

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for approval to issue and)
sell securities for the twelve months ending)
August 30, 2000 by NUI)
CORPORATION, d/b/a CITY GAS)
COMPANY OF FLORIDA)
_____)

DOCKET NO.
990956-GU

FILED: 2/28/01

**ANNUAL CONSUMMATION REPORT OF CITY GAS COMPANY
OF FLORIDA, A DIVISION OF NUI CORPORATION,
WITH RESPECT TO THE ISSUANCE OF SECURITIES**

Pursuant to Order No. PSC-99-1872-FOF-GU (with respect to the period ending August 30, 2000 and in compliance with Rule 25-8.009, Florida Administrative Code, NUI Corporation (the "Company"), which, through its Southern Division, does business in Florida as City Gas Company of Florida ("City Gas"), hereby files this consummation report with respect to the issuance of securities during the period beginning September 1, 1999 to August 30, 2000 pursuant to the authorization conferred by the aforementioned orders.

Securities Issuance

1. In November of 1999, the Company issued 113,200 shares of no par value common stock as part of a stock for stock transaction to acquire International Telephone Group, ("ITG"), a switchless reseller engaged in the business of providing interstate, intrastate and cellular

DOCUMENT NUMBER - DATE

02713 FEB 28 01

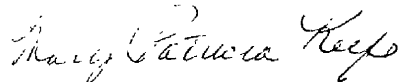
FPSC-RECORDS/REPORTING

telecommunications services in fifteen states. ITG is also an authorized reseller of interstate and intrastate service.

2. A description of the securities is included in the Registration Statement attached as Exhibit 1 (A) and Amendment No. 1 (Exhibit 1(B)); a statement of issuance expenses is stated in Exhibit No. 1 at Part II-1; an opinion of counsel as to the legality of the securities issued is attached as an exhibit to the S-3 and Amendment (Ex. 1[A] and [B]); copies of authorizations from other regulatory bodies are attached as Exhibits 1 (C); there were no contracts, underwritings and other arrangements providing for the sale or marketing of the securities as the securities were not part of a public offering;

4. NUI Corporation's Capitalization as of September 30, 1999, Annual Debt Interest and Preferred Stock Dividend Requirements as of September 30, 1999 and Pretax Interest Coverage for the fiscal year ended September 30, 1999 are attached as Exhibit 2(A).

Respectfully submitted,



Mary Patricia Keefe
Associate General Counsel
Director of Regulatory Affairs

MPK:encl.

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

Ex 1 (A)

February 14, 2000

In the Matter of
Issuer(s)

NUI CORPORATION
550 Route 202 - 206
P. O. Box 760
Bedminster, New Jersey 07921-0760

ORDER DECLARING THE
REGISTRATION STATEMENT
EFFECTIVE PURSUANT TO
SECTION 8(a) OF THE
SECURITIES ACT OF 1933,
AS AMENDED

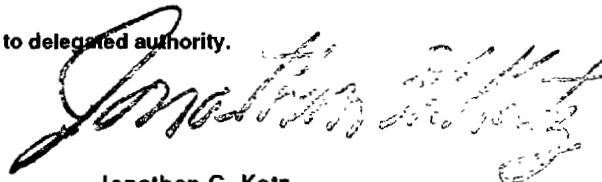
File No(s)

333-92817

Request having been made that registration statement referred to in the caption hereof be made effective pursuant to Section 8(a) of the Securities Act of 1933.

IT IS ORDERED that the said statement is hereby declared effective at 10:00 AM E.S.T. February 14, 2000.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.



Jonathan G. Katz
Secretary

Carol Sliker

From: EDGAR@EDGAR.wanmail.net
Sent: Wednesday, December 15, 1999 4:50 PM
To: csliker@nui.com
Subject: ACCEPTED FORM TYPE S-3

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: NUI CORP
FORM TYPE: S-3 NUMBER OF DOCUMENTS: 4
RECEIVED DATE: 15-Dec-1999 16:34 ACCEPTED DATE: 15-Dec-1999 16:38
FILING DATE: 15-Dec-1999 16:34
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0000070668-99-000029

FILE NUMBER(S):
1. 333-92817

THE PASSWORD FOR LOGIN CIK 0000070668 WILL EXPIRE 01-Dec-2000 15:02.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES

REGISTRANT(S):

1. CIK: 0000070668
COMPANY: NUI CORP
FORM TYPE: S-3
FILE NUMBER(S):
1. 333-92817

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NUI CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY (State or other jurisdiction of
incorporation or organization)

22-1869941

(I.R.S. employer identification number)

550 Route 202-206

P.O. Box 760

Bedminster, New Jersey 07921-0760

(908) 781-0500

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

JAMES R. VAN HORN, ESQ.

Chief Administrative Officer, General Counsel
and Corporate Secretary

NUI CORPORATION

550 Route 202-206

P.O. Box 760

Bedminster, New Jersey 07921-0760

(908) 781-0500

(Name, address, including zip code, and telephone number, including
area code, of agent for service)

Copies to:

JOHN F. KUNTZ, ESQ.

BOURNE, NOLL & KENYON, P.A.

382 Springfield Avenue

P.O. Box 690

Summit, New Jersey 07901

(908) 277-2200

Approximate date of commencement of proposed sale to the public: As soon as practicable after
this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or
interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462 (c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, no par value (and associated stock purchase rights)(2)	113,200 shares	\$25.71875	\$2,911,362.50	\$7,686 00

- (1) Estimated solely for the purpose of determining the registration fee. In accordance with Rule 457(c) under the Securities Act of 1933, the above calculation is based on the average of the high and low sale prices reported in the consolidated reporting system of the New York Stock Exchange on December 13, 1999.
- (2) Prior to the occurrence of certain events, the stock purchase rights will not be evidenced separately from the Common Stock.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED DECEMBER ____, 1999]

113,200 SHARES
NUI CORPORATION
COMMON STOCK

The selling stockholders are offering 113,200 shares of our common stock. We will not receive any of the proceeds from sales of shares by the selling stockholders.

Our common stock is listed on the New York Stock Exchange and is traded under the symbol "NUI". December 13, 1999, the last reported sale price of our common stock on the New York Stock Exchange was \$25.9375 per share.

The selling stockholders may sell these shares from time to time on the New York Stock Exchange or otherwise. They may sell the shares at prevailing market prices or at prices negotiated with buyers. The selling stockholders will be responsible for any commissions or discounts due to brokers or dealers. The amount of those commissions or discounts will be negotiated before the sales. We will pay all of the other offering expenses, which we estimate will total \$10,636.00.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved our securities or determined that this prospectus is truthful or complete. It is illegal for anyone to tell you otherwise.

December ____, 1999

The information in this prospectus is not complete. It might change. The selling stockholders may not sell the common stock until the registration statement we filed with the SEC becomes effective. This prospectus is not an offer to sell our common stock, and the selling stockholders are not soliciting offers to buy our common stock, in any state where the offer or sale is not permitted.

You should rely only on the information contained in this prospectus. Neither we nor the selling stockholders have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. In this prospectus, references to "we," "us" and "our" refer to NUI Corporation and its subsidiaries.

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PROSPECTUS SUMMARY

Because this is only a summary, it does not contain all of the information that may be important to you. You should read the entire prospectus, including the information incorporated by reference, before deciding to invest in shares offered by this prospectus.

NUI CORPORATION

OUR BUSINESS

We are a multi-state energy, sales services and distribution company. Our natural gas utility distribution operations currently serve approximately 366,000 customers in New Jersey, Florida, North Carolina, Maryland, Pennsylvania and New York.

We also provide retail gas and related services, wholesale energy brokerage and related services, energy project development and consulting, environmental project development services, customer account management and field operations systems and services, and full service telecommunication services through our subsidiary companies.

Sales and marketing outsourcing services are also made available through our investment in T.I.C. Enterprises, L.L.C.

OUR ADDRESS:

Our principal executive offices are located at 550 Route 202-206, P.O. Box 760, Bedminster, New Jersey 07921B0760. Our telephone number is (908) 781-0500. Our website is located at www.nui.com. Information contained in our website is not a part of this prospectus.

THE OFFERING

COMMON STOCK OFFERED:

All of the 113,200 shares of our common stock offered by this prospectus are being sold by the selling stockholders. The selling stockholders are former stockholders of International Telephone Group, Inc. who received these shares in connection with our acquisition of International Telephone Group, Inc. on November 12, 1999.

USE OF PROCEEDS:

We will not receive any of the proceeds from sales of shares by the selling stockholders.

USE OF PROCEEDS

All of the shares of common stock offered by this prospectus are being offered by the selling stockholders. For information about the selling stockholders, see "Selling Stockholders." We will not receive any proceeds from sales of these shares.

SELLING STOCKHOLDERS

One of the selling stockholders, Richard M. Boudria, is the founder, President and a former stockholder of International Telephone Group, Inc. Mr. Boudria is offering all of the shares he acquired as the result of our acquisition of International Telegraph on November 12, 1999. These shares are being registered in accordance with the provisions of a registration rights declaration entered into by us in connection with the acquisition of International Telegraph. Mr. Boudria continues to serve as President and Chief Executive Officer of International Telegraph.

The other selling stockholders are the other former stockholders of International Telegraph to whom a total of 66,995 shares of the offered shares were delivered in connection with our acquisition International Telegraph and are being registered in accordance with the provisions of a registration rights declaration entered into by us in connection with that acquisition. The following table sets forth certain information with respect to the beneficial ownership of our common stock by the selling stockholders as of December 13, 1999 and as adjusted to reflect the sale of all of the shares of common stock offered by this prospectus. We expect to withdraw registration of any unsold shares on or shortly after November 12, 2000, when we expect the shares will become eligible for public sale under an exemption from registration provided by Rule 144 under the Securities Act of 1933.

<u>NAME</u>	<u>SHARES BENEFICIALLY OWNED PRIOR TO OFFERING (1)</u>		<u>NUMBER OF SHARES BEING OFFERED</u>	<u>SHARES TO BE BENEFICIALLY OWNED AFTER OFFERING IF ALL SHARES SOLD (1)</u>	
	<u>NUMBER</u>	<u>PERCENT</u>		<u>NUMBER</u>	<u>PERCENT</u>
Richard M. Boudria	46,205	*	46,205	-	*
Thomas F. Kane	24,071	*	24,071	-	*
George F. Burns, Jr.	13,116	*	13,116	-	*
Laura W. Danforth Trust	7,154	*	7,154	-	*
Christopher J. Lange	2,980	*	2,980	-	*
Harold R. Hiser, Jr.	19,674	*	19,674	-	*

* Percentage of shares beneficially owned is less than 1.0%.

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated, each of the selling stockholders possesses sole voting and investment power with respect to all of the shares of common stock owned by them, subject to community property laws where applicable. Percentage of beneficial ownership is based on 12,812,121 shares of common stock outstanding as of November 30, 1999.

PLAN OF DISTRIBUTION

The shares offered by this prospectus may be sold from time to time by selling stockholders, who consist of the persons named under "Selling Stockholders" above and those persons, pledgees, donees, transferees or other successors in interest. The selling stockholders may sell the shares on the New York Stock Exchange or otherwise, at market prices or at negotiated prices. They may sell shares by anyone of, or by a combination of, the following ways:

- a block trade in which a broker or dealer engaged to sell the shares will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its account pursuant to this prospectus; and
- ordinary brokerage transactions and transactions in which a broker solicits purchasers.

In effecting sales, brokers or dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Brokers or dealers will receive commissions or discounts from selling stockholders in amounts to be negotiated prior to the sale. The selling stockholders and any broker-dealers that participate in the distribution may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act of 1933, and any proceeds or commissions received by them, and any profits on the resale of shares sold by broker-dealers, may be deemed to be underwriting discounts and commissions.

If any selling stockholder notifies us that a material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file, a prospectus supplement, if required pursuant to Rule 424(c) under the Securities Act of 1933, setting forth:

- the name of each of the participating broker-dealers,
- the number of shares involved,
- the price at which the shares were sold,
- the commissions paid or discounts or concessions allowed to the broker-dealers, where applicable,
- a statement to the effect that the broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and
- any other facts material to the transaction.

LEGAL MATTERS

Bourne, Noll & Kenyon, P.A., Summit, New Jersey, has advised us with respect to the validity of the shares of common stock offered by this prospectus.

EXPERTS

Our consolidated balance sheets as of September 30, 1997 and 1998 and our related consolidated statements of operations, stockholders' equity and cash flows for the years ended September 30, 1996, 1997 and 1998 incorporated by reference in this prospectus from our Annual Report on Form 10-K for the fiscal year ended September 30, 1998 have been audited by Arthur Andersen LLP, independent public accountants, to the extent and for the periods indicated in their reports included in that Form 10-K and are incorporated by reference in this prospectus in reliance upon the authority of Arthur Andersen LLP as experts in giving those reports.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports, quarterly reports, current reports, proxy statements and other information with the SEC. You may read and copy our SEC filings at the SEC's public reference room at 450 Fifth Street, N.W., Washington D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information about the public reference room. Our SEC filings also are available on the SEC's website at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" information from certain of our other SEC filings. This means that we can disclose information to you by referring you to those other filings, and the information incorporated by reference is considered to be part of this prospectus. In addition, certain information that we file with the SEC after the date of this prospectus will automatically update, and in some cases supersede, the information contained or otherwise incorporated by reference in this prospectus. We are incorporating by reference the information contained in the following SEC filings:

- our Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (as filed on December 28, 1998);
- our Quarterly Reports on Form 10-Q for the fiscal quarter ended December 31, 1998 (as filed on February 12, 1999); for the fiscal quarter ended March 31, 1999 (as filed on May 14, 1999); and for the fiscal quarter ended June 30, 1999 (as filed on August 13, 1999);
- our definitive Proxy Statement (as filed on December 24, 1998) used in connection with our Annual Meeting of Stockholders held on January 26, 1999;
- the description of our common stock and associated stock purchase rights is contained in our Registration Statement on Form 8-A (as filed on December 1, 1995); and
- any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus (information in these filings will be incorporated as of the filing date).

You may request copies of these filings, at no cost, by writing, telephoning or e-mailing our Manager of Investor Relations as follows:

NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921-0760
Attention: Linda S. Lennox, Director of Corporate Communications and Investor Relations
Telephone: (908) 719-4222
E-mail: lennox@nui.com

This prospectus is part of a Registration Statement on Form S-3 we filed with the SEC under the Securities Act of 1933. This prospectus does not contain all of the information contained in the Registration Statement.

Some of the information in this prospectus contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate," "continue" and similar words. You should read statements that contain these words carefully because they (i) discuss our future expectations, (2) contain projections of our future operating results or financial condition or (3) state other "forward-looking" information. We believe it is important to communicate certain of our expectations to our investors. There may be events in the future, however, that we are not accurately able to predict or over which we have no control.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses to be paid by the Registrant in connection with the issuance and distribution of the shares of common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission registration fee. The Registrant will pay all expenses in connection with the distribution of the shares of common stock being sold by the selling stockholders (including fees and expenses of counsel for the Registrant), except for any commissions or discounts due to any broker or dealer in connection with sales of shares offered by this prospectus.

Securities and Exchange Commission registration fee	\$ 7,686.00
Accounting fees and expenses	-0-
Legal fees and expenses	2,500.00
Printing, EDGAR formatting and mailing expenses	500.00
Miscellaneous	<u>-0-</u>
Total	<u>\$10,686.00</u>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

As authorized under New Jersey law, the Registrant's certificate of incorporation provides that a director or officer shall not be personally liable to the corporation or its shareholders for monetary damages for a breach of fiduciary duty owed to the corporation, except to the extent that such exemption from, or limitation of liability is not permitted under the New Jersey Business Corporation Act, as amended.

Under its certificate of incorporation, the Registrant is required, to the fullest extent permitted by the New Jersey Business Corporation Act or any other law, to indemnify and hold harmless its directors, officers, employees and agents. The New Jersey Business Corporation Act provides that a corporation may indemnify its directors, officers, employees or agents against judgments, fines penalties, amounts paid in settlement and expenses, including attorney's fees, resulting from various types of legal actions or proceedings if the party being indemnified acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and in any criminal proceeding, such party being indemnified had no reasonable cause to believe his conduct was unlawful. Determinations concerning whether the applicable standard of conduct has been met can be made by (a) a disinterested majority of the board of directors, (b) independent legal counsel in a written opinion, or (c) an affirmative vote of a majority of shares held by the shareholders. In proceedings by or in the right of the corporation, a party seeking to be indemnified, when the above standards of conduct are found as set forth in the previous sentence, may be indemnified for expenses. However, if the court judges a party seeking to be indemnified liable to the corporation, no indemnification shall be provided except as the court deems proper. A party seeking to be indemnified must be indemnified against expenses by the corporation to the extent such party has been successful on the merits or otherwise in a proceeding arising out of such party's duties. A corporation may pay the expenses incurred by a

party seeking to be indemnified in advance of final disposition of the proceeding if such payments are authorized by the board of directors of the corporation upon the receipt of an undertaking by or on behalf of such party to repay such amount if it shall be ultimately determined that such party is not entitled to indemnification under the New Jersey Business Corporation Act.

The Registrant has insurance policies covering certain of its liabilities and expenses which might arise in connection with its lawful indemnification of its directors and officers for certain of their liabilities and expenses. In addition, the Registrant carries liability insurance on behalf of its directors and officers against expenses incurred in any proceeding and any liabilities asserted against them by reason of their being or having been a director or officer.

ITEM 16. EXHIBITS

EXHIBIT NO.

- 5.1* Opinion of Bourne, Noll & Kenyon, P.A.
- 23.1 Consent of Arthur Andersen LLP
- 23.2* Consent of Bourne, Noll & Kenyon, P.A. (included in Exhibit 5.1)
- 24.1 Powers of Attorney
- 99.1 Declaration of Registration Rights made as of August 16, 1999 by NUI Corporation for the benefit of former stockholders of International Telephone Group, Inc.

To be filed by amendment.

ITEM 17. UNDERTAKINGS

- (a) The undersigned Registrant hereby undertakes:
 - (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required to Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the Registration Statement is on Form S-3, Form S-8, or Form F-3, and the information required to be included in

a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration, by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference to the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Township of Bedminster, State of New Jersey, as of December 15, 1999.

NUI CORPORATION

By /s/ John Kean, Jr.
John Kean, Jr.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated as of December 15, 1999.

/s/ John Kean, Jr.
John Kean, Jr.
President and Chief Executive Officer

/s/ A. Mark Abramovic
A. Mark Abramovic
Senior Vice President, Chief Operating Officer
and Chief Financial Officer (Principal Financial
and Accounting Officer)

*
John Kean, Chairman and Director

*
James J. Forese, Director

*
Dr. Bernard S. Lee, Director

*
John Winthrop, Director

*
Dr. Vera King Farris, Director

*
J. Russell Hawkins, Director

*
R. Van Whisnand, Director

By: /s/ John Kean, Jr.
John Kean, Jr., Attorney-in-Fact

EXHIBIT INDEX

<u>TABLE CAPTION EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
*5.1	Opinion of Bourne, Noll & Kenyon, P.A. regarding the legality of the securities being issued	*
23.1	Consent of Arthur Andersen, LLP	EX-1
*23.2	Consent of Bourne, Noll & Kenyon, P.A. - included as Exhibit S of this Registration Statement	*
24.1	Power of Attorney	EX-2
99.1	Declaration of Registration Rights by NUI Corporation for the benefit of the former stockholders of Interest on Telephone Group, Inc.	EX-3

*To be filed by Amendment

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports included in the Annual Report on Form 10-K of NUI Corporation for the fiscal year ended September 30, 1998 and to all references to our firm in this Registration Statement.

/s/ ARTHUR ANDERSEN LLP

New York, New York

December 15, 1999

EXHIBIT 24.1

POWER OF ATTORNEY

We, the undersigned officers and directors of NUI Corporation, hereby severally constitute and appoint John Kean, Jr. and James R. Van Horn, and each of them severally, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form S-3 filed herewith and any and all pre-effective and post-effective amendments to said Registration Statement, and any subsequent Registration Statement for the same offering which may be filed under Rule 462(b) under the Securities Act of 1933 and generally to do all such things in our names and on our behalf in our capacities as officers and directors to enable NUI Corporation to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Registration Statement and any and all amendments thereto or to any subsequent Registration Statement for the same offering which may be filed under said Rule 462(b).

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated as of December 15, 1999.

SIGNATURE

TITLE

/s/ John Kean

JOHN KEAN

Chairman and Director

/s/ Vera King Farris

DR. VERA KING FARRIS

Director

/s/ James J. Forese

JAMES J. FORESE

Director

/s/ J. Russell Hawkins

J. RUSSELL HAWKINS

Director

/s/ Bernard S. Lee

DR. BERNARD S. LEE

Director

/s/ R. Van Whisnand

R. VAN WHISNAND

Director

/s/ John Winthrop

JOHN WINTHROP

Director

EXHIBIT 99.1

NUI CORPORATION

DECLARATION OF REGISTRATION RIGHTS

DECLARATION made as of August 16, 1999 by NUI Corporation, a New Jersey corporation ("NUI"), for the benefit of stockholders of International Telephone Group, Inc., a New Jersey corporation ("ITG"), acquiring shares of common stock of NUI pursuant to the Agreement and Plan of Merger dated as of August 16, 1999 (the "Merger Agreement") by and among NUI, NUI Acquisition Corp., ITG and the Stockholders of ITG.

1. **Certain Defined Terms.**

Capitalized terms used herein shall have the respective meanings ascribed to them in the Merger Agreement, unless the context requires otherwise. In addition, as used in this Declaration, the following additional terms have the following meanings:

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Form S-3" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that similarly permits inclusion or incorporation of substantial information by reference to other documents filed by NUI with the SEC.

"Holders" means (a) the record holders of the Company Common Stock to whom Registrable Shares are being issued pursuant to the Merger Agreement, and (b) any of such record holders' respective family members, and trusts wholly or principally for the benefit of family members, to whom such holders transfer record ownership of any of the Registrable Shares.

"Indemnified Party" has the meaning set forth in Section 6.3.

"Indemnifying Party" has the meaning set forth in Section 6.3.

"Registrable Shares" means, with respect to a Holder, (a) the shares of NUI Common Stock issued or issuable to such Holder as a stockholder of the Company constituting the Per Share Price and the Additional Per Share Price pursuant to the Merger Agreement, (b) any other securities issued by NUI in exchange for any Registrable Shares and (c) any shares of NUI Common Stock issued as a dividend or distribution on account of Registrable Shares or resulting from a subdivision of outstanding Registrable Shares into a greater number of securities (by reclassification, stock split or otherwise), provided that a security that was at one time a Registrable Share shall cease to be a Registrable Share when (a) it has been effectively registered under the Securities Act and has been disposed of pursuant to a registration statement or (b) it has been transferred and is no longer held of record by a Holder.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration" has the meaning set forth in Section 2.1.

2. Registrations.

- 2.1. Shelf Registration. As soon as practicable after the Closing Date of the Merger, but no later than thirty (30) days after such Closing Date, NUI shall use its reasonable best efforts to (a) prepare and file a registration statement (the "Shelf Registration") for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the SEC), and permitting sales in ordinary course brokerage or dealer transactions not involving an underwritten public offering and covering registration of the resale of all of the Registrable Shares, (b) cause such registration statement to become effective as soon as practicable after filing and (c) subject to Section 3.2, keep such registration statement continuously effective through the later of November 12, 2000 or the first anniversary of the date of delivery of shares of NUI Common Stock under Section 1.06 of the Merger Agreement, if any (the "Effectiveness Period". In no event shall NUI have any obligation to keep such registration statement in effect beyond the Effectiveness Period, unless otherwise extended pursuant to the terms hereof. If a Holder shall propose to sell any Registrable Shares pursuant to a registration statement filed pursuant to this Section 2.1, it shall notify NUI of its intent to do so at least three full business days prior to such sale. NUI shall not be required to effect more than one registration under this Section 2.1.

3. Obligations of NUI.

- 3.1. General Obligations. In connection with registrations pursuant to Section 2, and subject to the limitations of that Section, NUI shall:
- (a) prepare and file with the SEC the registration statement in accordance with Section 2 with respect to Registrable Shares and use its reasonable best efforts to cause such registration statement to become effective as promptly as practicable after filing in the manner provided in Section 2 and, in the case of registrations under Section 2.1, to keep such registration statement continually effective as provided therein;
 - (b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary, and comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Shares registered in such registration statement;

- (c) furnish to each Holder, without charge, such number of copies of any prospectus (including any preliminary prospectus and any amended or supplemented prospectus) in conformity with the requirements of the Securities Act, and such other documents, as such Holder may reasonably request in order to effect the offering and sale of the Registrable Shares to be offered and sold, but only while NUI shall be required under the provisions hereof to cause the registration statement to remain current; and
- (d) use its reasonable best efforts to register or qualify the Registrable Shares covered by such registration statements under the securities or blue sky laws of such jurisdictions as each Holder shall reasonably request provided that NUI shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such jurisdiction where it has not been qualified).
- (4) cause all Registrable Shares covered by a registration statement to be listed on the New York Stock Exchange or any other national securities exchange or quotation system, if any, upon which NUI Common Stock is then trading or being listed.

3.2. Notification Obligations. NUI shall promptly notify each Holder whose shares of Registrable Shares are covered by a registration statement hereunder:

- (a) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to the registration statement or any post-effective amendment, when the same has become effective;
- (b) of any request by the SEC or any other federal or state governmental authority during the period of effectiveness of the registration statement for amendments or supplements to the registration statement or related prospectus or for additional information relating to the registration statement;
- (c) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose;
- (d) of the receipt by NUI of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or
- (e) of the happening of any event which makes any statement made in the registration statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or which requires the making of any changes in the registration statement or prospectus so that, in the case of the registration statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Upon the happening of any event of the kind described in clause (b), (c), (d) or (e) above or any other event that, in the good faith judgment of NUI's Board of Directors, renders it advisable to suspend use of any prospectus due to pending corporate developments, public filings with the SEC or similar material events, NUI may suspend use of the prospectus on written notice to the Holders (in which case each Holder shall discontinue disposition of Registrable Shares covered by a registration statement or prospectus until copies of a supplemented or amended prospectus are distributed to the Holders or until the Holders are advised in writing by the NUI that the use of the applicable prospectus may be resumed). Subject to the last sentence of this paragraph, any such suspension or suspensions shall be for no more than sixty days in the aggregate but no more than thirty continuous days, provided that such time restrictions shall not apply if the happening is beyond NUI's reasonable control and provided further that NUI may suspend such use for up to thirty additional days in connection with a then proposed underwritten public offering and provided further that the Effectiveness Period shall be extended by the number of days during such period that the registration statement failed to be effective. NUI shall use its reasonable best efforts to ensure that the use of the prospectus may be resumed as soon as practicable. NUI shall use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the securities for sale in any jurisdiction, at the earliest practicable time. NUI shall, upon the occurrence of any event contemplated by clause (e) above, prepare a supplement or post-effective amendment to the registration statement or a supplement to the related prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares being sold thereunder, such prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

- 3.3. Reports Under Exchange Act. NUI agrees to (a) use its reasonable best efforts to file with the SEC in a timely manner all reports and other documents required of NUI under the Securities Act and the Exchange Act and (b) furnish to each Holder forthwith upon request (i) a written statement by NUI that it has complied with the reporting requirements of the Securities Act and the Exchange Act or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3, (ii) a copy of the most recent annual report of NUI and (iii) such other information as may be reasonably requested in availing each Holder of any rule or regulation of the SEC which permits the selling of any such securities pursuant to Form S-3.

