

# ANNUAL REPORT OF NATURAL GAS UTILITIES

GU602-98-AR

CITY GAS COMPANY OF FLORIDA

A DIVISION OF NUI CORPORATION

(EXACT NAME OF RESPONDENT)

955 E. 25TH ST., HIALEAH, FL 33013-3498

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1998

Officer or other person to whom correspondence should be addressed concerning this report:

Name John Gornick Title Manager, Financial Reporting

Address One Elizabethtown Plaza City Union State NJ

Telephone No. (908) 289-5000 Ext. 5487

PSC/AFA 20 (4/96)

# ARTHUR ANDERSEN LLP

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of  
City Gas Company of Florida:

We have audited the balance sheet of City Gas Company of Florida as of December 31, 1998 and 1997, and the related statements of income for the years then ended, and the statements of retained earnings and cash flows for the year ended December, 31 1998, included on pages 10 through 19 of the accompanying Florida Public Service Commission Annual Report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As discussed in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and proprietary capital of City Gas Company of Florida as of December 31, 1998 and 1997, and the results of its operations for the years then ended, and its cash flows for the year ended December 31, 1998, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of City Gas Company of Florida and for filing with the Florida Public Service Commission and should not be used for any other purposes.

  
ARTHUR ANDERSEN LLP

New York, New York  
April 23, 1999

**INSTRUCTIONS FOR FILING THE  
ANNUAL REPORT OF NATURAL GAS UTILITIES**

**GENERAL INSTRUCTIONS**

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

**DEFINITIONS**

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. <sup>2</sup>) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

## ANNUAL REPORT OF NATURAL GAS UTILITIES

### IDENTIFICATION

01 Exact Legal Name of Respondent NUI Corporation D/B/A City Gas Company of Florida		02 Year of Report Dec. 31, 1998
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code)  955 E. 25th Street, Hialeah, FL 33013-3498		
05 Name of Contact Person  John Gornick	06 Title of Contact Person  Manager, Financial Reporting	
07 Address of Contact Person (Street, City, State, Zip Code)  One Elizabethtown Plaza, Union, NJ 07083		
08 Telephone of Contact Person, Including Area Code  (908) 289-5000	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) April 30, 1999

### ATTESTATION

I certify that I am the responsible accounting officer of

\_\_\_\_\_  
NUI Corporation;

that I have examined the following report; that to the best of my knowledge, information and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 1997 to December 31, 1997, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

Date:

4-30-99

Signature:



Name:

A. Mark Abramovic

Title:

Chief Financial Officer

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Name of Respondent CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION	For the Year Ended Dec. 31, 1998
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**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

A. Mark Abramovic  
Chief Financial Officer  
One Elizabethtown Plaza  
Union, NJ 07083

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

NUI Corporation was incorporated in New Jersey on January 29, 1969

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

4. State the type of utility and nonutility services furnished by respondent during the year in each State in which the respondent operated.

Utility- Distribution of Natural Gas

Non-Utility- Leased Appliances, Merchandising and Jobbing, Propane Sales

City Gas Company of Florida is a division of NUI Corporation (NUI) and operates entirely within Florida. NUI also has operations in North Carolina, Pennsylvania, New York, New Jersey, and Maryland, that are not covered by this report.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) YES ...Enter the date when such independent accountant was initially engaged: \_\_\_\_\_

(2) NO X

Name of Respondent  
CITY GAS COMPANY OF FLORIDA  
A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee (s), state name of

trustee (s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

City Gas Company of Florida is a division of NUI Corporation. NUI is not controlled by any corporation, partnership, business trust or similar organization.

Name of Respondent CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION	For the Year Ended Dec. 31, 1998
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**CORPORATIONS CONTROLLED BY RESPONDENT**

- |  |  |
|--|--|
| <p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> | <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> |
|--|--|

**DEFINITIONS**

- |   |  |
|---|--|
| <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively</p> | <p>control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> |
|---|--|

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
<p>NONE - City Gas Company of Florida is a division of NUI Corporation and does not control, directly or indirectly, any corporation, business trust or similar organization. See footnotes, page 19, for detail of all entities controlled by NUI Corporation.</p>			



Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.  
 2. If a change was made during the year in the incumbent of

any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.  
 3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President and Chief Executive Officer	John Kean, Jr.	
2			
3	Sr. Vice President & Chief Operating and Chief		
4	Financial Officer	A. Mark Abramovic	
5			
6	Chief Administrative Officer, General Counsel & Secretary	James R. Van Horn	
7			
8	Vice President - Corp. Development & Treasurer	Robert F. Lurie	
9			
10	Vice President - New Ventures	Michael J. Behan	
11			
12	Vice President - Human Resources (1)	Nathan E. Cagle, Jr.	
13			
14	Vice President - Distribution Services	Victor A. Fortkiewicz	
15			
16	Vice President - Sales, Marketing & Customer Care	Richard L. Gruber	
17			
18	Vice President and Chief Informational Officer (2)	Michael T. Merritt	
19			
20	Vice President - Appliance Business	Rand W. Smith	
21			
22	Vice President and Assistant Secretary	Kenneth G. Ward	
23			
24	Vice President - Information Technology (1/1/98 - 9/30/98)	David P. Vincent	
25			
26	Vice President - Human Resources (1/1/98 - 9/30/98)	Richard J. O'Neill	
27			
28			
29	The Persons named above are the officers of NUI Corporation, of which the respondent is a division.		
30	The salaries reported for each officer above represents the portion of the total salary that was charged or		
31	allocated to the respondent during the reporting period.		
32			
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39	1) Hired February 1999.		
40	2) Hired March 1999.		
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Name of Respondent  
**CITY GAS COMPANY OF FLORIDA**  
**A DIVISION OF NUI CORPORATION**

For the Year Ended  
**Dec. 31, 1998**

**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
<p><b>CITY GAS COMPANY OF FLORIDA DOES NOT HAVE A BOARD OF DIRECTORS</b></p>			

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and

give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent: if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to the end year, and state the purpose of such closing:

December 11, 1998  
 Dividend payment record date.

2. State the total number of votes cast at the latest general meeting prior to the end of year for the election of directors of the respondents and number of such votes cast by proxy.

Total: 11,355,553  
 By Proxy: 11,355,553

3. Give the date and place of such meeting:

January 27, 1998  
 One Elizabethtown Plaza  
 Union, NJ

VOTING SECURITIES

Number of votes as of (date) January 27, 1998

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	12,656,109	12,656,109		
5	TOTAL number of security holders	6,420	6,420		
6	TOTAL votes of security holders listed below				
7					
8	Detail of security holders is not available.				
9					
10					
11					
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22	NOTE: This information relates to NUI Corporation, of which respondent is a division.				
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33					

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

Dec. 31, 1998

## IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases,

development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 8, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimate increase or decrease in annual revenues due to important rate changes: State effective rate and approximate amount of increase or decrease from each revenue classification. State the number of customers affected.
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.

1. None

2. None

3. None

4. None

5. 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. As a result, 1,200 residential homes and one major commercial customer were added with estimated annual revenues of \$ 350,000.

6. None

7. None

8. No material changes.

9. None

10. No material transactions.

11. No material charges.

12. N/A

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	20-21	\$164,983,532	\$176,381,548
3	Construction Work in Progress (107)	20-21	959,847	1,011,057
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		165,943,379	177,392,605
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	20-21	61,979,250	67,702,780
6	Net Utility Plant (Enter Total of line 4 less 5)		103,964,129	109,689,825
7	Utility Plant Adjustments (116)	19		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-	24,516,751	24,976,606
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-	11,096,173	12,392,851
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125-128)	-	33,077	30,758
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		13,453,655	12,614,513
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	280,824	588,688
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-	4,205	4,405
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-	17,493	12,558
23	Customer Accounts Receivable (142)	-	11,586,450	9,594,145
24	Other Accounts Receivable (143)	-	309,439	56,731
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	(278,488)	(186,286)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Assoc. Companies (146)	-	0	0
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Elec) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	784,073	858,854
32	Merchandise (155)	-	129,303	326,062
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-	8,880	
35	Gas Stored Undgrd. & Liq. Nat. Gas Stored (164.1-164.3)	-		
36	Prepayments (165)	32	745,558	110,004
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-		
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Enter Total of lines 18 through 41)		13,587,737	11,365,161
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	553,182	498,117
45	Extraordinary Property Losses (182.1)	32		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	32		
47	Other Regulatory Assets (182.3)	33	2,822,065	2,604,118
48	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-	187,604	
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	34	767,078	1,549,404
52	Def. Losses from Disposition of Utility Plant. (187)	-		
53	Research, Devel. and Demonstration Expend. (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	-	184,856	142,197
55	Accumulated Deferred Income Taxes (190)	35	1,135,369	998,149
56	Unrecovered Purchased Gas Costs (191)	-	(2,785,222)	(2,483,363)
57	TOTAL Deferred Debits (Enter Total of lines 44 through 56)		2,864,932	3,308,622
58	TOTAL Assets and other Debits (Enter Total of lines 6, 7, 8, 16, 42, 57)		\$133,870,453	\$136,978,121

