

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Rate Increase) Docket No. 030569-GU
by City Gas Company of Florida)

AFFIDAVIT OF NOTICE

STATE OF FLORIDA)
COUNTY OF LEON)

BEFORE ME, the undersigned authority, personally appeared Jennifer L. McNeal who, first being duly sworn, deposes and says:

1. I am an administrative assistant in the law firm of Hopping Green & Sams.
2. On, August 15, 2003, I caused a copy of the letter and Petition for Rate Increase attached as Exhibit I to be mailed to the persons listed on Exhibit III by U.S. Mail, certified, return receipt requested.
3. On September 15, 2003, I caused a copy of the letter and Rate Case Synopsis attached as Exhibit II to be mailed to the persons listed on Exhibit III by U.S. Mail, certified, return receipt requested.

Further affiant sayeth not.

Jennifer L. McNeal
Jennifer L. McNeal

Sworn to and subscribed before me by Jennifer L. McNeal, who is personally known to me, this 9th day of October, 2003.

Gail Steels
Notary Public
GAIL STEELS



Gail Steels
MY COMMISSION # CC898012 EXPIRES
March 6, 2004
BONDED THRU TROY FAIR INSURANCE, INC.

DOCUMENT NUMBER 10256 001201
FPSC-COMMISSION CLERK

Don Slesnik
Mayor of Coral Gables
405 Biltmore Way
Coral Gables, FL 33114

Raul L. Martinez
Mayor of Hialeah
501 Palm Avenue
Hialeah, FL 33010

Yioiset De la Cruz
Mayor of Hialeah Gardens
10001 NW 87th Avenue
Hialeah Gardens, FL
33016

Jack Morrow
Mayor of Medley
7331 NW 74 Street
Medley, FL 33166

Manuel A. Diaz
Mayor of Miami
3500 Pan American Drive
Miami, FL 33133

Billy Bain
Mayor of Miami Springs
201 Westward Drive
Miami Springs, FL 33166

Josaphat Celestin
Mayor of North Miami
776 NE 125th Street
North Miami, FL 33161

Jeffrey A. Mishcon
Mayor of North Miami
Beach
17011 NE 19th Avenue
North Miami Beach, FL
33162

Myra Taylor
Mayor of Opa Locka
777 Sharazad Blvd.
Opa Locka, FL 33054

Horace G. Feliu
Mayor of South Miami
6130 Sunset Drive
South Miami, FL 33143

Evelyn Greer
Mayor of Pinecrest
11551 South Dixie
Highway
Pinecrest, FL 33156

Paul Bithorn
Mayor of Virginia Gardens
6498 NW 38th Terrace
Virginia Gardens, FL
33166

Velia Yedra Chruszcz
Mayor of West Miami
901 SW 52 Avenue
West Miami, FL 33144

Lori Moseley
Mayor of Miramar
6700 Miramar Parkway
Miramar, FL 33023

James F. Fielding
Mayor of Port St. Lucie
121 SW Port St. Lucie
Blvd.
Port St. Lucie, FL 34984

Sandra L. Bowden
Mayor of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961

Rocky Randels
Mayor of Cape Canaveral
P.O. Box 326
Cape Canaveral, FL 32920

Judy Parrish
Mayor of Cocoa
603 Brevard Avenue
Cocoa, FL 32922

Dr. Leon Beeler
Mayor of Cocoa Beach
2 S. Orlando Avenue (SR
A1A)
Cocoa Beach, FL 32931

Mary Ann O'Neill
Mayor of Indian Harbour
Beach
2055 S. Patrick Drive
Indian Harbour Beach, FL
32937

John A. Buckley
Mayor of Melbourne
900 E. Strawbridge
Avenue
Melbourne, FL 32901

John Mazziotti
Mayor of Palm Bay
120 Malabar Road, SE
Palm Bay, FL 32907

Larry A. Schultz
Mayor of Rockledge
1600 Huntington Lane
Rockledge, FL 32955

David R. Schechter
Mayor of Satellite Beach
565 Cassia Blvd.
Satellite Beach, FL 32937

Ronald G. Swank
Mayor of Titusville
P.O. Box 2806
Titusville, FL 32781

Robert Willmarth
Mayor of West Melbourne
2285 Minton Road
West Melbourne, FL
32904

Alex Penelas
Mayor of Metropolitan
Dade
111 NW First Street, suite
2910
Miami, FL 33128

Roger Dejarlais
County Administrator
115 S. Andrews Avenue, #
409
Ft. Lauderdale, FL 33301

Douglas M. Anderson
Chairman of County
Commission
2300 Virginia Avenue
Ft. Pierce, FL 34982

James Chandler
County Administrator
1840 25th Street
Vero Beach, FL 32960

Tom Jenkins
County Manager
2725 Judge Frank
Jameison Way
Viera, FL 32940

Russ Blackburn
County Administrator
2401 SE Monterey Road
Stuart, FL 34996

Eugene Flinn
City of Palmetto Bay
8950 SW 152 Street
Palmetto Bay, Florida
33157

Roscoe Warren
Mayor City of Homestead
790 N. Homestead Blvd
Homestead, Florida 33030

City of Miami Lakes
Mayor Wayne Slayton
6853 Main Street
Miami Lakes, Florida
33014

Robert Weisman
County Administrator
301 North Olive Avenue
West Palm Beach, Florida
33401

Virginia Walker
City Clerk
335 S.W. 2nd Avenue
South Bay, Florida 33493

Steve Wilson
Mayor
110 Dr. Martin Luther
King Jr. Blvd. West
Belle Glade, Florida
33430-3900

Erica Wright
City Attorney's Office
444 SW 2nd Avenue
Suite 945
Miami, FL 33130

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial Number
(850) 425-2313

August 15, 2003

BY HAND DELIVERY

Ralph Jaeger
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: City Gas Rate Case – Docket No. 030569-GU
Schedule, Notices, Synopsis

Dear Ralph:

City Gas has today filed its MFRs in the above docket. Enclosed for the staff's review are drafts of:

(1) A "Notice to Customers" that contains the information required by subsection (5) of Rule 25-22.0406. Copies of this notice will be mailed to the Company's customers in the time frames provided in the rule.