4. Obligations of Holders.

- 4.1. Relating to Shelf Offerings. In order for any Registrable Shares of a Holder to be included in any Shelf Registration pursuant to Section 2.1, each Holder shall provide all such information and materials to NUI and take all such action as may be required in order to permit NUI to comply with all applicable requirements of the SEC and any state securities commission or bureau and to obtain the effectiveness of and any desired

acceleration of the effective date of such registration statement. Such provision of information and materials is a condition precedent to the obligations of NUI pursuant to this Section 4.2; provided that NUI shall have used its reasonable best efforts to provide reasonable advance notice of the need for such information, materials or actions and shall have afforded such Holder a reasonable opportunity to provide such information and materials and to take such action.

- 4.2. **General.** By exercising any rights hereunder, each Holder shall be deemed to assume all obligations of a Holder hereunder as though such Holder were a signatory hereto. NUI may require any Holder to execute an instrument whereby such Holder expressly assumes all obligations of such Holder hereunder as a condition precedent to any obligations of NUI to such Holder hereunder.

5. **Expenses.**

NUI shall pay all expenses incident to its performance of or compliance with this Declaration, regardless of whether any registration becomes effective, including (a) all registration and filing fees of the SEC, the National Association of Securities Dealers, Inc. and the New York Stock Exchange, (b) all fees and expenses incurred in complying with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), (c) all printing, messenger and delivery expenses, (d) all fees and expenses of NUI's transfer agent and registrar, (e) all fees and disbursements of NUI's independent public accountants and counsel and (f) all fees and expenses of any special experts retained by NUI in connection with any registration pursuant to the terms of this Declaration; provided, however, that the Holders shall be liable for (A) any fees or commissions of brokers, dealers or underwriters, (B) any transfer taxes and (C) any fees or expenses of consultants, financial advisors, counsel and other professionals acting on behalf of the Holders in connection with any registration pursuant to the terms of this Declaration.

6. **Indemnification.**

In the event of any offering registered pursuant to this Declaration:

- 6.1. NUI will indemnify each Holder and each person controlling a Holder (within the meaning of Section 15 of the Securities Act and Section 20(a) of the Exchange Act), and the respective representatives and agents of each Holder or any person controlling a Holder against all claims, losses, damages and liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, (including, but not limited to, attorneys fees) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, or any amendment or supplement thereto, incident to any offering registered pursuant to this Declaration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading, or any violation by NUI of any rule or regulation promulgated under the

Securities Act, or state securities laws applicable to NUI in connection with any such registration, and, will reimburse each such Holder, and each person controlling such Holder, for any legal and any other out-of-pocket expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, provided that NUI will not be liable in any such case to the extent that any such claim, loss, damage, or liability arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to NUI by such Holder or controlling person and stated to be specifically for use therein.

- 6.2. Each Holder will, if Registrable Shares held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify NUI, each of its directors and officers and its legal counsel and independent accountants, each underwriter, if any, of NUI's securities covered by such a registration statement, each person who controls NUI or such underwriter within the meaning of Section 15 of the Securities Act and Section 20(a) of the Exchange Act), and each other such Holder, and such Holder's legal counsel and independent accountants, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) or a material fact contained in any such registration statement, prospectus, offering circular or any amendment or supplement thereto, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse NUI, such Holders, such directors, officers, legal counsel, independent accountants, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to NUI by such Holder and stated to be specifically for use therein; provided, however, that the obligations of such Holders hereunder shall be limited to an amount equal to the respective net proceeds after expenses and commissions to each such Holder of Registrable Shares sold as contemplated herein.
- 6.3. Each party entitled to indemnification under this Section 6.3 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party receives written notice of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such

Indemnified Party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Declaration, except to the extent, but only to the extent, that the Indemnifying Party's ability to defend against such claim or litigation is impaired as a result of such failure to give notice. Notwithstanding the foregoing sentence, the Indemnified Party may retain its own counsel to conduct the defense of any such claim or litigation, and shall be entitled to be reimbursed by the Indemnifying Party for expenses reasonably incurred by the Indemnified Party in defense of such claim or litigation, in the event that the Indemnifying Party does not assume the defense of such claim or litigation within sixty days after the Indemnifying Party receives notice thereof from the Indemnified Party. Further, an Indemnifying Party shall be liable for amounts paid in settlement of any such claim or litigation only if the Indemnifying Party consents in writing to such settlement (which consent shall not be reasonably withheld). No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party a release from all liability in respect to such claim or litigation.

- 6.4. The obligations of NUI and each Holder under this Section 6.4 shall survive the completion of any offering of stock in a registration statement under this Declaration and otherwise.

7. Miscellaneous.

- 7.1. Amendment; Waiver. This Declaration, or any provision of this Declaration, may be amended or waived from time to time only upon the mutual written agreement of NUI and Holders who then owning of record a majority of the Registrable Shares. No delay or omission by any party to exercise any right or power hereunder shall impair such right or power or be construed to be a waiver thereof. A waiver by any of the parties hereto of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any subsequent breach or of any other covenant contained in this Declaration.
- 7.2. Notices. Notices and other communications by a party under this Declaration shall be in writing and hand-delivered, deposited with an overnight carrier for next day delivery, addressed to the parties as follows (or to such other addresses as any party may designate from time to time in writing):

To NUI Corporation: NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921-0760
Attention: General Counsel

To the Stockholders: c/o Richard Boudria
International Telephone Group, Inc.
1500 Mount Kemble Avenue
Morristown, New Jersey 07960

With copies to: Gibbons, Del Deo, Dolan, Griffinger & Vecchione
One Riverfront Plaza
Newark, NJ 07102
Attention: Frank B. Reilly, Jr., Esq.

and shall be deemed given when received.

7.3. Assignment of Rights. The rights of any Holders to cause NUI to register Registrable Shares pursuant to this Declaration may not be assigned by the Holders to any person or entity, except that a Holder may transfer its rights hereunder in connection with a transfer to any of such record holders' respective family members and trusts wholly or principally for the benefit of family members to whom such holders transfer record ownership of any of the Registrable Shares.

7.4. Construction. Titles or captions of Sections contained in this Declaration are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Declaration or the intent of any provision of this Declaration. The words "herein" and "hereof" and other words of similar import refer to this Declaration as a whole and not to any particular part of this Declaration. The word "including" as used herein shall not be construed so as to exclude any other thing not referred to or described. All references herein to Sections shall be deemed references to sections of this Declaration, except as otherwise provided.

* * *

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

February 14, 2000

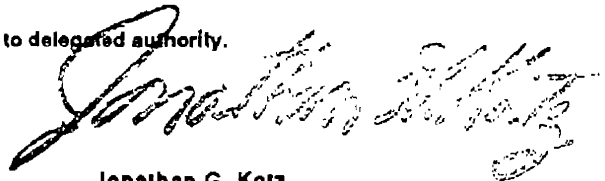
In the Matter of Issuer(s)	NUI CORPORATION 550 Route 202 - 206 P. O. Box 760 Bedminster, New Jersey 07921-0760
File No(s)	333-92817

ORDER DECLARING THE
REGISTRATION STATEMENT
EFFECTIVE PURSUANT TO
SECTION 8(a) OF THE
SECURITIES ACT OF 1933,
AS AMENDED

Request having been made that registration statement referred to in the caption hereof be made effective pursuant to Section 8(a) of the Securities Act of 1933.

IT IS ORDERED that the said statement is hereby declared effective at 10:00 AM E.S.T. February 14, 2000.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.



Jonathan G. Katz
Secretary

Carol Sliker

From: EDGAR@EDGAR.wanmail.net
Sent: Monday, January 10, 2000 11:50 AM
To: csliker@nui.com
Subject: ACCEPTED FORM TYPE S-3/A

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: NUI CORP
FORM TYPE: S-3/A NUMBER OF DOCUMENTS: 3
RECEIVED DATE: 10-Jan-2000 11:36 ACCEPTED DATE: 10-Jan-2000 11:38
FILING DATE: 10-Jan-2000 11:36
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0000070668-00-000002

FILE NUMBER(S):
1. 333-92817

THE PASSWORD FOR LOGIN CIK 0000070668 WILL EXPIRE 01-Dec-2000 15:02.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REGISTRANT(S):

1. CIK: 0000070668
COMPANY: NUI CORP
FORM TYPE: S-3/A
FILE NUMBER(S):
1. 333-92817

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NUI CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY (State or other jurisdiction of
incorporation or organization)

22-1869941
(I.R.S. employer identification number)

550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921-0760
(908) 781-0500
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

JAMES R. VAN HORN, ESQ.
Chief Administrative Officer, General Counsel
and Corporate Secretary

NUI CORPORATION
550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921-0760
(908) 781-0500
(Name, address, including zip code, and telephone number, including
area code, of agent for service)

Copies to:
JOHN F. KUNTZ ESQ.
BOURNE, NOLL & KENYON, P.A.
382 Springfield Avenue
P.O. Box 690
Summit, New Jersey 07901
(908) 277-2200

Approximate date of commencement of proposed sale to the public: As soon as practicable after
this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462 (c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, no par value (and associated stock purchase rights)(2)	113,200 shares	\$25.71875	\$2,911,362.50	\$7,686 00

- (1) Estimated solely for the purpose of determining the registration fee. In accordance with Rule 457(c) under the Securities Act of 1933, the above calculation is based on the average of the high and low sale prices reported in the consolidated reporting system of the New York Stock Exchange on December 13, 1999.
- (2) Prior to the occurrence of certain events, the stock purchase rights will not be evidenced separately from the Common Stock.

THIS REGISTRATION SHALL HEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933.

SUBJECT TO COMPLETION, DATED JANUARY ____, 2000

113,200 SHARES
NUI CORPORATION
COMMON STOCK

The selling stockholders are offering 113,200 shares of our common stock. We will not receive any of the proceeds from sales of shares by the selling stockholders.

Our common stock is listed on the New York Stock Exchange and is traded under the symbol "NUI". On January 3, 2000, the last reported sale price of our common stock on the New York Stock Exchange was \$_____ per share.

The selling stockholders may sell these shares from time to time on the New York Stock Exchange or otherwise. They may sell the shares at prevailing market prices or at prices negotiated with buyers. The selling stockholders will be responsible for any commissions or discounts due to brokers or dealers. The amount of those commissions or discounts will be negotiated before the sales. We will pay all of the other offering expenses, which we estimate will total \$10,636.00.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved our securities or determined that this prospectus is truthful or complete. It is illegal for anyone to tell you otherwise.

January ____, 2000

The information in this prospectus is not complete. It might change. The selling stockholders may not sell the common stock until the registration statement we filed with the SEC becomes effective. This prospectus is not an offer to sell our common stock, and the selling stockholders are not soliciting offers to buy our common stock, in any state where the offer or sale is not permitted.

You should rely only on the information contained in this prospectus. Neither we nor the selling stockholders have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. In this prospectus, references to "we," "us" and "our" refer to NUI Corporation and its subsidiaries.

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PROSPECTUS SUMMARY

Because this is only a summary, it does not contain all of the information that may be important to you. You should read the entire prospectus, including the information incorporated by reference, before deciding to invest in shares offered by this prospectus.

NUI CORPORATION

OUR BUSINESS

We are a multi-state energy, sales services and distribution company. Our natural gas utility distribution operations currently serve approximately 366,000 customers in New Jersey, Florida, North Carolina, Maryland, Pennsylvania and New York.

We also provide retail gas and related services, wholesale energy brokerage and related services, energy project development and consulting, environmental project development services, customer account management and field operations systems and services, and full service telecommunication services through our subsidiary companies.

Sales and marketing outsourcing services are also made available through our investment in T.I.C. Enterprises, L.L.C.

OUR ADDRESS:

Our principal executive offices are located at 550 Route 202-206, P.O. Box 760, Bedminster, New Jersey 07921B0760. Our telephone number is (908) 781-0500. Our website is located at www.nui.com. Information contained in our website is not a part of this prospectus.

THE OFFERING

COMMON STOCK OFFERED:

All of the 113,200 shares of our common stock offered by this prospectus are being sold by the selling stockholders. The selling stockholders are former stockholders of International Telephone Group, Inc. who received these shares in connection with our acquisition of International Telephone Group, Inc. on November 12, 1999.

USE OF PROCEEDS:

We will not receive any of the proceeds from sales of shares by the selling stockholders.

USE OF PROCEEDS

All of the shares of common stock offered by this prospectus are being offered by the selling stockholders. For information about the selling stockholders, see "Selling Stockholders." We will not receive any proceeds from sales of these shares.

SELLING STOCKHOLDERS

One of the selling stockholders, Richard M. Boudria, is the founder, President and a former stockholder of International Telephone Group, Inc. Mr. Boudria is offering all of the shares he acquired as the result of our acquisition of International Telegraph on November 12, 1999. These shares are being registered in accordance with the provisions of a registration rights declaration entered into by us in connection with the acquisition of International Telegraph. Mr. Boudria continues to serve as President and Chief Executive Officer of International Telegraph.

The other selling stockholders are the other former stockholders of International Telegraph to whom a total of 66,995 shares of the offered shares were delivered in connection with our acquisition of International Telegraph and are being registered in accordance with the provisions of a registration rights declaration entered into by us in connection with that acquisition. The following table sets forth certain information with respect to the beneficial ownership of our common stock by the selling stockholders as of January 1, 2000 and as adjusted to reflect the sale of all of the shares of common stock offered by this prospectus.

We expect to withdraw registration of any unsold shares on or shortly after November 12, 2000, when we expect the shares will become eligible for public sale under an exemption from registration provided by Rule 144 under the Securities Act of 1933.

<u>NAME</u>	<u>SHARES BENEFICIALLY OWNED PRIOR TO OFFERING (1)</u>		<u>NUMBER OF SHARES BEING OFFERED</u>	<u>SHARES TO BE BENEFICIALLY OWNED AFTER OFFERING IF ALL SHARES SOLD (1)</u>	
	<u>NUMBER</u>	<u>PERCENT</u>		<u>NUMBER</u>	<u>PERCENT</u>
Richard M. Boudria	46,205	*	46,205	-	*
Thomas F. Kane	24,071	*	24,071	-	*
George F. Burns, Jr.	13,116	*	13,116	-	*
Laura W. Danforth Trust	7,154	*	7,154	-	*
Christopher J. Lange	2,980	*	2,980	-	*
Harold R. Hiser, Jr.	19,674	*	19,674	-	*

* Percentage of shares beneficially owned is less than 1.0%.

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated, each of the selling stockholders possesses sole voting and investment power with respect to all of the shares of common stock owned by them, subject to community property laws where applicable. Percentage of beneficial ownership is based on 12,812,121 shares of common stock outstanding as of November 30, 1999.

PLAN OF DISTRIBUTION

The shares offered by this prospectus may be sold from time to time by selling stockholders, who consist of the persons named under "Selling Stockholders" above and those persons, pledgees, donees, transferees or other successors in interest. The selling stockholders may sell the shares on the New York Stock Exchange or otherwise, at market prices or at negotiated prices. They may sell shares by anyone of, or by a combination of, the following ways:

- a block trade in which a broker or dealer engaged to sell the shares will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its account pursuant to this prospectus; and
- ordinary brokerage transactions and transactions in which a broker solicits purchasers.

In effecting sales, brokers or dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Brokers or dealers will receive commissions or discounts from selling stockholders in amounts to be negotiated prior to the sale. The selling stockholders and any broker-dealers that participate in the distribution may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act of 1933, and any proceeds or commission received by them, and any profits on the resale of shares sold by broker-dealers, may be deemed to be underwriting discounts and commissions.

If any selling stockholder notifies us that a material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file, a prospectus supplement, if required pursuant to Rule 424(c) under the Securities Act of 1933, setting forth:

- the name of each of the participating broker-dealers,
- the number of shares involved,
- the price at which the shares were sold,
- the commissions paid or discounts or concessions allowed to the broker-dealers, where applicable,
- a statement to the effect that the broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and
- any other facts material to the transaction.

LEGAL MATTERS

Bourne, Noll & Kenyon, P.A., Summit, New Jersey, has advised us with respect to the validity of the shares of common stock offered by this prospectus.

EXPERTS

Our consolidated balance sheets as of September 30, 1998 and 1999 and our related consolidated statements of operations, stockholders' equity and cash flows for the years ended September 30, 1997, 1998 and 1999 incorporated by reference in this prospectus from our Annual Report on Form 10-K for the fiscal year ended September 30, 1999 have been audited by Arthur Andersen LLP, independent public accountants, to the extent and for the periods indicated in their reports included in that Form 10-K and are incorporated by reference in this prospectus in reliance upon the authority of Arthur Andersen LLP as experts in giving those reports.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports, quarterly reports, current reports, proxy statements and other information with the SEC. You may read and copy our SEC filings at the SEC's public reference room at 450 Fifth Street, N.W., Washington D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information about the public reference room. Our SEC filings also are available on the SEC's website at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" information from certain of our other SEC filings. This means that we can disclose information to you by referring you to those other filings, and the information incorporated by reference is considered to be part of this prospectus. In addition, certain information that we file with the SEC after the date of this prospectus will automatically update, and in some cases supersede, the information contained or otherwise incorporated by reference in this prospectus. We are incorporating by reference the information contained in the following SEC filings:

- our Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (as filed on December 21, 1999);
- our current report on Form 8-K dated December 6, 1999 (as filed on December 15, 1999);
- our definitive Proxy Statement (as filed on December 24, 1998) used in connection with our Annual Meeting of Stockholders held on January 26, 1999;
- the description of our common stock and associated stock purchase rights is contained in our Registration Statement on Form 8-A (as filed on December 1, 1995); and
- any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus (information in these filings will be incorporated as of the filing date).

You may request copies of these filings, at no cost, by writing, telephoning or e-mailing our Manager of Investor Relations as follows:

NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921-0760
Attention: Linda S. Lennox, Director of Corporate Communications and Investor Relations
Telephone: (908) 719-4222
E-mail: lennox@nui.com

This prospectus is part of a Registration Statement on Form S-3 we filed with the SEC under the Securities Act of 1933. This prospectus does not contain all of the information contained in the Registration Statement.

Some of the information in this prospectus contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate," "continue" and similar words. You should read statements that contain these words carefully because they (1) discuss our future expectations, (2) contain projections of our future operating results or financial condition or (3) state other "forward-looking" information. We believe it is important to communicate certain of our expectations to our investors. There may be events in the future, however, that we are not accurately able to predict or over which we have no control.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses to be paid by the Registrant in connection with the issuance and distribution of the shares of common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission registration fee. The Registrant will pay all expenses in connection with the distribution of the shares of common stock being sold by the selling stockholders (including fees and expenses of counsel for the Registrant), except for any commissions or discounts due to any broker or dealer in connection with sales of shares offered by this prospectus.

Securities and Exchange Commission registration fee	\$ 7,686.00
Accounting fees and expenses	-0-
Legal fees and expenses	2,500.00
Printing, EDGAR formatting and mailing expenses	500.00
Miscellaneous	<u>-0-</u>
Total	<u>\$10,686.00</u>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

As authorized under New Jersey law, the Registrant's certificate of incorporation provides that a director or officer shall not be personally liable to the corporation or its shareholders for monetary damages for a breach of fiduciary duty owed to the corporation, except to the extent that such exemption from, or limitation of, liability is not permitted under the New Jersey Business Corporation Act, as amended.

Under its certificate of incorporation, the Registrant is required, to the fullest extent permitted by the New Jersey Business Corporation Act or any other law, to indemnify and hold harmless its directors, officers, employees and agents. The New Jersey Business Corporation Act provides that a corporation may indemnify its directors, officers, employees or agents against judgments, fines penalties, amounts paid in settlement and expenses, including attorney's fees, resulting from various types of legal actions or proceedings if the party being indemnified acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and in any criminal proceeding, such party being indemnified had no reasonable cause to believe his conduct was unlawful. Determinations concerning whether the applicable standard of conduct has been met can be made by (a) a disinterested majority of the board of directors, (b) independent legal counsel in a written opinion, or (c) an affirmative vote of a majority of shares held by the shareholders. In proceedings by or in the right of the corporation, a party seeking to be indemnified, when the above standards of conduct are found as set forth in the previous sentence, may be indemnified for expenses. However, if the court judges a party seeking to be indemnified liable to the corporation, no indemnification shall be provided except as the court deems proper. A party seeking to be indemnified must be indemnified against expenses by the corporation to the extent such party has been successful on the merits or otherwise in a proceeding arising out of such party's duties. A corporation may pay the expenses incurred by a

party seeking to be indemnified in advance of final disposition of the proceeding if such payments are authorized by the board of directors of the corporation upon the receipt of an undertaking by or on behalf of such party to repay such amount if it shall be ultimately determined that such party is not entitled to indemnification under the New Jersey Business Corporation Act.

The Registrant has insurance policies covering certain of its liabilities and expenses which might arise in connection with its lawful indemnification of its directors and officers for certain of their liabilities and expenses. In addition, the Registrant carries liability insurance on behalf of its directors and officers against expenses incurred in any proceeding and any liabilities asserted against them by reason of their being or having been a director or officer.

ITEM 16. EXHIBITS

EXHIBIT NO.

- 5.1 Opinion of Bourne, Noll & Kenyon, P.A.
- 23.1 Consent of Arthur Andersen LLP
- 23.2 Consent of Bourne, Noll & Kenyon, P.A. (included in Exhibit 5.1)
- 24.1 Powers of Attorney
- 99.1 Declaration of Registration Rights made as of August 16, 1999 by NUI Corporation for the benefit of former stockholders of International Telephone Group, Inc.

ITEM 17. UNDERTAKINGS

- (a) The undersigned Registrant hereby undertakes:
 - (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required to Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the Registration Statement is on Form S-3, Form S-8, or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports

filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration, by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference to the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Township of Bedminster, State of New Jersey, as of January _____, 2000.

NUI CORPORATION

By /s/ John Kean, Jr.
John Kean, Jr.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities indicated as of January _____, 2000.

/S/ John Kean, Jr.
John Kean, Jr.
President and Chief Executive Officer

/S/ A. Mark Abramovic
A. Mark Abramovic
Senior Vice President, Chief Operating Officer
and Chief Financial Officer (Principal Financial
and Accounting Officer)

*
John Kean, Chairman and Director

*
James J. Forese, Director

*
Dr. Bernard S. Lee, Director

*
John Winthrop, Director

*
Dr. Vera King Farris, Director

*
J. Russell Hawkins, Director

*
R. Van Whisnand, Director

*By /S/ John Kean, Jr.
John Kean, Jr., Attorney-in-Fact

EXHIBIT INDEX

<u>TABLE CAPTION EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
5.1	Opinion of Bourne, Noll & Kenyon, P.A. regarding the legality of the securities being issued	EX-1
23.1	Consent of Arthur Andersen, LLP	EX-3
23.2	Consent of Bourne, Noll & Kenyon, P.A. - included as Exhibit S of this Registration Statement	---
24.1	Power of Attorney	Previously Filed
99.1	Declaration of Registration Rights by NUI Corporation for the benefit of the former stockholders of Interest on Telephone Group, Inc.	Previously Filed

January 5, 2000

NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, NJ 07921-0760

Ladies and Gentlemen:

We have acted as special counsel for NUI Corporation, a New Jersey corporation (the "Company") in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of a registration statement on Form S-3, as amended by Amendment No. 1 thereto (the "Registration Statement") relating to the offering of up to 113,200 shares (the "Shares") of the Company's common stock, no par value, together with associated stock purchase rights, by certain stockholders of the Company.

In arriving at the opinion expressed therein, we have examined and relied on:

- (i) The Registration Statement;
- (ii) The Certificate of Amendment of Restated Certificate of Incorporation;
- (iii) The Amended and Restated By-Laws of the Company; and
- (iv) Minutes of the meetings of the Board of Directors of the Company, including a meeting held on July 27, 1999.

In addition, we have examined and relied on the originals or copies certified or otherwise identified to our satisfaction of all other records, documents and instruments of the Company and such other persons, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below. We have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as certified or photostatic copies.

NUI Corporation
January 5, 2000
Page 2

We express no opinion other than as to the corporation laws of the State of New Jersey.

Based upon the foregoing, we are of the opinion that the Shares have been duly authorized and validly issued and are fully paid and non-assessable.

We consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the heading "Legal Matters" in the prospectus forming apart of the Registration Statement.

Very truly yours,

/S/ BOURNE, NOLL & KENYON
BOURNE, NOLL & KENYON

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports included in the Annual Report on Form 10-K of NUI Corporation for the fiscal year ended September 30, 1999 and to all references to our firm in this Registration Statement.

/S/ ARTHUR ANDERSEN LLP

New York, New York
January 10, 2000

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report included in the Annual Report on Form 10-K of NUI Corporation for the fiscal year ended September 30, 1999 and to all references to our firm in this Registration Statement.


ARTHUR ANDERSEN LLP

New York, New York
January 10, 2000

Ex 1 (C)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
 authority to issue and sell
 securities during the 12 months
 ending August 30, 2000, by City
 Gas Company of Florida.

DOCKET NO. 990956-GU
 ORDER NO. PSC-99-1872-FOF-GU
 ISSUED: September 21, 1999

The following Commissioners participated in the disposition of this matter:

- JOE GARCIA, Chairman
- J. TERRY DEASON
- SUSAN F. CLARK
- JULIA L. JOHNSON
- E. LEON JACOBS, JR.

FINAL ORDER GRANTING APPROVAL FOR AUTHORITY
 TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

City Gas Company of Florida (City Gas) filed an application on July 23, 1999, seeking authority pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, to issue and sell securities during the 12 months ending August 30, 2000. Notice of City Gas' application was given in the Florida Administrative Weekly on August 20, 1999. City Gas is a division of NUI Corporation (NUI). NUI was incorporated in 1969 under the laws of New Jersey. City Gas, a public utility since 1960, is engaged in the distribution of natural gas to approximately 100,000 customers in Brevard, Broward, Dade, St. Lucie, and Indian River Counties, and is the operating division of NUI.

