Received: 2/9/1998

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February 9, 1998

Honorable 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 ULIEEP Statement No. US-1 to be effective March 1, 1998, proposing revisions to its Schedule for Gas Service, PSC No. 4 - GAS:

The purpose of this filing is to develop the ULIEEP refund rate to be effective for the twelve months ending February 1999. The determination of the refund rate is in conformance with the provisions of the Company's tariff as approved by Commission Order in Case 89-M-124.

The proposed ULIEEP credit equals .046 cents per Ccf, a decrease of .069 cents per Ccf from the existing surcharge of .023 cents per Ccf. A residential heating customer using 120 Ccf per month would see a minimal decrease of \$0.08 per month.

A copy of the workpapers used to determine the ULIEEP credit will be forwarded to you via Federal Express.

Received: 2/9/1998

If you have any questions, please call Les Lowther at (914) 577-2971.

Very truly yours,

Terry L. Dittrich Manager - Regulatory Affairs