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March 24, 1997

HAND DELIVERED

960547-GU

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

Re: In re: Application of City Gas Company of Florida (a Division of NUI Corporation) for Modification of Authority to Issue and Sell Securities During the Twelve Months Ending June 30, 1997

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and sixteen copies of the Application of City Gas Company of Florida (a Division of NUI Corporation) for Modification of Authority to Issue and Sell Securities During the Twelve Months Ending June 30, 1997, in the above docket.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,

Joseph A. McGlothlin

ACK ____
AFA 1
APP ____
CAF ____
CMU ____
CTR ____
EAG ____
LEG 1
LIN 5 JAM/jei
OPC Enclosures
RCH ____
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of City Gas Company of Florida (a division of NUI Corporation) for modification of authority for NUI Corporation to issue and sell securities during the twelve months ending June 30, 1997	)	DOCKET NO. FILED: March 24, 1997

APPLICATION OF CITY GAS COMPANY OF FLORIDA (A DIVISION OF NUI CORPORATION) FOR MODIFICATION OF AUTHORITY TO ISSUE AND SELL SECURITIES DURING THE TWELVE MONTHS ENDING JUNE 30, 1997

Pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, City Gas Company of Florida (a division of NUI Corporation) ("City Gas"), submits this application for modification of the authority of NUI Corporation ("NUI") to issue and sell securities during the twelve months ending June 30, 1997. In support of the application, City Gas provides the following information.

1. Name and Address of Applicant: The exact name of the Applicant and the address of its principal business office is:

City Gas Company of Florida
(a division of NUI Corporation)
955 East 25th Street
Hialeah, Florida 33013-3498

2. Date and Place of Incorporation: NUI was incorporated in 1969 under the laws of New Jersey. NUI operates its gas utility systems in Florida, North Carolina, Maryland, Pennsylvania and New York under a common divisional management. Collectively, they comprise the "Southern Division" of NUI. City Gas, a public utility since 1960, serves Brevard, Broward, Dade and St. Lucie Counties, and is part of the

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Southern operating division. NUI's other gas utility operations, which are conducted in New Jersey, comprise the "Northern Division" of NUI.

3. Persons to Receive Notices: The names and addresses of the persons authorized to receive notices and communications with respect to this application are:

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301

Michael A. Palecki
Vice President - Regulatory Affairs
Southern Division of NUI Corporation
955 E. 25th Street
Hialeah, FL 33013-3498

Robert F. Lurie
Vice President and Treasurer
NUI Corporation
550 Route 202-206
P. O. Box 760
Bedminster, NJ 07921-0760

4. Principal Officers: The names, titles and addresses of the principal officers of the Southern Division of NUI Corporation are as follows:

Name	Title	Address
Lyle C. Motley, Jr.	President	Hialeah, Fl
Rand W. Smith	Vice President-Finance	Hialeah, Fl
Richard Wall	Vice President of Operations, Florida	Hialeah, Fl
Carl Smith	Vice President - Marketing	Hialeah, Fl

Michael A. Palecki	Vice President - Regulatory Affairs	Hialeah, Fl
James Turpin	Vice President of Operations, Penn & Southern	Reidsville, NC

5. Nature and Extent of Business: City Gas is engaged in the transmission and distribution of natural gas to approximately 97,000 customers in Dade, Broward, Brevard and St. Lucie counties.

6. Brief Description of Facilities. City Gas owns approximately 2,560 miles of steel and plastic mains for the distribution of natural gas in Florida, as well as gate stations, meters and related equipment. The company also owns real property in Dade, Broward, Brevard and St. Lucie Counties in Flora. City Gas' owned properties include a general office building in Hialeah, Florida, that serves as its headquarters; another office facility in Rockledge, Florida, and a service center in Medley, Florida, from which City Gas dispatches service crews and conducts construction and maintenance activities for its Miami division.

7. Description of Changes in Financial Position: On April 30, 1996, City Gas submitted an application for authority to issue securities during the period July 1, 1996 - June 30, 1997. In the application, City Gas provided information concerning capital stock and funded debt. A copy of City Gas' application in Docket No. 960547-EG is attached for ease of reference. Since the application was submitted, NUI has also received approval from the New Jersey Economic Development Authority to refund $54.6 million of tax exempt debt issued in 1991 and reissue same at a more

favorable interest rate. NUI expects to complete this transaction in the near future.