For the Year Ended

Dec. 31, 1998

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-211) & Accounts 212, 213, 214	-	\$ 30,429,679	\$ 30,429,679
5	Retained Earnings (215, 215.1, 216)	15-16	13,608,440	12,527,237
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	15-16		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Enter Total of lines 2 through 7)		44,038,119	42,956,916
9	LONG-TERM DEBT			
10	Bonds (221)	37	7,759,199	9,694,638
11	(Less) Reacquired Bonds (222)	37		
12	Advances from Associated Companies (223)	37		
13	Other Long-Term Debt (224)	37	39,000,000	39,000,000
14	Unamortized Premium on Long-Term Debt (225)	38		
15	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	38	336,729	324,141
16	TOTAL Long-Term Debt (Enter Total of lines 10 through 15)		46,422,470	48,370,497
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-	46,783	46,783
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-	266,164	160,881
21	Accumulated Provision for Pensions and Benefits (228.3)	-	20,558	498,134
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Enter Total of lines 18 through 23)		333,505	705,798
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-	6,270,355	12,649,115
27	Accounts Payable (232)	-	7,416,016	4,341,242
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-		
30	Customer Deposits (235)	-	5,286,741	5,432,004
31	Taxes Accrued (236)	41	219,989	40,292
32	Interest Accrued (237)	-	1,834,948	1,854,781
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	872,396	547,495
37	Miscellaneous Current and Accrued Liabilities (242)	43	90,809	74,737
38	Obligations Under Capital Leases-Current (243)	-	4,376	4,374
39				
40	TOTAL Current and Accrued Liabilities (Enter Total of lines 26 through 39)		\$21,995,630	\$24,944,040
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-		
43	Other Deferred Credits (253)	43	0	0
44	Other Regulatory Liabilities (254)	45	1,756,559	1,531,158
45	Accumulated Deferred Investment Tax Credits (255)	42	1,259,392	1,131,460
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	39		
48	Accumulated Deferred Income Taxes (281-283)	44	18,064,778	17,338,252
49	TOTAL Deferred Credits (Enter Total of lines 42 through 48)		21,080,729	20,000,870
50				
51	TOTAL Liabilities and Other Credits (Enter Total of lines 8, 16, 24, 40 and 49)		\$133,870,453	\$136,978,121
52				

STATEMENT OF INCOME

1. Report amounts for Accounts 412 and 413, Revenue an unsettled rate proceedings where a contingency exists such Expenses from Utility Plant Leased to Others, in another utility that refunds of a material amount may need to be made to the column (i,k,m,o) in a similar manner to a utility department. utility's customers or which may result in a material refund to Spread the amount (s) over lines 01 through 24 as appropriate the utility with respect to power or gas purchases. State for Include these amounts in columns (c) and (d) totals. each year affected the gross revenues or costs to which the
2. Report amounts in Account 414, Other Utility Operating contingency relates and the tax effects together with an expla- Income, in the same manner as Accounts 412 and 413 above. nation of the major factors which affect the rights of the utility to
3. Report data for lines 7,9,10 for Natural Gas companies retain such revenues or recover amounts paid with respect to using accounts 404.1, 404.2, 404.3, 407.1 and 407.2. power and gas purchases.
4. Use page 19 for important notes regarding the statemen 6. Give concise explanations on page 19 concerning sig- nificant amounts of any refunds made or received during the of income or any account thereof. year resulting from settlement of any rate proceeding affecting
5. Give concise explanations on page 19 concerning

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	46-47	\$76,473,620	\$82,377,613
3	Operating Expenses			
4	Operation Expenses (401)	49-51	60,892,855	65,484,263
5	Maintenance Expenses (402)	49-51	1,288,696	1,527,702
6	Depreciation Expense (403)	59	4,707,219	4,498,302
7	Amort. & Depl. of Utility Plant (404-405)	59		
8	Amort. of Utility Plant Acq. Adj. (406)	59	5,492	5,492
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-	0	0
10	Amort. of Conversion Expenses (407.2)	-	44,769	32,880
11	Regulatory Debits (407.3)	-		
12	(Less) Regulatory Credits (407.4)	-		
13	Taxes Other Than Income Taxes (408.1)	41	4,755,669	5,153,637
14	Income Taxes - Federal (409.1)	41	374,385	2,306,119
15	- Other (409.1)	41	131,828	213,548
16	Provision for Deferred Inc. Taxes (410.1)	35, 44	(534,756)	(2,146,455)
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1	35, 44		
18	Investment Tax Credit Adj. - Net (411.4)	42	(12,168)	(12,168)
19	(Less) Gains from Disp. of Utility Plant (411.6)	-		
20	Losses from Disp. of Utility Plant (411.7)	-		
21	(Less) Gains from Disposition of Allowances (411.8)	-		
22	Losses from Disposition of Allowances (411.9)	-		
23	TOTAL Utility Operating Expenses (Total of lines 4 -22)		71,653,989	77,063,320
24	Net Utility Operating Income (Total of line 2 less 23) (Carry forward to page 14, line 25)		\$4,819,631	\$5,314,293

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended  
 Dec. 31, 1998

STATEMENT OF INCOME (Continued)

revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 19.

8. Enter on page 19 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of

allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 22, and report the information in the blank space on page 19 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		\$76,473,620	\$82,377,613			2
						3
		60,892,855	65,484,263			4
		1,288,696	1,527,702			5
		4,707,219	4,498,302			6
						7
		5,492	5,492			8
						9
		0	0			
		44,769	32,880			10
						11
						12
		4,755,669	5,153,637			13
		374,385	2,306,119			14
		131,828	213,548			15
		(534,756)	(2,146,455)			16
						17
		(12,168)	(12,168)			18
						19
						20
						21
						22
		71,653,989	77,063,320			23
		\$4,819,631	\$5,314,293			24



Name of Respondent			For the Year Ended	
CITY GAS COMPANY OF FLORIDA			Dec. 31, 1998	
A DIVISION OF NUI CORPORATION				
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
			\$4,819,631	\$5,314,293
25	Net Utility Operating Income (Carried forward from page 12)			
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	1,194,346	1,241,008
	(Less) Costs and Exp. of Merchandising, Job & Contract Work (41)	-	588,721	698,253
31	Revenues From Nonutility Operations (417)	-	5,707,646	5,123,231
32	(Less) Expenses of Nonutility Operations (417.1)	-	3,828,344	3,226,796
33	Nonoperating Rental Income (418)	-	17,923	111,682
34	Equity in Earnings of Subsidiary Companies (418.1)	15-16		
35	Interest and Dividend Income (419)	-		
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-	5,432	353,248
38	Gain on Disposition of Property (421.1)	-		713,168
39	TOTAL Other Income (Enter Total of lines 29 through 38)		2,508,282	3,617,288
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	60	982,128	982,128
43	Miscellaneous Income Deductions (426.1-426.5)	60	7,507	2,100
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		989,635	984,228
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	41	374,661	335,973
47	Income Taxes - Federal (409.2)	41	685,312	555,970
48	Income Taxes - Other (409.2)	41	65,344	126,340
49	Provision for Deferred Income Taxes (410.2)	35, 44	(292,354)	203,791
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	35, 44		
51	Investment Tax Credit Adj. - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-	(115,764)	(115,764)
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)		717,199	1,106,310
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		801,448	1,526,750
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	3,483,052	3,567,607
57	Amortization of Debt Disc. and Expense (428)	38	67,654	67,654
58	Amortization of Loss on Reacquired Debt (428.1)	-	42,659	56,535
59	(Less) Amort. of Premium on Debt - Credit (429)	38		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Assoc. Companies (430)	60		
62	Other Interest Expense (431)	60	964,074	755,634
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		4,557,439	4,447,430
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)		1,063,640	2,393,613
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	41		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		0	0
72	Net Income (Enter Total of lines 65 and 71)		\$1,063,640	\$2,393,613

Name of Respondent  
CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount for each reservation or appropriation of retained earnings.

4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.

5. Show dividends for each class and series of capital stock.

6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.

7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 19.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		\$13,608,440
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		1,063,640
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 20)		
23	Dividends Declared - Preferred Stock (Account 437)		
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 27)		
30	Dividends Declared - Common Stock (Account 438)		
31	ALLOCATION OF NUI CORPORATION'S DIVIDEND		(2,144,843)
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 34)		(2,144,843)
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		\$12,527,237

**STATEMENT OF RETAINED EARNINGS (Continued)**

Line No.	Item (a)	Amount (b)
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	<b>TOTAL Appropriated Retained Earnings (Account 215)</b>	<b>\$0</b>
	<b>APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal (Account 215.1)</b>	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	<b>TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)</b>	
47	<b>TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)(Enter Total of lines 45 &amp; 46)</b>	
48	<b>TOTAL Retained Earnings (Account 215, 215.1, 216)(Enter Total of lines 38 and 47)</b>	<b>\$12,527,237</b>
	<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)</b>	
49	Balance - Beginning of Year (Debit or Credit)	
50	Equity in Earnings for Year (Credit) (Account 418.1)	
51	(Less) Dividends Received (Debit)	
52	Other Changes (Explain)	
53	Balance - End of year	

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 19. Information about noncash investing and financing activities should be provided on page 19. Provide also on page 19 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 19 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

2. Under "Other" specify significant amounts and group others.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow From Operating Activities:	
2	Net Income (Line 72(c) on page 14)	\$1,063,640
3	Non-Cash Charges (Credits) to Income:	
4	Depreciation and Depletion	6,006,369
5	Amortization of (Specify): Plant Acquisition Adjustment	984,368
6	Regulatory Assets, Deferred Charges	217,947
7	Unamortized Debt Expense	110,312
8	Deferred Income Taxes (Net)	(589,306)
9	Investment Tax Credit Adjustments (Net)	(127,932)
10	Net (Increase) Decreases in Receivables	2,793,300
11	Net (Increase) Decreases in Inventory	(262,660)
12	Net (Increase) Decreases in Allowances Inventory	
13	Net (Decrease) Increase in Payables and Accrued Expenses	(3,430,348)
14	Net (Increase) Decreases in Other Regulatory Assets	(301,859)
15	Net (Decrease) Increase in Other Regulatory Liabilities	(225,401)
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	(592,405)
19		
20		
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 20)	5,646,025
22		
23	Cash Flows from Investment Activities:	
24	Construction and Acquisition of Plant( including land):	
25	Gross Additions to Utility Plant	(10,896,736)
26	Gross Additions to Common Utility Plant	
27	Gross Additions to Nonutility Plant	(459,855)
28	(Less) Allowance for Other Funds Used During Construction	
29	Other: Cost of Removal	(523,019)
30		
31		
32		
33	Cash Outflows for Plant (Total of lines 24 through 32)	(11,879,610)
34		
35	Acquisition of Other Noncurrent Assets (d)	
36	Proceeds from Disposal of Noncurrent Assets (d)	
37	Investment in and Advances to Assoc. and Subsidiary Companies	
38	Contributions and Advances from Assoc. and Subsidiary Companies	
39	Disposition of Investments in (and Advances to)	
40	Associated and Subsidiary Companies	
41	Purchases of Investment Securities (a)	
42	Proceeds from Sales of Investment Securities (a)	

Name of Respondent  
 City Gas Company of Florida -  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities  
 Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 19.  
 Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 19.

