

**Grupo Energía Bogotá
Results Conference 3Q 2017**

Operator Operator - Good morning ladies and gentlemen and welcome to the GEB Grupo Energía Bogotá Third Quarter 2017 Investor Conference Call. As a reminder, this conference call is being recorded. Under the tab download you will find today's presentation. I will know like to turn the call over Mister Julian Naranjo, Financing and Investor Relation Manager of Grupo Energía Bogotá. Please go ahead Mister Julián.

Julian Naranjo Thank you. Good morning and welcome to our Conference Call for out Third Quarter Results of 2017 of Grupo Energía de Bogotá, GEB, partner company of Grupo Energía de Bogotá. My name is Julian Naranjo, I am GEB's Area Manager and today presentation will be made by Mister Felipe Castilla, Chief Financial Officer of GEB. This presentation is divided into four parts; first we will briefly review the main developments during this quarter; second, we will have a look to GBE's Financial Performance during third quarter 2017 and most important financial indicators; third, our CEO will make some introductory comments and key updates on GEB's performance and to conclude this conference we will be pleased to open the call to questions and answers session. Now, I turn the call over our CFO, Mister Felipe Castilla, please go ahead.

Felipe Castilla Thank you Julian, welcome to everybody to this conference call and we will start today with our presentation and those of you who have in front I will start seeing how GEB has been changing the corporate structure. I want just briefly to introduce that we have changed our name. This was taken during the last month and now we are called GEB, Grupo Energía Bogotá, instead of Empresa de Energía de Bogotá. That change is with the purpose that the people understand that we are as a group; in our logo you will see that we have some spheres that mean the different companies grouped into the group. As a proof of that in page 5 in our presentation, we have been structuring three different strategic businesses and we have been presenting this during the previous presentations, but it is important to emphasize that we are know divided into those three strategic groups; the first one is the one we call Urban Energy Solutions. In that strategic group we include all the companies that make distribution, no matter if they distribute electricity or natural gas. Then we have the Interconnecting for Market Development, is any company that have some kind of linear activity that joins productions and consumption. In this case is our main group and they are companies that transport natural gas or the companies that have the transmission of electricity. At the last, we have what we call Low Emission Generation. In that specific strategic group we only have one asset that is Emgesa, but the focus of the group in the next coming years will be focus in renewables and we have structured our company in that sense. Going to page 5, sorry page 6, you can see what are the main indicators regarding those three strategic groups, we have been presented is just to remind you that how important are those three strategic groups for the



group. On the key update, in page 8.

First we will start with the group, what was been happening during the last quarter; first of all we have on July 5th we paid the first installment of the dividends corresponding to the last year. The next payment was realized during the third quarter on October 31st and just to remind you we paid something like ninety-nine pesos per share. Also in August 14 we finalized the first phase of the divesting of non-core assets. In that process we are at this moment involving in selling our participation in ISA. We something in the range of one point six percent of that company. In the case of Banco Popular we have a small share on that and Grupo Nutresa that is a very, very small participation.

In the case of Promigas, that is not direct participation by the Grupo Energía Bogotá. We have an intermediate vehicle and we also finalized the process of first phase according to law 226.

Also, we have the authorization of the Ministerio de Hacienda for having some kind of intercompany with one of the vehicles we have outside Colombia and we received that authorization to celebrate an intercompany of one hundred million dollars. On October 12, Fitch rating reaffirm the rating of triple BBB in the case of Grupo Energía de Bogota with a stable outlook, also for TGI.

On October 20th we have the completion of disposal program of shareholding of Ecopetrol in Grupo Energía Bogotá. That is a process that was not handled by us, is a process handled by Ecopetrol, but they announced that they sold all the participation remaining that they have in this company.

Also, on October 20th, S&P reaffirmed the corporate rating of Empresa Energía de Bogotá as an investment rate of triple B minus, maintaining a stable perspective.

On November 15th, we successfully launch our second tranche of local bonds in an amount equivalent to six hundred and fifty thousand million Colombian pesos that is equivalent to two hundred and twenty-five million dollars. In that issue we reached a maturity of thirty years. I guess we are very happy to know that the local market can have maturity in that range.

