

# National Grid

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Steve Holliday  
Chief Executive

EEI conference, London  
10<sup>th</sup> March 2008

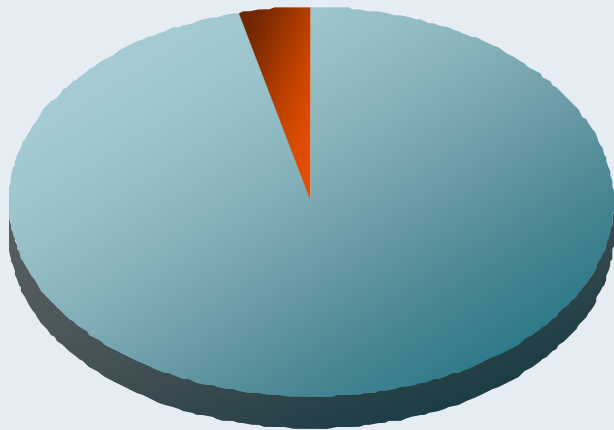
# Cautionary statement

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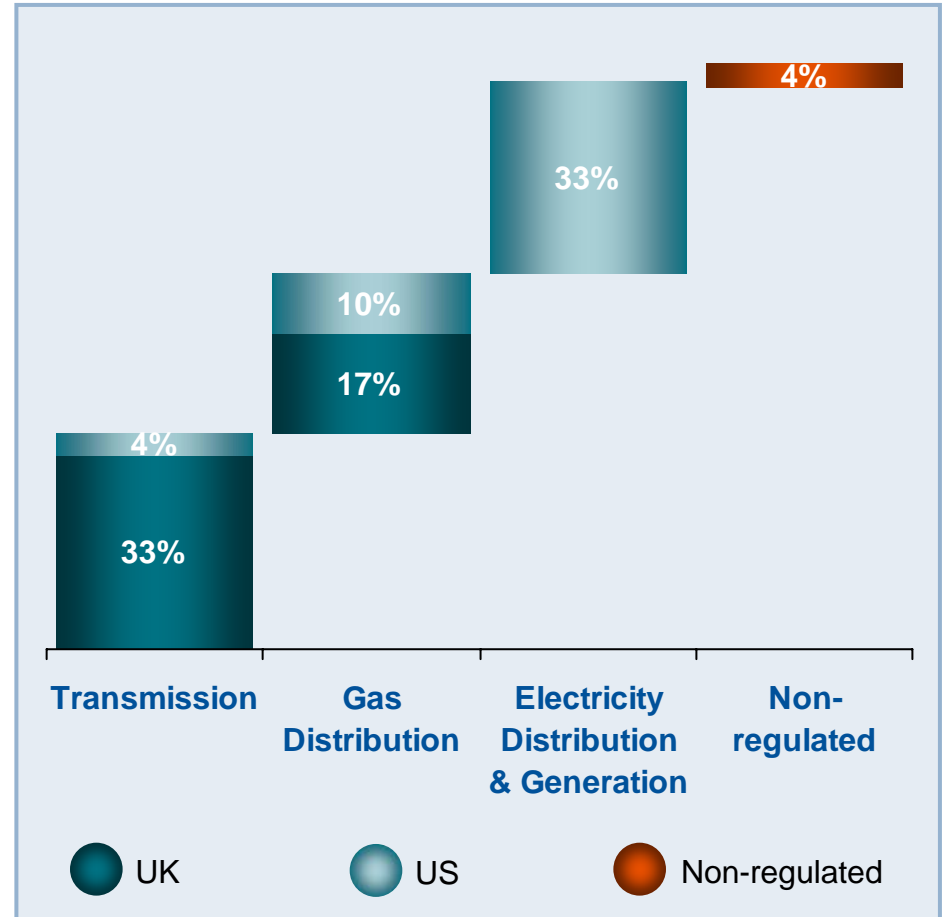
# National Grid... ...a low risk business...