5. Codes used:  
 (a) Net proceeds or payments  
 (b) Bonds, debentures and other long-term debt.  
 (c) Include commercial paper  
 (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 19 clarifications and explanations.

Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in	
52	Allowances Held for Speculation	
53	Net Increase (Decrease) in Payables and Accrued Expenses	372,293
54	Other:	
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 35 through 55)	372,293
58		
59	Cash Flows From Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b): Construction funds held by trustee	1,935,439
62	Preferred Stock	
63	Common Stock	
64	Other - Allocation of NUI Stock Options	
65		
66	Net Increase in Short-term Debt (c)	6,378,760
67	Other:	
68		
69		
70	Cash provided by Outside Sources (Total of lines 61 through 69)	8,314,199
71		
72	Payments of Retirement of:	
73	Long-Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock:	
	Allocation of NUI Corporation's Dividend	(2,144,843)
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 through 81)	(2,144,843)
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 21, 57, and 83)	308,064
87		
88	Cash and Cash Equivalents at Beginning of Year	285,029
89		
90	Cash and Cash Equivalents at End of Year	593,093

Name of Respondent  
CITY GAS COMPANY OF FLORIDA  
A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 12-18, such notes may be attached hereto.

SEE ATTACHED

**CITY GAS COMPANY OF FLORIDA -  
A DIVISION OF NUI CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

City Gas Company of Florida ("City Gas" or the "Company") is an operating division of NUI Corporation ("NUI"), and follows the Uniform System of Accounts of the Federal Energy Regulatory Commission ("FERC"), as adopted by the Florida Public Service Commission ("FPSC"). NUI also has utility operating divisions in five other states; Elizabethtown Gas (New Jersey), North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania) and Waverly Gas (New York). NUI also provides retail gas sales and related services through its NUI Energy, Inc. subsidiary; wholesale energy brokerage and related services through its NUI Energy Brokers, Inc. subsidiary; energy project development and consulting through its NUI Energy Solutions, Inc. subsidiary; environmental project development services through its NUI Environmental Group, Inc. subsidiary; customer account management and field operations systems and services through its Utility Business Services, Inc. subsidiary; and sales and marketing outsourcing through its 49% equity interest in TIC Enterprises, LLC.

Certain reclassifications of prior year amounts were made in order to properly reflect amounts in the correct FERC account. Such reclassifications are not material.

The significant accounting policies are summarized below.

**A. Utility Plant and Related Depreciation and Amortization**

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 composite average annual rates as approved by the FPSC. The composite average depreciation rate was approximately 3.4% in 1998. At the time properties are retired, the original cost plus the cost of retirement, less salvage, is charged to accumulated depreciation. Repairs, replacements and renewals of minor items of property are charged to maintenance expense as incurred.

Included in utility plant as of December 31, 1998 and 1997, is \$20,239,942 and \$20,370,332, respectively, of unamortized plant acquisition adjustment that represents the remaining portion of the excess of the purchase price over the book value of net assets acquired by NUI. The excess is being amortized on a straight-line basis over thirty years from the date of acquisition.

**B. Supplemental Statement of Cash Flow Information**

"Cash at the End of Year" on the Statement of Cash Flows consists of:

<u>A/C</u>	<u>Description</u>	<u>Amount</u>
131	Cash	\$588,688
135	Working Funds	<u>4,405</u>
		<u>\$593,093</u>

The amount of income tax and interest paid during the year were as follows:

Income tax paid	\$1,348,589
Interest paid	\$5,413,150

Income taxes are paid to NUI (see Note 1.D. below).

C. *Operating Revenues and Purchased Gas and Fuel Costs*

Operating revenues include accrued unbilled revenues through the end of each accounting period.

Costs of purchased gas and fuel are recognized as expenses in accordance with the gas cost adjustment clause. Such clause provides for the periodic reconciliation 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.

D. *Income Taxes*

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") 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 are being amortized over the estimated service lives of the properties that gave rise to the credits.

The Company participates with NUI in filing a consolidated Federal income tax return. The provisions for income taxes shown in the accompanying financial statements have been computed on a separate company/division basis. Amounts reflected as Federal income taxes payable are payable to NUI.

2. **Restructuring and Other Non-Recurring Charges**

In the current year, NUI incurred approximately \$9.7 million of pre-tax, non-recurring charges related to the restructuring of its operations, an early retirement program for non-bargaining unit personnel and other workforce reductions. Of this total charge, approximately \$2.3 million related to City Gas.

In June 1998, NUI 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", NUI recorded a special termination charge of approximately \$7.3 million. In addition, NUI recorded approximately \$1.5 million of other benefit expenses associated with these employees and approximately \$0.9 million of other charges associated with the restructuring of NUI.

3. **Capitalization**

The Company has \$20 million of 6.4% Brevard County Industrial Development Revenue Bonds that mature October 1, 2024. The Company deposited in trust the unexpended portion of the net proceeds from these bonds until drawn upon for eligible expenditures. As of December 31, 1998, the total unexpended portion was \$10.3 million and is classified on the Company's balance sheet as a reduction of long-term debt.



#### 4. Notes Payable

At December 31, 1998, the Company's outstanding notes payable balance was \$12,649,115 with a combined weighted average interest rate of 6.01%.

#### 5. Retirement Benefits

*Pension Benefits.* The Company has a non-contributory defined benefit retirement plan which covers substantially all of its employees other than its 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 plan are based on years of service and levels of compensation. The actuarial calculation of pension expense associated with the Company's plan is based on the projected unit cost method.

The components of pension expense for the plan, for the fiscal years ended September 30, 1998 and 1997, were as follows (in thousands):

	<u>1998</u>	<u>1997</u>
Service cost	\$ 264	\$ 187
Interest cost	471	418
Actual return on plan assets	(797)	(2,318)
Net amortization and deferral	(147)	1,687
Special termination benefits	<u>1,102</u>	-
Pension expense (credit)	<u>\$ 893</u>	<u>\$ (26)</u>

The status of the funded plan as of September 30, 1998 and 1997, was as follows (in thousands):

	<u>1998</u>	<u>1997</u>
Actuarial present value of accumulated benefit obligation:		
Vested benefits	\$7,064	\$4,854
Non-vested benefits	<u>742</u>	<u>453</u>
Accumulated benefit obligation	7,806	5,307
Projected increases in compensation levels	<u>1,251</u>	<u>716</u>
Projected benefit obligation	9,057	6,023
Market value of plan assets	<u>9,272</u>	<u>8,724</u>
Plan assets in excess of projected benefit obligation	215	2,701
Unrecognized net gain	(558)	(2,101)
Unrecognized net transition asset	<u>(160)</u>	<u>(209)</u>
Pension prepayment (accrual)	<u>\$ (503)</u>	<u>\$ 391</u>

The projected benefit obligation was calculated using a discount rate of 6.5% in fiscal 1998 and 7.5% in fiscal 1997 and an assumed annual increase in compensation levels of 4% in both fiscal 1998 and fiscal 1997. The expected long-term rate of return on assets is 9.75% and 9% in fiscal 1998 and fiscal 1997, respectively. The assets of the funded plan are invested primarily in publicly-traded fixed income and equity securities.

**6. Commitments and Contingencies**

*Capital Spending.* Construction expenditures for the fiscal year ending September 30, 1999, are estimated at \$14.1 million.

*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 \$11.5 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses.

*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.