(2) A "Notice of Service Hearings" that contains the information required by subsection (6) of Rule 25-22.0406. Copies of this notice will be published in the time frames provided in the rule.

(3) A "Rate Case Synopsis" that contains the information required by subsection (4) of Rule 25-22.0406. Copies of the synopsis will be distributed as required by the rule.

The drafts are modeled closely after the notices and synopsis that the staff approved for the Company's use in Docket No. 000768-GU.

The drafts contain blanks for various schedule dates and customer service hearing locations that have not yet been set by the Commission. As soon as we receive the required information, we will submit final drafts for formal approval.

Exhibit I

Ralph Jaeger
August 15, 2003
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The notices will be provided to customers in the Company's Miami-Dade County division in both English and Spanish, and the time required for translation adds to the lead time for mailing and publishing the notices. Therefore, we are furnishing the draft notices to you as early as possible in order to get staff's preliminary comments. We will incorporate these comments into the final draft once we get the information needed to complete the missing dates and locations. Hopefully, this will expedite the final staff review and approval process.

If you have any questions about these drafts, please give me a call at 425-2313.

Very truly yours,



Richard D. Melson

Enclosures

cc: John Slemkewicz
Blanca Bayó (for docket file)
Gloria Lopez

Hopping Green & Sams

Attorneys and Counselors

CITY GAS COMPANY OF FLORIDA

NOTICE TO CUSTOMERS

On August 15, 2003, City Gas Company of Florida ("the Company"), an operating division of NUI Utilities, Inc., filed a request for a rate increase with the Florida Public Service Commission ("Commission") in its Docket No. 030569-GU for approval to increase annual revenues by \$10,489,305. The Company also requested an interim rate increase of \$3,548,987 be put into effect pending final action on the permanent rate increase.

The general reasons for the request for an increase in rates are:

- 1) The Company's natural gas throughput from residential, commercial and industrial customers has not grown at the rate projected in its last rate case, due in part to the economic downturn following the events of September 11, 2001.
- 2) The Company has made capital additions that need to be recognized in rate base so that an adequate return on this investment can be obtained.
- 3) The Company's operating expenses have increased due, among other things, to inflation and customer growth, increased pension costs, increased medical insurance costs, increased property and liability insurance costs, and increased corporate governance costs. Many of these cost increases are due to external factors that affect businesses in all industries.

In order to more fairly recover the cost of service, the Company is proposing a substantial rate restructuring that will eliminate distinctions between residential, commercial and industrial customers, between sales and transportation customers, and between firm and interruptible customers. A comparison of the proposed final rates with the rates in effect prior to the Company's request is attached.

Service hearings have been scheduled in Miami-Dade, St. Lucie and Brevard Counties to allow customers to express their views regarding the quality of service they receive from the Company and other matters pertaining to the requested rate increase. The dates, times and locations of the service hearings are as follows:

[date]
[time]
Miami-Dade County
[location]
[location]
[location]

CITY GAS COMPANY OF FLORIDA
NOTICE TO CUSTOMERS
Page 2

[date]
[time]
St. Lucie County
[location]
[location]
[location]

[date]
[time]
Brevard County
[location]
[location]
[location]

Customers are urged to be present at the beginning of the hearing, since service hearings may be adjourned once all customers present have been allowed to speak.

Any person requiring some accommodation at the service hearings because of a physical impairment should call the Commission's Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

The Commission is currently scheduled to consider the Company's request for interim rate relief on October __, 2003, and its request for permanent rate relief on January __, 2004, in Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida, beginning at 9:30 a.m.

The following is the current rate case schedule established by the Commission that contains all the critical events and dates. This schedule is subject to change by the Commission.

Staff Recommendation on Interim Rates	10/__/03
Order Establishing Procedure	10/__/03
Agenda Conference on Interim Rates	10/__/03
Service Hearing - Miami-Dade County	10/__/03
Service Hearing - St. Lucie County	10/__/03
Service Hearing - Brevard County	10/__/03
Audit Report Due	__/__/03
Standard Order on Interim Rates	11/__/03
Staff Recommendation on Final Rates	12/__/03
Agenda Conference on Final Rates	1/__/04
Proposed Agency Action Order on Final Rates	1/__/04

**CITY GAS COMPANY OF FLORIDA
NOTICE TO CUSTOMERS
Page 3**

More detailed information on the Company's proposed rate increase is contained in the complete minimum filing requirements, located at the following Company offices:

City Gas Company of Florida
955 East 25th Street
Hialeah, Florida 33013-3498

City Gas Company of Florida
590 NW Peacock Blvd., Suite 7
Port St. Lucie, FL 34986-2213

City Gas Company of Florida
4180 South U.S. Highway No. 1
Rockledge, Florida 32955-5309

Inspection of the filing at any of these offices may be conducted during normal business hours (8:00 a.m. - 5:00 p.m., Monday - Friday).

