

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In Re: Surveillance Audit: Twelve Months)
Ended September 30, 1999)
Audit Control No. 00-013-4-1)

DOCKET NO. 000616-GU

Submitted for Filing
July 21, 2000

RECEIVED-FPSC
00 JUL 21 PM 4:40
RECORDS AND REPORTING

CITY GAS COMPANY OF FLORIDA
NOTICE OF FILING

City Gas Company of Florida, a division of NUI Corporation ("NUI City Gas" or "the Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3)(a)2, and (4), Florida Administrative Code, submits this Notice of Filing in support of its Amendment to Request For Confidential Classification of the documents and states as follows:

1. On June 26, 2000, after discussions with Commission Staff, the Company submitted for filing in this Docket its Amendment to Request For Confidential Classification, in which the Company withdrew its request for confidentiality of certain items. The Company did not attach to its filing an amended Exhibit with the information asserted to be confidential blacked out. Instead, the Company merely recited the page and line numbers of the items for which it withdrew its request for confidentiality.

Confidential
DOCUMENT NUMBER-DATE
08896 JUL 21 08
FPSC-RECORDS/REPORTING

RECEIVED & FILED
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FPSC-BUREAU OF RECORDS

Notice of Filing
DOCUMENT NUMBER-DATE
08895 JUL 21 08
FPSC-RECORDS/REPORTING

2. The Commission Staff has requested that the Company file an amended version of Exhibit B, to contain an updated version of the documents the Company considers to be confidential. In compliance with Staff's request, an amended version of the documents for which confidentiality is being sought has been submitted to the Division of Records and Reporting on this date under a separate cover with the information asserted to be confidential highlighted. An edited version of the documents on which the information asserted to be confidential has been blacked out is enclosed herewith as Amended Exhibit "B".

Dated this 21st day of July 2000.

Respectfully submitted,



Michael A. Palecki
Manager Regulatory Affairs
NUI Corporation
PMB 224
3539 Apalachee Parkway
Tallahassee, FL 32308
(850) 877-5282

AMENDED EXHIBIT "B"

CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 1

AUDIT DISCLOSURE NO. 8

[REDACTED]

CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 8

COMPANY: CITY GAS CO
TITLE: NOTES FROM BOARD OF DIRECTORS MINUTES
PERIOD: TYE 9/30/99
DATE: MARCH 22, 2000
AUDITOR: RKY

WP NO. 8

November 23, 1998

Audit Committee Meeting
NUI Corporation

The Committee financial results for fiscal year 1998 were reviewed along with a draft of the company's 10K for fiscal 1998. It was noted that there was substantial difference between the 10K for 1997 and the 10K for 1998. There was a lengthy and detailed disclosure on the Company's Year 2000 risk mitigation plan. No details were provided in the minutes.

It was reported that an unqualified opinion was issued by Arthur Anderson for the FYE 1998.

Also there was a status report on the 1998 Internal Audit Plan. No details noted.

An overview was given of the Year 2000 Risk Mitigation Plan. The board determined that there should be regular updates of the plan to the Board.

The Committee resolved to appoint Arthur Andersen as independent auditors for FYE 1999.

November 24, 1998

Investment Committee Meeting
NUI Corporation

A proposal was made to increase the pensions for former retired employees by 1% for every year they have retired, with a minimum of \$50 and not for early retirement employees prior to 97. The Investment Committee said they would propose this to the BOD.



November 24, 1998

Board of Directors
NUI Corporation

Executive Session. Salary recommendations were reviewed. The recommendations were based on data from Towers Perrin on total compensation at the officer level to establish ranges for salaries, cash incentive and stock incentives. It was noted that cash incentives are determined based on two

criteria: Performance of the Company and performance of the individual. As the company did not reach its financial goals or FYE 98, the committee recommended that the officers not receive cash incentives for this. However, they recommended incentives for individual performance.

Discussion of the stock options ensued. It was resolved that Change in Control Agreements currently in effect for certain employees be extended to December 31, 2001.

Discussion of the 401K plan ensued. It was resolved that the rate of employer contributions be the same for Calendar year 99 and for 98.

A salary increase was recommended for Mar. Kean and approved.

The Board was apprised of the proposed long-term incentive plan for key employees of TIC Enterprises. No resolution.

