

May 4, 2011

Mr. Martin Miller, Chief  
U.S. Fish & Wildlife Service  
Endangered Species Unit  
P.O. Box 779, 300 Westgate Center  
Hadley, Massachusetts 01035-9589

**Re: National Grid's Funding Commitment for Implementation of a Habitat Conservation Plan for the Karner Blue Butterfly and Frosted Elfin**

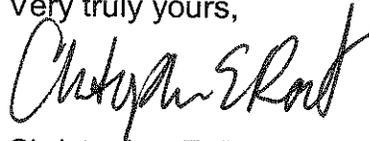
Dear Mr. Miller:

Reference is made to the letter from Mr. Paul Renaud on behalf of Niagara Mohawk Power Corporation, doing business as National Grid ("National Grid"), to the U.S. Fish & Wildlife Service (the "USFWS"), dated April 30, 2009 (the "Commitment Letter"), in which National Grid affirmed its commitment to fund implementation of a Habitat Conservation Plan (HCP) for the Karner blue butterfly (*Lycaeides Melissa samuelis*) and frosted elfin (*Callophrys irus*), which is applicable to certain identified rights-of-way and associated properties in the State of New York. A copy of the Commitment Letter, along with National Grid's associated application for an Incidental Take Permit, is attached hereto as Exhibit A.

Please be advised that Mr. Renaud is no longer with National Grid and I have assumed his former responsibilities. I am providing the present letter to reaffirm National Grid's commitment to fund implementation of the HCP as described in the Commitment Letter, subject to such modifications of the proposed HCP or associated implementation plan that the USFWS and National Grid may have subsequently agreed to. Based on the two-year duration of the USFWS's review of the HCP and on the expectation that the remaining regulatory process to accept the HCP and issue an Incidental Take Permit will consume most or all of 2011, National Grid currently expects that the first, full-year of HCP implementation will occur in 2012.

If you have any questions about the present letter or need further information concerning this matter from National Grid, please do not hesitate to contact me or Mr. William J. Balestra, Director of Environmental Management – NY North, at (315) 428-6078.

Very truly yours,



Christopher E. Root  
Senior Vice President, Network Strategy

cc: William J. Balestra, National Grid  
Kim Herman Goslant, National Grid  
Robyn Niver, USFWS  
Kathleen O'Brien, NYSDEC