolidated adjusted EBITDA we have increased our ratio to 3.17 due to the debt that we acquired during this year and also because we received fewer dividends from our associates and that was the effect of those two factors.

The consolidated debt composition as is seen, in the second quarter of 2017 we are increasing our local currency debt, and we are trying to match our exposure of currencies and having our debt more balanced in US dollars and Colombian Pesos, if we issue the second tranche of the local issuance, that number will increase, we expect something like 50% exposure of local currency.

In the debt maturity, as our current debt was issued to maturity of 7, 15 and 25 years, you will see that in the case of maturities, you are seeing some debt that is due to 2032 and 2042 that were not presented in previous presentations that we had of financial performance of EEB.

Now I will open this part of the presentation to a Q&A session.

Thank you very much.

**Operator:**

Thank you, we will now begin the Question and Answer session, if you have a question please press “star” and then “1” on your touchstone phone, if you wish to be removed from the queue please press the “pond sign” or the “hash key”, if you are using a speaker phone, you may need to pick up the handset first before pressing the numbers, once again if you have a question please press “star” and then “1” on your touchstone phone.

We have a question from Mark Heins from BTG Pactual.

The first question, actually he has two questions; the first one is regarding the company's strategy towards your low emissions business segment, it is known

that EMGESA is not going to be very active within the country for the next couple of years, considering that every single renewable project can be built through ENEL Green Power. In fact, ENEL Green Power already presented some guarantees for a project in La Guajira thanks to the award of the ISA's transmission line there.

So my question is how are you planning to proceed with this alliance? Are you starting new projects excluding EMGESA? What other projects can we expect in terms of technology? And how do you see your future with EMGESA as a partner? Do you believe that beside from a cash generation investment, can the EMGESA and CODENSA alliance lead to somewhere else besides from that dividend one?

**Mr. Castilla:** Ok, as you mentioned, the ENEL group has been using the Company ENEL Green Power to develop renewable programs in Colombia, at this moment we don't have any kind of alliance with them. Inside the EEB what we have been creating is a specific area for analyzing any renewable programs here in Colombia or outside Colombia.

We can analyze the possibility to have alliances or a joint venture with ENEL or with any other group, and at this moment we haven't selected or defined with whom we want to participate. In our strategy what we have clear is that we want participate with some strategic partners and in that sense, we will look for some kind of partnering in that sense, but as I mentioned before, we don't have at this moment any sort of agreement with ENEL or with ENEL Green Power to continue with this phase.

In the case of EMGESA as you mentioned, we are just in the process of finalizing options to use our current infrastructure and also to convert the current thermo power plants to a more efficient kind of plants, and the main investments are focused for the next years on that line.

Is too early to mention if finally, we are going to define if we are going with ENEL or not, I guess that in the appropriate time when we have taken the final decision with whom we are going to participate we will put that news as a relevant information for the market.

**Operator:** Thank you, and the second question is a little bit more numerical, I was wondering if you could provide us with an average of your transmission projects, as you know several of them are coming online within next year and I would like to have your profitability on run.

I don't know if you could provide an exact number or just a range in which can be located, are you expecting to maintain those current levels or do you have plans to increase those levels and how?

**Mr. Castilla:** Yeah, as it was presented by Astrid Álvarez in her speech at the beginning of this conversation, we have under develop 12 projects, 8 of them are from the national transmission system, 2 of them are related to the regional transmission system, and the last 2 are private initiatives, one with ECOPETROL and the other with CHEVRON.

As you know, in any of these processes we have to participate in a bidding process, those are processes that anyone that want to participate will have to

present tariffs for the next 25 years, and our main competitor is ISA here in Colombia, I cannot give you the profitability of these projects, it will depend of each project, because as you see there are small, medium and large projects; but I can see that our profitability can be in the range from 9% to 11% per project in US dollars.

**Operator:** Thank you, our next question comes from Diego Buitrago from BANCOLOMBIA, please go ahead.

**Mr. Buitrago:** Thank you, I have two questions; one is regarding the dividends from CODENSA and EMGESA, as we see in the first half of the year the dividends from EMGESA and CODENSA and the payout ratio were less than the recent history, what will expect at this regard for the next years? Regarding the dividends from EMGESA and CODENSA, and the payout ratio basically.

And the second one is you have a target to the mix of the debt composition between US dollars and Colombian Pesos? If you could give us, I'm so grateful. Thank you.

**Mr. Castilla:** Ok, in regards to the first question; in the case of EMGESA was something like 74% the dividend payout ratio, and in the case of CODENSA was something like 81%. We had some discussions with the other shareholders in that regard, but also the two Companies has very ambitious investment projects for the next five years.

At this moment we are in the process of trying to maximize the dividend payout considering also the possibility to invest. In the case of CODENSA, the next five years we are investing something in the range of 4.7 billion Colombian Pesos, and in that sense we have to take in consideration that this is one of the, I guess this is the most ambitious investment program for CODENSA.

In the case of EMGESA the situation is different; we are in the range of investment something like 860 billion Colombian Pesos for the next five years, also those two are in a very wealthy financial situation.

As I mentioned before, we are in the process of disclosing that with our shareholders to maximize, but we expect that in the following year we can reach what we had in the previous years that was distributing almost 100% of the net profit of every year.

