

US Databook

New York and New England regulated businesses

May 2022

Cautionary statement

This presentation 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. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. 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 or targets. 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 RII0-T2 and RII0-ED2 price controls; 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 (including any that result in safety and/or environmental events), 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; failure to adequately forecast and respond to disruptions in energy supply; performance against regulatory targets and standards and against National Grid's peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, as well as against targets and standards designed to deliver net zero; 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 presentation 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; the delayed timing of recoveries and payments in National Grid's regulated businesses, including as a result of the COVID-19 pandemic, 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, develop and retain employees with the necessary competencies, including leadership and business capabilities, 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; the failure by the Company to respond to, or meet its own commitments as a leader in relation to, climate change development activities relating to energy transition, including 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 the integration of WPD, the sale of the Company's Rhode Island gas and electricity business and the sale of a 60% stake in its UK gas transmission and metering business. 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 236 to 239 of National Grid's most recent Annual Report and Accounts, as updated by the Company's unaudited half-year financial information for the six months ended 20 September 2021. 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 presentation.

Return on equity – New York

NEW YORK

	KEDNY		KEDLI		NIMO Electric		NIMO Gas	
	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved
CY2015	9.4%	7.1%	9.8%	7.3%	9.3%	8.1%	9.3%	8.4%
FY2017	9.0%	8.2%	9.0%	9.5%	9.3%	8.5%	9.3%	6.6%
FY2018	9.0%	9.0%	9.0%	10.1%	9.0%	8.8%	9.0%	7.9%
FY2019	9.0%	6.2%	9.0%	9.9%	9.0%	9.4%	9.0%	9.8%
FY2020	9.0%	7.7%	9.0%	9.7%	9.0%	8.9%	9.0%	8.7%
FY2021	9.0%	6.1%	9.0%	8.2%	9.0%	6.3%	9.0%	7.2%
FY2022	8.8%	8.1%	8.8%	11.0%	9.0%	8.5%	9.0%	8.1%

Return on equity – New England

MASSACHUSETTS

	Mass Electric		Mass Gas	
	Allowed	Achieved	Allowed	Achieved
CY2015	10.35%	3.4%	9.75%	8.4%
FY2017	9.9%	4.3%	9.75%	7.7%
FY2018	9.9%	9.0%	9.75%	6.6%
FY2019	9.9%	7.8%	9.5%	7.4%
FY2020	9.6%	10.3%	9.5%	7.8%
FY2021	9.6%	5.3%	9.5%	5.7%
FY2022	9.6%	7.1%	9.6%	6.9%

RHODE ISLAND

	Narragansett Electric		Narragansett Gas	
	Allowed	Achieved	Allowed	Achieved
CY2015	9.5%	10.5%	9.5%	9.8%
FY2017	9.5%	6.2%	9.5%	9.4%
FY2018	9.5%	5.6%	9.5%	8.4%
FY2019	9.28%	10.7%	9.28%	4.7%
FY2020	9.28%	11.9%	9.28%	8.8%
FY2021	9.28%	10.0%	9.28%	6.9%
FY2022	9.28%	8.4%	9.28%	8.4%

FERC

	Narragansett		New England Power		Canadian Interconnector	
	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved
CY2015	10.57%	11.2%	10.57%	11.0%	13.0%	13.0%
FY2017	10.57%	11.4%	10.57%	11.1%	13.0%	13.0%
FY2018	10.57%	11.5%	10.57%	11.0%	13.0%	13.0%
FY2019	10.57%	11.3%	10.57%	11.0%	13.0%	13.0%
FY2020	10.57%	11.1%	10.57%	11.0%	13.0%	13.0%
FY2021	10.57%	11.1%	10.57%	11.0%	13.0%	13.0%
FY2022	10.57%	12.5%	10.57%	10.9%	11.1%	11.1%

Rate Base – New York and New England



NEW YORK

\$m	KEDNY	KEDLI	NIMO Electric	NIMO Gas	TOTAL NEW YORK
2016/17	2,722	2,256	4,737	1,052	10,767
2017/18	3,159	2,355	5,000	1,167	11,681
2018/19	3,711	2,630	5,358	1,266	12,965
2019/20	4,555	2,932	5,881	1,328	14,696
2020/21	4,959	3,158	6,206	1,467	15,790
2021/22	5,429	3,369	6,603	1,584	16,985

MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	TOTAL MASSACHUSETTS
2016/17	2,281	2,251	4,532
2017/18	2,457	2,488	4,945
2018/19	2,564	2,761	5,325
2019/20	2,858	3,108	5,966
2020/21	3,033	3,521	6,554
2021/22	3,049	3,820	6,869