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
 FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	\$ 145,694,596	
4	101.1 Property Under Capital Leases	\$ 129,010	
5	102 Plant Purchased or Sold		
6	106 Completed Construction not Classified		
7	103 Experimental Plant Unclassified		
8	104 Leased to Others		
9	105 Held for Future Use		
10	114 Acquisition Adjustments	\$ 30,557,942	
11	TOTAL Utility Plant (Enter Total of lines 3 through 10 )	\$ 176,381,548	
12	107 Construction Work in Progress	\$ 1,011,057	
13	Accum. Prov. for Depr., Amort., & Depl.	\$ 67,702,780	
14	Net Utility Plant (Enter total of lines 11 plus 12 less line 13)	\$ 109,689,825	
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	\$ 57,293,624	
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights	\$ 91,156	
19	111 Amort. of Underground Storage Land and Land Rights		
20	119 Amort. of Other Utility Plant		
21	TOTAL in Service (Enter Total of lines 17 through 20)	\$ 57,384,780	
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Enter Total of lines 23 and 24)		
26	Held for Future Use		
27	108 Depreciation		
28	111 Amortization		
29	TOTAL Held for Future Use (Enter Tot. of lines 27 and 28)		
30	111 Abandonment of Leases (Natural Gas)		
31	115 Amort. of Plant Acquisition Adjustment	\$ 10,318,000	
32	TOTAL Acc. Provisions (Should agree with line 14 above) (Enter Total of lines 21, 25, 29, 30, and 31)	\$ 67,702,780	

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended  
 Dec. 31, 1998

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
 FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)

Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
145,694,596					3
129,010					4
					5
					6
					7
					8
					9
30,557,942					10
176,381,548					11
1,011,057					12
67,702,780					13
					14
109,689,825					14
					15
					16
57,293,624					17
91,156					18
					19
					20
57,384,780					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
10,318,000					31
					32
67,702,780					32

# Annual Status Report Analysis of Plant in Service Accounts

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION  
For the Year Ended December 31, 1998

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land-Distribution		72,257						72,257
389	Land-General		167,111					166,000	333,111
	Land-Other								
<b>Amortizable General Plant Assets:</b>									
301	Organization		113,897	182,622			10,501		124,398
302	Franchises and Consents		54,685				151,085		388,392
303	Miscellaneous Intangible Plant								
399	Miscellaneous Intangible Property								
<b>Depreciable Assets:</b>									
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
375	Structures & Improvements	2.1	466,971	120,315			(6,020)		581,266
376	Mains - Plastic	2.9	27,754,356	3,006,380	13,177		980,561		31,728,120
376	Mains - Other	2.9	50,563,654	2,614,417	30,647		87,050		53,234,474
379	M & R Station Equipment - City Gate	3.6	2,754,876	610,329			743,797		4,109,002
380	Services - Plastic	3.8	20,214,713	2,232,667	67,492		(3,229,348)		19,150,540
380	Services - Other	4.5	13,231,139	374,173	228,513		(411,707)		12,985,092
381	Meters	4.4	7,015,899	478,267	62,509		(311,207)		7,120,450
382	Meter Installations	3.0	2,737,709	101,035	44,562		(194,396)		2,598,786
383	House Regulators	3.7	1,977,131	107,600	26,087		96,291		2,154,935
384	House Regulators Installations	3.4	1,172,368	55,075	24,868		(105,105)		1,097,490
385	Industrial M & R Station Equipment	3.9	1,606,530	474,396			120,946		2,201,872
386.5	Leased Water Heaters	8.0							
386.6	Leased Dryers	8.2							
386.7	Leased Ranges	8.8							
387	Other Equipment	4.1	158,310	366,666				1,015,046	158,310
390	Structures & Improvements	1.9	869,829	9,028			96,844		2,348,385
391.1	Office Furniture	5.5	561,480				54,842	192,068	817,416
391.2	Office Equipment	8.3	527,470				(95,735)	45,929	477,664
391.3	Computers	15.5	827,745	151,411			231,703	114,431	1,325,290
392	Transportation Equipment	4.5	826,382	16,348			9,048		851,778
393	Stores Equipment	4.7	30,522						30,522
394	Tools, Shop and Garage Equipment	6.3	852,166	148,098	193,009		(23,135)		784,120
395	Laboratory Equipment	4.6	82,940						82,940
397	Communication Equipment	6.8	452,881	407,963			(4,984)	4,500	860,360
398	Miscellaneous Equipment	6.4	57,516				(12,708)	51,818	96,626

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION

For the Year Ended December 31, 1998

Page 2 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*

(Continued)

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION

For the Year Ended December 31, 1998

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
	(Continued)								
	Capital Recovery Schedules:								
	Total Account 101*		135,150,557	11,456,790	690,864	0	(1,811,677)	1,589,790	145,694,596
	Amortizable Assets:								
101.1	Property Under Capital Leases		129,010						129,010
105	Held for Future Use								
114	Acquisition Adjustment		29,703,965	853,977					30,557,942
	Total Utility Plant		164,983,532	12,310,767	690,864	0	(1,811,677)	0	176,381,548

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION  
 for the Year Ended December 31, 1998

Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Plant Assets:</b>									
302 Franchise (Amort)	76,858	1,464					(12,017)		66,305
303 Misc. Intangible Plant	11,046	1,008					12,797		24,851
Total Amortization	87,904	2,472					780		91,156
<b>Equipment</b>									
* schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
375 Structures & Improvements	171,661	9,783					(3,419)		178,025
376 Mains - Plastic	5,015,635	890,289		13,177		5,378	6,274		5,893,643
376 Mains - Other	24,939,507	1,481,248		30,647		48,331	201,258	809,223	27,352,258
379 M & R Station Equipment - City Gate	591,530	126,944				3,973	6,841		723,342
380 Services - Plastic	3,591,725	659,480		67,492		61,073	(67,380)	20,676	4,075,936
380 Services - Other	9,418,930	574,369		228,513		367,787	(349,192)	308,655	9,356,462
381 Meters	2,983,400	301,481		62,509			(182,514)	25,901	3,085,759
382 Meter Installations	1,085,289	76,922		44,562		10,489	(45,334)	9,953	1,071,779
383 House Regulators	969,984	78,106		26,087		9,134	(85,324)	7,412	944,091
384 House Regulators Installations	380,288	36,545		24,868			(46,899)	9,971	346,003
385 Industrial M & R Station Equipment	452,431	70,737				16,854	15,981		522,295
385.5 Leased Water Heaters									
386 Leased Dryers									
386.5 Leased Ranges	138,134	6,491					1,625		146,250
387 Other Equipment	193,651	19,873					(4,826)	425,246	633,944
390 Structures & Improvements	201,346	33,934					5,656	86,460	327,396
391 Office Furniture	386,771	35,836					(16,784)	10,984	416,807
391.1 Office Furniture	563,323	173,094					(7,259)	84,037	813,195
391.2 Office Computers	610,187	37,745					(167)		647,765
392 Transportation Equipment	15,213	1,435					4,276		20,924
393 Stores Equipment	556,915	53,054		193,009			(9,438)		407,522
394 Tools, Shop and Garage Equipment	56,294	3,815					987		61,096
395 Laboratory Equipment	218,457	31,071					(5,204)	1,188	245,512
397 Communication Equipment	17,043	2,867					(1,328)	5,038	23,620
398 Miscellaneous Equipment									



# Annual Status Report

## Analysis of Entries in Accumulated Depreciation & Amortization

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION  
 for the Year Ended December 31, 1998

acct. Description  
 (continued)

acct. Description (continued)	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*

**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION

For the Year Ended December 31, 1998

Acct. Account No. Description (Continued)	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.									
Subtotal	52,557,714	4,707,219	0	690,864	-	523,019	(562,170)	1,804,744	57,293,624
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.									
Subtotal	52,557,714	4,707,219	0	690,864	-	523,019	(562,170)	1,804,744	57,293,624
<b>Grand Total</b>									

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

<b>Name of Respondent</b> CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION	<b>For the Year Ended</b> Dec. 31, 1998
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**CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)**

- |   |   |
|---|---|
| 1. Report below descriptions and balances at end of year of projects in process of construction (107).<br>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). | 3. Minor projects (less than \$500,000) may be grouped. |
|---|---|

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)			
1	Incomplete Distribution Systems in Dade, St. Lucie and Brevard Counties	1,011,057				
2						
3						
4						
5						
6						
7						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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20						
21						
22						
23						
24						
34						
35						
36						
37						
38						
39						
40						
41				<b>TOTAL</b>	1,011,057	

Name of Respondent CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION	For the Year Ended Dec. 31, 1998
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**CONSTRUCTION OVERHEADS-GAS**

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.

2. On page 30 furnish information concerning construction overheads.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 30 the accounting procedures employed

and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.

4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
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23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38	TOTAL		

Name of Respondent

CITY GAS COMPANY OF FLORIDA  
A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

Administrative costs are not charged to construction.

<b>Name of Respondent</b> CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION	<b>For the Year Ended</b> Dec. 31, 1998
<b>ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)</b>	
1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c) and that reported for gas plant in service, pages 22 - 27, column (d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If	the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	52,557,715	52,557,715		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	4,707,219	4,707,219		
4	(413) Exp. of Gas Plant. Leas. to Others				
5	Transportation Expenses-Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8					
9	<b>TOTAL Deprec. Prov. for Year</b> (Total of lines 3 through 8)	<b>4,707,219</b>	<b>4,707,219</b>		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	690,864	690,864		
12	Cost of Removal	523,019	523,019		
13	Salvage (Credit)				
14	<b>TOTAL Net Charges. for Plant Ret.</b> (Enter Total of lines 11 through 13)	<b>1,213,883</b>	<b>1,213,883</b>		
15	Other Debit or Credit Items (Describe)				
	Prior year adjustments	(562,170)	(562,170)		
16	GDU Acquisition, NUI South Transfer	1,804,743	1,804,743		
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	<b>57,293,624</b>	<b>57,293,624</b>		

**PREPAYMENTS (Account 165)**

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	\$ 13,957
2	Prepaid Rents	
3	Prepaid Taxes (page 41)	32
4	Prepaid Interest	
5	Gas Prepayments	
6	Miscellaneous Prepayments: Pensions, Other Miscellaneous	96,015
7	<b>TOTAL</b>	<b>\$ 110,004</b>

**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9	<b>TOTAL</b>					

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)**

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10	NONE					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	<b>TOTAL</b>					

Name of Respondent  
**CITY GAS COMPANY OF FLORIDA-**  
 A Division of NUI Corporation