There was discussion and update of the Y2K issue.

In the year end report from Arthur Anderson there were no matters of concern to bring to the attention of the board and it was resolved that Arthur Anderson would be the independent accountants for the next fiscal year.



The status of the Company's partnership with Energy Partners was discussed.

January 26, 1999

Organization Board of Directors Meeting

NUI Corporation

Elected John Kean as Chairman of the Board of NUI Corp.

Executive Committee- Resolved that the Board may designate 5 or ore Directors to be on the Executive Committee and designated, John Kean, Chairman, James J. Forese, John Kean, Jr., R. Van Whisnand, and John Winthrop.

Audit Committee - Resolved to appoint an audit committee. James J. Forese, Chairman, J. Russell Hawkins, Bernard S. Lee, John Winthrop, and John Kean, Jr., Ex. Officio.

Investment Committee - Resolved that the Board appoint an investment Committee. John Kean, Vera King Arris, R. Van Whisnand, John Winthrop, Chairman, John Kean, Jr., Ex. Officio.

Compensation Committee- Resolved to appoint a compensation committee. R. Van Whisnand, Chairman, Vera King Farris, James J. Forese, J. Russell Hawkins, Bernard S. Lee, John Kean, Jr., Ex. Officio.

The level of compensation for the board members was resolved. Non-employee directors shall be \$15,000. Committee chairs an additional annual of @,500 payable in shares of common stock. \$600 to each Board and Committee members for each meeting they attend.

The officers of NUI Corporation were appointed.

The Board appointed members of the following committees:
NUI Savings and Investment Plan Committee, Employee's Retirement Plan of NUI Corp Retirement Board, City Gas Company of Florida Pension Plan Adm Committee, Pa and Southern Gas Company Employees Pension Plan Retirement Committee, P&S Employees Savings Plan Committee, Elizabethtown Gas Advisory Board Appointments.

Also the Chairman of the Board of Elizabethtown Gas was appointed. (John Kean).

January 26, 1999

Board of Directors Meeting

NUI Corporation

It was reported that the company sold \$40 million in tax exempt bonds through the NJ. Economic Development Authority. Also, the company is being considered as a provider of dredged material remediation for the NY/NJ harbor. The company will be asked to demonstrate their technologies.

The company's affiliate TIC Enterprises was discussed.

[REDACTED]

The Employees' Retirement Plan of NUI Corp was amended. A new section was added regarding early retirement.

There was a discussion of the progress being made by its partner Energy Partners.

The regular Y2K presentation was made.

February 24, 1999

Special Board of Directors Meeting

NUI Corporation

The meeting was called for three purposes: 1. The company's investment in TIC Enterprises, 2. The possibility of reforming the holding company structure, and 3. Proposal to restructure the current lease at One Elizabethtown Plaza location.

[REDACTED]

[REDACTED]

As TIC is not regulated, the discussion was not summarized.

However, staff should be aware the allocations of these costs could erroneously be charged to the utility.

Discussion of the company's structure was had. No action was requested at this time.

March 23, 1999

Board of Directors Meeting

NUI

Negotiating restructuring with TIC.

Possible acquisition of ^{UGI Gas Dist.} Unsource Worldwide

Working w/ CIBC Oppenheimer
on investment banking to free up funds

Discussed reforming a holding co. Structure

3/23/99 Audit Committee - Controls are strong
3/23/99 Investment Comm. - changed meetings to once a year. Sent out proposals for managing 401 K.

5/18/99 BOD - Did not succeed in Bidding for UGI
Daniel Edwards - change-in-control agreement
Y2K - report.

7/27/99 BOD - Dividend of .245/share declared
Audit Committee - problems with TIC
audit controls on rec-agry

[REDACTED]

7/27/99 Investment Comm. - Learning to Merrill Lynch for 401 K Mgmt.

