

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27966; International Series Release No. 1287; 70-9849)

National Grid Transco plc

Supplemental Order Releasing Jurisdiction and Authorizing an Extension of Time to Complete Divestiture

May 6, 2005

National Grid Transco plc (“Grid Transco”), London, United Kingdom, a foreign registered holding company under the Public Utility Holding Company Act of 1935, as amended (“Act”), has filed a post-effective amendment (“Amendment”) with the Securities and Exchange Commission (“Commission”) under section 11(b)(1) of the Act. The Commission issued a notice of the previously filed application on October 30, 2001 (HCAR No. 27460).

On January 16, 2002, the Commission issued an order authorizing the acquisition of NM Holdings, Inc. (“NiMo”), by Grid Transco and related transactions (“NiMo Merger Order”).¹ In that order, the Commission granted the request of Grid Transco and its registered holding company subsidiaries to retain many of the nonutility subsidiaries and businesses of NiMo and reserved jurisdiction over the retention of NM Properties, Inc. (“NM Properties”), its subsidiaries and businesses. The NiMo Merger Order required Grid Transco, by January 10, 2003, to provide additional information regarding these companies and either justify their retention or propose their divestiture. Grid Transco filed the requested amendment.

¹ HCAR No. 27490; International Series Release No. 1255.

By this Amendment, Grid Transco has requested that the Commission issue an order authorizing an extension of time to complete the divestiture or dissolution of NM Properties and its subsidiaries, their investments and their businesses by December 31, 2008 (the "Completion Date") as described below.

NM Properties through its subsidiaries have been engaged, directly and indirectly, in various real estate activities. Some of the real property held by NM Properties and its subsidiaries was acquired from Niagara Mohawk Power Corporation ("Niagara Mohawk"), an indirect public utility subsidiary company of Grid Transco, and its predecessor companies. This acquired real property was no longer used by or useful to Niagara Mohawk in its utility operations. Grid Transco represents that it does not intend to transfer additional real estate to NM Properties and its subsidiaries, has no plans for these entities to otherwise acquire additional real estate, and is looking for opportunities to dispose of the real estate and other assets currently held by these companies. Grid Transco will seek to complete divestment or dissolution of NM Properties, its subsidiaries and investments on or before the Completion Date. The Amendment describes the current status of Grid Transco divestment efforts as to the real estate and other assets owned by NM Properties and its subsidiaries. Grid Transco states that based on the current state of the upstate New York economy (the area where the properties are located), the impacts of former utility use on some of these real estate assets, as well as other factors, make sale or other transfer to a third party of some of the assets difficult or impracticable. Accordingly, Grid Transco states that it may be necessary to retain NM Properties past the Completion Date for the purpose of allowing additional time to divest

such assets. In such event, Grid Transco will file a post-effective amendment in this filing to seek an extension of the Completion Date.

The fees, commissions and expenses incurred or to be incurred in connection with this Amendment will not exceed \$25,000. Grid Transco maintains that no state or federal regulatory agency, other than the Commission, has jurisdiction over the requested authority.

Due notice of the filing of the application has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested of or ordered by the Commission. Based on the facts in the record, the Commission finds that the applicable standards of the Act and rules are satisfied and that no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and the rules under the Act, that jurisdiction is released and the Amendment is permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland
Deputy Secretary