NUI maintains it intends to issue Preferred Stock in an amount up to \$40,000,000 if market conditions are favorable. NUI asserts that it does not plan to issue debt securities. Based on current rates in the market, NUI estimates a dividend rate of 8.50% on Preferred Stock. NUI may issue up to 500,000 shares of equity securities for employee benefit plans, incentive compensation plans, continuous investment plans offered to shareholders throughout the year and general corporate purposes. NUI contends that the Preferred Stock for which it seeks issuance authority would be used to reduce the amount of short-term debt currently outstanding.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
authority to issue and sell
securities during the 12 months
ending August 30, 2000, by City
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FINAL ORDER GRANTING APPROVAL FOR AUTHORITY
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City Gas Company of Florida (City Gas) filed an application on July 23, 1999, seeking authority pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, to issue and sell securities during the 12 months ending August 30, 2000. Notice of City Gas' application was given in the Florida Administrative Weekly on August 20, 1999. City Gas is a division of NUI Corporation (NUI). NUI was incorporated in 1969 under the laws of New Jersey. City Gas, a public utility since 1960, is engaged in the distribution of natural gas to approximately 100,000 customers in Brevard, Broward, Dade, St. Lucie, and Indian River Counties, and is the operating division of NUI.

NUI maintains it intends to issue Preferred Stock in an amount up to \$40,000,000 if market conditions are favorable. NUI asserts that it does not plan to issue debt securities. Based on current rates in the market, NUI estimates a dividend rate of 8.50% on Preferred Stock. NUI may issue up to 500,000 shares of equity securities for employee benefit plans, incentive compensation plans, continuous investment plans offered to shareholders throughout the year and general corporate purposes. NUI contends that the Preferred Stock for which it seeks issuance authority would be used to reduce the amount of short-term debt currently outstanding.

ORDER NO. PSC-99-1872-FOF-GU
DOCKET NO. 990956-GU
PAGE 2

NUI states that proceeds from the issuance of debt for which NUI seeks authority will be used to enable NUI to perform its obligation to manage and operate its utility businesses so as to continue to provide reliable and economical service to its customers in its rapidly growing service areas. The purposes for which NUI seeks issuance of the described securities are consistent with and will not impair the proper performance by City Gas as a public utility. NUI alleges that the issuance of these securities is for a lawful object within its corporate purposes, and is reasonable, necessary, and appropriate to provide reliable and economic service to its customers in its rapidly growing service area.

Having reviewed the application, it is the finding of this Commission that the issuance and sale of the aforementioned securities will not impair the ability of City Gas to perform the services of a public utility. These transactions are for such lawful purposes within City Gas' corporate powers and, as such, the application is granted subject to the conditions stated herein.

Our approval of the proposed issuance of securities by City Gas does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for review by the Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of City Gas Company of Florida to issue and sell securities during the twelve months ending August 30, 2000, be approved. It is further

ORDERED by the Florida Public Service Commission that City Gas Company of Florida shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days of the end of the fiscal year in which it issues any securities authorized by this Order. It is further

ORDERED by the Florida Public Service Commission that this docket remain open pending the submission of the consummation report by City Gas Company of Florida.

ORDER NO. PSC-99-1872-FOF-GU
DOCKET NO. 990956-GU
PAGE 3

By ORDER of the Florida Public Service Commission this 21st
day of September, 1999.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed
copy of the order may be obtained
by calling 1-850-413-6770.

(S E A L)

TRC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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. This notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

NOV 12 1999 10:54AM INTERNATIONAL TELEPHONE GROUP

NO. 248 P. 2/3
858 413 7118 P. 01

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re; Request for approval of transfer of control of International Telephone Group, Inc. (holder of IXC Certificate No. 4824) to NUI Corporation through plan of merger.

DOCKET NO. 991236-TI
ORDER NO. PSC-99-2234-CO-TI
ISSUED: November 12, 1999

CONSUMMATING ORDER

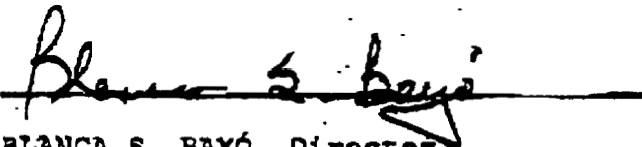
BY THE COMMISSION:

By Order No. PSC-99-2054-PAA-TI, issued October 20, 1999, this Commission proposed to take certain action, subject to a Petition for Formal Proceeding as provided in Rule 25-22.029, Florida Administrative Code. No response has been filed to the order. It is, therefore,

ORDERED by the Florida Public Service Commission that Order No. PSC-99-2054-PAA-TI has become effective and final. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 12th day of November, 1999.


BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

KMP

DOCUMENT NUMBER-DATE
13875 NOV 12 8
FPSC-RECORDS/REPORTING

NOV 12 1999 10:54AM

INTERNATIONAL TELEPHONE GROUP

NO. 248 P. 3/3
898 413 7118 P. 22

ORDER NO. PSC-99-2234-CO-TI
DOCKET NO. 991236-TI
PAGE 2

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any judicial review of Commission orders that is available pursuant to Section 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 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 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.

Agenda Date: 11/3/99



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

ENERGY/TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF)
NUI CORPORATION AND INTERNAT-)
IONAL TELEPHONE GROUP, INC., FOR)
APPROVAL OF AN AGREEMENT AND)
PLAN OF MERGER AND TRANSFER OF)
CONTROL PURSUANT TO NJSA 48:3-10)
AND FOR AUTHORITY FOR NUI CORP-)
ORATION TO ISSUE 200,000 SHARES)
OF NO PAR VALUE COMMON STOCK)
PURSUANT TO NJSA 48:3-9)

ORDER

Docket No. GF99080647

M. Patricia Keefe, Union, New Jersey for NUI Corporation.
Fred S. Grygiel, Chief Economist, Mark C. Beyer,
Manager, on behalf of the Staff of the Board of Public Utilities

BY THE BOARD:

NUI Corporation ("NUI"), by petition filed with the Board of Public Utilities ("Board") on August 17, 1999, requested authority to issue up to 200,000 shares of no par value common stock as part of a stock for stock transaction. By letter dated October 22, 1999, NUI, pursuant to N.J.S.A.

48:2-51.1 and 48:3-10, amended its petition, stating therein that it was also seeking Board approval of a proposed merger between NUI Acquisition Corp., a newly formed acquisition subsidiary of NUI, and International Telephone Group, Inc. ("ITG"), a privately held company.

NUI is engaged, inter alia, in the business of distributing natural and mixed gas in service territories located in portions of the States of New Jersey, Florida, Maryland, New York, North Carolina and Pennsylvania. NUI's New Jersey Division, Elizabethtown Gas Company ("New Jersey Utility Division"), distributes natural and mixed gas to approximately 239,000 customers in a service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren counties. Through its subsidiary NUI Capital Corporation ("NUI capital") and other subsidiaries, NUI also engages in activities other than regulated public utility activities.

In 1997, the Board authorized the issuance by NUI of up to 2,000,000 shares of common stock by public offering for the purpose of funding the business activities of NUI Capital. Pursuant to the above authorization, NUI has issued and sold 1,011,040 shares by public offering. NUI is now seeking to issue up to 200,000 shares of the remaining authorized but unissued shares, not by a public offering as authorized by the Board in its 1997 Order, but as part of one or more stock for stock mergers or exchanges. NUI's first such direct issuance under this authorization would be for the purpose of acquiring the business and assets of ITG.

ITG is a switchless reseller engaged in the business of providing intrastate, interstate and cellular telecommunication services in fifteen states. ITG is also authorized by the Federal Communications Commission to resell interstate and international service. ITG has its headquarters in Morristown, New Jersey, but owns no telecommunications facilities in this State. In 1998, ITG had total revenues of \$2.1 million.

NUI explains that the proposed stock for stock issuance, rather than a public offering, will not result in any changes in the New Jersey Utility Division's rates charged to customers, in service policies to customers, in its directors, officers or active managers, or in any of its policies with respect to its operations, financing, accounting, capitalization, depreciation, maintenance of any other matter regarding NUI's utility operations which affects the public interest. NUI also states that it will continue to maintain its books and records in accordance with the appropriate Uniform System of Accounts as prescribed by the Board. For these and other reasons, NUI concludes that neither the issuance of the common stock nor the activities of NUI Capital will have an adverse impact on the ratepayers of the New Jersey Utility Division.

While the Board has recognized that a utility to a large extent may act within its discretion to determine dividends and retain earnings, the Board has a legitimate concern that the use of proceeds derived from stock issuances do not result in investments which have a deleterious impact upon the utility's ability to internally finance necessary construction or meet its basic statutory duty to provide safe, adequate and proper service. See, In the Matter of the Petition of Elizabethtown Gas Company -- Merger with City Gas Company of Florida, BPU Docket No. GO88040577 (July 29, 1988). For this reason the Board has included certain reporting requirements and other safeguards

in this Order sufficient to allow the Board to know the impact of NUI Capital's investment activities on an ongoing basis.

With regard to the merger itself, NUI states that it will continue the ongoing business of the purchased corporation as a wholly-owned and unregulated subsidiary of NUI Capital following consummation of the merger. NUI also states that the surviving corporation will continue to use the ITG name and its shares will be owned by NUI Capital. In conjunction with, and in consideration of this merger, ITG's existing shareholders will receive cash and NUI stock with the possibility of receiving additional stock if the merged company meets certain financial benchmarks.

Consistent with the Board's statutory authority under N.J.S.A. 48:2-51.1 and 48:3-10, the Board reviews proposed transfers of control of New Jersey public utilities to ascertain that they will not adversely impact upon the financial integrity of the New Jersey operating public utilities, and to ensure that said utilities will remain in a position to provide safe, adequate and proper service to customers. In keeping with the specific requirements of N.J.S.A. 48:2-51.1, the Board has reviewed and evaluated the proposed transfer of control of ITG to assess the impact of the transfer in New Jersey on competition, on the employees of NUI's New Jersey Utility Division and ITG's New Jersey operating subsidiaries, and on the continued provision by both entities of safe and adequate services at just and reasonable rates.

The Board notes that the proposed transfer of control involves a telecommunications company whose interexchange services and operations in New Jersey are subject to competition from numerous resale and facilities-based interexchange carriers operating in the State. Therefore, the Board FINDS that the proposed transfer will not have an adverse impact on competition in the marketplace. With regard to employment levels, NUI states that it does not expect to make any significant reductions in its or ITG's existing employee base as a result of this merger, and that ITG's technical, managerial and operational personnel, consisting of 14 employees, will continue to provide the services offered by ITG following the merger. Therefore, after review, the Board FINDS that the proposed merger will have no significant impact on employment levels of either NUI or ITG..

The Board also FINDS that there will be no adverse impact on the rates and other terms and conditions of services available to New Jersey consumers. Given the numerous facilities-based and resale interexchange carriers currently offering services throughout the State and the presence of the incumbent local exchange carrier and in some instances new competitive local exchange carriers in ITG's service area, the combined company will have a significant incentive to ensure that safe and adequate service is provided by ITG and to ensure that rates are competitive. Moreover, as noted above, the conditions set forth in this Order will ensure that NUI will continue to provide safe, adequate and proper service to its customers.

After a review of the documents submitted, the Board HEREBY FINDS that the proposed issuance of common stock is to be made in accordance with law and is not contrary to the public interest. Therefore, the Board HEREBY ORDERS that NUI be and is HEREBY AUTHORIZED to issue and sell up to 200,000 of common stock as part of one or more stock for stock mergers or

exchanges. In addition, the Board HEREBY ORDERS that NUI Acquisition Corp. and ITG are HEREBY AUTHORIZED to merge as described herein. NUI shall comply with the following provisions:

1. NUI shall inform the Board of the date on which the proposed transactions shall have been consummated.
2. Copies of all tax returns of NUI shall be provided if requested by the Board.
3. Full access shall be provided to the Board to any books and records and other information of any kind, documentary or otherwise, of NUI or any of its divisions or subsidiaries.
4. NUI shall continue to maintain its books and records, as well as those of its New Jersey Utility Division, in accordance with the appropriate Uniform System of Accounts as prescribed by the Board.
5. NUI shall continue to record costs and any allocations of costs among its various divisions in sufficient detail to allow the Board to analyze, evaluate and render a determination as to their fairness and reasonableness for ratemaking purposes.
6. All expenses for NUI's corporate activities shall be separately identified, accounted for separately for accounting purposes, and "below the line" for ratemaking purposes. To the extent that NUI seeks to recover any of NUI's corporate expenses from its New Jersey Utility Division's ratepayers in base tariff rates, NUI will specifically identify these expenditures to enable the Board to make a determination as to the appropriateness and reasonableness of reflecting those expenditures in rates.
7. NUI's capital contribution to NUI Capital in connection with this transaction and other future investments in non-utility diversified activities will not exceed ten percent (10%) of NUI's total assets, provided that NUI reserves the right in the future to seek Board approval of a higher threshold.
8. All costs associated with this transaction shall be recorded in separate accounts and shall not be passed on to the New Jersey Utility Division's ratepayers.
9. NUI shall maintain financial, statistical and accounting records in sufficient detail to enable the Board to evaluate, analyze and consider the New Jersey Utility Division on a stand alone basis.
10. NUI shall continue to devote the highest level of management oversight to its non-utility diversified activities.

11. All transactions and allocations exceeding, in the aggregate, \$25,000 annually between the New Jersey Utility Division and NUI's other divisions and subsidiaries, shall be reported annually by NUI at the time of the filing of its annual report to the Board.

12. NUI shall file quarterly reports, including balance sheets and income statements in sufficient detail to enable the Board to review the financial results of the combined NUI, as well as each of its separate divisions on an ongoing basis.

13. NUI shall promptly notify the Board of any significant event that may affect its financial integrity, such as having its equity securities downgraded or being placed on a "ratings watch list" by a securities rating firm. NUI shall file reports prepared by bond and equity analysts no less frequently than quarterly, which discuss the financial performance and/or the financial integrity of NUI.

14. The Board will continue to exercise its full authority to review in detail the capital structure of NUI and its New Jersey Utility Division including ratios and costs of debt and equity in order to insulate New Jersey ratepayers from any adverse effects from non-New Jersey operations and events. NUI shall not seek to recover from its New Jersey Utility Division's ratepayers any costs, either direct or indirect, associated with its utility operations in other states or with unregulated operations wherever located.

15. Should NUI's operation outside New Jersey or its unregulated operations result in a decline in the price of NUI's stock, NUI shall not attempt to recoup this price decrease by seeking to impose higher rates upon its New Jersey Utility Division's ratepayers. The effects of a decline in the value of NUI's stock caused by operations outside New Jersey shall be borne by NUI's stockholders. If non-New Jersey or unregulated operations result in higher rates for interest charges paid by the New Jersey Utility Division, NUI agrees for ratemaking purposes (including Allowance for Funds used During Construction) that New Jersey Utility Division ratepayers will be charged only that rate of interest which would have been charged absent the adverse financial stress caused by the non-New Jersey activities.

16. NUI shall continue to maintain a separate Board of Directors for its New Jersey Utility Division in an advisory capacity. The minutes of the meetings of the advisory Board of Directors shall be made available to the BPU and the Parties upon request.

17. NUI shall produce the books and records of its other divisions as provided for in N.J.S.A. 48:3-7.8, upon written notice from the Board.

18. The assets of NUI's New Jersey Utility Division shall not be pledged to support any financing related to NUI's other divisions or its subsidiaries

19. This order shall not be construed as approval by the Board of any value of consideration related to this transaction.
20. Salaries for the New Jersey Utility Division operations shall continue to be subject to ongoing review by the Board as to their reasonableness for ratemaking purposes.
21. No current non-New Jersey utility division salaries shall be allocated to the New Jersey Utility Division without prior Board review and approval. Also, said salaries shall not be relied upon as a standard for review of salaries paid in New Jersey.
22. The results of this transaction shall be taken into consideration by the Board within the context of a review of any subsequent petition requesting approval of any future acquisition. Such future petition shall be filed in a timely manner in order to allow the Board ample opportunity to fully review and analyze the proposal. Such filing shall satisfy all statutory and regulatory requirements including pro forma balance sheets and income statements reflecting all known or anticipated changes.
23. This Order shall not affect or in any way limit the exercise of the authority of the Board in any future petition or in any proceeding with respect to rates, franchises, services, financing, capitalization, depreciation, accounting, maintenance, operations or any other matter affecting the New Jersey Utility Division.
24. Any transfer of assets by NUI or the New Jersey Utility Division or any of its subsidiaries will be subject to the Board's jurisdiction pursuant to N.J.S.A. 48:3-7.
25. The Board of Directors of NUI shall agree in writing to the terms and conditions of this Order.
26. NUI shall provide on a quarterly basis the same information supplied to its Board of Directors concerning the status of its investment in TGI, Inc., so that the Board may more readily monitor the investment.
27. There shall be no commingling of cash between NUI Corporation and NUI Capital, Inc. If NUI Capital shall fund operations, capital additions or investments by external borrowing, any such borrowing or any commitments by NUI Capital or its subsidiaries must be non-recourse to NUI Corporation and may not provide for cross-default to, or for credit support from NUI Corporation, unless prior approval is granted by the Board.
28. In approving the issuance of common stock in this order, the Board is in no way limiting or foreclosing any independent action, inquiry, or investigation it may

determine to take, pursuant to its authority, now or in the future with respect to the underlying transactions contemplated as a result of the Board's approval herein.

DATED:

BOARD OF PUBLIC UTILITIES

BY:

HERBERT H. TATE
PRESIDENT

CARMEN J. ARMENTI
COMMISSIONER

FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

MARK MUSSER
SECRETARY

Cullen and Dykman
1225 Nineteenth Street N.W.
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GARDEN CITY OFFICE
1010 FRANKLIN AVENUE
GARDEN CITY, NEW YORK 11530-0755
(516) 741-0900

November 10, 1999

James R. Van Horn, Vice President,
General Counsel and Secretary
NUI Corporation
550 Route 202-206
Post Office Box 760
Bedminster, New Jersey 07921-0760

Dear Mr. Van Horn:

We have acted as special New York counsel to NUI Corporation, a New Jersey corporation ("NUI"), NUI Capital Corporation, a Florida corporation and a wholly owned, direct subsidiary of NUI ("NUI Capital"), and NUI Acquisition Corporation, a wholly owned direct subsidiary of NUI Capital ("Purchaser"), in connection with the Agreement and Plan of Merger dated August 16, 1999 (the "Agreement") by and among International Telephone Group, Inc. ("ITG"), and Purchaser, such Agreement relating to the merger of ITG and Purchaser. All capitalized terms used by not defined herein shall have the respective meanings ascribed to them in the Agreement.

We have examined the Agreement. In addition, we have examined and relied as to matters of fact upon originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of NUI, and have made such other and further investigation as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth. Specifically, we have relied upon the representations of NUI's Vice President and Treasurer, Robert F. Lurie, that NUI will not use revenues from the rendition of public service within the State of New York to effectuate the merger. Finally, we have been advised that the Public Service Commission of the State of New York has approved the proposed merger by Order issued on or about November 3, 1999 in Case 99-C-1201.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of such letter documents.

James R. Van Horn
November __, 1999

Page 2

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. Neither the execution and delivery by NUI Capital and Purchaser of the Agreement and the Related Agreements, nor the consummation of the transactions contemplated thereby will require any approval or consent to be obtained, or any filing with any governmental authority to be made, by NUI, NUI Capital or Purchaser under the laws of the State of New York, other than the approval of the Public Service Commission of the State of New York as previously described herein.

The opinion expressed herein is solely for your benefit in connection with the Agreement and the transactions contemplated thereby, and neither this opinion nor this opinion letter may be circulated, furnished to, quoted or otherwise relied upon by any other person or for any other purpose without our prior written consent.

Yours truly,

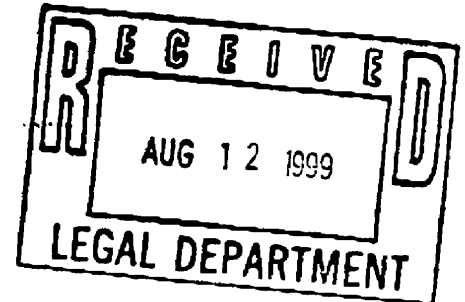


Cullen and Dykman

THE LAW FIRM OF

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August 10, 1999

**HAND-DELIVERY**James McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-18, North Office Building
PO Box 3265
Harrisburg, PA 17105-3265**RE: NUI Corporation -- Abbreviated Securities Certificate for Authority to Issue up to 200 Thousand Shares of Common Stock; S-_____**

Dear Mr. McNulty:

Enclosed, for filing with the Commission, on behalf of NUI Corporation ("NUI"), are two (2) copies (including a signed original) of this letter, which constitutes an abbreviated securities certificate filing under the Commission's regulation at 52 Pa. Code §3.602. I also have enclosed a check in the amount of \$25, in full payment of the Commission's filing fee under 52 Pa. Code §1.43.

Consistent with the Commission's form at 52 Pa. Code §3.551(12), NUI submits the following:

1. NUI's name and address are NUI Corporation, 550 Route 202-206, P.O. Box 760, Bedminster, NJ 07921-0760. NUI's representative who is executing this letter is William T. Hawke, who, together with his firm, Malatesta Hawke & McKeon LLP, is authorized to represent NUI Corporation as its counsel before this Commission.
2. This Securities Certificate is for NUI Corporation's issuance of up to 200 thousand shares of common stock in Fall 1999. The stock currently is trading on the New York Stock Exchange at 26 ¼ dollars; the current dividend is \$.98 dollars per share. NUI's issuance of up to 200 thousand shares of common stock at this time is necessary or proper for the present and probable future capital needs of NUI because the issuance will be used to fund NUI subsidiary

August 10, 1999

Page 2

operations. NUI intends to downstream the stock to its wholly owned subsidiary, NUI Capital Corp., for the latter's use for one of its authorized corporate purposes. This transaction is similar to that involved in the Commission's registration of a Securities Certificate for NUI in 1997 at Docket No. S-00970614, wherein NUI utilized the proceeds from the issuance and sale of 1.1 million shares from the 2 million shares authorized.

3. NUI Corporation's issuance of up to 200 thousand shares of common stock qualifies for the use of the Commission's abbreviated securities certificate procedure because NUI's gross operating revenues from service rendered during the immediately preceding fiscal year under tariffs filed with the Commission for intrastate service are less than 10% of NUI's total gross operating revenues during the fiscal year from all service, wherever rendered, of the type described in Section 102 of the Public Utility Code, 66 Pa. C.S. §102. 52 Pa. Code §3.602(a)(3)(ii).
4. The undersigned affirms that the information provided in this letter is true and correct to the best of his knowledge, information and belief, and that he understands that false statements contained in this letter are made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

Thank you for your attention to this matter.

Very truly yours,



William T. Hawke

WTH/klb
Enclosures

cc: Douglas T. Beebe (Bureau of Fixed Utility Services) (hand-delivery)
Mary Patricia Keefe, Esquire



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

August 19, 1999

WILLIAM T HAWKE
MALATESTA HAWKE & MCKEON LLP
100 NORTH TENTH STREET
HARRISBURG PA 17101

Abbreviated Securities Certificate of NUI Corporation for the
issuance of up to 200,000 shares of common stock.

S-00990745

Date filed: August 10, 1999

Dear Mr. Hawke:

Please be advised that as of the date of this letter:

1. Pursuant to 52 Pa. Code §3.602., no order of rejection has been entered by the Commission with respect to the above-captioned Abbreviated Securities Certificates; and
2. The Secretary has not extended the 10-day consideration period set forth in 52 Pa. Code § 3.602; and
3. No written order of the Commission has been entered pursuant to 66 Pa. C.S. § 1903 extending the 30-day consideration period established therein.

It is therefore the view of the Pennsylvania Public Utility Commission that the above-captioned Abbreviated Securities Certificate, as amended, is deemed, in fact and in law, to have been registered pursuant to the provisions of 66 Pa. C.S. §1903 and 52 Pa. Code §3.602.

Very truly yours,

James J. McNulty
Secretary



Charles Center South
36 South Charles Street
Baltimore, Maryland 21201-3018
www.piperrudnick.com

PHONE (410) 539-2530
FAX (410) 539-0489

November 10, 1999

James R. Van Horn, Esquire
General Counsel and Secretary
NUI Corporation
550 Route 202-206
Bedminster, New Jersey 07921-0760

Dear Mr. Van Horn:

We have acted as Maryland regulatory counsel to NUI Corporation, a New Jersey corporation ("NUI"), in connection with the proposed transfer of control of International Telephone Group, Inc. ("ITG") from its current shareholders to NUI Acquisition Corp., a wholly owned subsidiary of NUI. In that capacity, we have examined: NUI's status as a foreign corporation duly qualified to conduct business in the State of Maryland, the terms and conditions of the transfer of control as stated in an August 24, 1999 notice to the Colorado Public Utilities Commission (the form of which was used to notify a majority of the jurisdictional regulatory commissions); the Public Utility Companies Article of Annotated Code of Maryland (the "PUC Law"); relevant Orders of the Public Service Commission of Maryland ("Commission"), including the Commission's September 15, 1999 letter Order noting the transfer of control; and such questions of law and other matters as we have deemed necessary and appropriate for purposes of rendering the opinion expressed below.

In connection with the proposed transaction, we understand that on August 13, 1999, ITG entered into an agreement with NUI Acquisition Corp. and NUI Corporation, whereby NUI Acquisition Corp. shall merge into ITG (the "Merger"), with ITG becoming the surviving corporation. We further understand that by this merger ITG will be structured as a wholly owned subsidiary of NUI Capital Corp., which itself is a wholly owned and unregulated subsidiary of NUI Corporation.

We note that pursuant to the PUC Law, prior Commission approval is only required for certain acquisitions and for the assumption or issuance of stocks, bonds, notes, or other evidence of indebtedness by public service companies incorporated under the laws of Maryland. Because NUI Capital Corp. is not a public service company, and because NUI is a public service company incorporated under the laws of New Jersey, the prior approval provisions of the PUC Law do not apply to NUI and it is not necessary to seek the approval of the Commission.

Based on our review of the foregoing, we are of the opinion that:

1. NUI is duly qualified to do business in the State of Maryland and has full power and authority under the laws of the State of Maryland to transact the business in which it is engaged in the State of Maryland and to own and operate the properties used by it in such business.