8. Statement of Proposed Transactions: In Docket No. 960547, City Gas Company of Florida applied for authority to issue equity and long-term debt securities, in an amount not to exceed $80 million in the aggregate. In addition, City Gas requested authority to issue short-term indebtedness up to, but not exceeding 25% of the par value of the other outstanding securities of NUI Corporation, doing business as City Gas Company of Florida. The application stated that the proceeds from medium term notes would be used for working capital requirements, including the financing of portions of NUI's construction programs. Proposed short-term indebtedness would be used to finance portions of NUI's construction programs, pending refinancing through the issuance of equity or long-term securities at a later date. The application stated that all proceeds from the issuances would be used to enable NUI to perform its obligation to manage and operate its utility businesses, and would be consistent with the performance by City Gas as a public utility.

9. By Order No. PSC-96-0846-FOF-GU, issued July 2, 1996, (as amended by Order No. PSC-96-0846a-FOF-GU, issued July 9, 1996, the Commission awarded City Gas the authority requested in its application.

10. The purpose of this application is to request authority to apply the proceeds of the securities approved in the above orders for the acquisition by NUI Corporation of an ownership interest in T.I.C. Enterprises, Inc. Based in Georgia, T.I.C. is engaged in sales and marketing outsourcing for a variety of clients, including NUI Corporation.

11. NUI Corporation proposes to pay $22 million to obtain a 49% interest in the Company. Initially, the proceeds of NUI short-term indebtedness would be used to acquire the 49% interest.[1]

The purpose of the transaction:

NUI is obtaining the interest in T.I.C. primarily to obtain the marketing skills and expertise with which to better develop and perform its utility-related activities in the increasingly competitive market for its utility service. However, while T.I.C.'s expertise will complement NUI's needs in the utility arena, T.I.C.'s activities will not be limited to utility functions. For that reason, this modification of authority is requested. NUI submits its transaction with T.I.C. will enhance and will not impair the ability of NUI Corporation to perform its obligations as a public utility, and the proposed transaction is for a lawful purpose within NUI Corporation's corporate powers.

[1] The proceeds of the short-term debt would be placed in NUI Capital Corporation, a subsidiary of NUI Corporation. NUI Capital Corporation would then purchase the interest in T.I.C.

WHEREFORE, City Gas Company of Florida, a Division of NUI Corporation, requests the Commission to enter an Order authorizing the application of the proceeds of the securities approved by Order No. PSC-96-0846-FOF-GU to the transaction described herein.

JOSEPH A. MCGLOTHLIN
McWhirter, Reeves, McGlothlin
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301
(904) 222-2525

Attorney for City Gas Company
of Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Application of City Gas Company of Florida (A division of NUI Corporation) for Modification of Authority to Issue and Sell Securities During the Twelve Months Ending June 30, 1997 has been hand-delivered to Robert Elias, Chief, Bureau of Electric and Gas, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399, on this 24th day of March, 1997.

JOSEPH A. MCGLOTHLIN
McWhirter, Reeves, McGlothlin
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301
(904) 222-2525

Attorney for City Gas Company
of Florida

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of City Gas Company of Florida (a division of NUI Corporation) for approval for NUI Corporation to issue and sell securities during the twelve months ending June 30, 1997.	)	DOCKET NO. 960541-EG FILED: April 30, 1996

APPLICATION OF CITY GAS COMPANY OF FLORIDA (A DIVISION OF NUI CORPORATION) FOR AUTHORITY FOR NUI CORPORATION TO ISSUE AND SELL SECURITIES

Pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, City Gas Company of Florida (a division of NUI Corporation) ("City Gas"), submits this application for authority for NUI Corporation ("NUI") to issue and sell securities during the twelve months ending June 30, 1997. In support of the application, City Gas provides the following information.

1. Name and Address of Applicant: The exact name of the Applicant and the address of its principal business office is:

City Gas Company of Florida
(a Division of NUI Corporation)
955 East 25th Street
Hialeah, Florida 33013-3498

2. Date and Place of Incorporation: City Gas, a public utility since 1960, serves Brevard, Broward, Dade and St. Lucie

Counties, and is an operating division of NUI. NUI was incorporated in 1969 under the laws of New Jersey.

