

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 960547-GU
authority to issue and sell) ORDER NO. PSC-96-0846-FOF-GU
securities during 12 months) ISSUED: July 2, 1996
ending 6/30/97 by City Gas)
Company of Florida.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER AUTHORIZING SECURITY TRANSACTIONS

BY THE COMMISSION:

NUI Corporation (NUI), doing business as City Gas Company of Florida, filed an application seeking Commission approval to issue and sell equity securities, long-term debt obligations, and short-term indebtedness, not to exceed \$80 million in the aggregate, during the twelve-month period ending June 30, 1997.

NUI asserts that the total proceeds from these transactions will be used to enable it to manage and operate its utility businesses in a manner insuring reliable and economical service for all of its customers. The proceeds of the industrial revenue bond transactions will be used to finance components of NUI's construction programs or to refund previously issued industrial development revenue bonds at more favorable interest rates and terms. The proceeds from the transactions on the medium-term notes will be added to the general business funds. These proceeds will also be used to help finance NUI's construction programs, as well as to reacquire any of NUI's outstanding debt securities, to reimburse the treasury for expenditures against which securities have not been issued, to refund previously issued securities at more favorable interest rates and terms, and for other corporate purposes.

In addition, during periods when interest rates on short-term indebtedness are favorable relative to the cost of alternative sources of capital, NUI asserts that it often chooses to do its

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financing on a short-term basis in order to take advantage of the temporary opportunity to lower its cost of service for the benefit of its ratepayers. In order to enhance this benefit, NUI also seeks authority, pursuant to Section 366.04(1), Florida Statutes, to issue short-term indebtedness in excess of 5% of the par value of NUI's other outstanding securities. In such instances, NUI shall not issue short-term indebtedness in excess of 25% of the par value of its outstanding securities without obtaining further Commission approval.

The equity securities will be in the form of common stock and/or preferred stock. The long-term debt securities may take the form of medium-term notes, installment contracts, and/or other obligations or arrangements underlying industrial development revenue bonds issued by political subdivisions of the states in which NUI Corporation operates gas utilities. Industrial development revenue bonds may or may not bear interest exempt from federal tax.

The issuance and/or sale of equity securities and long-term debt securities may be through either negotiated underwritten public offering at competitive bidding, direct public or private sale, sale through agents, or distributions to security holders of NUI Corporation or affiliated companies, including sales of equity securities through employee benefit plans, incentive compensation plans, and continuous investment programs offered to shareholders, employees, customers and residents of the states in which NUI Corporation does business.

The short-term indebtedness will consist of borrowings under NUI Corporation's outstanding lines of credit, or through other short-term facilities.

NUI estimates that the interest rates for the long-term debt securities will be between 3% and 8%, the interest rates on the short-term indebtedness will be between 5% and 6%, and the dividend payment rate on the preferred stock will be approximately 8%. The actual interest and dividend rates will, however, be determined by market conditions at the time the securities are issued or sold.

Having reviewed the application, it is the finding of this Commission that the issuance and sale of the above discussed securities, within the limits described, will not impair the ability of NUI, or its subsidiary operating in Florida, City Gas Company of Florida, to perform the services of a public utility. In addition, these transactions are for lawful purposes within NUI Corporation's corporate powers and, as such, the application is granted subject to the conditions stated herein.

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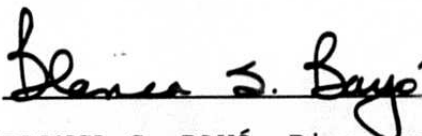
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of NUI Corporation, doing business as City Gas Company of Florida, for approval to issue and sell equity securities, long-term debt obligations, and short-term indebtedness, not to exceed \$80 million in the aggregate, during the twelve months ending June 30, 1996, is approved. It is further

ORDERED that NUI Corporation, doing business as City Gas Company of Florida, is, hereby, authorized to issue short-term indebtedness up to but not exceeding 25 percent of the par value of the other outstanding securities of NUI Corporation, doing business as City Gas Company of Florida. It is further

ORDERED that NUI Corporation, doing business as City Gas Company of Florida, file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities.

By ORDER of the Florida Public Service Commission, this 2nd day of July, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.