..DID: 1350 ..TXT:

September 4, 1997

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 statement is transmitted electronically for filing in compliance with the requirements of the Public Service Commission, State of New York.

Index Price Option Statement: Statement No. IPO-7 to P.S.C. No. 87 - Gas

Very truly yours,

/caj Encls. STEVEN R. ADAMS Manager - Gas Pricing