*~95% of our activities are regulated\**



● Regulated

● Non-regulated



Transmission

Gas Distribution

Electricity Distribution & Generation

Non-regulated

● UK

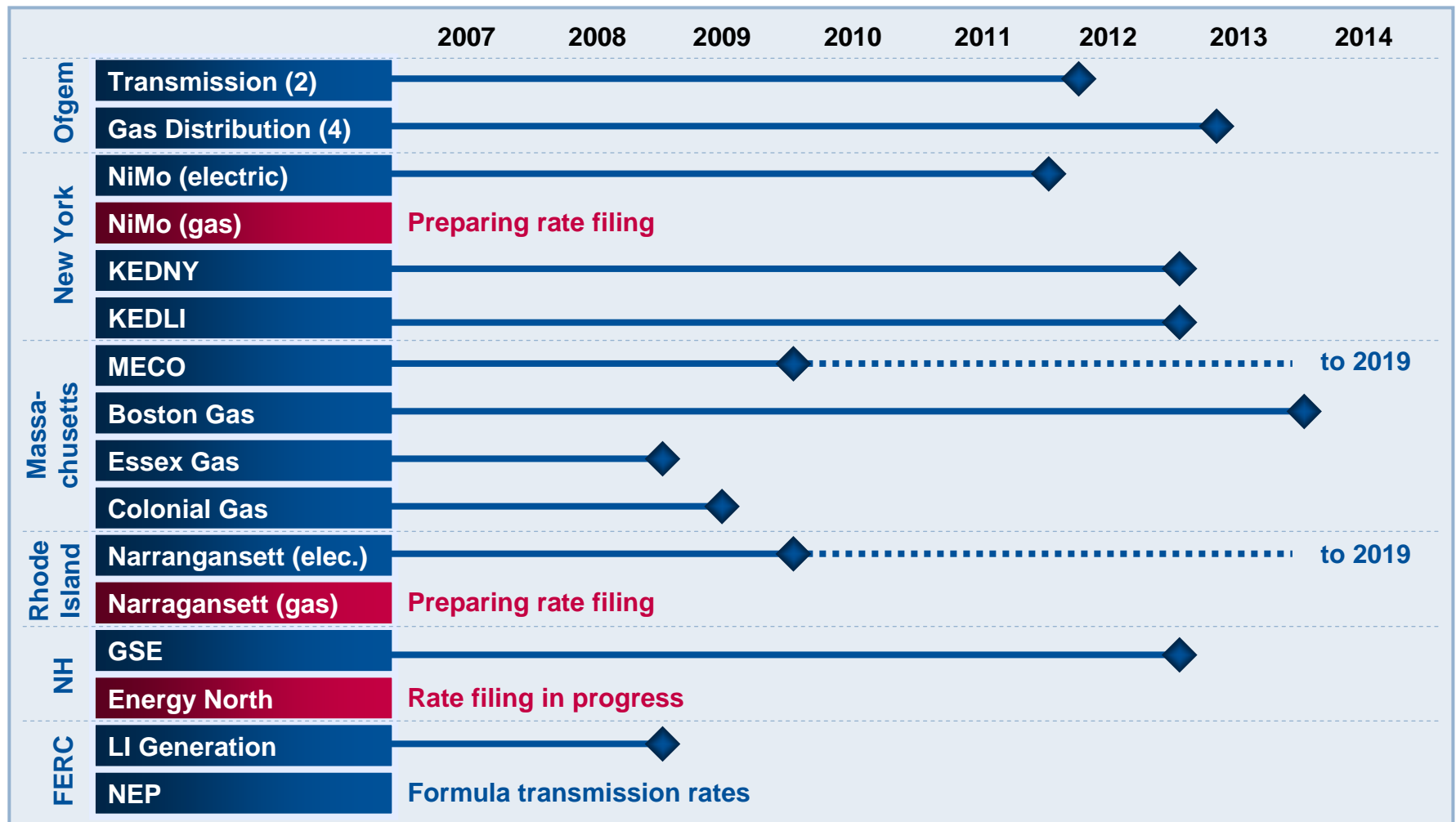
● US

● Non-regulated

\* Pro forma split using National Grid operating profit under IFRS (before exceptional items and remeasurements, and including US stranded cost recoveries) for the year ended 31 March 2007 and KeySpan operating income under US GAAP (including Ravenswood) for the year ended 31 December 2006.