On November 21th, our share reached a new high share price of two thousand and seventy pesos per share and some of the analyst predict that our target price is something in the range of two thousand one hundred and eighty pesos and also in the past two days also we reached the maximum price.

Finally, we changed our brand, as I mentioned before, we switched from the old EEB number in name Empresa de Energía to Grupo Energía Bogotá, GEB, and from now you will see in our logo and all our model related the new name of GEB.

Going to the following page in the case of TGI, just to remind you that the latest tariff that has been approved by CREG was in year 2010 and that tariff became effective in TGI in December of 2012. This tariff methodology process takes periods of five years and currently the new application of the new tariff is delayed and we expect that maybe by the end of the year it will be announced by the authority.

As I mentioned the new regulation is expected to be approved at the end of the year and we believe that if that is announced in this quarter the new

tariff will be on stream on starting in 2018 and we are just in the process of discussing with the regulator what is happened with the watt, and maybe this will be announced in the coming days.

Just to remind, the TGI revenues are highly predictable because most of them are stable no matter if the natural gas is transported or not, and just to show how predictable those revenues are, the company is something like 100% of TIG's contracts are firm contracts with an average remaining live of eight years. 90% of the last twelve months are regulated revenues are in the way of fixed tariff and not dependable on how much volume is transported, and something like sixty five percent of the last year are nominated in US dollars. Only 34% are nominated in local currency, but remind that they are match with the ORM that comes in Colombian pesos. Going to the following page, in page 10, we can see what is happening in Cálidda. We have been reached the higher number of new users. If we compare with the same period of last year is something above ninety ninety-five thousand users compared to ninety-three thousand users that we had in the same period of 2016.

The Cálidda's client base and invoiced volume both increased in the third quarter by twenty percent and four percent if we compare with the last period in 2016.

Over the last twelve months our network length was enlarged by almost one thousand kilometers, whereby the distribution system reached a total of more than eight thousand kilometers of underground pipeline.

The Cálidda's revenues and EBITDA of the third quarter increased by six percent and twelve percent respectively, given more distribution revenues due to the higher client base and a higher connection fee from natural gas vehicular segment and on the other hand the company are currently to working on our new businesses strategies. It has been working during this year and we are just redesigning all the administrative process and we are structuring to have a more commercial company and the search of new businesses that in the coming years will be a more profitable company than the one that we have right now.

In this quarter the monthly average total volume of natural gas produced in Peru was above one point two billion million cubic feet per day, showing a decrease of thirteen percent if we compare to the monthly average volume produced during the same period in year 2016.

Going to the following page, page 12, you can appreciate the investment that has been for the full year, not only in companies that are controlled by Grupo de Energía, but also in our associated companies. The total investment that has been made during the first nine months of 2017 in those two types of companies is in the range above six hundred million dollars. As you can see in the left upper corner the main investments are in CTM. As we have been announced the project Montaro-Montalvo was during construction in the first three quarters of this year, now is an operational asset, but during that period CTM was one of the main companies that we are investing. Also, in the case of Codensa we have something like twenty-six percent of that amount in investment made in electricity distribution in Bogotá and central region, and in the remaining portion our businesses of transmission lines here in Colombia have been used something like thirty percent of those investments.



As you know and we will present in the next slide, we are in the construction of fourteen projects and they are demanding important amounts of cash. If you can watch in the pie in the upper right corner, we divided by our strategic businesses. It's the idea that the interconnecting for market development has demanding something like sixty percent of the total amount of those resources, Urban Energy Solution in the range of forty percent and in the case of the Low Emission Generation that is specifically the case of Codensa, I am sorry, Emgesa, is on six percent; and if we divided by geography Colombia is the main point of investment, something in the range of fifty-five percent of the total amount, followed by Peru that reaches almost thirty percent, and in Guatemala our project made in Trecca and EEBIS demanded in the range of five point six percent.

