

24 October 2006
National Grid plc

UPDATE ON NATIONAL GRID ACQUISITION OF KEYSpan

National Grid is pleased that the US Federal Energy Regulatory Commission (FERC) has voted to approve the proposed acquisition of KeySpan. In its order, dated 20 October 2006, FERC noted KeySpan's ownership of generating plants located in New York City and Long Island and stated that the combination of National Grid's and KeySpan's electric generation resources is not likely to harm competition in any relevant energy market.

This order follows the announcement on 10 July 2006 that the Federal Trade Commission granted early termination of the waiting period under the HSR Improvements Act, and the announcement on 12 July 2006 that the 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 gave their approval on 31 July 2006, and KeySpan stockholders voted in favour of the proposed acquisition on 17 August 2006.

Remaining approvals for the acquisition include authorisation 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.

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