

Niagara Mohawk Power Corporation d/b/a National Grid

Residential High-Efficiency Heating and Water Heating and Controls Program Marketing Plan Update 2011

Overview

The annual energy savings goal and marketing budget for the Residential High-Efficiency Heating and Water Heating Controls Program will increase in Upstate New York in 2011 compared to 2010. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Residential High-Efficiency Heating and Water Heating and Controls Program
Fuel Type:	Gas
Region:	Upstate New York

The Residential High-Efficiency Heating and Water Heating and Controls Program provides incentives to residential customers to install high-efficiency residential gas heating and water heating equipment and related controls. The qualified equipment must meet a certain minimum level of AFUE and the incentive increases with higher energy efficiency ratings.

Target Markets

Target Audience

This program is designed for residential customers in existing and newly constructed homes. All residential customers on residential rates are eligible to participate. Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs, and take next steps to participate, through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the business community.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing homes
- Replacement systems in existing homes
- Improvements in operational systems in existing homes
- Past participants of National Grid's programs
- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment
- Manufacturers, suppliers and distributors of equipment
- New home/business builders and remodeling contractors
- Home/business improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn in 2008 and the very slow economic recovery the nation is facing, National Grid understands that many residential homeowners are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email and email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and trade partners, who influence the customer's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate customers and encourage participation. Collateral will be distributed to residential customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements may be placed to build awareness of the program. Finally, a periodic e-mail newsletter for residential customers that includes articles about the programs may be distributed.

Contractors will also be targeted with a combination of distributor signage, a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral & Distributor signage	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, customer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole home approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral & Distributor signage	Ongoing			

Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training/Other Advertising	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region	Fuel	2011
Residential High-Efficiency Heating and Water Heating and Controls Program	Upstate New York	Gas	\$90,500

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

EnergyWise Gas Program Marketing Plan Update 2011

Overview

The energy efficiency goals will remain unchanged for the EnergyWise Gas Program in 2011 compared to 2010. The marketing budgets will remain unchanged. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	EnergyWise Gas Program
Fuel Type:	Gas
Region:	Upstate New York

The EnergyWise Gas Program provides participants with a free comprehensive energy use assessment and financial incentives for actions that will improve the electric and gas energy efficiency in multifamily buildings. The EnergyWise Program provides incentives for installation of building envelope measures such as insulation, sealing, attic ventilation, ductwork and air infiltration testing, lighting, and refrigerator replacement. In addition, the EnergyWise Program may identify additional measures for which participants may be eligible for incentives under other National Grid energy efficiency programs as well as appropriate energy efficiency programs offered by NYSERDA and other utilities.

Target Markets

Target Audience

Eligible program participants include property owners and property managers of multifamily facilities with five to fifty dwelling units that are National Grid electric and/or

gas customers of record, along with residents of such multifamily dwellings who are National Grid electric and/or gas customers of record on an individual living unit basis. Participants may be commercial or residential customers depending on how the facilities' meters are configured and billing is established.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs, and take next steps to participate, through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the community.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing multifamily units
- Replacement systems in existing multifamily units
- Improvements in operational systems in existing multifamily units
- Past participants of National Grid's programs
- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment
- Manufacturers, suppliers and distributors of equipment

- Multifamily unit builders, managers, and remodeling contractors
- Home improvement retailers

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn in 2008 and the very slow economic recovery the nation is facing, National Grid understands that many residential property owners and their tenants are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email and email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both multifamily property owners and tenants, as well as trade partners, who influence the property owner's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate consumers and stimulate participation. Collateral will be distributed to residential customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements may be placed to build awareness of the program. Finally, a periodic e-mail newsletter for residential customers (i.e., prospective tenants residing in multifamily properties) that includes articles about the program may be distributed.

Contractors will also be targeted with a combination of a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, customer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole home approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral	Ongoing			
Website & SEM	Ongoing			

Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training/Other Advertising	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region(s)	Fuel	2011
EnergyWise Gas Program	Upstate New York	Gas	\$232,028

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Energy Initiative – Large Industrial Gas Program Marketing Plan Update 2011

Overview

The annual energy savings goal, the overall budget, and the marketing budget in particular of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) remain the same for the Energy Initiative – Large Industrial Gas Program in 2011 compared to 2010. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Energy Initiative – Large Industrial Gas Program
Fuel Type:	Gas
Region:	Upstate New York