2. No approval or consent is required to be obtained, nor is any filing with any governmental authority required to be made, by NUI under the laws of the State of Maryland in connection with the execution, delivery and performance of the Merger or the consummation of the transactions contemplated thereby.

The opinion expressed herein is solely for your benefit in connection with the Agreement and the transactions contemplated thereby, and neither this opinion nor this opinion letter may be circulated, furnished to, quoted or otherwise relied upon by any person or for any other purpose without our prior consent.

Very truly yours,

Piper Marbury Rudnick + Wolfe LLP

CBC/PAT/cgl

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**DOCKET NO. G-3, SUB 219
DOCKET NO. P-581, SUB 1**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
 Applications for Authority to Transfer Control)
 of International Telephone Group, Inc. to NUI) **ORDER APPROVING**
 Capital Corp.) **TRANSFER OF CONTROL**

BY THE COMMISSION: International Telephone Group, Inc. (ITG) and NUI Corporation d/b/a NUI North Carolina Gas (NUI NC Gas) filed separate Applications on September 3, 1999 and September 9, 1999, respectively, wherein the Applicants seek Commission approval of the transfer of control of ITG from its current shareholders to NUI Capital Corp. through a proposed merger transaction. In addition, the Application of NUI NC Gas seeks the Commission's concurrence that its proposed issuance of common stock in conjunction with the merger is exempt from the requirements of G.S. 62-161.

This matter was presented to the Commission for its consideration at the Commission's weekly Staff Conference on October 11, 1999. Based upon the verified Application and the Commission's entire files and records, the Commission now makes the following

FINDINGS OF FACT

1. ITG is a New Jersey corporation with principal offices located in Morristown, New Jersey. ITG is engaged in the business of providing local, long distance, cellular and other specialized telecommunications services and is currently authorized to operate in 17 states. In North Carolina, ITG provides resold intrastate interexchange services pursuant to a Certificate of Public Convenience and Necessity (Certificate) granted by the Commission in Docket No. P-581 on November 12, 1996. ITG currently has an Application pending in Docket No. P-581, Sub 2 requesting authority to provide local exchange and exchange access services as a competing local provider.

2. NUI Corporation is a New Jersey corporation with principal offices located in Union, New Jersey. NUI NC Gas is engaged in the business of transporting, distributing and selling natural gas as a public utility to customers located in Rockingham County and parts of Stokes County. Through its other operating divisions, NUI Corporation also provides natural service in the states of New Jersey, Florida, Pennsylvania, Maryland, and

New York. In addition to its activities as a regulated natural gas service provider, NUI Corporation, through its subsidiary and affiliate corporations, is also involved in other unregulated businesses throughout the United States.

3. The Applicants request Commission approval of the transfer of control of ITG pursuant to the terms and provisions of the Agreement and Plan of Merger (Merger Agreement) between NUI Corporation, NUI Acquisition Corp., and ITG which is attached to each Application as an exhibit. To accomplish the merger, NUI Acquisition Corp. will merge with and into ITG. The surviving corporation of this merger will continue to use the name ITG and its shares will be owned directly by NUI Capital Corp., a wholly owned and unregulated subsidiary of NUI Corporation. The merger will not result in any change to the level, quality, price or terms of services provided by ITG to its North Carolina customers.

4. In conjunction with and in consideration of the proposed merger, existing ITG shareholders will exchange their ITG shares for a combination of cash and stock of NUI Corporation based on formulas set out in the Merger Agreement. NUI NC Gas contends that the issuance of shares by NUI Corporation in connection with the merger is exempt from the requirements of G.S. 62-161 and Commission Rule R1-16 under the holdings of the North Carolina Supreme Court in State ex rel. Utilities Comm'n v. Southern Bell Tel. & Tel. Co., 288 N.C. 201, 217 S.E.2nd 543 (1975) and also seeks the Commission's concurrence in this regard.

5. The Applicants submit that the proposed merger and transfer of control is in the public interest because it will: (a) serve to diversify and strengthen the overall business position of the NUI companies; (b) enhance their ability to compete in the changing regulatory and economic environment facing public utilities; and (c) have no negative impact on the service provided by NUI NC Gas or ITG to their respective North Carolina ratepayers.

WHEREUPON, the Commission now reaches the following

CONCLUSIONS

Based upon the foregoing Findings of Fact and the entire record in this proceeding, the Commission concludes that the requested merger and transfer of control from ITG from its current shareholders to NUI Capital Corp., as described in the Applications, is justified by the public convenience and necessity and should be approved pursuant to G.S. 62-111(a). Further, the Commission also concludes that NUI's proposed issuance of shares in conjunction with the proposed merger is exempt from the requirements of G.S. 62-161 and Commission Rule R1-16.

IT IS, THEREFORE, ORDERED as follows:

1. That the proposed merger and transfer of control of ITG to NUI Capital Corp. as described in the Application is hereby authorized and approved;
2. That the issuance of shares by NUI Corp. in connection with the proposed merger is exempt from the requirements of G.S. 62-161 and Commission Rule R1-16;
3. That the Applicants shall file a written notice in this docket within thirty (30) days after consummation of the transaction approved herein; and
4. That this docket shall remain open for the purpose of receiving the notice required hereinabove.

ISSUED BY ORDER OF THE COMMISSION.

This 14th day of October, 1999.

NORTH CAROLINA UTILITIES COMMISSION



Geneva S. Thigpen, Chief Clerk

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-8353

NUI CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey
(State of incorporation)

22-1869941
(IRS employer identification no.)

550 Route 202-206, P. O. Box 760, Bedminster, New Jersey 07921-0760
(Address of principal executive offices, including zip code)

(908) 781-0500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:

Common Stock, No Par Value
Preferred Stock Purchase Rights

New York Stock Exchange
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Indicate by check mark if disclosure of delinquent filers, pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference to Part III of this Form 10-K or any amendment to the Form 10-K:

The aggregate market value of 12,261,910 shares of common stock held by non-affiliates of the registrant calculated using the \$25.1875 per share closing price on November 30, 1999 was \$308,846,858.

The number of shares outstanding for each of the registrant's classes of common stock, as of November 30, 1999:

Common Stock, No Par Value: 12,837,811 shares outstanding.

Documents incorporated by reference: NUI Corporation's definitive Proxy Statement for the Company's Annual Meeting of Stockholders, filed with the Securities and Exchange Commission on December 27, 1999.

NUI Corporation

**Annual Report on Form 10-K For The
Fiscal Year Ended September 30, 1999**

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NUI Corporation

Annual Report on Form 10-K for the Fiscal Year Ended September 30, 1999

PART I

Item 1. Business

NUI Corporation (NUI or the Company) was incorporated in New Jersey in 1969. NUI is a multi-state energy sales, services and distribution company. Its utility operations distribute natural gas and related services in six states along the eastern seaboard and comprise Elizabethtown Gas (New Jersey), City Gas Company of Florida, North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania) and Waverly Gas (New York). The Company's subsidiaries include NUI Energy, Inc. (NUI Energy), an energy retailer; NUI Energy Brokers, Inc. (NUI Energy Brokers), an energy wholesaler; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Environmental Group, Inc., an environmental project development subsidiary; Utility Business Services, Inc. (UBS), a customer and geographic information systems and services subsidiary; and International Telephone Group, Inc. (ITG), a telecommunications services subsidiary (see Note 2 of the Notes to the Consolidated Financial Statements). The Company also provides sales and marketing outsourcing through its 49% equity interest in TIC Enterprises, LLC (TIC).

The principal executive offices of the Company are located at 550 Route 202-206, Box 760, Bedminster, NJ 07921-0760; telephone: (908) 781-0500.

The Company's operations are organized and managed under three primary segments: Distribution Services, Energy Sales and Services and Customer Services. The Company also has corporate operations that do not currently generate operating revenues. Reference is made to Note 10, "Business Segment Information" of the "Notes to the Consolidated Financial Statements" for a discussion regarding financial information about the business segments of the Company. See also Item 6-"Selected Financial Data-Summary Consolidated Operating Data" for summary information by customer class with respect to operating revenues, gas volumes sold or transported and average number of utility customers served. A discussion of the business of each segment follows.

Distribution Services Segment

Products and Services

The Distribution Services segment distributes natural gas in six states through the Company's regulated utility divisions. Such distribution services are regulated as to price, safety and return by the regulatory commissions of the states in which in the Company operates (see Regulation). The Distribution Services segment serves approximately 372,000 customers, of which 67% are in New Jersey and 33% are in other states. Most of the Company's utility customers are residential and commercial customers who purchase gas primarily for space heating. Distribution Services' operating revenues for fiscal 1999 amounted to approximately \$378.1 million, of which 78% was generated by utility operations in New Jersey and 22% was generated by utility operations in other states. Gas volumes sold or transported in fiscal 1999 amounted to 83.7 million Mcf, of which approximately 79% was sold or transported in New Jersey and 21% was sold or transported in other states. An Mcf is a basic unit of measurement for natural gas comprising 1,000 cubic feet of gas. A description of each of the Company's utility divisions follows.

Elizabethtown Gas. The Company, through Elizabethtown Gas (Elizabethtown), provides gas service to approximately 248,000 customers in franchised territories within seven counties in central and northwestern New Jersey. Elizabethtown's 1,300 square-mile service territory has a total population of approximately 950,000. Most of the state's customers are located in densely-populated central New Jersey, where increases in the number of customers are primarily from conversions to gas heating from alternative forms of heating.

Elizabethtown's regulated gas volumes sold or transported and customers served for the past three fiscal years were as follows:

Regulated Gas Volumes Sold or Transported (in thousands of Mcf)

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Firm Sales:			
Residential	18,818	18,299	19,485
Commercial	6,802	7,587	9,333
Industrial	732	3,903	4,085
Interruptible Sales	15,477	11,927	12,886
Transportation Sales	<u>24,586</u>	<u>23,367</u>	<u>22,510</u>
Total	<u>66,415</u>	<u>65,083</u>	<u>68,299</u>

Utility Customers Served (twelve-month average)

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Firm Sales:			
Residential - Heating	172,406	168,475	165,305
Residential - Non-heating	55,946	56,358	57,380
Commercial	15,821	15,907	16,922
Industrial	208	229	262
Interruptible Sales	25	72	72
Transportation Services	<u>3,155</u>	<u>2,773</u>	<u>1,373</u>
Total	<u>247,561</u>	<u>243,814</u>	<u>241,314</u>

Gas volumes sold to the Company's firm customers are sensitive to the weather in New Jersey. In fiscal 1999, the weather in New Jersey was 16% warmer than normal and 1% colder than the prior year. Additionally, weather in fiscal 1998 was 17% warmer than normal and 9% warmer than fiscal 1997. While the effect of the warm weather has caused sales of gas to decline, Elizabethtown's tariff contains a weather normalization clause that is designed to help stabilize the Company's results by increasing amounts charged to customers when weather has been warmer than normal and decreasing amounts charged when weather has been colder than normal. As a result of weather normalization clauses, operating margins were approximately \$5.4 million and \$5.6 million higher in fiscal 1999 and 1998, respectively, than they would have been without such clauses. For a further discussion on variations in revenues, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The growth in the number of residential heating customers principally reflects the Company's marketing emphasis to convert residential non-heating customers to full gas heating service. Approximately 70% of the residential heating customers added in New Jersey since 1991 represented homes that were converted to gas heating from other forms of space heating and the remainder consisted of new homes.

The Company's commercial and industrial customers currently have the ability to utilize transportation service and purchase their gas from other suppliers. The rate charged to transportation customers remains regulated as to price and returns. Tariffs for transportation service have been designed to provide the same margins as bundled sales tariffs. Therefore, except for the regulatory risk of full recovery of gas costs, the Company is financially indifferent as to whether it transports gas or sells gas and transportation together.

On April 30, 1999, the Company made a filing with the New Jersey Board of Public Utilities (NJBPU) which will enable all customers in New Jersey (including residential customers) to choose an alternative supplier of natural gas. This filing was a result of the "Electric Discount and Energy Competition Act" legislation, which was signed into law in New Jersey on February 9, 1999. The legislation has several provisions that affect gas utilities. It provides all gas customers with the ability to choose an alternate natural gas supplier by December 31, 1999. At the same time, the utility will continue to provide basic gas service through December 2002 when the NJBPU will decide if the gas supply function should be made competitive. The NJBPU will also conduct proceedings to determine whether customers should be afforded the option of contracting with an alternative provider of billing, meter reading and other customer account services that may be deemed competitive by December 31, 2000. A NJBPU decision on the Company's April 30th filing is expected in early fiscal 2000.

Elizabethtown's "interruptible" customers have alternative energy sources and use gas on an "as available" basis. Variations in the volume of gas sold or transported to these customers do not have a significant effect on the Company's earnings because in accordance with New Jersey regulatory requirements, 80% of the margins that otherwise would be realized on gas sold or transported to interruptible customers are used to reduce gas costs charged to firm sales customers.

City Gas Company of Florida. City Gas Company of Florida (City Gas) is the second largest natural gas utility in Florida, supplying gas to over 99,000 customers in Dade and Broward Counties in south Florida, and in Brevard, Indian River and St. Lucie Counties in central Florida. City Gas' service areas cover approximately 3,000 square miles and have a population of approximately 1.7 million.

City Gas' regulated gas volumes sold or transported and customers served for the past three fiscal years were as follows:

Regulated Gas Volumes Sold or Transported (in thousands of Mcf)

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Firm Sales:			
Residential	1,738	1,880	1,850
Commercial	3,353	3,572	3,944
Interruptible Sales	111	461	1,162
Transportation Sales	<u>4,174</u>	<u>3,388</u>	<u>2,277</u>
Total	<u>9,376</u>	<u>9,301</u>	<u>9,233</u>

Utility Customers Served (twelve-month average)

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Firm Sales:			
Residential	94,784	93,227	92,724
Commercial	4,699	4,748	4,706
Interruptible Sales	4	10	16
Transportation Services	<u>315</u>	<u>125</u>	<u>51</u>
Total	<u>99,802</u>	<u>98,110</u>	<u>97,497</u>

City Gas' residential customers purchase gas primarily for water heating, clothes drying and cooking. Some customers, principally in central Florida, also purchase gas to provide space heating during the relatively mild winter season. Year-to-year growth in the average number of residential customers primarily reflects new construction. On March 31, 1998, City Gas purchased a city-owned and operated propane distribution system from Port St. Lucie. The system was converted to natural gas during the year and added 1,200 residential homes and one major commercial property.

City Gas' commercial business consists primarily of schools, businesses and public facilities, of which the number of customers tends to increase concurrently with the continuing growth in population within its service areas. As with its residential markets, the Company is seeking to maximize the utilization of its existing mains by emphasizing marketing efforts toward potential commercial business along these lines.

Certain commercial and industrial customers have converted their natural gas service from a sales basis to a transportation basis. City Gas' transportation tariff provides margins on transportation services that are substantially the same as margins earned on gas sales. In November 1997, the Florida Public Service Commission (FPSC) approved City Gas' proposal to offer unbundled gas service to certain small commercial customers, in a manner similar to that currently in place in the Company's New Jersey service territory.

North Carolina Gas. The Company, through North Carolina Gas, provides gas service to approximately 13,800 customers in Rockingham and Stokes Counties in North Carolina, which territories comprise approximately 560 square miles. During fiscal 1999, the regulated operations of North Carolina Gas sold or transported approximately 3.8 million Mcf of gas as follows: 20% sold to residential customers, 13% sold to commercial customers, 28% sold to industrial customers and 39% transported to commercial and industrial customers.

Elkton Gas Service ("Elkton"). The Company, through Elkton, provides gas service to approximately 4,000 customers in franchised territories comprising approximately 14 square miles within Cecil County, Maryland. During fiscal 1999, Elkton sold approximately 849,000 Mcf of gas as follows: 22% sold to residential customers, 18% sold to commercial customers and 60% sold to industrial customers.

Valley Cities Gas Service ("VCGS") and Waverly Gas Service ("WGS"). VCGS and WGS provide gas service to approximately 6,300 customers in franchised territories comprising 104 square miles within Bradford County, Pennsylvania and the Village of Waverly, New York and surrounding areas, respectively. During fiscal 1999, the regulated operations of VCGS and WGS sold or transported approximately 3.3 million Mcf of gas as follows: 17% sold to residential customers, 8% sold to commercial customers, 3% sold to industrial customers and 72% transported to commercial and industrial customers.

Gas Supply and Operations

In recent years, the gas industry has been undergoing structural changes in response to policies of the Federal Energy Regulatory Commission (FERC) and local regulatory commissions designed to increase competition. Traditionally, interstate pipelines were wholesalers of natural gas to local distribution companies and generally did not provide separate transportation or other services for specific customers. In 1992, the FERC issued Order No. 636 that, among other things, mandated the separation or "unbundling" of interstate pipeline sales, transportation and storage services and established guidelines for capacity management effective in 1993. In fiscal 1995, the NJBPU unbundled the services provided and the rates charged to New Jersey commercial and small industrial customers as well. The transition to more competitive rates and services has the effect of increasing the opportunity for local gas distribution companies, and industrial and commercial customers to purchase natural gas from alternative sources, while increasing the potential business and regulatory risk borne by a local gas distribution company with respect to the acquisition and management of natural gas services.

The Company endeavors to utilize its pipeline capacity efficiently by matching capacity to its load profile to the extent feasible. To this end, the Company has had a broad unbundled service tariff for certain of its customers since 1987. The Company continues to avail itself of opportunities to improve the utilization of its pipeline capacity by pursuing broad based customer growth, including off-peak markets and utilizing capacity release and off-system sales opportunities afforded by Order No. 636 when operationally feasible.

The Company's gas supply during fiscal 1999 came from the following sources: approximately 18% from purchases under contracts with primary pipeline suppliers and additional purchases under their filed tariffs; approximately 82% from purchases from various producers and gas marketers, and purchases under long-term contracts with independent producers and less than 1% from propane and liquefied natural gas ("LNG"). The Company manages its gas supply portfolio to assure a diverse, reliable and secure supply of natural gas at the lowest reasonable cost. In fiscal 1999, the Company's largest single supplier accounted for approximately 10% of the Company's total gas purchases.

The Company has long-term gas delivery contracts with seven interstate pipeline companies. Under these contracts, the Company has a right to deliver, on a firm year-round basis, of up to 93.7 million Mcf of natural gas annually with a maximum of approximately 277,000 Mcf per day. Both the price and conditions of service under these contracts are regulated by the FERC.

The Company has long-term gas purchase contracts for the supply of natural gas for its system with six suppliers, including one interstate pipeline company and five gas marketers. Under these contracts, the Company has a right to purchase, on a firm year-round basis, up to 18.8 million Mcf of natural gas annually with a maximum of approximately 70,000 Mcf per day. In order to achieve greater supply flexibility, and to more closely match its gas supply portfolio to changes in the market it serves, the Company recently allowed a long-term gas supply contract to expire at the conclusion of its primary terms. As a result, the Company has reduced its fixed gas cost obligations. The Company has

replaced the supply with both spot market gas and shorter-term, seasonal firm supply, thus reducing the average term of its long-term obligations. In addition, the Company has access to spot market gas through the interstate pipeline system to supplement or replace, on a short-term basis, portions of its long-term gas purchase contracts when such actions can reduce overall gas costs or are necessary to supply interruptible customers. In fiscal 1995, the Company, along with seven other Northeastern and Mid-Atlantic gas distribution companies, formed the East Coast Natural Gas Cooperative LLC (the "Co-op"). The Co-op was formed with the goal of jointly managing certain portions of the members' gas supply portfolios, to increase reliability and reduce costs of service to customers, and to improve the competitive position of the member companies. Participation in and reliance upon certain contractual arrangements among Co-op members has allowed the Company to reduce costs associated with winter services.

In order to have available sufficient quantities of gas during the heating season, the Company stores gas during non-peak periods and purchases supplemental gas, including propane, LNG and gas available under contracts with certain large cogeneration customers, as it deems necessary. The storage contracts provide the Company with an aggregate of 14 million Mcf of natural gas storage capacity and provide the Company with the right to receive a maximum daily quantity of 162,462 Mcf. The contracts with cogeneration customers provide 26,200 Mcf of daily gas supply to meet peak loads by allowing the Company to take back capacity and supply that otherwise is dedicated to serve those customers.

The Company has an LNG storage and vaporization facility in New Jersey for handling peak gas demand. It has a daily delivery capacity of 29,800 Mcf and storage capacity of 131,000 Mcf.

The Company's maximum daily sendout in fiscal 1999 was approximately 409,300 Mcf in New Jersey and 97,242 Mcf in the other service territories combined. The Company maintains sufficient gas supply and delivery capacity for a maximum daily sendout capacity for New Jersey of approximately 408,140 Mcf and approximately 128,000 Mcf for the other service territories combined.

Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$68.6 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses. The Company also is committed to purchase, at market-related prices, minimum quantities of gas that, in the aggregate, are approximately 2.7 billion cubic feet per year or to pay certain costs in the event the minimum quantities are not taken. The Company expects that minimum demand on its systems for the duration of these contracts will continue to exceed these minimum purchase obligations.

The Company distributes gas through approximately 6,200 miles of steel, cast iron and plastic mains. The Company has physical interconnections with five interstate pipelines in New Jersey and one interstate pipeline in Florida. In addition, the Company has physical interconnections in North Carolina and Pennsylvania with interstate pipelines, which also connect to New Jersey. Common interstate pipelines along the Company's operating system provide the Company with greater flexibility in managing pipeline capacity and supply, and thereby optimizing system utilization.

Regulation

The Company is subject to regulation with respect to, among other matters, rates, service, accounting and the issuance of securities. The Company is subject to regulation as an operating utility by the public utility commissions of the states in which it operates. The Company is also subject to regulation by the United States Department of Transportation under the Natural Gas Pipeline Safety Act of 1968, with respect to the design, installation, testing, construction and maintenance of pipeline facilities. Natural gas purchases, transportation service and storage service provided to the Company by interstate pipeline companies are subject to regulation by the FERC (see "Gas Supply and Operations"). In addition, the Company is subject to federal and state legislation with respect to water, air quality, solid waste disposal and employee health and safety matters, and to environmental regulations issued by the United States Environmental Protection Agency, the New Jersey Department of Environmental Protection and other federal and state agencies.

The Company's current rates and tariffs for New Jersey reflect a rate case that was settled in October 1991, under which the Company obtained a weather normalization clause - see "Elizabethtown Gas". In December 1994, the NJBPU authorized new tariffs which are designed to provide for unbundling of natural gas transportation and sales services for Elizabethtown's commercial and industrial customers. The new tariffs became effective on January 1, 1995 and are

designed to be neutral as to the operating margins of the Company. On April 30, 1999, the Company made a filing with the NJBPU which will enable all customers in New Jersey to choose an alternative supplier of natural gas. This filing was a result of the "Electric Discount and Energy Competition Act" legislation, which was signed into law in New Jersey on February 9, 1999 (see Item 7- "Management's Discussion and Analysis - Regulatory Matters" for a further discussion of this filing).

The current rates and tariffs for the Florida operations were authorized on October 29, 1996. The FPSC voted to authorize the Company to increase its base rates in Florida by \$3.75 million annually. The rate increase reflected a rate base amounting to \$91.9 million, which includes the addition of investments in system improvements and expansion projects. Under the approval, the allowed return on equity is 11.3% with an overall after-tax rate of return of 7.9%. The increase became effective on November 28, 1996. The FPSC order also gives the Company the flexibility to negotiate rates with certain business customers that have access to other energy sources.

The current rates and tariffs for the North Carolina, Maryland, Pennsylvania and New York operations were authorized between October 1988 and September 1995. These operations serve approximately 20,000 customers in aggregate. The tariff for NCGS reflects a weather normalization clause for its temperature sensitive residential and commercial customers.

The Company's tariffs for each state in which it operates contain adjustment clauses that enable the Company to recover purchased gas costs. The adjustment clauses provide for periodic reconciliations of actual recoverable gas costs with the estimated amounts that have been billed. Under or over recoveries at the reconciliation date are recovered from or refunded to customers in subsequent periods.

Franchises

The Company holds non-exclusive municipal franchises and other consents which enable it to provide natural gas in the territories it serves. The Company intends to seek to renew these franchises and consents as they expire.

Seasonal Aspects

Sales of gas to some classes of customers are affected by variations in demand due to changes in weather conditions, including normal seasonal variations throughout the year. The demand for gas for heating purposes is closely related to the severity of the winter heating season. Seasonal variations affect short-term cash requirements.

Competition

The Company competes with distributors of other fuels and forms of energy, including electricity, fuel oil and propane, in all portions of the territories in which it has distribution mains. In addition, in 1992, the FERC issued Order No. 636 (see "Gas Supply and Operations"). Subsequently, initiatives were sponsored in various states, the purposes of which were to "unbundle" or separate into distinct transactions, the purchase of the gas commodity from the purchase of transportation services for the gas. To that end, as discussed under "Regulation", several of the Company's operating divisions have unbundled commercial and industrial gas purchase and transportation rates.

The unbundled sale of gas to customers is subject to competition from unregulated marketers and brokers, which generally do not bear the obligations or costs related to operating a regulated utility. Tariffs for transportation service have generally been designed to provide the same margins as bundled sales tariffs. Therefore, except for the regulatory risk of full recovery of gas costs, the Company is financially indifferent as to whether it transports gas, or sells gas and transportation together. The Company also faces the risk of loss of transportation service for large industrial customers which may have the ability to build connections to interstate gas pipelines and bypass the Company's distribution system. Gas distributors can also expect increased competition from electricity as deregulation in that industry decreases prices and increases supply sources. Alternatively, opportunities may increase for gas service to fuel generators for large industrial customers, replacing electric utility service.

Environment

Reference is made to Item 7- "Management's Discussion and Analysis of Financial Condition and Results of Operations- Capital Expenditures and Commitments" and Note 11, "Commitments and Contingencies" of the "Notes to the Consolidated Financial Statements" for information regarding environmental matters affecting the Company.

Energy Sales & Services Segment

Products and Services

The Energy Sales and Services segment reflects the operations of the Company's NUI Energy, NUI Energy Brokers and NUI Energy Solutions subsidiaries, as well as off-system sales by the utility divisions. Together, this segment offers wholesale and retail energy sales, energy portfolio management, risk management, utility asset management, project development and energy consulting services.

NUI Energy, Inc. (NUI Energy) provides retail energy sales and related services to unbundled retail commercial and industrial customers. NUI Energy's operating margins were \$4.1 million in fiscal 1999 as compared with \$2.5 million in fiscal 1998 and \$2.4 million in fiscal 1997.