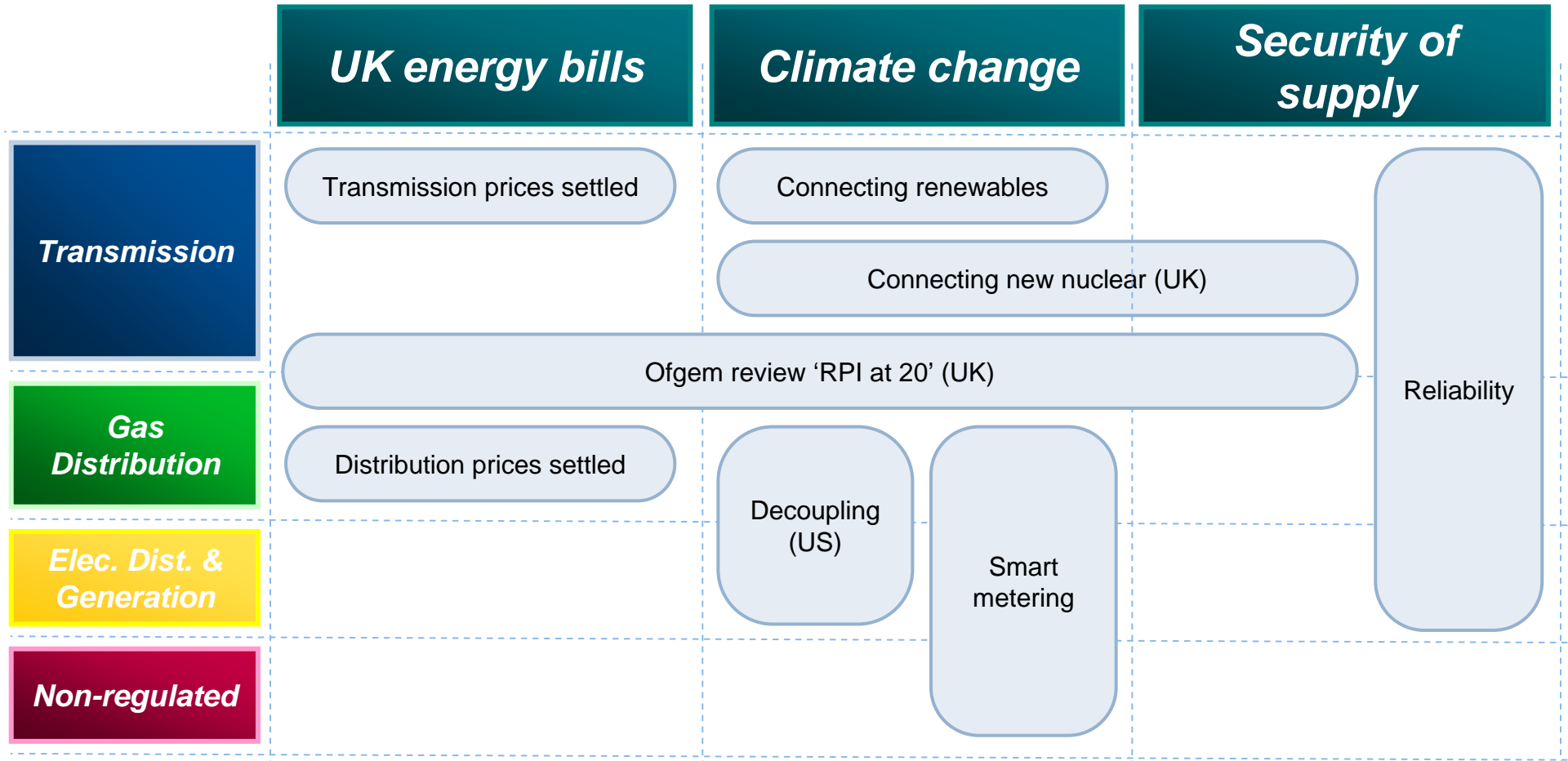
# National Grid regulatory settlements

*...create financial stability*



# Energy policy

*...the broad agenda creates opportunities*



