This **National Grid Monitorship: Fifth Quarterly Report** was submitted to the PSC on September 18, 2020 and is pursuant to the Settlement Agreement of November 24, 2019 between the New York State Department of Public Service (“DPS”) and National GridUSA.

**Briefly, Nat Grid has not lived up to the terms in the Settlement Agreement.**

1. National Grid has stated in the PSC Proceeding (Case 20-G-0131) that the entire Service Territory (except for Staten Island) constitutes a “vulnerable location.” This means all of KEDLI (Nassau and Suffolk Counties and Far Rockaway) and most of KEDNY (Kings County and the Newtown and Jamaica areas of Queens) are subject to future gas moratoria.

   National Grid has explicitly identified the risks involved in successfully completing their short-term and long-term projects and the potential that a moratorium may become necessary if the projects are not timely completed.

   a. National Grid’s ability to deliver sufficient gas supply capacity to meet short-term forecasted demand on peak days remains a work-in-progress for Winter 2020/2021. Additional permits still must be obtained.

   b. National Grid’s ability to execute its plans for meeting long-term demand pursuant to its LT Reports remains uncertain. Permits have yet to be obtained and funding is contingent on receiving them.

2. More than $30 million of the $36 million which National Grid is required to pay under the Settlement of the funds have not been expended.

   a. None of the $20 million allocated for clean energy investments has been disbursed.

   b. Less than half of the $7 million designated for the Customer Assistance Program (CAP) has been paid. (This program was designed to address compensation to residential and commercial applicants who were harmed by the denial of service during the moratorium.)

   c. Less than half ($3.07 million) of the $8 million allotted for the Efficiency Plan has been paid. This is for the package of enhanced energy efficiency (EE), enhanced demand reduction (DR) and other gas conservation measures.

      i. For the enhanced EE program, Nat Grid has invested $106,624.

      ii. For the Enhanced DR program, Nat Grid has invested $2,882,152 on the C&I (commercial and industrial) enhanced DR program. For the residential sector, Nat Grid spent $6,619 on the behavioral DR program and $73,437 on the bring-your-own-thermostat (BYOT*) program. This is a total of $2.96 million dollars spent.

3. National Grid has yet to comply with its sizable outstanding financial obligations under the Settlement.

4. Finally, National Grid was found at the outset of the monitorship to have serious organizational deficits around its gas forecasting and planning process, and its risk and compliance functions.
5. National Grid has displayed a habit of regularly extending target dates for multiple milestones of key projects.

6. National Grid has not recruited a U.S. Chief Compliance Officer. Instead they have had their U.S. General Counsel to assume this additional role and responsibilities. This creates a conflict of interest because the General Counsel is responsible for defending Nat Grid and the interests of its shareholders and the Chief Compliance Officer's role is to protect the interests of its customers in the Service Territory. In both action and appearance, it signals the low priority and importance to National Grid of ensuring its regulatory compliance.

*BYOT demand response program involves customers with wi-fi thermostats allowing Nat Grid to turn down the set point in the morning or afternoon.