NUI operates its gas utility systems in Florida, North Carolina, Maryland, Pennsylvania and New York under a common divisional management. Collectively, they comprise the "Southern Division" of NUI. NUI's other gas utility operations, which are conducted in New Jersey, comprise the "Northern Division" of NUI.

3. Persons to Receive Notices: The names and addresses of the persons authorized to receive notices and communications with respect to this application are:

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301

Michael A. Palecki
Vice President - Regulatory Affairs
Southern Division of NUI Corporation
955 E. 25th Street
Hialeah, FL 33013-3498

Robert F. Lurie
Vice President and Treasurer
NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, NJ 07921-0760

4. Principal Officers: The names, titles and addresses of the principal officers of the Southern Division of NUI Corporation are as follows:

Name	Title	Address
Lyle C. Motley, Jr.	President	Hialeah, FL
Rand W. Smith	Vice President-Finance	Hialeah, FL
Richard Wall	Vice President of Operations, Florida	Hialeah, FL
Carl Smith	Vice President - Marketing	Hialeah, FL
Michael A. Palecki	Vice President - Regulatory Affairs	Hialeah, FL
James Turpin	Vice President of Operations, Penn & Southern	Reidsville, NC

5. Nature and Extent of Business: City Gas is engaged in the transmission and distribution of natural gas to approximately 97,000 customers in Dade, Broward, Brevard and St. Lucie counties. Maps of City Gas' service areas are attached as Exhibit D.

6. Brief Description of Facilities. City Gas owns approximately 2,560 miles of steel and plastic mains for the distribution of natural gas in Florida, as well as gate stations, meters and related equipment. The company also owns real property

in Dade, Broward, Brevard and St. Lucie Counties in Florida. City Gas' owned properties include a general office building in Hialeah, Florida, that serves as its headquarters; another office facility in Rockledge, Florida, and a service center in Medley, Florida, from which City Gas dispatches service crews and conducts construction and maintenance activities for its Miami division.

7. Statement of Capital Stock and Funded Debt: As of March 31, 1996, the Capital Stock of NUI consisted of (1) Common Stock, No Par Value, of which 30,000,000 shares were authorized, 9,199,586 were outstanding, and 92,731 were reacquired by NUI, and of which none were pledged by NUI, owned by affiliated corporations, or held in any fund; and (2) Preferred Stock, of which 5,000,000 shares were authorized and of which none have been issued.

As of March 31, 1996, the Funded Debt of NUI consisted of the following (of which none is reacquired, pledged, held by affiliates or held in any company fund):

Description	Outstanding
8.35% Medium-Term Notes, Series A, due February 1, 2005	$50,000,000
7.125% Medium-Term Notes, Series A, due August 1, 2002	20,000,000
6.40% Brevard County Industrial Development Revenue Bonds, due October 1, 2024:	
New Jersey Economic Development Authority Bonds:	
6.625% due October 1, 2021	8,400,000
6.75% due October 1, 2021	46,200,000
6.35% due October 1, 2022	46,500,000
Credit Agreement Indebtedness (Var. %)	30,000,000
ESOP Indebtedness, 6% due May 31, 2002	1,020,000

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 March 31, 1996, the total unexpended portion held in trust, including interest thereon, was $13.1 million.

As of March 31, 1996, NUI had outstanding notes payable to banks amounting to $18.2 million and available unused lines of credit amounting to $139.8 million.

8. Statement of Proposed Transactions: NUI plans to issue and sell equity securities, long-term debt obligations, and short term indebtedness during the twelve-month period ending June 30, 1997. The equity and long-term debt securities will not exceed $80 million in the aggregate.

The equity securities will be in the form of common stock and/or preferred stock.

The long-term debt securities may be in the form of medium term notes, and installment contracts and/or other obligations or arrangements underlying industrial development revenue bonds issued by political subdivisions of the states in which NUI operates gas utilities. Industrial development revenue bonds may or may not bear interest exempt from federal tax.

The issuance and/or sale of equity securities and long-term debt securities may be through either negotiated underwritten public offering at competitive bidding, direct public or private sale, sale through agents, or distributions to security holders of

NUI or affiliated companies, including sales of equity securities through employee benefit plans, incentive compensation plans, and continuous investment programs offered to shareholders, directors, employees, customers and residents of the states in which NUI does business.

