

STATE OF NEW YORK

# Public Service Commission

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## NATIONAL GRID'S GAS BUSINESS EXAMINED

— Management and Operations Audit of National Grid Gas Utilities Gets Underway —

Albany, NY—02/13/13— The New York State Public Service Commission (Commission) today announced it would conduct an independent, comprehensive management and operations audit of National Grid's natural gas companies: Niagara Mohawk Power Company Gas, KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island. The audit will focus on construction program planning and operational efficiency and address risk management efforts, particularly in coastal areas.

In his 2013 State of the State Address, Governor Andrew M. Cuomo highlighted the importance of management and operations audits of New York's utilities, and authorized the Commission to direct utilities to comply with recommendations made pursuant to management and operations audits.

“These comprehensive audits will help ensure that utilities are properly running their businesses and are using the most modern and cost-effective programs and techniques to provide customers with safe and reliable service at just and reasonable rates,” said Chairman Garry Brown.

To begin the audit, a Request for Proposal (RFP) will be issued detailing the scope and timetable for the work to be performed by an independent consultant for a management and operations audit of the National Grid's natural gas companies. The consultant, under the direction of Commission staff, will examine the management effectiveness and operational efficiency of

National Grid's natural gas business, focusing on construction program planning and implementation and will make recommendations for improvement, as needed.

The management and operations audit of the companies will be comprehensive, and will focus on the specific requirements of construction program planning and operational efficiency, as well as other performance measures. A final report from the selected consultant is expected by May 2014.

The scope of the audit will be based on a series of nine elements or functions, including understanding the roles and responsibilities of the corporations' leadership in providing coherent and measurable goals and objectives, setting priorities, allocating resources, and evaluating the performance of the gas businesses in terms of each company's construction program planning processes and operational efficiency.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 13-G-0009 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders 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.