If just we divided by how was made by associates and subsidiaries something in the range of sixty-two point five percent was made by associates and thirty-five point five percent by subsidiaries. Going to the following page, we are showing the projects that we are building here in Colombia in the transmission line business line, we expect to reach by year 2019 a total of almost ninety-four million dollars of new revenues.

At this moment we have been receiving revenues of the projects that are in the parenthesis and we expect that in the next year we can put on stream two additional projects in this flow.

Going to the following page, we are just showing the investment plan we have under the base scenario and want to emphasize that our base scenario corresponds to investments we have been sanctioned or we have the obligation to build or they are currently on the re-execution. Those investments are mainly on the transmission line businesses because. As I just presented, we are in the construction of fourteen new projects.

Also in the case of Cálidda in Peru, we are in the process of investment something in the range of eighty to one hundred million dollars per year and finally we have projects currently made by TGI in maintenance that will demand some important resources during years 2017 and 2018. We have mentioned this our base scenario and we are not including our new pipeline projects. We are just putting in this graphs projects that are under execution or we have highly probability to be executed, but if we include these new streams of projects we can double this amount.

Going to the financial performance of the last quarter, I am going to the page 16; first of all we are showing that our operating revenue is in the range of two point four billion Colombian pesos. We are showing a slightly increase of almost one percent of increase comparing with the third quarter of 2016; one of the main effects we have been mentioning in previous conference call is the fact that EEC was merged with Codensa and EEC was a controlled company by GEB and now that company in the moment that was merged with Codensa, now that we bring the results through a method of participation and they are not included in the operating revenues. For that reason revenues and expenses of EEC now are in a different place in our P&L. And the second effect that we have presented in previous presentations correspond that in the case of TGI we received some extraordinary revenues due to during the first quarter of



last year there was present the Niño phenomenon and in that sense we have to transport more natural gas that under normal circumstances they are not present as it happened in this year. In that sense those two effects have making that we are not able to show a higher increase.

Also, we just want to mention that in the case of electricity transmission we have been having an increase of sixty percent on almost thirty-three thousand million Colombian pesos in the way that we have putted on stream new transmission projects.

In the case of natural gas as I mentioned we have some reduction for the volume that has been transported during this year, because they are not consuming in the same manner in termo-power generation during 2017. And also, there is another effect for effect conversion, and in the case of natural gas distribution there is an increase in Cálidda's revenues considering the new penetration of new users and also because there are also new power generation and new industrial clients not only in the case of Cálidda but also in the case of Contugas.

In the operating profit we are in the range of nine hundred and fourteen thousand million Colombian pesos, we have an operating profit that shows a decrease of almost twenty-three percent and also mentioned by the effect of the merge of EEC with Codensa and the less volume transported by TGI during 2017.

Going to the following page, we have a bridge analysis in which we started with an EBITDA of eight hundred and seventy-two thousand million Colombian pesos. We have an effect of financial income of almost one hundred and forty-one thousand million Colombian pesos of increase, financial expenses during this year as we have been presented in previous conference calls. We have a payment of three hundred and ninety-five thousand million Colombian pesos that is increase of almost one thousand million Colombian pesos corresponding to higher interest paid due to the new issues of Colombian bonds in the local market.

In the net exchange we have a decrease of almost forty-one million thousand Colombian pesos and this effect was higher during last year, but this year considering that we some kind of devaluation, we are at this moment having some kind of revenue in that sense.

At the end we have a profit, a net profit of one point two billion Colombian pesos,. We are happy that at the end of the year we there will be better results than we have expected in our budget and we expect we will be able to distribute higher dividends that we expected during 2017, but that will be announced once we have our closed financial statement in 2018.

Going to the following page, we just show that our EBITDA and this an EBITDA that is an adjusted EBITDA. In the case of controlled subsidiaries we are just incorporating under the method of participation, but in the case of associates we include just the dividends that we are receiving in cash by those companies. As you see in the graph if we plot our last 12 months on the third quarter we have a decrease compared to last year, but that is due to the situation that Emgesa and Codensa paid not one hundred percent of net profit, they paid in the range of seventy five percent and that reduction is due to the aggressive invest program that have both companies and for that reason they are affecting, but we are expecting that in the next coming years we can stabilize and receive

again one hundred percent of those dividends. If we divide who are contributing in that EBITDA, TGI is the largest contributor with something like thirty-eight percent. Cálidda and Contugas in the range of nineteen percent and in the aggregate Emgesa and Codensa are in the range of twenty-three percent. We are now seeing that the electric transmission is contributing in a high manner considering we that we are putting more projects on line and they are contributing at this moment with something in the range of thirteen percent.

