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A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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WRITER'S DIRECT DIAL:

(904) 630-5342

October 28, 1998

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LONDON  
(A LONDON-BASED  
MULTINATIONAL PARTNERSHIP)  
SÃO PAULO  
IN ASSOCIATION WITH  
TAVARES GUERREIRO ADVOGADOS

**VIA FEDERAL EXPRESS**

Ms. Blanca Bayo  
Director of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED

OCT 29 1998

CMU

Re: Application by City Gas Company of Florida, a division of NUI Corporation  
Docket Number 981378-GU

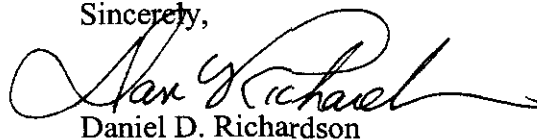
Dear Ms. Bayo:

Last week, we filed an application to issue securities prepared by our firm on behalf of our client, City Gas Company of Florida ("City Gas"), a division of NUI Corporation ("NUI"). Yesterday, we confirmed that the amount shown in our filed application for the amount of short term indebtedness to be issued by NUI is in error. Rather than \$110,000 (one hundred and ten thousand dollars) of short term debt, NUI seeks approval to issue \$110,000,000 (one hundred and ten million dollars) of short term debt.

By the attached letter, we notified Bob Elias that we would be amending the application to correct this error. Mr. Elias advised us to send to you the enclosed pages (original and fifteen copies) to be substituted for the existing pages in our application. Please substitute the enclosed pages 4 and 7 in each of the unnumbered application sets previously delivered.

Please direct any inquiries regarding this matter to the undersigned. We greatly appreciate your cooperation and apologize for any inconvenience this may have caused.

Sincerely,



Daniel D. Richardson

cc: Bob Elias  
Beth Salak  
Grace Jaye, Esq.  
M. Mucci, Esq. (w/o encl.) via facsimile

DOCUMENT NUMBER-DATE

12150 OCT 30 1998

NOT RECORDED

CK \_\_\_\_\_  
FA Samantha  
APP \_\_\_\_\_  
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WRITER'S DIRECT DIAL:

630-5342

October 27, 1998

LOS ANGELES  
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SÃO PAULO  
IN ASSOCIATION WITH  
TAVARES GUERREIRO ADVOGADOS

VIA FACSIMILE

Mr. Bob Elias  
Bureau Chief for Electric and Gas  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED

OCT 29 1998

CMU

Re: NUI Corporation: City Gas of Florida

Dear Bob:

We appreciate your call regarding the City Gas Company of Florida application concerning issuance by NUI Corporation of certain short and long term indebtedness. We have confirmed that the amount shown in our filed application for the amount of short term indebtedness is in error. Rather than \$110,000 (one hundred and ten thousand dollars) of short term debt, NUI seeks approval to issue \$110,000,000 (one hundred and ten million dollars) of short term debt.

We will file an amended application consistent with this letter immediately.

We appreciate your prompt attention and gracious cooperation in getting the conforming notice timely published.

If you have any questions concerning this letter, please call me right away. Thank you again for your assistance.

Sincerely,



Daniel D. Richardson

c: Beth Salak  
Grace Jaye, Esq.  
Mark Mucci, Esq.

(e) Amount Pledged. None.

(f) Amount Owned by Affiliated Corporations. None.

(g) Amount Held in Any Fund. NUI has deposited in trust the unexpended portion of the net proceeds from the 6.40% Brevard County Industrial Development Revenue bonds, until drawn upon for eligible expenditures. As of June 30, 1998, the total unexpended portion held in trust, including interest thereon, was \$12,525,203.

5. Statement of Proposed Transactions.

(a), (b) Kind and Nature of Securities; Maximum Principal Amount

Funded Debt. NUI may issue short-term notes in an amount up to \$110,000,000 and may issue long-term notes in an amount up to \$40,000,000 if market conditions and interest rates are favorable. The long-term indebtedness will consist of long-term notes issued to the New Jersey Economic Development Authority.

(c) Dividend and/or Interest Rate(s).

Funded Debt. Based upon the rates applicable to comparable securities in the current market, NUI estimates that the interest rates on the short-term debt will be between 6% and 6.5% and the interest rate long-term indebtedness will be approximately 5.5%. The actual interest rates on the securities will be determined by the market conditions at the time the securities are issued and sold.

6. Purposes of Issues

Funded Debt. Short-term Debt: During periods in which interest rates on short-term indebtedness are favorable relative to the cost of alternative sources

**Exhibit B-1: Estimated Projected Sources and Uses of Funds for NUI for the Twelve Months Ended September 30, 1999.**

**Exhibit B-2: Estimated Construction Spending for City Gas Company of Florida for the Twelve Months Ended September 30, 1999.**

**WHEREFORE, City Gas Company of Florida, a Division of NUI Corporation, requests the Commission to enter an Order authorizing NUI to issue and sell short-term debt in an amount not to exceed \$110 million and long-term debt in an amount not to exceed \$40 million, during the period September 30, 1998 - September 30, 1999. To facilitate the ability of NUI to position itself to take advantage of favorable conditions in the capital markets, NUI respectfully asks the Commission to expedite its consideration of this application.**



**Daniel D. Richardson  
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Fax (904) 353-1670  
Attorney for the Applicant**