



Handwritten: Original with THE COPY

NUI Companies
 City Gas Company of Florida
 Elizabethtown Gas Company
 Ector Gas Service
 Natural Gas Services, Inc.
 North Carolina Gas Service
 NUI Energy Services, Inc.
 Utility Billing Services, Inc.
 Valley Cities Gas Service
 Western Gas Service

One Elizabethtown Plaza
 P.O. Box 3175
 Union
 New Jersey 07083-1975
 Tel: (908) 289-5000

March 18, 1997

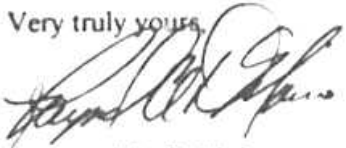
Ms. Blanca Bayo, Director
 Division of Records & Reporting
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0868

**Re: Purchased Gas Adjustment (PGA True-Up) Docket No. 970803-GU
 Order No. PSC-97-0182-PHO-GU**

Dear Ms. Bayo:

In compliance with the Commission's Order, enclosed please find the original and five (5) copies of City Gas Company of Florida's, a Division of NUI Corporation, revised tariff sheets reflecting the rates approved by the Commission on March 14, 1997 in the above referenced docket. These rates were effective for bills rendered on and after April 1, 1997.

Should you have any further questions, please contact me at (908)289-5000, Ext. 6521

Very truly yours,

 Raymond A. DeMoine
 Director, Rates and
 Regulatory Affairs

- ACK _____
- AFA 1
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG Alaben
- LEI _____
- LIN 3
- OPC _____
- POB _____
- SES 1
- WAS _____
- OTH _____

RAD:mab
 pgaf
 Encl.

03108 1997

BILLING ADJUSTMENTS

1. Purchased Gas Cost Recovery Factor:

- a. The above rates per therm for gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG), and other adjustments as specified and approved by the Florida Public Service Commission. The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period of April through March, in accordance with the methodology adopted by the Commission on May 10, 1993, in Order No. PSC-93-0708-FOF-GU, Docket No. 930003-GU, or as such methodology may be amended from time to time by further order of the Commission. The factor determined as set forth above shall be multiplied by 1.00376 for regulatory fees, and rounded to the nearest \$0.00001 per therm, to be applied to the total number of therms consumed by the customer during the billing period.
- b. The purchased gas cost recovery factor approved by the Commission for the billing months of April 1997 through March 1998 is \$0.53660 per therm.
- c. The purchased gas cost recovery factor shall serve as a cap or maximum recovery factor. If re-projected expenses for the remaining period exceed projected recoveries by at least 10% for the twelve-month period, a midcourse correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG) or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.
- d. Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to the above shall be "trued-up" (refunded to customer or collected by Company) with interest, during succeeding billing periods as an adjustment to the WACOG, in accordance with the methodology adopted by the Commission, or as such methodology may be amended from time to time by further order of the Commission.