

NATIONAL GRID PLC  
Form FWP  
July 20, 2006

National Grid plc  
Pricing Term Sheet

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| Issuer:                                 | National Grid plc  |
| Type:                                   | SEC-registered   |
| Size:                                   | \$1 billion  |
| Maturity:                               | August 1, 2016   |
| Coupon:                                 | 6.300%   |
| Price:                                  | 99.785% of face amount   |
| Yield to maturity:                      | 6.329%   |
| Spread to Benchmark Treasury:           | 127 bps  |
| Benchmark Treasury:                     | 5.125% due 5/16  |
| Benchmark Treasury Price and Yield:     | 100-16, 5.059%   |
| Interest Payment Dates:                 | February 1 and August 1, commencing February 1, 2007   |
| Redemption at the option of the Issuer: | At any time at the greater of 100% or an adjusted Treasury Rate plus 20 basis points   |
| Settlement:                             | T+3; July 24, 2006   |
| CUSIP:                                  | 636274AC6  |
| ISIN:                                   | US636274AC63   |
| Use of Proceeds:                        | Initially general corporate purposes, with the remaining portion used to finance in part National Grid's proposed acquisition of KeySpan subject to consummation of the acquisition. |
| Bookrunners:                            | Citigroup, JPMorgan, Merrill Lynch & Co.   |
| Co-managers:                            | Commerzbank, Dresdner Kleinwort, ING, Mitsubishi UFJ, Societe Generale   |

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling collect at 1-212-834-4533.**