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ORIGINAL

NUI Corporation (NYSE: NUI)

October 20, 1998

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

Re: **Docket No. 980003-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' Revised Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 1999 through December 1999, testimony of Raymond A. DeMoine, and Schedules E-1, E-2, and E-4.

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

Michael A. Palecki
 Attorney, Legal & Regulatory Affairs

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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

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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DOCKET NO. 98003-GU
Filed: October 20, 1998

REVISED PETITION BY NUI CITY GAS OF FLORIDA,
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 1999 THROUGH DECEMBER 1999

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, 1999 through December 1, 1999. 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 1997 through March 1998 to be an over-recovery of \$1,706,048.
2. Schedule E-4 shows the projected true-up for the current period April 1998 through December 1998 is an under-recovery of \$73,153
3. The total true-up as shown on Schedule E-4 is an over-recovery of \$1,632,896.
4. Estimated therm purchases for resale are 63,364,924.
5. Schedule E-4 presents a true-up recovery factor of negative 2.577 cents per therm to be applied during the projected period.
6. The total cost of gas is \$28,522,114.
7. The weighted average cost of gas (WACOG) for the January 1999 through December 1999 period is 45.012 cents per therm.

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8. The negative 2.577 cents per therm true up factor decreases the WACOG during the January 1999 through December 1999 period to 42.435 cents per therm (before the regulatory assessment fees) or 42.595 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 45.910 cents per therm before the regulatory assessment fees and 46.082 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the period January 1999 through December 1999.

9. City Gas' proposal filed herewith consists of Schedules E-1, E-1R, E-2, E-3, E-4, and E-5. The confidential version of City Gas' filing is submitted in a sealed envelope concurrently with this request, with a separate specific request for confidential treatment.

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 1999 through December 1999 of 45.910 cents per therm (before the regulatory assessment fees) or 46.082 cents per therm after the regulatory assessment fees.


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