NUI Energy Brokers, Inc. (NUI Energy Brokers) was formed in 1996 to provide the wholesale energy trading, brokering, and risk management activities of the Company. In addition to providing these services to third parties, NUI Energy Brokers is also responsible for the supply acquisition activity for NUI's Distribution Services segment. NUI Energy Brokers trades physical natural gas in four geographic regions: the Northeast, Southeast, Gulf Coast, and Mid Continent. In addition, NUI Energy Brokers trades futures and options contracts on the New York Mercantile Exchange. The risk associated with trading activities is closely monitored on a daily basis and controlled in accordance with the Company's Risk Management Policy. As in any commodity brokerage activity, however, there are risks pertaining to market changes and credit exposure that can be managed but not eliminated. Therefore, the earnings from NUI Energy Brokers are likely to be more volatile than the Company's utility distribution business (see Item 7, "Management's Discussion and Analysis-Market Risk Exposure"). NUI Energy Brokers generated margins of \$8.3 million in fiscal 1999, \$2.8 million in fiscal 1998 and \$3.6 million in fiscal 1997.

NUI Energy Solutions, Inc. (NUI Energy Solutions) was formed by the Company in fiscal 1998 to provide energy management and consulting services to existing and new customers. Due to start-up costs associated with this business, NUI Energy Solutions recorded a loss in both fiscal 1999 and 1998.

Another business line within Energy Sales and Services is off-system sales, or the use of utility-owned gas assets to make sales to customers outside of NUI's service areas. Such assets include pipeline capacity and gas storage facilities. These assets are managed separately from non-utility assets, and their use is monitored and regulated by state regulatory commissions. Pursuant to regulatory agreements in some states in which the Company operates, the Company is able to retain a portion of the margins from these sales in varying percentages depending on the state in which the assets are owned. Off-system sales margins totaled \$771,000 in fiscal 1999, \$453,000 in fiscal 1998 and \$681,000 in fiscal 1997.

Customer Services Segment

Products and Services

The Customer Services segment is comprised of the Company's Utility Business Service subsidiary and the appliance business operations. Together this segment provides appliance repair, maintenance, installation and leasing; customer information system services including bill printing, mailing, collection and payment processing; network analysis; facilities database management; and operations mapping and field computing for other utilities.

During fiscal 1999, the Company completed the separation of its appliance servicing and leasing business from its Distribution Services segment. This group performed more than 74,000 revenue-producing appliance service jobs in fiscal 1999. The appliance group generated revenues of \$15.5 million in fiscal 1999, \$14.0 million in fiscal 1998 and \$12.8 million in fiscal 1997.

Utility Business Services, Inc. (UBS) provides customer information systems and geographic information system services to investor-owned and municipal utilities, as well as third-party providers in the gas, water and wastewater markets. WINS CIS, the premiere customer information system developed and maintained by UBS, is presently serving approximately 30 clients with state-of-the-art capabilities in support of more than 620,000 customers. In addition to generating over three million bills each year, UBS assists clients in allied areas such as automatic meter reading, payment processing, and account recovery. In fiscal 1999, UBS introduced a natural gas version of WINS CIS by converting three of the Company's Distribution Services utility divisions to the new system. UBS is currently working on a web-enabled version of WINS CIS and plans to address the needs of the electric industry in the near term. Geographic information services are currently provided to nine clients. UBS had margins of \$3.7 million in fiscals 1999 and 1998 and \$2.4 million in fiscal 1997.

Other NUI Operations

NUI Environmental Group, Inc. (NUI Environmental) was formed by the Company in fiscal 1996 to develop a solution to the rapidly decreasing accessibility of the New York/New Jersey harbor to international commercial shipping traffic. On December 23, 1998, NUI Environmental was selected from a group of sixteen firms that responded to a request for proposal by the State of New Jersey to participate in a Sediment Decontamination Demonstration Project designed to identify new technologies for the productive dredging of the harbor. NUI Environmental must demonstrate the effectiveness of its technology through the pilot scale project, in which it must treat 200 gallons of dredged material from the harbor. If successful in the pilot program, NUI Environmental will contract with the State of New Jersey to treat between 30,000 and 150,000 cubic yards of material.

On May 18, 1997, the Company closed on its acquisition of a 49% interest in TIC Enterprises, LLC (TIC), a newly formed limited liability company, for a purchase price of \$22 million. The acquisition was effective as of January 1, 1997 and is being accounted for under the equity method. TIC engages in the business of recruiting, training and managing sales professionals and serving as sales and marketing representatives for various businesses. Among these businesses are Lucent Technologies, Nextel Communications, Qwest Communications, AT&T and the United States Postal Service. In early December 1999, TIC was awarded a national contract from the United States Postal Service (USPS) to market its expedited delivery services. TIC contributed \$1.2 million of equity earnings in fiscal 1999, was flat in fiscal 1998, and contributed \$1.3 million in fiscal 1997.

On November 12, 1999, the Company closed on its acquisition of International Telephone Group, Inc. The acquisition was treated as a merger whereby ITG merged with and into a subsidiary of the Company. The purchase price totaled \$3.8 million and included the issuance of 113,200 shares of NUI common stock, with the remainder paid in cash. ITG is a full service telephone company that provides its customers with a single service solution for all their telecommunication requirements including local, long distance, cellular, internet, and data communications services (see Note 2 of the Notes to the Consolidated Financial Statements).

Persons Employed

As of September 30, 1999, the Company employed a total of 1,049 persons, of which 269 employees in New Jersey were represented by the Utility Workers Union of America (Local 424); 87 employees in Florida (Locals 769 and 385) and 14 employees in Pennsylvania (Local 529) were represented by the Teamsters Union; and 36 employees in North Carolina were represented by the International Brotherhood of Electrical Workers (Local 2291). The current collective bargaining agreement with the New Jersey union was negotiated effective December 10, 1998 and expires on November 20, 2001. The North Carolina union collective bargaining agreement was negotiated on August 20, 1998, and expires on August 20, 2001. The collective bargaining agreement in Pennsylvania is currently being negotiated. The union is currently working without a contract. A final resolution is expected shortly. The collective bargaining agreement in Florida was negotiated on March 31, 1998 and expires on March 31, 2001.

Persons employed by segment are as follows: Distribution Services segment- 673; Energy Sales and Services- 37; and Customer Services- 181 persons. In addition, the Corporate office of NUI employed a total of 158 persons, which employees primarily work in shared services for the entire corporation.

Available Information

The Company files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Any document the Company files with the Commission may be read or copied at the Commission's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. The Company's Commission filings are also available at the Commission's Web site at <http://www.sec.gov> or the Company's Web site at <http://www.nui.com>.

Item 2. Properties

The Company owns approximately 6,200 miles of steel, cast iron and plastic gas mains, together with gate stations, meters and other gas equipment. In addition, the Company owns peak shaving plants, including a LNG storage facility in Elizabeth, New Jersey.

The Company also owns real property in Union, Middlesex, Warren, Sussex and Hunterdon counties in New Jersey, and in Dade, Broward, Brevard and St. Lucie counties in Florida, portions of which are under lease to others. The Company's properties include office buildings in Hialeah and Rockledge, Florida that serve as the principal operating offices for the Florida operations; and office buildings in both Reidsville, North Carolina and Sayre, Pennsylvania that serve as operating offices for the North Carolina and the Pennsylvania and New York operations, respectively. The Company also owns various service centers in New Jersey, Florida, North Carolina, Maryland and Pennsylvania from which the Company dispatches service crews and conducts construction and maintenance activities.

The Company leases office space in Bedminster, New Jersey that serves as its corporate headquarters, and leases certain other facilities in New Jersey and Florida that are operated as customer business offices or operating offices. The Company also leases approximately 160,000 square feet in an office building in Union, New Jersey.

Subject to minor exceptions and encumbrances, all other property materially important to the Company and all principal plants are owned in fee simple, except that most of the mains and pipes are installed in public streets under franchise or statutory rights or are constructed on rights of way acquired from the apparent owner of the fee.

Item 3. Legal Proceedings

The Company is involved in various claims and litigation incidental to its business. In the opinion of management, none of these claims and litigation will have a material adverse effect on the Company's results of operations or its financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was presented for submission to a vote of security holders through the solicitation of proxies or otherwise during the last quarter of fiscal 1999.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

NUI common stock is listed on the New York Stock Exchange and is traded under the symbol "NUI". The quarterly cash dividends paid and the reported price range per share of NUI common stock for the two years ended September 30, 1999 were as follows:

	<u>Quarterly Cash Dividend</u>	<u>Price Range</u>	
		<u>High</u>	<u>Low</u>
<u>Fiscal 1999:</u>			
First Quarter	\$0.245	\$27.000	\$21.563
Second Quarter	0.245	27.063	20.375
Third Quarter	0.245	25.625	20.813
Fourth Quarter	0.245	28.063	24.625
<u>Fiscal 1998:</u>			
First Quarter	\$0.245	\$29.625	\$21.375
Second Quarter	0.245	28.625	25.188
Third Quarter	0.245	29.438	23.313
Fourth Quarter	0.245	25.938	20.313

There were 6,045 shareholders of record of NUI common stock at November 30, 1999.

It is the Company's intent to continue to pay quarterly dividends in the foreseeable future. NUI's dividend policy is reviewed on an ongoing basis and is dependent upon the Company's expectation of future earnings, cash flow, financial condition, capital requirements and other factors.

The Company's long-term debt agreements include, among other things, restrictions as to the payment of cash dividends. Under the most restrictive of these provisions, the Company was permitted to pay \$54 million of cash dividends at September 30, 1999.

Item 6. Selected Financial Data

Selected Consolidated Financial Data (in thousands, except per share amounts)

		<u>Fiscal Years Ended September 30,</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	
Operating Revenues	\$828,174	\$828,036	\$608,596	\$469,499	\$376,884	
Net Income	\$24,560	\$12,314	\$19,649	\$14,896	\$5,517	
Net Income Per Share	\$1.93	\$0.98	\$1.75	\$1.52	\$0.60	
Dividends Paid Per Share	\$0.98	\$0.98	\$0.94	\$0.90	\$0.90	
Total Assets	\$844,226	\$776,847	\$803,665	\$677,662	\$610,165	
Capital Lease Obligations	\$2,599	\$8,566	\$9,679	\$10,503	\$11,114	
Long-Term Debt	\$268,911	\$229,098	\$229,069	\$230,100	\$222,060	
Common Shareholders' Equity	\$237,318	\$222,992	\$218,291	\$179,107	\$140,912	
Common Shares Outstanding	12,750	12,680	12,429	11,086	9,201	

Notes to the Selected Consolidated Financial Data:

Net income for fiscal 1999 includes a pension settlement gain and other non-recurring items. The effect of these items increased net income by \$2.3 million (after tax), or \$0.18 per share.

Net income for fiscal 1998 includes restructuring and other non-recurring charges amounting to \$5.9 million (after tax), or \$0.47 per share.

Net income for fiscal 1995 includes restructuring and other non-recurring charges amounting to \$5.6 million (after tax), or \$0.61 per share.

Summary Consolidated Operating Data

	Fiscal Years Ended September 30,				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Operating Revenues (Dollars in thousands)					
Firm Sales:					
Residential	\$197,868	\$198,072	\$201,757	\$194,332	\$173,395
Commercial	83,409	91,970	106,234	107,067	98,541
Industrial	8,694	19,684	23,263	25,321	20,083
Interruptible Sales	49,138	45,594	55,844	50,539	48,282
Unregulated Sales	432,810	421,751	177,881	55,678	7,498
Transportation Services	37,634	33,338	28,617	23,085	17,696
Customer Service, Appliance Leasing and Other	<u>18,621</u>	<u>17,627</u>	<u>15,000</u>	<u>13,477</u>	<u>11,389</u>
	<u><u>\$828,174</u></u>	<u><u>\$828,036</u></u>	<u><u>\$608,596</u></u>	<u><u>\$469,499</u></u>	<u><u>\$376,884</u></u>
Gas Sold or Transported (MMcf)					
Firm Sales:					
Residential	22,064	21,771	22,956	24,810	21,276
Commercial	11,058	12,076	14,254	16,575	15,455
Industrial	1,584	4,463	4,819	5,407	5,217
Interruptible Sales	16,420	13,183	15,074	16,003	18,365
Unregulated Sales	168,748	163,418	62,819	17,804	3,398
Transportation Services	<u>32,601</u>	<u>30,831</u>	<u>28,294</u>	<u>25,051</u>	<u>22,154</u>
	<u><u>252,475</u></u>	<u><u>245,742</u></u>	<u><u>148,216</u></u>	<u><u>105,650</u></u>	<u><u>85,865</u></u>
Average Utility Customers Served					
Firm Sales:					
Residential	344,448	338,958	335,632	332,440	328,644
Commercial	23,320	23,407	24,312	24,484	24,519
Industrial	254	275	306	338	430
Interruptible Sales	56	111	121	120	118
Transportation Services	<u>3,535</u>	<u>2,948</u>	<u>1,460</u>	<u>668</u>	<u>184</u>
	<u><u>371,613</u></u>	<u><u>365,699</u></u>	<u><u>361,831</u></u>	<u><u>358,050</u></u>	<u><u>353,895</u></u>
Degree Days in New Jersey	4,381	4,356	4,772	5,343	4,333
Employees (year end)	1,049	1,081	1,126	1,086	1,079
Ratio of Earnings to Fixed Charges	2.64	1.85	2.11	2.00	1.37

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis refers to NUI Corporation and all its operating divisions and subsidiaries (collectively referred to as the Company). The Company is a multi-state energy sales, services and distribution, and telecommunications company. Its utility operations distribute natural gas and related services in six states along the eastern seaboard and comprise Elizabethtown Gas (New Jersey), City Gas Company of Florida, North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania) and Waverly Gas (New York). The Company's non-regulated subsidiaries include NUI Energy, Inc. (NUI Energy), an energy retailer; NUI Energy Brokers, Inc. (NUI Energy Brokers), an energy wholesaler; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Environmental Group, Inc., an environmental project development subsidiary; Utility Business Services, Inc. (UBS), a customer and geographic information systems and services subsidiary; and International Telephone Group, Inc. (ITG), a telecommunications services subsidiary (see Note 2 of the Notes to the Consolidated Financial Statements). The Company also provides sales outsourcing through its 49 percent equity interest in TIC Enterprises, LLC (TIC).

Results of Operations

The results for the 1999 and 1998 fiscal years reflect changes in the New Jersey tax law, which resulted in variations in certain line items on the consolidated statement of income. Effective January 1, 1998, New Jersey Gross Receipts and Franchise Taxes (GRAFT) were replaced by a combination of a New Jersey Sales and Use Tax (Sales Tax), a New Jersey Corporate Business Tax (CBT) and a temporary Transitional Energy Facilities Assessment (TEFA). In prior periods, GRAFT was recorded as a single line item as a reduction of operating margins. Effective January 1, 1998, TEFA is recorded in the energy taxes line item as a reduction of operating margins, CBT is recorded in the income taxes line item and Sales Tax is recorded as a reduction of operating revenues. The legislation was designed to be net income neutral over a 12-month period, however, variations of certain line items on the consolidated statement of income exist. For fiscal 1999 as compared to fiscal 1998, the three new taxes had the effect of reducing operating revenues by approximately \$3.4 million, reducing energy taxes by approximately \$4.1 million and increasing income tax expense by approximately \$1.2 million. For fiscal 1998 as compared to fiscal 1997, these changes had the effect of reducing operating revenues by approximately \$9.9 million, reducing energy taxes by approximately \$11.8 million and increasing income tax expense by approximately \$1.9 million.

Fiscal Years Ended September 30, 1999 and 1998

Net Income. Net income for fiscal 1999 was \$24.6 million, or \$1.93 per share, as compared with net income of \$12.3 million, or \$0.98 per share in fiscal 1998. Net income in both fiscal periods includes non-recurring items incurred mainly as a result of the Company's 1998 reorganization (see Note 3 of the Notes to the Consolidated Financial Statements). The after-tax non-recurring items in fiscal 1999 resulted in a net gain of approximately \$2.3 million, or \$0.18 per share, as compared to after-tax charges of approximately \$5.9 million, or \$0.47 per share, incurred during fiscal 1998. Absent these non-recurring items, net income would have been \$22.2 million, or \$1.75 per share in fiscal 1999 as compared to \$18.2 million, or \$1.45 per share in fiscal 1998. The increase in recurring earnings was mainly attributed to higher operating margins, other income and lower other taxes, partially offset by higher operations and maintenance expenses, depreciation and interest expense.

Operating Revenues and Operating Margins. The Company's operating revenues include amounts billed for the cost of purchased gas pursuant to purchased gas adjustment clauses. Such clauses enable the Company to pass through to its utility customers, via periodic adjustments to customers' bills, increased or decreased costs incurred by the Company for purchased gas without affecting operating margins. Since the Company's utility operations do not earn a profit on the sale of the gas commodity, the Company's level of regulated operating revenues is not necessarily indicative of financial performance.

The Company's operating revenues remained relatively flat between fiscal 1999 and fiscal 1998, despite fluctuations within the Company's operating segments. Energy Sales and Services revenue increased by approximately \$10.7 million mainly due to increased operations by NUI Energy Brokers, while Customer Services revenue increased \$1.4 million primarily due to increases in the Company's appliance leasing business. These increases were partially offset by a decrease of approximately \$11.9 million in the Company's Distribution Services revenue primarily resulting from changes in the New Jersey tax law noted earlier as well as a refund to New Jersey customers of approximately \$4.4

million in September 1999 (see Regulatory Matters). Weather in New Jersey was approximately 16 percent warmer than normal in fiscal 1999 and relatively flat compared to the 1998 period.

The Company's operating margins increased by \$13.1 million, or 7 percent, in fiscal 1999 as compared with fiscal 1998. The increase was primarily attributable to an increase of approximately \$3.9 million in the Company's Distribution Services segment as a result of customer growth, the effects of changes in the New Jersey tax law previously described and the recovery of previously deferred post-retirement benefit expenses through rates (see Regulatory Matters). These increases were partially offset by the effect of warmer weather in fiscal 1999 in several of the Company's service territories, part of which was not fully recovered from customers under weather normalization clauses. The Company has weather normalization clauses in its New Jersey and North Carolina tariffs, which are designed to help stabilize the Company's results by increasing amounts charged to customers when weather has been warmer than normal and by decreasing amounts charged when weather has been colder than normal. As a result of weather normalization clauses, operating margins were approximately \$5.4 million and \$5.6 million higher in fiscal 1999 and 1998, respectively, than they would have been without such clauses. Operating margins increased in the Customer Services segment by approximately \$1.4 million due to an increase in the appliance leasing rates in Florida and increased customer service activity in New Jersey. Operating margins from the Company's Energy Sales and Services segment increased by approximately \$7.9 million primarily due to increases in the Company's wholesale trading and retail energy operations.

Other Operating Expenses. Operations and maintenance expenses increased by approximately \$4.6 million, or 5 percent, in fiscal 1999 as compared with fiscal 1998. The increase was primarily the result of previously deferred post-retirement benefit expenses which are being expensed and recovered through rates, higher levels of accrued incentives associated with the improved performance of the Company's unregulated wholesale trading and retail energy businesses and a lower pension credit in the current year. These increases were partially offset by labor and benefit savings from the Company's reorganization efforts over the past year.

The Company recognized approximately \$4.0 million of pre-tax, non-recurring income in fiscal 1999, as compared to non-recurring expenses of approximately \$9.7 million recognized in fiscal 1998. These items are mainly the result of the Company's 1998 reorganization. (See Note 3 of the Notes to the Consolidated Financial Statements for a further description of these items.)

Depreciation and amortization increased approximately \$2.0 million in fiscal 1999 as compared to the prior year, primarily due to additional plant in service.

The decrease in other general taxes of approximately \$0.6 million was primarily due to a decrease in the average number of employees during fiscal 1999.

Income tax expense increased by approximately \$8.2 million in fiscal 1999 as compared to fiscal 1998 as a result of higher pre-tax income and the change in the New Jersey tax law noted earlier.

Interest Expense. Interest expense increased by approximately \$0.7 million in fiscal 1999 as compared to fiscal 1998. This increase was primarily due to interest on the Company's \$40 million bond issuance in December 1998. These increases were partially offset by an increase in interest income on funds held by trustee as a result of the \$40 million issuance noted above being put into trust for use on qualified expenditures (see Financing Activities and Resources - Long-Term Debt and Funds for Construction Held by Trustee).

Other Income and (Expense), Net. Other income and expense, net, increased by approximately \$0.4 million in fiscal 1999 as compared to fiscal 1998. The increase reflects improved results from TIC of approximately \$1.3 million as a result of higher revenues from TIC's various sales programs as well as contributions from additional product lines. This increase was partially offset by a gain of approximately \$0.7 million recognized in the prior year period due to the sale of marketable securities.

Fiscal Years Ended September 30, 1998 and 1997

Net Income. Net income for fiscal 1998 was \$12.3 million, or \$.98 per share, as compared with net income of \$19.6 million, or \$1.75 per share in fiscal 1997. The decrease in 1998 was primarily due to after-tax, non-recurring charges

of approximately \$5.9 million, or \$.47 per share, associated with the Company's reorganization efforts which included an early retirement program and other workforce reductions (see Note 3 of the Notes to the Consolidated Financial Statements). Absent these non-recurring charges, net income would have been \$18.2 million, or \$1.45 per share. The decrease in recurring earnings was mainly attributed to higher depreciation, operations and maintenance expenses, other taxes and lower other income, partially offset by higher operating margins.

Net income per share in the current year was also affected by the increased average number of outstanding shares of common stock over the prior year, principally reflecting the Company's issuance of 1.0 million additional shares in September 1997 (see Financing Activities and Resources-Common Stock).

Operating Revenues and Operating Margins. The Company's operating revenues increased by \$219.4 million, or 36 percent, in fiscal 1998 as compared with fiscal 1997. The increase was principally due to an increase in the Company's Energy Sales and Services segment of approximately \$247.2 million, mainly due to increased operations by NUI Energy Brokers, and increased activity in the Customer Services segment. These increases were partially offset by lower revenues from the Company's Distribution Services segment mainly due to the effect of warmer weather in fiscal 1998 in all of the Company's service territories, primarily in New Jersey where it was 17 percent warmer than normal and 9 percent warmer than the prior year, as well as the effect of the New Jersey tax law changes previously described.

The Company's operating margins increased by \$6.7 million, or 4 percent, in fiscal 1998 as compared with fiscal 1997. The increase was primarily attributable to an increase of approximately \$5.3 million in the Company's Distribution Services segment as a result of customer growth and the effects of changes in the New Jersey tax law previously described. These increases were partially offset by the effect of warmer weather in fiscal 1998 in all of the Company's Distribution Services territories, part of which was not fully recovered from customers under weather normalization clauses. As a result of weather normalization clauses, operating margins were approximately \$5.6 million and \$2.0 million higher in fiscals 1998 and 1997, respectively, than they would have been without such clauses. Operating margins increased in the Customer Services segment by approximately \$2.4 million due to customer additions by UBS and related increases in system conversion revenues, an increase in the appliance leasing rates in Florida and increased customer service activity in New Jersey. Operating margins from the Company's Energy Sales and Services segment decreased by approximately \$1.0 million primarily due to a lack of market volatility, which negatively impacted margins, and lower off-system sales associated with warm temperatures of the 1998 heating season.

Other Operating Expenses. Operations and maintenance expenses increased by approximately \$1.1 million, or 1 percent, in fiscal 1998 as compared with fiscal 1997. The increase was primarily due to expenses associated with the continued growth of the Company's unregulated operations. These increases were partially offset by a higher pension credit due to the investment performance of pension plan assets.

The Company incurred approximately \$9.7 million of non-recurring charges in the fourth quarter of fiscal 1998 associated with the reorganization of the Company's operations which included an early retirement program for non-bargaining unit personnel and other workforce reductions (see Note 3 of the Notes to the Consolidated Financial Statements).

Depreciation and amortization increased approximately \$1.9 million in fiscal 1998 as compared to 1997, primarily due to additional plant in service.

The increase in other general taxes of approximately \$0.5 million was primarily due to higher payroll-related taxes as a result of a higher average number of employees in fiscal 1998 as compared to fiscal 1997.

Income tax expense decreased by approximately \$1.0 million in fiscal 1998 as compared to fiscal 1997 as a result of lower pre-tax income, partially offset by the change in the New Jersey tax law noted above.

Other Income and (Expense), Net. Other income and expense, net, decreased by approximately \$1.5 million in fiscal 1998 as compared to fiscal 1997. The decrease was primarily due to the lower results from TIC in 1998 as a result of additional investments made by TIC to grow its sales programs and increase its product lines. Additionally, the fiscal 1997 results reflected a pre-tax gain of approximately \$0.7 million from the sale of certain property in Florida.

Regulatory Matters

On April 30, 1999, the Company made a filing with the New Jersey Board of Public Utilities (NJBPU) which will enable all customers in New Jersey to choose an alternative supplier of natural gas. This filing was a result of the "Electric Discount and Energy Competition Act" legislation, which was signed into law in New Jersey on February 9, 1999. The legislation has several provisions that affect gas utilities. It provides all gas customers with the ability to choose an alternate natural gas supplier by December 31, 1999. At the same time, the utility will continue to provide basic gas service through December 2002 when the NJBPU will decide if the gas supply function should be made competitive. The NJBPU will also conduct proceedings to determine whether customers should be afforded the option of contracting with an alternative provider of billing, meter reading and other customer account services that may be deemed competitive by December 31, 2000. A NJBPU decision on the Company's April 30 filing is expected in early fiscal 2000.

On July 7, 1999, the NJBPU approved a final stipulation on the Company's New Jersey Purchased Gas Adjustment Clause filing in which the Company would continue to charge rates approved in an interim stipulation and approved by the NJBPU on March 3, 1999. In addition, the stipulation provided that the Company would refund to customers \$10 million of previously over-recovered gas costs. Of this amount, \$5.6 million was applied against a Weather Normalization Clause under-recovery and the balance was credited to customer bills in late fiscal 1999. The stipulation also allows the Company to defer the costs of its undepreciated propane-air plant, presently not in use, for rate recovery in its next base rate case.

On September 23, 1998, the NJBPU issued an order approving the Company's petition to increase base rates in New Jersey by approximately \$2.4 million to recover postretirement benefits computed under Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (SFAS 106). The rate increase was effective October 1, 1998 and allows for previously deferred costs, as well as future SFAS 106 costs, to be recovered over a rolling 15-year period.

Financing Activities and Resources

The Company's net cash provided by operating activities was \$59.0 million in fiscal 1999, \$20.9 million in fiscal 1998 and \$40.5 million in fiscal 1997. The increase in fiscal 1999 as compared with fiscal 1998 was primarily due to additional collections of gas costs through the Company's purchased gas adjustment clauses and the timing of payment to gas suppliers. The decrease in fiscal 1998 as compared with fiscal 1997 was primarily due to the timing of payments to gas suppliers, as well as the timing of payments relating to energy taxes.

