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ANNUAL REPORT OF
NATURAL GAS UTILITIES

PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

(EXACT NAME OF RESPONDENT)

955 E 25 ST., HIALEAH, FL 33013-3498

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

05 JUN -1 11:10:55
REGULATION
ECCREG/REGULATION

Officer or other person to whom correspondence should be addressed concerning this report:

| | | | |
|---------------|------------------------|-----------------------|-----------------------------|
| Name | Bryan Seas | Title | Vice President & Controller |
| Address | 10 Peachtree Place, NE | City | Atlanta State Georgia |
| Telephone No. | (404) 584-3400 | PSC/ECR 020-G (10/03) | |

**INSTRUCTIONS FOR FILING THE
ANNUAL REPORT OF NATURAL GAS UTILITIES**

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

| | | |
|---|---|--|
| 01 Exact Legal Name of Respondent Florida City Gas, A Division of Pivotal Utility Holdings, Inc. | | 02 Year of Report December 31, 2004 |
| 03 Previous Name and Date of Change (if name changed during year) Previous Name: City Gas Company of Florida, Date of Change: December 6, 2004 | | |
| 04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 955 East 25 Street, Hialeah, FL 33013 | | |
| 05 Name of Contact Person Bryan Seas | 06 Title of Contact Person Vice President & Controller | |
| 07 Address of Contact Person (Street, City, State, Zip Code) 10 Peachtree Place, NE, Atlanta, GA 30309 | | |
| 08 Telephone of Contact Person, Including Area Code (404) 564-3400 | 09 Date of Report (Mo., Day, Yr) June 1, 2005 | |

ATTESTATION

I certify that I am the responsible accounting officer of

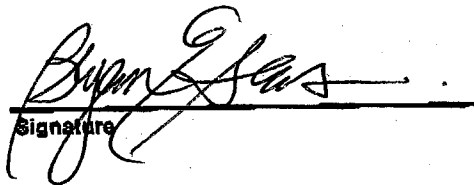
FLORIDA CITY GAS

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2004 to December 31, 2004, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.


Signature

June 1, 2005
Date

Bryan Seas
Name

Vice President & Controller
Title

 May 27, 2005

NATASHA LAWRENCE
NOTARY PUBLIC
Douglas County
State of Georgia
My Comm. Expires Feb. 8, 2009

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| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or organization. If control was held by a trustee(s), state name of combination of such organizations jointly held control over the trustee(s).
 2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form control. If control was in a holding company organization, show (i.e. year and company title) may be listed provided the fiscal the chain of ownership or control to the main parent company years for both the 10-K report and this report are compatible.

On November 30, 2004, AGL Resources Inc. acquired all the outstanding shares of NUI Corporation (NUI) for approximately \$218 million, incurred \$7 million of transaction costs and repaid \$500 million of NUI's outstanding short-term debt. At closing, NUI had \$709 million in debt and approximately \$109 million of cash on its balance sheet, bringing the net value of the acquisition to approximately \$825 million. For more information, see AGL Resources' Form 10-K filed with the SEC on February 15, 2005.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
 2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
 3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
 2. Direct control is that which is exercised without interposition of an intermediary.
 3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
 4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
|-----------------------------------|-------------------------|--------------------------------------|-------------------------|
| None | | | |

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

| Title (a) | Name of Officer (b) | Salary for Year (c) |
|---|------------------------|------------------------|
| See AGL Resources' Proxy statement, filed with the SEC on March 21, 2005. | | |

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.
 2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

| Name (and Title) of Director (a) | Principal Business Address (b) | No. of Directors Meetings During Yr. (c) | Fees During Year (d) |
|---|-----------------------------------|---|-------------------------|
| See AGL Resources' Proxy statement, filed with the SEC on March 21, 2005. | | | |

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became

vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

VOTING SECURITIES

| Name (Title) and Address of Security Holder (a) | Number of votes as of (date): | | | |
|--|-------------------------------|---------------------|------------------------|--------------|
| | Total Votes (b) | Common Stock (c) | Preferred Stock (d) | Other (e) |
| TOTAL votes of all voting securities | 100 | 100 | | |
| TOTAL number of security holders | 1 | 1 | | |
| TOTAL votes of security holders listed below | 100 | 100 | | |
| (a) Pivotal Utility Holding Company, Inc. | | | | |

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.

2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.

3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.

4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

- 1 See attached
- 2 None
- 3 None
- 4 See attached
- 5 None

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions.

On November 30, 2004, AGL Resources Inc. acquired all the outstanding shares of NUI for approximately \$218 million, incurred \$7 million of transaction costs and repaid \$500 million of NUI's outstanding short-term debt. At closing, NUI had \$709 million in debt and approximately \$109 million of cash on its balance sheet (including the return of an interest escrow balance), bringing the net value of the acquisition to approximately \$825 million.

AGL Resources funded the purchase price with a portion of the proceeds from our November 2004 common stock offering and proceeds from short-term borrowings under our commercial paper program. Additionally, NUI Utilities, Inc., a wholly owned subsidiary of NUI, had outstanding, at closing, \$199 million of indebtedness pursuant to Gas Facility Revenue Bonds and \$10 million in capital leases.

4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

AGL Resources Inc.

NUI shareholder complaint In September 2004, a shareholder class action complaint (Complaint) was filed in a civil action captioned Green Meadows Partners, LLP on behalf of itself and all others similarly situated v. Robert P. Kenney, Bernard S. Lee, Craig G. Mathews, Dr. Vera King Farris, James J. Forese, J. Russell Hawkins, R. Van Whisnand, John Kean, NUI and the Company, pending in the Superior Court of the State of New Jersey, County of Somerset, Law Division. The Complaint, brought on behalf of a potential class of the stockholders of NUI, names as defendants all of the directors of NUI (Individual Defendants), NUI and the Company.

The Complaint alleges that purported financial incentives in the form of change of control payments and indemnification rights created a conflict of interest on the part of certain of the Individual Defendants in evaluating a possible sale of NUI. The Complaint further alleges that the Individual Defendants, aided and abetted by the Company, breached fiduciary duties owed to the plaintiff and the potential class. The Complaint demands judgment (i) determining that the action is properly maintainable as a class action, (ii) declaring that the Individual Defendants breached fiduciary duties owed to the plaintiff and the potential class, aided and abetted by the Company, (iii) enjoining the sale of NUI, or if consummated, rescinding the sale, (iv) eliminating the \$7.5 million break-up fee with the Company, (v) awarding the plaintiff and the potential class compensatory and/or rescissory damages, (vi) awarding interest, attorney's fees, expert fees and other costs, and (vii) granting such other relief as the Court may find just and proper.

On October 12, 2004, we reached an agreement in principle with Green Meadows Partners, LLP to settle this litigation. The settlement called for NUI to provide certain additional information and disclosures to its shareholders, as reflected in the "Additional Disclosure" section of NUI's proxy statement supplement, filed on October 12, 2004 with the SEC. In addition, as part of the settlement, NUI and the Company consented to a settlement class that consists of persons holding shares of NUI common stock at any time from July 15, 2004 until November 30, 2004, and we agreed to pay plaintiff's attorney's fees and costs in the amount of \$285,000. No part of these

attorney's fees or costs will be paid out of funds that would otherwise have been paid to NUI's shareholders.

On December 22, 2004, the trial court entered an order conditionally certifying a class for settlement purposes and designating the Plaintiff as a Settlement Class representative. The trial court's order also established deadlines for Defendants to provide notice to the Settlement Class, for Settlement Class members to object to the settlement and for a final Settlement Hearing.

Florida City Gas

Florida City Gas is a party, as both plaintiff and defendant, to a number of suits, claims and counterclaims on an ongoing basis. Management believes that the outcome of all litigation in which it is involved will not have a material adverse effect on the company's financial statements or on the consolidated financial statements of AGL Resources. AGL Resources refers to the Form 10-K it filed on February 15, 2005 for information regarding other litigation pending against AGL Resources and its subsidiaries.

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|---------------------------------------|--|-------------------|----------------------------------|----------------------------|
| UTILITY PLANT | | | | |
| 1 | | | | |
| 2 | Utility Plant (101-106, 114) | 12 | 226,656,743 | 202,595,619 |
| 3 | Construction Work in Progress (107) | 12 | 3,929,185 | 4,186,714 |
| 4 | TOTAL Utility Plant Total of lines 2 and 3) | | 230,585,928 | 206,782,333 |
| 5 | (Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115) | 12 | 98,320,432 | 88,056,573 |
| 6 | Net Utility Plant (Total of line 4 less 5) | | 132,265,496 | 118,725,760 |
| 7 | Utility Plant Adjustments (116) | 11 | | |
| 8 | Gas Stored (117.1, 117.2, 117.3, 117.4) | - | | |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| 9 | | | | |
| 10 | Nonutility Property (121) | - | 165,857 | 181,554 |
| 11 | (Less) Accum. Prov. for Depr. and Amort. (122) | - | 54,381 | 50,752 |
| 12 | Investments in Associated Companies (123) | - | | |
| 13 | Investment in Subsidiary Companies (123.1) | - | | |
| 14 | Other Investments (124) | - | | |
| 15 | Special Funds (125, 126, 128) | - | 32,509 | 22,509 |
| 16 | TOTAL Other Property and Investments (Total of lines 10 through 15) | | 143,985 | 153,311 |
| CURRENT AND ACCRUED ASSETS | | | | |
| 17 | | | | |
| 18 | Cash (131) | - | 106,489 | 115,197 |
| 19 | Special Deposits (132-134) | - | | |
| 20 | Working Funds (135) | - | 2,425 | 2,625 |
| 21 | Temporary Cash Investments (136) | - | | |
| 22 | Notes Receivable (141) | - | | |
| 23 | Customer Accounts Receivable (142) | - | 7,724,400 | 9,109,323 |
| 24 | Other Accounts Receivable (143) | - | 101,795 | 256,809 |
| 25 | (Less) Accumulated Provision for Uncollectible Accounts-Credit (144) | - | 460,199 | 276,175 |
| 26 | Notes Receivable from Associated Companies (145) | - | | |
| 27 | Accounts Receivable from Associated Companies (146) | - | | 168,022 |
| 28 | Fuel Stock (151) | - | | |
| 29 | Fuel Stock Expense Undistributed (152) | - | | |
| 30 | Residuals (Electric) and Extracted Products (Gas) (153) | - | | |
| 31 | Plant Material and Operating Supplies (154) | - | 356,448 | 433,684 |
| 32 | Merchandise (155) | - | 2,293 | (2,044) |
| 33 | Other Material and Supplies (156) | - | | |
| 34 | Stores Expenses Undistributed (163) | - | | |
| 35 | Gas Stored Underground & LNG Stored (164.1-164.3) | - | | |
| 36 | Prepayments (165) | 18 | 1,916,539 | 18,759 |
| 37 | Advances for Gas (166-167) | - | 941,867 | 0 |
| 38 | Interest and Dividends Receivable (171) | - | | |
| 39 | Rents Receivable (172) | - | | |
| 40 | Accrued Utility Revenues (173) | - | | |
| 41 | Miscellaneous Current and Accrued Assets (174) | - | | |
| 42 | TOTAL Current and Accrued Assets (Total of lines 18 through 41) | | 10,692,057 | 9,826,200 |
| DEFERRED DEBITS | | | | |
| 43 | | | | |
| 44 | Unamortized Debt Expense (181) | - | 530,050 | 705,469 |
| 45 | Extraordinary Property Losses (182.1) | 18 | | |
| 46 | Unrecovered Plant and Regulatory Study Costs (182.2) | 18 | | |
| 47 | Other Regulatory Assets (182.3) | 19 | 929,052 | 1,239,332 |
| 48 | Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) | - | | |
| 49 | Clearing Accounts (184) | - | | |
| 50 | Temporary Facilities (185) | - | | |
| 51 | Miscellaneous Deferred Debits (186) | 19 | (485,035) | (1,466,455) |
| 52 | Deferred Losses from Disposition of Utility Plant. (187) | - | | |
| 53 | Research, Development and Demonstration Expenditures (188) | - | | |
| 54 | Unamortized Loss on Reacquired Debt (189) | 20 | | |
| 55 | Accumulated Deferred Income Taxes (190) | 24 | 312,049 | 0 |
| 56 | Unrecovered Purchased Gas Costs (191) | - | 137,278 | (2,672,799) |
| 57 | TOTAL Deferred Debits (Total of lines 44 through 56) | | 1,423,394 | (2,194,453) |
| 58 | TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57) | | 144,524,932 | 126,510,818 |

Note: Due to AGL acquisition, ending balances may be subject to change as a result of Purchase Accounting Entries not yet recorded.