The Energy Initiative – Large Industrial Program offers technical assistance and financial incentives to existing industrial facilities to encourage installation of energy efficient measures and recommended steps that participants can take to improve their facilities’ energy efficiency. Prescriptive natural gas energy efficiency measures include clock thermostats, boiler resets, steam traps, high efficiency fryers, steamers, convection ovens, insulation (roof, wall, floor, pipe and duct), windows, and spray valves. Prescriptive incentives are designed to cover approximately 50% of total installed costs. Custom measures will include process-related systems with incentives that will pay gas customers \$2.25 per therm saved based on actual first year savings as determined by an engineering analyses of completed projects. The actual incentive will be paid on a measure-by-measure basis and will not exceed 50% of the installed cost of the project.

Target Markets

Target Audience

This program is designed for large industrial customers. Firm natural gas customers with at least 10,000 dekatherms of annual usage and that pay into the System Benefits Charge (SBC) are eligible to participate. Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs and take the next steps to participate through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the industrial market.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing businesses
- Replacement systems in existing businesses
- Improvements in operational systems in existing businesses
- Past participants of National Grid's programs
- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment

- Manufacturers, suppliers and distributors of equipment
- New business builders and remodeling contractors
- Business improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn and the very slow economic recovery the nation is facing, National Grid understands that many industrial businesses are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and trade partners, who influence the customer's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate consumers and stimulate participation. Collateral will be distributed to business customers interested in making

energy efficiency improvements. Search engine marketing (“SEM”) will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements will be placed in business publications and in Chamber of Commerce newsletters to build awareness of the program. Finally, a periodic e-mail newsletter for business customers that includes articles about the programs will be distributed. Contractors will also be targeted with a combination of distributor signage, a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral & Distributor signage	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, consumer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole building approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral & Distributor signage	Ongoing			
Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing and Trade Ally Services Budget

Program	Region(s)	Fuel	2011
Energy Initiative – Large Industrial Gas Program	Upstate New York	Gas	\$39,237

National Grid has a total of \$39,237 dedicated to marketing the Energy Initiative – Large Industrial Gas Program through December 31, 2011. Approximately one-third of the total Energy Initiative – Large Industrial Gas Program marketing and trade ally services budget will be allocated to corporate marketing of the program, one-third will be allocated to trade ally training and education, and the remaining one-third to large industrial implementation initiatives.

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy

Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Energy Initiative - Mid-Sized Gas Program Marketing Plan Update 2011

Overview

The annual energy savings goal, the overall budget, and the marketing budget in particular of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) remain the same for the Energy Initiative – Mid-Sized Gas Program in 2011 compared to 2010. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Energy Initiative – Mid-Sized Gas Program
Fuel Type:	Gas
Region:	Upstate New York

The Energy Initiative – Mid-Sized Gas Program offers technical assistance and financial incentives to commercial and industrial facilities to encourage installation of energy efficient measures. The program focuses on retrofitting opportunities for mechanical and electrical systems in commercial, industrial, agricultural, governmental, and institutional buildings. Incentives are available for both prescriptive and custom measures. Custom rebates are equal to \$2.25 per first year therms saved, capped at 50% of the installation cost or \$250,000 per project for natural gas energy saving measures installed. National Grid will offer customers up to 50% of the cost of an engineering study or energy audit, up to a maximum of \$10,000.

Target Markets

Target Audience

This program is designed for mid-sized non-residential customers. Any non-residential customers that pay into the System Benefits Charge (SBC) are eligible to participate if they have annual natural gas consumption of less than 10,000 dekatherms. Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs and take the next steps to participate through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the mid-sized industrial market.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing businesses
- Replacement systems in existing businesses
- Improvements in operational systems in existing businesses
- Past participants of National Grid's programs

- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment
- Manufacturers, suppliers and distributors of equipment
- New business builders and remodeling contractors
- Business improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn and the very slow economic recovery the nation is facing, National Grid understands that many mid-sized industrial businesses are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and trade partners, who influence the customer's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a

zip code look-up feature. Events will be used to educate consumers and stimulate participation. Collateral will be distributed to business customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements will be placed in business publications and in Chamber of Commerce newsletters to build awareness of the program. Finally, a periodic e-mail newsletter for business customers that includes articles about the programs will be distributed.

