

September 25, 2012

**VIA ELECTRONIC MAIL**

Honorable Jaclyn A. Brillig  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

**Re: CASE 12-E-0201 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National for Electric Service**

**CASE 12-G-0202 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Gas Service**

**NOTICE OF IMPENDING SETTLEMENT NEGOTIATIONS**

Dear Secretary Brillig:

Pursuant to 16 NYCRR § 3.9(a) of the Commission's Rules and Regulations, Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk" or "Company") submits this Notice of Impending Settlement Negotiations in the above-referenced proceedings.

The parties intend to begin confidential settlement negotiations regarding the Company's rates and charges for electric and gas delivery service and other issues raised by the Company's filings in these proceedings. Settlement negotiations are tentatively scheduled to begin on Tuesday, October 2, 2012 at 10:00 a.m. in Room 308A of the Company's Albany office, located at 1125 Broadway, and will continue day to day as the parties may agree. For those parties wishing to dial in to the discussion, the conference number is 866-844-9417, code 99772804.

I certify that I am notifying the administrative law judges in this proceeding and all parties on the Unified Active Party list of the pendency of negotiations in a manner that permits reasonable time for preparation as required by § 3.9(a)(iii).

Respectfully submitted,

Catherine L. Nesser  
Catherine L. Nesser

cc: Unified Party List  
Honorable Kimberly Harriman  
Honorable Rudy Stegemoeller