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|----------|---|-------------------------|--|----------------------------------|
| 1 | PROPRIETARY CAPITAL | | | |
| 2 | Common Stock (201, 202, 203, 205, 206, 207) | - | | |
| 3 | Preferred Stock Issued (204) | - | | |
| 4 | Other Paid-In Capital (208-214) | - | 30,429,678 | 43,474,519 |
| 5 | Retained Earnings (215, 216) | 10 | (2,289,064) | (2,437,286) |
| 6 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 10 | | |
| 7 | (Less) Reacquired Capital Stock (217) | - | | |
| 8 | TOTAL Proprietary Capital (Total of lines 2 through 7) | | 28,140,614 | 41,037,233 |
| 9 | LONG-TERM DEBT | | | |
| 10 | Bonds (221) | 21 | 17,938,623 | 45,209,352 |
| 11 | (Less) Reacquired Bonds (222) | 21 | | |
| 12 | Advances from Associated Companies (223) | 21 | | |
| 13 | Other Long-Term Debt (224) | 21 | 30,000,000 | 0 |
| 14 | Unamortized Premium on Long-Term Debt (225) | 21 | | |
| 15 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | 21 | 261,201 | 0 |
| 16 | TOTAL Long-Term Debt (Total of lines 10 through 15) | | 47,677,422 | 45,209,352 |
| 17 | OTHER NONCURRENT LIABILITIES | | | |
| 18 | Obligations Under Capital Leases - Noncurrent (227) | - | 7,586,470 | 6,805,502 |
| 19 | Accumulated Provision for Property Insurance (228.1) | - | | |
| 20 | Accumulated Provision for Injuries and Damages (228.2) | - | 385,067 | 210,729 |
| 21 | Accumulated Provision for Pensions and Benefits (228.3) | - | | |
| 22 | Accumulated Miscellaneous Operating Provisions (228.4) | - | | |
| 23 | Accumulated Provision for Rate Refunds (229) | - | | |
| 24 | TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23) | | 7,971,537 | 7,016,231 |
| 25 | CURRENT AND ACCRUED LIABILITIES | | | |
| 26 | Notes Payable (231) | - | 0 | 0 |
| 27 | Accounts Payable (232) | - | 3,565,172 | 580,075 |
| 28 | Notes Payable to Associated Companies (233) | - | 27,856,004 | 8,969,034 |
| 29 | Accounts Payable to Associated Companies (234) | - | | |
| 30 | Customer Deposits (235) | - | 5,979,573 | 6,194,129 |
| 31 | Taxes Accrued (236) | - | 358,150 | (665,058) |
| 32 | Interest Accrued (237) | - | 1,549,053 | 513,653 |
| 33 | Dividends Declared (238) | - | | |
| 34 | Matured Long-Term Debt (239) | - | | |
| 35 | Matured Interest (240) | - | | |
| 36 | Tax Collections Payable (241) | - | 668,329 | 942,320 |
| 37 | Miscellaneous Current and Accrued Liabilities (242) | 22 | 3,152,898 | 315,009 |
| 38 | Obligations Under Capital Leases-Current (243) | - | 846,552 | 775,927 |
| 39 | | | | |
| 40 | TOTAL Current and Accrued Liabilities (Total of lines 26 through 39) | | 43,975,731 | 17,625,089 |
| 41 | DEFERRED CREDITS | | | |
| 42 | Customer Advances for Construction (252) | - | | |
| 43 | Other Deferred Credits (253) | 22 | 27,501 | 0 |
| 44 | Other Regulatory Liabilities (254) | 22 | 611,806 | 423,802 |
| 45 | Accumulated Deferred Investment Tax Credits (255) | 23 | 492,573 | 364,821 |
| 46 | Deferred Gains from Disposition of Utility Plant (256) | - | | |
| 47 | Unamortized Gain on Reacquired Debt (257) | 20 | | |
| 48 | Accumulated Deferred Income Taxes (281-283) | 24 | 15,627,747 | 14,834,289 |
| 49 | TOTAL Deferred Credits (Total of lines 42 through 48) | | 16,759,627 | 15,622,912 |
| 50 | | | | |
| 51 | TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49) | | 144,524,932 | 126,510,818 |

Note: Due to AGL acquisition, ending balances may be subject to change as a result of Purchase Accounting Entries not yet recorded.

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

STATEMENT OF INCOME

- | | |
|--|---|
| <p>1. Use page 11 for important notes regarding the statement of income or any account thereof.</p> <p>2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.</p> <p>3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year</p> | <p>which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.</p> <p>4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.</p> |
|--|---|

| Line No. | Account (a) | Ref. Page No. (b) | Total Gas Utility Current Year (c) | Total Gas Utility Previous Year (d) |
|----------|---|-------------------|------------------------------------|-------------------------------------|
| 1 | UTILITY OPERATING INCOME | | | |
| 2 | Operating Revenues (400) | 26 | 83,911,658 | 110,528,093 |
| 3 | Operating Expenses | | | |
| 4 | Operation Expenses (401) | 27-29 | 59,612,484 | 94,946,993 |
| 5 | Maintenance Expenses (402) | 27-29 | 949,909 | 984,047 |
| 6 | Depreciation Expense (403) | 15-16 | 7,853,344 | 7,590,753 |
| 7 | Amortization & Depletion of Utility Plant (404-405) | - | | |
| 8 | Amortization of Utility Plant Acquisition Adjustment (406) | - | 46,723 | 59,868 |
| 9 | Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1) | - | | |
| 10 | Amortization of Conversion Expenses (407.2) | - | 88,163 | 72,731 |
| 11 | Regulatory Debits (407.3) | - | | |
| 12 | (Less) Regulatory Credits (407.4) | - | | |
| 13 | Taxes Other Than Income Taxes (408.1) | 23 | 6,709,268 | 5,795,249 |
| 14 | Income Taxes - Federal (409.1) | - | 889,293 | (4,317,922) |
| 15 | - Other (409.1) | - | | |
| 16 | Provision for Deferred Income Taxes (410.1) | 24 | (1,024,115) | 1,988,660 |
| 17 | (Less) Provision for Deferred Income Taxes - Cr.(411.1) | 24 | | |
| 18 | Investment Tax Credit Adjustment - Net (411.4) | 23 | (11,988) | (72,729) |
| 19 | (Less) Gains from Disposition of Utility Plant (411.6) | - | | |
| 20 | Losses from Disposition of Utility Plant (411.7) | - | | |
| 21 | Other Operating Income (412-414) | - | | |
| 22 | TOTAL Utility Operating Expenses (Total of lines 4 -21) | | 75,113,081 | 107,047,650 |
| 23 | Net Utility Operating Income (Total of line 2 less 22) | | 8,798,577 | 3,480,443 |
| 24 | (Carry forward to page 9, line 25) | | | |

STATEMENT OF INCOME (Continued)

| Line No. | Account (a) | Ref. Page No. (b) | TOTAL | |
|----------|---|-------------------|------------------|-------------------|
| | | | Current Year (c) | Previous Year (d) |
| 25 | Net Utility Operating Income (Carried forward from page 8) | | 8,798,577 | 3,480,443 |
| 26 | Other Income and Deductions | | | |
| 27 | Other Income | | | |
| 28 | Nonutility Operating Income | | | |
| 29 | Revenues From Merchandising, Jobbing and Contract Work (415) | - | | |
| 30 | (Less) Costs and Exp. of Merchandising, Job & Contract Work (416) | - | | |
| 31 | Revenues From Nonutility Operations (417) | - | | |
| 32 | (Less) Expenses of Nonutility Operations (417.1) | - | | |
| 33 | Nonoperating Rental Income (418) | - | | |
| 34 | Equity in Earnings of Subsidiary Companies (418.1) | 10 | | |
| 35 | Interest and Dividend Income (419) | - | | |
| 36 | Allowance for Other Funds Used During Construction (419.1) | - | | |
| 37 | Miscellaneous Nonoperating Income (421) | - | | |
| 38 | Gain on Disposition of Property (421.1) | - | 79,467 | 38,508 |
| 39 | TOTAL Other Income (Total of lines 29 through 38) | | 79,467 | 38,508 |
| 40 | Other Income Deductions | | | |
| 41 | Loss on Disposition of Property (421.2) | - | | |
| 42 | Miscellaneous Amortization (425) | 33 | 986,244 | 986,244 |
| 43 | Miscellaneous Income Deductions (426.1-426.5) | 33 | 859,924 | 8,499 |
| 44 | TOTAL Other Income Deductions (Total of lines 41 through 43) | | 1,846,168 | 994,743 |
| 45 | Taxes Applicable to Other Income and Deductions | | | |
| 46 | Taxes Other Than Income Taxes (408.2) | - | | |
| 47 | Income Taxes - Federal (409.2) | - | | |
| 48 | Income Taxes - Other (409.2) | - | | |
| 49 | Provision for Deferred Income Taxes (410.2) | 24 | (55,182) | 99,618 |
| 50 | (Less) Provision for Deferred Income Taxes - Credit (411.2) | 24 | | |
| 51 | Investment Tax Credit Adjustment - Net (411.5) | - | | |
| 52 | (Less) Investment Tax Credits (420) | - | 115,764 | 115,764 |
| 53 | TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52) | | 60,582 | 215,382 |
| 54 | Net Other Income and Deductions (Total of lines 39,44,53) | | 1,865,053 | 817,869 |
| 55 | Interest Charges | | | |
| 56 | Interest on Long-Term Debt (427) | - | 3,151,414 | 3,596,362 |
| 57 | Amortization of Debt Discount and Expense (428) | 21 | 68,083 | 78,870 |
| 58 | Amortization of Loss on Reacquired Debt (428.1) | - | | |
| 59 | (Less) Amortization of Premium on Debt - Credit (429) | 21 | | |
| 60 | (Less) Amortization of Gain on Reacquired Debt - Credit (429.1) | - | | |
| 61 | Interest on Debt to Associated Companies (430) | 33 | | |
| 62 | Other Interest Expense (431) | 33 | 3,862,248 | 2,318,609 |
| 63 | (Less) Allowance for Borrowed Funds Used During Const.-Credit (432) | - | | |
| 64 | Net Interest Charges (Total of lines 56 through 63) | | 7,081,745 | 5,993,842 |
| 65 | Income Before Extraordinary Items (Total of lines 25, 54 and 64) | | (148,221) | (3,331,268) |
| 66 | Extraordinary Items | | | |
| 67 | Extraordinary Income (434) | - | | |
| 68 | (Less) Extraordinary Deductions (435) | - | | |
| 69 | Net Extraordinary Items (Total of line 67 less line 68) | | | |
| 70 | Income Taxes - Federal and Other (409.3) | - | | |
| 71 | Extraordinary Items After Taxes (Total of line 69 less line 70) | | | |
| 72 | Net Income (Total of lines 65 and 71) | | (148,222) | (3,331,269) |

STATEMENT OF RETAINED EARNINGS

- | | |
|--|---|
| <p>1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.</p> |
|--|---|

| Line No. | Item (a) | Contra Primary Account Affected (b) | Amount (c) |
|---|--|-------------------------------------|-------------|
| UNAPPROPRIATED RETAINED EARNINGS (Account 216) | | | |
| 1 | Balance - Beginning of Year | | (2,289,064) |
| 2 | Changes (Identify by prescribed retained earnings accounts) | | |
| 3 | Adjustments to Retained Earnings (Account 439): | | |
| 4 | Credit: | | |
| 5 | Credit: | | |
| 6 | TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5) | | |
| 7 | Debit: | | |
| 8 | Debit: | | |
| 9 | TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8) | | |
| 10 | Balance Transferred from Income (Account 433 less Account 418.1) | | (148,222) |
| 11 | Appropriations of Retained Earnings (Account 436) TOTAL | | |
| 12 | Dividends Declared - Preferred Stock (Account 437) TOTAL | | |
| 13 | Dividends Declared - Common Stock (Account 438) TOTAL | | |
| 14 | Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings | | |
| 15 | FAS 133 Other Comprehensive Income | | |
| 16 | Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15) | | (2,437,286) |
| APPROPRIATED RETAINED EARNINGS (Account 215) | | | |
| | State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year. | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | TOTAL Appropriated Retained Earnings (Account 215) | | |
| | TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23) | | (2,437,286) |

Name of Respondent
PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS

For the Year Ended

Dec. 31, 2004

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

See Attached

**PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS**

NOTES TO FINANCIAL STATEMENTS

Florida City Gas (formerly City Gas Company of Florida) ("City Gas" or the "Company") is an operating division of Pivotal Utility Holdings, Inc., a wholly owned subsidiary of AGL Resources Inc. ("AGL"). The Company is primarily engaged in the distribution of natural gas to approximately 101,000 residential and commercial utility customers in Florida's Miami-Dade and Brevard counties.

On November 30, 2004, AGL completed the acquisition of NUI for \$13.70 per share of NUI Corporation common stock in cash and the assumption of NUI's debt at closing. As a result, AGL acquired the operations of NUI Utilities, subsequently renamed Pivotal Utility Holdings, Inc., which is a wholly owned subsidiary of AGL (see Note 2 for further information regarding the acquisition).

1. Summary of Significant Accounting Policies

The Company follows the Uniform System of Accounts of the Federal Energy Regulatory Commission ("FERC"), as adopted by the Florida Public Service Commission ("FPSC"), which is a comprehensive basis of accounting other than generally accepted accounting principles.

The significant accounting policies are summarized below.

A. Regulation

As an operating utility, the Company is subject to regulation by the FPSC with respect to, among other things, the rates it charges utility customers, service, accounting and the issuance of securities.

B. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Operating Revenues and Purchased Gas Costs

Utility gas customers are metered and billed monthly or bi-monthly on a cycle basis. Revenues include unbilled amounts related to the estimated gas usage that occurred from the most recent meter reading to the end of the relevant accounting period.

Costs of purchased gas are recognized in expense in accordance with the Company's purchased gas cost adjustment clause ("PGA"), as determined by the FPSC. Such clause provides for the periodic reconciliation of actual recoverable gas costs and the estimated amounts that have been billed to customers. Under or over recoveries are deferred on the balance sheet and are recovered from or refunded to customers in subsequent periods.

D. *Utility Plant and Related Depreciation and Amortization*

Utility plant is stated at its original cost less any aid to construction. Depreciation is provided on a straight-line basis over the remaining estimated lives of depreciable property by applying composite average annual rates as approved by the FPSC. The composite average depreciation rate was approximately 3.5 percent in 2004 and 2003. At the time utility plant is retired, the original cost plus the cost of retirement, less salvage, is charged to accumulated depreciation. Repairs, replacements and renewals of minor items of property are charged to maintenance expense as incurred.

During August 2002, the Company completed a sale/leaseback transaction for a capital lease that is collateralized by approximately \$8.6 million of meters.