# Strong **baseline** investment pipeline...

*...driving organic growth in our rate base*

Capital investment over 6 years to 2012

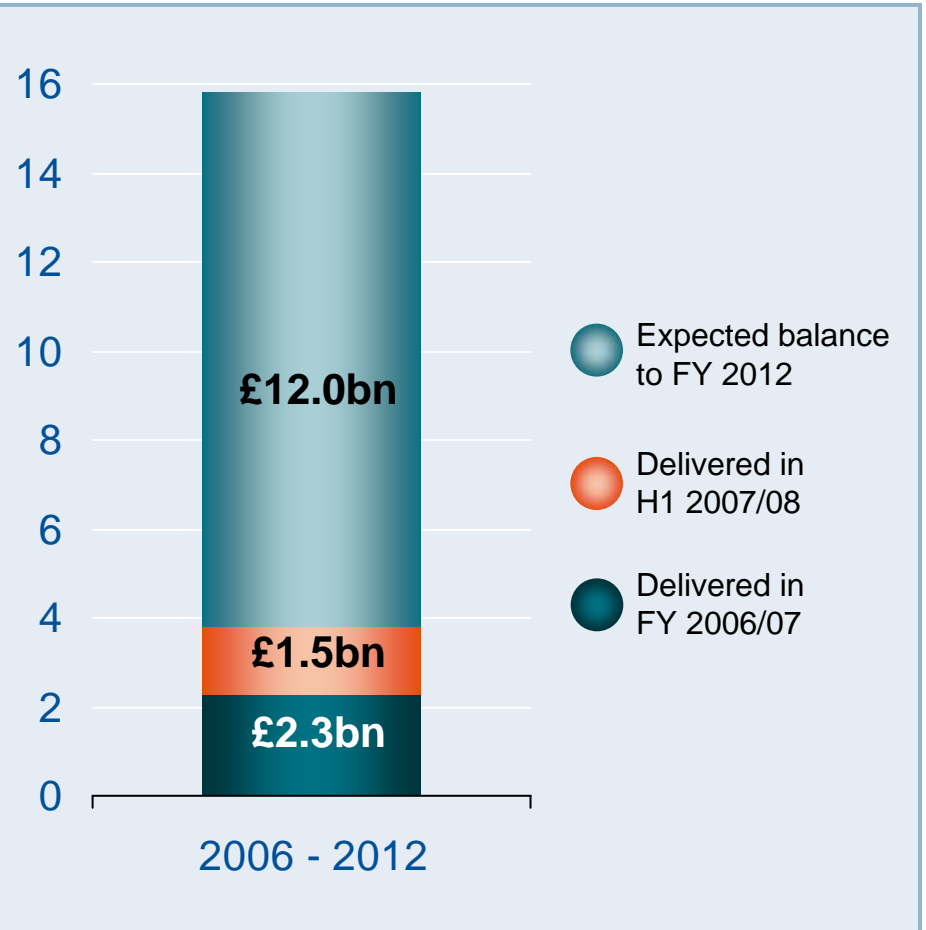
**~£16bn**

Delivers UK RAV growth over

