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September 21, 2000

By Hand Delivery

ORIGINAL

Marlene Stern  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: City Gas Rate Case -- Docket No. 000768-GU

Dear Marlene:

Attached for the staff's review are the following:

- (a) proposed "Notice of Service Hearings" to be published as a display advertisement;
- (b) proposed "Notice to Customers" to be mailed to all customers; and
- (c) proposed "Rate Case Synopsis" to be placed in public libraries and mailed to the chief executive officers of cities and counties in the Company's service territory.

Please approve these for distribution, or provide the staff's recommended changes, as quickly as possible. If you have any questions, please call. Thanks for your help.

Very truly yours,

Richard D. Melson

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP I \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR I \_\_\_\_\_  
LEG \_\_\_\_\_  
OPC \_\_\_\_\_  
PAI \_\_\_\_\_  
RGO \_\_\_\_\_  
SEC I \_\_\_\_\_  
SER \_\_\_\_\_  
OTH \_\_\_\_\_

cc: Blanca Bayó (for docket file)  
Mike Palecki  
Gloria Lopez

DOCUMENT NUMBER-DATE

11852 SEP 21 8

FPSC-RECORDS/REPORTING

**CITY GAS COMPANY OF FLORIDA**

**NOTICE OF SERVICE HEARINGS**

On August 25, 2000, City Gas Company of Florida ("the Company"), an operating division of NUI Corporation, filed a request for a rate increase with the Florida Public Service Commission ("Commission") in its Docket No. 000768-GU for approval to increase annual revenues by \$7,181,988.

The Commission has scheduled service hearings at the following dates, times and locations to allow customers to express their views regarding the quality of service they receive from the Company and other matters pertaining to the requested rate increase.

**Monday, October 23, 2000**

**6:00 p.m. - 8:00 p.m.**

**Miami-Dade County**

Embassy Suites Hotel-Miami International Airport  
3974 S. River Drive  
Miami, FL 33142

**Tuesday, October 24, 2000**

**12:00 p.m. - 2:00 p.m.**

**St. Lucie County**

Holiday Inn-Port St. Lucie  
10120 South Federal Highway  
Port St. Lucie, FL 34952

**Wednesday, October 25, 2000**

**12:00 p.m. - 2:00 p.m.**

**Brevard County**

School Board of Brevard County  
Board Room  
2700 Judge Fran Jamieson Way  
Viera, FL 32940-6699

Any person requiring some accommodation at the service hearings because of a physical impairment should call the Commission's Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

Written comments regarding the Company's service or the proposed rate increase can be addressed to:

Director, Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 000768-GU, which is the docket number that has been assigned to this proceeding.

Company personnel may be contacted to answer questions concerning this rate request at the address shown on your gas service bill, or by calling the following telephone number:

1-800-347-4427 Extension 5222

## **CITY GAS COMPANY OF FLORIDA**

### **NOTICE TO CUSTOMERS**

On August 25, 2000, City Gas Company of Florida ("the Company"), an operating division of NUI Corporation, filed a request for a rate increase with the Florida Public Service Commission ("Commission") in its Docket No. 000768-GU for approval to increase annual revenues by \$7,181,988. The Company also requested an interim rate increase of \$1,886,605 be put into effect pending final action on the permanent rate increase.

The general reasons for the request for an increase in rates are:

- 1) The Company's natural gas throughput from residential and industrial customers has not grown at the rate projected in its last rate case.
- 2) The Company has incurred significant capital additions that need to be recognized in rate base so that an adequate return on this investment can be obtained.
- 3) The Company's operating expenses have increased due, among other things, to inflation and ordinary customer growth.

A comparison of the proposed final rates with the rates in effect prior to the Company's request is attached.