E. *Supplemental Statement of Cash Flow Information*

"Cash at the End of Year" on the Statement of Cash Flows consists of:

| <u>Accounts</u> | <u>Description</u> | <u>December 31, 2004</u> | <u>December 31, 2003</u> |
|-----------------|--------------------|--------------------------|--------------------------|
| 131 | Cash | \$115,197 | \$106,489 |
| 135 | Working Funds | <u>2,625</u> | <u>2,425</u> |
| | | <u>\$117,822</u> | <u>\$108,914</u> |

F. *Regulatory Assets and Liabilities*

The Company follows the accounting for regulated enterprises prescribed by Statement of Financial Accounting Standards ("SFAS") No. 71, "Accounting for the Effects of Certain Types of Regulation". In general, SFAS No. 71 requires deferral of certain costs and obligations, based upon orders received from regulators, to be recovered from or refunded to customers in future periods. These deferred costs and obligations are recorded by the Company in regulatory assets and liabilities on the balance sheets.

These regulatory assets and liabilities are recoverable in rates by means of pass-through or cost-tracking mechanisms authorized by the FPSC, or as elements of the Company's base rates. In the event that the provisions of SFAS No. 71 were no longer applicable, the Company would recognize a write-off of net regulatory assets (regulatory assets less regulatory liabilities) that would result in a charge to net income, which would be classified as an extraordinary item. However, although the gas distribution industry is becoming increasingly competitive, the Company continues to recover its costs through cost-based rates established by the FPSC. As a result, the Company believes that the accounting prescribed under SFAS No. 71 remains appropriate

The Company has established a pre-tax reserve of \$2.9 million reflecting a refund settlement with the Florida Public Service Commission regarding certain transactions of NUI Energy Brokers, Inc. ("NUI Energy Brokers"), an affiliated company. (See Note 9 for further discussion.)

G. *Income Taxes*

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes", which requires the liability method to be used to account for deferred income taxes. Under this method, deferred income taxes related to tax and accounting basis differences are recognized at the statutory income tax rates in effect when the taxes are expected to be paid.

The Company has deferred tax liabilities, which arise principally from the timing of depreciation and other utility plant differences, plant acquisition adjustments, over- and under-recovered gas costs and pension benefits.

Investment tax credits are being amortized over the estimated service lives of the properties that gave rise to the credits.

The Company participates with NUI and AGL in filing a consolidated Federal income tax return. The provisions for income taxes shown in the accompanying financial statements have been computed on a separate company/division basis. Amounts reflected as Federal income taxes payable are due to AGL or NUI. As a result of NUI being acquired by AGL, the Company became a part of AGL's consolidated Federal income tax return beginning December 1, 2004.

2. **AGL acquisition of NUI**

On November 30, 2004, AGL merged with NUI Corporation, whereby NUI Corporation became a wholly owned subsidiary of AGL. Pursuant to the Merger Agreement, AGL acquired all the outstanding shares of NUI Corporation for \$13.70 per share in cash, or approximately \$218 million, incurred \$7 million of transaction costs and repaid \$500 million of NUI's outstanding short-term debt. At closing, NUI Corporation and its subsidiaries had \$709 million in debt and approximately \$109 million of cash on their balance sheet, bringing the net value of the merger to approximately \$825 million.

Upon completion of the merger and in accordance with the various credit agreements, the \$225 million outstanding under NUI Utilities' credit agreements was repaid on November 30, 2004 by AGL. These credit agreements consisted of NUI Utilities' \$50 million revolving credit facility, \$50 million term loan facility, \$50 million delayed draw term loan facility and \$75 million senior secured facility. These short-term credit agreements were terminated concurrent with their repayment by AGL.

3. Notes Payable to Banks

Before the date of the AGL acquisition of NUI, all of the Company's short-term borrowings were made by NUI Utilities. Funds were advanced to or from City Gas as required. Interest incurred by NUI Utilities was allocated to the Company based on its outstanding intercompany balances. On November 30, 2004, AGL repaid all of the amounts outstanding under NUI Utilities' credit facilities and terminated those facilities. As a result, on November 30, 2004, NUI Utilities incurred \$227.7 million in short-term indebtedness from AGL's Utility Money Pool, which was the amount of the outstanding principal, accrued and unpaid interest and expenses related to its credit facilities. (See Note 2 for further discussion.)

The weighted average daily amounts of borrowings outstanding under NUI Utilities' previous and current credit facilities and the weighted average interest rates on those amounts were \$113.1 million at 7.1 percent and \$124.2 million at 3.1 percent for the years ended December 31, 2004 and 2003, respectively.

As of August 20, 2004, NUI Utilities entered into a \$75 million senior secured credit facility, secured by receivables and related proceeds, with a maturity date of May 15, 2005. The closing of the facility occurred on September 29, 2004. NUI Utilities planned to use the proceeds from this new facility to meet its and the Company's gas purchase prepayment requirements, to provide additional liquidity for working capital and general corporate purposes, and to facilitate a smooth closing and transition of operations to AGL upon consummation of the pending merger transaction. Borrowings under the \$75 million credit facility accrued interest at a rate per annum, at the option of NUI Utilities, of either (i) the eurodollar rate (subject to a 2 percent floor) plus 4.75 percent or (ii) a base rate option (subject to a 3 percent floor) plus 3.75 percent.

On November 24, 2003, NUI Utilities entered into a 364-day credit agreement that provided for (i) a \$50 million revolving credit facility, (ii) a \$50 million term loan facility and (iii) a \$50 million delayed draw term loan facility. As of August 20, 2004, NUI Utilities entered into an amendment to the credit agreement that extended the maturity until November 21, 2005. The proceeds from the revolving credit facility and the term loan facility combined with the proceeds from the repayment of an \$85 million intercompany balance from NUI Corporation were used (1) to terminate and repay approximately \$142 million of outstanding loans under NUI Utilities' previous credit agreement entered into on February 12, 2003, (2) to pay \$0.5 million of accrued and unpaid fees under NUI Utilities' interim credit agreement entered into on October 10, 2003 and (3) for general corporate purposes. The proceeds from the \$50 million delayed draw term loan facility were used to extinguish NUI Utilities' 8.35 percent medium term notes due February 2005 (\$20 million of which liability was recorded on the Company's balance sheet), as further discussed in Note 5. NUI Utilities' credit agreement bore interest at a rate per annum, at its option, of either (i) the eurodollar rate (subject to a 2 percent floor) plus 5 percent, or (ii) the base rate (subject to a 3 percent floor) plus 4 percent.

NUI Utilities' 2003 and 2004 credit agreements contained various covenants that (i) restricted NUI Utilities from taking various actions and (ii) required NUI Utilities to achieve and maintain certain financial covenants, with compliance required by December 31, 2004. Under the terms of the 2003 credit agreement, amended as of August 20, 2004, NUI Utilities was required to maintain a maximum ratio of consolidated indebtedness to total capitalization of no more than 0.70x and a minimum interest coverage ratio of at least 2.25x (for a rolling period of four consecutive fiscal quarters, commencing with the four consecutive quarters ended December 31, 2003). Additionally, the credit agreements contained limitations on capital expenditures, indebtedness, payment of dividends, guarantees, liens, mergers, acquisitions, dispositions of assets, transactions with affiliates, loans and investments, prepayment of indebtedness, sale-leaseback transactions, change in business activities and corporate activities.

The delay in delivering audited financial statements for fiscal 2003 resulted in an event of default under NUI Utilities' 2003 credit agreement. On January 26, 2004, NUI Utilities obtained a waiver of such default from its lender and received an extension of the delivery date for NUI Corporation's audited financial statements for fiscal 2003 and its 2004 first fiscal quarter unaudited financial statements through March 1, 2004, and amended the credit agreement to clarify certain technical provisions. Further delays in the delivery of these financial statements beyond the date to which NUI Utilities had received waivers resulted in another event of default. On March 12, 2004, NUI Utilities received a further waiver of such default from its lender and such lender otherwise deferred its right to exercise remedies in respect thereof. NUI Utilities subsequently entered into an amendment dated May 10, 2004 to their 2003 credit agreement which:

- (i) extended the delivery date for the aforementioned financial statements (as well as for the financial statements for the fiscal quarter ended March 31, 2004) until June 15, 2004,
- (ii) consented to the NJBPU Settlement (see Note 9 for further discussion of the Settlement Agreement with the NJBPU),
- (iii) modified financial covenants contained in the credit agreements to take into account the NJBPU Settlement and the recent and expected future performance of NUI Utilities,
- (iv) permitted the acquisition by NUI Utilities of certain gas pipeline assets (see Note 9 for further information on the asset purchase),
- (v) regarding the payment of dividends by NUI Utilities to NUI Corporation, provided for a \$35 million limit on dividend payments and eliminated a provision limiting such dividend payments to the aggregate maximum of NUI Utilities' retained earnings,
- (vi) increased the interest rate on NUI Utilities' delayed draw term loan (if drawn) by one percent until a purchase agreement is executed to sell NUI or NUI Utilities to an unaffiliated third party.

4. Notes/Accounts Payable and Equity Transaction related to Associated Companies

At December 31, 2004 and 2003, the Company's outstanding accounts payable to associated companies were \$8.9M million and \$27.9 million, respectively, which amounts are net of intercompany receivable balances. This balance includes a proforma adjustment of \$25.2 million to reflect recapitalization as of December 31, 2004. Additionally, equity Other Paid in Capital includes a proforma adjustment of \$13.0 million to reflect recapitalization as of December 31, 2004.

In 2004 and 2003, allocated interest from NUI Utilities amounted to \$3.1 million and \$1.6 million, respectively, which is included on the balance sheet in Accounts Payable to Associated Companies.

5. Long-Term Debt

At December 31, 2004 and 2003, the Company's outstanding long-term debt was \$45.2 million and \$47.7 million, respectively, which consisted of \$20 million in gas facility revenue bonds and a \$25.2 million proforma adjustment to reflect recapitalization as of December 31, 2004. In fiscal 2003, \$30 million in medium-term notes and \$20 million in gas facility revenue bonds.

The Company has \$20 million of 6.4% Brevard County Industrial Development Revenue Bonds that mature October 1, 2024. The Company deposited in trust the unexpended portion of the net

proceeds from these bonds until drawn upon for eligible expenditures. As of December 31, 2003, the total unexpended portion plus interest was \$2.1 million and is classified on the Company's balance sheet as Special Funds. These amounts were fully drawn upon during 2004.

The Company also had \$30 million of NUI Utilities' 8.35% medium-term notes that were scheduled to mature on February 2005. On September 29, 2004, NUI Utilities extinguished the medium-term notes with proceeds from its \$50 million delayed draw term facility, which was available under an existing senior unsecured credit facility. As a result, the Company recorded a loss on the early extinguishment of debt of approximately \$0.9 million, which related primarily to the interest that NUI Utilities' would have paid to noteholders during the period of October 1, 2004 through February 1, 2005 on the medium-term notes.

During 2004 and 2003, interest expense on long-term debt was \$3.2 million and \$3.6 million, respectively.

The Company has no long-term debt maturities over the next five years. The combined weighted average interest rate of outstanding long-term debt at December 31, 2004 is 6.46 percent.

6. Leases

Property, plant and equipment held under capital leases amounted to \$15.8 million at both December 31, 2004 and 2003, with related accumulated amortization of \$8.2 million and \$7.3 million, respectively. During August 2002, the Company completed a sale/leaseback transaction related to gas meters (and related equipment) for approximately \$8.6 million. The transaction, which is recorded as a capital lease, bears interest at 4.98 percent and will be repaid over 11 years from inception of the lease; consistent with ratemaking treatment, the Company is depreciating the cost of these meters on a straight-line basis over their remaining estimated lives, which on average is longer than the term of the lease. The Company's other capital lease assets consist of vehicles. A summary of future minimum payments for assets held under capital leases follows (in thousands):

| | |
|--|----------------|
| 2005 | \$ 1,167 |
| 2006 | 1,119 |
| 2007 | 1,093 |
| 2008 | 1,024 |
| 2009 | 981 |
| Thereafter | <u>3,898</u> |
| Total future minimum payments | 9,282 |
| Amount representing interest | (1,700) |
| Current portion of capital lease obligations | <u>(776)</u> |
| Capital lease obligations | <u>\$6,806</u> |

The Company has also entered into non-cancelable operating leases, which principally relate to warehouse space. Rents charged to operations expense was \$0.2 million in 2004 and \$0.1 million in 2003, respectively.

NUI Utilities has entered into non-cancelable operating leases for office space. The future minimum lease payments under these leases as of December 31, 2004 are as follows (in thousands):

| | |
|------------|-----------------|
| 2005 | \$3,649 |
| 2006 | 3,662 |
| 2007 | 3,487 |
| 2008 | 3,443 |
| 2009 | 3,443 |
| Thereafter | <u>47,594</u> |
| Total | <u>\$65,278</u> |

Rent expense under operating leases for NUI Utilities was approximately \$5.9 million in 2004 and approximately \$5.2 million in 2003. A portion of NUI Utilities' rent expense is allocated to City Gas. In 2003 and 2004, NUI Utilities leased office space from a related party, which associated rent expense is included above. Certain of NUI Utilities' office leases contain rent escalations. NUI Utilities records rent expense on a straight-line basis over the life of these leases.

NUI Utilities has entered into subleases for a portion of the office space noted above. Amounts received from subleases were approximately \$3.3 million in 2004 and approximately \$2.7 million in 2003, a portion of which income was credited to City Gas. Total future non-cancelable sublease income from operating leases is approximately \$20.5 million.

7. Pension and Other Benefits

The Company participates in a qualified defined benefit retirement plan provided by NUI. A qualified plan meets the requirements of certain sections of the Internal Revenue Code and, generally, contributions to qualified plans are tax deductible. A qualified plan typically provides benefits to a broad group of employees and may not discriminate in favor of highly compensated employees in coverage, benefits or contributions.