RHODE ISLAND

\$m	Narragansett Electric	Narragansett Gas	TOTAL RHODE ISLAND
2016/17	665	640	1,305
2017/18	740	745	1,485
2018/19	779	887	1,666
2019/20	895	944	1,839
2020/21	950	1,082	2,032
2021/22	983	1,218	2,201

FERC

\$m	Narragansett Transmission	New England Power	Canadian Interconnector ¹	TOTAL FERC
2016/17	697	1,543	31	2,271
2017/18	721	1,667	30	2,418
2018/19	744	1,630	79	2,453
2019/20	788	1,844	52	2,684
2020/21	787	1,970	58	2,815
2021/22	788	2,260	46	3,094

Capital Expenditure – New York and New England



Excludes cost of removal and Service Company

NEW YORK

\$m	KEDNY	KEDLI	NIMO Electric	NIMO Gas	TOTAL NEW YORK
2016/17	459	244	462	116	1,281
2017/18	677	313	533	128	1,651
2018/19	727	386	566	145	1,824
2019/20	806	402	615	154	1,977
2020/21	641	407	664	167	1,879
2021/22	790	510	821	176	2,297

MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	TOTAL MASSACHUSETTS
2016/17	279	512	791
2017/18	346	611	957
2018/19	320	385	705
2019/20	319	568	887
2020/21	307	610	917
2021/22	346	705	1,051

RHODE ISLAND

\$m	Narragansett Electric	Narragansett Gas	TOTAL RHODE ISLAND
2016/17	92	104	196
2017/18	112	120	232
2018/19	124	121	245
2019/20	100	173	273
2020/21	108	173	281
2021/22	108	171	279

FERC

\$m	Narragansett Transmission	New England Power	Canadian Interconnector ¹	TOTAL FERC
2016/17	91	187	67	345
2017/18	39	192	22	253
2018/19	65	180	33	278
2019/20	48	227	60	335
2020/21	80	239	93	412
2021/22	83	278	133	494

Summary of US rate plans

		Rate base (31 Mar 2022)	Equity-to-debt ratio	Allowed return on equity	Achieved return on equity (31 Mar 2022)	Revenue decoupling	Capital tracker	Commodity-related bad debt true-up	Pension/OPEB true-up
New York Public Service Commission	Niagara Mohawk (upstate, electricity)	\$6,603m	48:52	9.0%	8.5%	✓	P	P	✓
	Niagara Mohawk (upstate, gas)	\$1,584m	48:52	9.0%	8.1%	✓	P	P	✓
	KEDNY (downstate)	\$5,429m	48:52	8.8%	8.1%	✓	P	P	✓
	KEDLI (downstate)	\$3,369m	48:52	8.8%	11.0%	✓	P	P	✓
Massachusetts Department of Public Utilities	Massachusetts Electric/ Nantucket Electric	\$3,049m	53:47	9.6%	7.1%	✓	P	✓	✓
	Massachusetts Gas	\$3,820m	53:47	9.6%	6.9%	✓	P	✓	✓
Rhode Island Public Utilities Commission	Narragansett Electric	\$983m	51:49	9.28%	8.4%	✓	✓	P	✓
	Narragansett Gas	\$1,218m	51:49	9.28%	8.4%	✓	✓	P	✓
Federal Energy Regulatory Commission	Narragansett	\$788m	50:50	10.57%	12.5%	n/a	✓	n/a	✓
	FERC Other Incl. Canadian Interconnector	\$46m	74:26	11.1%	11.1%	n/a	✓	n/a	✓
	New England Power	\$2,260m	63:37	10.57%	10.9%	n/a	✓	n/a	✓

✓ Features in place P Features partly in place

Revenue decoupling

A mechanism that removes the link between a utility's revenue and sales volume so that the utility is indifferent to changes in usage. Revenues are reconciled to a revenue target, with differences billed or credited to customers. Allows the utility to support energy efficiency.

Capital tracker

A mechanism that allows for the recovery of the revenue requirement of incremental capital investment above that embedded in base rates, including depreciation, property taxes and a return on the incremental investment.

Commodity-related bad debt true-up

A mechanism that allows a utility to reconcile commodity-related bad debt to either actual commodity-related bad debt or to a specified commodity-related bad debt write-off percentage. For electricity utilities, this mechanism also includes working capital.

Pension/OPEB true-up

A mechanism that reconciles the actual non-capitalised costs of pension and OPEB and the actual amount recovered in base rates. The difference may be amortised and recovered over a period or deferred for a future rate case.