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NUI Corporation (NYSE: NUI)

September 24, 1999

ORIGINAL

Ms. Blanca Bayo
 Division of Records and Reporting
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0868

Re: **Docket No. 990003-GU**

Dear Ms. Bayo:

Enclosed herewith for filing in the above referenced docket on behalf of NUI City Gas Company of Florida (City Gas) are the original and ten copies of City Gas' Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 2000 through December 2000 and attached testimony of Raymond A. DeMoine.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to me.

Thank you for your assistance in connection with this matter.

Very truly yours,

Michael A. Palecki

Vandenberg
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 MAS 3 + org
 OPC _____
 PAI _____
 SEC 1
 WAW _____
 OTH _____

Michael A. Palecki
 Attorney, Legal & Regulatory Affairs

Petition
 DOCUMENT NUMBER - DATE

Testimony + schedules
 DOCUMENT NUMBER - DATE

NUI Companies and Affiliates:
 City Gas Company of Florida
 Elizabethtown Gas
 Elkton Gas
 North Carolina Gas

11605 SEP 27 99
 FPSC-RECORDS/REPORTING

NUI Capital Corp.
 NUI Energy
 NUI Energy Brokers
 NUI Environmental Group

11606 SEP 27 99
 FPSC-RECORDS/REPORTING

TIC Enterprises, LLC
 Utility Business Services
 Valley Cities Gas
 Waverly Gas

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In Re: Purchase Gas Adjustment
(PGA) True-up

DOCKET NO. 99003-GU
Filed: September 27, 1999

THE PETITION BY NUI CITY GAS OF FLORIDA,
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

NUI City Gas of Florida ("City Gas or "the Company") submits this petition to the Commission for Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the period of January 1, 2000 through December 31, 2000. In support thereof, says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period April 1999 through December 1999 to be an over-recovery of \$1,121,676.
2. Schedule E-4 shows the projected true-up for the current period January 1999 through December 1999 is an under-recovery of (\$1,096,063).
3. The total true-up as shown on Schedule E-4 is an over-recovery of \$25,612.
4. Estimated therm purchases for resale are 62,284,488.
5. Schedule E-4 presents a true-up recovery factor of negative 0.041 cents per therm to be applied during the projected period.
6. The total cost of gas is \$28,168,668.
7. The weighted average cost of gas (WACOG) for the January 2000 through December 2000 period is 45.226 cents per therm.

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11605 SEP 27 99
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8. The negative 0.041 cents per therm true up factor decreases the WACOG during the January 2000 through December 2000 period to 45.185 cents per therm (before the regulatory assessment fees) or 45.412 cents per therm after the regulatory assessment fees. In order to avoid large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the Company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 48.793 cents per therm before the regulatory assessment fees and 49.039 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the period January 2000 through December 2000.

9. City Gas' proposal filed herewith consists of Schedules E-1, E-1R, E-2, E-3, E-4, and E-5.

Wherefore, City Gas Company of Florida respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period January 2000 through December 2000 of 48.793 cents per therm (before the regulatory assessment fees) or 49.039 cents per therm after the regulatory assessment fees.


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition for Approval of PGA Factor and Application for Bills to be Rendered During the Period January 2000 through December 2000 for NUI City Gas Company of Florida has been furnished by U.S. Mail to the following parties of record this 27th day of September, 1999:

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