A Synopsis of the rate case can be reviewed at the above locations and at the following Public Libraries:

St. Lucie County Public Library
Port St. Lucie Branch
180 SW Prima Vista
Port St. Lucie, FL 34983
(561) 871-5450

Martin County Public Library
Jensen Beach Branch
1900 NE Ricou Terrace
Jensen Beach, FL 34957
(561) 334-4488

Indian River County Public Library
1600 21st Street
Vero Beach, FL 32960
(561) 770-5060

Central Brevard Library
Attention: Director
308 Forest Avenue
Cocoa, FL 32922

**CITY GAS COMPANY OF FLORIDA
NOTICE TO CUSTOMERS**

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Hialeah John F. Kennedy

Memorial Library
Attention: Director
190 W. 49 Street
Hialeah, FL 33012

Miami Dade Main Library

Attention: Director
101 West Flagler Street
Miami, FL 33128

Broward County Main Library

Attention: Director
100 S. Andrews Avenue
Ft. Lauderdale, FL 33301

Palm Beach County Main Library

[location]
[location]
[location]

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to:

Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 030569-GU, which is the docket number that has been assigned to this proceeding.

For your information, we are also providing the address and telephone number of the Florida Public Service Commission's Consumer Affairs Division:

Division of Consumer Affairs
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
1-800-342-3552 (Toll Free Number)

Company personnel may be contacted to answer questions concerning the rate request at the address shown on your gas service bill, or by calling the following telephone number:

1-800-347-4427 Extension 5222

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

The Company is proposing substantial changes to its traditional customer classes and rate schedules. As proposed, the current residential, commercial and industrial classifications are replaced by 11 volumetric-based rate schedules, without regard to customer type. Under the proposed rate structure, there is no distinction between sales and transportation service or between firm and interruptible service.

The following table provides information to enable customers to compare rates under the existing classes to the proposed classes. For example, the proposed General Service 1-99 therm volumetric class (Rate Schedule GS-1) does not distinguish between residential, commercial and industrial customers. The information below has been separated to display GS-1 residential rates and GS-1 non-residential rates to allow customers to more easily compare the current and proposed rates. The Company is not proposing two GS-1 rate classes. The information is presented in this format solely for purposes of clarifying the Company's proposal.

In addition, the Flexible Gas Service, Contract Demand Service, and Off-System Sales rate schedules are not included in the rate comparisons. Rates for these schedules are established by negotiation.

<u>Proposed Rate Schedule</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
GS-1 (Residential)		
Customer Charge, per month	\$7.50	\$9.25
Distribution Charge, per therm	\$0.49367	\$0.5547
GS-1 (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$9.25
Distribution Charge, per therm	\$0.23877	\$0.5547
GS-1 (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$9.25
Distribution Charge, per therm	\$0.23877	\$0.5547
GS-100 (Residential)		
Customer Charge, per month	\$7.50	\$12.00
Distribution Charge, per therm	\$0.49367	\$0.4780
GS-100 (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$12.00
Distribution Charge, per therm	\$0.23877	\$0.4780
GS-100 (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$12.00
Distribution Charge, per therm	\$0.23877	\$0.4780

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
GS-220 (Residential)		
Customer Charge, per month	\$7.50	\$15.00
Distribution Charge, per therm	\$0.49367	\$0.4367
GS-220 (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$15.00
Distribution Charge, per therm	\$0.23877	\$0.4367
GS-220 (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$15.00
Distribution Charge, per therm	\$0.23877	\$0.4367
GS-600 (Residential)		
Customer Charge, per month	\$7.50	\$20.00
Distribution Charge, per therm	\$0.49367	\$0.3856
GS-600 (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$20.00
Distribution Charge, per therm	\$0.23877	\$0.3856
GS-600 (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$20.00
Distribution Charge, per therm	\$0.23877	\$0.3856
GS-1.2k (Residential)		
Customer Charge, per month	\$7.50	\$25.00
Distribution Charge, per therm	\$0.49367	\$0.3062
GS-1.2k (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$25.00
Distribution Charge, per therm	\$0.23877	\$0.3062
GS-1.2k (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$25.00
Distribution Charge, per therm	\$0.23877	\$0.3062
GS-6k (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$33.00
Distribution Charge, per therm	\$0.23877	\$0.2882
GS-6k (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$33.00
Distribution Charge, per therm	\$0.23877	\$0.2882

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
GS-25k (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$130.00
Distribution Charge, per therm	\$0.23877	\$0.2759
GS-25k (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$130.00
Distribution Charge, per therm	\$0.23877	\$0.2759
GS-60k (Non-Residential Sales)		
Customer Charge, per month	\$20.00	\$185.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.23877	\$0.2580
GS-60k (Non-Residential Transportation)		
Customer Charge, per month	\$25.00	\$185.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.23877	\$0.2580
GS-120k (Former Sales: LCS)		
Customer Charge, per month	\$50.00	\$300.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.17847	\$0.1430
GS-120k (Former Transportation: CTS)		
Customer Charge, per month	\$55.00	\$300.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.17847	\$0.1430
GS-250k (Former Interruptible Sales: IP/CI)		
Customer Charge, per month	\$100.00	\$500.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.15787	\$0.1309
GS-250k (Former Interruptible Transportation: ITS/CI-TS)		
Customer Charge, per month	\$175.00	\$500.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.15787	\$0.1309
GS-1,250k (Former Interruptible Sales: IL/CI-LV)		
Customer Charge, per month	\$250.00	\$800.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.11198	\$0.1013