7/27/99 audit - Discussed TIC - audit exposure annual report

Board of Directors

1 9/21/99 - BOD - Recommended 4% raise
2 working on deferred comp plan with (CRG)
3 Compensation Resource Group
4 Several changes in Postal agreements



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10 OK report
11 Approved Capital Budget

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Board of Directors
1998

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[REDACTED]

Dividend 2.245 per share

[REDACTED]

[REDACTED]

Stock option plan increased by \$50,000 to 600,000
Changed from 500000 participants to 20% of total shares
for issuance under 1998
Salary increase for John Kean & cash incentives approved

[REDACTED]

[REDACTED]

Jan 27, 1998 - Compensation Committee - enhance power - refer to
Jan 27, 1998 - Organization - John Kean Chairman
Appointed people to Committees
Retainer to directors \$15,000 in stock
Committee Chair \$25,000 per year in stock
Jan 27, 1998 - Div. of 2.45

[REDACTED]

1	[REDACTED]
2	[REDACTED]
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4	[REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]
9	[REDACTED]
10	Increase stock award
11	[REDACTED]
12	[REDACTED]
13	[REDACTED]
14	[REDACTED]
15	[REDACTED]
16	[REDACTED]
17	[REDACTED]
18	Early retirement of Brown reviewed & amended plan
19	[REDACTED]
20	[REDACTED]
21	[REDACTED]
22	[REDACTED]
23	[REDACTED]
24	[REDACTED]
25	[REDACTED]
26	[REDACTED]
27	Sept 22, 1998 - audit Committee. audit plan. 42K
28	Sept 22, 1998 - Investment Committee -
29	Discussed transfer of liability for pension payments for early
30	retirement to an insurance carrier
31	Book a one time settlement prior to fiscal 1999
32	[REDACTED]
33	[REDACTED]
34	[REDACTED]
35	[REDACTED]
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37	[REDACTED]
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43	[REDACTED]

8/96

1	1997 Minutes - scanned only - no detail notes
2	[REDACTED]
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CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9

City of
 External Audit Workpapers
 Notes
 9/30/99

1	[REDACTED]
2	[REDACTED]
3	[REDACTED]
4	[REDACTED]
5	Rev Bond increase \$ 40,000,000 NJEDA Bonds
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]
9	[REDACTED]
10	[REDACTED]
11	[REDACTED]
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15	[REDACTED]
16	[REDACTED]
17	[REDACTED]
18	[REDACTED]
19	Prepaid Pension increased because of
20	Early Retirement Settlement Gain 7,000,000
21	Overfunding 5,000,000
22	Early Actuarial W/L 1,400,000
23	13,400,000
24	[REDACTED]
25	[REDACTED]
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CITY GAS COMPANY OF FLORIDA

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DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-3

