EXECUTION COPY

Final Terms dated 26 July 2006

NATIONAL GRID ELECTRICITY TRANSMISSION PLC

Issue of £25,000,000 1.5842 per cent. RPI-Linked Instruments due 2056

under the Euro 12,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 18 August 2005 and the Supplemental Prospectuses dated 26 August 2005, 17 November 2005, 6 March 2006, 12 May 2006 and 19 May 2006 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **"Prospectus Directive"**). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the Supplemental Prospectuses are available for viewing at, and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at Trinity Tower, 9 Thomas More Street, London E1W 1YT and are available for viewing on the website of Regulatory News Services operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews.

1.	(i)	Issuer:	National Grid Electricity Transmission plc
2.	(i)	Series Number:	38
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		Sterling (**"£"**)
4.	Aggregate Nominal Amount:		
	(i)	Series:	£25,000,000
	(ii)	Tranche:	£25,000,000
5.	Issue Price:		100 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:		£50,000
7.	(i)	Issue Date:	28 July 2006
	(ii)	Interest Commencement Date:	28 July 2006

8.	Maturity Date:		28 July 2056
9.	Interest Basis:		Index Linked Interest (further particulars specified below)
10.	Redemption/Payment Basis:		Index Linked Redemption (further particulars specified below)
11.	Change of Interest or Redemption/Payment Basis:		Not Applicable
12.	Put/Call Options:		Not Applicable
13.	(i)	Status of the Instruments:	Senior
	(ii)	Date approval for issuance of Instruments obtained:	Not Applicable
14.	Method of distribution:		Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Instrument Provisions**		Not Applicable
16.	**Floating Rate Instrument Provisions**		Not Applicable
17.	**Zero Coupon Instrument Provisions**		Not Applicable
18.	**Index Linked Interest Instrument Provisions**		Applicable
	(i)	Index/Formula:	The Index as defined in Condition 4.1
	(ii)	Interest Rate:	Each Instrument shall bear interest on its outstanding nominal amount from the Interest Commencement Date at 1.5842 per cent. per annum, payable in arrear on each Interest Payment Date and adjusted in accordance with Condition 4.2
	(iii)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Calculation Agent):	Not Applicable
	(iv)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	Conditions 4.3 to 4.5 shall apply.
	(v)	Specified Interest Payment Dates:	28 January and 28 July in each year up to and including the Maturity Date
	(vi)	First Interest Payment Date:	28 January 2007.
	(vii)	Interest Period(s):	The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and

			ending on (but excluding) the next succeeding Interest Payment Date
	(viii)	Business Day Convention:	Not Applicable
	(ix)	Minimum Indexation Factor:	Not Applicable
	(x)	Business Centre(s) (Condition 3.2.5):	London
	(xi)	Maximum Indexation Factor:	Not Applicable
	(xii)	Limited Indexation Month(s):	Not Applicable
	(xiii)	Base Index Figure:	197.54516, applicable to 28 July 2006 (interpolated between April 2006 and May 2006).
	(xiv)	Day Count Fraction (Condition 3.2.5):	Actual/Actual - ICMA
	(xv)	"Index" or "Index Figure" (Condition 4.1):	Sub-paragraph (iii) of the definition of "Index" or "Index Figure" as set out in Condition 4.1 shall apply.
19.	**Dual Currency Instrument Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	**Call Option**		Not Applicable
21.	**Put Option**		Not Applicable
22.	**NGET Restructuring Put Option**		Applicable
23.	**Final Redemption Amount of each Instrument**		
	In cases where the Final Redemption Amount is Index-Linked:		
	(i)	Index/Formula:	The Index as defined in Condition 4.1
	(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	JPMorgan Chase Bank, N.A.
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	The Final Redemption Amount per Instrument shall be its nominal amount adjusted in accordance with Condition 4.2
	(iv)	Determination Date(s):	28 January and 28 July
	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Conditions 4.3 to 4.5 shall apply
	(vi)	Payment Date:	The Maturity Date

	(vii)	Minimum Final Redemption Amount:	Not Applicable
	(viii)	Maximum Final Redemption Amount:	Not Applicable

24. **Early Redemption Amount**

(i)	Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 5.2) or on Event of Default (Condition 9) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	The Early Redemption Amount per Instrument shall be its nominal amount together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 4.2)
(ii)	Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2)	Yes
(iii)	Unmatured Coupons to become void upon early redemption (Condition 6.5)	Yes

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

25.	Form of Instruments:	**Bearer Instruments:** temporary Global Instrument exchangeable for a permanent Global Instrument which is exchangeable for Definitive Instruments on 60 days' notice in the limited circumstances specified in the permanent Global Instrument
26.	Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6):	London
27	Applicable TEFRA exemption:	D Rules
28.	Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature):	Yes, maturing on 28 July 2019, 28 July 2032, 28 July 2045
29.	Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Instruments:	Not Applicable
31.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	Not Applicable
33.	Other final terms:	The Reference Gilt is the 1.25 per cent.

DISTRIBUTION

34.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
35.	If non-syndicated, name of Dealer:		UBS Limited
36.	Additional selling restrictions:		Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Instruments described herein pursuant to the Euro Medium Term Note Programme of National Grid plc and National Grid Electricity Transmission plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B - OTHER INFORMATION

1. LISTING

(i)	Listing:	London
(ii)	Admission to trading:	Application has been made for the Instruments to be admitted to trading on the London Stock Exchange plc's Gilt-Edged and Fixed Interest Market with effect from 28 July 2006.
(iii)	Estimate of total expenses related to admission to trading:	£916

2. RATINGS

Not Applicable

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

6. YIELD

Not Applicable

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Information on the UK Retail Price Index can be found on Bloomberg page UKRPI.

8. PERFORMANCE OF RATE OF EXCHANGE

Not Applicable

9. OPERATIONAL INFORMATION

ISIN Code:	XS0262082117
Common Code:	026208211
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment

	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

10 GENERAL

	Tradeable Amount:	So long as the Instruments are represented by a Global Instrument and Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* so permit, the Instruments shall be tradeable in minimum principal amounts of £50,000 and integral multiples of £1,000 (the **"Tradeable Amount"**) in addition thereto.
	The aggregate principal amount of Instruments issued has been translated into Euro at the rate of EUR1 = GBP0.6911, producing a sum of (for Instruments not denominated in Euro):	Euro 36,174,215.02
	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11.1:	Not Applicable