



National Grid plc

(incorporated with limited liability in England and Wales on 11 July 2000 under registered number 4031152)

National Grid Electricity Transmission plc

(incorporated with limited liability in England and Wales on 1 April 1989 under registered number 2366977)

Euro 15,000,000,000

Euro Medium Term Note Programme

This supplement (the “**Supplement**”) to the prospectus dated 7 August 2020 (as supplemented by the first supplement to the prospectus dated 9 September 2020 and the second supplement to the prospectus dated 12 November 2020 (together, the “**Prospectus**”), which comprises a base prospectus for each of National Grid plc (“**National Grid**”) and National Grid Electricity Transmission plc (“**NGET**” and, together with National Grid, the “**Issuers**”), constitutes a supplementary prospectus for the purposes of the Prospectus Regulation and supplementary listing particulars for the purposes of Section 81 of FSMA. This Supplement is prepared in connection with the Euro 15,000,000,000 Euro Medium Term Note Programme established by the Issuers. Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuers.

Each of the Issuers accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in this Supplement will prevail.

The Prospectus, this Supplement and the documents incorporated by reference in the Prospectus can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange plc at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. If documents which are incorporated by reference themselves incorporate any information or other documents therein, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Regulation and the Listing Rules except where such information or other documents are stated within this Supplement as being specifically incorporated by reference into this Supplement.

Purpose of this Supplement

The purpose of this Supplement is to update the Prospectus to reflect certain recent developments.

Recent Developments relating to National Grid

On 8 December, Ofgem published its Final Determination for the RIIO-2 framework covering the period April 2021 to March 2026 (the “**Final Determination**”). The key headlines for electricity transmission are

an allowed equity return of 4.02 per cent. at 55 per cent. gearing, up from 3.70 per cent. in the draft determinations, and baseline totex of £5.3bn, up from £3.3bn in the draft determinations. For gas transmission, the allowed equity return is 4.30 per cent., up from 3.95 per cent. in the draft determinations, and baseline totex of £2.01bn, up from £1.56bn in the draft determinations. National Grid will review in detail the full package contained within the Final Determination to analyse whether it delivers sufficient investment to maintain resilient and reliable networks, provides the flexibility required to enable the delivery of critical infrastructure to achieve the UK's net zero ambitions, and provides an appropriate overall financial package. National Grid expects Ofgem to publish its statutory consultation on the proposed licence modifications required to implement the Final Determination shortly. The consultation period will be followed by a period for Ofgem to consider responses, at the end of which Ofgem will publish its decision to modify the licences. Following publication, relevant parties have 20 working days to appeal any part of the proposed licence modifications to the Competition and Markets Authority (the "CMA"). Given the current expected timeline, National Grid anticipates that it will not make any final decision on whether to accept or appeal the licence modifications implementing Ofgem's Final Determination to the CMA prior to late February 2021.

Recent Developments relating to NGET

On 8 December, Ofgem published its Final Determination. The key headlines are an allowed equity return of 4.02 per cent. at 55 per cent. gearing, up from 3.70 per cent. in the draft determinations, and baseline totex of £5.3bn, up from £3.3bn in the draft determinations. NGET will review in detail the full package contained within the Final Determination to analyse whether it delivers sufficient investment to maintain resilient and reliable networks, provides the flexibility required to enable the delivery of critical infrastructure to achieve the UK's net zero ambitions, and provides an appropriate overall financial package. NGET expects Ofgem to publish its statutory consultation on the proposed licence modifications required to implement the Final Determination shortly. The consultation period will be followed by a period for Ofgem to consider responses, at the end of which Ofgem will publish its decision to modify the licences. Following publication, relevant parties have 20 working days to appeal any part of the proposed licence modifications to the CMA. Given the current expected timeline, NGET anticipates that it will not make any final decision on whether to accept or appeal the licence modifications implementing Ofgem's Final Determination to the CMA prior to late February 2021.

General Information

Copies of all documents incorporated by reference in the Prospectus will be available on the website of National Grid, as set out in the Prospectus.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, in relation to either of the Issuers since the publication of the Prospectus.