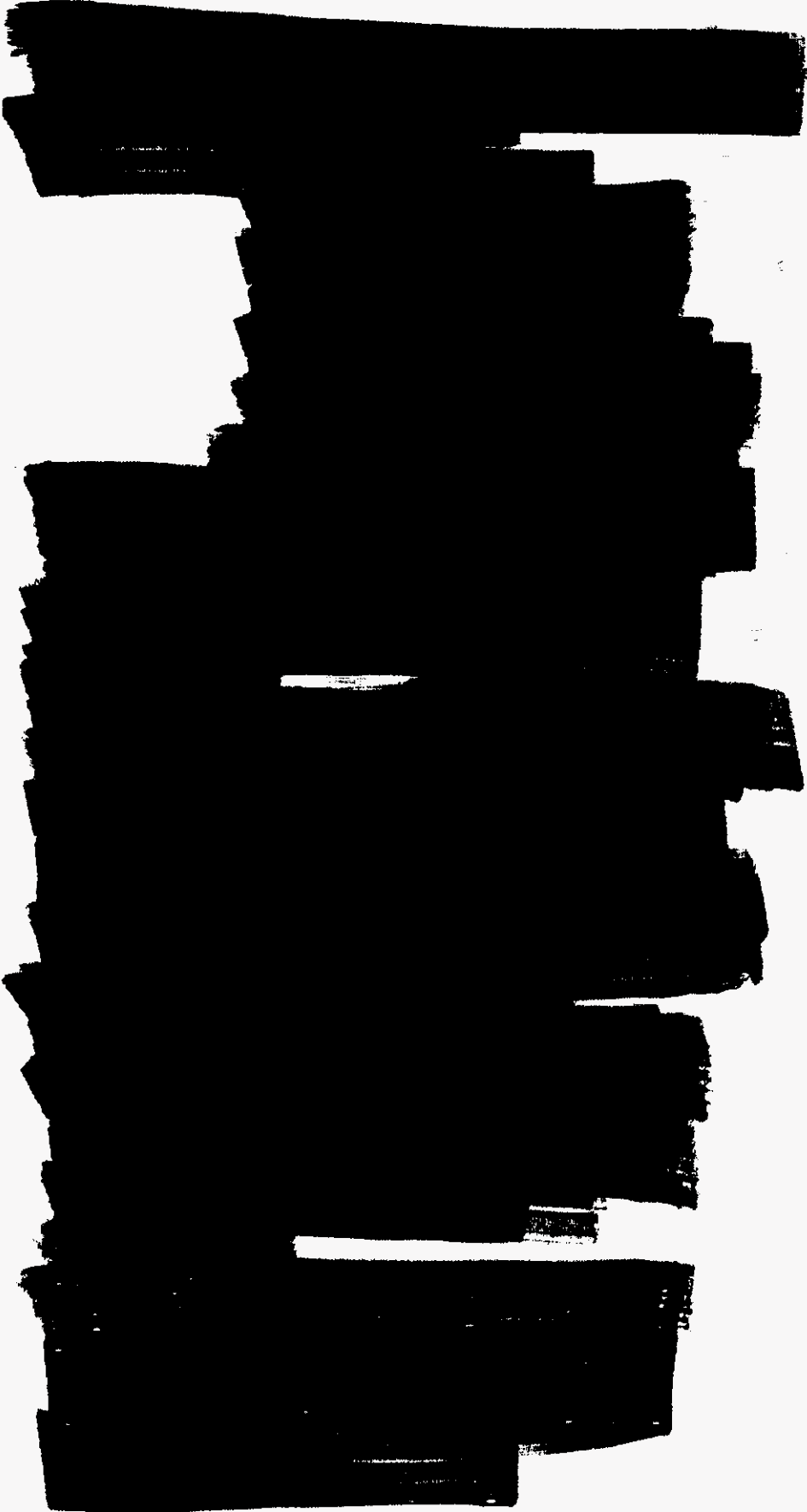
CITY GAS COMPANY OF FLORIDA

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**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-4

GL 4/25/00





CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-5

NUI CORPORATION
NATURAL GAS PROCUREMENT PROCUREMENT PROCESS REVIEW

BUSINESS PROCESS RISK CONSULTING REPORT
SEPTEMBER 1999

[REDACTED]

[REDACTED]

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CITY GAS COMPANY OF FLORIDA

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DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-6

EXECUTIVE SUMMARY

[REDACTED]

[REDACTED]

[REDACTED]

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CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-7

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4/25
4/28/0



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CITY GAS COMPANY OF FLORIDA

**CONFIDENTIAL DOCUMENTS PROVIDED
DURING SURVEILLANCE AUDIT OF NUI CITY GAS**

**DOCKET NO. 000616
AUDIT CONTROL NO. 00-013-4-1**

WORKPAPER NO. 9-9

City of
Internal Audits

W
4/25/00

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1	[REDACTED]								
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CITY GAS COMPANY OF FLORIDA

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**DOCKET NO. 000616
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WORKPAPER NO. 44-5/4-1

**NUI Corporation
Injuries & Damages Reserve Analysis
Sept. 30, 1999**

<u>Company</u>	<u>Account</u>	<u>Description</u>	<u>G/L Balance</u>	<u>Comments</u>
Corp	228000	Injuries & Damages	12,732.77	There should not be an reserve on 01's books-Reclass to ETG
ETG	228000	Injuries & Damages	46,892.84	
CGF	228000 & 228001	Injuries & Damages	(138,951.48)	
Total Reserve Balances on GL			<u>(79,325.87)</u>	Balance at 9/30/98 was (\$376,815.26)
Aegis Reimbursement (ETG)			(106,000.00)	
Total Estimated Reserves Needed:				
ETG			463,500.00	Per meeting with Barbara Vitale, Toni Perrotto & Clarence Bauknight
CGF			<u>72,000.00</u>	Per meeting with Barbara Vitale, Toni Perrotto & Clarence Bauknight
			<u>535,500.00</u>	
Additional Reserves Necessary Over/(Underaccrued):				
ETG			417,125.61	
CGF			<u>(66,951.48)</u>	
Net			<u>350,174.13</u>	Proposed Adjustment

Proposed Adjustment:

01-615931-290	Ins. Claims Act-inj/Dam Prov	350,000.00
01-228000-000	Injuries & Damages	12,732.77
02-228000-000	Injuries & Damages	337,267.23

to increase reserve to appropriate level & reclass reserve balance from Co. 01 to 02.

