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NUI Corporation (NYSE: NUI)

January 9, 1998

Federal Express

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

Docket No. 980002-EG **Conservation Cost Recovery**

Dear Ms. Bayo:

Enclosed for filing in the above docket are 1) an original and 10 copies of City Gas Company of Florida's petition for approval of its final true-up amount and cost recovery factor; and 2) an original and 10 copies of the testimony of Carl Smith relating to the aforementioned petition.

Vardener AFA Sincerely. APP CAF CMU Michael A. Palecki

Vice President of Regulatory Affairs

North Carolina Gas

NUI Companies and Affiliate C City Gas Company of Florida

Elizabethtown Gas Elkton Gas

NUI Capital Corp. NUI Energy NUI Energy Brokers FESC-RECORDS/REPORTING Environmental Group - RECORDS/REPORTING

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)	DOCKET NO. 980002-EG
Clause)	Filed: January 12, 1998
)	

PETITION OF CITY GAS COMPANY OF FLORIDA (A DIVISION OF NUI CORPORATION)

City Gas Company of Florida ("City Gas" or "the Company") hereby petitions the Commission for Approval of the Company's conservation cost recovery true-up and the cost recovery factor proposed for use during the period April 1998 - March 1999. In support thereof, the Company says:

- The end of period net true-up for October 1996 September 1997 was an overrecovery of \$95,290, including interest.
- During the current cost recovery period (October 1997 September 1998)
 the Company anticipates incurring conservation expenses of \$1,906,279 (Exhibit (CS-1),
 Schedule C-3, page 1). The end of period total net true-up is estimated to be an underrecovery of \$1,195,401, including interest. (Exhibit (CS-1), Schedule C-3, page 4).
- 3. For the forthcoming cost recovery period (October 1998 March 1999), City
 Gas projects its total incremental conservation costs to be \$1,077,678, (Exhibit (CS-1),
 Schedule C-2). City Gas' total true-up and projected expenditures for the projection period
 are estimated to be \$2,273,091, including true-up estimates and applicable taxes. When
 the required true-up and projected expenditures are spread over the projected therm sales
 and expanded for taxes, the required conservation cost recovery factor for the period April
 1998 March 1999 is a charge of \$0.06339 per therm for the Residential rate classes (RS

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and GL) and \$0.01771 per therm for the Commercial rate classes (CS, CSLV and CTS). (See Exhibit CS-1, Schedule C-1). The charge for gas lights (GL) equates to \$1.14138 per lamp.

WHEREFORE, City Gas Company of Florida requests that its proposals relative to conservation cost recovery be approved as they relate to prior period true-up calculations and projected cost recovery charges.

Michael A. Palecki

NUI CORPORATION - SOUTHERN DIVISION

Vice President of Regulatory Affairs

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of City Gas Company of Florida has been furnished by U.S. Mail to the following parties of record, this 12th day of January, 1998:

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