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
GS-1,250k (Former Interruptible Large Volume Transportation: ILT/CI-LVT)		
Customer Charge, per month	\$400.00	\$800.00
Demand Charge, per DCQ	\$ --	\$7.25
Distribution Charge, per therm	\$0.11198	\$0.1013
GL (Gas Lighting)		
Energy Charge, per lamp	\$8.89	\$8.60
NGV (Natural Gas Vehicles)		
Customer Charge, per month	\$15.00	\$15.00
Distribution Charge, per therm	\$0.17500	\$0.1750
TPS (Third Party Supplier)		
Customer Charge, per TPS per month	\$ --	\$400.00
Charge per Customer, per month	\$ --	\$5.92
TSS (Transportation Supply Service)		
Annual Service Charge	\$ --	\$ --
Daily Usage Charge	\$ --	\$ --
Miscellaneous Service Charges		
Residential Connect	\$30.00	\$50.00
Non-Residential Connect	\$60.00	\$110.00
Residential Reconnect after non-payment	\$30.00	\$50.00
Non-Residential Reconnect after non-payment	\$60.00	\$170.00
Change of Account	\$20.00	\$20.00
Customer Requested Temporary Disconnection	\$ --	\$20.00
Bill Collection in lieu of Disconnection	\$15.00	\$20.00
Late Payment Charge, whichever is greater	1.5%	\$5 or 1.5%
Returned Check Charge, whichever is greater	\$25.00 or 5%	\$25.00 or 5%
Copy of Tariff	\$25.00	\$25.00

CITY GAS COMPANY OF FLORIDA

NOTICE OF SERVICE HEARINGS

On August 15, 2003, City Gas Company of Florida ("the Company"), an operating division of NUI Utilities, Inc., filed a request for a rate increase with the Florida Public Service Commission ("Commission") in its Docket No. 030569-GU for approval to increase annual revenues by \$10,489,305.

The Commission has scheduled service hearings at the following dates, times and locations to allow customers to express their views regarding the quality of service they receive from the Company and other matters pertaining to the requested rate increase.

[date]
[time]
Miami-Dade County
[location]
[location]
[location]

[date]
[time]
St. Lucie County
[location]
[location]
[location]

[date]
[time]
Brevard County
[location]
[location]
[location]

Customers are urged to be present at the beginning of the hearing, since service hearings may be adjourned once all customers present have been allowed to speak.

Any person requiring some accommodation at the service hearings because of a physical impairment should call the Commission's Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

Written comments regarding the Company's service or the proposed rate increase can be addressed to:

Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 030569-GU, which is the docket number that has been assigned to this proceeding.

Company personnel may be contacted to answer questions concerning this rate request at the address shown on your gas service bill, or by calling the following telephone number:

1-800-347-4427 Extension 5222

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial Number
(850) 425-2313

September 15, 2003

Ladies and Gentlemen:

Attached for your information in accordance with the requirements of Rule 25-22.0406(4)(b), Florida Administrative Code, is a copy of a Rate Case Synopsis related to the Petition for Rate Increase filed with the Florida Public Service Commission by NUI City Gas Company of Florida.

Sincerely,



Richard D. Melson
Attorney for NUI City Gas
Company of Florida

Exhibit II

CITY GAS COMPANY OF FLORIDA

RATE CASE SYNOPSIS

DOCKET NO. 030569-GU

City Gas Company of Florida (the "Company") is a natural gas utility providing natural gas service and gas transportation service to over 100,000 customers in Miami-Dade, Broward, Palm Beach, Brevard, St. Lucie, Indian River and Martin Counties. The Company is a division of NUI Utilities, Inc., headquartered in New Jersey, which operates natural gas distribution systems in three states: Florida, New Jersey, and Maryland.

On August 15, 2003, the Company filed a request for a rate increase with the Florida Public Service Commission ("Commission"). Under Florida law, the Commission regulates the rates, charges and service provided by natural gas utilities in the state. The case has been assigned Docket No. 030569-GU.

The Company is entitled by law to receive a reasonable return on its property used and useful in the public service. The Company's existing rates and charges are inadequate to provide fair and reasonable compensation for the services it provides to the public. The Company achieved an overall rate of return of 5.41% during the historic base year ended September 30, 2002. In the absence of any rate relief, the Company's overall rate of return is projected to drop to 2.91% for the year ending September 30, 2004. The existing return denies the Company the financial strength and integrity necessary to undertake capital additions designed to improve the Company's quality of service and to extend that service to more customers.

The general reasons for the request for an increase in rates are:

- 1) The Company's natural gas throughput from residential, commercial and industrial customers has not grown at the rate projected in its last rate case, due in part to the economic downturn following the events of September 11, 2001.
- 2) The Company has made capital additions that need to be recognized in rate base so that an adequate return on this investment can be obtained.
- 3) The Company's operating expenses have increased due, among other things, to inflation and customer growth, increased pension costs, increased medical insurance costs, increased property and liability insurance costs, and increased corporate governance costs. Many of these cost increases are due to external factors that affect businesses in all industries.

The Company has filed a detailed set of financial and accounting schedules, called Minimum Filing Requirements or MFRs, with the Commission. As shown on those supporting documents, the Company is seeking approval of rates that would generate additional base revenues of

\$10,489,305 annually, or an overall increase of 27.7%. The requested permanent revenue increase would give the Company the opportunity to earn a fair and reasonable rate of return of 8.10%, including a return on equity of 11.25%, plus or minus 100 basis points, on a projected 2004 average rate base of \$123,421,819.

The Company has also requested that the Commission approve interim rates that would generate additional base revenues of \$3,548,987 annually, or an overall increase of 9.7%, during the pendency of the rate case. The Commission is required to act on this interim rate request within 60 days of the Company's filing, and is currently scheduled to vote on the request on October 7, 2003. Any interim rate increase authorized by the Commission will be subject to refund, with interest, to the extent ultimately found by the Commission not to be justified.