→ Included via IUGS

CGF 295 2001
 x 19.5% reclass
 47,045.53
 72,000.00
 119,045.53
 45,245.53
 However, some of the
 reclassing is not
 done yet.

10
 1-11-99
 S. J. H.

CONFIDENTIAL

CASE NAME

NATURE OF CASE

RESERVE
AMOUNT

ANTICIPATED

COMMENTS

NORTHERN DIVISION

(For clearance - on
conservative side)

FISCAL YEAR

[REDACTED]

CONFIDENTIAL

[REDACTED]

[REDACTED]

CITY GAS COMPANY OF FLORIDA

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**DOCKET NO. 000616
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WORKPAPER NO. 44-15/1

QUERY11

Journal	Date	Line #	Acct	Department	Journal Line Description
APACR03146	1998-10-31	2,391	616521	413	
APACR03146	1998-10-31	2,394	616521	413	
APACR03146	1998-10-31	2,397	616521	413	
APACR03218	1998-10-31	864	616521	413	
APACR03531	1998-11-30	644	616521	413	
APACR03531	1998-11-30	2,340	616521	413	
APACR03531	1998-11-30	2,341	616521	413	
APACR03531	1998-11-30	2,342	616521	413	
APACR04037	1998-12-31	130	616521	413	
APACR04037	1998-12-31	131	616521	413	
APACR04037	1998-12-31	132	616521	413	
APACR04037	1998-12-31	957	616521	413	
APACR04566	1999-01-31	673	616521	413	
APACR04566	1999-01-31	674	616521	413	
APACR04566	1999-01-31	675	616521	413	
APACR04644	1999-01-31	855	616521	413	
APACR05085	1999-02-28	2,037	616521	413	
APACR05085	1999-02-28	2,038	616521	413	
APACR05085	1999-02-28	2,039	616521	413	
APACR05173	1999-02-28	1,781	616521	413	
APACR05579	1999-03-31	1,169	616521	413	
APACR05579	1999-03-31	1,170	616521	413	
APACR05579	1999-03-31	1,171	616521	413	
APACR05579	1999-03-31	6,082	616521	413	
APACR05939	1999-04-30	24	616521	413	
APACR05939	1999-04-30	1,924	616521	413	
APACR06018	1999-04-30	1,282	616521	413	
9805006191	1999-04-30	16	616521	413	
9805006191	1999-05-01	16	616521	413	
APACR06346	1999-05-31	819	616521	413	
APACR06507	1999-05-31	2,611	616521	413	
APACR06507	1999-05-31	2,873	616521	413	
APACR06753	1999-06-30	648	616521	413	
APACR06753	1999-06-30	649	616521	413	
APACR06829	1999-06-30	778	616521	413	
APACR06874	1999-06-30	178	616521	413	
9805006978	1999-06-30	1	616521	413	
9805006978	1999-07-01	1	616521	413	
APACR07066	1999-07-30	193	616521	413	
APACR07484	1999-08-31	177	616521	413	
APACR07878	1999-09-30	491	616521	413	
APACR07878	1999-09-30	492	616521	413	

Amend file re:
 general ut, transitional matters
 & reorg \$168,700 for 6 months
 consulting for Personnel, Compensation & HR
 for \$140,400 per month B

Manage all real estate of NUT
 3 business hrs per day for \$700.00
 per year & Kiplin B/65,399.85

and act as
 Manager of East Coast
 Services Gas Cooperative LLC

5/16/2009

APACR03146
 APACR03146
 APACR03146
 APACR03218
 APACR03531
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 APACR04037
 APACR04037
 APACR04037
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 APACR06018
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 APACR06346
 APACR06507
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 APACR06874
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 APACR07878
 APACR07878

CITY GAS COMPANY OF FLORIDA

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**DOCKET NO. 000616
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WORKPAPER NO. 44-26/1-1

