

News

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NATIONAL GRID INVESTS MORE THAN \$600 MILLION IN ELECTRIC SYSTEM ENHANCEMENTS DURING THE LAST 12 MONTHS

Record Investment Comes in First Year of Five-Year System Improvement Plan

Westborough, Mass. -- National Grid made a record investment of more than \$600 million in enhancements to its electricity networks in New York and New England during the first year of a five-year plan to enhance reliable electric service for its customers. During the five-year period between March 2006 and 2011, the company projects that capital expenditure on enhancements to its existing U.S. electricity and gas networks will total more than \$3 billion.

"This critical investment will enable us to enhance reliable service to customers and prepare our system to meet the needs of our region and communities as we move further into the 21st century," said Cheryl LaFleur, acting CEO of National Grid's U.S. electricity distribution business.

The reliability improvement plan includes a comprehensive set of initiatives aimed at addressing the main causes of power outages including trees, lightning and deteriorated equipment. These efforts are in addition to existing reliability programs and day-to-day work that serve to enhance reliability. During the last year, more than 1,300 miles of major electric distribution lines were inspected and upgraded. Thousands of fuses, poles, transformers and related equipment were replaced and animal guards and lightning protection devices were installed.

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Highlights of work performed last year include:

Replacement of:

- Approximately 45,000 cutouts, or line fuses, that isolate portions of a line experiencing an outage and prevent the outage from affecting a larger customer group
- More than 7,000 insulators, equipment that insulates power lines from the utility pole and other nearby equipment; damaged insulators can result in power outages
- More than 9,000 transformers
- More than 18,000 wood poles

Installation of:

- More than 4,000 animal guards that are used to discourage animals from making contact with electrical equipment, a significant cause of outages
- More than 1,300 lightning arresters that prevent outages by protecting lines from voltage carried by lightning strikes and other abnormalities

Many individual projects across the distribution system also were completed including the installation of additional equipment to limit the number of customers affected by power outages, replacement of or upgrades to substation equipment and replacement of underground cables.

In addition to the capital investments, the plan includes increased tree and vegetation management, inspections, and maintenance work related to preventing outages. Trees were trimmed along more than 10,000 miles of distribution lines and more than 22,000 trees that posed a risk to reliable service were removed. National Grid's Forestry group completed vegetation management work on 17,000 acres of transmission line corridors.

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National Grid's U.S. transmission business also made significant reliability upgrades during the past 12 months. In New England, a 345 kV transmission line that runs from western to central Massachusetts was completely refurbished, with poles and cross arms replaced along the entire line. This project significantly improved the reliability of this key circuit. The Wachusett 345 kV and 115 kV substations in West Boylston were constructed and placed in service this year, completing a major reconfiguration of the central Massachusetts transmission network.

In New York, the Clay 345 kV substation near Syracuse is undergoing a major multi-year refurbishment. During the last year, two major sections were rebuilt, with older equipment being replaced with modern, high-speed equivalents. This work improves the reliability of the facilities that transfer power east to west across National Grid's New York network. At the Packard 115 kV substation in Niagara Falls, circuit breaker replacement work was completed to remove potentially overloaded components from the network.

During the next 12 months of the reliability plan, National Grid plans to undertake upgrades on over 2,500 miles of distribution lines, and tree work on another 11,000 miles of lines. Approximately 300 miles of transmission lines will be refurbished, and National Grid will begin construction on a major transmission line and substation project to meet growing demand for electricity and improve reliability in southern Rhode Island. Work at the Clay substation near Syracuse also will continue this year.

National Grid, through the transmission and distribution of electricity and natural gas, serves close to 4 million customers across 29,000 square miles of Massachusetts, New Hampshire, New York and Rhode Island.

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