In order to more fairly recover the cost of service from its various classes of customers, the Company is proposing a substantial rate redesign that will eliminate distinctions between residential, commercial and industrial customers, between sales and transportation customers, and between firm and interruptible customers. Instead a customer's rate class will be based solely on annual therm usage levels.

A comparison of the proposed final rates with the rates in effect prior to the Company's request is attached. Also attached is a copy of the Executive Summary filed as part of the Company's rate application.

Pursuant to Florida law, the Company has chosen to have its request for a rate increase processed under the Commission's procedures governing Proposed Agency Action. Under this procedure, the staff of the Commission will first review the Company's request for interim rate relief and will make a recommendation to the Commission on the amount of the interim increase, if any, to be granted while the Commission considers the application for permanent rate relief. The Commission will consider its staff's recommendation at one of its regularly scheduled bi-weekly Agenda Conferences in Tallahassee, Florida within 60 days after the Company's petition was filed. The Commission is currently scheduled to consider the Company's request for interim rate relief on October 7, 2003. Any interim increase granted will be held by the Company subject to refund pending the Commission's final decision on permanent rates.

The staff of the Florida Public Service Commission will conduct a detailed review and investigation of the Company's request for permanent rate relief and will perform an audit of the Company's books. In addition, the Commission will conduct customer meetings in Miami-Dade, St. Lucie and Brevard Counties to take comments from customers on the Company's quality of service and on other matters pertaining to the Company's rate request. One or more Commissioners may be present at the customer meetings. Following completion of this investigation and the customer meetings, the Commission staff will make a recommendation to the Commission on what rate relief, if any, should be granted. The Commission will act on its staff's recommendation at another Agenda Conference in Tallahassee within five months after the Company's petition was filed. The Commission is currently scheduled to consider the permanent rate request on January 6, 2004.

The major issues to be considered by the Commission in this case will include the determination of the proper rate base, net operating income, earned rate of return, fair and reasonable rate of return, the proper rate structure, and the quality of service provided by the Company.

After the Commission votes on the Company's rate request, it will issue an Order on Proposed Agency Action containing its findings and conclusions. Substantially affected persons have 21 days after the written order is issued to decide whether to accept the Commission's decision or to request a formal hearing. If no party protests the order, the Commission's decision becomes final, the new rates go into effect, and the case is closed. If there is a protest, the case will proceed to a formal hearing process, which must be completed within eight months after the date the protest was filed.

If a protest is filed by a party other than the Company, the Company has the right to place its requested permanent rates in effect, subject to refund, until the case is concluded.

Customer meetings have been scheduled in Miami-Dade, St. Lucie and Brevard Counties as follows:

October 29, 2003

6:00 p.m.

Miami-Dade County
Coral Gables City Hall
Commission Chambers
405 Biltmore Way
Coral Gables, FL 33134

October 30, 2003

12:00 p.m.

St. Lucie County
Port St. Lucie Community Center
Room D
2195 S.E. Airoso Blvd.
Port St. Lucie, FL 34984

October 30, 2003

6:00 p.m.

Brevard County
Space Coast Room, Building C, 2nd Floor
Brevard County Governmental Center
2725 Judge Fran Jamieson Way
Melbourne, FL 32940

All customers who wish to comment are urged to be present at the beginning of the meeting, since the meetings may be adjourned early if no customers are present. The meeting will begin as scheduled and will continue until all of the customers have been heard. One or more Commissioners of the Florida Public Service Commission may attend and participate at the customer meetings.

The following is the current rate case schedule established by the Commission that contains all the critical events and dates. This schedule is subject to change by the Commission.

Staff Recommendation on Interim Rates	9/25/03
Agenda Conference on Interim Rates	10/7/03
Standard Order on Interim Rates	10/27/03
Customer meeting - Miami-Dade County	10/29/03
Customer meeting - St. Lucie County	10/30/03
Customer meeting - Brevard County	10/30/03
Audit Report Due	10/31/03
Staff Recommendation on Final Rates	12/23/03
Agenda Conference on Final Rates	1/6/04
Proposed Agency Action Order on Final Rates	1/26/04

More detailed information on the Company's proposed rate increase is contained in the complete minimum filing requirements, located at the following Company offices:

City Gas Company of Florida
955 East 25th Street
Hialeah, Florida 33013-3498

City Gas Company of Florida
590 NW Peacock Blvd., Suite 7
Port St. Lucie, FL 34986-2213

City Gas Company of Florida
4180 South U.S. Highway No. 1
Rockledge, Florida 32955-5309

Inspection of the filing at any of these offices may be conducted during normal business hours (8:00 a.m. - 5:00 p.m., Monday - Friday).

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to:

Director, Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 030569-GU, which is the docket number that has been assigned to this proceeding.

For your information, we are also providing the address and telephone number of the Florida Public Service Commission's Consumer Affairs Division:

Division of Consumer Affairs
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

1-800-342-3552 (Toll Free Number)

Company personnel may be contacted to answer questions concerning the rate request at the address shown on your gas service bill, or by calling the following telephone number:

1-800-347-4427 Extension 5222

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

The Company is proposing substantial changes to its traditional customer classes and rate schedules. As proposed, the current residential, commercial and industrial classifications are replaced by 11 volumetric-based rate schedules, without regard to customer type. Under the proposed rate structure, there is no distinction between sales and transportation service or between firm and interruptible service.

