

..DID: 2204

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January 9, 1998

John C. Crary
Secretary
State of New York
Department of Public Service
Three Empire State Plaza
Albany, NY 12223

Dear Secretary Crary:

Orange and Rockland Utilities, Inc. hereby transmits for electronic filing its Statement of Increase in Rates and Charges No. RTS-1 to the Schedule for Gas Service, P.S.C. No. 4 - Gas.

The Company's tariff schedule, Section 15 of P.S.C. No. 4 - Gas, provides for reconciliations of the Temporary Metropolitan Transportation Authority Business Tax Surcharge (MTA Tax) recoveries with the MTA Tax expenses. The tariff provisions further provide for adjustments, if necessary, of the revenue tax surcharge rates in the last two months of each fiscal period to reflect the results of the reconciliations.

Workpapers showing the reconciliations and calculations of the proposed gas surcharge rates for the billing months of February and March 1998 are being submitted today via Federal Express.

Very truly yours,

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Terry L. Dittrich
Manager - Regulatory Affairs