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NUI Corporation (NYSE: NUI)

September 27, 1999

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

Re: **Docket No. 000003-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 fifteen copies of City Gas' Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 2001 through December 2001 and attached testimony of Thomas E. Smith.

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
Attorney, Legal & Regulatory Affairs

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

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

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

DOCUMENT NUMBER-DATE

12217 SEP 27 99

FPSC-RECORDS/REPORTING

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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DOCKET NO. 00003-GU
Filed: September 27, 2000

**THE PETITION BY NUI CITY GAS OF FLORIDA,
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001**

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, 2001 through December 31, 2001. 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 January 1999 through December 1999 to be an over-recovery of \$705,430.
2. Schedule E-4 shows the projected true-up for the current period January 2000 through December 2000 is an under-recovery of (\$4,513,148).
3. The total true-up as shown on Schedule E-4 is an under-recovery of (\$3,807,718).
4. Estimated therm purchases for resale are 51,525,916.
5. Schedule E-4 presents a true-up recovery factor of 7.364 cents per therm to be applied during the projected period.
6. The total cost of gas as projected for the period January 1, 2001 through December 31, 2001 is \$34,156,435.
7. The weighted average cost of gas (WACOG) for the January 2001 through December 2001 period is 66.290 cents per therm.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

8. The 7.364 cents per therm true up factor increases the WACOG during the January 2001 through December 2001 period to 73.654 cents per therm (before the regulatory assessment fees) or 74.024 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 78.698 cents per therm before the regulatory assessment fees and 79.093 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the period January 2001 through December 2001.

9. City Gas' proposal filed herewith consists of Schedules E-1, E-1R, E-2, E-3, E-4, E-5 and prepared Direct Testimony of Thomas E. Smith, including Schedules TES-1 and TES-2 in support of gas price projections..

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 2001 through December 2001 of 78.698 cents per therm (before the regulatory assessment fees) or 79.093 cents per therm after the regulatory assessment fees.

Michael A. Palecki /s/

Michael A. Palecki
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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, 2000:

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