Just to be aligned with the way that we have been structured and that we presented at the beginning of this presentation, the interconnecting for market development is the largest contributor in our EBITDA that corresponds to transmission lines and natural gas transportation companies. In the case Urban Energy Solutions is the second and is in the range of thirty-four percent, and lastly we have Low Emission Generation with Emgesa with a contribution of twelve percent in this EBITDA generation. Going to the following page, just to check how we are doing regarding our main indicators and our main ratios. Our ratio of net debt on EBITDA is in the range of three point o-seven.

The company has covenants in which we have a limitation if we exceed four point five percent times and we are in the range of being one point five times lower than that. In any case our rating agencies expected that we are in the range of three point five to four times and we at this moment we are in a situation that is OK and we also have some space if we want to get new financing in the way that we are in the process of construction of new projects.

In the case of consolidated EBITDA on net interest we are above the limitation that we have in our covenants that is two point twenty-five times. We are in the range of six point five and we don't believe we have any problem with that. In the case of our debt as we have presented in previous presentation, we have been in the process of getting more balance on the ratio, the relation between debt in US dollars and debt in Colombian pesos.

As you see in this graph something in the range of ninety percent of the total debt is still in US dollars, but we have been increasing exposure to local currency. We almost in the range of ten percent. We expect that in the coming years we can have a more balanced between the way that we generate revenues and the way in which we have our debt.

Talking about our maturity and in this one I want to make a precision we are not including our last, our second tranche of local bonds, in the way that we include that we will be in the range of seventy percent of debt in local currency that will be shown in the presentation that we will make for the full year results of Grupo Energía. If we see what is the debt maturity profile we are concentrated most of our debt in the period on 2019 through 2023. We are in the process of making some liability management for this debt.

In the case of the debt of Contugas that is due on 2019 we are in the process of selecting the possibility to have a syndicated loan that extend at least for 2023. In the case of EEB we are working for finalizing our syndicated loan that will be due in 2022.

In the case of TGI that is the debt due in 2022. We are in the process of



looking some kind of liability management to issue a new bond that at least ends in a ten year period, but it can be a larger term and in the case of Cálida that is the debt due in 2023 we are just analyzing what sort of possibility we can see in order to make some kind of refinancing. At this moment we will start with the main commence that is the words that our CEO wants to present to the market, and we are going to present what is happening and what we will see in the coming future.

I will like to start by walking you to what we have been achieved. GEB is the only energy group in Latin America to operate in the entire low emission energy chain, including power generation, transmission, distribution, and commercialization. Natural gas transportation and distribution. Our business currently impact over six million customers in Colombia, Brazil, Peru, and Guatemala.

As you probably know we recently change our corporate identity to reflect our values as a group as our new strategy is already in motion. We have been also reoriented our company in two, three strategic businesses units with three clear values, created strategies and already appointed a senior leader to lead each one of them. We keep working on processes and our new corporate structure based on this strategy. We found our growth by developing and growing large energy companies in high consumption and production linear access. Also by partnering with sophisticated operators who are leaders in the market.

In that regard we held our consistent good financial performance over eight hundred and twelve million dollars of consolidated revenue and almost four hundred million dollars' net profit during the first nine months of the year. The company paid dividends in 2017 for an amount of nearly nine hundred nine billion Colombian pesos to our three thousand shareholders which evidences the company's strength and profitability due to its natural monopoly businesses in the market were GEB operates. Our share show a strong positive behavior on the local market throughout the year with an average value of one thousand nine hundred and twenty pesos per share during the first nine months.