The following table provides information to enable customers to compare rates under the existing classes to the proposed classes. For example, the proposed General Service 1-99 therm volumetric class (Rate Schedule GS-1) does not distinguish between residential, commercial and industrial customers. The information below has been separated to display GS-1 residential rates and GS-1 non-residential rates to allow customers to more easily compare the current and proposed rates. The Company is not proposing two GS-1 rate classes. The information is presented in this format solely for purposes of clarifying the Company's proposal.

In addition, the Flexible Gas Service, Contract Demand Service, and Off-System Sales rate schedules are not included in the rate comparisons. Rates for these schedules are established by negotiation.

<u>Annual Therms</u>	<u>Proposed Rate Schedule (Present Rate Schedule Shown In Parenthesis)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
0-99	GS-1 (Residential Sales: RS) Customer Charge, per month Distribution Charge, per therm	\$7.50 \$0.49367	\$9.25 \$0.5547
0-99	GS-1 (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$9.25 \$0.5547
0-99	GS-1 (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$9.25 \$0.5547
100-219	GS-100 (Residential Sales: RS) Customer Charge, per month Distribution Charge, per therm	\$7.50 \$0.49367	\$12.00 \$0.4780
100-219	GS-100 (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$12.00 \$0.4780
100-219	GS-100 (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$12.00 \$0.4780

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Annual Therms</u>	<u>Proposed Rate Schedule (Present Rate Schedule Shown In Parenthesis)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
220-599	GS-220 (Residential Sales: RS) Customer Charge, per month Distribution Charge, per therm	\$7.50 \$0.49367	\$15.00 \$0.4367
220-599	GS-220 (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$15.00 \$0.4367
220-599	GS-220 (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$15.00 \$0.4367
600-1,199	GS-600 (Residential Sales: RS) Customer Charge, per month Distribution Charge, per therm	\$7.50 \$0.49367	\$20.00 \$0.3856
600-1,199	GS-600 (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$20.00 \$0.3856
600-1,199	GS-600 (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$20.00 \$0.3856
1,200-5,999	GS-1.2k (Residential Sales: RS) Customer Charge, per month Distribution Charge, per therm	\$7.50 \$0.49367	\$25.00 \$0.3062
1,200-5,999	GS-1.2k (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$25.00 \$0.3062
1,200-5,999	GS-1.2k (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$25.00 \$0.3062
6,000-24,999	GS-6k (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$33.00 \$0.2882
6,000-24,999	GS-6k (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$33.00 \$0.2882

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Annual Therms</u>	<u>Proposed Rate Schedule (Present Rate Schedule Shown in Parenthesis)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
25,000-59,999	GS-25k (Commercial Sales: CS) Customer Charge, per month Distribution Charge, per therm	\$20.00 \$0.23877	\$130.00 \$0.2759
25,000-59,999	GS-25k (Small Commercial Transportation: SCTS) Customer Charge, per month Distribution Charge, per therm	\$25.00 \$0.23877	\$130.00 \$0.2759
60,000-119,999	GS-60k (Commercial Sales: CS) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$20.00 \$ - \$0.23877	\$185.00 \$0.725 \$0.2580
60,000-119,999	GS-60k (Small Commercial Transportation: SCTS) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$25.00 \$ - \$0.23877	\$185.00 \$0.725 \$0.2580
120,000-249,999	GS-120k (Large Commercial Sales: LCS) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$50.00 \$ - \$0.17847	\$300.00 \$0.725 \$0.1430
120,000-249,999	GS-120k (Commercial Transportation: CTS) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$55.00 \$ - \$0.17847	\$300.00 \$0.725 \$0.1430
250,000-1,249,999	GS-250k (Interruptible Sales: IP/CI) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$100.00 \$ - \$0.15787	\$500.00 \$0.725 \$0.1309
250,000-1,249,000	GS-250k (Interruptible Transportation: ITS/CI-TS) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$175.00 \$ - \$0.15787	\$500.00 \$0.725 \$0.1309
1,250,000 +	GS-1,250k (Interruptible Large Volume Sales: IL/CI-LV) Customer Charge, per month Demand Charge, per DCQ* (in therms) Distribution Charge, per therm	\$250.00 \$ - \$0.11198	\$800.00 \$0.725 \$0.1013

* DCQ, or demand charge quantity, will be determined by the customer's maximum daily requirements in terms of therm units per day.

**CITY GAS COMPANY OF FLORIDA
COMPARISON OF PRESENT AND PROPOSED RATES**

<u>Annual Therms</u>	<u>Proposed Rate Schedule (Present Rate Schedule Shown In Parenthesis)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
1,250,000+	GS-1,250k (Interruptible Large Volume Transportation: ILT/CI-LVT)		
	Customer Charge, per month	\$400.00	\$800.00
	Demand Charge, per DCQ* (in therms)	\$ --	\$0.725
	Distribution Charge, per therm	\$0.11198	\$0.1013
	GL (Gas Lighting)		
	Energy Charge, per lamp	\$8.89	\$8.60
	NGV (Natural Gas Vehicles)		
	Customer Charge, per month	\$15.00	\$15.00
	Distribution Charge, per therm	\$0.17500	\$0.1750
	TPS (Third Party Supplier)		
	Customer Charge, per TPS per month	\$ --	\$400.00
	Charge per Customer, per month	\$ --	\$5.92
	TSS (Transportation Supply Service)		
	Annual Service Charge	\$ --	\$500
	Daily Usage Charge	\$ --	\$50
	Miscellaneous Service Charges		
	Residential Connect	\$30.00	\$50.00
	Non-Residential Connect	\$60.00	\$110.00
	Residential Reconnect after non-payment	\$30.00	\$50.00
	Non-Residential Reconnect after non-payment	\$60.00	\$170.00
	Change of Account	\$20.00	\$20.00
	Customer Requested Temporary Disconnection	\$ --	\$20.00
	Bill Collection in lieu of Disconnection	\$15.00	\$20.00
Late Payment Charge, whichever is greater	1.5%	\$5 or 1.5%	
Returned Check Charge, whichever is greater	\$25.00 or 5%	\$25.00 or 5%	
Copy of Tariff	\$25.00	\$25.00	

