

February 21, 2012

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PUBLIC UTILITIES COMMISSION

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Monthly Filing of GCR Deferred Balances

Dear Ms. Massaro:

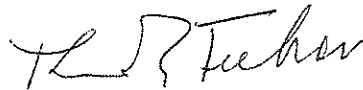
On behalf of National Grid¹, I am writing to update the Rhode Island Public Utilities Commission on the Company's ongoing review of its Gas Cost Recovery deferred balance report. As the Company indicated in its letter of January 20, 2012, the Company recently discovered errors in the calculation of its monthly gas deferred balance reports.

As was reported, the Company has engaged a consultant to complete a thorough review to ensure that the Company's deferred gas balance report incorporates all necessary corrections to the calculation of its deferred balance. The Company intends to submit an explanation of the results of its review and detail all adjustments made in determining the current deferred balance. That review is ongoing at this time and is projected to be completed during March.

Consequently, the Company will be delayed in filing its January deferred report, which it would ordinarily file at around this time of the month, while it completes this review of past deferred filings. Once the review is completed, the Company will submit an up-to-date deferred balance report.

Thank you for your consideration in this matter. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

cc: Patricia Lucarelli, Esq.
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid ("Company").