Contractors will also be targeted with a combination of distributor signage, a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral & Distributor signage	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, consumer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where

possible to show a whole building approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral & Distributor signage	Ongoing			
Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region(s)	Fuel	2011
Energy Initiative – Mid-Sized Gas Program	Upstate New York	Gas	\$17,605

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National

Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Gas Enhanced Home Sealing Incentives Program Marketing Plan Update 2011

Overview

The annual energy savings goal of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) for the Gas Enhanced Home Sealing Incentives Program is increasing in 2011 compared to 2010. The marketing budget will also increase. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Gas Enhanced Home Sealing Incentives Program
Fuel Type:	Gas
Region:	Upstate New York

The Gas Enhanced Home Sealing Incentives Program provides customers with a visit from a Building Performance Institute (BPI)-certified auditor employed by a BPI-accredited weatherization contractor. Customers are provided with a comprehensive home assessment audit, and when appropriate, the installation of air sealing measures to reduce air infiltration. The customer also receives a report detailing prioritized recommendations for cost-effective energy efficiency measures, and information about available financial incentives. The program offers incentives of 50% of the eligible measures up to \$3,000. An audit fee of \$50.00 will be charged to participating customers.

Target Markets

Target Audience

This program is designed for homeowners. All residential gas customers are eligible to participate if they reside in dwellings of one to four units with the exception of customer classes served by NYSERDA's low income program, EmPower New York. Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs, and take next steps to participate, through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the business community.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing homes
- Replacement systems in existing homes
- Improvements in operational systems in existing homes
- Past participants of National Grid's programs
- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment

- Manufacturers, suppliers and distributors of equipment
- New home builders and remodeling contractors
- Home improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn in 2008 and the very slow economic recovery the nation is facing, National Grid understands that many residential homeowners are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email and email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and participating program trade partners, who influence the customer's decision to install high-efficiency insulation and air sealing.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate customers and encourage

participation. Collateral will be distributed to residential customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements may be placed to build awareness of the program. Finally, a periodic e-mail newsletter for residential customers that includes articles about the program may be distributed.

Contractors will also be targeted with a combination of a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, customer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole home approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral	Ongoing			
Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training/Other Advertising	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region(s)	Fuel	2011
Gas Enhanced Home Sealing Incentives Program	Upstate New York	Gas	\$34,559

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Residential ENERGY STAR® Gas Products Program

Marketing Plan Update 2011

Overview

The annual energy savings goal of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) will increase for the Residential ENERGY STAR® Gas Products Program in 2011 compared to 2010. The marketing budget will also increase. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Residential ENERGY STAR® Gas Products Program
Fuel Type:	Gas
Region:	Upstate New York

The Residential ENERGY STAR® Gas Products Program offers financial incentives for the installation of ENERGY STAR® labeled replacement windows and 7-day programmable thermostats in existing homes. Customers are eligible for a \$10 mail-in rebate for each self-installed or contractor-installed window, with a U-factor of 0.35 or less, in their existing homes. There is a maximum of \$500 in window rebates per account. However, windows installed in new construction or home additions will not qualify for the window incentive. Customers who purchase and install an ENERGY STAR® thermostat are eligible to receive a \$25 rebate, not to exceed two per account, and not to exceed the total purchase price.

Target Markets

Target Audience

This program is designed for residential gas customers. Customers are eligible if they reside in a residential dwelling of one to four units. Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs, and take next steps to participate, through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the business community.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New systems in existing homes
- Replacement systems in existing homes
- Improvements in operational systems in existing homes
- Past participants of National Grid's programs
- Manufacturers, suppliers and distributors of equipment
- Home builders and remodeling contractors
- Home improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn in 2008 and the very slow economic recovery the nation is facing, National Grid understands that many residential homeowners are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email and email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and trade partners, who influence the customer's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate customers and encourage participation. Collateral will be distributed to residential customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements may be placed to build awareness of the program. Finally, a periodic e-

mail newsletter for residential customers that includes articles about the program may be distributed.

Contractors will also be targeted with a combination of distributor signage, a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral & Distributor signage	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, customer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole home approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
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Direct mail & Bill inserts	X	X	X	
Collateral & Distributor signage	Ongoing			
Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training/Other Advertising	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region(s)	Fuel	2011
Residential ENERGY STAR® Gas Products Program	Upstate New York	Gas	\$13,650

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes the illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a

safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Residential Building Practices and Demonstration Program Marketing Plan Update 2011

Overview

The Residential Building Practices and Demonstration Program was scheduled to begin in May 2010. Due to the issue surrounding the confidentiality of customer data, on August 5, 2010 National Grid filed a petition with the Commission asking for relief from the program performance. The marketing budget for the program in 2011 has been retained in the event the Commission determines that a limited waiver of the customer confidentiality guidelines can be granted so as to allow the program to proceed as designed.

