

Massachusetts Gas

2026 Rate Case Filing

Investor Relations | January 2026

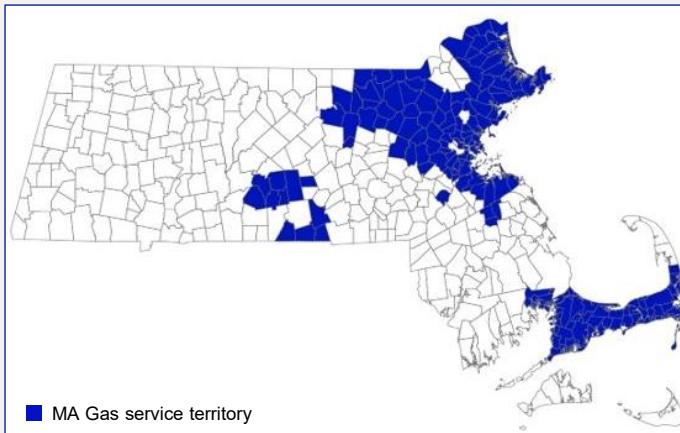


“National Grid’s gas rate case advances the safety and reliability of our system, reinforcing its foundational role in Massachusetts’ all-of-the-above energy strategy. Natural gas remains essential for economic growth, job creation, and community safety, and through targeted upgrades we are protecting communities and strengthening emergency preparedness. As always, we are committed to delivering the high levels of service our customers and communities expect and deserve.”

Lisa Wieland, President of National Grid New England

National Grid and Massachusetts Gas

- Massachusetts Gas distribution companies (Boston Gas and Former Colonial Gas)



- ~950,000 gas customers
- Approx. 1,600 employees in Massachusetts
- Over 11,000 miles of gas mains
- Regulated by Massachusetts Department of Public Utilities

Meeting our commitments

Since the start of the current (2021) rate case we have:

- Replaced more than 600 miles of aged infrastructure
- Reduced over 17,000 metric tons of carbon dioxide emissions
- Invested \$3.9bn in system reinforcement, modernization of LNG assets, fulfilling mandated safety regulations, and replacing aged assets.

Key elements of 2026 rate case filing

Mass Gas Year 1 revenue increase \$144M

- Allowed Return on Equity (ROE) of 10.25%
- Debt/common equity structure of 46.15%/53.85%
- Approximately 5-year rate plan (December 2026 to October 2031)
- Introduces a new mechanism that enables timely recovery of gas operator safety regulation costs (Gas Safety Regulation Factor, "GSRF")
- Includes a Performance Based Rate Mechanism (PBR) providing recovery of core operating and maintenance costs
- Earnings sharing mechanism triggered when actual ROE exceeds 100 bps above allowed ROE 50/50 sharing between customer and company; when actual ROE exceeds 200 bps above allowed ROE 75/25 sharing between customer and company
- On affordability:
 - An “essentials-only” rate case that balances cost with critically necessary work
 - New multi-tiered low income discount to address energy burdens and promote rate equity
 - A refreshed rate design that reduces seasonal volatility for bills
- New rates in effect from December 1, 2026

Financing assumptions

| | Cost of equity | Cost of debt | Weighted average cost of capital | Assumed equity capitalization |
|--------|----------------|--------------|----------------------------------|-------------------------------|
| MA Gas | 10.25% | 4.55% | 7.62% | 53.85% |

Customer impact

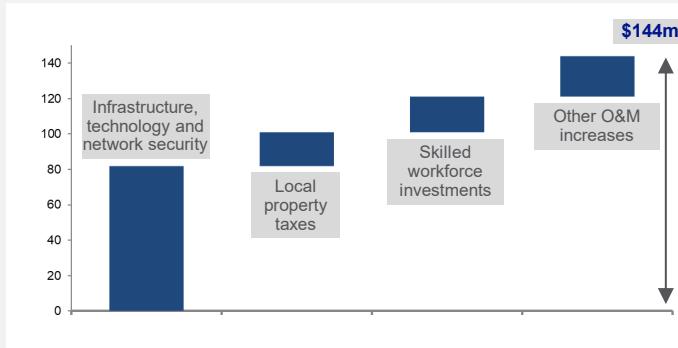
Typical residential gas heating customers will see an average winter net bill increase of approximately:

| | |
|-----------------|----------------------|
| Boston | \$24 monthly or 8.4% |
| Former Colonial | \$25 monthly or 9.4% |

