

US Databook

June 2020

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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. 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. 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 the impact of COVID-19 on our operations, our employees, our counterparties, our funding and our regulatory and legal obligations, but also, more widely, 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 proposals relating to the RII0-2 price controls as well as increased economic uncertainty resulting from COVID-19; 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, 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; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. 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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 212 to 215 of National Grid's most recent Annual Report and Accounts as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2019 published on 14 November 2019. 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

Data tables – New York and Massachusetts

HISTORICAL ACHIEVED RETURNS ON EQUITY

NEW YORK

	KEDNY		KEDLI		NIMO Electric		NIMO Gas	
	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved
CY2013	9.4%	9.5%	9.8%	8.8%	9.3%	8.0%	9.3%	10.3%
CY2014	9.4%	8.5%	9.8%	6.5%	9.3%	9.0%	9.3%	8.3%
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%

MASSACHUSETTS

	Mass Electric		Mass Gas	
	Allowed	Achieved	Allowed	Achieved
CY2013	10.35%	6.4%	9.75%	8.5%
CY2014	10.35%	4.6%	9.75%	7.8%
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%

Return on equity

Data tables – Rhode Island and FERC

HISTORICAL ACHIEVED RETURNS ON EQUITY

RHODE ISLAND

	Narragansett Electric		Narragansett Gas	
	Allowed	Achieved	Allowed	Achieved
CY2013	9.5%	10.1%	9.5%	9.9%
CY2014	9.5%	9.5%	9.5%	11.6%
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%

FERC

	Narragansett		Long Island Generation		New England Power		Canadian Interconnector	
	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved	Allowed	Achieved
CY2013	11.14%	12.0%	10.0%	11.9%	11.14%	11.7%	13.0%	13.0%
CY2014	10.57%	12.1%	10.0%	10.5%	10.57%	11.6%	13.0%	13.0%
CY2015	10.57%	11.2%	9.9%	12.5%	10.57%	11.0%	13.0%	13.0%
FY2017	10.57%	11.4%	9.9%	12.0%	10.57%	11.1%	13.0%	13.0%
FY2018	10.57%	11.5%	9.9%	13.5%	10.57%	11.0%	13.0%	13.0%
FY2019	10.57%	11.3%	9.9%	14.2%	10.57%	11.0%	13.0%	13.0%
FY2020	10.57%	11.1%	9.9%	14.1%	10.57%	11.0%	13.0%	13.0%

Rate Base

Data tables – New York, Massachusetts, Rhode Island and FERC

HISTORICAL RATE BASE

NEW YORK

\$m	KEDNY	KEDLI	NIMO Electric	NIMO Gas	TOTAL NEW YORK
2014/15	2,387	2,146	4,453	1,060	10,046
2015/16	2,525	2,176	4,621	1,160	10,482
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

MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	TOTAL MASSACHUSETTS
2014/15	1,905	1,747	3,652
2015/16	2,156	1,945	4,101
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

RHODE ISLAND

\$m	Narragansett Electric	Narragansett Gas	TOTAL RHODE ISLAND
2014/15	570	496	1,066
2015/16	657	577	1,234
2016/17	665	640	1,305
2017/18	740	745	1,485
2018/19	779	887	1,666
2019/20	895	944	1,839

FERC

\$m	Narragansett Transmission	Long Island Generation	New England Power	Canadian Interconnector ¹	TOTAL FERC
2014/15	607	446	1,380	16	2,449
2015/16	608	420	1,405	11	2,444
2016/17	697	422	1,543	31	2,693
2017/18	721	410	1,667	30	2,828
2018/19	744	454	1,630	79	2,907
2019/20	788	456	1,844	52	3,140

Capital Expenditure

Data tables – New York, Massachusetts, Rhode Island and FERC

HISTORICAL CAPITAL EXPENDITURE (excludes cost of removal and Service Company)

NEW YORK

\$m	KEDNY	KEDLI	NIMO Electric	NIMO Gas	TOTAL NEW YORK
2014/15	357	225	528	104	1,214
2015/16	447	254	499	114	1,314
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

MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	TOTAL MASSACHUSETTS
2014/15	242	364	606
2015/16	292	403	695
2016/17	279	512	791
2017/18	346	611	957
2018/19	320	385	705
2019/20	319	568	887

RHODE ISLAND

\$m	Narragansett Electric	Narragansett Gas	TOTAL RHODE ISLAND
2014/15	72	106	178
2015/16	84	114	198
2016/17	92	104	196
2017/18	112	120	232
2018/19	124	121	245
2019/20	100	173	273

FERC

\$m	Narragansett Transmission	Long Island Generation	New England Power	Canadian Interconnector ¹	TOTAL FERC
2014/15	118	34	196	16	364
2015/16	102	31	204	38	375
2016/17	91	37	187	67	382
2017/18	39	59	192	22	312
2018/19	65	51	180	33	329
2019/20	48	49	227	60	384

Summary of US price controls and rate plans

		Year							Rate base (31 Mar 2020)	Equity-to-debt ratio	Allowed return on equity	Achieved return on equity (31 Mar 2020)	Revenue decoupling	Capital tracker	Commodity-related bad debt true-up	Pension/OPEB true-up
		2015	2016	2017	2018	2019	2020	2021								
New York Public Service Commission	Niagara Mohawk (upstate, electricity) ¹								\$5,881m	48:52	9.0%	8.9%	✓	P	P	✓
	Niagara Mohawk (upstate, gas) ¹								\$1,328m	48:52	9.0%	8.7%	✓	P	P	✓
	KEDNY (downstate) ²								\$4,555m	48:52	9.0%	7.7%	✓	P	P	✓
	KEDLI (downstate) ²								\$2,932m	48:52	9.0%	9.7%	✓	P	P	✓
Massachusetts Department of Public Utilities	Massachusetts Electric/Nantucket Electric								\$2,858m	53:47	9.6%	10.3%	✓	P	✓	✓
	Massachusetts Gas								\$3,108m	53:47	9.5%	7.8%	✓	P	✓	✓
Rhode Island Public Utilities Commission	Narragansett Electric								\$895m	51:49	9.28%	11.9%	✓	✓	P	✓
	Narragansett Gas								\$944m	51:49	9.28%	8.8%	✓	✓	P	✓
Federal Energy Regulatory Commission	Narragansett								\$788m	50:50	10.57%	11.1%	n/a	✓	n/a	✓
	FERC Other incl Canadian Interconnector								\$52m	100:0	13.0%	13.0%	n/a	✓	n/a	✓
	New England Power								\$1,844m	64:36	10.57%	11.0%	n/a	✓	n/a	✓
	Long Island Generation								\$456m	47:53	9.9%	14.1%	n/a	✓	n/a	✓

- 1 Both transmission and distribution, excluding stranded costs
- 2 KeySpan Energy Delivery New York (The Brooklyn Gas Company)
- 3 KeySpan Energy Delivery Long Island (KeySpan Gas East Corporation)

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.

¹ On Niagara Mohawk (NIMO), as of June 2020 we are exploring options including an extension of the current rate plan or a rate case filing in summer 2020.

² On KEDNY/KEDLI, the chart assumes a settlement is reached with the PSC, resulting in a multi-year agreement.

- Rate filing made
- Rate plan ends
- Multi-year rate plan
- Features in place
- New rates effective
- Rates continue indefinitely
- Features partly in place