**35%**

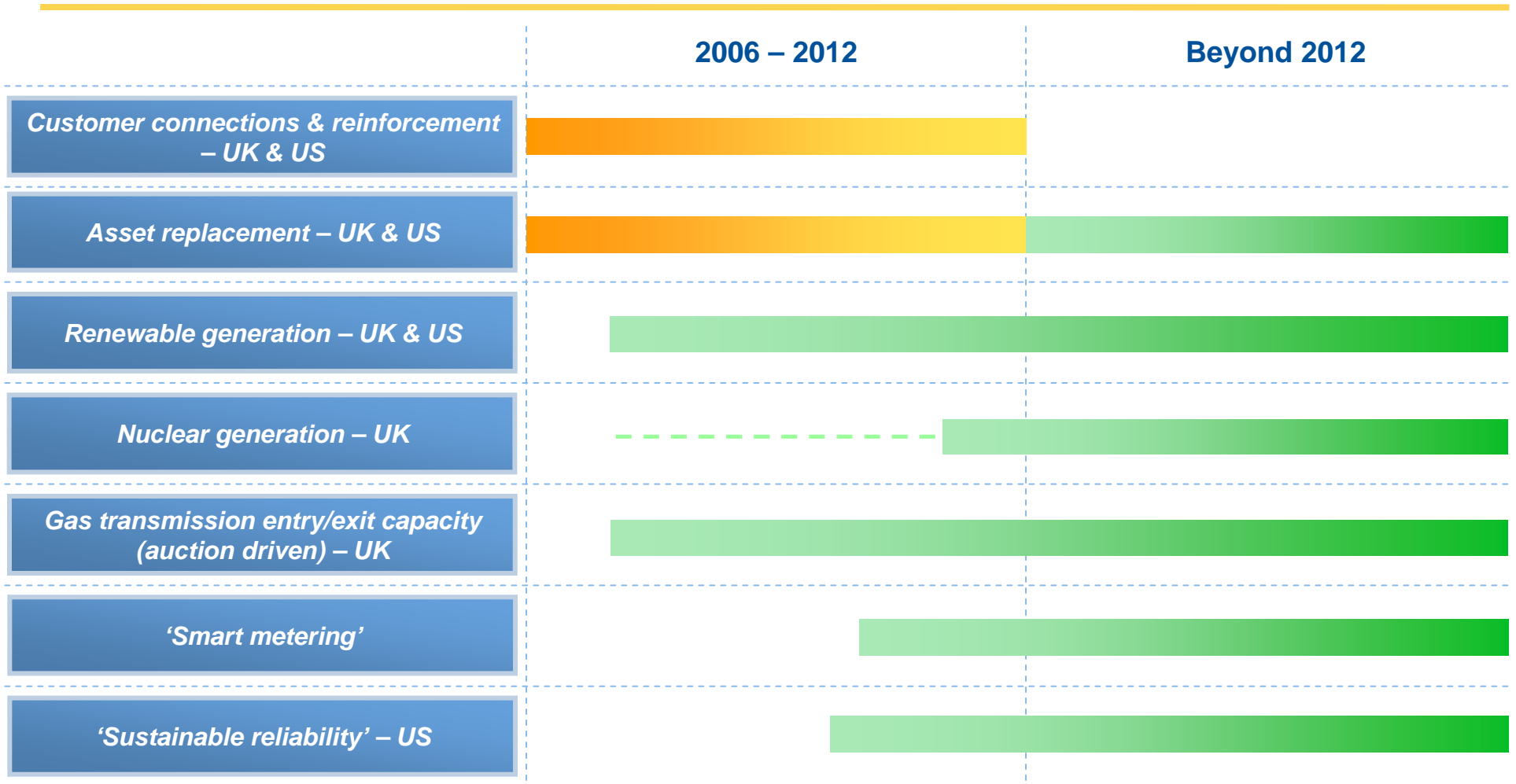
Delivers US rate base growth over

**25%**



# Potential upside to **baseline** investment pipeline...

*...with strong discipline in delivery*

