

18 August 2006

UPDATE ON NATIONAL GRID ACQUISITION OF KEYSpan

National Grid is pleased to note that at the KeySpan Annual Meeting of Stockholders held yesterday, KeySpan stockholders voted in favour of the proposed acquisition of KeySpan by National Grid.

This follows the announcement on 10 July 2006 that the Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act (HSR), and the announcement on 12 July 2006 that the Committee on Foreign Investment in the United States (CFIUS) had completed its review of the transaction and determined there are no issues of national security sufficient to warrant an investigation. National Grid shareholders approved the acquisition at the company's Extraordinary General Meeting on 31 July 2006.

Remaining approvals for the acquisition include authorisation by the Federal Energy Regulatory Commission and by state public utility regulatory commissions, including the New York Public Service Commission (NYPSC) and the New Hampshire Public Utilities Commission (NHPUC). Filings requesting approval from each of the NYPSC and NHPUC were made on 21 July 2006 and 11 August 2006 respectively, and in May the companies filed for approval from the U.S. Federal Energy Regulatory Commission.

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