“This decision supports our efforts to deliver a safe, reliable and cost effective service to our 1.3 million electric customers while funding important investments to advance the Commonwealth’s clean energy policy and climate change goals.”

Marcy Reed
National Grid President for Massachusetts

National Grid and Massachusetts Electric

• Massachusetts Electric distribution companies service territory:

• 1.3 million electric customers
• 5,000 employees in Massachusetts
• Over 13,000 miles of electric lines
• Regulated by Massachusetts Department of Public Utilities

Meeting our commitments . . .

. . . since the last rate case in 2016

• Capital investments of more than $700m to modernize the networks
• Invested in major improvements to underground facilities to upgrade and replace indoor substations
• Continued to provide safe and reliable service to our customers through improved electric reliability and faster restoration during major storms/emergency events
• Processed increased interconnections of Distributed Generation projects
• Received regulatory approval for a multi-year grid modernization proposal

Key elements of 2019 rate case order

<table>
<thead>
<tr>
<th></th>
<th>Request</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Electric revenue increase</td>
<td>$55m</td>
<td>$38m</td>
</tr>
</tbody>
</table>

• ROE of 9.6%¹
• Debt/equity structure of 46.5%/53.5%
• Additional annual revenue to cover increased operating costs and investments
• 5 year rate plan (October 2019 to September 2024)
• Incremental operating expense of $32m
• Supports capital investment of approximately $300m annually
• Performance Based Rate Mechanism (PBRM), with and I-x formula (where I = inflation, x = productivity factor)
• New rates effective from October 1, 2019

¹ Earnings sharing for customers begins at 200bps above the allowed RoE

Financing assumptions

<table>
<thead>
<tr>
<th></th>
<th>Cost of equity</th>
<th>Cost of debt</th>
<th>Weighted average cost of capital</th>
<th>Assumed equity capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA Electric</td>
<td>9.6%</td>
<td>5.22%</td>
<td>7.58%</td>
<td>53.49%</td>
</tr>
</tbody>
</table>

Customer impact

Typical residential electric customers will see an average net bill increase of approximately 2.0%
Opex
$32m increase reflects:
• $23m increase in labor, benefits and other core O&M
• $5m increase is the annual contribution to the storm fund
• $4m increase is bad debt expense
• $5m reduction in depreciation expense based on an updated depreciation study

Capex
• Filing supports the capital investment forecast of approximately $300m annually
• The previous capital tracker will be phased out and capital expenditure will be funded under the Performance Based Rate Mechanism (PBRM) in the future

Revenue increase ($m)

<table>
<thead>
<tr>
<th>O&amp;M</th>
<th>Depreciation</th>
<th>Bad debt</th>
<th>Storm Fund</th>
<th>Hardship Accounts</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>-3</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td>$38m</td>
</tr>
</tbody>
</table>

2018/19 RoE/Rate base ($m)

<table>
<thead>
<tr>
<th></th>
<th>FERC</th>
<th>KEDLI</th>
<th>NiMo Gas</th>
<th>NiMo Electric</th>
<th>Mass</th>
<th>Mass Gas</th>
<th>Rhode Island Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoE (%)</td>
<td>11.5</td>
<td>9.9</td>
<td>9.4</td>
<td>7.6</td>
<td>7.4</td>
<td>6.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Rate base/Return</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22.9bn</td>
</tr>
</tbody>
</table>

No impact on RoE

Rate Case / Regulatory History

2016  Last rate case was effective on October 1, 2016 and based on a split historic test year of 2014 and 2015. The 2016 rate case increased base distribution rates, included all previously remunerated investments, increased the annual capex tracker and storm fund contribution.

2009  The rate case was effective on December 1, 2009 and based on a historic test year of 2008. The 2009 rate case increased base distribution rates, implemented revenue decoupling, and created a capex tracker mechanism.

Important notice
This document contains certain statements that are neither historical 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 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. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for as full an understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Link Asset Services. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward looking statements, which speak only as of the date of this document. The content of any website referenced herein does not form part of this document.

Further information
National Grid plc
1-3 Strand
London WC2N 5EH
United Kingdom
www.nationalgrid.com

Jonathan Clay
Investor Relations Officer
T +44 (0) 20 7004 3460
M +44 (0) 7799 902047
jonathan.clay@nationalgrid.com

James Fianagan
Investor Relations Manager (US)
T +44 (0) 20 7004 3159
M +44 (0) 7790 778062
james.fianagan2@nationalgrid.com

Peter Kennedy
Investor Relations Assistant Manager
T +44 (0) 20 7004 3169
M +44 (0) 7966 200004
peter.kennedy@nationalgrid.com

©Grid_Media

investors.nationalgrid.com

Additional information:
- National Grid plc
- 1-3 Strand
- London WC2N 5EH
- United Kingdom
- www.nationalgrid.com