Service hearings have been scheduled in Miami-Dade, St. Lucie and Brevard Counties to allow customers to express their views regarding the quality of service they receive from the Company and other matters pertaining to the requested rate increase. The dates, times and locations of the service hearings are as follows:

**Monday, October 23, 2000**

**6:00 p.m. - 8:00 p.m.**

**Miami-Dade County**

**Embassy Suites Hotel-Miami International Airport**

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**Miami, FL 33142**

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**Holiday Inn-Port St. Lucie**

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**Port St. Lucie, FL 34952**

**CITY GAS COMPANY OF FLORIDA**

**NOTICE TO CUSTOMERS**

Page 2

**Wednesday, October 25, 2000**

**12:00 p.m. - 2:00 p.m.**

**Brevard County**

**School Board of Brevard County**

**Board Room**

**2700 Judge Fran Jamieson Way**

**Viera, FL 32940-6699**

Any person requiring some accommodation at the service hearings because of a physical impairment should call the Commission's Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

The Commission is currently scheduled to consider the Company's request for interim rate relief on October 17, 2000, and its request for permanent rate relief on January 16, 2001, in Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida, beginning at 9:30 a.m.

The following is the current rate case schedule established by the Commission that contains all the critical events and dates. This schedule is subject to change by the Commission.

Staff Recommendation on Interim Rates	10/5/00
Order Establishing Procedure	10/16/00
Agenda Conference on Interim Rates	10/17/00
Service Hearing - Miami-Dade County	10/23/00
Service Hearing - St. Lucie County	10/24/00
Service Hearing - Brevard County	10/25/00
Audit Report Due	10/31/00
Standard Order on Interim Rates	11/9/00
Staff Recommendation on Final Rates	1/04/01
Agenda Conference on Final Rates	1/16/01
Proposed Agency Action Order on Final Rates	2/5/01

More detailed information on the Company's proposed rate increase is contained in the complete minimum filing requirements, located at the following Company offices:

City Gas Company of Florida  
955 East 25th Street  
Hialeah, Florida 33013-3498

CITY GAS COMPANY OF FLORIDA  
NOTICE TO CUSTOMERS  
Page 3

City Gas Company of Florida  
1304 S.W. Bayshore Boulevard  
Port St. Lucie, Florida 34983-2297

City Gas Company of Florida  
4180 South U.S. Highway No. 1  
Rockledge, Florida 32955-5309

Inspection of the filing at any of these offices may be conducted during normal business hours (8:00 a.m. - 5:00 p.m., Monday - Friday).

A Synopsis of the rate case can be reviewed at the above locations and at the following Public Libraries:

**St. Lucie County Public Library**  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(561) 871-5450

**Martin County Public Library**  
Jensen Beach Branch  
1900 NE Ricou Terrace  
Jensen Beach, FL 34957  
(561) 334-4488

**Indian River County Public Library**  
1600 21st Street  
Vero Beach, FL 32960  
(561) 770-5060

**Central Brevard Library**  
Attention: Director  
308 Forest Avenue  
Cocoa, FL 32922

**Hialeah John F. Kennedy**  
Memorial Library  
Attention: Director  
190 W. 49 Street  
Hialeah, FL 33012

**CITY GAS COMPANY OF FLORIDA  
NOTICE TO CUSTOMERS  
Page 4**

**Miami Dade Main Library**  
Attention: Director  
101 West Flagler Street  
Miami, FL 33128

**Broward County Main Library**  
Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to:

Director, Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 000768-GU, which is the docket number that has been assigned to this proceeding.

For your information, we are also providing the address and telephone number of the Florida Public Service Commission's Consumer Affairs Division:

Division of Consumer Affairs  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

1-800-342-3552 (Toll Free Number)

Company personnel may be contacted to answer questions concerning the rate request at the address shown on your gas service bill, or by calling the following telephone number:

