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John B. Rhodes, Chair

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**PSC Audits National Grid's Statewide Operations
— Management & Operations Audit Focuses on Construction Planning,
Operational Efficiencies —**

ALBANY — The New York State Public Service Commission (Commission) today selected an independent auditor to conduct a detailed management and operations audit of three National Grid USA subsidiaries: Niagara Mohawk Power Corporation, The Brooklyn Union Gas Company or KEDNY, and KeySpan Gas East Corporation or KEDLI. The audit will focus on construction program planning and operational efficiency.

“Our audit will closely examine the utilities’ readiness to deliver service for New Yorkers, respond to the Reforming the Energy Vision initiative, address the effectiveness of gas safety processes and procedures, and review how these companies plan for and manage information systems projects,” **said Commission Chair John B. Rhodes.** “The audit will also review issues from previous management and operations audits that require follow-up review, such as organizational structure, project estimating processes, and work management processes. The end result will be improving operations and service for customers.”

The Commission selected Saleeby Consulting Group (SCG) to conduct the management and operations audit. In making its selection, the Commission said SCG displayed an impressive amount of knowledge about the utilities, REV, and the New York regulatory environment.

This is the fourth comprehensive management and operations audit of an investor-owned utility, not including the two additional audits that are underway. To date, these audits have recommended numerous productivity enhancements, better risk mitigation strategies, and improved planning processes, as well as other operational improvements, at New York’s utilities. These process improvements result in savings for customers over time, and those savings are captured in rate cases.

In recent years, the Commission has instituted two statewide operations audits of the utilities. One audit evaluated the completeness and accuracy of performance metrics of the large utilities and the second audit examined the large utilities’ internal and contractor resources to determine whether sufficient staffing levels were maintained, while optimizing efficiency and cost effectiveness. This audit is a second cycle management and operations audit of National Grid USA's Commission regulated subsidiaries. The Commission expects to issue the auditor’s final report in November 2019.

National Grid USA has three operating utilities in New York State. Niagara Mohawk provides both electric and gas service across a wide portion of upstate New York. KEDNY provides gas service in portions of New York City. KEDLI provides gas service on Long Island and a small area of New York City.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 18-M-0195 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.