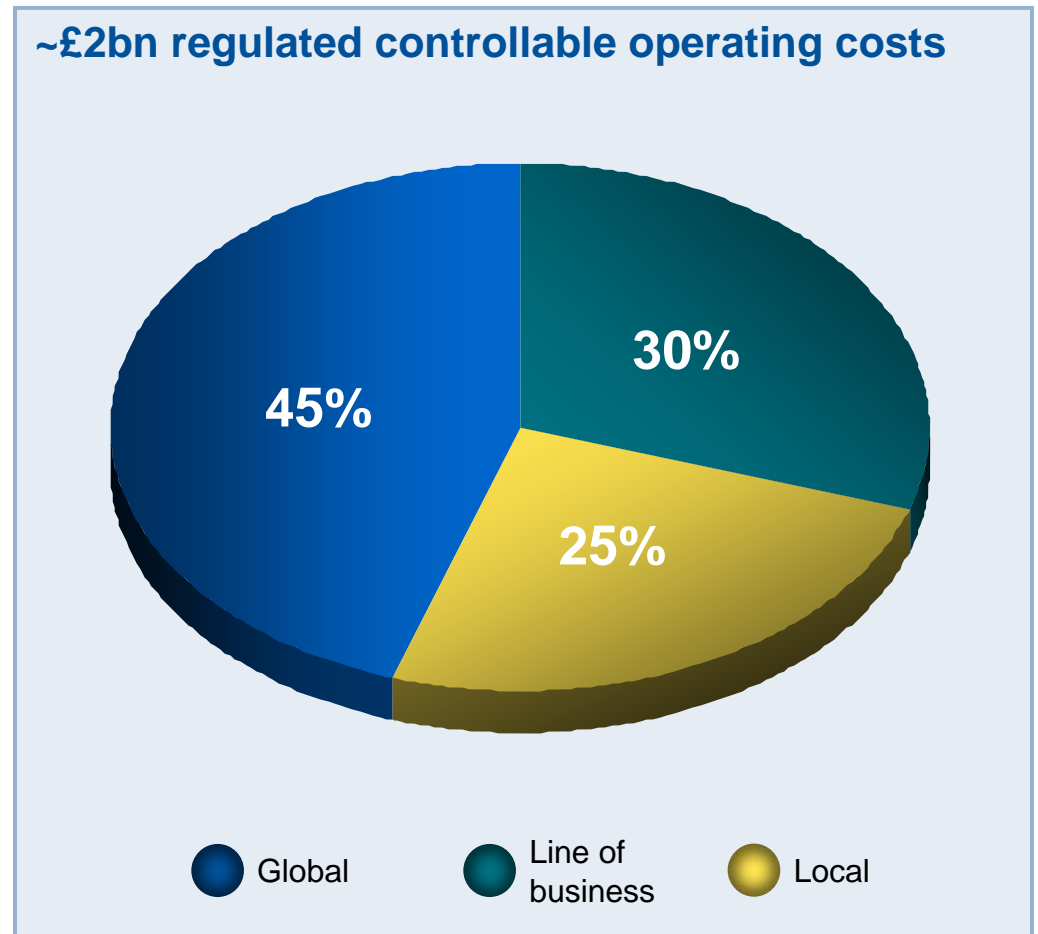
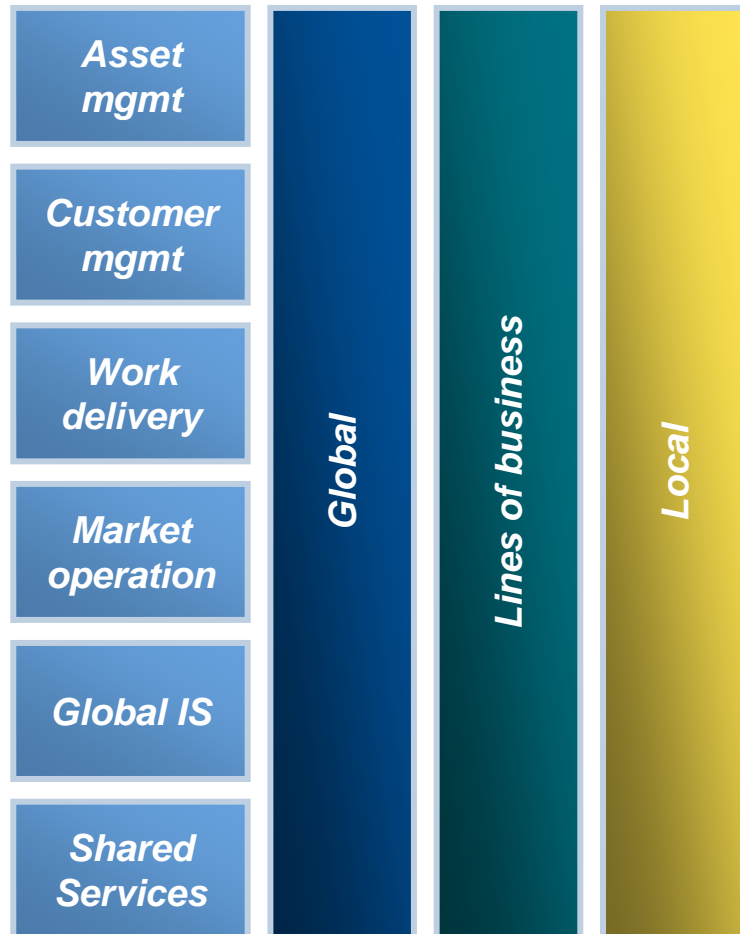


● 'Locked in' to ~16bn plans

● Potential upside

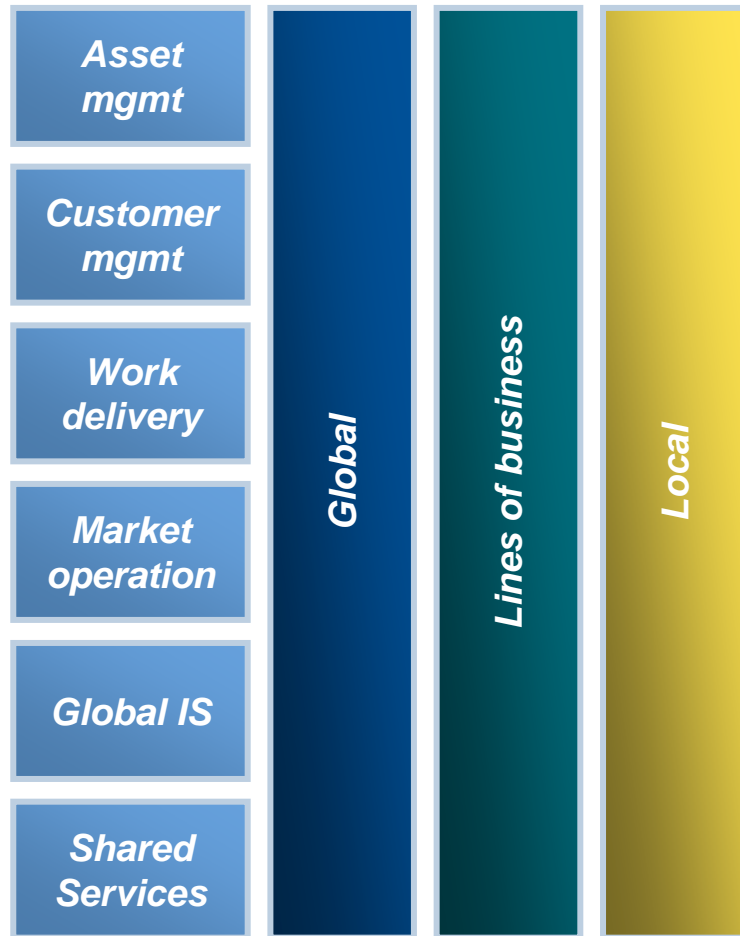
# Implementing the global operating model...