1-800-347-4427 Extension 5222

**COMPARISON OF PRESENT AND PROPOSED RATES**

	Present Rates	Proposed Rates
	-----	-----
<b>RESIDENTIAL:</b>		
Customer charge	\$ 7.00	\$ 7.50
Energy charge per therm	\$ .46349	\$ .54709
<b>GAS LIGHTING:</b>		
Customer charge	\$ ----	\$ ----
Energy charge per therm	\$ .46349	\$ .54709
<b>COMMERCIAL AND INDUSTRIAL FIRM:</b>		
Customer charge	\$ 17.00	\$ 20.00
Energy charge per therm	\$ .20259	\$ .26549
<b>LARGE COMMERCIAL FIRM:</b>		
Customer charge	\$ 35.00	\$ 50.00
Energy charge per therm	\$ .16336	\$ .19839
<b>INTERRUPTIBLE PREFERRED:</b>		
Customer charge	\$ 50.00	\$ 100.00
Energy charge per therm	\$ .12757	\$ .16500
<b>NATURAL GAS VEHICLES:</b>		
Customer charge	\$ 12.00	\$ 15.00
Energy charge per therm	\$ .14119	\$ .17500
<b>SMALL COMMERCIAL TRANSPORTATION:</b>		
Customer charge	\$ 17.00	\$ 25.00
Transportation charge per therm	\$ .20259	\$ .26549
<b>COMMERCIAL TRANSPORTATION:</b>		
Customer charge	\$ 50.00	\$ 55.00
Transportation charge per therm	\$ .16336	\$ .19839

**COMPARISON OF PRESENT AND PROPOSED RATES**

	<u>Present Rates</u>	<u>Proposed Rates</u>
<b>INTERRUPTIBLE TRANSPORTATION:</b>		
Customer charge	\$ 175.00	\$ 175.00
Transportation charge per therm	\$ .12757	\$ .16500
<b>CONTRACT - INTERRUPTIBLE TRANSPORTATION:</b>		
Customer charge	\$ 175.00	\$ 175.00
Transportation charge per therm	\$ .12757	\$ .16500
<b>INTERRUPTIBLE LARGE VOLUME - TRANSPORTATION:</b>		
Customer charge	\$ 400.00	\$ 400.00
Transportation charge per therm	\$ .08252	\$ .12000
<b>CONTRACT INTERRUPTIBLE LARGE VOLUME - TRANSPORTATION:</b>		
Customer charge	\$ 400.00	\$ 400.00
Transportation charge per therm	\$ .08252	\$ .12000
<b>CONNECT AND DISCONNECT CHARGES:</b>		
Residential	\$ 20.00	\$ 30.00
Non-residential	\$ 45.00	\$ 60.00
<b>OTHER CHARGES:</b>		
Change of Account Number:	\$ 15.00	\$ 20.00
Collection Charge:	\$ 15.00	\$ 15.00
Returned Check Charge:	\$ 15.00 or 5%	\$ 25.00 or 5%

## **CITY GAS COMPANY OF FLORIDA**

### **RATE CASE SYNOPSIS**

#### **DOCKET NO. 000768-GU**

City Gas Company of Florida (the "Company") is a natural gas utility providing natural gas service and gas transportation service to over 100,000 customers in Miami-Dade, Broward, Brevard, St. Lucie, Indian River and Martin Counties. The Company is a division of NUI Corporation, headquartered in New Jersey, which operates natural gas distribution systems in six states: Florida, New Jersey, New York, Pennsylvania, Maryland and North Carolina.

On August 25, 2000, the Company filed a request for a rate increase with the Florida Public Service Commission ("Commission"). Under Florida law, the Commission regulates the rates, charges and service provided by natural gas utilities in the state. The case has been assigned Docket No. 000768-GU.

The Company is entitled by law to receive a reasonable return on its property used and useful in the public service. The Company's existing rates and charges are inadequate to provide fair and reasonable compensation for the services it provides to the public. The Company realized an overall rate of return of 5.76% during the historic base year ended September 30, 1999, compared to the range of 7.04% to 7.70% allowed by the Commission in the Company's last rate case in 1996. Based on the Company's projections, absent any rate relief, the overall rate of return is expected to drop below 5.36% for the year ending September 30, 2000. This return denies the Company the financial strength and integrity necessary to undertake capital additions designed to improve the Company's quality of service and to extend that service to more customers

The general reasons for the request for an increase in rates are:

- 1) The Company's natural gas throughput from residential and industrial customers has not grown at the rate projected in its last rate case.
- 2) The Company has incurred significant capital additions that need to be recognized in rate base so that an adequate return on this investment can be obtained.
- 3) The Company's operating expenses have increased due, among other things, to inflation and ordinary customer growth.

