

October 1, 2018

Re: Irreparable harm being caused by National Grid's unnecessary lockout of 1,200 US Gas Workers

Dear National Grid Shareholder,

I am writing in my capacity as District 4 Director of the United Steelworkers union, which represents 1.2 million members and retirees in the United States, Canada, and the Caribbean. On June 25th, National Grid took the unnecessary and irresponsible action of locking out over 1,200 of our members as their contracts expired.

The members of USW local unions 12003 and 12012 have performed critical gas work in eastern Massachusetts for decades. The USW and our members are interested in the long-term success of National Grid and the safety of the communities that the company serves. As such, I am writing to inform you of the damage being done to National Grid's reputation and of the potentially catastrophic effects, in regards to public safety and to National Grid's value, of subpar work being performed by the company's replacement workers.

Existing Public Safety Issues and Damage to Reputation

Since the lockout began, our local unions have documented and submitted to the Massachusetts Department of Public Utilities over 100 potentially unsafe actions being performed by National Grid supervisors and replacement workers doing our work. The DPU's initial investigation into these issues found that National Grid may have violated federal pipeline safety regulations close to 50 times. The DPU further states that the company may be subject to a compliance action or an additional investigation in the near future.

Massachusetts Attorney General Maura Healey has called for the DPU to open a full and transparent investigation into National Grid's actions since the lockout began both in regards to safety and to if ratepayers will be ultimately responsible for paying for the cost of the lockout ([AG letter link](#)).

Not satisfied with trusting dangerous gas work to less experienced replacement workers, over two dozen towns and cities (including Boston) have put in place moratorium resolutions for non-emergency gas work until the lockout ends. Likewise, numerous politicians, including Senator Elizabeth Warren, Senator Edward Markey, Massachusetts Secretary of the Commonwealth William Galvin, and Massachusetts Speaker of the House Robert DeLeo have urged National Grid, for the sake of public safety, to end the lockout.

Potential Public Safety Issues and Damage to Reputation

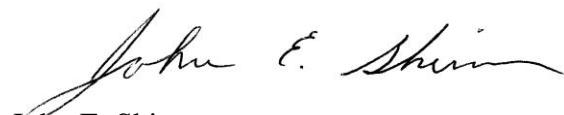
On September 13th, 2018 multiple gas explosions and between 60 and 80 fires occurred across three towns in the Boston area, resulting in the Governor of Massachusetts declaring a state of emergency. One person was killed, twenty-five were injured, dozens of houses were destroyed, and thousands of residents had to evacuate their homes. It is believed that the cause of the disaster was over pressurized mains in Columbia Gas' system. Feeney Brothers Utility Services, an outside contractor that routinely does work for National Grid, has been identified as working on the gas system the day of the tragedy.

In addition to the obvious physical and human damage, Columbia Gas' reputation as a safe provider of natural gas service has been greatly harmed. On September 14th, the Governor of Massachusetts removed Columbia Gas and announced that Eversource (note: not National Grid) would be taking over the lead on the recovery efforts. On September 14th, NiSource Inc., Columbia Gas' parent company, saw its stock price plummet by 11.7%.

National Grid's stock has already fallen by close to 12% and to a one-year low since early July. The actions of the Board of Directors and the CEO are contributing to a loss in National Grid's value and put the public at risk by having less experienced replacement workers perform critical gas repairs, even in the wake of one of the worst gas tragedies in US history happening in towns neighboring National Grid's service area. Massachusetts officials and the public have already expressed their outrage over this illogical decision.

In the interest of public safety and for the sake of the company's future, the United Steelworkers and our 1,200+ members and their families urge you to use your leverage as holders of National Grid stock to question the company's irresponsible decision to lock out its most experienced workers.

Sincerely,



John E. Shinn
Director, District 4
United Steelworkers

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