GEB's shares were also placed in the ninth position in coal cap ranking with a grade of almost four point six percent turning it in an attractive and very long term investment opportunity for local and international investors not only by its price return of eighteen point five percent achieved in the last twelve months but also by this upside valuation potential.

Furthermore, analysts' consensus estimates an average target price of two thousand one hundred and eighty-one pesos per share. GEB's share had had a high of two thousand seventy pesos on November 7 of this year. As I mentioned this new high value has been achieved a couple of days ago.

We have continued our steady growth in terms of consolidated adjusted EBITDA which by the end of the first nine months reached over one point trillion Colombian pesos, a slightly decrease compared to the previous year's figures mainly due to lower revenues due to the merger of EEC and lower dividends coming from associates.

GEB consolidated as the second transmission entity in the country with a fifty percent market share in the income of the national transmission system. We are proud to announce that are the winners of Altamira



project bid process on the last invitation of the UPME.

Also, GEB is executing nine out of twenty-one STN projects that are being currently developed in the country. It is also in charge of the execution of three in eleven expansion projects for the regional transmission system awarded through a public tender process and finally executing two private initiatives are also under execution for a total of fourteen projects which will strengthen transmission reliability in Colombia. We expect to complete them as early as possible and continue our dedicated growth on this matter.

By year 2025 GEB will receive over one hundred million dollars in revenues due these new projects.

We are also proud to announced that CTM Consortium Transmantaro, a controlled company with forty percent of participating interest belonging to Grupo Energía Bogotá was awarded the energy transmission project connection five hundred kilowatts Mantaro, Nueva Yanango – Carapongo in Peru, the transmission lines will reinforced the Peruvian transmission system and we will provide a better reliability in the energy supply to the three regions of Huánuco, Cerro de Pasco and Ancash, with a new two hundred and seventy-two million project the presence of Grupo Energía de Bogotá in Peru will be reinforced and the importance of working with strategic shareholders as ISA in the framework of its corporate strategy plan.

Regarding our natural gas segment TGI consolidated as the major transportation company in Colombia with networks throughout fourteen y departments and one hundred and fifty-seven municipalities, transporting seventy percent of total natural consumed in the country with nearly four thousand kilometers of pipelines. We keep our good results tracks and we reached an EBITDA of the last twelve months of three hundred and twenty-five million dollars maintaining an EBITDA margin of seventy-nine percent which is a very high standard for the industry.

We are also preparing our proposal for the new LNG regasification plant in the Pacific Ocean and all the infrastructure required for this governmental new source in this ocean.

In Guatemala, through Trecca we are significantly progressing over there in the development of the PET one project for the construction of the new two hundred and thirty kilowatt transmission line through one hundred and twenty-eight miles and 24 expansion and construction works for new substation. We will double the national grid system transmission capacity. We have been, we have already, energized more than sixty percent of eight hundred and sixty kilometers and keep working closely with EEBIS Guatemala, another GEB company, in other major infrastructure projects. By the end of the year we expect to receive fifty percent of the sector revenues of this project amounting up to sixteen million dollars per year. The Guatemalan government recently extended the full scope of this project to November of the year 2021.

In the third quarter our company Cálidda surpassed five hundred and thirty four thousand residential [.....] approximately sixty-six percent and around one point five million people will benefit by the end of 2020.

Grupo Energía Bogotá is today a key partner of the Peruvian government in massification of natural gas. We also reached important results in our



company Contugas with an EBITDA of thirteen point five million dollars and the company is advancing toward its commitment with the Peruvian government to bring natural gas to more than fifty thousand household by 2020. We are also actively looking for opportunities to participate in new projects in Peru.

In terms of our main associate companies Emgesa and Codensa a total of aggregate income of eight hundred and ninety-two million dollars in the third quarter of 2017 reflecting EEC merge with Codensa at the end of 2016, and has a well and stable operation results, efficient-cost management, and lower financial expenses.

The two companies combined executed a CapEx of one hundred and ninety-two million dollars during the first nine months of the year. We are proud to say that on October 23th, we had our twenty years' anniversary of the transformation process when we defined our generation and distribution businesses in Emgesa and Codensa, today part of the ENEL Group.