NUI Retirement Plan. NUI has a qualified non-contributory defined benefit retirement plan that covers all City Gas employees, other than the Company's union employees, who participate in a union-sponsored multi-employer plan. Pension benefits are based on the number of years of credited service and on final average compensation.

Following the merger with AGL on November 30, 2004, NUI employees continue to participate in the NUI Retirement Plan until January 1, 2006. At that time, the plan will be frozen for employees of NUI who will then become participants in the AGL Resources Retirement Plan.

The measurement of plan assets and obligations for all postretirement benefit plans is based on a measurement date of September 30.

Net Periodic Benefit Cost. The components of annual expense of NUI's qualified pension plan, a portion of which expense was allocated to the Company, were as follows (in thousands):

| | Qualified Pension Plan | |
|-------------------------------------|-------------------------------|--------------------|
| | 2004 | 2003 |
| Service cost | \$4,851 | \$3,438 |
| Interest cost | 7,481 | 6,815 |
| Expected return on plan assets | (8,339) | (8,270) |
| Prior service cost amortization | 367 | 450 |
| Actuarial loss recognized | 2,392 | 1,643 |
| Net periodic benefit expense | <u>\$6,752</u> | <u>\$4,076</u> |
| NUI Utilities' share of expense | <u>\$4,721</u> | <u>\$2,367</u> |

The following table provides the weighted average actuarial assumptions used at September 30 to determine the projected benefit obligation and the net periodic benefit cost:

| | 2004 | 2003 |
|--|-------------|-------------|
| <i>Projected Benefit Obligation:</i> | | |
| Discount rate: | 5.75% | 6.0% |
| Rate of compensation increase: | 4.0% | 4.0% |
| <i>Net Periodic Benefit Cost:</i> | | |
| Discount rate: | 6.0% | 6.75% |
| Expected return on plan assets: | 8.5% | 9.25% |
| Rate of compensation increase: | 4.0% | 4.0% |

The actuarial assumptions used to determine net periodic benefit cost are established at the beginning of the fiscal year, and the assumptions used to determine benefit obligations are established at the end of the fiscal year.

The expected return on plan assets for the qualified pension plan is determined based on the market-related value of plan assets and the expected long-term rate of return on plan assets. The market-related value of assets is equal to the fair value of assets. The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset classes in the plan investment portfolio. Projected rates of return were developed through an asset/liability study performed in 2003 by a consultant retained by NUI. Assumed projected rates of return for each of the plan's projected asset classes were selected with the advice of the plan's actuary and asset consultant. The overall expected rate of return for the portfolio was developed based on the target asset allocation for each asset class.

NUI Corporation continually evaluates alternative ways to manage these benefit plans and control their costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefit may have a significant effect on the amount of the reported obligation and expense.

Obligations and Funded Status. The following table presents an analysis of the changes in the 2004 and 2003 benefit obligation, the plan assets and the funded status for NUI's qualified pension plan as of September 30, 2004 and 2003 (in thousands):

| | <u>Qualified Pension Plan</u> | |
|---|-------------------------------|------------------|
| | <u>2004</u> | <u>2003</u> |
| Benefit obligation at beginning of fiscal year | \$123,313 | \$100,504 |
| Service cost | 4,851 | 3,438 |
| Interest cost | 7,481 | 6,815 |
| Actuarial loss | 2,108 | 21,300 |
| Benefits paid | (10,060) | (8,744) |
| Benefit obligation at end of fiscal year | <u>\$127,693</u> | <u>\$123,313</u> |
| Fair value of plan assets at beginning of fiscal year | \$101,571 | \$92,366 |
| Actual return on plan assets | 10,867 | 14,649 |
| Employer contributions | 1,500 | 3,300 |
| Benefits paid | (10,060) | (8,744) |
| Fair value of plan assets at end of fiscal year | <u>\$103,878</u> | <u>\$101,571</u> |
| NUI Utilities' share of employer contributions | <u>\$1,050</u> | <u>\$2,310</u> |

The amounts recognized and unrecognized in NUI's statements of financial position as of September 30, 2004 and 2003 were as follows (in thousands):

| | <u>Qualified Pension Plan</u> | |
|---|-------------------------------|-----------------|
| | <u>2004</u> | <u>2003</u> |
| Funded status | \$(23,815) | \$(21,742) |
| Unrecognized net loss | 45,108 | 47,920 |
| Unrecognized prior service cost | 1,309 | 1,676 |
| Net asset recorded on | | |
| Consolidated Balance Sheets | <u>\$22,602</u> | <u>\$27,854</u> |
| NUI Utilities' share of net asset recorded on | | |
| Consolidated Balance Sheets | <u>\$15,919</u> | <u>\$19,622</u> |

NUI's accumulated benefit obligation for the qualified pension plan was \$101.9 million in 2004 and \$98.5 million in 2003.

Plan Assets. The Board of Directors has appointed an NUI Corporation Investment Committee ("the Committee"), which has responsibility for managing the NUI Retirement Pension Trust in accordance with the Pension Plan Investment Policy ("the Policy"), the Trust and Plan documents, and applicable laws and regulations. The investment objectives of NUI Corporation include (a) ensuring that pension liabilities are met over time and (b) maximizing long-term investment return consistent with a reasonable level of risk. Trust assets are targeted to remain above the present value of benefits earned by plan participants as of the calculation date. To achieve these objectives, the plan assets are actively managed by investment managers, whose performance is measured by an independent investment consulting firm.

In developing strategic asset allocation guidelines for the trust, an emphasis is placed on the long-term characteristics of individual asset classes, and the benefits of diversification among multiple asset classes. Consideration is also given to the proper long-term level of risk for the plan, particularly with respect to the long-term nature of the plan's liability, the current actuarial status of the plan, and the impact of asset allocation on investment results and the corresponding impact on the volatility and magnitude of plan contributions and expense.

An asset/liability study is conducted periodically to determine an appropriate long-term asset allocation policy to achieve investment objectives. The Committee has approved the asset classes allowed for investment and adopted strategic mix targets. The NUI Retirement Plan's target asset allocation percentages, and the actual asset allocations at September 30, 2004 and 2003, are as follows:

| | <u>Target Allocation</u> | <u>Percentage of Plan Assets</u> | |
|---------------------------------------|------------------------------|----------------------------------|---------------|
| | <u>2004</u> | <u>2004</u> | <u>2003</u> |
| <i>Qualified Pension Plan:</i> | | | |
| U.S. Equity | 55% | 51.7% | 54.0% |
| Non U.S. Equity | 15% | 17.2% | 15.6% |
| U.S Fixed Income | 30% | 29.1% | 30.0% |
| Cash and Cash Equivalents | --- | 2.0% | 0.4% |
| Total | <u>100%</u> | <u>100.0%</u> | <u>100.0%</u> |

Cash Flows. NUI Corporation funds its qualified pension plan in accordance with the requirements of ERISA. At the present time, AGL has no plans to fund NUI Corporation's qualified pension plan in fiscal 2005. The Company makes contributions to the City Gas union-sponsored plan in accordance with its contractual obligations, which amount to approximately \$100 thousand per year.

The following table presents expected benefit payments for NUI Corporation's qualified pension plan (in thousands):

| <u>For the Year Ended September 30,</u> | <u>Qualified Pension Plan</u> |
|---|-------------------------------|
| 2005 | \$7,204 |
| 2006 | \$7,173 |
| 2007 | \$7,398 |
| 2008 | \$8,030 |
| 2009 | \$8,493 |
| 2010-2014 | \$58,895 |

NUI Corporation Employee Stock Purchase Plan ("ESPP"). Until July of 2004, eligible employees were allowed to purchase shares of NUI stock monthly at a price equal to 85 percent of the lower of fair market value on the first and last trading days of the month, up to a maximum of 10 percent of their annual compensation. This employee discount, which amounted to approximately \$45 thousand and \$117 thousand for NUI Utilities employees in fiscal 2004 and 2003, respectively, was charged to compensation expense. A portion of this expense was allocated to City Gas. Effective July 2004, according to the terms of the Merger Agreement between NUI Corporation and AGL, employees are no longer permitted to buy NUI Corporation stock through the Employee Stock Purchase Plan.

NUI Corporation Savings and Investment Plans ("401(k)"). City Gas' bargaining and non-bargaining unit employees were eligible to participate in separate voluntary 401(k) savings plans maintained by NUI, which were designed to enhance existing retirement programs covering eligible employees. The plans allowed eligible employees who participated to make contributions up to specified limits, a portion of which were matched by the Company at varying levels. Contributions were invested at the election of the employee in NUI Corporation common stock ("NUI Stock Fund") or in various other investment funds. Company matching contributions charged to NUI Utilities' expense were approximately \$1.0 million and \$0.8 million for the fiscal years ended September 30, 2004 and 2003, respectively.

As a result of the merger between AGL and NUI, contributions to the NUI 401(k) plans have been suspended while AGL seeks approval from the Internal Revenue Service to terminate the NUI 401(k) plans. As of the merger date, all NUI employees who are either participating or are eligible to participate in the NUI 401(k) plans are eligible to participate in the AGL 401(k) plan.

8. Financial Instruments

The fair value of the Company's cash equivalents is approximately equivalent to its carrying value. The fair value of the Company's long-term debt exceeded its carrying value by approximately \$0.5 million as of December 31, 2004, and \$3.1 million as of December 31, 2003. The fair value of long-term debt was estimated based on quoted market prices for the same or similar issues.

9. Commitments and Contingencies

Capital Spending. Construction expenditures for the year ending December 31, 2005 are estimated at \$7.3 million.

Settlement Agreement with the New Jersey Board of Public Utilities ("NJBP"). On March 20, 2003, the NJBP announced the initiation of a focused audit of NUI Corporation, NUI Utilities and NUI Utilities' gas distribution company in New Jersey, Elizabethtown Gas. The NJBP had expressed the belief that recent downgrades of the senior unsecured debt of NUI Corporation and NUI Utilities, as well as negative credit rating agency comments, and concerns raised during a recent competitive services audit, substantiated the need for an in-depth review of the financial practices of NUI. On June 4, 2003, the NJBP chose The Liberty Consulting Group to perform the audit. The focused audit covered the following areas: corporate governance; strategic planning; financial structure and interaction; accounting and property records; executive compensation and affiliate transactions. An interim audit report was released by the NJBP on December 17, 2003, and the final audit report was issued on March 1, 2004 and was accepted and released by the NJBP on March 17, 2004, at the NJBP's public agenda meeting. Among other things, the report criticized NUI for: the energy management practices of its NUI Energy Brokers subsidiary on behalf of NUI Utilities, which became the subject of an independent investigation initiated by NUI Corporation's Board of Directors as well as a separate investigation by the New Jersey Attorney General's Office (for further information, see Investigations of NUI Energy Brokers below); its financing and cash pooling arrangements; the impact of unprofitable non-utility operations on NUI Utilities; the method used to allocate shared services costs among its business units; and the propriety of rates established in the 2002 Elizabethtown Gas base rate case. Responsive comments were filed on March 26, 2004 and a settlement was reached with the NJBP on April 14, 2004. On April 26, 2004, the NJBP issued a Final Order accepting and adopting the settlement agreement.

As a result of a separate NJBP Order dated December 11, 2003, NUI Utilities dissolved its relationship with NUI Energy Brokers. NUI Utilities contracted with Cinergy Marketing and Trading, LP ("Cinergy") to procure the gas supply requirements necessary to fulfill NUI Utilities' obligations for the period commencing April 1, 2004 through March 31, 2005 (for further information, see Gas Procurement Contracts below).

NUI Energy Brokers Investigation in Florida. During the course of its PGA audit for 2003, City Gas advised the FPSC that an independent investigation of NUI Energy Brokers, an affiliated company that had procured gas for City Gas, had been performed, which concluded that City Gas had a liability to its ratepayers. The FPSC incorporated its own audit procedures on certain NUI Energy Brokers transactions as part of its annual PGA audit. As a result, the FPSC issued an order in December 2004 requiring the refund of \$2.9 million, including interest, to City Gas' customers. The \$2.9 million will be refunded as part of the PGA rate over the course of one year, beginning

on January 1, 2005. In 2003, the Company established a pre-tax reserve of \$2.6 million; this reserve was increased by \$0.3 million in 2004 to reflect the FPSC's final order.

Gas Procurement Contracts. Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$6.0 million for the next twelve-month period. The Company currently recovers, and expects to continue to recover, the majority of such fixed charges through its PGA clause.

As mentioned above, NUI Utilities entered into an agreement with Cinergy to manage its interstate pipeline assets for the period of April 1, 2004 through March 31, 2005. Pursuant to this agreement, Cinergy served as NUI Utilities' asset manager and provided NUI Utilities with a full requirements gas supply service during that time, enabling it to meet its public utility obligations to supply gas to customers in Florida, New Jersey and Maryland. The gas supply was provided at market-based prices.

NUI Utilities had assigned to Cinergy or, in the case of non-assignable assets, granted Cinergy agency authority to control, NUI Utilities' gas supply and deliverability assets, and Cinergy paid NUI Utilities a fixed amount for the right to act as its asset manager for the twelve months ended March 31, 2005. Prior to December 2004, NUI Utilities' obligations under the Cinergy agreement, including all commodity and demand charges, were secured by a prepayment obligation due to NUI Utilities' poor credit rating, which senior unsecured rating stood at B1 by Moody's Investors' Service ("Moody's") since April 2004, and BB by Standard & Poor's ("S&P") since November 2003. However, almost immediately following NUI's merger with AGL on November 30, 2004, Moody's and S&P upgraded NUI Utilities' senior unsecured credit rating to Baa1 and A-, respectively, with a negative rating outlook. As a result, pursuant to the agreement with Cinergy, the parties re-negotiated the agreement payment terms based on the improved credit rating of NUI Utilities and AGL provided a payment guarantee to Cinergy in lieu of NUI Utilities' prepayment obligation.

