

DIVISION OF PUBLIC UTILITIES AND CARRIERS

MEMORANDUM

TO: LULY MASSARO
COMMISSION CLERK

DATE: 2/21/17

FROM: STEPHEN SCIALABBA
DPUC

SUBJECT: DOCKET 4647 GAS PROCUREMENT INCENTIVE PLAN MODIFICATION

On January 31, 2017 National Grid filed a proposed modification to its Gas Procurement Incentive Plan (GPIP) to change the incentive year from its current July-June framework to an April-March period. As noted in the National Grid filing, the Company and the Division have discussed this proposed change and the Division concurs with modifying the GPIP as proposed by National Grid. This aligns the incentive periods of both the GPIP and the other gas procurement incentive, the Natural Gas Portfolio Management Plan (NGPMP), which tracks the sharing of capacity release revenues for the pipeline assets. The Division supports the proposed change in the timing of the GPIP annual incentive period to an April-March period. The Company also is proposing some minor language changes in the GPIP (Plan language) that is clean-up, or ministerial in nature. The Division has reviewed this and supports the minor language changes in the Plan.

One final item to note is that the 1/31/17 cover letter that accompanied the McCauley Direct testimony and Attachments noted different GPIP reporting dates than what was identified in the testimony and attachments. When the Company was queried on this, National Grid confirmed the reporting dates in the testimony and attachments are the accurate dates, and I expect the Company to confirm this with the Commission in short order.