For the Year Ended

Dec. 31, 1998

**OTHER REGULATORY ASSETS (Account 182.3)**

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1						
2	UNREC PUR GAS-TOP-FIRM	200			200	-
3	96 RATE CASE (1)	240,758		928	125,676	115,082
4						
5	CONVERSION COSTS (2)	312,856	336,338	407.2	41,969	607,225
6	DEFERRED PIPING (2)	2,414,570	51,237	912	469,101	1,996,706
7	ENERGY CONSERVATION PROGRAM	(146,319)	210,208	909	178,784	(114,895)
8						
9						
10	(1) AMORTIZED OVER 3 YEARS					
11	(2) AMORTIZED OVER 10 YEARS					
12						
13						
14						
15						
16						
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20						
21						
22						
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40						
41						
42						
43	<b>TOTAL</b>	<b>\$2,822,065</b>	<b>\$597,783</b>		<b>\$815,730</b>	<b>\$2,604,118</b>



**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
 2. For any deferred debit being amortized, show period of amortization in column (a).  
 3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1	DEFERRED INTEREST ON REVENUE BONDS	\$649,080	\$943,199			\$1,592,279
2	OTHER	18,650	-	various	18,650	-
3						
4						
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43						
44						
45						
46						
47	Misc. Work in Progress	99,348				(\$42,875)
48	Deferred Regulatory Comm. Expenses					
49	(See Pages 61 - 62)					
50	<b>TOTAL</b>	<b>\$767,078</b>				<b>\$1,549,404</b>

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUJ CORPORATION

For the Year Ended  
 Dec. 31, 1998

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.  
 2. At Other (Specify), include deferrals relating to other income and deductions.  
 3. If more space is needed, use separate pages as required.  
 4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR			ADJUSTMENTS			Balance at End of Year (k)
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS Amount (g)	CREDITS Amount (i)	
1	ELECTRIC								
2									
3									
4									
5	TOTAL Electric (Lines 2 - 4)								
6	GAS								
7	FAS 109 - Federal	1,239,971					254	11,616	1,091,135
8	- State	(104,602)							(92,986)
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19	Other								
20	TOTAL Gas (Lines 7 - 19)	\$1,135,369						\$11,616	\$148,836
21	Other (Specify)								
22	TOTAL (Account 190) (Enter Total of lines 5, 20 & 21)	\$1,135,369						\$11,616	\$148,836

NOTES

Name of Respondent  
CITY GAS COMPANY OF FLORIDA  
A DIVISION OF NUI CORPORATION

For the Year Ended  
Dec. 31, 1998

SECURITIES ISSUED OR ASSUMED AND  
SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate,

nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

NONE

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes

during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give particulars (details) concerning any long-term debt authorized by a regulatory Commission but not yet issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	INTEREST FOR YEAR			Total Amount Outstanding (g)
				Original Amount Issued (d)	Rate (in %) (e)	Amount (f)	
1	Bonds (221):						
2	Brevard Industrial	7/15/94	10/1/24	\$ 20,000,000	6.400	\$ 1,280,000	\$ 9,694,638 *
3	Revenue Bonds						
4	Interest on Brevard'					(943,198)	
5	Industrial Revenue Bond						
6	Proceeds Held by Trustee						
7							
8	Other Long Term Debt (224):						
9	Medium Term Notes-	2/16/95	2/1/05	30,000,000	8.350	2,505,000	30,000,000
10	Series A						
11	Medium Term Notes-	5/25/95	8/1/02	9,000,000	7.125	641,250	9,000,000
12	Series A						
13							
14							
15							
16							
17	* Principal balance of Revenue Bonds is net of \$10,305,362 of construction funds held by trustee.						
18							
19							
20							
21							
22							
23							
24							
25							
26							
27	TOTAL			\$ 59,000,000		\$ 3,483,052	\$ 48,694,638

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)**

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.  
 2. Show premium amounts by enclosing the figures in parentheses.  
 3. In column (b) show the principal amount of bonds or other long-term debt originally issued.  
 4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.  
 6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.  
 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at Beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	<b>Brevard Industrial Revenue Bonds:</b>	20,000,000						
2	Unamortized Debt		378,800	1994	2024	336,729	(12,588)	\$ 324,141
3	Discount (226)							
4								
5	Unamortized Debt		298,023	1994	2024	228,814	(8,554)	220,260
6	Expenses (181)							
7								
8	<b>Medium Term Notes (181)</b>	39,000,000	416,931	1995	2005	324,368	(46,511)	277,857
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Name of Respondent  
 City Gas Company of Florida -  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)**

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.  
 2. In column (c) show the principal amount of bonds or other long-term debt reacquired.  
 3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with

General Instruction 17 of the Uniform Systems of Accounts.

4. Show loss amounts by enclosing the figures in parentheses.

5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	<u>Unamortized Loss (A/C 189)</u>					
2	First Mortgage Bonds	7/17/95	\$ 8,739,000	\$ 260,488	\$ 184,856	\$ 142,197
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Name of Respondent  
 City Gas Company of Florida  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
 FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
  
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 14)	See Page 40-A
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7	Deductions Recorded on Books Not Deducted for Return	
8		
9		
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11		
12		
13	Income Recorded on Books Not Included in Return	
14		
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21	Deductions on Return Not Charged Against Book Income	
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29		
30	Federal Tax Net Income	
31	Show Computation of Tax:	
32		
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37		

<b>Name of Respondent</b> City Gas Company of Florida A Division of NUI Corporation	<b>This Report Is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 1998
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES**

Net Income for the Year Ended 12/31/98 (Page 14)		\$1,063,640
Less Net Income for Three Months Ended 12-31-98		(385,173)
Less Net Loss for Three Months Ended 12-31-97		<u>508,215</u>
Net Income for Fiscal Year Ended September 30, 1998		1,186,682
<b>Adjustments For Federal Income Tax Purposes</b>		
Income on Return Not on Books:		
Expenses Booked Not Recorded on Return:		
Current Federal Income Taxes	1,075,910	
Deferred Federal Income Taxes	(650,409)	
Amortization of Deferred Investment Tax Credits	(127,932)	
Plant Acquisition Adjustment Amortization	984,368	
Restructuring Costs	1,689,551	
Gas Clause Adjustment	1,757,804	
Rate Case	125,676	
CIAC	150,000	
Meals and Entertainment - 50% Disallowance	12,826	
First Mortgage Retirement Costs	<u>42,659</u>	<u>5,060,453</u>
Deductions on Return Not Charged Against Book Income:		
Excess of allowable depreciation over that charged to depreciation and other book expenses	(923,000)	
Cost of Removal	(618,810)	
Insurance	(110,854)	
Bad Debts	(152,115)	
Pension	(208,620)	
Miscellaneous		<u>(2,013,399)</u>
Total Net Adjustments for Federal Income Tax Purposes		<u>3,047,054</u>
Federal Taxable Income		<u>\$4,233,736</u>

**Show Computation to Tax (Note 1)**

Federal Taxable Income	\$4,233,736
35% of Federal Taxable Income	1,481,808
Accrual to return and other adjustments	<u>(405,898)</u>
Current Federal Income Taxes at September 30, 1998	<u>\$1,075,910</u>

Note 1: City Gas Company of Florida is included in the consolidated tax return of NUI Corporation which also includes its operating divisions which do business as Elizabethtown Gas Company, Elkton Gas Service, North Carolina Gas Service, Valley Cities Gas Services, Waverly Gas Service Company, and NUI Ventures and its subsidiaries, NUI Capital, NUI Energy, Inc., NUI Energy Brokers, NUI Environmental Group, Utility Billing Services, NUI Energy Solutions and NUI Sales Management.



Name of Respondent  
 City Gas Company of Florida  
 A Division of NUJ Corporation

For the Year Ended  
 Dec. 31, 1998

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

	Name of Taxing Authority	Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
1	TAXES (ACCRUED)/PREPAID BEG. OF YEAR	(167,147)	16,787	111,938			(45,328)	(344)	(120,183)		(15,712)	(219,989)
2	Taxes Charged During Year	(1,059,697)	(197,172)	(1,365,045)			(628,033)	(1,247,305)	(207,496)		1,097	(4,703,651)
3												
4												
5												
6												
7												
8												
9												
10												
11												
12	TOTAL TAXES CHARGED DURING YEAR (Lines 3-11)	(1,059,697)	(197,172)	(1,365,045)			(628,033)	(1,247,305)	(207,496)		1,097	(4,703,651)
13	Taxes Paid During Year	1,128,589	220,000	1,383,237			657,292	1,246,244	247,572		414	4,883,348
14												
15												
16												
17												
18												
19												
20												
21												
22												
23	TOTAL TAXES PAID DURING YEAR (Lines 14-24 Adjustments (list))	1,128,589	220,000	1,383,237	0	0	657,292	1,246,244	247,572	0	414	4,883,348
24												
25												
26												
27	TOTAL ADJUSTMENTS (Lines 24-26)											
28	TAXES (ACCRUED)/PREPAID END OF YEAR (Lines 1+12-23+/-27)	(98,255)	39,615	130,130			(16,069)	(1,405)	(80,107)		(14,201)	(40,292)

DISTRIBUTION OF TAXES CHARGED

	Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
29											
30	Electric (Account 408.1, 409.1)										
31	Gas (Account 408.1, 409.1)	131,828	1,365,045			628,033	1,247,305	207,496		(1,097)	4,703,651
32	Other Utility Departments (408.1, 409.1)										
33	Other Income and Deductions (408.2, 409.2)	65,344									
34	Extraordinary Items (Account 409.3)	885,312									
35	Other Utility Operating Income (408.1, 408.1)										
36	Adjust. to Retained Earnings (Account 439)										
37	CMIP (Account 207)										
38	Other (list)										
39											
40											
41											
42	TOTAL (Should equal Lines 12+/-Line 27, if applicable)	1,059,697	197,172	1,365,045			628,033	1,247,305	207,496	(1,097)	4,703,651

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below the information applicable to Account 255. correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Current Year's Income	Adjustments (g)	Balance at End Year (h)	Average Period of Allocation to Income (i)
			Acct. No. (c)	Amount (d)				
1	Gas Utility							
2	3%	0			411	12,168	(12,168)	
3	4%	89,609			420	11,223	78,386	
4	7%							
5	10%	1,146,696			420	103,281	1,043,415	
6	8%	23,087			420	1,260	21,827	
7								
8	TOTAL	1,259,392			420	127,932	1,131,460	
9	Other List separately and show 3%, 4%, 7% and 10% and TOTAL							

**Notes**

1. Reclass from Account 254
2. Use this space to list by year generated and by amount any ITCs that have not been utilized and have not expired by the end of the period.