A comparison of the proposed final rates with the rates in effect prior to the Company's request is attached. Also attached is a copy of the Executive Summary filed as part of the Company's rate application.

Pursuant to Florida law, the Company has chosen to have its request for a rate increase processed under the Commission's procedures governing Proposed Agency Action. Under this procedure,

the staff of the Commission will first review the Company's request for interim rate relief and will make a recommendation to the Commission on the amount of the interim increase, if any, to be granted while the Commission considers the application for permanent rate relief. The Commission will consider its staff's recommendation at one of its regularly scheduled bi-weekly Agenda Conferences in Tallahassee, Florida within 60 days after the Company's petition was filed. The Commission is currently scheduled to consider the Company's request for interim rate relief on October 17, 2000. Any interim increase granted will be held by the Company subject to refund pending the Commission's final decision on permanent rates.

The staff of the Florida Public Service Commission will conduct a detailed review and investigation of the Company's request for permanent rate relief and will perform an audit of the Company's books. In addition, the Commission will conduct service hearings in Miami-Dade, St. Lucie and Brevard Counties to take comments from customers on the Company's quality of service and on other matters pertaining to the Company's rate request. Following completion of this investigation and the customer hearings, the Commission staff will make a recommendation to the Commission on what rate relief, if any, should be granted. The Commission will act on its staff's recommendation at another Agenda Conference in Tallahassee within five months after the Company's petition was filed. The Commission is currently scheduled to consider the permanent rate request on January 16, 2001.

The major issues to be considered by the Commission in this case will include the determination of the proper rate base, net operating income, earned rate of return, fair and reasonable rate of return, the proper rate structure, and the quality of service provided by the Company.

After the Commission votes on the Company's rate request, it will issue an Order on Proposed Agency Action containing its findings and conclusions. Substantially affected persons have 21 days after the written order is issued to decide whether to accept the Commission's decision or to request a formal hearing. If no party protests the order, the Commission's decision becomes final, the new rates go into effect, and the case is closed. If there is a protest, the case will proceed to a formal hearing process, which must be completed within eight months after the date the protest was filed.

If a protest is filed by a party other than the Company, the Company has the right to place its requested permanent rates in effect, subject to refund, until the case is concluded.

Service hearings have been scheduled in Miami-Dade, St. Lucie and Brevard Counties as follows:

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FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION  
 DOCKET NO: 000768-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
 OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:  
 HISTORIC TEST YEAR LAST CASE: 9/30/95  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 9/30/97  
 PROJECTED TEST YEAR CURRENT CASE: 9/30/01  
 WITNESS: R. CLANCY

Line No.	Item	LAST RATE CASE							CURRENT RATE CASE: REQUESTED			
		REQUESTED (A)			AUTHORIZED				(9)	(10)**	(11)**	
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*				(8)*
Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year 09/30/1997	Projected Test Year 09/30/2001	Dollar or Percent Difference	Percentage Change		
1	DOCKET NUMBER	n/a	n/a	n/a	960502-GU	n/a	n/a	n/a	960502-GU	000768-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	09/30/95	:	:	:	09/30/95	09/30/99		
3	PROJECTED TEST YEAR	:	:	:	09/30/97	:	:	:	09/30/97	09/30/01		
4	RATE INCREASE - PERMANENT	:	:	:	\$ 5,283,344	:	:	:	\$ 3,752,678	\$ 7,181,988	\$ 3,429,310	91.38%
5	RATE INCREASE - INTERIM	:	:	:	\$ 2,312,853	:	:	:	\$ 2,151,503	\$ 1,886,605	\$ (264,898)	-12.31%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$ 94,432,747	:	:	:	\$ 91,911,029	\$ 113,986,770	\$ 22,075,741	24.02%
7	JURISDICTIONAL N.O.I. BEFORE RATE RELIEF	:	:	:	\$ 4,515,834	:	:	:	\$ 4,907,310	\$ 4,571,159	\$ (336,151)	-6.85%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	4.78%	:	:	:	5.34%	4.01%	-1.33%	-24.89%
9	SYSTEM CAPITALIZATION	:	:	:	\$ 94,432,747	:	:	:	\$ 91,911,029	\$ 113,986,770	22,075,741	24.02%
10	OVERALL RATE OF RETURN	:	:	:	8.25%	:	:	:	7.87%	7.88%	0.01%	0.13%
11	COST OF LONG-TERM DEBT	:	:	:	7.55%	:	:	:	7.50%	6.54%	-0.96%	-12.80%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	6.00%	:	:	:	6.00%	8.00%	2.00%	33.33%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.00%	:	:	:	6.00%	6.73%	0.73%	12.17%
15	COST OF COMMON EQUITY	:	:	:	11.90%	:	:	:	11.30%	11.70%	0.40%	3.54%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,280	:	:	:	101,108	101,250	142	0.14%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	:	:	(B)	:	:	:	12/12/96	(B)		

