

October 28, 1998

ORIGINAL

Ms. Blanca S. Bayo, Director
 Division of Record and Reporting
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0868

Re: Purchase Gas Adjustment

Dear Ms. Bayo:

Enclosed for filing in Docket No. 980003-GU, please find the original and 10 copies of City Gas Company of Florida's Prehearing Statement.

Should you have any questions with respect to this filing, please contact me at (305)694-6160.

Sincerely,



Michael A. Palecki
 Attorney, Legal & Regulatory Affairs
 NUI Corporation

ACK _____
 AFA Vandiver
 APP _____
 CAF _____ MAP/rt
 CMU _____ Encl.
 CTR _____
 EAG Makin
 LEG 3
 LIN 3
 OPC _____
 RCH _____
 SEC 1

WAS **NUI Companies and Affiliates:**
 City Gas Company of Florida
 OTH Elizabeth Gas
 Elkton Gas
 North Carolina Gas

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

DOCUMENT NUMBER 12089

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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.

) DOCKET NO. 980003-GU
) Filed: October 29, 1998
)

**PREHEARING STATEMENT OF
CITY GAS COMPANY OF FLORIDA**

City Gas Company of Florida, a division of NUI Corporation (NUI/City Gas) submits this Prehearing Statement for the hearing scheduled in November, 1998.

a. Witnesses

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Raymond A. DeMoine	Purchased Gas Adjustment Factor, True-up, and Projections	1, 2, 3, 4

b. Exhibits

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
RAD-1(Composite)	<u>DeMoine</u>	January 1999 - December 1999 PGA Factor, Schedules E-1, E-1R, E-2, E-3, E-4 and E-5.

c. Statement of Basic Position

NUI/City Gas has appropriately calculated its true-up and purchased gas adjustment factor as shown in the Company's positions on Issues 1-4.

d. Statement of Issues Positions (Questions of Fact)

ISSUE 1: What is the appropriate final purchased gas adjustment true-up amount for the period April 1997 through March 1998?

Position: \$1,706,048 overrecovery. (DeMoine)

ISSUE 2: What is the estimated purchased gas adjustment true-up amount for the period April, 1998 through December 1999?

Position: \$73,153 underrecovery. (DeMoine)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected during the January, 1999 through December, 1999 period?

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Position: \$1,632,896 overrecovery. (DeMoine)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor to be charged during the period January, 1999 through December, 1999 period?

Position: 45.910 cents per therm before the regulatory assessment fees and 46.082 cents per therm after the regulatory assessment fees. (DeMoine)

e. **Questions of Law:**

None.

f. **Policy Questions:**

None.

g. **Stipulated Issues:**

None.

h. **Motions:**

None.

i. **Other Matters:**

None.

Dated this 29th day of October, 1998.

Respectfully submitted,

City Gas Company of Florida, a Division of
NUI Corporation


By: Michael A. Palecki

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 1999 through December 1999 for NUI City Gas Company of Florida has been furnished by U.S. Mail to the following parties of record, this 29th day of October, 1998:

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