..DID: 6153 ..TXT:

December 3, 1998

Honorable John C. Crary Secretary Public Service Commission State of New York 3 Empire State Plaza Albany, New York 12223

Dear Secretary Crary:

The enclosed statements are transmitted electronically for filing in compliance with the requirements of the Public Service Commission, State of New York. Please note that NYSEG has included two new statements (MCO and DCO) in association with the implementation of the balancing provisions approved in Case No. 98-G-0855.

> Index Price Option Statements: Statement No. IPO-22 to P.S.C. No. 87 - Gas Statement No. IPO-14 to P.S.C. No. 89 - Gas

> Monthly and Daily Cash Out Statements: Statement No. MCO-2 to P.S.C. No. 88 - Gas Statement No. DCO-2 to P.S.C. No. 88 - Gas

> > Very truly yours,

/bkh

STEVEN R. ADAMS Encls. Manager - Gas Pricing, Regulation & Strategy