After the contract with Cinergy expired on March 31, 2005, Sequent Energy Management, a wholly owned subsidiary of AGL, began procuring the Company's gas supply under a three-year asset management agreement.

Environmental. The Company is subject to federal and state laws with respect to water, air quality, solid waste disposal and employee health and safety matters and to environmental regulations issued by the United States Environmental Protection Agency and other federal and state agencies. At December 31, 2004 and 2003, the Company had no liability for environmental remediation recorded on its balance sheet.

Investigation of NUI Energy Brokers. In November 2003, the Securities and Exchange Commission ("SEC") advised NUI Corporation that it was conducting an informal inquiry with respect to the investigation of NUI Energy Brokers by the NJAG. On March 1, 2004, the SEC requested that NUI Corporation voluntarily produce certain documents in furtherance of its informal inquiry. NUI Corporation is fully cooperating with the SEC. At this point, NUI Corporation cannot predict whether or not the SEC will initiate a formal investigation into this matter.

Other. The Company is involved in other various claims and litigation incidental to its business. In the opinion of management, none of these other claims and litigation will have a material adverse effect on the Company's results of operations or its financial condition.

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended

Dec. 31, 2004

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
 FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

| Line No. | Item (a) | Total (b) | Gas (c) |
|----------|--|----------------|---------|
| 1 | UTILITY PLANT | | |
| 2 | In Service | | |
| 3 | 101 Plant in Service (Classified) | 200,213,558 | |
| 4 | 101.1 Property Under Capital Leases | 2,382,061 | |
| 5 | 102 Plant Purchased or Sold | | |
| 6 | 106 Completed Construction not Classified | | |
| 7 | 103 Experimental Plant Unclassified | | |
| 8 | 104 Leased to Others | | |
| 9 | 105 Held for Future Use | | |
| 10 | 114 Acquisition Adjustments | | |
| 11 | TOTAL Utility Plant (Total of lines 3 through 10) | 202,595,619 | |
| 12 | 107 Construction Work in Progress | 4,186,714 | |
| 13 | Accum. Provision for Depreciation, Amortization, & Depletion | 88,056,573.00 | |
| 14 | Net Utility Plant (Total of lines 11 plus 12 less line 13) | 118,725,760.00 | |
| 15 | DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION | | |
| 16 | In Service: | | |
| 17 | 108 Depreciation | 87,937,880 | |
| 18 | 111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights | 118,693 | |
| 19 | 111 Amort. of Underground Storage Land and Land Rights | | |
| 20 | 119 Amortization of Other Utility Plant | | |
| 21 | TOTAL in Service (Total of lines 17 through 20) | 88,056,573.00 | |
| 22 | Leased to Others | | |
| 23 | 108 Depreciation | | |
| 24 | 111 Amortization and Depletion | | |
| 25 | TOTAL Leased to Others (Total of lines 23 and 24) | | |
| 26 | Held for Future Use | | |
| 27 | 108 Depreciation | | |
| 28 | 111 Amortization | | |
| 29 | TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28) | | |
| 30 | 111 Abandonment of Leases (Natural Gas) | | |
| 31 | 115 Amortization of Plant Acquisition Adjustment | | |
| 32 | TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31) | 88,056,573.00 | |

**Annual Status Report
Analysis of Plant in Service Accounts**

**Company: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS
For the Year Ended December 31, 2004**

| Acct. No. | Account Description | Depr. Rate | Beginning Balance* | Additions | Retirements | Reclass. | Adjustments | Transfers | Ending Balance* |
|--|-------------------------------------|------------|--------------------|-----------|-------------|----------|-------------|-----------|-----------------|
| 374 | Land-Distribution | | 69,616 | | | | | | 69,616 |
| 389 | Land-General | | 391,921 | | | | | | 391,921 |
| | Land-Other | | 0 | | | | | | 0 |
| Amortizable General Plant Assets: | | | | | | | | | |
| 301 | Organization | | | | | | | | 0 |
| 302 | Franchises and Consents | | 259,943 | 25,000 | | | | | 284,943 |
| 303 | Miscellaneous Intangible Plant | | 27,593 | | | | | | 27,593 |
| 399 | Miscellaneous Intangible Property | | 35,828 | | | | | | 35,828 |
| Depreciable Assets: This sch. This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC. | | | | | | | | | |
| 365 | Rights-Of-Way | 0 | 0 | | | | | | 0 |
| 367 | Transmission-Main | 2.9 | 13,820,674 | | | | | | 13,820,674 |
| 369 | Measuring & Regulating Equip | 3.5 | 350,805 | | | | | | 350,805 |
| 371 | Other Equipment | 3.3 | 5,490 | | | | | | 5,490 |
| 375 | Structures & Improvements | 2.2 | 556,251 | | | | | | 556,251 |
| 376 | Mains - Plastic | 2.9 | 42,240,796 | 953,141 | 5,306 | | | | 43,188,632 |
| 376 | Mains - Other | 2.8 | 64,908,450 | 3,011,485 | 26,454 | | | | 67,593,481 |
| 376 | Mains-ARO | 2.9 | 0 | | | | | | 0 |
| 379 | M & R Station Equipment - City Gate | 2.9 | 4,985,669 | 703,596 | | | | | 5,689,265 |
| 380 | Services - Plastics | 3.8 | 26,862,666 | 2,064,518 | 123,390 | | | | 28,803,794 |
| 380 | Services - Other | 7.1 | 12,761,673 | 41,474 | 83,845 | | | | 12,719,302 |
| 381 | Meters | 4.2 | 8,867,356 | 823,575 | 1,169,680 | | | | 8,521,251 |
| 382 | Meter Installation | 3.5 | 2,935,041 | 134,217 | 31,994 | | | | 3,037,263 |
| 383 | House Regulators | 4.4 | 2,305,311 | 262,397 | 83,570 | | | | 2,484,139 |
| 384 | House Regulators Installation | 3.7 | 1,124,134 | 73,472 | 16,871 | | | | 1,180,736 |
| 385 | Industrial M & R Station Equipment | 3.2 | 2,749,302 | 49,478 | | | | | 2,798,780 |
| 385.5 | Leased Water Heaters | 8.0 | 0 | | | | | | 0 |
| 386.6 | Leased Dryers | 8.2 | 0 | | | | | | 0 |
| 386.7 | Leased Rangers | 8.8 | 0 | | | | | | 0 |
| 387 | Other Equipment | 2.9 | 151,030 | 20,344 | | | | | 171,373 |
| 390 | Structures & Improvements | 2.5 | 2,173,876 | 332,649 | | | | | 2,506,525 |
| 391.1 | Office Furniture | 4.3 | 958,927 | 84,859 | 31 | | | | 1,043,754 |
| 391.2 | Office Equipment | 1.9 | 844,055 | 15,324 | 330,231 | | | | 529,148 |
| 391.3 | Computers | 16.7 | 1,674,588 | 60,285 | | | | | 1,734,873 |
| 392 | Transportation Equipment | 2.7 | 2,836,921 | 103,270 | 165,270 | | (53,501) | | 2,617,773 |
| 393 | Stores Equipment | 3.6 | 13,521 | 166,797 | | | | | 13,521 |
| 394 | Tools, Shop and Garage Equipment | 6.7 | 692,075 | | 6,465 | | | | 852,407 |
| 395 | Laboratory Equipment | 4.0 | 23,017 | | 18,983 | | | | 4,034 |
| 397 | Communication Equipment | 6.9 | 1,324,253 | 8,472 | | | | | 1,332,725 |
| 398 | Miscellaneous Equipment | 6.7 | 173,035 | 53,687 | (3,000) | | | | 229,722 |

**Annual Status Report
Analysis of Plant in Service Accounts**

Company: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS
For the Year Ended December 31, 2004

| Acct. No. | Account Description | Depr. Rate | Beginning Balance* | Additions | Retirements | Reclass. | Adjustments | Transfers | Ending Balance* |
|------------------------------------|----------------------------|------------|--------------------|-----------|-------------|----------|-------------|-----------|-----------------|
| | (Continued) | | | | | | | | |
| Capital Recovery Schedules: | | | | | | | | | |
| | Total Account 101* | | 195,823,817 | 8,988,038 | 2,059,088 | 0 | (53,501) | (103,647) | 202,595,620 |
| Amortizable Assets: | | | | | | | | | |
| 114 | Acquisition Adjustment | | | | 30,832,926 | | | | 0 |
| 118 | Other Utility Plant | | 30,832,926 | | | | | | |
| | Other | | | | | | | | |
| | Total Utility Plant | | 226,656,743 | 8,988,038 | 32,892,014 | 0 | (53,501) | (103,647) | 202,595,620 |

Note: * The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 12.

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS
For the Year Ended December 31, 2004

| Acct. No. | Account Description | Beginning Balance* | Accruals | Reclass. | Retirements | Gross Salvage | Cost of Removal | Adjustments | Transfers | Ending Balance* |
|--|-------------------------------------|--------------------|-----------|----------|-------------|---------------|-----------------|-------------|-----------|-----------------|
| Amortizable General Plant Assets: | | | | | | | | | | |
| 302 | Franchises and Consents | 92,465 | 7,875 | | | | | | | 100,340 |
| 303 | Miscellaneous Intangible Plant | 17,315 | 1,038 | | | | | | | 18,353 |
| | Total Amortization | 109,780 | 8,913 | | | | | | | 118,693 |
| This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC. | | | | | | | | | | |
| 367 | Transmission-Main | 774,233 | | | | | | | | 774,233 |
| 369 | Measuring & Regulating Equip | 7,436 | | | | | | | | 7,436 |
| 371 | Other Equipment | 182 | | | | | | | | 182 |
| 375 | Structures & Improvements | 154,831 | 12,238 | | 5,306 | | 6,158 | 3,225 | | 167,068 |
| 376 | Mains - Plastic | 11,578,826 | 1,322,273 | | 26,454 | | 76,167 | | | 12,892,860 |
| 376 | Mains - Other | 35,845,123 | 2,168,233 | | | | | | | 37,910,736 |
| 376 | Mains-ARO | (280,764) | (49,800) | | | | | | | (330,564) |
| 379 | M & R Station Equipment - City Gate | 1,612,848 | 168,534 | | 123,390 | | 43,902 | | | 1,781,381 |
| 380 | Services - Plastics | 7,991,174 | 898,579 | | 83,845 | | 121,357 | | | 8,722,462 |
| 380 | Services - Other | 12,927,865 | 1,065,324 | | 1,169,680 | | | | | 13,787,966 |
| 381 | Meters | 3,337,900 | 370,492 | | | 173 | | | | 2,538,886 |
| 382 | Meter Installation | 1,063,385 | 101,121 | | 31,994 | | 10,857 | | | 1,121,655 |
| 383 | House Regulators | 960,940 | 105,388 | | 83,570 | | | | | 982,758 |
| 384 | House Regulators Installation | 430,147 | 46,866 | | 16,871 | | (240) | | | 460,383 |
| 385 | Industrial M & R Station Equipment | 946,624 | 88,412 | | | | | | | 1,035,036 |
| 386.5 | Leased Water Heaters | 0 | | | | | | | | 0 |
| 386.6 | Leased Dryers | 0 | | | | | | | | 0 |
| 386.7 | Leased Rangers | 0 | | | | | | | | 0 |
| 387 | Other Equipment | 165,802 | 4,632 | | | | | | | 170,434 |
| 390 | Structures & Improvements | 483,503 | 58,840 | | | | | | | 542,344 |
| 391.1 | Office Furniture | 595,171 | 40,758 | | 31 | | | | | 635,898 |
| 391.2 | Office Equipment | 561,429 | 7,324 | | 330,231 | | | | | 238,522 |
| 391.3 | Computers | 997,595 | 328,082 | | | | | | | 1,340,352 |
| 392 | Transportation Equipment | 1,992,683 | 8,056 | | 165,270 | | | 270,587 | | 2,106,056 |
| 393 | Stores Equipment | 10,362 | 487 | | | | | | | 10,849 |
| 394 | Tools, Shop and Garage Equipment | 233,382 | 45,158 | | 6,465 | | | | | 272,075 |
| 395 | Laboratory Equipment | 11,793 | 446 | | 18,983 | | | | | (6,744) |
| 397 | Communication Equipment | 745,692 | 91,760 | | | | | | | 837,452 |
| 398 | Miscellaneous Equipment | (21,731) | 16,611 | | (3,000) | | | | | (2,120) |

**Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS

For the Year Ended December 31, 2004

Page 2 of 2

| Acct. No. | Account Description | Beginning Balance* | Accruals | Reclass. | Retirements | Gross Salvage | Cost of Removal | Adjustments | Transfers | Ending Balance* |
|-----------|---|--------------------|-----------|----------|-------------|---------------|-----------------|-------------|-----------|-----------------|
| | (Continued) | | | | | | | | | |
| | Subtotal | 83,126,433 | 6,899,813 | 0 | 2,059,088 | 173 | 258,200 | 273,811 | 14,675 | 87,997,618 |
| | List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8. | (12,195) | | | | | | | | (12,195) |
| | Retirement of Land & Landrights (Propane Sales) | (32,366) | | | | | | (15,157) | | (47,543) |
| | Undistributed Retirement Work in Progress | | | | | | | | | |
| | Corporate Depreciation Allocation ** | | | | | | | | | |
| | Grand Total * | 83,081,852 | 6,899,813 | 0 | 2,059,088 | 173 | 258,200 | 258,654 | 14,675 | 87,937,880 |

Note: * The grand total of beginning and ending balances must agree to Line 17, Page 12.