Program Description

Program:	Residential Building Practices and Demonstration Program
Fuel Type:	Gas
Region:	Upstate New York

This program, based on social motivation, encourages participants to reduce their energy consumption through personalized reports that compare their energy usage with that of similar neighbors. Customers are provided with customized reports, energy savings tips, a progress tracker of energy savings, coupons, and rebates. While this program does not offer any direct financial incentives, it will promote and encourage customers to take advantage of incentives from the Company's other energy efficiency programs.

Target Markets

Target Audience

This program is designed for dual-fuel, residential customers who are homeowners. All participating customers must use a specified minimum quantity of both electric energy and natural gas and reside in a dwelling of one to four units.

Trade Partners

Over half of energy efficiency program participants learn about our programs, and take next steps to participate, through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the community.

Target Markets

The majority of participants will be located in the Greater Albany Metropolitan area. This city was chosen since it is representative of the upstate service territory, i.e., economy, climate, housing stock, energy consumption, etc.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn in 2008 and the very slow economic recovery the nation is facing, National Grid understands that many residential homeowners are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

A limited communications effort will be performed to promote the demonstration activities. Program participation is based on a research design, where customers are selected to join the demonstration based on being dual-fuel customers, residing in targeted geographic areas, and using a specified minimum quantity of electricity and of natural gas, among other screens. Similarly, a control group also will be selected to match the housing and demographic characteristics of the participants. The purpose of

the marketing campaign will not be recruitment. Instead, marketing will focus on program benefits, success stories, and results aimed at retaining participants.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, customer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole home approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral	Ongoing			

Website & SEM	Ongoing			
Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training/Other Advertising	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region(s)	Fuel	2011
Residential Building Practices and Demonstration Program	Upstate New York	Gas	\$16,000

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.

Niagara Mohawk Power Corporation d/b/a National Grid

Commercial High-Efficiency Heating and Water Heating Program Marketing Plan Update 2011

Overview

The annual energy savings goal, the overall budget, and the marketing budget in particular of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) are increasing for the Commercial High-Efficiency Heating and Water Heating Program in 2011 compared to 2010. National Grid will continue to market this program via multiple channels to reach the appropriate target audiences.

Program Description

Program:	Commercial High-Efficiency Heating and Water Heating Program
Fuel Type:	Gas
Region:	Upstate New York

The Commercial High-Efficiency Heating and Water Heating Program provides prescriptive incentives to commercial and industrial customers to encourage the installation of high-efficiency gas heating and water heating equipment in new and existing facilities.

Target Markets

Target Audience

This program is designed for non-residential, firm natural gas customers that pay into the System Benefits Charge (SBC) with the exception of multifamily buildings.

Marketing efforts will be targeted to qualifying customers.

Past Participants

Customers that have participated in National Grid's energy efficiency programs in the past provide an opportunity to build on existing relationships. Customers that have already had a positive experience with the Company are more likely to participate in a program again. By analyzing previous participant data, National Grid can identify and market to those that have recently participated in a different but related program, or to those who have already participated in the same program but haven't implemented all measures in the program.

Trade Partners

Over half of energy efficiency program participants learn about our programs and take the next steps to participate through trade partners, including contractors, installers, dealers, and retailers. National Grid recognizes and respects the trust that its trade partners have with its customers. In addition to targeting customers, the Company will market to its trade partners in order to expand its reach further into the commercial market.

Target Markets

Including customers, past participants, and trade partners, the target markets are:

- New construction
- New systems in existing businesses
- Replacement systems in existing businesses
- Improvements in operational systems in existing businesses
- Past participants of National Grid's programs
- Contractors and technicians responsible for installing and servicing heating, water heating and controls equipment
- Manufacturers, suppliers and distributors of equipment
- New business builders and remodeling contractors
- Business improvement retailers

Customer Segmentation

National Grid understands that there is the potential for different customer segments being more likely to participate in certain programs than others and also for certain customer segments to be motivated to participate by different factors or needs. The Company plans to test targeting different customer segments, and using customized messaging and approaches, in order to drive increased program participation.