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: CITY GAS COMPANY OF FLORIDA
 A DIVISION OF NUI UTILITIES, INC.
 DOCKET NO: 030569-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE
 OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:
 HISTORIC TEST YEAR LAST CASE: 9/30/99
 ATTRITION YEAR LAST CASE: N/A
 PROJECTED TEST YEAR LAST CASE: 9/30/01
 PROJECTED TEST YEAR CURRENT CASE: 9/30/04
 WITNESS: G. L. LOPEZ

Line No.	Item	LAST RATE CASE								CURRENT RATE CASE: REQUESTED		
		REQUESTED (A)				AUTHORIZED				(9)	(10)**	(11)**
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*			
Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year 9/30/2001	Projected Test Year 9/30/2004	Dollar or Percent Difference	Percentage Change		
1	DOCKET NUMBER	n/a	n/a	n/a	000768-GU	n/a	n/a	n/a	000768-GU	030569-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	09/30/99	:	:	:	09/30/99	09/30/02		
3	PROJECTED TEST YEAR	:	:	:	09/30/01	:	:	:	09/30/01	09/30/04		
4	RATE INCREASE - PERMANENT	:	:	:	\$ 7,181,988	:	:	:	\$ 5,132,356	\$ 10,489,305	\$ 5,356,949	104.38%
5	RATE INCREASE - INTERIM	:	:	:	\$ 1,886,605	:	:	:	\$ 1,886,605	\$ 3,548,987	\$ 1,662,382	88.12%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$ 113,986,770	:	:	:	\$ 120,930,315	\$ 123,421,819	\$ 2,491,504	2.06%
7	JURISDICTIONAL N.O.I. BEFORE RATE RELIEF	:	:	:	\$ 4,571,159	:	:	:	\$ 6,374,825	\$ 3,596,957	\$ (2,777,668)	-43.57%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	4.01%	:	:	:	5.27%	2.91%	-2.36%	-44.78%
9	SYSTEM CAPITALIZATION	:	:	:	\$ 113,986,770	:	:	:	\$ 120,930,315	\$ 123,421,819	2,491,504	2.06%
10	OVERALL RATE OF RETURN	:	:	:	7.88%	:	:	:	7.88%	8.10%	0.22%	2.79%
11	COST OF LONG-TERM DEBT	:	:	:	6.54%	:	:	:	6.58%	6.43%	-0.15%	-2.28%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	8.00%	:	:	:	8.00%	2.91%	-5.09%	-83.63%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.73%	:	:	:	6.73%	6.70%	-0.03%	-0.45%
15	COST OF COMMON EQUITY	:	:	:	11.70%	:	:	:	11.50%	11.25%	-0.25%	-2.17%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,250	:	:	:	101,250	101,807	557	0.55%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	:	:	(A)	:	:	:	2/15/01	(A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 368.06 (4), FLORIDA STATUTES.

* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:
ATTRITION YEAR LAST CASE: N/A
PROJECTED TEST YEAR LAST CASE: 09/30/01
PROJECTED TEST YEAR CURRENT CASE: 09/30/0
WITNESS: G. L. LOPEZ

COMPANY: CITY GAS COMPANY OF FLORIDA
A DIVISION OF NUI UTILITIES, INC.

DOCKET NO: 030569-GU

Line No.	Description	Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 7.88%	\$ 4,870,604	46.43%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO 8.10%	433,962	4.14%
3	EFFECT OF PROJECTED TEST YEAR	<u>5,184,739</u>	<u>49.44%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED	<u>\$ 10,489,305</u>	<u>100.01%</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:

COMPANY: CITY GAS COMPANY OF FLORIDA
A DIVISION OF NUI UTILITIES, INC.

HISTORIC TEST YEAR LAST CASE: 9/30/99
ATTRITION YEAR LAST CASE: N/A
PROJECTED TEST YEAR LAST CASE: 9/30/01
PROJECTED TEST YEAR CURRENT CASE: 9/30/04

DOCKET NO 030569-GU

WITNESS: G. L. LOPEZ

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE			RATE BASE REQUESTED BY COMPANY IN CURRENT CASE		(6)** Dollar Difference	(7)** Percent Difference
		(1)* Historical	Attrition	(3)* Total	(4)* Projected Test Year 9/30/2001	(5) Projected Test Year 9/30/2004		
		<u>UTILITY PLANT</u>						
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	182,127,486	198,469,190	16,341,704	8.97%
2	COMMON PLANT ALLOCATED				424,919	5,723,015	5,298,096	1246.85%
3	ACQUISITION ADJUSTMENT				1,814,318	1,462,697	(351,621)	(19.38%)
4	PLANT HELD FOR FUTURE USE							0.00%
5	CONSTRUCTION WORK IN PROGRESS				<u>1,417,684</u>	<u>6,452,439</u>	<u>5,034,755</u>	355.14%
6	GROSS UTILITY PLANT				<u>185,784,407</u>	<u>212,107,341</u>	<u>26,322,934</u>	14.17%
<u>DEDUCTIONS</u>								
7	ACCUMULATED DEPRECIATION - UTILITY PLANT		:	:	67,974,100	84,821,015	16,846,915	24.78%
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED		:	:	(3,905)	2,667,538	2,671,443	(68410.83%)
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS		:	:	427,312	332,680	(94,632)	(22.15%)
11	CUSTOMER ADVANCES FOR CONSTRUCTION		:	:				0.00%
12	TOTAL DEDUCTIONS		:	:	<u>68,397,507</u>	<u>87,821,233</u>	<u>19,423,726</u>	28.40%
13	UTILITY PLANT, NET	:	:	:	117,386,900	124,286,108	6,899,208	5.88%
14	ALLOWANCE FOR WORKING CAPITAL	:	:	:	<u>3,543,416</u>	<u>(864,289)</u>	<u>(4,407,705)</u>	(124.39%)
15	RATE BASE	:	:	:	<u>120,930,316</u>	<u>123,421,819</u>	<u>2,491,503</u>	2.06%

* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL NET OPERATING INCOME

TYPE OF DATA SHOWN:
 HISTORIC TEST YEAR LAST CASE: 9/30/99
 ATTRITION YEAR LAST CASE: N/A
 PROJECTED TEST YEAR LAST CASE: 9/30/01
 PROJECTED TEST YEAR CURRENT CASE: 9/30/04
 WITNESS: G. L. LOPEZ

COMPANY: CITY GAS COMPANY OF FLORIDA
 A DIVISION OF NUI UTILITIES, INC.

DOCKET NO 030569-GU

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE	(6)** Dollar Difference	(7)** Percent Difference
		(1)* Historical	(2)* Attrition	(3)* Total	(4)* Projected Test Year 9/30/2001	(5) Projected Test Year 9/30/2004		
1	OPERATING REVENUES (A)	n/a	n/a	n/a	<u>35,441,489</u>	<u>37,873,588</u>	<u>2,432,099</u>	6.86%
	<u>OPERATING REVENUE DEDUCTIONS:</u>	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	18,177,770	24,088,151	5,890,381	32.40%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,332,329	8,395,317	1,062,988	14.50%
4	TAXES OTHER THAN INCOME	:	:	:	2,484,258	2,216,926	(267,332)	-10.76%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	<u>1,072,507</u>	<u>(403,763)</u>	<u>(1,476,270)</u>	(137.65%)
6	TOTAL OPERATING EXPENSES	:	:	:	<u>29,066,864</u>	<u>34,276,631</u>	<u>5,209,767</u>	17.92%
7	NET OPERATING INCOME (B)	:	:	:	<u>6,374,625</u>	<u>3,596,957</u>	<u>(2,777,668)</u>	-43.57%

(A) EXCLUDES FUEL & CONSERVATION REVENUE
 (B) BEFORE RATE RELIEF

* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).
 IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/99

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/01

PROJECTED TEST YEAR CURRENT CASE: 9/30/04

WITNESS: G. L. LOPEZ

COMPANY: CITY GAS COMPANY OF FLORIDA
A DIVISION OF NUI UTILITIES, INC.

DOCKET NO 030569-GU

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	45,216,115	37.39%	11.50%	4.30%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	52,540,872	43.45%	6.58%	2.86%
4	SHORT-TERM DEBT	6,204,383	5.13%	8.00%	0.41%
5	CUSTOMER DEPOSITS	5,596,459	4.63%	6.73%	0.31%
6	TAX CREDITS	883,654	0.73%	0.00%	0.00%
7	DEFERRED TAXES	10,488,832	8.67%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>120,930,315</u>	<u>100.00%</u>		<u>7.88%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	53,344,808	43.22%	11.25%	4.86%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	55,389,344	44.88%	6.43%	2.89%
12	SHORT-TERM DEBT	1,187,150	0.96%	2.91%	0.03%
13	CUSTOMER DEPOSITS	5,833,009	4.73%	6.70%	0.32%
14	TAX CREDITS	536,361	0.43%	0.00%	0.00%
15	DEFERRED TAXES	7,131,147	5.78%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>123,421,819</u>	<u>100.00%</u>		<u>8.10%</u>

* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: CITY GAS COMPANY OF FLORIDA
A DIVISION OF NUI UTILITIES, INC.

DOCKET NO: 030569-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:
HISTORIC TEST YEAR LAST CASE: 9/30/99
ATTRITION YEAR LAST CASE: N/A
PROJECTED TEST YEAR LAST CASE: 9/30/01
PROJECTED TEST YEAR CURRENT CASE: 9/30/04
WITNESS: G. L. LOPEZ

Line No.	Indicators	(1) Data From Historic Base Year or Test Year Related to Company's Last Rate Case	(2) Data From Historic Base Year Related to Company's Current Rate Case	(3) Year After Current Historic Base Year Without Any Rate Relief	(4) Projected Test Year Without Any Rate Relief	(5) Projected Test Year Including requested Rate Increase
<u>INTEREST COVERAGE RATIOS:</u>						
		1999	2002	2003	2004	2004
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.47	1.48	0.99	0.70	2.56
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.47	1.48	0.99	0.70	2.56
<u>OTHER FINANCIAL RATIOS:</u>						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	49.22%	22.98%	44.58%	31.26%	79.47%
<u>PREFERRED DIVIDEND COVERAGE:</u>						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
<u>RATIO OF EARNINGS TO FIXED CHARGES:</u>						
7	INCLUDING AFUDC	1.47	1.48	0.99	0.70	2.56
8	EXCLUDING AFUDC	1.47	1.48	0.99	0.70	2.56
<u>EARNINGS PER SHARE:</u>						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

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