*...unlocking additional value*



# Implementing the global operating model...

*...unlocking additional value – some examples*



Global IS

**~25% reduction**

Global shared services

**10 – 20% reduction**

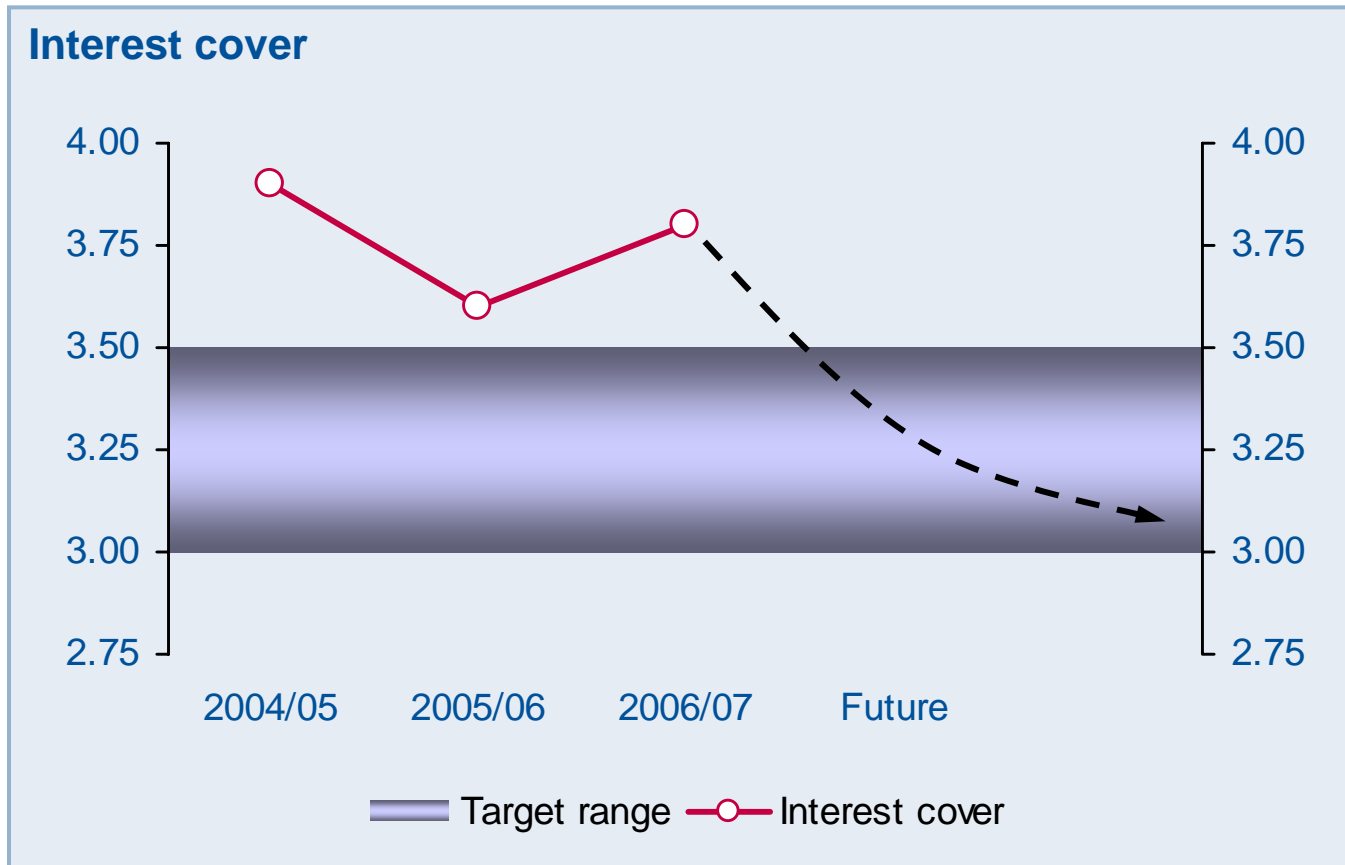
Global Procurement

**1% saving = ~£30m**

# Balance sheet efficiency...

*...financing metric*

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# National Grid...

*...a safe and growing dividend*

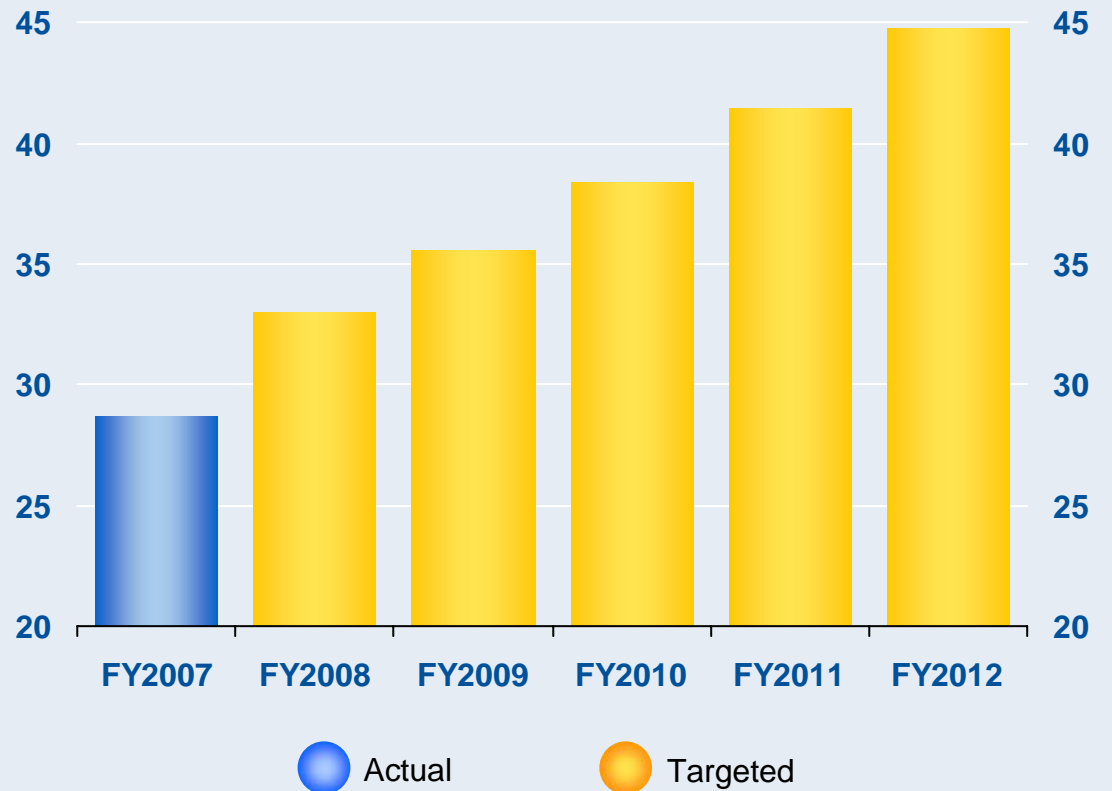
Step-up in 2007/08\*

15%

Annual increases  
2008/09 – 2011/12\*

8%

Ordinary dividend (pence per share)



2008

*...look out for*

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### *Efficiencies*

- ◆ Update on KeySpan synergies against target
- ◆ Update on global operating model

### *US filings/ regulatory dialogue*

- ◆ Three small gas filings in the US
- ◆ In dialogue with NYPSC in respect of filings for \$1.47bn of investment

### *Ravenswood sale*

- ◆ Sale is a condition of the NYPSC order approving Keyspan
- ◆ The sale process is well underway
- ◆ We have 3 years to complete the process

*Positive outlook... and a growing dividend...*