Marketing and Outreach Plan

Target Message

The most important message included in marketing efforts for this energy efficiency program will be cost savings. In light of the economic downturn and the very slow economic recovery the nation is facing, National Grid understands that many commercial and industrial businesses are struggling. The Company wants to help its customers take advantage of the cost savings associated with energy efficiency.

Marketing Plan

An integrated marketing plan is utilized for outreach and education of this program. Individual vehicles include direct mail, collateral, website, search engine marketing, telemarketing, email newsletters, bill inserts, print advertisements, broadcast outreach, events and outreach. Efforts are directed to both customers and trade partners, who influence the customer's decision to install high-efficiency equipment.

Direct mail and other marketing efforts will be targeted to the identified customer segments. Bill inserts will be sent to all appropriate customers, and the Company's efficiency website will help all customers to easily determine program eligibility using a zip code look-up feature. Events will be used to educate consumers and stimulate participation. Collateral will be distributed to business customers interested in making energy efficiency improvements. Search engine marketing ("SEM") will also target potential customers, pointing them to programs based on keywords they enter. Print advertisements will be placed in business publications and in Chamber of Commerce newsletters to build awareness of the program. Finally, a periodic e-mail newsletter for business customers that includes articles about the programs will be distributed.

Contractors will also be targeted with a combination of distributor signage, a customized email newsletter, events, outreach and education.

Marketing Tactics Summary

Tactic	Description
Direct mail & Bill inserts, Telemarketing	direct campaigns to qualifying customers
Collateral & Distributor signage	educational materials to support programs
Digital presence	website, search engine marketing (SEM), email newsletters and email blasts
Events / Outreach, Education / Training, Sponsorships	trade events, seminars, consumer outreach
Print advertising, Broadcast advertisements	print ads, radio/TV

Marketing Schedule

The marketing schedule for this program coordinates with the general Company communications schedules in order to communicate with customers at the appropriate time, with the appropriate message, and to avoid large gaps in communications efforts. Direct mail campaigns for energy efficiency will follow closely after separately funded brand and gas marketing campaigns. This helps to develop progression in education and make it easier for customers to recognize the steps toward energy efficiency improvements. Communications will leverage other energy efficiency marketing where possible to show a whole building approach to customers and highlight the benefits of implementing energy efficiency measures on a larger scale.

Marketing Timeline

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Direct mail & Bill inserts	X	X	X	
Collateral & Distributor signage	Ongoing			
Website & SEM	Ongoing			

Email newsletters & Email blasts	X	X	X	X
Events / Outreach / Training	Ongoing			

Marketing Budget

National Grid has budgeted the following:

Marketing Budget

Program	Region	Fuel	2011
Commercial High-Efficiency Heating and Water Heating Program	Upstate New York	Gas	\$46,991

Integration with Other Marketing Plans

Integration with the Statewide Energy Outreach and Education Campaign

Marketing efforts will be coordinated in conjunction with this statewide EEPS outreach and education campaign being implemented by the New York State Department of Public Service (DPS) in order to minimize market confusion and help build on this broader awareness campaign. The campaign promotes illumination of energy use and the elimination of energy waste. The campaign will serve as the platform to integrate and support the outreach and education/marketing programs conducted by multiple program administrators across New York State, including the New York Energy Research & Development Authority (NYSERDA) and electric and gas utilities. National Grid will work with the DPS campaign to ensure appropriate and consistent representation in its marketing materials.

Consistent Branding

Marketing efforts will complement the existing National Grid communications efforts to create a singular voice and one-company experience for customers. Whether it is a safety message, a promotion of a program, service, or an energy efficiency marketing piece, the customer will receive a branded communication that is recognizable as coming from National Grid.

Corporate identity guidelines and brand guidelines are used to provide a foundation for a single company experience and tone consistent with the Company brand promise: National Grid will be the energy management partner dedicated to taking action that improves customers' lives and communities.

All communications will include the National Grid "Power of Action" tagline and will be designed using the approved National Grid font and color palette. Copy and images will show action or positive results of taking action and make it easy for customers to recognize National Grid as their energy partner.

Communications Overlap

Marketing materials and collateral clearly state the region to which they apply. Regional mailing lists are obtained from National Grid's market intelligence group and direct mail is customized for each region. Print advertising appears in regional publications and details information that applies to each specific region. If more than one region is covered in a publication, copy directly states which programs are available in each region. Fulfillment vendors are trained to differentiate programs by region. Marketing materials will invite customers to visit National Grid's energy efficiency website, for specific program information. The information on the website is separated by a zip code look-up so customers are only given details on the programs for which they are eligible.