** Corporate Depreciation Allocation of \$894,783 is not included in Accumulated Depreciation since the assets reside on the corporate books.

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

| | |
|--|---|
| <p>1. Report below descriptions and balances at end of year of projects in process of construction (107).</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,</p> | <p>Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$500,000) may be grouped.</p> |
|--|---|

| Line No. | Description of Project (a) | Construction Work in Progress-Gas (Account 107) (b) | Estimated Additional Cost of Project (c) |
|----------|--|--|---|
| 1 | Incomplete Distribution Systems in Dade, Port St. Lucie and Brevard County | 4,186,714 | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |

CONSTRUCTION OVERHEADS-GAS

| | |
|--|--|
| <p>1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed</p> | <p>and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.</p> <p>3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.</p> |
|--|--|

| Line No. | Description of Overhead (a) | Total Amount Charged for the Year (b) | Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c) |
|----------|--------------------------------|--|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | TOTAL | | |

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

| Line No. | Nature of Prepayment (a) | Balance at End of Year (In Dollars) (b) |
|----------|-------------------------------------|--|
| 1 | Prepaid Insurance | 18,759 |
| 2 | Prepaid Rents | |
| 3 | Prepaid Taxes | |
| 4 | Prepaid Interest | |
| 5 | Gas Prepayments | |
| 6 | Miscellaneous Prepayments: Pensions | |
| 7 | | |
| 8 | TOTAL | 18,759 |

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

| Line No. | Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a) | Total Amount of Loss (b) | Losses Recognized During Year (c) | WRITTEN OFF DURING YEAR | | Balance at End of Year (f) |
|----------|--|-----------------------------|--------------------------------------|-------------------------|---------------|-------------------------------|
| | | | | Account Charged (d) | Amount (e) | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | TOTAL | | | | | 0 |

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

| Line No. | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a) | Total Amount of Charges (b) | Costs Recognized During Year (c) | WRITTEN OFF DURING YEAR | | Balance at End of Year (f) |
|----------|--|--------------------------------|-------------------------------------|-------------------------|---------------|-------------------------------|
| | | | | Account Charged (d) | Amount (e) | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | TOTAL | | | | | 0 |

OTHER REGULATORY ASSETS (Account 182.3)

| | |
|--|--|
| <p>1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).</p> | <p>2. For regulatory assets being amortized, show period of amortization in column (a). 3. Minor items (amounts less than \$25,000) may be grouped by classes.</p> |
|--|--|

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance Beginning of Year (b) | Debits (c) | Credits | | Balance End of Year (f) |
|----------|--|-------------------------------|------------|---------------------|-------------|-------------------------|
| | | | | Account Charged (d) | Amounts (e) | |
| 1 | Conversion Cost (1) | 464,267 | 11,459 | 407 | 88,163 | 387,563 |
| 2 | Deferred Piping (1) | 631,492 | 168,707 | 912 | 242,204 | 557,995 |
| 3 | Energy Conservation Program | (574,241) | 583,052 | 909 | 62,361 | (53,550) |
| 4 | 2003 Rate Case (2) | 306,933 | 188,319 | 928 | 147,928 | 347,324 |
| 5 | | | | | | |
| 6 | 2000 Rate Case (2) | 100,601 | 0 | 928 | 7,117 | |
| 7 | (balance combined with 2003 rate case amortization) | | | 182.3 | 93,484 | 0 |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | (1) Amortization period - 10 years | | | | | |
| 11 | (2) Rate case amortization - 3 years | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | TOTAL | 929,052 | 951,537 | | 641,257 | 1,239,332 |

MISCELLANEOUS DEFERRED DEBITS (Account 186)

| | |
|---|---|
| <p>1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a).</p> | <p>3. Minor items (amounts less than \$25,000) may be grouped by classes.</p> |
|---|---|

| Line No. | Description of Miscellaneous Deferred Debit (a) | Balance Beginning of Year (b) | Debits (c) | Account Charged (d) | Amount (e) | Balance End of Year (f) |
|----------|---|-------------------------------|------------|---------------------|------------|-------------------------|
| 1 | Deferred Pension Costs | (485,082) | | 926 | 984,542 | (1,469,624) |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | Misc. Work in Progress | 47 | | | | 3,169 |
| 18 | Deferred Regulatory Comm. Expenses | | | | | |
| 19 | TOTAL | (485,035) | | | | (1,466,455) |

**SECURITIES ISSUED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

- | | |
|--|--|
| <p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.</p> | <p>and gains or losses relating to securities retired or refunded.</p> <p>3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p> |
|--|--|

As authorized in BPU docket No. GF94090418, on February 16, 1995, NUI issued \$50,000,000 of Medium-Term Notes at an interest rate of 8.35%, of which \$30,000,000 was allocated to Florida City Gas.

On September 29, 2004, the Company extinguished its \$30,000,000 of Medium-Term Notes with the proceeds of NUI Utilities' \$50 million delayed draw term facility. As a result, a loss on the early extinguishment of debt of approximately \$0.6 million was recorded. Refer to the Notes to Financial Statements for further information.

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

- | | |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with</p> | <p>General Instruction 17 of the Uniform Systems of Accounts</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.</p> |
|--|--|

| Line No. | Designation of Long-Term Debt (a) | Date Reacquired (b) | Principal of Debt Reacquired (c) | Net Gain or Net Loss (d) | Balance at Beginning of Year (e) | Balance at End of Year (f) |
|----------|--------------------------------------|------------------------|-------------------------------------|-----------------------------|-------------------------------------|-------------------------------|
| 1 | N/A | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
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| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

| | |
|--|---|
| <p>1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated</p> | <p>companies from which advances were received.</p> <p>3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> |
|--|---|

| Line No. | Class and Series of Obligation (a) | Nominal Date of Issue (b) | Date of Maturity (c) | Original Amount Issued (d) | Interest for Year | | Total Amount Outstanding (g) |
|----------|--|------------------------------|-------------------------|-------------------------------|--------------------|---------------|---------------------------------|
| | | | | | Rate (in %) (e) | Amount (f) | |
| 1 | Bonds (221): | | | | | | |
| 2 | Brevard Industrial Revenue Bonds | 7/15/1994 | 10/1/2024 | 20,000,000 | 6.4 | 1,280,000 | 20,000,000 |
| 3 | Interest on Brevard Industrial Rev. Bonds | | | | | (7,336) | |
| 4 | | | | | | | |
| 5 | Other Long Term Debt (224): | | | | | | |
| 6 | Medium Term Notes Series A | 2/16/1995 | 2/1/2005 | 30,000,000 | 8.35 | 1,878,750 | 0 * |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | Intercompany Long Term Note | 1/01/2005 | 1/1/2035 | 25,209,352 | 6.26 ** | 0 | 25,209,352 |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | * The Outstanding amount of \$30,000,000 was extinguished on September 29, 2004. | | | | | | |
| 16 | ** Variable interest based on AGL's Long Term Debt weighted average cost. | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | TOTAL | | | 75,209,352 | | 3,151,414 | 45,209,352 |

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

| | |
|---|---|
| <p>1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.</p> <p>2. Show premium amounts by enclosing the figures in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> | <p>5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.</p> <p>6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.</p> <p>7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.</p> |
|---|---|

| Line No. | Designation of Long-Term Debt (a) | Principal Amount of Debt issued (b) | Total Expense Premium or Discount (c) | Amortization Period | | Balance at beginning of Year (f) | Debits (Credits) During Year (g) | Balance at End of Year (h) |
|----------|--------------------------------------|--|--|---------------------|----------------|-------------------------------------|-------------------------------------|-------------------------------|
| | | | | Date From (d) | Date To (e) | | | |
| 1 | | | | | | | | |
| 2 | Brevard Industrial Revenue Bonds: | 20,000,000 | | | | | | |
| 3 | Unamortized Debt Discount (226) | | 378,800 | 1994 | 2024 | 261,201 | (12,588) | 248,613 |
| 4 | | | | | | | | |
| 5 | Unamortized Debt Expenses (181) | | 647,899 | 1994 | 2024 | 479,988 | (23,132) | 456,856 |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | Medium Term Notes (181) | 30,000,000 | 416,931 | 1995 | 2005 | 50,062 | (50,062) | 0 |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

| 1. Describe and report the amount of other current and accrued liabilities at the end of year. | | 2. Minor items (less than \$50,000) may be grouped under appropriate title. |
|--|----------------------------------|---|
| Line No. | Item | Balance at End of Year |
| 1 | Customer Account credit balances | 293,670 |
| 2 | Bell South invoices | 16,537 |
| 3 | Restructuring expense | 2,664 |
| 4 | Bonuses | 2,138 |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | TOTAL | 315,009 |

OTHER DEFERRED CREDITS (Account 253)

| 1. Report below the particulars (details) called for concerning other deferred credits. | | | | | | |
|---|--|-------------------------------|--------------------|--------------|---------------|-------------------------|
| 2. For any deferred credit being amortized, show the period of amortization. | | | | | | |
| 3. Minor items (less than \$25,000) may be grouped by classes. | | | | | | |
| Line No. | Description of Other Deferred Credit (a) | Balance Beginning of Year (b) | DEBITS | | Credits (e) | Balance End of Year (f) |
| | | | Contra Account (c) | Amount (d) | | |
| 1 | Compensation stock | 27,501 | 870 | | 23,372 | 0 |
| 2 | | | 416.2 | 1,961 | 6,090 | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | TOTAL | 27,501 | | 1,961 | 29,462 | |

OTHER REGULATORY LIABILITIES (Account 254)

| 1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts). | | | 2. For regulatory liabilities being amortized, show period of amortization in column (a). | | | |
|--|---|-------------------------------|---|---------------|----------------|-------------------------|
| | | | 3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes. | | | |
| Line No. | Description and Purpose of Other Regulatory Liabilities (a) | Balance Beginning of Year (b) | Debits | | Credits (d) | Balance End of Year (e) |
| | | | Contra Account (b) | Amount (c) | | |
| 1 | SFAS #109 Liability | 331,042 | 410.1 | 19,260 | 119,844 | 93,238 |
| 2 | | | 190 | 11,616 | 148,836 | |
| 3 | | | | | | |
| 4 | ARO Liability | 280,764 | 108 | 49,800 | | 330,564 |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | TOTAL | 611,806 | | 80,676 | 268,680 | |

| Name of Respondent | | | | | | | | | | | For the Year Ended | | | |
|--|---|---------------|----------------------------|------------------------------|------------------|----------------|----------------------------|-----------------------|-----------|---------|--------------------|--|--|--|
| PIVOTAL UTILITY HOLDINGS, INC. | | | | | | | | | | | Dec. 31, 2004 | | | |
| D/B/A FLORIDA CITY GAS | | | | | | | | | | | | | | |
| TAXES OTHER THAN INCOME TAXES (Account 408.1) | | | | | | | | | | | | | | |
| Line No. | Name of Taxing Authority | Real Property | Tangible Personal Property | Intangible Personal Property | FICA, SUTA, FUTA | Gross Receipts | Regulatory Assessment Fees | Environmental, Excise | Franchise | Other* | Total | | | |
| | | | | | | | | | | | | | | |
| 1 | U.S. Government | 0 | 0 | 0 | 631,140 | 0 | 0 | 0 | 0 | 0 | 631,140 | | | |
| 2 | State of Florida | 0 | 1,843,312 | 0 | 0 | 1,588,216 | 418,720 | 0 | 2,122,436 | 105,444 | 6,078,128 | | | |
| 3 | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | |
| 15 | Less: Charged to Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 16 | TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1 | 0 | 1,843,312 | 0 | 631,140 | 1,588,216 | 418,720 | 0 | 2,122,436 | 105,444 | 6,709,268 | | | |
| Note: *List separately each item in excess of \$500. | | | | | | | | | | | | | | |

| ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) | | | | | | | | | | |
|--|--------------------------|-------------------------------|------------------------------|---------------|--------------------------------------|--|-----------------|-------------------------|--|-------|
| Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f). | | | | | | | | | | |
| Line No. | Account Subdivisions (a) | Balance Beginning of Year (b) | Amount Deferred for Year (c) | Acct. No. (d) | Allocations to Current Year's Income | | Adjustments (f) | Balance End of Year (g) | Average Period of Allocation to Income (h) | Notes |
| | | | | | Amount (e) | | | | | |
| 1 | Gas Utility | | | | | | | | | |
| 2 | 3% | | | | | | | | | |
| 3 | 4% | 21,444 | | 411.4 | 10,729 | | | 10,715 | | |
| 4 | 7% | | | | | | | | | |
| 5 | 10% | 456,009 | | 420 | 115,764 | | | 340,245 | | |
| 6 | 8% | 15,120 | | 411.4 | 1,259 | | | 13,861 | | |
| 7 | | | | | | | | | | |
| 8 | | | | | | | | | | |
| 9 | | | | | | | | | | |
| 10 | TOTAL | 492,573 | | | 127,752 | | | 364,821 | | |

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. At Other (Specify), include deferrals relating to other income and deductions.
 2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

| Line No. | Balance at Beginning of Year | Changes During Year | | | Adjustments | | | Balance at End of Year |
|----------|------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------|---------------------|------------------------|
| | | Amounts Debited to Account 410.1 | Amounts Credited to Account 411.1 | Amounts Debited to Account 410.2 | Amounts Credited to Account 411.2 | Debits Account No. | Credits Account No. | |
| 1 | | | | | | | | |
| 2 | | 344,955 | | | | | | 196,119 |
| 3 | | (32,906) | | | | | | (21,290) |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | 312,049 | | | | | | 174,829 |
| 12 | | | | | | | 254 | |
| 13 | | | | | | | 254 | |
| | | | | | | | | 137,220 |
| | | | | | | | | 174,829 |