(A) REQUESTED AMOUNTS REFLECT COMPANY'S SUPPLEMENTAL ADJUSTMENTS OF ORIGINAL REQUEST.  
 (B) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 386.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION  
 DOCKET NO: 000768-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
 OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 09/30/99  
 PROJECTED TEST YEAR CURRENT CASE: 09/30/01  
 WITNESS: R. CLANCY

Line No.	Description	Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 7.87%	\$ 4,684,591	65.23%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO 7.88%	15,383	0.21%
3	EFFECT OF PROJECTED TEST YEAR	<u>2,482,014</u>	<u>34.56%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED	<u>\$ 7,181,988</u>	<u>100.00%</u>

FLORIDA PUBLIC SERVICE COMMISSION  COMPANY: CITY GAS COMPANY OF FLORIDA A DIVISION OF NUI CORPORATION  DOCKET NO 000768-GU	EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL RATE BASE	TYPE OF DATA SHOWN: HISTORIC TEST YEAR LAST CASE: 9/30/95 ATTRITION YEAR LAST CASE: N/A PROJECTED TEST YEAR LAST CASE: 9/30/97 PROJECTED TEST YEAR CURRENT CASE: 9/30/01 WITNESS: R. CLANCY
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LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE		(6)** Dollar Difference	(7)** Percent Difference
		(1)*	(2)*	(3)*	(4)*	(5)	(6)		
		Historical	Attrition	Total	Projected Test Year 09/30/1997	Projected Test Year 09/30/2001			
<b>UTILITY PLANT</b>									
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	136,272,405	169,205,682	32,933,277	24.17%	
2	COMMON PLANT ALLOCATED	:	:	:	(2,026,272)	555,877	2,582,149	(127.43%)	
3	ACQUISITION ADJUSTMENT	:	:	:	333,731	1,814,318	1,480,587	443.65%	
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%	
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	2,176,865	6,709,934	4,533,069	208.24%	
6	GROSS UTILITY PLANT	:	:	:	<u>136,756,729</u>	<u>178,285,811</u>	<u>41,529,082</u>	30.37%	
<b>DEDUCTIONS</b>									
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	50,203,295	67,713,522	17,510,227	34.88%	
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	(602,418)	(5,359)	597,059	(99.11%)	
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	436,795	427,312	(9,483)	(2.17%)	
11	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	14,000	-	(14,000)	(100.00%)	
12	TOTAL DEDUCTIONS	:	:	:	<u>50,051,672</u>	<u>68,135,475</u>	<u>18,083,803</u>	36.13%	
13	UTILITY PLANT, NET	:	:	:	86,705,057	110,150,336	23,445,279	27.04%	
14	ALLOWANCE FOR WORKING CAPITAL	:	:	:	<u>5,205,972</u>	<u>3,836,434</u>	<u>(1,369,538)</u>	(26.31%)	
15	RATE BASE	:	:	:	<u>91,911,029</u>	<u>113,986,770</u>	<u>22,075,741</u>	24.02%	

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION  
 DOCKET NO: 000768-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
 OF JURISDICTIONAL NET OPERATING INCOME