The short-term indebtedness will consist of borrowings under NUI's outstanding lines of credit, or through other short-term facilities.

Based on the rates applicable for comparable securities in the current market, NUI estimates that the interest rates for the long-term debt securities will be between 3% and 8%, the interest rates on the short-term indebtedness will be between 5% and 6%, and the dividend payment rate on the preferred stock will be approximately 8%. The actual interest and dividend rates on the securities will be determined by market conditions at the time the securities are issued and sold.

8. Purposes of Issues: The proceeds of industrial development revenue bonds will be used to finance specific components of NUI's construction programs in the various states in which it does business or to refund previously issued industrial

development revenue bonds at more favorable interest rates and terms.

The proceeds from the issuance of the medium term notes will be added to general funds and used for working capital requirements, and for other general business purposes, including the financing of portions of NUI's construction programs. The proceeds may be used to reacquire any of NUI's outstanding debt securities; to reimburse the treasury for expenditures against which securities have not been issued; to refund previously issued securities at more favorable interest rates and terms; and for other corporate purposes related to its gas utility business.

During periods in which interest rates on short-term indebtedness are favorable relative to the cost of alternative sources of capital, the Company finances on a short-term basis in order to take advantage of the temporary opportunity to lower its cost of service for the benefit of its ratepayers. NUI seeks authority to exceed the 5% statutory threshold of section 366.04(1), Florida Statutes, if a short-term financing strategy is advantageous for City Gas and its ratepayers. If given this authority, NUI would not exceed a 25% threshold without obtaining

additional approval. The additional short-term indebtedness for which NUI seeks authority would be used to finance portions of NUI's construction programs, pending refinancing through the issuance of equity or long-term securities at a later date depending upon prevailing market conditions.

9. A summary of City Gas' construction program is included as Exhibit C-2.

10. Facts Supporting Legality, Necessity or Appropriateness: All proceeds from the issuances for which NUI seeks authority will be used to enable NUI to perform its obligation to manage and operate its utility businesses so as to continue to provide reliable and economical service to its customers in its rapidly growing service areas. The purposes for which NUI seeks authority to issue the described securities are consistent with the proper performance by City Gas as a public utility. The issuance of the securities will enable City Gas to perform that service; is for a lawful object with the corporate purposes of the applicant; and is reasonable, necessary, and appropriate.

The names and addresses of counsel who will pass upon the legality of the proposed issues are:

Regulatory Counsel:

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301

General Counsel:

James Van Horn
NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, NJ 07921-0760

11. A Registration Statement with respect to each public sale of securities hereunder which is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 450 Fifth Street N.W., Washington D.C. 20549.

12. There is no measure of control or ownership exercised by or over the company as to any other public utility. NUI is not a member of any holding company system.

13. The following exhibits required by Rule 25-8.003, Florida Administrative Code, and otherwise referenced herein, are attached:

Exhibit A: Copy of NUI's Articles of Incorporation

Exhibit B-1: Financial statements of NUI (Form 10K for the Fiscal Year Ended September 30, 1995 and Form 10-Q for the Quarter Ended December 31, 1995.

Exhibit B-2: City Gas Summary of Utility Plant as of March 31, 1996.

Exhibit C-1: Estimated Projected Sources and Uses of Funds for NUI for the Twelve Months Ended June 30, 1997.

Exhibit C-2: Estimated Construction Spending for City Gas Company of Florida for the Twelve Months Ended June 30, 1997.

Exhibit D: Map of City Gas service areas.

WHEREFORE, NUI Corporation D/B/A City Gas Company of Florida respectfully requests an order authorizing NUI to issue and sell the securities described herein during the twelve months ending June 30, 1997.

DATED this 30th day of April, 1996.

SOUTHERN DIVISION OF NUI CORPORATION

Michael A. Palecki

by: Michael A. Palecki
Vice President - Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
305) 691-8710

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Application of City Gas Company of Florida, A Division of NUI Corporation, to Issue and Sell Securities has been hand-delivered to Robert Elias, Chief, Bureau of Electric and Gas, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399, on this 30th day of April, 1996.

Joseph A. McGlothlin

Joseph A. McGlothlin, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL 32301
(904)222-2525

Attorney for City Gas Company
of Florida