

# US Databook

New York and New England regulated businesses

May 2024

# 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. 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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 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, as well as the future of system operation in the UK; 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 or 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 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, 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 a stake in its UK Gas Transmission and Metering business, its strategic infrastructure projects and joint ventures and the separation and transfer of the ESO to the public sector. 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 226 to 231 of National Grid's Annual Report and Accounts for the year ended 31 March 2024, which is published today. 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
<b>FY2018</b>	9.0%	9.0%	9.0%	10.1%	9.0%	8.8%	9.0%	7.9%
<b>FY2019</b>	9.0%	6.2%	9.0%	9.9%	9.0%	9.4%	9.0%	9.8%
<b>FY2020</b>	9.0%	7.7%	9.0%	9.7%	9.0%	8.9%	9.0%	8.7%
<b>FY2021</b>	9.0%	6.1%	9.0%	8.2%	9.0%	6.3%	9.0%	7.2%
<b>FY2022</b>	8.8%	8.1%	8.8%	11.0%	9.0%	8.5%	9.0%	8.1%
<b>FY2023</b>	8.8%	9.2%	8.8%	9.2%	9.0%	8.1%	9.0%	7.1%
<b>FY2024</b>	8.8%	9.0%	8.8%	9.7%	9.0%	8.1%	9.0%	6.0%

# Return on equity – New England



## MASSACHUSETTS

	Mass Electric		Mass Gas	
	Allowed	Achieved	Allowed	Achieved
<b>FY2018</b>	9.9%	9.0%	9.75%	6.6%
<b>FY2019</b>	9.9%	7.8%	9.5%	7.4%
<b>FY2020</b>	9.6%	10.3%	9.5%	7.8%
<b>FY2021</b>	9.6%	5.3%	9.5%	5.7%
<b>FY2022</b>	9.6%	7.1%	9.6%	6.9%
<b>FY2023</b>	9.6%	5.9%	9.7%	8.6%
<b>FY2024</b>	9.6%	7.6%	9.7%	9.2%

## FERC

	New England Power		Canadian Interconnector	
	Allowed	Achieved	Allowed	Achieved
<b>FY2018</b>	10.57%	11.0%	13.0%	13.0%
<b>FY2019</b>	10.57%	11.0%	13.0%	13.0%
<b>FY2020</b>	10.57%	11.0%	13.0%	13.0%
<b>FY2021</b>	10.57%	11.0%	13.0%	13.0%
<b>FY2022</b>	10.57%	10.9%	11.1%	11.1%
<b>FY2023</b>	10.57%	11.1%	11.1%	11.1%
<b>FY2024</b>	10.57%	11.1%	11.1%	11.1%

# Rate Base – New York and New England



## NEW YORK

\$m	KEDNY	KEDLI	NIMO Electric	NIMO Gas	Total New York
FY2018	3,159	2,355	5,000	1,167	11,681
FY2019	3,711	2,630	5,358	1,266	12,965
FY2020	4,555	2,932	5,881	1,328	14,696
FY2021	4,959	3,158	6,206	1,467	15,790
FY2022	5,429	3,369	6,603	1,584	16,985
FY2023	6,048	3,774	7,045	1,800	18,667
FY2024	6,454	4,149	8,317	1,765	20,685

## MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	Total Massachusetts
FY2018	2,457	2,488	4,945
FY2019	2,564	2,761	5,325
FY2020	2,858	3,108	5,966
FY2021	3,033	3,521	6,554
FY2022	3,049	3,820	6,869
FY2023	3,106	4,170	7,276
FY2024	3,541	4,759	8,300

## FERC

\$m	New England Power	Canadian Interconnector <sup>1</sup>	Total FERC
FY2018	1,667	30	1,697
FY2019	1,630	79	1,709
FY2020	1,844	52	1,896
FY2021	1,970	58	2,028
FY2022	2,260	46	2,306
FY2023	2,420	59	2,479
FY2024	2,646	48	2,694

<sup>1</sup> Pre-FY24 includes other FERC companies (INTE and LNG); Excludes LNG beginning in FY24

# 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
FY2018	677	313	533	128	1,651
FY2019	727	386	566	145	1,824
FY2020	806	402	615	154	1,977
FY2021	641	407	664	167	1,879
FY2022	790	510	821	176	2,297
FY2023	757	448	896	212	2,313
FY2024	811	523	1,216	260	2,810

## MASSACHUSETTS

\$m	Massachusetts Electric	Massachusetts Gas	Total Massachusetts
FY2018	346	611	957
FY2019	320	385	705
FY2020	319	568	887
FY2021	307	610	917
FY2022	346	705	1,051
FY2023	405	808	1,213
FY2024	519	819	1,338

## FERC

\$m	New England Power	Canadian Interconnector <sup>1</sup>	Total FERC
FY2018	192	22	253
FY2019	180	33	278
FY2020	227	60	335
FY2021	239	93	412
FY2022	278	133	494
FY2023	354	115	469
FY2024	436	23	459

<sup>1</sup> Pre-FY24 includes other FERC companies (INTE, MECOT, LNG); Excludes LNG beginning in FY24

# Summary of US rate plans

		Rate base (31 Mar 2024)	Equity-to-debt ratio	Allowed return on equity	Achieved return on equity (31 Mar 2024)	Revenue decoupling	Capital tracker	Commodity-related bad debt true-up	Pension/OPEB true-up
<b>New York Public Service Commission</b>	Niagara Mohawk (upstate, electricity)	\$8,317m	48:52	9.0%	8.1%	✓	P	P	✓
	Niagara Mohawk (upstate, gas)	\$1,765m	48:52	9.0%	6.0%	✓	P	P	✓
	KEDNY (downstate)	\$6,454m	48:52	8.8%	9.0%	✓	P	P	✓
	KEDLI (downstate)	\$4,149m	48:52	8.8%	9.7%	✓	P	P	✓
<b>Massachusetts Department of Public Utilities</b>	Massachusetts Electric/ Nantucket Electric	\$3,541m	53:47	9.6%	7.6%	✓	P	✓	✓
	Massachusetts Gas	\$4,759m	53:47	9.7%	9.2%	✓	P	✓	✓
<b>Federal Energy Regulatory Commission</b>	FERC Other Incl. Canadian Interconnector	\$48m	65:35	11.1%	11.1%	n/a	✓	n/a	✓
	New England Power	\$2,646m	61:39	10.57%	11.1%	n/a	✓	n/a	✓

### 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.

✓ Features in place    P Features partly in place