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PLEASE REPLY TO:
TALLAHASSEE

June 6, 1997

HAND DELIVERED

Blanca S. Bayo, Director
Florida Public Service Commission
Division of Records and Reporting
2540 Shumark Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 960547-GU -- In re: Application for
authority to issue and sell securities during 12
months ending 6/30/97 by City Gas Company of
Florida

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and
sixteen copies of the Motion of City Gas Company of Florida for
Clarification of Order Nos. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-
GU, and PSC-97-0553-FOF-GU in the above docket.

Please acknowledge receipt of the above on the extra copy
enclosed herein and return it to me. Thank you for your
assistance.

Yours truly,

Joseph A. McGlothlin
Joseph A. McGlothlin

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of City Gas)
Company of Florida (a division)
of NUI Corporation) for authority)
for NUI Corporation to issue and)
sell securities during the twelve)
months ending June 30, 1997)
_____)

DOCKET NO. 960547-GU

FILED: June 6, 1997

**MOTION OF CITY GAS COMPANY OF FLORIDA (A DIVISION OF
NUI CORPORATION) FOR CLARIFICATION OF ORDER
NOS. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-GU, AND PSC-97-0553-FOF-GU**

City Gas Company of Florida, ("City Gas"), (a division of NUI Corporation) ("NUI"), submits this request for clarification of the authority to issue and sell securities conferred by Order Nos. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-GU, and PSC-97-0553-FOF-GU, and as support states:

1. By application dated April 30, 1996, City Gas applied for authority to issue equity and long-term debt securities in an amount not to exceed \$80 million dollars in the aggregate. In addition, City Gas requested authority to issue short-term indebtedness up to, but not exceeding, 25% of the par value of the other outstanding securities of NUI Corporation, doing business as City Gas Company of Florida.

2. By Order No. PSC-96-0846-FOF-GU, the Commission disposed of City Gas' application. The Commission corrected a scrivener's error in Order PSC-96-0846A-FOF-GU. In the ordering paragraphs, the Commission granted City Gas' request for permission to exceed the usual limitation on short-term indebtedness, as long as the total does not exceed 25% of the par value of other outstanding

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securities. However, in a separate ordering paragraph, the Commission granted authority to issue long-term debt, equity and short-term debt not to exceed \$80 million dollars "in the aggregate."

3. In a subsequent application in this docket, City Gas requested authority to use the proceeds from securities issued during the twelve months ending June 30, 1997 to acquire an interest in T.I.C. Incorporated. In that application, City Gas reiterated the separate parameters for long-term debt and equity, on the one hand, and short-term debt, on the other, which it sought in the original application. In Order No. PSC-97-0553-FOF-GU, the Commission granted City Gas' request for permission to apply proceeds to the acquisition of the interest in T.I.C. In its order the Commission again authorized City Gas to issue short-term indebtedness up to, but not exceeding, 25% of the par value or the other outstanding securities of NUI Corporation, as requested in the application. However, it also included short-term debt in the securities subject to the \$80 million cap.

4. The dual and conflicting references to limitations on short-term indebtedness are internally inconsistent, and create an ambiguity within Order Nos. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-GU, and PSC-97-0553-FOF-GU. City Gas believes that the intent of the Commission was to grant the authority specifically requested in its applications, and that the inclusion of short-term indebtedness in the list of securities subject to the \$80 million cap was inadvertent and unintentional.

5. In its applications, City Gas described its policy of financing some of its needs with short-term debt whenever favorable interest rates render that approach

advantageous, and then replacing the short-term debt with permanent financing at a later time. This approach would be defeated if the amount of equity and long-term debt which the Company is authorized to issue were to be effectively reduced by any short-term debt it issues. Clarification of Order Nos. PSC-96-0846-FOF-GU and PSC-97-0553-FOF-GU is needed so that the ability of City Gas to undertake its planned approach to its financing, which benefits customers, is not impaired by an unintended restriction on its overall ability to issue equity and long-term debt.


WHEREFORE, City Gas Company of Florida requests the Commission to issue an Order clarifying that the intent of the Commission in Order Nos. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-GU, and PSC-97-0553-FOF-GU was to authorize City Gas to issue and sell equity securities and long-term debt obligations not to exceed \$80 million dollars in the aggregate, exclusive of short-term debt, and to issue short-term indebtedness up to, but not exceeding, 25% of the par value or the other outstanding securities of NUI Corporation.


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Attorney for City Gas Company
of Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Motion of City Gas Company of Florida (A division of NUI Corporation) for Clarification of Order Nos. PSC-96-0846-FOF-GU, PSC-96-0846A-FOF-GU, and PSC-97-0553-FOF-GU has been hand-delivered to Lorna Wagner, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399, on this 6th day of June, 1997.


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