Notes

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

| Line No. | Balance at Beginning of Year | Changes During Year | | | Adjustments | | | Balance at End of Year |
|----------|------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------|---------------------|------------------------|
| | | Amounts Debited to Account 410.1 | Amounts Credited to Account 411.1 | Amounts Debited to Account 410.2 | Amounts Credited to Account 411.2 | Debits Account No. | Credits Account No. | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | 17,743,362 | | 308,150 | | | | 17,435,212 |
| 9 | | | | | | | | |
| 10 | | 17,743,362 | | 308,150 | | | | 17,435,212 |
| 11 | | | | | | | | |
| 12 | | (2,115,615) | | | | | | (2,426,094) |
| 13 | | | | | | | | |
| 14 | | (2,115,615) | | 310,479 | | | | (2,426,094) |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | 13,822,320 | | | | | | 12,888,789 |
| 18 | | 1,805,427 | | 55,182 | | | 236 | 2,110,329 |
| 19 | | | | | | | | |
| 20 | | 15,627,747 | | 55,182 | | | 249,720 | 15,009,118 |
| 21 | | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | 15,627,747 | | 618,629 | | | 0 | 15,009,118 |

Notes

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended

Dec. 31, 2004

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
 FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

| Line No. | Particulars (Details) (a) | Amount (b) |
|----------|--|----------------------|
| 1 | Net Income for the Year (Page 9) | See Page 25-A |
| 2 | Reconciling Items for the Year | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | Income Recorded on Books Not Included in Return | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | Deductions on Return Not Charged Against Book Income | |
| 27 | | |
| 28 | | |
| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | Federal Tax Net Income | |
| 35 | Show Computation of Tax: | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |

| | | | |
|--|--|--------------------------------|----------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
| | (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | June 1, 2005 | Dec. 31, 2004 |

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

| | | |
|--|-------------|----------------------|
| Net Income/(Loss) for the Year Ended December 31, 2004 | | (148,222) |
| Less: Net Income/(Loss) for Three Months Ended 12-31-2004 | | (195,331) |
| Plus: Net Income/(Loss) for Three Months Ended 12-31-2003 | | (443,420) |
| Net Income/(Loss) for Fiscal Year Ended September 30, 2004 | | (396,311) |
| Adjustments For Federal Income Tax Purposes | | |
| Income on Return Not on Books: | | |
| Contributions in Aid of Construction | | 2,480 |
| Expenses Booked Not Recorded on Return: | | |
| Current Federal Income Taxes | (489,168) | |
| Deferred Federal Income Taxes | 165,569 | |
| Amortization of Deferred Investment Tax Credits | (127,752) | |
| Regulatory Settlement Costs | 0 | |
| Unrecovered Gas Costs | (1,580,044) | |
| Plant Acquisition Adjustment Amortization | 258,242 | |
| Excess Energy Tax Payments Over Book Accruals | 0 | |
| Bad Debts | 348,782 | |
| Rate Case | (98,664) | |
| Debt Retirement Costs | 0 | |
| Section 263A Inventory Costs | 0 | |
| Director's Retainers | 0 | |
| Meals and Entertainment | 0 | |
| Injuries And Damages Analysis | (184,834) | |
| Moving Costs | 0 | (1,707,869) |
| Deductions on Return Not Charged Against Book Income: | | |
| Excess of allowable depreciation over that charged to depreciation and other book expenses | (1,654,104) | |
| Conservation Analysis | 0 | |
| Expenditures for Service on Customer Premises | 0 | |
| Cost of Removal | 75,051 | |
| Deductible Pension Funding Variance From Expense | 421,210 | |
| Contributions | 0 | |
| Stock Grants | 0 | |
| Expense Corrosion Control | 0 | |
| Expenditures For (Net of Amortization) | | |
| Environmental Clean-Up | 0 | |
| Meter Lease | (451,550) | |
| Consumer Education | 0 | |
| Transportation Initiation Costs | 0 | |
| Deferred Compensation | (149,418) | (1,758,811) |
| Total Net Adjustments for Federal Income Tax Purposes | | (3,464,200) |
| Federal Taxable Income | | <u>(\$3,860,511)</u> |
| Show Computation to Tax (Note 1) | | |
| Federal Taxable Income | | <u>(\$3,860,511)</u> |
| 35% of Federal Taxable Income | | (1,351,179) |
| Accrual to return and other adjustments | | 862,011 |
| Current Federal Income Taxes at September 30, 2004 | | <u>(\$489,168)</u> |

Note 1: Florida City Gas is included in the consolidated tax return of NUI Corporation which also includes its operating divisions which do business as Elkton Gas Service, North Carolina Gas Service, Valley Cities Gas Services, Waverly Gas Service Company, and NUI Ventures and its subsidiaries, NUI Capital, NUI Energy, Inc., NUI Energy Brokers, NUI Environmental Group, Utility Billing Services, NUI Energy Solutions, NUI Telecom, NUI Sales Management and Virginia Gas Co.

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended

Dec. 31, 2004

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
4. Report gas service revenues and therms sold by rate schedule.
5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

| Line No. | Title of Account (a) | Operating Revenues | | Therms of Natural Gas Sold | | Avg. No. of Natural Gas Customers Per Mo. | |
|----------|---|---------------------|------------------------------|----------------------------|--------------------|---|-------------------|
| | | Amount for Year (b) | Amount for Previous Year (c) | Current Year (d) | Previous Year (e) | Current Year (f) | Previous Year (g) |
| 1 | Gas Service Revenues | | | | | | |
| 2 | Firm Sales Service | | | | | | |
| 3 | 480 - Residential Sales | 39,759,008 | 36,311,581 | 19,193,451 | 19,234,020 | 95,680 | 95,916 |
| 4 | 481 - Commercial & Industrial Sales | 27,737,664 | 22,325,560 | 22,003,874 | 20,142,930 | 4,011 | 3,855 |
| 5 | 481 | | | | | | |
| 6 | 481 | | | | | | |
| 7 | 481 | | | | | | |
| 8 | 481 | | | | | | |
| 9 | Interruptible Sales Service | | | | | | |
| 10 | 481 - | | | | | | |
| 11 | 481 - | | | | | | |
| 12 | Firm Transportation Service | | | | | | |
| 13 | 489 - Commercial & Industrial Transp. | 14,664,337 | 13,457,861 | 56,481,470 | 64,702,133 | 1,577 | 1,668 |
| 14 | 489 | | | | | | |
| 15 | 489 | | | | | | |
| 16 | Interruptible Transportation Serv. | | | | | | |
| 17 | 489 - Industrial | | | | | | |
| 18 | 489 | | | | | | |
| 19 | 482 Other Sales to Public Authorities | | | | | | |
| 20 | 484 Flex Rate - Refund | | | | | | |
| 21 | TOTAL Sales to Ultimate Consumers | 82,161,009 | 72,095,002 | 97,678,795 | 104,079,083 | 101,268 | 101,439 |
| 22 | 483 Sales for Resale | | | | | | |
| 23 | Off-System Sales | 23,078 | 37,348,799 | 0 | 62,040,370 | | |
| 24 | TOTAL Nat. Gas Service Revenues | 82,184,087 | 109,443,801 | | | | |
| 25 | TOTAL Gas Service Revenues | 82,184,087 | 109,443,801 | | | | |
| 26 | Other Operating Revenues | | | | | | |
| 27 | 485 Intracompany Transfers | | | | | | |
| 28 | 487 Forfeited Discounts | | | | | | |
| 29 | 488 Misc. Service Revenues | 2,529,064 | 1,349,694 | | | | |
| 30 | 489 Rev. from Trans. of Gas of Others | | | | | | |
| 31 | not included in above rate schedules) | | | | | | |
| 32 | 493 Rent from Gas Property | | | | | | |
| 33 | 494 Interdepartmental Rents | | | | | | |
| 34 | 495 Other Gas Revenues | | | | | | |
| 35 | Initial Connection | | | | | | |
| 36 | Reconnect for Cause | | | | | | |
| 37 | Collection in lieu of disconnect | | | | | | |
| 38 | Returned Check | | | | | | |
| 39 | Other | (1,240,428) | (1,031,583) | | | | |
| 40 | 495.1 Overrecoveries Purchased Gas | 438,935 | 766,181 | | | | |
| 41 | TOTAL Other Operating Revenues | 1,727,571 | 1,084,292 | | | | |
| 42 | TOTAL Gas Operating Revenues | 83,911,658 | 110,528,093 | | | | |
| 43 | (Less) 496 Provision for Rate Refunds | 0 | 0 | | | | |
| 44 | TOTAL Gas Operating Revenues Net of Provision for Refunds | 83,911,658 | 110,528,093 | | | | |
| 45 | Sales for Resale | | | | | | |
| 46 | Other Sales to Public Authority | | | | | | |
| 47 | Interdepartmental Sales | | | | | | |
| 48 | TOTAL | \$83,911,658 | \$110,528,093 | 97,678,795 | 166,119,453 | | |

Notes

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended

Dec. 31, 2004

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

| Line No. | Account | Amount for Current Year | Amount for Previous Year |
|----------|--|-------------------------|--------------------------|
| 1 | 1. Production Expenses | | |
| 2 | A. TOTAL Manufactured Gas Production (Total of Accounts 700-742) | | |
| 3 | B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769) | | |
| 4 | C. TOTAL Products Extraction (Total of Accounts 770 through 791) | | |
| 5 | D. TOTAL Exploration and Development (Total of Accts. 795 through 798) | | |
| 6 | E. Other Gas Supply Expenses | | |
| 7 | Operation | | |
| 8 | 800 Natural Gas Well Head Purchases | | |
| 9 | 800.1 Natural Gas Well Head Purchases, Intracompany Transfers | | |
| 10 | 801 Natural Gas Field Line Purchases | | |
| 11 | 802 Natural Gas Gasoline Plant Outlet Purchases | | |
| 12 | 803 Natural Gas Transmission Line Purchases | | |
| 13 | 804 Natural Gas City Gate Purchases | 33,067,138 | 28,633,771 |
| 14 | 804.1 Liquefied Natural Gas Purchases | | |
| 15 | 805 Other Gas Purchases | 0 | 36,740,898 |
| 16 | 805.1 Purchased Gas Cost Adjustments - Debit/(Credit) | | |
| 17 | TOTAL Purchased Gas (Total of Lines 8 to 16) | 33,067,138 | 65,374,669 |
| 18 | 806 Exchange Gas | | |
| 19 | Purchased Gas Expenses | | |
| 20 | 807.1 Well Expenses--Purchased Gas | | |
| 21 | 807.2 Operation of Purchased Gas Measuring Stations | | |
| 22 | 807.3 Maintenance of Purchased Gas Measuring Stations | | |
| 23 | 807.4 Purchased Gas Calculations Expenses | | |
| 24 | 807.5 Other Purchased Gas Expenses | | |
| 25 | TOTAL Purchased Gas Expenses (Total of lines 20 through 24) | | |
| 26 | 808.1 Gas Withdrawn from Storage--Debit | | |
| 27 | (Less) 808.2 Gas Delivered to Storage--Credit | | |
| 28 | 809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit | | |
| 29 | (Less) 809.2 Deliveries of Natural Gas for Processing--Credit | | |
| 30 | Gas Used in Utility Operations--Credit | | |
| 31 | 810 Gas Used for Compressor Station Fuel--Credit | | |
| 32 | 811 Gas Used for Products Extraction--Credit | | |
| 33 | 812 Gas Used for Other Utility Operations--Credit | (19,283) | 40,574 |
| 34 | TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33) | (19,283) | 40,574 |
| 35 | 813 Other Gas Supply Expenses | | |
| 36 | TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35) | 33,047,855 | 65,415,243 |
| 37 | TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36) | 33,047,855 | 65,415,243 |
| 38 | 2. Natural Gas Storage, Terminating and Processing Expenses | | |
| 39 | A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837) | | |
| 40 | B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9) | | |
| 41 | C. TOTAL Liquefied Nat Gas Terminating & Processing Expenses (Total of Accounts 844.1 through 847.8) | | |
| 42 | TOTAL Natural Gas Storage (Total of lines 39, 40, and 41) | | |
| 43 | 3. Transmission Expenses | | |
| 44 | TOTAL Transmission Expenses (Total of Accounts 850 through 867) | | |
| 45 | | | |
| 46 | | | |