TYPE OF DATA SHOWN:  
 HISTORIC TEST YEAR LAST CASE: 9/30/95  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 9/30/97  
 PROJECTED TEST YEAR CURRENT CASE: 9/30/01  
 WITNESS: R. CLANCY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE		(7)** Percent Difference
		(1)*	(2)*	(3)*	(4)*	(5)	(6)**	
		Historical	Attrition	Total	Projected Test Year 09/30/1997	Projected Test Year 09/30/2001	Dollar Difference	
1	OPERATING REVENUES (A)	n/a	n/a	n/a	<u>29,961,230</u>	<u>33,574,637</u>	<u>3,613,407</u>	12.06%
	<u>OPERATING REVENUE DEDUCTIONS:</u>	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	17,744,700	19,594,080	1,849,380	10.42%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	4,624,903	6,967,288	2,342,385	50.65%
4	TAXES OTHER THAN INCOME	:	:	:	2,047,286	2,523,303	476,017	23.25%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	<u>637,032</u>	<u>(81,193)</u>	<u>(718,225)</u>	(112.75%)
6	TOTAL OPERATING EXPENSES	:	:	:	<u>25,053,921</u>	<u>29,003,478</u>	<u>3,949,557</u>	15.76%
7	NET OPERATING INCOME (B)	:	:	:	<u>4,907,310</u>	<u>4,571,159</u>	<u>(336,151)</u>	-6.85%

(A) EXCLUDES FUEL & CONSERVATION REVENUE  
 (B) BEFORE RATE RELIEF

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
 IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION  
 DOCKET NO 000768-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
 OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:  
 HISTORIC TEST YEAR LAST CASE: 9/30/95  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 9/30/97  
 PROJECTED TEST YEAR CURRENT CASE: 9/30/01  
 WITNESS: R. CLANCY

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	32,203,518	35.04%	11.30%	3.96%
2	PREFERRED STOCK	-	0.00%	0.00%	0.00%
3	LONG-TERM DEBT	37,683,242	41.00%	7.50%	3.07%
4	SHORT-TERM DEBT	7,300,439	7.94%	6.00%	0.48%
5	CUSTOMER DEPOSITS	5,483,576	5.97%	6.00%	0.36%
6	TAX CREDITS	1,350,074	1.47%	0.00%	0.00%
7	DEFERRED TAXES	7,890,179	8.58%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>91,911,029</u>	<u>100.00%</u>		<u>7.87%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	42,084,430	36.92%	11.70%	4.32%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	49,158,730	43.13%	6.54%	2.82%
12	SHORT-TERM DEBT	5,774,665	5.07%	8.00%	0.41%
13	CUSTOMER DEPOSITS	5,596,459	4.91%	6.73%	0.33%
14	TAX CREDITS	883,654	0.78%	0.00%	0.00%
15	DEFERRED TAXES	10,488,832	9.20%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>113,986,770</u>	<u>100.00%</u>		<u>7.88%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI CORPORATION  
 DOCKET NO: 000768-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:  
 HISTORIC TEST YEAR LAST CASE: 9/30/95  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 9/30/97  
 PROJECTED TEST YEAR CURRENT CASE: 9/30/01  
 WITNESS: R. CLANCY

Line No.	Indicators	(1) Data From Historic Base Year or Test Year Related to Company's Last Rate Case	(2) Data From Historic Base Year Related to Company's Current Rate Case	(3) Year After Current Historic Base Year Without Any Rate Relief	(4) Projected Test Year Without Any Rate Relief	(5) Projected Test Year including requested Rate Increase
<u>INTEREST COVERAGE RATIOS:</u>						
		1997	1999	2000	2001	2001
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	0.78	1.47	1.21	0.35	1.68
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	0.78	1.47	1.21	0.35	1.68
<u>OTHER FINANCIAL RATIOS:</u>						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	44.57%	49.22%	58.4%	4.49%	20.05%
<u>PREFERRED DIVIDEND COVERAGE:</u>						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
<u>RATIO OF EARNINGS TO FIXED CHARGES:</u>						
7	INCLUDING AFUDC	0.78	1.47	1.21	0.35	1.68
8	EXCLUDING AFUDC	0.78	1.47	1.21	0.35	1.68
<u>EARNINGS PER SHARE:</u>						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A