

Massachusetts Gas

2026 Rate Case Filing

Investor Relations | January 2026

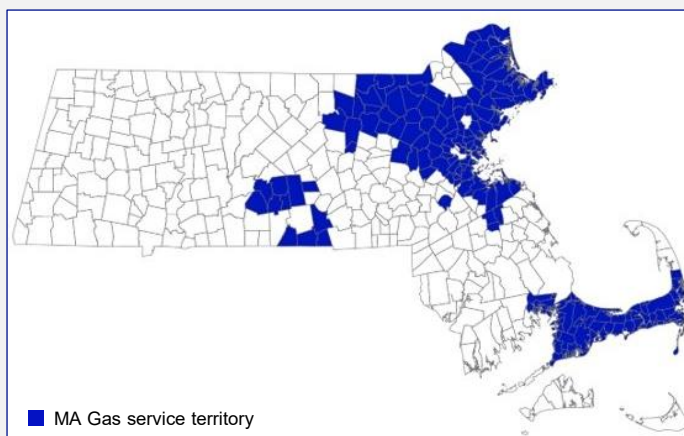


“National Grid’s gas rate case advances the safety and reliability of our system, reinforcing its foundational role in Massachusetts’ all-of-the-above energy strategy. Natural gas remains essential for economic growth, job creation, and community safety, and through targeted upgrades we are protecting 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

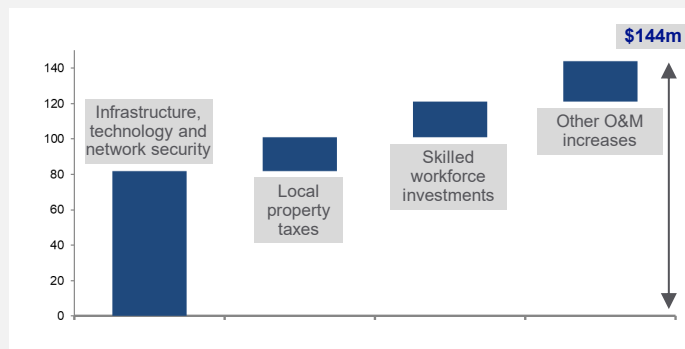
Typical residential gas heating customers will see an average winter net bill increase of approximately:

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



Timetable

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

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.

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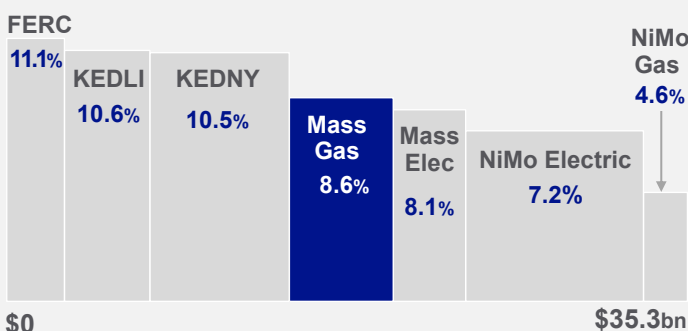
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Capex

- 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



Current (2021) Agreement

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

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