



16 November 2018

National Grid plc

New regulatory filings in Massachusetts and New York

National Grid has made two filings to regulators in Massachusetts and New York. These filings are in line with our strategy to deliver investments that drive greater efficiency and improved services for customers, whilst also supporting regulators in achieving their clean energy goals. Both filings highlight new growth opportunities arising from the changing energy landscape.

Massachusetts Electric

National Grid has filed a request with the Massachusetts Department of Public Utilities (DPU) to update electricity distribution rates for its Massachusetts Electric business.

The rate filing requests an approximate \$70 million per annum increase in revenue to cover increased operating costs and investments and a Return on Equity of 10.5%. It supports annual capital expenditure of \$300 million starting in the first year of the plan and, if approved, will commence in October 2019.

As part of the filing, National Grid is proposing a new Performance Based Rate Mechanism (PBRM) that will link annual revenue increase to inflation, but also take into account improvements in the efficiency of the business.

The filing includes a request for significant investment in electric vehicle charging infrastructure in Massachusetts. This would be a five year, \$167 million investment to provide over 17,000 new charging points across the state. In addition, it includes a proposal for a \$50 million utility scale 14MW / 56MWh energy storage investment. Both of these proposals would be recovered through existing regulatory mechanisms outside the requested \$70 million revenue increase.

This rate filing is expected to conclude in September 2019, with new rates effective 1 October 2019.

Niagara Mohawk (New York) AMI proposal

National Grid has also filed a capital investment request for \$650 million with the New York Public Service Commission (PSC). This is to install 1.7 million electric Advanced Metering Infrastructure (AMI) meters, and 640,000 gas modules, across our Niagara Mohawk business between 2021 and 2024.

AMI is a smart meter technology that offers customers greater control over their energy use, and is part of New York State's clean energy goal of reducing greenhouse gas emissions by 80% on 1990 levels by 2050.

Investors and Analysts

Aarti Singhal	+44 (0) 20 7004 3170 (d)	+44 (0) 7989 492 447 (m)
James Flanagan	+44 (0) 20 7004 3129 (d)	+44 (0) 7970 778 952 (m)
Tom Edwards	+44 (0) 20 7004 3460 (d)	+44 (0) 7976 962 791 (m)
Will Jackson	+44 (0) 20 7004 3166 (d)	+44 (0) 7584 206 578 (m)

Media

Sean Kemp	+44 (0) 7960 012356 (m)
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Massachusetts Electric Factsheet

For additional information, please follow the link to the fact sheet section of the National Grid Investor Relations website: [Link here](#)

CAUTIONARY STATEMENT

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's (the Company) financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. These forward-looking statements are not guarantees of National Grid's future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid's ability to control, predict or estimate precisely, such as changes in laws or regulations, including any arising as a result of the United Kingdom's exit from the European Union, announcements from and decisions by governmental bodies or regulators, including those relating to the role of the UK electricity system operator; the timing of construction and delivery by third parties of new generation projects requiring connection; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches or other incidents arising from the potentially harmful nature of its activities; network failure or interruption, the inability to carry out critical non network operations and damage to infrastructure, due to adverse weather conditions including the impact of major storms as well as the results of climate change, due to counterparties being unable to deliver physical commodities, or due to the failure of or unauthorised access to or deliberate breaches of National Grid's IT systems and supporting technology; performance against regulatory targets and standards and against National Grid's peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, including those related to investment programmes and internal transformation, cost efficiency and remediation plans; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. Other factors that could cause actual results to differ materially from those described in this announcement include fluctuations in exchange rates, interest rates and commodity price indices; restrictions and conditions (including filing requirements) in National Grid's borrowing and debt arrangements, funding costs and access to financing; regulatory requirements for the Company to maintain financial resources in certain parts of its business and restrictions on some subsidiaries' transactions such as paying dividends, lending or levying charges; inflation or

deflation; the delayed timing of recoveries and payments in National Grid's regulated businesses and whether aspects of its activities are contestable; the funding requirements and performance of National Grid's pension schemes and other post-retirement benefit schemes; the failure to attract, train or retain employees with the necessary competencies, including leadership skills, and any significant disputes arising with National Grid's employees or the breach of laws or regulations by its employees; the failure to respond to market developments, including competition for onshore transmission, the threats and opportunities presented by emerging technology, development activities relating to changes in the energy mix and the integration of distributed energy resources; and the need to grow the Company's business to deliver its strategy, as well as incorrect or unforeseen assumptions or conclusions (including unanticipated costs and liabilities) relating to business development activity, including assumptions in connection with the Company's sale of the remaining Cadent stake. For further details regarding these and other assumptions, risks and uncertainties that may impact National Grid, please read the Strategic Report section and the 'Risk factors' on pages 193 to 196 of National Grid's most recent Annual Report and Accounts, as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2018 published on 8 November 2018. In addition, new factors emerge from time to time and National Grid cannot assess the potential impact of any such factor on its activities or the extent to which any factor, or combination of factors, may cause actual future results to differ materially from those contained in any forward-looking statement. Except as may be required by law or regulation, the Company undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this announcement.