Because the Company's primary business is highly seasonal, short-term debt is used to meet seasonal working capital requirements. The Company also borrows under its bank lines of credit to finance portions of its capital expenditures, pending refinancing through the issuance of equity or long-term indebtedness at a later date depending upon prevailing market conditions.

Short-Term Debt. The weighted average daily amounts outstanding of notes payable to banks and the weighted average interest rates on those amounts were \$68.2 million at 5.3 percent in fiscal 1999, \$66.8 million at 5.7 percent in fiscal 1998 and \$66.0 million at 5.5 percent in fiscal 1997.

At September 30, 1999, the Company had outstanding notes payable to banks amounting to \$73.6 million and available unused lines of credit amounting to \$62.4 million.

Long-Term Debt and Funds for Construction Held by Trustee. On December 8, 1998, the Company issued \$40 million of tax-exempt Gas Facilities Revenue Bonds at an interest rate of 5.25 percent. These bonds will mature in November 2033 and the proceeds will be used to finance a portion of the Company's capital expenditure program in New Jersey.

The Company deposits in trust the unexpended portion of the net proceeds from its Gas Facilities Revenue Bonds until drawn upon for eligible expenditures. As of September 30, 1999 and September 30, 1998, the total unexpended portions of all of the Company's Gas Facilities Revenue Bonds were \$32.0 million and \$7.1 million, respectively, and

are classified on the Company's consolidated balance sheet, including interest earned thereon, as funds for construction held by trustee.

Common Stock. The Company periodically issues shares of common stock in connection with NUI Direct, the Company's dividend reinvestment and stock purchase plan, and various employee benefit plans. The proceeds from such issuances amounted to approximately \$0.7 million, \$4.0 million and \$5.7 million in fiscals 1999, 1998 and 1997, respectively, and were used primarily to reduce outstanding short-term debt. Effective May 26, 1998, several of these plans commenced purchasing shares on the open market to fulfill the plans' requirements. Under the terms of these plans, the Company may periodically change the method of purchasing shares from open market purchases to purchases directly from the Company, or vice versa. The decrease in proceeds received in fiscal 1999 as compared to fiscals 1998 and 1997 reflects that the plans commenced purchasing shares directly in the open market rather than from Company.

The Company's long-term debt agreements include, among other things, restrictions as to the payment of cash dividends. Under the most restrictive of these provisions, the Company is permitted to pay approximately \$54 million of cash dividends at September 30, 1999.

On September 25, 1997, the Company issued an additional 1.0 million shares of common stock. The net proceeds from the offering totaled \$22.6 million and were used to reduce outstanding short-term debt incurred to finance the Company's acquisition of a 49 percent interest in TIC and for other general corporate purposes.

Capital Expenditures and Commitments

Capital expenditures, which consist primarily of expenditures to expand and upgrade the Company's gas distribution systems, were \$47.9 million in fiscal 1999, \$60.9 million in fiscal 1998 and \$52.3 million in fiscal 1997. The decrease in fiscal 1999 was primarily due to special projects in fiscal 1998 to expand operations of two large industrial customers in New Jersey. The Company's capital expenditures are expected to be approximately \$51 million in fiscal 2000.

The Company owns or previously owned six former manufactured gas plant (MGP) sites in the state of New Jersey and ten former MGP sites in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland. Based on the Company's most recent assessment, the Company has recorded a total reserve for environmental investigation and remediation costs of approximately \$34 million, which is the minimum amount that the Company expects it will expend in the next 20 years to remediate the Company's MGP sites. Of this reserve, approximately \$30 million relates to New Jersey MGP sites and approximately \$4 million relates to the MGP sites located outside New Jersey. However, the Company believes that it is possible that costs associated with conducting investigative activities and implementing remedial actions, if necessary, with respect to all of its MGP sites may exceed this reserve by an amount that could range up to an additional \$24 million and be incurred during a future period of time that may range up to 50 years. Of this \$24 million in possible additional expenditures, approximately \$12 million relates to the New Jersey MGP sites and approximately \$12 million relates to the remaining MGP sites. As compared with the \$34 million reserve currently recorded on the Company's books as discussed above, the Company believes that it is less likely that this additional \$24 million will be incurred and therefore has not recorded it on its books. The Company believes that all costs associated with the New Jersey MGP sites will be recoverable in rates or from insurance carriers. In New Jersey, the Company is currently recovering environmental costs on an annual basis through base rates and over a rolling seven-year period through its MGP Remediation Adjustment Clause. As a result, the Company has begun rate recovery of approximately \$5.5 million of environmental costs incurred through June 30, 1998. Recovery of an additional \$2.0 million in environmental costs incurred between July 1, 1998 and June 30, 1999 is currently pending NJBPU approval. With respect to costs that may be associated with the MGP sites located outside the state of New Jersey, the Company intends to pursue recovery from ratepayers, former owners and operators of the sites and from insurance carriers. However, the Company is not able, at this time, to express a belief as to whether any or all of these recovery efforts will ultimately be successful.

Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$68.6 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses. As a result of the forthcoming unbundling of natural gas services in New Jersey, these contracts may result in the realization of stranded costs by the Company.

Management believes the outcome of these actions will not have a material adverse effect on the Company's results. The Company also is committed to purchase, at market-related prices, minimum quantities of gas that, in the aggregate, are approximately 2.7 billion cubic feet (Bcf) per year or to pay certain costs in the event the minimum quantities are not taken. The Company expects that minimum demand on its systems for the duration of these contracts will continue to exceed these minimum purchase obligations.

The Company is scheduled to repay \$20 million of Medium-Term Notes in August 2002.

Market Risk Exposure

The Company's wholesale trading subsidiary, NUI Energy Brokers, uses derivatives for multiple purposes: i) to hedge price commitments and minimize the risk of fluctuating gas prices, ii) to take advantage of market information and opportunities in the marketplace, and iii) to fulfill its trading strategies and, therefore, ensure favorable prices and margins. These derivative instruments include forwards, futures, options and swaps.

The risk associated with uncovered derivative positions is closely monitored on a daily basis, and controlled in accordance with NUI Energy Brokers' Risk Management Policy. This policy has been approved by the Company's Board of Directors and dictates policies and procedures for all trading activities. The policy defines both value-at-risk (VaR) and loss limits, and all traders are required to read and follow this policy. At the end of each day, all trading positions are marked-to-market and a VaR is calculated. This information, as well as the status of all limits, is disseminated to senior management daily.

NUI Energy Brokers utilizes the variance/covariance VaR methodology. Using a 95 percent confidence interval and a one day time horizon, as of September 30, 1999, NUI Energy Brokers' VaR was \$295,000.

Year 2000

Many existing computer programs and systems with embedded digital microcontrollers, use only two digits to identify a year in the date field, or were not designed in other ways to provide for the upcoming change in the century. If not corrected, many systems that use digital technology could fail or create errors that may result in a significant adverse impact on NUI's ability to provide service, its regulatory relations and financial condition.

NUI has developed a Risk Mitigation Plan (the Plan) as an internal guide to its systems readiness program. The purpose of the program is to mitigate the risks associated with Year 2000 technology issues. The Plan includes the following phases: (i) development of a detailed inventory of all information technology (IT) and non-IT systems that incorporate any technology component including embedded microprocessors and microcontrollers (Inventory Phase); (ii) assessment of those systems for Year 2000 vulnerability (Assessment Phase); (iii) remediation of the affected systems (Remediation Phase); and (iv) testing of sub-systems, hardware, operating and application software running as integrated systems (Testing Phase). In addition, the Plan requires (v) an analysis of the risk of system failure and the consequences of failure in order to focus testing resources and prioritization of resources under contingency plans (Risk Analysis). The Inventory, Assessment and the Risk Analysis Phases include material direct third-party suppliers and vendors. The final phase is (vi) contingency planning, which is described below.

Under the Plan, NUI has established an executive level Year 2000 Committee (the Committee) to monitor the Company's Year 2000 progress. The Committee is chaired by NUI's Senior Vice President, Chief Operating Officer and Chief Financial Officer, and includes the senior management of all NUI's business units, the Chief Information Officer, Chief Administrative Officer, General Counsel and Secretary and the Vice President of Corporate Development and Treasurer. The Committee receives monthly reports from a project coordinator and team. Members of the team are responsible for NUI gas distribution system controls, computer hardware, operating and communication systems, and for critical suppliers. The Chairman of the Committee reports to NUI's Board of Directors on Year 2000 issues on a periodic basis.

The Company has largely completed the first five phases referred to above. In addition, contingency plans, supplementing existing disaster recovery and business continuity plans, have been developed as necessary for the Company's own systems and its third-party relationships, in response to its assessments, remediation and testing

activities. The specific actions identified include measures such as manual workarounds, deployment of backup or secondary technologies, rearranging work schedules, and substitution of suppliers, as appropriate.

NUI's systems and customers are vulnerable to systems operated by third parties that may not be Year 2000 ready. NUI has identified its critical direct suppliers and vendors and relies on its business partners/third parties to be responsible for the Year 2000 readiness of their offerings. These include, at the very highest level of importance, interstate pipeline suppliers, telecommunications carriers and electric suppliers. Interstate pipeline suppliers must appropriately schedule and control gas supplies to NUI's own distribution systems. Telecommunications carriers' digital circuits are used to control and monitor NUI's gas distribution system with voice circuits as emergency backup and for customers' reporting of emergencies. Electricity supplies are critical to NUI's customers for natural gas heating equipment and industrial process control.

NUI is assessing the Year 2000 readiness of its critical suppliers through face-to-face meetings and correspondence. Although numerous third parties have indicated to the Company in writing that they are addressing their Year 2000 issues on a timely basis, NUI will continue to work with these suppliers through the remainder of 1999 to gain greater assurance that appropriate steps are being taken to ensure security of supply and the continued accurate exchange of critical data.

The total estimated costs of assessing, remediating and testing NUI's systems for Year 2000 readiness is approximately \$3.5 million, of which approximately \$3.1 million has been incurred through September 30, 1999. Approximately 50 percent of these costs will relate to capital projects. The Company has and will continue to fund these costs from the operations of the Company.

Customers are dependent on NUI's reliable and secure gas supply, emergency response and billing services. Each of these services relies on the Company's computer systems. A failure in these systems could materially interrupt the normal flow of these services and significantly impact human safety and physical property and have a significant adverse financial impact on NUI, its customers and suppliers. NUI and third-party critical suppliers are also interdependent, and failure of third-party suppliers to be Year 2000 ready could significantly impact the Company's ability to serve its customers. Due to the general uncertainty of the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third-parties, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's results of operations or financial condition. The Plan is expected to significantly reduce the Company's level of uncertainty about the Year 2000 problem and the readiness of third parties. The Company believes that due to its Plan, the likelihood of major consequences should be reduced.

Effects of Inflation

The Company's tariffs provide purchased gas adjustment clauses through which rates charged to customers are adjusted for changes in the cost of gas on a reasonably current basis. Increases in other utility costs and expenses not otherwise offset by increases in revenues or reductions in other expenses could have an adverse effect on earnings due to the time lag associated with obtaining regulatory approval to recover such increased costs and expenses, and the uncertainty of whether regulatory commissions will allow full recovery of such increased costs and expenses.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company cautions that, while it believes such statements to be reasonable and are made in good faith, such forward-looking statements almost always vary from actual results, and the differences between assumptions made in making such statements and actual results can be material, depending upon the circumstances. Factors, which may make the actual results differ from anticipated results include, but are not limited to, economic conditions; unforeseen competition; weather conditions; fluctuations in the price of natural gas and other forms of energy; the outcome of certain assumptions made in regard to Year 2000 issues; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the Company. Accordingly, investors should not rely upon these forward-looking statements in making investment decisions.

Item 8. Financial Statements and Supplementary Data

Consolidated financial statements of the Company as of September 30, 1999 and 1998 and for each of the three years in the period ended September 30, 1999, the auditors' report thereon, and the unaudited quarterly financial data for the two-year period ended September 30, 1999, are included herewith as indicated on "Index to Financial Statements and Schedule" on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III**Item 10. Directors and Executive Officers of the Registrant**

Information concerning directors and officers of the Company is included in the definitive Proxy Statement for the Company's Annual Meeting of Stockholders, which is incorporated herein by reference. Such Proxy Statement was filed with the Securities and Exchange Commission on December 27, 1999.

Item 11. Executive Compensation

Information concerning executive compensation is included in the definitive Proxy Statement for the Company's Annual Meeting of Stockholders, which is incorporated herein by reference. Such Proxy Statement was filed with the Securities and Exchange Commission on December 27, 1999.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information concerning security ownership of certain beneficial owners and management is included in the definitive Proxy Statement for the Company's Annual Meeting of Stockholders, which is incorporated herein by reference. Such Proxy Statement was filed with the Securities and Exchange Commission on December 27, 1999.

Item 13. Certain Relationships and Related Transactions

Information concerning certain relationships and related transactions is included in the definitive Proxy Statement for the Company's Annual Meeting of Stockholders, which is incorporated herein by reference. Such Proxy Statement was filed with the Securities and Exchange Commission on December 27, 1999.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) Consolidated financial statements of the Company as of September 30, 1999 and 1998 and for each of the three years in the period ended September 30, 1999 and the auditors' report thereon, and the unaudited quarterly financial data for the two-year period ended September 30, 1999 are included herewith as indicated on the "Index to Financial Statements and Schedule" on page F-1.

(2) The applicable financial statement schedule for the fiscal years 1999, 1998 and 1997 is included herewith as indicated on the "Index to Financial Statements and Schedule" on page F-1.

(3) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>	<u>Reference</u>
2(i)	Letter Agreement, dated June 29, 1993, by and between NUI Corporation and Pennsylvania & Southern Gas Company	Incorporated by reference to Exhibit 2(i) to Registration Statement No. 33-50561
2(ii)	Agreement and Plan of Merger, dated as of July 27, 1993, by and between NUI Corporation and Pennsylvania & Southern Gas Company	Incorporated by reference to Exhibit 2(ii) to Registration Statement No. 33-50561
3(i)	Certificate of Incorporation, amended and restated as of December 1, 1995	Incorporated by reference to Exhibit 3(i) of NUI's Form 10-K Report for Fiscal 1995
3(ii)	By-Laws, amended and restated as of September 23, 1997	Incorporated by reference to Exhibit 3(ii) of NUI's Form 10-K Report for Fiscal 1997
4(i)	Rights Agreement between NUI Corporation and Mellon Securities Trust Company dated November 28, 1995	Incorporated by reference to NUI's Form 8-K dated December 1, 1995
10(i)	Service Agreement by and between Transcontinental Gas Pipe Line Corporation and Elizabethtown Gas Company ("EGC"), dated February 1, 1992 (#3686)	Incorporated by reference to Exhibit 10(i) to Registration Statement No. 33-50561
10(ii)	Service Agreement under Rate Schedule GSS by and between Transcontinental Gas Pipe Line Corporation and EGC, dated July 1, 1996	Incorporated by reference to Exhibit 10(ii) of NUI's Form 10-K Report for Fiscal 1997
10(iii)	Service Agreement under Rate Schedule LG-A by and between Transcontinental Gas Pipe Line Corporation and EGC, dated January 12, 1971, as amended 5/15/96	Filed herewith.
10(iv)	Service Agreement by and between Transcontinental Gas Pipe Line Corporation and EGC, dated November 1, 1995 (Contract #1.1997)	Incorporated by reference to Exhibit 10(iv) of NUI's Form 10-K Report for Fiscal 1996
10(v)	Service Agreement by and between Transcontinental Gas Pipe Line Corporation and EGC, dated November 1, 1995 (Contract #1.1995)	Incorporated by reference to Exhibit 10(v) of NUI's Form 10-K Report for Fiscal 1996

10(vi)	Firm Gas Transportation Agreement by and among Transcontinental Gas Pipe Line Corporation, EGC and National Fuel Gas Supply Corporation, dated November 1, 1984	Incorporated by reference to Exhibit 10(vi) to Registration Statement No. 33-50561
10(vii)	Service Agreement by and among Transcontinental Gas Pipe Line Corporation and EGC, dated November 1, 1995 (Contract #1.1998)	Incorporated by reference to Exhibit 10(vii) of NUI's Form 10-K Report for Fiscal 1996
10(viii)	Service Agreement for Rate Schedule CDS by and between Texas Eastern Transmission Corporation and EGC, dated December 1, 1993 (Contract #800361)	Incorporated by reference to Exhibit 10(viii) to NUI's Form 10-K Report for Fiscal 1994
10(ix)	Service Agreement under Rate Schedule FTS-7 by and between Texas Eastern Transmission Corporation and EGC, dated October 25, 1994 (Contract #331720)	Incorporated by reference to Exhibit 10(ix) to NUI's Form 10-K Report for Fiscal 1994
10(x)	Service Agreement for Rate Schedule FTS-5 by and between Texas Eastern Transmission Corporation and EGC, dated March 18, 1996 (Contract #331501)	Incorporated by reference to Exhibit 10(x) of NUI's Form 10-K Report for Fiscal 1997
10(xi)	Service Agreement under Rate Schedule FTS-8 by and between Texas Eastern Transmission Corporation and EGC, dated June 28, 1994 (Contract #331013)	Incorporated by reference to Exhibit 10(xi) to NUI's Form 10-K Report for Fiscal 1994
10(xii)	Firm Transportation Service Agreement under FTS-2 Rate Schedule by and between City Gas and Florida Gas Transmission, dated August 12, 1993	Incorporated by reference to Exhibit 10(xii) of NUI's Form 10-K Report for Fiscal 1997
10(xiii)	Service Agreement for Rate Schedule FTS-2 by and between Texas Eastern Transmission Corporation and EGC, dated June 1, 1993 (Contract #330788)	Incorporated by reference to Exhibit 10(xiii) to Registration Statement No. 33-50561
10(xiv)	Service Agreement under NTS Rate Schedule by and between Columbia Gas Transmission Corporation and EGC, dated November 1, 1993 (Contract #39275)	Incorporated by reference to Exhibit 10(xiv) to NUI's Form 10-K Report for Fiscal 1993
10(xv)	Service Agreement under SST Rate Schedule by and between Columbia Gas Transmission Corporation and EGC, dated November 1, 1993 (Contract #38045)	Incorporated by reference to Exhibit 10(xv) to NUI's Form 10-K Report for Fiscal 1993
10(xvi)	Service Agreement under FTS Rate Schedule by and between Columbia Gas Transmission Corporation and EGC, dated November 1, 1993 (Contract #37882)	Incorporated by reference to Exhibit 10(xvi) to NUI's Form 10-K Report for Fiscal 1993
10(xvii)	Gas Transportation Agreement under FT-G Rate Schedule by and between Tennessee Gas Pipeline Company and EGC (Contract #597), dated September 1, 1993	Incorporated by reference to Exhibit 10(xvii) to NUI's Form 10-K Report for Fiscal 1993
10(xviii)	Gas Transportation Agreement under FT-G Rate Schedule by and between Tennessee Gas Pipeline Company and EGC (Contract #603), dated September 1, 1993	Incorporated by reference to Exhibit 10(xviii) to NUI's Form 10-K Report for Fiscal 1993

10(xix)	Service Agreement by and between Transcontinental Gas Pipe Line Company and EGC, dated November 1, 1995 (Contract #3832)	Incorporated by reference to Exhibit 10(xix) of NUI's Form 10-K Report for Fiscal 1996
10(xx)	Firm Transportation Service Agreement under FTS-1 Rate Schedule by and between City Gas and Florida Gas Transmission dated October 1, 1993 (Contract # 5034)	Incorporated by reference to Exhibit 10(xx) of NUI's Form 10-K Report for Fiscal 1993
10(xxi)	Lease Agreement between EGC and Liberty Hall Joint Venture, dated August 17, 1987	Incorporated by reference to Exhibit 10(vi) of EGC's Form 10-K Report for Fiscal 1987
10(xxii)	1988 Stock Plan	Incorporated by reference to Exhibit 10(viii) to Registration Statement No. 33-21525
10(xxii)	First Amendment to 1988 Stock Plan	Incorporated by reference to Exhibit 10(xxxiii) to Registration Statement No. 33-46162
10(xxiii)	Form of Termination of Employment and Change in Control Agreements	Incorporated by reference to Exhibit 10(xxiii) of NUI's Form 10-K Report for Fiscal 1995
10(xxiv)	Firm Transportation Service Agreement under FTS-2 Rate Schedule by and between City Gas and Florida Gas Transmission, dated December 12, 1991 and Amendment dated November 12, 1993 (Contract #3608)	Incorporated by reference to Exhibit 10(xxiv) of NUI's Form 10-K Report for Fiscal 1994
10(xxv)	Service Agreement under Rate Schedule LG-A by and between Transcontinental Gas Pipeline and North Carolina Gas Service Division of Pennsylvania & Southern Gas Company, dated August 5, 1971	Incorporated by reference to Exhibit 10(xxv) of NUI's Form 10-K Report for Fiscal 1994
10(xxvi)	Service Agreement under Rate Schedule GSS by and between Transcontinental Gas Pipeline and North Carolina Gas Service, dated July 1, 1996	Incorporated by reference to Exhibit 10(xxvi) of NUI's Form 10-K Report for Fiscal 1997
10(xxvii)	1996 Employee Stock Purchase Plan	Incorporated by reference to Exhibit 10(xxvii) of NUI's Form 10-K Report for Fiscal 1996
10(xxviii)	Service Agreement under Rate Schedule FT by and between Transcontinental Gas Pipeline and North Carolina Gas Service Division of Pennsylvania & Southern Gas Company, dated February 1, 1992 (Contract # 0.3922)	Incorporated by reference to Exhibit 10(xxviii) of NUI's Form 10-K Report for Fiscal 1994
10(xxix)	1996 Directors Stock Purchase Plan	Incorporated by reference to Exhibit 10(xxix) of NUI's Form 10-K Report for Fiscal 1996

10(xxx)	Gas Storage Contract under Rate Schedule FS by and between Tennessee Gas Pipeline Company and Pennsylvania & Southern Gas Company, dated September 1, 1993 (Contract #2277)	Incorporated by reference to Exhibit 10(xxx) of NUI's Form 10-K Report for Fiscal 1994
10(xxxi)	Gas Transportation Agreement under Rate Schedule FT-A by and between Tennessee Gas Pipeline Co. and Pennsylvania & Southern Gas Company, dated September 1, 1993 (Contract #935)	Incorporated by reference to Exhibit 10(xxxi) of NUI's Form 10-K Report for Fiscal 1994
10(xxxii)	Gas Transportation Agreement under Rate Schedule FT-A by and between Tennessee Gas Pipeline Co. and Pennsylvania & Southern Gas Company, dated September 1, 1993 (Contract #936)	Incorporated by reference to Exhibit 10(xxxii) of NUI's Form 10-K Report for Fiscal 1994
10(xxxiii)	Gas Transportation Agreement under Rate Schedule FT-A by and between Tennessee Gas Pipeline Co. and Pennsylvania & Southern Gas Company, dated September 1, 1993 (Contract #959)	Incorporated by reference to Exhibit 10(xxxiii) of NUI's Form 10-K Report for Fiscal 1994
10(xxxiv)	Gas Transportation Agreement under Rate Schedule FT-A by and between Tennessee Gas Pipeline Co. and Pennsylvania & Southern Gas Company, dated September 1, 1993 (Contract #2157)	Incorporated by reference to Exhibit 10(xxxiv) of NUI's Form 10-K Report for Fiscal 1994
10(xxxv)	Employment Agreement, dated as of July 29, 1988, between NUI Corporation and Jack Langer	Incorporated by reference to Exhibit 10(xxxv) of NUI's Form 10-K Report for Fiscal 1994
10(xxxvi)	Service Agreement for Rate Schedule FT by and between Transcontinental Gas Pipe Line Corporation and EGC (Contract #1.0431) dated April 1, 1995	Incorporated by reference to Exhibit 10(xxxvi) of NUI's Form 10-K Report for Fiscal 1995
10(xxxvii)	Service Agreement for Rate Schedule FT by and between Transcontinental Gas Pipe Line Corporation and EGC (Contract #1.0445) dated April 1, 1995	Incorporated by reference to Exhibit 10(xxxvii) of NUI's Form 10-K Report for Fiscal 1995
10(xxxviii)	Service Agreement for Rate Schedule SS-1 by and between Texas Eastern Transmission Corporation and EGC (Contract (#400196) dated September 23, 1994	Incorporated by reference to Exhibit 10(xxxviii) of NUI's Form 10-K Report for Fiscal 1995
10(xxxix)	Gas Storage Agreement under Rate Schedule FS by and between Tennessee Gas Pipeline Company and EGC (Contract #8703) dated November 1, 1994	Incorporated by reference to Exhibit 10(xxxix) of NUI's Form 10-K Report for Fiscal 1995
10(xl)	Consulting Agreement, dated as of March 24, 1995, between NUI Corporation and John Kean	Incorporated by reference to Exhibit 10(xl) of NUI's Form 10-K Report for Fiscal 1995
10(xli)	Form of Deferred Compensation Agreement	Filed herewith.
10(xlii)	1996 Stock Option and Stock Award Plan	Incorporated by reference to Exhibit 10(xlii) of NUI's Form 10-K Report for Fiscal 1996
10(xliii)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #010003)	Incorporated by reference to Exhibit 10(xliii) of NUI's Form 10-K Report for Fiscal 1997

10(xliv)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #010011)	Incorporated by reference to Exhibit 10(xliv) of NUI's Form 10-K Report for Fiscal 1997
10(xlv)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #010012)	Incorporated by reference to Exhibit 10(xlv) of NUI's Form 10-K Report for Fiscal 1997
10(xlvi)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #010013)	Incorporated by reference to Exhibit 10(xlvi) of NUI's Form 10-K Report for Fiscal 1997
10(xlvii)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #020003)	Incorporated by reference to Exhibit 10(xlvii) of NUI's Form 10-K Report for Fiscal 1997
10(xlviii)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1997 (Contract #020005)	Incorporated by reference to Exhibit 10(xlviii) of NUI's Form 10-K Report for Fiscal 1997
10(xlix)	Service Agreement under Rate Schedule FT by and between Elkton Gas and Eastern Shore Natural Gas Company, dated as of November 1, 1998 (Contract #010032)	Filed herewith
10(i)	Agreement between T.I.C. Enterprises, L.L.C and United States Postal Service	Incorporated by reference to Exhibit 10(i) of NUI's Form 8-K filed 12/15/99.
12	Consolidated Ratio of Earnings to Fixed Charges	Filed herewith
21	Subsidiaries of NUI Corporation	Filed herewith
23	Consent of Independent Public Accountants	Filed herewith
27	Financial Data Schedule	Filed herewith

Exhibits listed above which have heretofore been filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934, and which were designated as noted above and have not been amended, are hereby incorporated by reference and made a part hereof with the same effect as if filed herewith.

