

Ms. Blanca S. Bayo
June 9, 1999
Page 2

irresponsible for the Company to purchase and allocate storage based on the actual data for two years that were *warmer* than usual. A two-year warming trend year may be an anomaly. A knee jerk reaction to follow a two-year trend could result in a failure to meet system peak. The Company's projections are based on a much greater body of data gathered over many years. The Company believes its conservative allocation methodology is reasonable, and does not believe it should be changed.

Thanks you for your consideration of this matter.

Sincerely,



Michael A. Palecki
Attorney, Regulatory Affairs
NUI Corporation
(850) 877-5282

MAP/rt