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11								
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Name of Respondent  
**CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION**

For the Year Ended  
**Dec. 31, 1998**

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

1. Describe and report the amount of other current and accrued liabilities at the end of year.      2. Minor items (less than \$50,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	ACCRUED COMPENSATION	\$ 26,876
2	ACCRUED INTEREST	36,335
3	OTHER (UNDER \$50,000)	11,526
4		
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6		
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12		
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14		
15		
16		
17		
18	<b>TOTAL</b>	<b>\$ 74,737</b>

**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars (details) called for concerning other deferred credits.      amortization.  
 2. For any deferred credit being amortized, show the period of      3. Minor items (less than \$25,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1		0		0	0	0
2						
3						
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21	<b>TOTAL</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Name of Respondent:  
City Gas Company of Florida

For the Year Ended  
Dec. 31, 1998

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.	Description	Balance at Beginning of Year	Charges During Year				Adjustments		Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits Account No.	Credits Account No.	
1	ACCOUNT 281 - ACCELERATED AMORTIZATION PROPERTY								
2	Electric								
3	Gas								
4	Other								
5									
6									
7	TOTAL ACCOUNT 281 (Lines 3 thru 6)								
8	ACCOUNT 282 - OTHER PROPERTY								
9	Electric								
10	Gas	20,326,169	56,547		(286,354)				20,096,362
11	Other								
12									
13									
14	TOTAL ACCOUNT 282 (Lines 10 thru 13)	20,326,169	56,547		(286,354)				20,096,362
15	ACCOUNT 283 - OTHER								
16	Electric								
17	Gas	(2,261,391)	(496,719)		(6,000)				(2,758,110)
18	Other								
19									
20									
21	TOTAL ACCOUNT 283 - OTHER (Lines 17 thru 20)	(2,261,391)	(496,719)		(6,000)				(2,758,110)
22	ELECTRIC								
23	Federal Income Tax								
24	State Income Tax								
25									
26									
27	TOTAL ELECTRIC (Lines 24 thru 26)								
28	GAS								
29	Federal Income Tax	15,601,095	(389,172)		(283,354)				14,928,569
30	State Income Tax	2,463,683	(51,000)		(8,000)				2,409,683
31									
32									
33	TOTAL GAS (Lines 30 thru 32)	18,064,778	(440,172)		(286,354)				17,338,252
34	OTHER								
35	Federal Income Tax								
36	State Income Tax								
37									
38									
39	TOTAL OTHER (Lines 36 thru 38)								
40									
41	TOTAL (Total of lines 7, 14, 21 and Lines 27, 33, 39)	18,064,778	(440,172)		(286,354)				17,338,252
42									

NOTES

Name of Respondent  
 City Gas Company of Florida  
 A Division of NUI Corporation

For the Year Ended

Dec. 31, 1998

**OTHER REGULATORY LIABILITIES (Account 254)**

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).

2. For regulatory liabilities being amortized, show period of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	SFAS #109 Liability	\$1,756,559	190.0	\$137,220		\$1,531,158
2			410.1	100,584		
3			241.0		12,403	
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41	TOTAL	\$1,756,559		\$237,804	\$12,403	\$1,531,158

**GAS OPERATING REVENUES (Account 400)**

1. Report below natural gas operating revenues for each prescribed account in total.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
5. Report gas service revenues and therms sold by rate schedule.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year * (c)
1	<b>GAS SERVICE REVENUES</b>		
2	<b>FIRM SALES SERVICE</b>		
3	480 - Residential Sales	\$27,468,402	\$28,122,402
4	481 - Commercial Sales	25,294,421	29,810,821
5	481		
6	481		
7	481		
8	481		
9	<b>INTERRUPTIBLE SALES SERVICE</b>		
10	481 - Industrial Sales Preferred	1,120,114	1,969,513
11	481 - Industrial Sales Large Volume	547,927	4,335,094
12	<b>FIRM TRANSPORTATION SERVICE</b>		
13	489 - Commercial	1,521,637	581,594
14	489		
15	489		
16	<b>INTERRUPTIBLE TRANSPORTATION SERVICE</b>		
17	489 - Industrial	3,328,433	2,577,655
18	489		
19	482 Other Sales to Public Authorities		
20	484 Flex Rate - Refund		
21	TOTAL Sales to Ultimate Consumers	59,280,934	67,397,079
22	483 Sales for Resale		
23	Off-System Sales	16,509,362	14,467,879
24	TOTAL Nat. Gas Service Revenues	75,790,296	81,864,958
25	TOTAL Gas Service Revenues	75,790,296	81,864,958
26	<b>OTHER OPERATING REVENUES</b>		
27	485 Intracompany Transfers		
28	487 Forfeited Discounts		
29	488 Misc. Service Revenues	683,324	512,655
30	489 Rev. from Trans. of Gas of Others (not included		
31	in above rate schedules)		
32	493 Rent from Gas Property		
33	494 Interdepartmental Rents		
34	495 Other Gas Revenues		
35	Initial Connection		
36	Reconnect for Cause		
37	Collection in lieu of disconnect		
38	Returned Check		
39	Other		
40	495.1 Overrecoveries Purchased Gas		
41	TOTAL Other Operating Revenues	683,324	512,655
42	TOTAL Gas Operating Revenues	76,473,620	82,377,613
43	(Less) 496 Provision for Rate Refunds		
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	76,473,620	82,377,613
45	Sales for Resale		
46	Other Sales to Public Authority		
47	Interdepartmental Sales		
48	TOTAL	\$76,473,620	\$82,377,613

\* Certain reclassifications have been made to the prior year gas operating revenues to conform with the current year presentation

Name of Respondent  
 City Gas Company of Florida -  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

**GAS OPERATING REVENUES (ACCOUNT 400) (Continued)**

6. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.  
 7. See page 9, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year	Number for Previous Year (g)	
				1
				2
19,655,505	20,512,411	93,595	92,778	3
37,048,704	42,810,421	4,707	4,730	4
				5
				6
				7
				8
				9
1,977,745	3,490,325	7	11	10
1,144,805	8,035,081	1	4	11
				12
7,863,651	3,256,901	173	22	13
				14
				15
				16
32,508,538	23,512,025	42	33	17
				18
				19
				20
100,198,948	101,617,164	98,525	97,578	21
				22
79,488,116	58,170,930	0	0	23
				24
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179,687,064	159,788,094			48

NOTES

Name of Respondent		For the Year Ended	
City Gas Company of Florida - A Division of NUI Corporation		Dec. 31, 1998	
RESIDENTIAL AND COMMERCIAL SPACE HEATING CUSTOMERS			
A residential space heating customer is a customer whose major fuel for heating is gas.			
Line No.	Item (a)	Residential (b)	Commercial (c)
1	Average Number of Space Heating Customers for the Year (Estimate if not known. Designate with an asterisk if estimated.)	93,595	4,707
2	For Space Heating Only, Estimated Average Therms (14.73 psia at 60 degrees F) Per Customer for the Year	210	7,871
3	Number of Space Heating Customers Added During the Year	817	(23)
4	Number of Unfiled Application for Space Heating at End of Year	This information is not available	
Note: (The majority of our customers are Water Heating customers not Space Heating customers)			
INTERRUPTIBLE, OFF PEAK, AND FIRM SALES TO DISTRIBUTION SYSTEM INDUSTRIAL CUSTOMERS			
1. Report below the average number of interruptible, off peak, and firm industrial customers on local distribution systems of the respondent, and the Therms of gas sales to these customers for the year.		by law, ordinance, directive, or other requirement of government authority. State in a footnote the basis on which interruptible customers are reported.	
2. Interruptible customers are those to whom service may be interrupted under terms of the customer's gas contract, or to whom service is required to be interrupted, regardless of the contractual arrangements in emergency periods,		3. Off peak sales are seasonal and other sales which do not occur during wintertime demands.	
		4. Report pressure base of gas volumes at 14.73 psia at 60 degrees F.	
Line No.	Item (a)	Number/Amount (b)	
1	Interruptible Customers		
2	Average Number of Customers for the Year	8	
3	Therms of Gas Sales for the Year	3,122,550	
4	Off Peak Customers		
5	Average Number of Customers for the Year	0	
6	Therms of Gas Sales for the Year	0	
7	Firm Customers		
8	Average Number of Customers for the Year	0	
9	Therms of Gas Sales for the Year	0	
10	TOTAL Industrial Customers		
11	Average Number of Customers for the Year	8	
12	Therms of Gas Sales for the Year	3,122,550	