Revenue increase \$144m

Rate year 1 increase reflects:

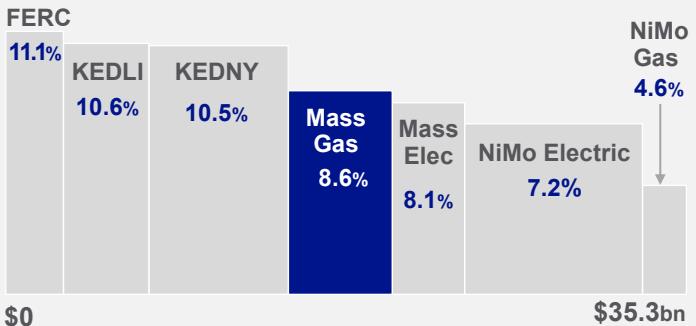
- \$82m Physical infrastructure, asset maintenance, technology for customer support and network security
- \$19m Local property taxes
- \$20m Investments in skilled workforce to meet increased safety and compliance requirements
- \$23m Other operating & maintenance (O&M) increases



Capex

- Filing includes revenue support for LNG capital investments through a one-time roll-in, as well as revenue support for regulated safety upgrades through the GSRF, in addition to ongoing revenue support for Gas System Enhancement Plans (GSEP) (outside of base rates)
- Rate Base to be updated to include all investments through December 2025 except for CY 2025 GSEP

2024/5 Achieved RoE/Rate base



Timetable

| | |
|-----------------|----------------------|
| 16 January 2026 | Proposal filed |
| Summer 2026 | Evidentiary hearings |
| November 2026 | Commission order |
| 1 December 2026 | New rates effective |

Current (2021) Agreement

| | Equity/Debt (%) | Allowed RoE | FY25 Achieved RoE |
|----------|-----------------|-------------|-------------------|
| Mass Gas | 53/47 | 9.7% | 8.6% |

Rate Case / Regulatory History

2021 The current rate case became effective October 1, 2021, and was based on historic test year of fiscal year 2020. A five year rate plan was approved that increased base distribution rates and put in place the Company's first PBRM.

2018 The previous rate case became effective October 1, 2018, based on a historic test year of calendar year 2016. The 2018 rate case increased base distribution rates, including funding to modernize IT infrastructure that supports our core gas distribution operating capabilities.

Important notice

This document 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 and targets 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 and targets. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid's ability to control or estimate precisely, such as changes in laws or regulations and decisions by governmental bodies or regulators, including those relating to current and upcoming price controls in the UK and rate cases in the US; 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; reliability of and access to IT systems, including due to the failure of or unauthorised access to or deliberate breaches of National Grid's 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 support its role in the energy transition; 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 document 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, 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 breaches 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 sale of certain of its businesses, its strategic infrastructure projects and joint ventures. For further details regarding these and other assumptions, risks and uncertainties that may affect National Grid, please read the Strategic Report section and the 'Risk factors' on pages 262 to 268 of National Grid's Annual Report and Accounts for the year ended 31 March 2025, as updated by the principal risks and uncertainties statement in its most recent half year results statement. 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 document. This document is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Further information

Angela Broad

Director of Investor Relations
M +44 (0) 7825 351918
angela.broad@nationalgrid.com

Tom Edwards

Senior Investor Relations Officer
M +44 (0) 7976 962791
tom.edwards@nationalgrid.com

Cerys Reece

Investor Relations Manager
M +44 (0) 7860 382264
cerys.reece@nationalgrid.com

James Flanagan

Senior Manager - Debt IR/ESG Financing
M +44 (0) 7970 778952
james.flanagan2@nationalgrid.com

National Grid plc

1-3 Strand
London WC2N 5EH
United Kingdom

investors.nationalgrid.com

nationalgrid