

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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

The following Commissioners participated in the disposition of  
this matter:

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

FINAL ORDER GRANTING APPROVAL FOR AUTHORITY  
TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

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

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

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

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

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

Based on the foregoing, it is

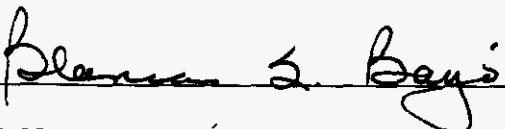
ORDERED by the Florida Public Service Commission that the application of City Gas Company of Florida to issue and sell securities during the twelve months ending August 30, 2000, be approved. It is further

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

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

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



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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