**GAS OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account	Amount for Current Year	Amount for Previous Year
1	<b>1. PRODUCTION EXPENSES</b>		
2	A. Manufactured Gas Production	3,158	73
3	B. TOTAL Natural Gas Prod. and Gathering (Enter Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Enter Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Enter Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases		
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	24,452,095	31,887,352
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	(Less) 805.1 Purchased Gas Cost Adjustments	(15,915,021)	(14,134,983)
17	TOTAL Purchased Gas (Enter Total of Lines 8 to 16)	40,367,116	46,022,335
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Enter Total of lines 20 through 24)	0	0
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(42,465)	(61,834)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(42,465)	(61,834)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supp. Exp. (Total of Lines 17,18,25,26 through 29,34,35)	40,324,651	45,960,501
37	TOTAL Production Expenses (Enter Total of Lines 2,3,4,5 and 36)	40,327,809	45,960,574
38	<b>2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES</b>		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Enter Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Enter Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Enter Total of lines 39, 40, and 41)	0	0
43	<b>3. TRANSMISSION EXPENSES</b>		
44	TOTAL Transmission Expenses (Enter Total of Accounts 850 through 867)		
45			
46			

Name of Respondent		For the Year Ended	
CITY GAS COMPANY OF FLORIDA		Dec. 31, 1998	
A DIVISION OF NUI CORPORATION			
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. DISTRIBUTION EXPENSES		
48	Operation		
49	870 Operation Supervision and Engineering	394,011	457,700
50	871 Distribution Load Dispatching		
51	872 Compressor Station Labor and Expenses		
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	782,896	967,899
54	875 Measuring and Regulating Station Expenses--General	8,283	9,452
55	876 Measuring and Regulating Station Expenses--Industrial	3,858	4,611
56	877 Measuring and Regulating Station Expenses--City Gate Check Sta.	57,246	53,034
57	878 Meter and House Regulator Expenses	503,139	767,112
58	879 Customer Installations Expenses	1,571,478	2,042,855
59	880 Other Expenses	1,513,720	1,098,718
60	881 Rents		
61	TOTAL Operation (Enter Total of lines 49 through 60)	4,834,631	5,401,381
62	Maintenance		
63	885 Maintenance Supervision and Engineering	91,649	39,715
64	886 Maintenance of Structures and Improvements	7,635	17,577
65	887 Maintenance of Mains	520,286	695,566
66	888 Maintenance of Compressor Station Equipment		
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	4,147	5,064
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	62,750	96,174
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Sta.	71,108	101,943
70	892 Maintenance of Services	372,527	333,771
71	893 Maintenance of Meters and House Regulators	103,845	221,296
72	894 Maintenance of Other Equipment	4,791	16,596
73	TOTAL Maintenance (Enter Total of Lines 63 through 72)	1,238,739	1,527,702
74	TOTAL Distribution Expenses (Enter Total of Lines 61 and 73)	6,073,370	6,929,083
75	5. CUSTOMER ACCOUNTS EXPENSES		
76	Operation		
77	901 Supervision	165,921	178,816
78	902 Meter Reading Expenses	498,857	887,947
79	903 Customer Records and Collection Expenses	1,649,948	1,931,077
80	904 Uncollectible Accounts	324,500	390,420
81	906 Customer Service Informational Expense	2,602	2,201
82	TOTAL Customer Accounts Expenses (Enter Total of Lines 77 through 81)	2,641,828	3,390,461
83	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses		41
87	909 Informational and Instructional Expenses	1,778,365	1,104,011
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Enter Total of Lines 85 through 88)	1,778,365	1,104,052
90	7. SALES EXPENSES		
91	Operation		
92	911 Supervision	40,021	68,789
93	912 Demonstrating and Selling Expenses	805,280	1,030,040
94	913 Advertising Expenses	53,528	122,515
95	916 Miscellaneous Sales Expenses	64,879	105,338
96	TOTAL Sales Expenses (Enter Total of lines 92 through 95)	963,708	1,326,682
97			

**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account	Amount for Current Year	Amount for Previous Year
98	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
99	Operation		
100	920 Administrative and General Salaries	252,216	392,497
101	921 Office Supplies and Expenses	724,846	622,010
102	(Less) (922) Administrative Expenses Transferred—Cr.		
103	923 Outside Services Employed	6,266,179	5,750,200
104	924 Property Insurance	153,206	3,000
105	925 Injuries and Damages	414,520	531,205
106	926 Employee Pensions and Benefits	2,202,880	669,144
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	125,676	125,676
109	(Less) (929) Duplicate Charges—Cr.		
110	930.1 General Advertising Expenses	1,664	322
111	930.2 Miscellaneous General Expenses	1,025	7,124
112	931 Rents	198,906	122,320
113	<b>TOTAL Operation (Enter Total of lines 100 through 112)</b>	<b>10,341,118</b>	<b>8,223,498</b>
114	Maintenance		
115	935 Maintenance of General Plant	55,353	77,615
116	<b>TOTAL Administrative and General Exp. (Total of lines 113 and 115)</b>	<b>10,396,471</b>	<b>8,301,113</b>
117	<b>TOTAL Gas O. and M. Exp. (Lines 37, 42, 44, 74, 82, 89, 96, and 116)</b>	<b>62,181,551</b>	<b>67,011,965</b>
118			
119			
120			
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122			
123			
124			
125			
126			
127			
128			
129			
130	<b>NUMBER OF GAS DEPARTMENT EMPLOYEES</b>		
131			
132	1. The data on number of employees should be reported for payroll period ending nearest to October 31,		
133	or any payroll period ending 60 days before or after October 31.		
134	2. If the respondent's payroll for the reporting period includes any special construction personnel,		
135	include such employees on line 3, and show the number of such special construction employees in a footnote.		
136	3. The number of employees assignable to the gas department from joint functions of combination utilities		
137	may be determined by estimate, on the basis of employee equivalents. Show the estimated number of		
138	equivalent employees attributed to the gas department from joint functions.		
139			
140	1. Payroll Period Ended (Date)	10/31/98	
141	2. Total Regular Full-Time Employees	202	
142	3. Total Part-Time and Temporary Employees	0	
143	4. Total Employees	202	
144			
145			
146			
147			

Name of Respondent  
 City Gas Company of Florida -  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

**GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)**

1. Provide totals for the following accounts:

- 800 Natural Gas Well Head Purchases
- 800.1 Natural Gas Well Head Purchases,  
Intracompany Transfers
- 801 Natural Gas Field Line Purchases
- 802 Natural Gas Gasoline Plant Outlet Purchases
- 803 Natural Gas Transmission Line Purchases
- 804 Natural Gas City Gate Purchases
- 804.1 Liquefied Natural Gas Purchases
- 805 Other Gas Purchases
- 805.1 Purchase Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.  
 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.  
 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).  
 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased-Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases			
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases	(1) 145,165,044	\$ 40,367,117	\$0.2781
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases			
9	805.1 - Purchased Gas Cost Adjustments			
10	TOTAL (Enter Total of lines 1 through 9)	145,165,044	\$40,367,117	\$0.2781

**NOTES TO GAS PURCHASES**

(1) Included in this account are 79,488,116 therms and \$15,915,021 of gas purchases related to off-system sales.

Name of Respondent  
 City Gas Company of Florida -  
 A Division of NUI Corporation

For the Year Ended  
 Dec. 31, 1998

**GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)**

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.

2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.

3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).

5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas		Manufactured Gas	
				Amount of Credit (d)	Amount per Therm (In cents) (e)	Therms of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel - Cr.						
2	811 Gas used for Products Extraction - Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respondent's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs-- Cr. (Report separately for each principal uses. Group minor uses)						
6	CNG (Vehicle Fuel)	401	51,032	\$20,884	\$0.4092		
7	Other General Use	401	52,908	21,582	\$0.4079		
8							
9							
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12							
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18							
19							
20	<b>TOTAL</b>		103,940	\$42,465	\$0.4086		

Name of Respondent		For the Year Ended
City Gas Company of Florida - A Division of NUI Corporation		Dec. 31, 1998
<b>OTHER GAS SUPPLY EXPENSES (Account 813)</b>		
Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.		
Line No.	Description (a)	Amount (in dollars) (b)
1	None	\$0
2		
3		
4		
5		
6		
7		
8		
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10		
11		
12		
13		
14	<b>TOTAL</b>	<b>\$0</b>
<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)</b>		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent	
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)	\$ 1,025
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19	<b>TOTAL</b>	<b>\$1,025</b>

Name of Respondent  
**CITY GAS COMPANY OF FLORIDA**  
**A DIVISION OF NUI CORPORATION**

For the Year Ended  
**Dec. 31, 1998**

**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403,404.1,404.2,404.3,405)**  
*(Except Amortization of Acquisition Adjustments)*

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

**A. Summary of Depreciation, Depletion, and Amortization Charges**

Line No.	Functional Classification  (a)	Depreciation Expense (Account 403)  (b)	Amortization & Depletion of Prod. Nat. Gas Land & Land Rights  (Account 404.1) (c)	Amortization of Under- ground Storage Land & Land Rights  (Account (404.2) (d)	Amortization of Other Limited- term Gas Plant  (Account 404.3) (e)	Amortization of Other Gas Plant  (Account 405) (f)	Total  (b to f) (g)
1	Intangible Plant						
2	Production plant, manufactured gas						
3	Production and gathering plant, nat. gas						
4	Products extraction plant						
5	Underground gas storage plant						
6	Other storage plant						
7	Base load LNG term. & proces. plant						
8	Transmission Plant						
9	Distribution Plant	4,314,495					4,314,495
10	General Plant	392,724					392,724
11	Common Plant-Gas						
12							
13							
14							
15							
16							
17							
18							
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36							
37	<b>TOTAL</b>	<b>4,707,219</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>4,707,219</b>