The Company is a party to various agreements with respect to long-term indebtedness to which the total amount of indebtedness authorized under each agreement, respectively, does not exceed 10% of the total assets of the Company on a consolidated basis. The Company hereby agrees to furnish to the Securities and Exchange Commission copies of such agreements upon request.

(b) Reports on Form 8-K:

On December 15, 1999, the Company filed a Form 8-k, Item 5, Other Events, reporting an agreement between its affiliate T.I.C. Enterprises, L. L. C and the United States Postal Service.

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Financial Statement Schedule of NUI Corporation and Subsidiaries:

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All other schedules are omitted because they are not required, are inapplicable or the information is otherwise shown in the financial statements or notes thereto.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To NUI Corporation:

We have audited the accompanying consolidated balance sheet and statement of consolidated capitalization of NUI Corporation (a New Jersey corporation) and Subsidiaries as of September 30, 1999 and 1998, and the related consolidated statements of income, cash flows and shareholders' equity, for each of the three years in the period ended September 30, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NUI Corporation and Subsidiaries as of September 30, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 1999, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Item 14(a)(2) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

New York, New York
November 9, 1999

NUI Corporation and Subsidiaries
Consolidated Statement of Income
(Dollars in thousands, except per share amounts)

	<u>Years Ended September 30,</u>		
	<u>1999</u>	<u>1998</u>	<u>1997</u>
Operating Margins			
Operating revenues	\$828,174	\$828,036	\$608,596
Less- Purchased gas and fuel	621,363	629,608	402,160
Energy taxes	<u>14,148</u>	<u>18,852</u>	<u>33,598</u>
	<u>192,663</u>	<u>179,576</u>	<u>172,838</u>
Other Operating Expenses			
Operations and maintenance	100,490	95,881	94,799
Depreciation and amortization	26,939	24,952	23,032
Restructuring and other non-recurring items	(3,954)	9,686	--
Other taxes	9,101	9,733	9,189
Income taxes	<u>16,604</u>	<u>8,390</u>	<u>9,377</u>
	<u>149,180</u>	<u>148,642</u>	<u>136,397</u>
Operating Income	<u>43,483</u>	<u>30,934</u>	<u>36,441</u>
Other Income and Expense, Net			
Equity in earnings (losses) of TIC Enterprises, LLC, net	1,223	(56)	1,334
Other	360	969	1,940
Income taxes	<u>(554)</u>	<u>(320)</u>	<u>(1,146)</u>
	<u>1,029</u>	<u>593</u>	<u>2,128</u>
Interest Expense	<u>19,952</u>	<u>19,213</u>	<u>18,920</u>
Net Income	<u>\$24,560</u>	<u>\$12,314</u>	<u>\$19,649</u>
Net Income Per Share of Common Stock	<u>\$ 1.93</u>	<u>\$.98</u>	<u>\$ 1.75</u>
Dividends Per Share of Common Stock	<u>\$.98</u>	<u>\$.98</u>	<u>\$.94</u>
Weighted Average Number of Shares of Common Stock Outstanding	<u>12,715,300</u>	<u>12,584,335</u>	<u>11,253,513</u>

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Consolidated Balance Sheet
(Dollars in thousands)

	<u>1999</u>	<u>September 30,</u> <u>1998</u>
ASSETS		
Utility Plant		
Utility plant, at original cost	\$779,131	\$737,323
Accumulated depreciation and amortization	(256,898)	(234,484)
Unamortized plant acquisition adjustments, net	<u>30,242</u>	<u>30,904</u>
	<u>552,475</u>	<u>533,743</u>
Funds for Construction Held by Trustee	<u>37,413</u>	<u>12,254</u>
Investment in TIC Enterprises, LLC	<u>24,905</u>	<u>23,874</u>
Other Investments	<u>1,385</u>	<u>1,687</u>
Current Assets		
Cash and cash equivalents	1,561	929
Accounts receivable (less allowance for doubtful accounts of \$1,697 in 1999 and \$1,714 in 1998)	85,056	62,673
Fuel inventories, at average cost	28,573	34,937
Unrecovered purchased gas costs	901	8,061
Prepayments and other	<u>50,108</u>	<u>37,790</u>
	<u>166,199</u>	<u>144,390</u>
Other Assets		
Regulatory assets	51,615	50,475
Deferred assets	<u>10,234</u>	<u>10,424</u>
	<u>61,849</u>	<u>60,899</u>
	<u>\$844,226</u>	<u>\$776,847</u>
CAPITALIZATION AND LIABILITIES		
Capitalization (See accompanying statements)		
Common shareholders' equity	\$237,318	\$222,992
Preferred stock	--	--
Long-term debt	<u>268,911</u>	<u>229,098</u>
	<u>506,229</u>	<u>452,090</u>
Capital Lease Obligations	<u>2,599</u>	<u>8,566</u>
Current Liabilities		
Notes payable to banks	73,615	87,630
Current portion of capital lease obligations	7,776	1,810
Accounts payable, customer deposits and accrued liabilities	108,023	87,158
Federal income and other taxes	<u>4,359</u>	<u>5,635</u>
	<u>193,773</u>	<u>182,233</u>
Other Liabilities		
Deferred Federal income taxes	69,951	62,497
Unamortized investment tax credits	5,251	5,710
Environmental remediation reserve	33,981	33,981
Regulatory and other liabilities	<u>32,442</u>	<u>31,770</u>
	<u>141,625</u>	<u>133,958</u>
	<u>\$844,226</u>	<u>\$776,847</u>

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Consolidated Statement of Cash Flows
(Dollars in thousands)

	Years Ended September 30,		
	<u>1999</u>	<u>1998</u>	<u>1997</u>
Operating Activities			
Net Income	\$24,560	\$12,314	\$19,649
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,914	26,050	24,040
Deferred Federal income taxes	7,454	357	3,246
Non-cash portion of restructuring and other non-recurring items	(4,726)	7,301	-
Amortization of deferred investment tax credits	(459)	(461)	(464)
Other	3,237	1,743	1,020
Effects of changes in:			
Accounts receivable, net	(22,383)	1,826	(20,911)
Fuel inventories	6,364	(3,869)	(1,877)
Accounts payable, deposits and accruals	20,865	(7,347)	28,133
Over (under) recovered purchased gas costs	7,160	1,541	(2,614)
Other	<u>(12,030)</u>	<u>(18,604)</u>	<u>(9,707)</u>
Net cash provided by operating activities	<u>58,956</u>	<u>20,851</u>	<u>40,515</u>
Financing Activities			
Proceeds from sales of common stock, net of treasury stock purchased	340	3,658	28,204
Dividends to shareholders	(12,443)	(12,311)	(10,575)
Proceeds from issuance of long-term debt	39,813	--	53,569
Funds for construction held by trustee, net	(24,871)	16,670	18,784
Repayments of long-term debt	--	(54,600)	(950)
Principal payments under capital lease obligations	(1,810)	(1,792)	(1,730)
Net short-term (repayments) borrowings	<u>(14,015)</u>	<u>33,202</u>	<u>(467)</u>
Net cash (used for) provided by financing activities	<u>(12,986)</u>	<u>(15,173)</u>	<u>86,835</u>
Investing Activities			
Cash expenditures for utility plant	(47,213)	(59,969)	(51,366)
Investment in TIC Enterprises, LLC	--	--	(22,584)
Other	<u>1,875</u>	<u>(3,573)</u>	<u>1,657</u>
Net cash used in investing activities	<u>(45,338)</u>	<u>(63,542)</u>	<u>(72,293)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 632</u>	<u>\$(57,864)</u>	<u>\$55,057</u>
Cash and Cash Equivalents			
At beginning of period	\$ 929	\$ 58,793	\$ 3,736
At end of period	\$ 1,561	\$ 929	\$58,793
Supplemental Disclosures of Cash Flows			
Income taxes paid, net	\$ 7,695	\$ 6,482	\$ 5,008
Interest paid	\$ 20,732	\$ 22,094	\$19,760

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Consolidated Statement of Capitalization
(Dollars in thousands)

	<u>September 30,</u>	
	<u>1999</u>	<u>1998</u>
Long-Term Debt		
Gas facilities revenue bonds		
6.35% due October 1, 2022	\$ 46,500	\$ 46,500
6.40% due October 1, 2024*	20,000	20,000
Variable rate due June 1, 2026*	39,000	39,000
5.70% due June 1, 2032	54,600	54,600
5.25% due November 1, 2033*	40,000	--
Medium-term notes		
7.125% due August 1, 2002	20,000	20,000
8.35% due February 1, 2005	<u>50,000</u>	<u>50,000</u>
	270,100	230,100
Unamortized debt discount	<u>(1,189)</u>	<u>(1,002)</u>
	<u>268,911</u>	<u>229,098</u>
 Preferred Stock, 5,000,000 shares authorized; none issued	 --	 --
 Common Shareholders' Equity		
Common Stock, no par value; shares authorized: 30,000,000; shares outstanding: 12,750,270 in 1999 and 12,680,398 in 1998	209,984	207,356
Shares held in treasury: 122,219 in 1999 and 106,739 in 1998	(2,311)	(1,932)
Retained earnings	31,380	19,263
Unearned employee compensation	<u>(1,735)</u>	<u>(1,695)</u>
	<u>237,318</u>	<u>222,992</u>
 Total Capitalization	 <u>\$506,229</u>	 <u>\$452,090</u>

* The total unexpended portions of the net proceeds from these bonds, amounting to \$32.0 million and \$7.1 million as of September 30, 1999 and September 30, 1998, respectively, are carried on the Company's consolidated balance sheet as funds for construction held by trustee, including interest earned thereon, until drawn upon for eligible construction expenditures.

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Consolidated Statement of Shareholders' Equity
(Dollars in thousands)

	<u>Common Stock</u>				Unrealized Gain (Loss)- Marketable Securities	Unearned Employee Compensation	<u>Total</u>
	<u>Shares Outstanding</u>	<u>Paid-in Amount</u>	<u>Held in Treasury</u>	<u>Retained Earnings</u>			
Balance, September 30, 1996	11,085,876	\$171,968	\$ (1,564)	\$ 10,117	\$ 389	\$ (1,803)	\$179,107
Common stock issued:							
Public offering	1,011,400	22,610					22,610
Other*	337,420	6,971					6,971
Treasury stock transactions	(5,744)		(51)				(51)
Net income				19,649			19,649
Cash dividends				(10,575)			(10,575)
Unrealized (loss)					(269)		(269)
Unearned compensation						(288)	(288)
ESOP transactions				69		1,068	1,137
Balance, September 30, 1997	12,428,952	\$201,549	\$ (1,615)	\$ 19,260	\$ 120	\$ (1,023)	\$218,291
Common stock issued*	259,710	5,807					5,807
Treasury stock transactions	(8,264)		(317)				(317)
Net income				12,314			12,314
Cash dividends				(12,311)			(12,311)
Unrealized (loss)					(120)		(120)
Unearned compensation						(672)	(672)
Balance, September 30, 1998	12,680,398	\$207,356	\$ (1,932)	\$ 19,263	\$ -	\$ (1,695)	\$222,992
Common stock issued*	85,352	2,628					2,628
Treasury stock transactions	(15,480)		(379)				(379)
Net income				24,560			24,560
Cash dividends				(12,443)			(12,443)
Unearned compensation						(40)	(40)
Balance, September 30, 1999	<u>12,750,270</u>	<u>\$209,984</u>	<u>\$ (2,311)</u>	<u>\$ 31,380</u>	<u>\$ -</u>	<u>\$ (1,735)</u>	<u>\$237,318</u>

* Represents common stock issued in connection with NUI Direct and various employee benefit plans.

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Principles of Consolidation. The consolidated financial statements include all operating divisions and subsidiaries of NUI Corporation (collectively referred to as the Company). The Company is a multi-state energy sales, services and distribution, and telecommunications company. Its utility operations distribute natural gas and related services in six states along the eastern seaboard and comprise Elizabethtown Gas (New Jersey), City Gas Company of Florida, North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania) and Waverly Gas (New York). The Company's non-regulated subsidiaries include NUI Energy, Inc. (NUI Energy), an energy retailer; NUI Energy Brokers, Inc. (NUI Energy Brokers), an energy wholesaler; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Environmental Group, Inc., an environmental project development subsidiary; Utility Business Services, Inc. (UBS), a customer and geographic information systems and services subsidiary; and International Telephone Group, Inc. (ITG), a telecommunications services subsidiary (see Note 2). The Company also provides sales outsourcing through its 49 percent equity interest in TIC Enterprises, LLC (TIC). All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications have been made to the prior year financial statements to conform with the current year presentation.

Regulation. The Company is subject to regulation as an operating utility by the public utility commissions of the states in which it operates.

Utility Plant. Utility plant is stated at its original cost. Depreciation is provided on a straight-line basis over the remaining estimated lives of depreciable property by applying rates as approved by the state commissions. The composite average annual depreciation rate was 3 percent in fiscal 1999, fiscal 1998, and fiscal 1997. At the time properties are retired, the original cost plus the cost of retirement, less salvage, is charged to accumulated depreciation. Repairs of all utility plant and replacements and renewals of minor items of property are charged to maintenance expense as incurred.

The net unamortized plant acquisition adjustments represent the remaining portion of the excess of the purchase price over the book value of net assets acquired. The excess is being amortized on a straight-line basis over 30 years from the date of acquisition. The results of operations of acquired entities have been included in the accompanying consolidated financial statements for the periods subsequent to their acquisition.

Operating Revenues and Purchased Gas and Fuel Costs. Operating revenues include accrued unbilled revenues through the end of each accounting period. Operating revenues also reflect adjustments attributable to weather normalization clauses that are accrued during the winter heating season and billed or credited to customers in the following year.

Costs of purchased gas and fuel for the Company's regulated utilities are recognized as expenses in accordance with the purchased gas adjustment clause applicable in each state. Such clauses provide for periodic reconciliations of actual recoverable gas costs and the estimated amounts that have been billed to customers. Under- or over-recoveries are deferred when they arise and are recovered from or refunded to customers in subsequent periods.

The Company's subsidiaries, NUI Energy Brokers and NUI Energy, mark-to-market through the income statement all trading positions, including forward sales and purchase commitments. (See Note 7 for a further description of the Company's use of derivative financial instruments.)

Environmental Reserve. The Company, with the aid of environmental consultants, regularly assesses the potential future costs associated with conducting investigative activities at each of the Company's sites and implementing appropriate remedial actions, as well as the likelihood of whether such actions will be necessary. The Company records a reserve if it is probable that a liability will be incurred and the amount of the liability can be reasonably estimated.

Stock Compensation. The Company follows the accounting prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for its employee stock-based compensation. The Company has elected to adopt the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" (SFAS 123), which requires proforma disclosure of the effect of adopting the accounting under SFAS 123. If the Company had adopted SFAS 123, there would not have been a material effect on the results of operations or financial position.

Income Taxes. The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the liability method to be used to account for deferred income taxes. Under this method, deferred income taxes related to tax and accounting basis differences are recognized at the statutory income tax rates in effect when the tax is expected to be paid.

Investment tax credits, which were generated principally in connection with additions to utility plant made prior to January 1, 1986, are being amortized over the estimated service lives of the properties that gave rise to the credits.

Regulatory Assets and Liabilities. The Company's utility operations follow the accounting for regulated enterprises prescribed by Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS 71). In general, SFAS 71 requires deferral of certain costs and obligations, based upon orders received from regulators, to be recovered from or refunded to customers in future periods. The following represents the Company's regulatory assets and liabilities deferred in the accompanying consolidated balance sheet as of September 30, 1999 and 1998 (in thousands):

	<u>1999</u>	<u>1998</u>
Regulatory Assets		
Environmental investigation and remediation costs	\$35,950	\$34,686
Unrecovered gas costs	1,082	2,265
Postretirement and other employee benefits	8,877	10,663
Deferred piping allowances	1,692	2,108
Other	<u>4,014</u>	<u>753</u>
	<u>\$51,615</u>	<u>\$50,475</u>
Regulatory Liabilities		
Net overcollection of income taxes	\$5,183	\$5,425
Refunds to customers	2,928	2,478
Other	<u>426</u>	<u>302</u>
	<u>\$8,537</u>	<u>\$8,205</u>

In the event that the provisions of SFAS 71 were no longer applicable, the Company would recognize a write-off of net regulatory assets (regulatory assets less regulatory liabilities) that would result in a charge to net income, which would be classified as an extraordinary item. However, although the gas distribution industry is becoming increasingly competitive, the Company's utility operations continue to recover their costs through cost-based rates established by the public utility commissions. As a result, the Company believes that the accounting prescribed under SFAS 71 remains appropriate.

Cash Equivalents. Cash equivalents consist of a money market account which invests in securities with original maturities of three months or less.

Net Income Per Share of Common Stock. Net income per share of common stock is based on the weighted average number of shares of NUI common stock outstanding. The Company follows the provisions of Statement of Financial Accounting Standards No. 128, "Earnings per Share", which requires computing and presenting basic and diluted

earnings per share. The Company does not have other classes of stock or dilutive common stock equivalents. As such, there is no difference between basic and diluted earnings per share.

New Accounting Standards. In June 1999, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of Effective Date of FASB Statement No. 133". The Statement defers for one year the effective date of FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). The rule requires that the Company adopt SFAS 133 in fiscal 2001. SFAS 133 was issued in June 1998 and establishes accounting and reporting standards regarding derivative instruments. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value as either an asset or liability, and that changes in the fair value be recognized currently in earnings unless certain criteria are met. At this time, the Company has elected not to adopt SFAS 133 prior to its effective date. Since both NUI Energy Brokers and NUI Energy currently utilize mark-to-market accounting, it is not anticipated that the adoption of SFAS 133 will have a material impact on net income when adopted.

2. Purchase of ITG

On November 12, 1999, the Company closed on its acquisition of International Telephone Group, Inc. (ITG). The acquisition was treated as a merger whereby ITG merged with and into a subsidiary of the Company. The purchase price totaled \$3.8 million and included the issuance of 113,200 shares of NUI common stock, with the remainder paid in cash. ITG is a full service telephone company that provides its customers with a single service solution for all their telecommunication requirements including local, long distance, cellular, internet, and data communications services. The Agreement and Plan of Merger contains a provision whereby the previous shareholders of ITG will receive an additional \$1.0 million in NUI common stock if ITG achieves certain revenue targets no later than December 31, 2003.

The acquisition is being accounted for as a purchase. The excess of the purchase price over the net assets of ITG is estimated to be approximately \$4.5 million, which includes the additional earnings contingency noted above, and is expected to be amortized on a straight-line basis over a 20-year period.

3. Restructuring and Other Non-Recurring Items

In 1998, the Company commenced a reorganization effort that included early retirement programs for both non-bargaining and bargaining unit employees, as well as other workforce reductions. The reorganization efforts resulted in accounting charges and gains that were incurred in both fiscal 1999 and 1998. In fiscal 1999, the Company recognized approximately \$4.0 million of pre-tax, non-recurring gains primarily relating to these reorganization efforts. In fiscal 1998, the Company incurred approximately \$9.7 million of pre-tax, non-recurring charges primarily related to the reorganization effort. Specific detail on these non-recurring items follows.

In June 1998, the Company offered an early retirement program to its non-bargaining unit personnel. The program was accepted by 74 of the eligible 77 employees. In accordance with Statement of Financial Accounting Standards No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" (SFAS 88), the Company recorded a special termination charge of approximately \$7.3 million during fiscal 1998 when the cost was recognizable. In March 1999, the Company recorded a settlement gain of approximately \$6.8 million as a result of satisfaction of all future liabilities associated with these employees.

In January 1999, the Company offered an early retirement program to its bargaining unit employees in New Jersey. The program was accepted by 32 of the eligible 35 employees. In accordance with SFAS 88, the Company recorded a special termination charge of approximately \$1.8 million in the second quarter of fiscal 1999 associated with these retirements. In June 1999, the Company recorded a settlement gain of approximately \$3.2 million as the result of satisfaction of all future liabilities associated with these employees. Also in June 1999, the Company recorded an additional \$0.6 million of other benefit expenses associated with these employees.

In fiscal 1999, the Company also recorded approximately \$1.8 million of charges relating to the write-off of certain regulatory assets which will not be recovered through rates, as well as \$1.8 million of charges relating to other items which were deemed to be separate from recurring earnings.

In fiscal 1998, the Company also recorded approximately \$1.5 million of other benefit expenses associated with employees that accepted the early retirement program and approximately \$0.9 million of other charges associated with the reorganization of the Company.

4. Capitalization

Long-Term Debt. On December 8, 1998, the Company issued \$40 million of tax-exempt Gas Facilities Revenue Bonds at an interest rate of 5.25 percent. These bonds will mature in November 2033 and the proceeds will be used to finance a portion of the Company's capital expenditure program in New Jersey.

The Company deposits in trust the unexpended portion of the net proceeds from its Gas Facilities Revenue Bonds until drawn upon for eligible expenditures. As of September 30, 1999 and September 30, 1998, the total unexpended portions of all of the Company's Gas Facilities Revenue Bonds were \$32.0 million and \$7.1 million, respectively, and are classified on the Company's consolidated balance sheet, including interest earned thereon, as funds for construction held by trustee.

The Company is scheduled to repay \$20 million of Medium-Term Notes in August 2002.

Preferred Stock. The Company has 5,000,000 shares of authorized but unissued preferred stock. Shares of Series A Junior Participating Preferred Stock have been reserved for possible future issuance in connection with the Company's Shareholder Rights Plan, described below.

Shareholder Rights Plan. In November 1995, the Company's Board of Directors adopted a Shareholder Rights Plan under which shareholders of NUI common stock were issued as a dividend one right to buy one one-hundredth of a share of Series A Junior Participating Preferred Stock at a purchase price of \$50 (Right) for each share of common stock held. The Rights initially attach to the shares of NUI common stock and can be exercised or transferred only if a person or group (an Acquirer), with certain exceptions, acquires, or commences a tender offer to acquire beneficial ownership of 15 percent or more of NUI common stock. Each Right, except those held by the Acquirer, may be used by the non-acquiring shareholders to purchase, at the Right's exercise price, shares of NUI common stock having a market value equivalent to twice the Right's exercise price, thus substantially reducing the Acquirer's ownership percentage.

The Company may redeem the Rights at \$0.001 per Right at any time prior to the occurrence of any such event. All Rights expire on November 27, 2005.

Common Stock. The Company periodically issues shares of common stock in connection with NUI Direct, the Company's dividend reinvestment and stock purchase plan, and various employee benefit plans. Effective May 26, 1998, several of these plans commenced purchasing shares on the open market to fulfill the plans' requirements. Under the terms of these plans, the Company may periodically change the method of purchasing shares from open market purchases to purchases directly from the Company, or vice versa.

At September 30, 1999, shares reserved for issuance under the Company's common stock plans were: NUI Direct, 62,855; Savings and Investment Plan, 122,135; 1996 Stock Option and Stock Award Plan, 383,004; 1996 Employee Stock Purchase Plan, 122,253; and the 1996 Director Stock Purchase Plan, 23,083.

Stock Plans. The Company's Board of Directors believes that the interests of both directors and management should be closely aligned with those of shareholders. As a result, under the 1996 Stock Option and Stock Award Plan, and the 1996 Director Stock Purchase Plan, the Company has a long-term compensation program for directors, executive officers and key employees involving shares of NUI common stock.

Restricted shares of stock granted as long-term compensation for executive officers and key employees amounted to 75,900 in fiscal 1999, 74,600 in fiscal 1998 and 69,800 shares in fiscal 1997. As of September 30, 1999, a total of 147,809 shares of restricted stock that have been granted as long-term compensation are subject to future vesting requirements, and are restricted from resale.

Executive officers and key employees are eligible to be granted options for the purchase of NUI common stock at prices equal to the market price per share on the date of grant. The option must be exercised within 10 years from the date of grant. As of September 30, 1999 there were 5,000 options outstanding and exercisable at a price of \$17.625 per share. During fiscal 1998, 4,800 options were exercised at a price of \$15.77 per share. There were no other transactions during the last three fiscal years.

Dividend Restrictions. The Company's long-term debt agreements include, among other things, restrictions as to the payment of cash dividends. Under the most restrictive of these provisions, the Company was permitted to pay approximately \$54 million of cash dividends at September 30, 1999.

5. Notes Payable to Banks

At September 30, 1999, the Company's outstanding notes payable to banks were \$73.6 million with a combined weighted average interest rate of 5.8 percent. Unused lines of credit at September 30, 1999 were approximately \$62.4 million.

The weighted average daily amounts outstanding of notes payable to banks and the weighted average interest rates on those amounts were \$68.2 million at 5.3 percent in fiscal 1999, \$66.8 million at 5.7 percent in fiscal 1998 and \$66.0 million at 5.5 percent in fiscal 1997.

6. Leases

Utility plant held under capital leases amounted to \$24.3 million at September 30, 1999 and \$24.6 million at September 30, 1998, with related accumulated amortization of \$15.6 million and \$14.3 million, respectively. These properties consist principally of leasehold improvements and office furniture and fixtures. A summary of future minimum payments for properties held under capital leases follows (in thousands):

2000	\$7,981
2001	1,316
2002	1,093
2003	574
2004	126
2005 and thereafter	<u>—</u>
Total future minimum payments	11,090
Amount representing interest	(715)
Current portion of capital lease obligations	<u>(7,776)</u>
Capital lease obligations	<u>\$2,599</u>

Minimum payments under noncancelable operating leases, which relate principally to office space, are approximately \$3.3 million in each of fiscal years 2000 through 2004. Rents charged to operations expense were \$5.1 million in fiscal 1999, \$5.8 million in fiscal 1998 and \$5.5 million in fiscal 1997.

7. Financial Instruments

Derivatives. The Company's wholesale trading subsidiary, NUI Energy Brokers, utilizes the following financial instruments to provide competitive energy supplies and enhance the Company's profitability: forward contracts, which commit the Company to purchase or sell physical natural gas in the future; swap agreements, which require payments to (or receipt of payments from) counterparties based on the differential between a fixed price and an index price of natural gas; and futures and options contracts, bought on the New York Mercantile Exchange (NYMEX), to buy or sell natural gas at a fixed price in the future.

NUI Energy Brokers accounts for its risk management activities by marking-to-market all trading positions, and calculating a value-at-risk, on a daily basis. The values used for these calculations reflect NYMEX settlement prices, established pricing models, and quoted market volatilities. The Company manages open positions with a strict Risk Management Policy that limits its exposure to market risks and requires that any breach of policy be reported to senior management.

