

..DID: 5854

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November 4, 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-21 to P.S.C. No. 87 - Gas

Statement No. IPO-13 to P.S.C. No. 89 - Gas

Monthly and Daily Cash Out Statements:

Statement No. MCO-1 to P.S.C. No. 88 - Gas

Statement No. DCO-1 to P.S.C. No. 88 - Gas

Very truly yours,

/bkh

STEVEN R. ADAMS

Encls.

Manager - Gas Pricing, Regulation & Strategy