

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of City Gas) DOCKET NO. 940570-GU
Company of Florida, a division) ORDER NO. PSC-94-0822-FOF-GU
of NUI Corporation, for approval) ISSUED: July 5, 1994
to issue and sell long-term debt)
and securities during the)
twelve-months ending June 30,)
1995.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER AUTHORIZING CITY GAS COMPANY OF FLORIDA TO
ISSUE AND SELL LONG-TERM DEBT AND SECURITIES

BY THE COMMISSION:

On May 19, 1994, NUI Corporation, doing business in Florida as City Gas Company of Florida (City Gas) filed an application with the Florida Public Service Commission seeking authorization to issue and sell long-term debt and securities during the twelve-months ending June 30, 1995 in an aggregate amount not to exceed of \$150,000,000 of which the applicant will allocate to City Gas of Florida its Florida operating division an amount not to exceed \$70,000,000.

According to City Gas:

The long-term debt securities may be in the form of medium term notes, and installment contracts and/or other obligations or arrangements underlying industrial development revenue bonds issued by political subdivisions of the state of Florida. Industrial development revenue bonds may or may not bear interest exempt from federal tax.

The issuance and/or sale of long-term debt securities may be through either negotiated underwritten public offering, public offering at competitive bidding, direct public or private sale, sale through agents, or distributions to security holders of NUI or affiliated companies.

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Based on the rates applicable for comparable securities in the current market, City Gas estimates that the interest rates for the long-term debt securities will be between 6.5% and 8.5%. The actual interest rates on the long-term debt securities will be determined by market conditions at the time the securities are issued and sold.

According to City Gas, the proceeds of industrial development revenue bonds will be used to finance specific components of City Gas' construction program or to refund previously issued industrial development revenue bonds at more favorable interest rates and terms.

City Gas states that the proceeds from the issuance of the medium-term notes will be added to general funds and used for working capital requirements, and for other general business purposes, including the financing of portions of City Gas' construction program. Also, City Gas indicates the proceeds may be used to reacquire any of City Gas' outstanding debt securities; to reimburse the treasury for expenditures against which securities have not been issued; to refund previously issued securities at more favorable interest rates and terms; and for other corporate purposes related to its gas utility business.

Having reviewed the application, it is the finding of this Commission that the issuance of the above-discussed securities, within the limits described, will not impair City Gas' debt and ability to perform its services as a public utility, are for lawful purpose within its corporate power, and that the application should be granted subject to the conditions hereinafter stated.

Based on the foregoing, it is

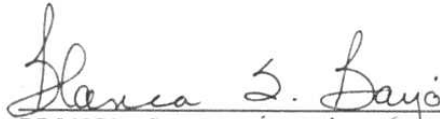
ORDERED by the Florida Public Service Commission that the application of NUI Corporation, doing business in Florida as City Gas Company of Florida, for authorization to issue and sell long-term debt and securities during the twelve-months ending June 30, 1995 in an aggregate amount not to exceed of \$150,000,000 of which the applicant will allocate to City Gas of Florida its Florida operating division an amount not to exceed \$70,000,000 is approved. It is further

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ORDERED that NUI Corporation, doing business as City Gas Company of Florida, shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within ninety (90) days after the issuance of any securities pursuant to the authorization conferred by this Order. It is further

ORDERED that the foregoing authorization is without prejudice to the authority of this Commission with respect to rates, service, account, valuations, estimates of determinations of costs, or any other matter whatsoever now pending or which may come before the Commission, as provided in Section 366.04, Florida Statutes.

By ORDER of the Florida Public Service Commission, this 5th day of July, 1994.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)
MRC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 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 or sewer 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

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completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.