Margin requirements for natural gas futures contracts are recorded in other current assets. Realized and unrealized gains and losses are recorded in the consolidated statement of income under purchased gas and fuel. At September 30, 1999, NUI Energy Brokers' futures positions consisted of 2,793 long contracts and 2,715 short contracts at prices ranging from \$2.080 to \$3.223 per Mcf, none of which extend beyond December 2001, representing 55,080 MMcf of natural gas. Their options positions consisted of 1,339 puts and calls at varying strike prices, none of which extend beyond August 2000. In addition, NUI Energy Brokers has forward sales and purchase commitments associated with contracts totaling approximately 192,000 MMcf of natural gas, with terms extending through December 2005. During fiscal 1999, NUI Energy Brokers reduced their margin deposits with brokers by approximately \$1.2 million to \$4.3 million. Net realized and unrealized gains on derivative trading for fiscals 1999 and 1998 totaled \$9.0 million and \$2.8 million, respectively, which have been included in income.

The Company is exposed to credit risk in the event of default or non-performance by one of its trading partners. The Company adheres to credit policies that management believes minimizes overall credit risk.

Other Financial Instruments. The fair value of the Company's cash equivalents, funds for construction held by trustee and notes payable to banks are approximately equivalent to their carrying value. The carrying value of the Company's long-term debt exceeded its fair value by approximately \$2 million as of September 30, 1999, while the carrying value was lower than its fair value by approximately \$19 million as of September 30, 1998. The fair value of long-term debt was estimated based on quoted market prices for the same or similar issues.

8. Consolidated Taxes

The provision for Federal and State income taxes was comprised of the following (in thousands):

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Currently payable -			
Federal	\$5,759	\$6,747	\$7,205
State	4,265	2,166	595
Deferred -			
Federal	7,454	357	3,246
State	139	(99)	(59)
Amortization of investment tax credits	<u>(459)</u>	<u>(461)</u>	<u>(464)</u>
Total provision for income taxes	<u>\$17,158</u>	<u>\$8,710</u>	<u>\$10,523</u>

The components of the Company's net deferred Federal tax liability (asset) as of September 30, 1999 and 1998 are as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Depreciation and other utility plant differences	\$59,434	\$55,093
Plant acquisition adjustments	9,627	10,023
Alternative minimum tax credit	(3,614)	(5,008)
Unamortized investment tax credit	(2,140)	(1,823)
Deferred charges and regulatory assets	3,948	5,522
Energy taxes	580	1,953
Pension	4,723	2,491
Other	<u>(2,607)</u>	<u>(5,754)</u>
	<u>\$69,951</u>	<u>\$62,497</u>

The alternative minimum tax credit can be carried forward indefinitely to reduce the Company's future tax liability.

The Company's effective income tax rates differ from the statutory Federal income tax rates due to the following (in thousands):

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Pre-tax income	<u>\$41,718</u>	<u>\$21,024</u>	<u>\$30,172</u>
Federal income taxes computed at Federal statutory tax rate of 35%	14,601	7,358	10,560
Increase (reduction) resulting from:			
Excess of book over tax depreciation	341	357	354
Amortization of investment tax credits	(459)	(461)	(464)
Federal benefit of state tax provision	(1,541)	(723)	(188)
Other, net	<u>(188)</u>	<u>112</u>	<u>(275)</u>
Total provision for Federal income taxes	12,754	6,643	9,987
Provision for State income taxes	<u>4,404</u>	<u>2,067</u>	<u>536</u>
Total provision for income taxes	17,158	8,710	10,523
(Less) provision included in other income and expense	<u>(554)</u>	<u>(320)</u>	<u>(1,146)</u>
Provision for income taxes included in operating expenses	<u>\$16,604</u>	<u>\$8,390</u>	<u>\$9,377</u>

9. Retirement Benefits

During the current year, the Company was required to adopt Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pension and Other Postretirement Benefits" (SFAS 132). SFAS 132 amended the disclosure requirements of the Company's pension and postretirement benefits information, while not changing the manner in which these items are recorded.

Pension Benefits. The Company has non-contributory defined benefit retirement plans which cover all of its employees other than the City Gas of Florida union employees who participate in a union-sponsored multi-employer plan. The Company funds its plans in accordance with the requirements of the Employee Retirement Income Security Act of 1974 and makes contributions to the union sponsored plan in accordance with its contractual obligations. Benefits paid under the Company's plans are based on years of service and levels of compensation. The Company's actuarial calculation of pension expense is based on the projected unit cost method.

The changes in the pension benefit obligation for the Company's plans were as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Benefit obligation at beginning of year	\$114,233	\$88,942
Service cost	2,446	2,370
Interest cost	6,281	6,459
Amendments	5,990	8,583
Actuarial (gain) loss	(9,603)	14,797
Benefits paid	<u>(38,502)</u>	<u>(6,918)</u>
Benefit obligation at end of year	<u>\$80,845</u>	<u>\$114,233</u>

The change in the Company's plan assets were as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Fair value of plan assets at beginning of year	\$140,975	\$137,290
Actual return on plan assets	46,450	10,603
Benefits paid	<u>(38,502)</u>	<u>(6,918)</u>
Fair value of plan assets at end of year	<u>\$148,923</u>	<u>\$140,975</u>

The reconciliation of the funded status of the Company's funded plans as of September 30, 1999 and 1998 was as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Funded status	\$80,845	\$114,233
Market value of plan assets	<u>148,923</u>	<u>140,975</u>
Plan assets in excess of projected benefit obligation	68,078	26,742
Unrecognized net gain	(52,484)	(20,973)
Unrecognized prior service cost	3,361	543
Unrecognized net transition asset	<u>(967)</u>	<u>(1,967)</u>
Pension prepayment	<u>\$17,988</u>	<u>\$ 4,345</u>

The projected benefit obligation was calculated using a discount rate of 7.5 percent in fiscal 1999 and 6.5 percent in fiscal 1998, and an assumed annual increase in compensation levels of 4 percent in both fiscal 1999 and fiscal 1998. The expected long-term rate of return on assets was calculated at 9.75 percent in both fiscal 1999 and 1998. The assets of the Company's funded plans are invested primarily in publicly traded fixed income and equity securities.

The components of pension expense for the Company's plans were as follows (in thousands):

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Service cost	\$2,446	\$2,370	\$1,849
Interest cost	6,281	6,459	6,480
Expected return on plan assets	(13,048)	(13,111)	(36,984)
Net amortization and deferral	(1,069)	(2,407)	26,089
Special termination benefits	1,799	7,301	1,150
Settlement gain	<u>(10,051)</u>	<u>-</u>	<u>-</u>
Pension (credit) expense	<u>\$(13,642)</u>	<u>\$ 612</u>	<u>\$(1,416)</u>

Certain key employees also participate in an unfunded supplemental retirement plan. The projected benefit obligation under this plan was \$6.5 million as of September 30, 1999 and \$5.8 million as of September 30, 1998, and the expense for this plan was approximately \$0.7 million in both fiscals 1999 and 1998, and \$0.6 million in fiscal 1997.

Postretirement Benefits Other Than Pensions. The Company provides certain health care benefits to all retirees receiving benefits under a Company pension plan other than the City Gas Company of Florida plan, who reach retirement age while working for the Company.

The Company accounts for these plans under Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106), which, among other things, requires companies to accrue the expected cost of providing other postretirement benefits to employees and their beneficiaries during the years that eligible employees render the necessary service. The Company does not currently fund these future benefits.

The changes in the postretirement benefit obligation for the Company's plans were as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Benefit obligation at beginning of year	\$31,421	\$22,933
Service cost	1,243	813
Interest cost	2,087	1,683
Actuarial (gain) loss	(4,174)	6,997
Benefits paid	(1,345)	(1,035)
Other	<u>15</u>	<u>30</u>
Benefit obligation at end of year	<u>\$29,247</u>	<u>\$31,421</u>

The change in the Company's plan assets were as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Fair value of plan assets at beginning of year	\$ -	\$ -
Employer contributions	2,830	1,014
Plan participants' contributions	15	21
Benefits paid	<u>(1,345)</u>	<u>(1,035)</u>
Fair value of plan assets at end of year	<u>\$1,500</u>	<u>\$ -</u>

The reconciliation of the funded status of the Company's postretirement plans other than pensions as of September 30, 1999 and 1998, was as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Funded status	\$27,747	\$31,421
Unrecognized transition obligation	(9,616)	(11,603)
Unrecognized net (loss)	<u>(3,568)</u>	<u>(8,204)</u>
Accrued postretirement benefit obligation	<u>\$14,563</u>	<u>\$11,614</u>

The components of postretirement benefit expense other than pensions for the years ended September 30, 1999 and 1998, were as follows (in thousands):

	<u>1999</u>	<u>1998</u>
Service cost	\$1,242	\$ 813
Interest cost	2,089	1,683
Amortization of transition obligation	730	774
Other	<u>217</u>	<u>8</u>
Net postretirement expense	<u>\$4,278</u>	<u>\$3,278</u>

The health care trend rate assumption is 9.4 percent in 2000 gradually decreasing to 5.5 percent for the year 2006 and later. The discount rate used to compute the accumulated postretirement benefit obligation was 7.5 percent in fiscal 1999 and 6.5 percent in fiscal 1998. An increase in the health care trend rate assumption by one percentage point in all years would increase the accumulated postretirement benefit obligation by approximately \$4.7 million and the aggregate annual service and interest costs by approximately \$0.8 million.

On September 23, 1998, the New Jersey Board of Public Utilities (NJBPU) issued an order approving the Company's petition to increase its base rates in New Jersey by approximately \$2.4 million annually to recover postretirement benefits computed under SFAS 106. The rate increase was effective October 1, 1998 and allows for previously deferred costs, as well as future SFAS 106 costs, to be recovered over a rolling 15-year period. The Company has previously received an order from the North Carolina Utilities Commission to include in rates the amount of postretirement benefit expense other than pensions computed under SFAS 106.

The Company continually evaluates alternative ways to manage these benefits and control their costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefit may have a significant effect on the amount of the reported obligation and the annual deferral and expense.

10. Business Segment Information

During the current fiscal year, the Company adopted Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). SFAS 131 is based on disclosing information under the "management approach" which relates to the way management uses information to evaluate performance, make operating decisions and allocate resources among the various segments. The adoption of SFAS 131 did not affect the results of operations or financial position of the Company, but did affect the disclosure of segment information for each of the fiscal years presented.

The Company's operations are organized and managed by three primary segments: Distribution Services, Energy Sales and Services and Customer Services. The Distribution Services segment distributes natural gas in six states through the Company's regulated utility divisions. The Energy Sales and Services segment reflects the operations of the Company's NUI Energy, NUI Energy Brokers and NUI Energy Solutions subsidiaries, as well as off-system sales by the utility divisions. The Customer Services segment provides appliance repair and maintenance, mapping services to outside utilities and payment processing and collections primarily for water and waste-water usage. The Company also has corporate operations that do not generate any revenues or operating margins.

The following table provides information concerning the major segments of the Company for each of the three fiscal years ended September 30, 1999, 1998 and 1997. Revenues and operating margins include intersegment sales to affiliated entities, which are eliminated in consolidation. Identifiable assets include only those attributable to the operations of each segment. All of the Company's operations are in the United States and therefore do not need separate disclosure by geographic region. Certain reclassifications have been made to prior year segment data to conform with the current year's presentation.

(Dollars in thousands)	<u>1999</u>	<u>1998</u>	<u>1997</u>
Revenues:			
Distribution Services	\$378,099	\$390,046	\$417,422
Energy Sales & Services	462,415	427,300	180,111
Customer Services	19,112	17,696	15,209
Intersegment Revenues	<u>(31,452)</u>	<u>(7,006)</u>	<u>(4,146)</u>
Total Revenues	<u>\$828,174</u>	<u>\$828,036</u>	<u>\$608,596</u>
Operating Margins:			
Distribution Services	\$162,264	\$158,412	\$153,115
Energy Sales & Services	13,319	5,441	6,429
Customer Services	19,112	17,696	15,209
Intersegment Operating Margins	<u>(2,032)</u>	<u>(1,973)</u>	<u>(1,915)</u>
Total Operating Margins	<u>\$192,663</u>	<u>\$179,576</u>	<u>\$172,838</u>
Pre-Tax Operating Income:			
Distribution Services	\$49,551	\$50,704	\$45,646
Energy Sales & Services	6,585	(1,744)	1,081
Customer Services	<u>1,404</u>	<u>726</u>	<u>(1,032)</u>
Total Pre-Tax Operating Income	<u>\$57,540</u>	<u>\$49,686</u>	<u>\$45,695</u>
Depreciation & Amortization:			
Distribution Services	\$22,577	\$20,904	\$20,024
Energy Sales & Services	238	243	50
Customer Services	<u>2,140</u>	<u>2,221</u>	<u>2,006</u>
Total Depreciation & Amortization	<u>\$24,955</u>	<u>\$23,368</u>	<u>\$22,080</u>
Identifiable Assets:			
Distribution Services	\$710,743	\$678,776	\$714,161
Energy Sales & Services	70,220	39,849	28,638
Customer Services	<u>14,976</u>	<u>14,866</u>	<u>14,885</u>
Total Identifiable Assets	<u>\$795,939</u>	<u>\$733,491</u>	<u>\$757,684</u>
Capital Expenditures:			
Distribution Services	\$39,471	\$54,809	\$41,223
Energy Sales & Services	495	457	506
Customer Services	<u>2,440</u>	<u>1,682</u>	<u>1,289</u>
Total Capital Expenditures	<u>\$42,406</u>	<u>\$56,948</u>	<u>\$43,018</u>

A reconciliation of the Company's segment pre-tax operating income, depreciation and amortization, identifiable assets and capital expenditures to amounts reported on the consolidated financial statements is as follows:

(Dollars in thousands)	<u>1999</u>	<u>1998</u>	<u>1997</u>
Segment Pre-Tax Operating Income	\$57,540	\$49,686	\$45,695
Non-segment pre-tax operating (loss) income	(1,407)	(676)	123
Non-recurring items	3,954	(9,686)	-
Operating income taxes	<u>(16,604)</u>	<u>(8,390)</u>	<u>(9,377)</u>
Operating income	<u>\$43,483</u>	<u>\$30,934</u>	<u>\$36,441</u>
 Segment Depreciation & Amortization	 \$24,955	 \$23,368	 \$22,080
Non-segment depreciation & amortization	<u>1,984</u>	<u>1,584</u>	<u>952</u>
Depreciation & Amortization	<u>\$26,939</u>	<u>\$24,952</u>	<u>\$23,032</u>
 Segment Identifiable Assets	 \$795,939	 \$733,491	 \$757,684
Non-segment identifiable assets	<u>48,287</u>	<u>43,356</u>	<u>45,981</u>
Total Assets	<u>\$844,226</u>	<u>\$776,847</u>	<u>\$803,665</u>
 Segment Capital Expenditures	 \$42,406	 \$56,948	 \$43,018
Non-segment capital expenditures	<u>5,523</u>	<u>3,918</u>	<u>9,261</u>
Total Capital Expenditures	<u>\$47,929</u>	<u>\$60,866</u>	<u>\$52,279</u>

11. Commitments and Contingencies

Commitments. Capital expenditures are expected to be approximately \$51 million in fiscal 2000.

Environmental Matters. The Company is subject to federal and state laws with respect to water, air quality, solid waste disposal and employee health and safety matters, and to environmental regulations issued by the United States Environmental Protection Agency (EPA), the New Jersey Department of Environmental Protection (NJDEP) and other federal and state agencies.

The Company owns, or previously owned, certain properties on which manufactured gas plants (MGP) were operated by the Company or by other parties in the past. In New Jersey, the Company has reported the presence of the six MGP sites to the EPA, the NJDEP and the New Jersey Board of Public Utilities (NJBPU). In 1991, the NJDEP issued an Administrative Consent Order for the MGP site located at South Street in Elizabeth, New Jersey, wherein the Company agreed to conduct a remedial investigation and to design and implement a remediation plan. In 1992 and 1993, the Company entered into a Memorandum of Agreement with the NJDEP for each of the other five New Jersey MGP sites. Pursuant to the terms and conditions of the Administrative Consent Order and the Memoranda of Agreement, the Company is conducting remedial activities at all six sites with oversight from the NJDEP.

The Company also owns, or previously owned, 10 former MGP facilities located in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland. The Company has joined with other North Carolina utilities to form the North Carolina Manufactured Gas Plant Group (the MGP Group). The MGP Group has entered into a Memorandum of Understanding with the North Carolina Department of Environment, Health and Natural Resources (NCDEHNR) to develop a uniform program and framework for the investigation and remediation of MGP sites in North Carolina. The Memorandum of Understanding contemplates that the actual investigation and remediation of specific sites will be addressed pursuant to Administrative Consent Orders between the NCDEHNR and the responsible parties. The NCDEHNR has sought the investigation and remediation of sites owned by members of the MGP Group and has entered into Administrative Consent Orders with respect to four such sites. None of these four sites are currently or were previously owned by the Company.

Based on the most recent assessment, the Company has recorded a total reserve for environmental investigation and remediation costs of approximately \$34 million, which is the minimum amount that the Company expects to expend

during the next 20 years. The reserve is net of approximately \$4 million, which will be borne by a prior owner and operator of two of the New Jersey sites in accordance with a cost sharing agreement. Of this reserve, approximately \$30 million relates to the six New Jersey MGP sites and approximately \$4 million relates to the 10 sites located outside New Jersey. However, the Company believes that it is possible that costs associated with conducting investigative activities and implementing remedial activities, if necessary, with respect to all of its MGP sites may exceed this reserve by an amount that could range up to an additional \$24 million and be incurred during a future period of time that may range up to 50 years. Of this additional \$24 million in possible future expenditures, approximately \$12 million relates to the New Jersey MGP sites and approximately \$12 million relates to the sites located outside New Jersey. As compared with the \$34 million reserve currently recorded on the Company's books as discussed above, the Company believes that it is less likely that this additional \$24 million will be incurred and therefore has not recorded it on its books.

The Company's prudently incurred remediation costs for the New Jersey MGP sites have been authorized by the NJBPU to be recoverable in rates. The most recent NJBPU base rate order permits the Company to utilize full deferred accounting for expenditures related to its New Jersey sites and provides for the recovery of \$130,000 annually. As of July 1996, the Company is also able to recover MGP expenditures over a rolling seven-year period through its NJBPU approved MGP Remediation Adjustment Clause. As a result, the Company has begun rate recovery of approximately \$5.5 million of environmental costs incurred through June 30, 1998. Recovery of an additional \$2.0 million in environmental costs incurred between July 1, 1998 and June 30, 1999 is currently pending NJBPU approval. Accordingly, the Company has recorded a regulatory asset of approximately \$34 million as of September 30, 1999, reflecting the future recovery of environmental remediation liabilities related to New Jersey MGP sites. The Company has also been successful in recovering a portion of MGP remediation costs incurred for the New Jersey sites from the Company's insurance carriers and continues to pursue additional recovery. With respect to costs associated with the remaining MGP sites located outside New Jersey, the Company intends to pursue recovery from ratepayers, former owners and operators, and insurance carriers, although the Company is not able to express a belief as to whether any or all of these recovery efforts will be successful. The Company is working with the regulatory agencies to prudently manage its MGP costs so as to mitigate the impact of such costs on both ratepayers and shareholders.

Gas Procurement Contracts. Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$68.6 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses. As a result of the forthcoming unbundling of natural gas services in New Jersey, these contracts may result in the realization of stranded costs by the Company. Management believes the outcome of these actions will not have a material adverse effect on the Company's results. The Company also is committed to purchase, at market-related prices, minimum quantities of gas that, in the aggregate, are approximately 2.7 billion cubic feet (Bcf) per year or to pay certain costs in the event the minimum quantities are not taken. The Company expects that minimum demand on its systems for the duration of these contracts will continue to exceed these minimum purchase obligations.

Other. The Company is involved in various claims and litigation incidental to its business. In the opinion of management, none of these claims and litigation will have a material adverse effect on the Company's results of operations or its financial condition.

12. Unaudited Quarterly Financial Data

The quarterly financial data presented below reflects the seasonal nature of the Company's operations which normally results in higher earnings during the heating season, which is primarily in the first two fiscal quarters. (in thousands, except per share amounts):

	<u>Fiscal Quarters</u>			
	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
1999:				
Operating Revenues	\$229,598	\$254,562	\$160,678	\$183,336
Operating Income	12,416	22,556	6,575	1,936
Net Income (Loss)	6,918	17,762	2,424	(2,544)
Net Income (Loss) Per Share	0.55	1.40	0.19	(0.20)
1998:				
Operating Revenues	\$235,938	\$258,798	\$169,004	\$164,296
Operating Income (Loss)	11,907	19,673	4,009	(4,655)
Net Income (Loss)	7,421	15,063	(432)	(9,738)
Net Income (Loss) Per Share	0.60	1.20	(0.03)	(0.77)

During the second quarter of fiscal 1999, the company recorded after-tax non-recurring income and other non-recurring items totaling \$1.3 million (\$2.1 million before income taxes), or \$0.10 per share (see Note 3).

During the third quarter of fiscal 1999, the company recorded after-tax non-recurring income and other non-recurring items totaling \$1.1 million (\$1.9 million before income taxes), or \$0.08 per share (see Note 3).

During the fourth quarter of fiscal 1998, the Company recorded after-tax restructuring and other non-recurring charges totaling \$5.9 million (\$9.7 million before income taxes), or \$0.47 per share (see Note 3).

Quarterly net income (loss) per share in both fiscal 1999 and fiscal 1998 does not total to the annual amounts due to rounding and to changes in the average common shares outstanding.

SCHEDULE II

**NUI Corporation and Subsidiaries
Valuation and Qualifying Accounts
For each of the Three Years in the
Period Ended September 30, 1999
(Dollars in thousands)**

<u>Description</u>	<u>Balance, Beginning of Period</u>	<u>Additions</u>			<u>Balance, End of Period</u>
		<u>Charged to Costs and Expenses</u>	<u>Other</u>	<u>Deductions</u>	
1999					
Allowance for doubtful accounts	\$ 1,714	\$ 1,832	\$ 699 ^a	\$ 2,514 ^b	\$ 1,697
Environmental remediation reserve	\$ 33,981	--	--	--	\$ 33,981
Restructuring reserve	\$ 556	149	--	705	\$ 0
1998					
Allowance for doubtful accounts	\$ 2,318	\$ 2,942	\$ 224 ^a	\$ 3,770 ^b	\$ 1,714
Environmental remediation reserve	\$ 33,981	--	--	--	\$ 33,981
Restructuring reserve	\$ 0	1,008	--	452	\$ 556
1997					
Allowance for doubtful accounts	\$ 2,288	\$ 2,305	\$ 1,088 ^a	\$ 3,363 ^b	\$ 2,318
Environmental remediation reserve	\$ 33,981	--	--	--	\$ 33,981

^a Recoveries

^b Uncollectible amounts written off.

NUI CORPORATION AND SUBSIDIARIES
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in thousands)

	<u>Year Ended September 30,</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Income from continuing operations before income taxes	\$41,718	\$21,024	\$30,172	\$23,040	\$ 8,644
Less:					
Adjustment related to equity investments	(631)	(402)	(2,317)	--	--
Add:					
Interest element of rentals charged to income (a)	3,144	3,239	3,299	2,930	3,220
Interest expense	<u>21,836</u>	<u>20,496</u>	<u>21,374</u>	<u>19,808</u>	<u>20,032</u>
Earnings as defined	<u>\$66,067</u>	<u>\$44,357</u>	<u>\$52,528</u>	<u>\$45,782</u>	<u>\$31,896</u>
Interest expense	21,836	20,496	21,374	19,808	19,814
Capitalized interest	83	272	186	150	218
Interest element of rentals charged to income (a)	<u>3,144</u>	<u>3,239</u>	<u>3,299</u>	<u>2,930</u>	<u>3,220</u>
Fixed charges as defined	<u>\$25,063</u>	<u>\$24,007</u>	<u>\$24,859</u>	<u>\$22,888</u>	<u>\$23,252</u>
Consolidated ratio of earnings to fixed charges	<u>2.64</u>	<u>1.85</u>	<u>2.11</u>	<u>2.00</u>	<u>1.37</u>

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.

SUBSIDIARIES OF NUI CORPORATION

NUI Capital Corp. (a Florida Corporation) is a wholly-owned subsidiary of NUI Corporation.

NUI Energy, Inc. (a Delaware Corporation), NUI Energy Brokers, Inc. (a Delaware Corporation), Utility Business Services, Inc. (a New Jersey Corporation), NUI Environmental Group, Inc. (a New Jersey Corporation), NUI Energy Solutions Inc. (a New Jersey Corporation), NUI Sales Management, Inc. (a Delaware Corporation), NUI International, Inc. (a Delaware Corporation) and International Telephone Group, Inc. (a New Jersey Corporation) are wholly-owned subsidiaries of NUI Capital Corp.

NUI/Caritrade International, L.L.C. (a Delaware Limited Liability Company) is a wholly-owned subsidiary of NUI International, Inc.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated November 9, 1999, included in the Form 10-K, into the Company's previously filed Registration Statements File No. 33-56509 relating to Amendment No. 1 to Form S-3 Registration Statement, File No. 33-51459 relating to NUI Direct, File No. 33-57183 relating to the Savings and Investment Plan, File No. 33-24169 relating to the 1988 Stock Plan, File No. 333-02425 relating to the 1996 Stock Option and Stock Award Plan, File No. 333-02421 relating to the Employee Stock Purchase Plan, File No. 333-02423 relating to the 1996 Director Stock Purchase Plan, and File No. 333-92817 relating to Form S-3 Registration Statement.

ARTHUR ANDERSEN LLP

New York, New York
December 20, 1999

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Township of Bedminster, State of New Jersey, on the day of December 20, 1999

NUI CORPORATION

By: JAMES R. VAN HORN
Chief Administrative Officer,
General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

JOHN KEAN, JR.	President, Chief Executive Officer and Director (Principal executive officer)	December 20 , 1999
JOHN KEAN	Chairman and Director	December 20, 1999
A. MARK ABRAMOVIC	Senior Vice President, Chief Operating Officer and Chief Financial Officer (Principal financial and accounting officer)	December 20, 1999
JAMES J. FORESE	Director	December 20 , 1999
DR. VERA KING FARRIS	Director	December 20, 1999
J. RUSSELL HAWKINS	Director	December 20, 1999
BERNARD S. LEE	Director	December 20, 1999
R. V. WHISNAND	Director	December 20, 1999
JOHN WINTHROP	Director	December 20, 1999