GEB is working in this new line business of the linear energy generation by reinforcing our team looking for opportunities not only in Colombia but also in the region. We expect that in the near future we can close our businesses in the strategic union.

Regarding the sale of our non-core assets we are undertaking analysis to finalize this process. Last but not least, we successfully placed our second tranche of our local bond issue last week, completing our plan of four hundred and fifty million dollars for this year. This will help us from our transmission new assets, highlighting that for the first time we have tenures of thirty years, we feel very comfortable with, this show the confidence of the market in the company.

At this moment I will leave open the possibility to make any question that you want. Thank you very much.

Operator

Thank you we'll know begin the questions and answers session. If you have a question please press "star" and then "1" on your touch tone phone. If you wish to be removed from the queue please press the pound 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" then "1" on your touch tone phone. [...].

We have a question from Ricardo Sandoval from Corredores Davivienda. Please Ricardo go ahead.

Ricardo Sandoval

Hi, thank you for the presentation. I have three questions regarding the sell of fifty-nine percent of Gas Natural Fenosa in the market and I would like to know what is your opinion about the sell price of seven five thousand eight hundred Colombian pesos per share of Gas Natural Fenosa, is it attractive to you, to the management, and the second question is, after the transactions end, do you foresee maybe any impact on the results as a contingent profit or something like that, and the third question is would it be possible for GEB to participate in a future OPA despite the process of load to 2016. Thank you.

Felipe Castilla

Thank you Ricardo. Difficult questions but I'll try to answer as good as possible. In the first question regarding what is our opinion of price, we haven't see in detailed what has been the transaction that is on this time,



is something that has been handled directly by seller and buyer, and at the moment I cannot make any comment on the price. We are just expecting what is going to happen. Answering your second question, we consider that this is a several stages process. We are analyzing what sort of impact we can have in the final results and maybe they would create some kind of new additional revenues, but we have to understand in a better way what is under this transaction, but in the first see that we are looking at this process maybe we can see that the company can have some kind of additional revenues, but I cannot assure you is just a preliminary analysis that we have been having.

On the third question and I want to be clear, we are not in the process of selling our participation and in that sense we are not foreseeing any kind of permit or using of load to twenty-six of using the OPA that is going to be opened, and at this moment we are not thinking on that possibility.

Ricardo Sandoval
Operator

Ok. Thank you.

We have a question from Diego Buitrago from Bancolombia. Please mister Diego go ahead.

Diego Buitrago

Good morning everyone. Thank you for the presentation. I want to know if you could tell us something about the schedule of the process of the Promigas sale, the stake of EEB and what about the process of the twenty percent of the District of Bogotá in EEB, what could you tell us about the schedule of this process. Thank you.

Ricardo Sandoval

Thank you.

Regarding the first question of the schedule of Promigas, at this moment we are not defining when we are open the second phase. We are just analyzing what is happening with the market, as you know the prices is having some kind of volatility, and at this moment we haven't taken the decision and we are not ready to announce to the market when are we going to proceed with this process. At this moment, we are closing the process of analyzing and in the moment that we have taken a decision we would clearly announce to the market what is going to happen. For your second question I will leave mister Julian Naranjo that is the manager of this process and can explain it in more detail.

Julian Naranjo

Thank you Felipe. In that regard we maintain the dates and the schedule for that process. We expect to happen before the year end for the solidarity sector and we will be announcing when that happens essentially at a given time, but definitely we are in schedule with what we have said before and we expect in next year to finalize that process in the first semester of the year. Thank you.

Ricardo Sandoval
Operator

Thank you.

Andrés Duarte from Corficolombiana is now in the line. Go ahead mister Andres.

Andrés Duarte

Hello, thank you for the presentation. I have three questions as well. The first question is related to your low emission segment. I just wanted to know if Enel's participation on this project is not to be done through Emgesa. I wanted to know what EEB is planning to do specifically, like what is the strategy regarding this. The second question has to do with TGI's EBITDA for the third quarter. I just, I mean read the explanation that you guys did on the drop of eleven point seven percent that EBITDA had and the explanation have to do with the volumes transported, so I just

want to like understand a bit more what is the sensibility on this taking into account that more than ninety percent of the revenue of TGI comes from capacity and not from volume, and finally, the third question, as you mention the regasification plant that your are planning to participate on, I just wanted to know if you have clarity on the way that this plant is going to be paid for, like what is the scheme that is going to be used for a private investor to consider this attractive. Thank you very much.