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

- (a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.
- (b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.
- (c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.
- (d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.		Item (a)	Amount (b)
1		MISCELLANEOUS AMORTIZATION (425):	
2		Plant acquisition adjustment (30 yr. amortization period)	978,876
3		Other	3,252
4		<b>TOTAL MISCELLANEOUS AMORTIZATION</b>	<b>982,128</b>
5			
6		MISCELLANEOUS INCOME DEDUCTIONS:	
7		Donations (426.1)	6,407
8		Other Deductions (426.5)	1,100
9		<b>TOTAL MISCELLANEOUS INCOME DEDUCTIONS</b>	<b>7,507</b>
10			
11		OTHER INTEREST EXPENSES (431):	
12		Interest on Notes Payable (variable rate)	474,237
13		PGA Interest (Interest rate 5.38%)	160,684
14		ECP Interest (Interest rate 5.38%)	6,488
15		Customer deposit interest (Interest rate 6.00%)	322,665
		<b>TOTAL OTHER INTEREST EXPENSES</b>	<b>964,074</b>
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Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	<b>Electric</b>			
2	TOTAL Operation and Maintenance - Electric			
3	<b>Gas</b>			
4	Operation			
5	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other			
	Gas Supply; Storage, LNG, Termn. & Proces.			
6	Transmission			
7	Distribution	3,013,493		
8	Customer Accounts	1,294,018		
9	Customer Service and Informational	411,272		
10	Sales	278,678		
11	Administrative and General	250,390		
12	TOTAL Operation (Enter Total of lines 5 through 11)	5,247,850		
13	Maintenance			
14	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other			
	Gas Supply; Storage, LNG, Termn. & Proces.			
15	Transmission			
16	Distribution	288,294		
17	Administrative and General			
18	TOTAL Maintenance (Enter Total of lines 14 through 17)	288,294		
19	Total Operation and Maintenance	5,536,144		
20	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other			
	Gas Supply; Storage, LNG, Termn. & Proces.			
21	Transmission (Enter Total of lines 6 and 15)			
22	Distribution (Enter Total of lines 7 and 16)	3,301,787		
23	Customer Accounts (Transcribe from line 8)	1,294,018		
24	Customer Service and Informational (Transcribe from line 9)	411,272		
25	Sales (Transcribe from line 10)	278,678		
26	Administrative and General (Enter Total of lines 11 and 17)	250,390		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	5,536,144	299,112	5,835,256
28	<b>Other Utility Departments</b>			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	5,536,144	299,112	5,835,256
31	<b>Utility Plant</b>			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	481,693	26,025	507,718
35	Other			0
36	TOTAL Construction (Enter Total of lines 33 through 35)	481,693	26,025	507,718
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	43,613	2,356	45,969
40	Other			
41	TOTAL Plant Removal (Enter Total of lines 38 through 40)	43,613	2,356	45,969
42				
43	Other Accounts (Specify):			
44	Appliance Leasing	169,313	9,148	178,461
45	Merchandising and Jobbing	143,042	7,725	150,767
46	Reimbursable Projects	400,926	21,662	422,588
47				
48				
49				
50				
51				
52				
53	TOTAL Other Accounts	713,281	38,535	751,816
54	TOTAL SALARIES AND WAGES	6,774,730	366,029	7,140,759

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended

Dec. 31, 1998

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e) Acct. 182.3
1					240,758
2	Docket 960502-GU - 1996 Rate Case				
3					
4					
5					
6					
7					
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27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				240,758

Name of Respondent  
 CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION

For the Year Ended  
 Dec. 31, 1998

REGULATORY COMMISSION EXPENSES (Account 928) (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 34

for Account 186.

5. List in column (f), (g) and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

6. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR		Deferred in Account 186 End of Year (l) Acct. 182.3	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)		
Department (f)	Account No. (g)	Amount (h)				
						1
				928	125,676	2
						3
						4
						5
						6
						7
						8
						9
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						11
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						34
						35
						36
						37
						38
						39
			0		125,676	40

**CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES**

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain

Civic, Political and Related Activities.

- (a) Name and address of person or organization rendering services,
  - (b) description of services received during year and project or case to which services relate,
  - (c) basis of charges,
  - (d) total charges for the year, detailing utility department and account charged.
2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.
3. Designate with an asterisk associated companies.

1	Description (a)	Amount (b)
2		
3	Anytime Plumbing Corp. Contractor	\$ 410,643
4	Benko Construction Co. Contractor	32,400
5	Burgoon Berger Construction Contractor	42,025
6	BVK/McDonald Inc. Advertising	61,424
7	Captec Engineering, Inc. Contractor	132,823
8	Carter Associates Engineering	57,392
9	Centex Homes Contractor	27,200
10	Dial Plumbing of Brevard Inc. Contractor	304,970
11	Fairway Plumbing Contractor	224,815
12	Furman, Richard Engineering	27,704
13	H. Earl Barber Valuation	30,000
14	Harriet B. Noble Consultant	27,849
15	Joyal Construction Contractor	38,675
16	Lenmar Homes Contractor	56,700
17	Marketing Talent Network Advertising	79,500
18	Maronda Homes Contractor	141,950
19	PDC/Mueller Dist. Contractors Main Construction	5,086,231
20	Pritts, Inc. Contractor	90,900
21	Pyke Mechanical Inc. Contractor	97,224
22	Shaker Advertising Agency Advertising	31,901
23	Southeast Corrosion & Eng., Inc. Engineering	176,180
24	Sub-Surface Construction Co. Contractor	186,806
25	Tiffany Construction Contractor	28,925
26	Uponor Aldyl Co Contractor	339,787
27	W.J. Miranda Construction Co. Contractor	105,484
28		
29		
30		
31		
32		
33		
34		

**Reconciliation of Gross Operating Revenues  
Annual Report versus Regulatory Assessment Fee Return**

**Company: City Gas Company of Florida - A Division of NUI Corporation** **For the Year Ended December 31, 1998**

For the current year, reconcile the gross operating revenues as reported on Page 46 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).					
(a)	(b)	(c)	(d)	(e)	(f)
Description	Gross Operating Revenues per Page 46	Intrastate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1 Total Sales to Ultimate Customers (480-482, 484)	\$53,794,100		\$53,794,100	\$53,794,100	\$0
2 Sales for Resale (483)					
3 Total Natural Gas Service Revenues	53,794,100		53,794,100	53,794,100	0
4 Total Other Operating Revenues (485-495)	5,540,602		5,540,602	5,540,602	0
5 Total Gas Operating Revenues	59,334,702		59,334,702	59,334,702	0
6 Provision for Rate Refunds (496)					
7 Other (Specify) - Off System Sales	16,509,362	16,509,362	0	0	0
8 - PGA Over/Under Recoveries	701,290		701,290	701,290	0
9	(\$71,734)		(71,734)	(71,734)	0
10 Total Gross Operating Revenues	\$76,473,620	\$16,509,362	\$59,964,258	\$59,964,258	\$0

**CORPORATE STRUCTURE**

**Company: CITY GAS COMPANY OF FLORIDA- A DIVISION OF NUI CORPORATION**  
**For the Year Ended December 31, 1998**

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Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective

Date      **JANUARY 1, 1998**

**See information regarding affiliated companies in the enclosed Form 10-K filed with the Securities and Exchange Commission**

**NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES**

**COMPANY: CITY GAS COMPANY OF FLORIDA- A DIVISION OF NUI CORPORATION**

**For the Year Ended December 31, 1998**

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

<b>Name of Affiliated Company (a)</b>	<b>Synopsis of Contract (b)</b>
NONE	

**INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000**

**Company: CITY GAS COMPANY OF FLORIDA, A DIVISION OF NUI CORPORATION**

**For the Year Ended December 31, 1998**

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
N/A		



**SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS**

**Company:** *City Gas Company of Florida, A Division of NUI Corporation*  
**For the Year Ended December 31, 1998**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is a purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
NUI Corporation	Executive & Audit	NUI Cost Allocation Policy	P	Various	2,744,005
	Legal Affairs/Risk Mgmt	NUI Cost Allocation Policy	P	Various	278,909
	MIS & Purchasing	NUI Cost Allocation Policy	P	Various	1,303,771
	Accounting Services	NUI Cost Allocation Policy	P	Various	651,540
	Gas Supply & Planning	NUI Cost Allocation Policy	P	Various	610,527
	Human Resources	NUI Cost Allocation Policy	P	Various	395,186
	Marketing	NUI Cost Allocation Policy	P	Various	265,928
Elizabethtown Gas Co.	Engineering	NUI Cost Allocation Policy	P	Various	42,959
	Marketing	NUI Cost Allocation Policy	P	Various	289,444
	Environmental & Rates	NUI Cost Allocation Policy	P	Various	190,010
	Contract Billing	NUI Cost Allocation Policy	P	Various	45,920
	Gas Supply & Planning	NUI Cost Allocation Policy	P	Various	91,791
	Executive & Administration	NUI Cost Allocation Policy	P	Various	273,975
NUI Southern Division	Administration	NUI Cost Allocation Policy	P	Various	1,017,127
<b>Total</b>					<b>8,201,092</b>

**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

**Company: City Gas Company of Florida, A Division of NUI Corporation**

**For the Year Ended December 31, 1998**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:  N/A		\$	\$	\$	\$	\$	
<b>Total</b>						\$	
Sales to Affiliates:  N/A		\$	\$	\$	\$	Sales Price	
<b>Total</b>						\$	

**EMPLOYEE TRANSFERS**

**Company: CITY GAS COMPANY OF FLORIDA- A DIVISION OF NUI CORPORATION**

**For the Year Ended December 31, 1998**

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
NONE				

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