On regards to your second question, at this moment we are in exposition of having something in the EBITDA that comes something like 50% of US dollars and 50% of Colombian Pesos. We don't have like a specific target but what we expect is that mainly in the coming years, and considering the cash requirements at the level EEB, we will try to place more Colombian Pesos in the longer maturities, we expect that maybe this year we would finalizing with something like 50%, but we believe that in the coming years we can increase that amount but it will also depend how the rates will be in the external market and what sort of projects we will have to finance in the coming years.

But as a general rule I believe that we will increase our exposure of Colombian debt during the coming years.

**Mr. Buitrago:** Ok, Thank you.

**Operator:** The next question comes from Andrés Duarte from CORFICOLMBIANA.

**Mr. Duarte:** Good morning thank you for the presentation, I have a couple of questions. The first one is related to PROMIGAS, after the first phase of the divestment ended the market price of the shares of the company have been above 6,000 Colombian Pesos with low trading volumes, I wanted to know if this implied an adjustment to the price have to be made during the second phase of this process.

The second question is related to debt; I wanted to know if besides issuing Colombian Pesos denominated debt, if the company plans to adjust its debt portfolio by exercising some of its call auctions on EEB's 2021 bond, which is US dollars denominated.

The other question is related to the Pacific regasification plant, so I wanted to know if the interest of EEB was limited to the construction of the pipeline from Buenaventura to Yumbo, and if you knew if the plant construction was to be financed by the thermal generators as the Cartagena regasification plant.

And finally, I wanted to check the scope of the final version of the Wacc calculation for gas transportation, does this Wacc encompasses the whole transportation activity, or if it only applies to new CapEx. Thank you very much.

**Mr. Castilla:** Ok, you have a lot of questions...

**Mr. Duarte:** I understand if you don't answer all of them...

**Mr. Castilla:** No problem, no problem at all. First of all, on regards of PROMIGAS, we are aware that the current price of the share is above of what we had in previous values of the share before we started our process, we are just finalizing our first phase that we call it solidarity sector.

We are in the process of reviewing what proposals were made and if they are accepted or not, and we believe that at the beginning of next month we will have final view on how many shares were sold during that first phase. Once we close that, we have to review what sort of adjustment we will have on the price, and they will have to be approved by our Board in order to give to the market what is going to be the next phase.

Until we have analyzed this phase and we presented to our Board, I cannot comment on what sort of adjustment we will have on the share of the Company.

On regards of your second question on debt, at the moment we are working on some kind of liability management for the bond that is due on 2021. We already syndicated that but considering that the current structure that we have, this has approval from the ministry of finance and we are in the process of presenting all the drafts for the different documentation and they have to approve it, and once we have the approval of that transaction we will launch, and I guess that we will have significantly savings compared what we have paying by now through the bond.

As I mentioned, we expect is to switch it to a syndicated loan that is going to be due on 2022.

Can you remind me the third question that I was not able to copy it?

- Mr. Duarte:** Yes, the third question is related to the regasification plant in the Pacific...
- Mr. Castilla:** I already remember, yeah. TGI has expectations to participate in all of the pieces of this project, through the regasification plant, through the new pipelines and through the bidirectionality of... let's say; there are projects that are going to be on TGI hands and there are others in which TGI will have to participate in a public bid, but our main interest is to participate in the full chain of projects that are during this process...
- Mr. Duarte:** Including the building of the plant?
- Mr. Castilla:** Including the building of the plant but in our strategic plan we believe that that kind of project has to be in association with a strategic partner, and consider the possibility to join or to have an alliance with a strategic partner that knows about this kind of project is going to be present.
- For your last question, I will let our specialist in regulatory issues...
- Alexander Rodriguez:** Ok hello, in regard with the Wacc calculation, we have made some simulations the last months, and we have an expectation to reduce the rate more or less between 400 and 500 basic points, but we want to make emphasis that methodology is not definitely, and we are expecting that the Commission of the Regulatory Issues can review this numbers with some variables, that we have problems like regulatory premium, but we have in this moment an expectation for 400 and 500 basic points reduction in the Wacc, that is our expectation.
- Mr. Duarte:** Ok but just to clarify my question, I want to know if this new Wacc encompasses the whole transportation activity, this is the specific question. I'm trying to...
- Alexander Rodriguez:** Yes, the transportation Wacc is higher with respect of all the activities of natural gas like distribution for example, is higher in this moment, and we hope that that Wacc maintain in that level.
- Mr. Duarte:** Ok and it includes the whole transportation activities? What I mean with this is, this includes the previews CapExs that has been done by the Company and the future capex that is to be done by the Company, right?
- Alexander Rodriguez:** I don't understand your question...
- Mr. Duarte:** Lo que estoy tratando de clarificar es que este nuevo Wacc ¿incluye a toda la actividad de transporte y por toda la actividad me refiero a futuras inversiones de la compañía, y también incluye la remuneración de las inversiones que ya tiene la compañía?
- Alexander Rodriguez:** Sí, si incluye a todas.
- Mr. Duarte:** Ok muchas gracias.
- Alexander Rodriguez:** Ok.
- Operator:** Thank you, we show no further questions at this time. I would like to turn the call back over to Mr. Castilla for any final remarks.
- Mr. Castilla:** Ok, to everybody thank you very much for holding this conference call, we

**EEB - Conference Call**  
**First Half Year 2017**



expect that we can present our third quarter results in the next quarter, and if you have any additional questions, at the last slide of our presentation there is our contact information if you require any additional data or information that has to be clarified.

Thank you very much to all and see you in the next opportunity.

**Operator:** Thank you ladies and gentlemen this concludes today's conference. We thank you for participating. You may now disconnect.