Felipe Castilla

Andrés thank you. With regard to your question on the low emission segment, as you know in the case of the Enel Group they have a specific vehicle that is Enel Green Power, but at this moment we haven't any sort of agreement or we don't have any sort of joint venture with them for this purpose, but we are in the process of continue discussing with them if they can be inside Emgesa or would have to look through a different kind of partnership not only with Enel Green Power or any other partner, not only for Colombia but also outside in a different kind of project, but at this moment we haven't had any sort of definition with the Enel Group.

In the case of the regasification plant we are in the process of expecting how the conditions are going to be finalized to the invitation that is going to be by the government but we know that at this moment that they will open a public bid in the first semester of next year, and what we expect is that this asset will be remunerated as an asset that has to be as the corresponding situation in the electric sector of an asset that has to be available, and the remuneration is going to be through the market, not only if there is a requirement the asset has to be remunerated, but we are expecting what is going to be the final condition offered by the authority in that regard. Also, we are also expecting a facility that is going to be built inland or it is going to be a floating facility. I guess that those definitions are going to be presented in the invitation that will be opened in the first semester of the next year. For the third question I will let the word to our General Accounting Manager just to answer that.

Operator

Daniel Sanín from Scotiabank is in the line right now. Mister Daniel go ahead with your question please.

Daniel Sanín

Hi, thanks for the presentation. My question is regarding TGI in the gas transportation tariff is a change that is going to be approved soon, understanding it is going to be in stream during 2019. I want to understand which impacts could have on TGI's revenues for both current and future contracts. Thanks.

Felipe Castilla

What we expect is a reduction of the Watt. We are currently in the range of fifty percent and I guess that the new resolution is expecting something in the range of ten percent, that will create a reduction of revenues once the new scheme is in place. In that regard we are going to compensate that is through additional projects. For that reason is very strategic for our company to participate in this regasification plant in the Pacific Ocean and also in all the requirements through the figure of IPAT that have to be build in the new infrastructure. As I mentioned if we take what is on place at this moment it will be a reduction from something in the range of fifteen percent of watt up to the level above ten percent.

Operator

We have Estefania Mosquera from QB4 Capital. Please Mrs. Estafania go ahead.



Estafania
Mosquera

Thank you very much for the presentation. My question is regarding the transmission division of the company. I understand that most part of the CapEx of the company focus on that sector, so my question would be once the CapEx is completed and the projects are finished by 2019 or 2020, what are your expectations on the transmission share on the company's consolidated revenue.

Felipe Castilla

Thank you. Yes, first of all I want to make a comment. In the case of transmission lines here in Colombia one of the advantages that we have is that if we are able to prove that we are not able to enter in the specific date in which we have been agreed to put the project on line we start receiving revenues although we can't receive an extension of completion of those projects, in some cases we can be executing the project but we start receiving the revenue of that business line. What we have at this moment is that once we have those ninety-three million dollars in place something in the range of seventeen percent of increase in that regard. In the old system we have revenues that are going to be in the range of something in the range of thirty percent are the revenues that we receive for the old transmission lines and once we increase that seventy percent will come from projects under this new kind of projects. In that sense we are in something like ninety-three million dollars and we will receive something like thirty, thirty-five million for the old projects.

Estefania
Mosquera
Operator

Ok. Thank you.

Julian Naranjo

We have no further questions at this time. I would now like to turn the call over mister Julian Naranjo for final remarks.

Thank very much for your interest in GEB. We welcome any further question that you may have through our IR contact and we are more than happy to assist you in any inquiry. Thank you very much and have a nice day.

Operator

Thank you, ladies and gentlemen.
This concludes today's conference.
Thank you for participating.
You may now disconnect.