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended
 Dec. 31, 2004 -

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

| Line No. | Account | Amount for Current Year | Amount for Previous Year |
|----------|--|-------------------------|--------------------------|
| 47 | 4. Distribution Expenses | | |
| 48 | Operation | | |
| 49 | 870 Operation Supervision and Engineering | 873,308 | 1,021,379 |
| 50 | 871 Distribution Load Dispatching | | |
| 51 | 872 Compressor Station Labor and Expenses | | |
| 52 | 873 Compressor Station Fuel and Power | | |
| 53 | 874 Mains and Services Expenses | 2,152,481 | 1,864,492 |
| 54 | 875 Measuring and Regulating Station Expenses--General | 486,225 | 46,288 |
| 55 | 876 Measuring and Regulating Station Expenses--Industrial | | |
| 56 | 877 Measuring and Regulating Station Expenses--City Gate Check Station | 375 | 744 |
| 57 | 878 Meter and House Regulator Expenses | 704,164 | 597,838 |
| 58 | 879 Customer Installations Expenses | 139,238 | 97,026 |
| 59 | 880 Other Expenses | 1,495,869 | 1,510,834 |
| 60 | 881 Rents | | |
| 61 | TOTAL Operation (Total of lines 49 through 60) | 5,851,660 | 5,138,601 |
| 62 | Maintenance | | |
| 63 | 885 Maintenance Supervision and Engineering | 95,311 | 96,067 |
| 64 | 886 Maintenance of Structures and Improvements | 4,771 | 6,450 |
| 65 | 887 Maintenance of Mains | 247,310 | 375,719 |
| 66 | 888 Maintenance of Compressor Station Equipment | | |
| 67 | 889 Maintenance of Meas. and Reg. Sta. Equip.--General | 2,250 | 2,024 |
| 68 | 890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial | 77,569 | 69,528 |
| 69 | 891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station | 73,622 | 84,734 |
| 70 | 892 Maintenance of Services | 209,931 | 121,676 |
| 71 | 893 Maintenance of Meters and House Regulators | 188,376 | 213,157 |
| 72 | 894 Maintenance of Other Equipment | 9,081 | 14,691 |
| 73 | TOTAL Maintenance (Total of Lines 63 through 72) | 908,221 | 984,046 |
| 74 | TOTAL Distribution Expenses (Total of Lines 61 and 73) | 6,759,881 | 6,122,647 |
| 75 | 5. Customer Accounts Expenses | | |
| 76 | Operation | | |
| 77 | 901 Supervision | 457,708 | 422,045 |
| 78 | 902 Meter Reading Expenses | 516,410 | 487,206 |
| 79 | 903 Customer Records and Collection Expenses | 3,258,175 | 3,097,529 |
| 80 | 904 Uncollectible Accounts | 439,761 | 1,104,443 |
| 81 | 905 Miscellaneous Customer Accounts Expenses | | |
| 82 | TOTAL Customer Accounts Expenses (Total of Lines 77 through 81) | 4,672,054 | 5,111,223 |
| 83 | 6. Customer Service and Informational Expenses | | |
| 84 | Operation | | |
| 85 | 907 Supervision | | |
| 86 | 908 Customer Assistance Expenses | | |
| 87 | 909 Informational and Instructional Expenses | 2,712,129 | 2,823,354 |
| 88 | 910 Miscellaneous Customer Service and Informational Expenses | | |
| 89 | TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88) | 2,712,129 | 2,823,354 |
| 90 | 7. Sales Expenses | | |
| 91 | Operation | | |
| 92 | 911 Supervision | 172,749 | 252,896 |
| 93 | 912 Demonstrating and Selling Expenses | 791,703 | 620,199 |
| 94 | 913 Advertising Expenses | 15,044 | 18,740 |
| 95 | 916 Miscellaneous Sales Expenses | 406,618 | 79,494 |
| 96 | TOTAL Sales Expenses (Total of lines 92 through 95) | 1,386,114 | 971,329 |
| 97 | | | |

Name of Respondent
PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS

For the Year Ended
Dec. 31, 2004

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

| Line No. | Account | Amount for Current Year | Amount for Previous Year |
|-----------|---|-------------------------|--------------------------|
| 98 | 8. Administrative and General Expenses | | |
| 99 | Operation | | |
| 100 | 920 Administrative and General Salaries | 734,823 | 316,542 |
| 101 | 921 Office Supplies and Expenses | 2,809,166 | 1,765,066 |
| 102 | (Less) (922) Administrative Expenses Transferred--Credit | | |
| 103 | 923 Outside Services Employed | 4,638,220 | 7,300,261 |
| 104 | 924 Property Insurance | 34,750 | 27,638 |
| 105 | 925 Injuries and Damages | 753,027 | 713,996 |
| 106 | 926 Employee Pensions and Benefits | 2,737,571 | 5,138,266 |
| 107 | 927 Franchise Requirements | | |
| 108 | 928 Regulatory Commission Expenses | 155,045 | 85,404 |
| 109 | (Less) (929) Duplicate Charges--Credit | | |
| 110 | 930.1 General Advertising Expenses | | |
| 111 | 930.2 Miscellaneous General Expenses | 602 | 860 |
| 112 | 931 Rents | 121,156 | 116,202 |
| 113 | TOTAL Operation (Total of lines 100 through 112) | 11,984,360 | 15,464,235 |
| 114 | Maintenance | | |
| 115 | 935 Maintenance of General Plant | | |
| 116 | TOTAL Administrative and General Expense (Total of lines 113 and 115) | 11,984,360 | 15,464,235 |
| 117 | | | |
| 118 | TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116) | 60,562,393 | 95,908,031 |
| 119 | | | |
| 120 | | | |

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

| | | |
|----|--|------------|
| 1 | | |
| 2 | 1. Payroll Period Ended (Date) | 12/31/2004 |
| 3 | 2. Total Regular Full-Time Employees | 191 |
| 4 | 3. Total Part-Time and Temporary Employees | 14 |
| 5 | 4. Total Employees | 205 |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended
 Dec. 31, 2004

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)

1. Provide totals for the following accounts:

- 800 - Natural Gas Well Head Purchases
- 800.1- Natural Gas Well Head Purchases
 Intracompany Transfers
- 801 - Natural Gas Field Line Purchases
- 802 - Natural Gas Gasoline Plant Outlet Purchases
- 803 - Natural Gas Transmission Line Purchases
- 804 - Natural Gas City Gate Purchases
- 804.1- Liquefied Natural Gas Purchases
- 805 - Other Gas Purchases
- 805.1- Purchases Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.
 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.
 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).
 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

| Line No. | Account Title (a) | Gas Purchased- Therms (14.73 psia 60 F) (b) | Cost of Gas (In dollars) (c) | Average Cost Per Therm (To nearest .01 of a cent) (d) |
|----------|---|--|------------------------------------|--|
| 1 | 800 - Natural Gas Well Head Purchases | | | |
| 2 | 800.1 - Natural Gas Well Head Purchases, Intracompany Transfers | | | |
| 3 | 801 - Natural Gas Field Line Purchases | | | |
| 4 | 802 - Natural Gas Gasoline Plant Outlet Purchases | | | |
| 5 | 803 - Natural Gas Transmission Line Purchases | | | |
| 6 | 804 - Natural Gas City Gate Purchases | 38,530,523 | 33,067,138 | \$0.85821 |
| 7 | 804.1 - Liquefied Natural Gas Purchases | | | |
| 8 | 805 - Other Gas Purchases | | | |
| 9 | 805.1 - Purchased Gas Cost Adjustments | | | |
| 10 | TOTAL (Total of lines 1 through 9) | 38,530,523 | 33,067,138 | \$0.85821 |

Notes to Gas Purchases

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

- 1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
- 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
- 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.

- 4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
- 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

| Line No. | Purpose for Which Gas Was Used (a) | Account Charged (b) | Therms of Gas Used (c) | Natural Gas Amount of Credit (d) |
|----------|--|------------------------|---------------------------|-------------------------------------|
| 1 | 812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.) | | | |
| 2 | | | | |
| 3 | Other General Use | 401 | 24,996 | 19,281 |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | TOTAL | | 24,996 | 19,281 |

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186
4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

| Line No. | Description (Name of regulatory commission, the docket number, and a description of the case.) (a) | Total Expenses to Date (b) | Deferred in Account 186 Beginning of Year (c) | Expenses Incurred During Year | | Deferred to Account 186 (f) | Amortized During Year | | Deferred in Account 186 End of Year (i) |
|----------|--|-------------------------------|--|---|---------------|--------------------------------|-----------------------|---------------|--|
| | | | | Charged Currently to Account No. (d) | Amount (e) | | Contra Account (g) | Amount (h) | |
| 1 | Docket 000768-GU - 2000 Rate Case | | 100,601 | | | (93,484) | 928 | 7,117 | 0 |
| 2 | Docket 030569-GU - 2003 Rate Case | | 306,933 | | | 188,320 | 928 | 147,928 | 347,325 |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
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| 10 | | | | | | | | | |
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| 12 | | | | | | | | | |
| 13 | | | | | | | | | |
| 14 | | | | | | | | | |
| 15 | | | | | | | | | |
| 16 | | | | | | | | | |
| 17 | TOTAL | 0 | 407,534 | | 0 | 94,836 | | 155,045 | 347,325 |

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

| Line No. | Description (a) | Amount (b) |
|----------|--|---------------|
| 1 | Industry Association Dues | |
| 2 | Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other | |
| 3 | Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent. | |
| 4 | Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown.) | \$602 |
| 5 | | |
| 6 | | |
| 7 | | |
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| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | TOTAL | \$602 |

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll Charged for Clearing Accounts (c) | Total (d) |
|----------|---|---------------------------------|---|------------------|
| 1 | Electric | | | |
| 2 | TOTAL Operation and Maintenance - Electric | | | |
| 3 | Gas | | | |
| 4 | Operation | | | |
| 5 | Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing | | | |
| 6 | Transmission | | | |
| 7 | Distribution | 3,473,924 | | |
| 8 | Customer Accounts | 2,479,599 | | |
| 9 | Customer Service and Informational | 478,925 | | |
| 10 | Sales | 465,624 | | |
| 11 | Administrative and General | 723,820 | | |
| 12 | TOTAL Operation (Total of lines 5 through 11) | 7,621,892 | | |
| 13 | Maintenance | | | |
| 14 | Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing | | | |
| 15 | Transmission | | | |
| 16 | Distribution | 290,236 | | |
| 17 | Administrative and General | | | |
| 18 | TOTAL Maintenance (Total of lines 14 through 17) | 290,236 | | |
| 19 | Total Operation and Maintenance | 7,912,128 | | |
| 20 | Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing | | | |
| 21 | Transmission (Enter Total of lines 6 and 15) | | | |
| 22 | Distribution (Total of lines 7 and 16) | 3,764,160 | | |
| 23 | Customer Accounts (Transcribe from line 8) | 2,479,599 | | |
| 24 | Customer Service and Informational (Transcribe from line 9) | 478,925 | | |
| 25 | Sales (Transcribe from line 10) | 465,624 | | |
| 26 | Administrative and General (Total of lines 11 and 17) | 723,820 | | |
| 27 | TOTAL Operation and Maint. (Total of lines 20 through 26) | 7,912,128 | 413,849 | 8,325,977 |
| 28 | Other Utility Departments | | | |
| 29 | Operation and Maintenance | | | |
| 30 | TOTAL All Utility Dept. (Total of lines 2, 27, and 29) | | | |
| 31 | Utility Plant | | | |
| 32 | Construction (By Utility Departments) | | | |
| 33 | Electric Plant | | | - |
| 34 | Gas Plant | 511,819 | - | 511,819 |
| 35 | Other | | | - |
| 36 | TOTAL Construction (Total of lines 33 through 35) | 511,819 | - | 511,819 |
| 37 | Plant Removal (By Utility Department) | | | |
| 38 | Electric Plant | | - | - |
| 39 | Gas Plant | 23,912 | - | 23,912 |
| 40 | Other | | - | - |
| 41 | TOTAL Plant Removal (Total of lines 38 through 40) | 23,912 | - | 23,912 |
| 42 | | | | |
| 43 | Other Accounts (Specify): | | | |
| 44 | Reimbuseable Projects | 13 | - | 13 |
| 45 | | | | - |
| 46 | | | | - |
| 47 | | | | - |
| 48 | | | | - |
| 49 | | | | - |
| 50 | | | | - |
| 51 | | | | - |
| 52 | | | | - |
| 53 | TOTAL Other Accounts | | | 13 |
| 54 | TOTAL SALARIES AND WAGES | <u>8,447,872</u> | <u>413,849</u> | <u>8,861,721</u> |

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services,
(b) description of services received,
(c) basis of charges,
(d) total charges for the year, detailing account charged.

2. For any services which are of a continuing nature, give the date and term of contract.

3. Designate with an asterisk associated companies.

| | Description | Amount |
|----|--|-----------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | Mark Casaday Services | 101,625 |
| 5 | Blake & Associates Services | 44,722 |
| 6 | Hatch Mott McDonald I & E Services | 33,043 |
| 7 | Nivia Novo Schwartz, CPA, PA Services | 31,683 |
| 8 | Jeffrey Householder & Co. Services | 30,186 |
| 9 | Ty Lin HJ Ross Services | 29,034 |
| 10 | Atlantic Risk Consultants Services | 28,700 |
| 11 | | |
| 12 | | |
| 13 | Marketing Talent Network Marketing | 55,443 |
| 14 | | |
| 15 | Morgan Lewis & Bockius, LLP Legal Services | 201,060 |
| 16 | Hopping Green Sams & Smith Legal Services | 88,292 |
| 17 | | |
| 18 | | |
| 19 | Itron, Inc IT Services | 303,345 |
| 20 | | |
| 21 | Mueller Construction Contractor | 5,051,057 |
| 22 | Henkels & McCoy Contractor | 2,016,231 |
| 23 | Southeast Corrosion Contractor | 235,504 |
| 24 | URS Corp Contractor | 135,859 |
| 25 | WJ Miranda Construction Contractor | 94,800 |
| 26 | Sunshine State One Call Contractor | 91,445 |
| 27 | Clifton Construction Contractor | 62,020 |
| 28 | B & R Plumbing Contractor | 45,220 |
| 29 | Southern Cross Company Contractor | 37,388 |
| 30 | | |

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

| | Item | Amount |
|----|---|-----------|
| 1 | | |
| 2 | MISCELLANEOUS AMORTIZATION (425): | |
| 3 | Plant acquisition adjustment (30 yr. Amortization period) | 985,092 |
| 4 | Other | 1,152 |
| 5 | TOTAL MISCELLANEOUS AMORTIZATION | 986,244 |
| 6 | | |
| 7 | | |
| 8 | Donations (426.1) | 6,660 |
| 9 | | |
| 10 | OTHER DEDUCTIONS (426.5) | |
| 11 | Loss on Extinguishment of Debt | 852,699 |
| 12 | Other | 565 |
| 13 | | 853,264 |
| 14 | OTHER INTEREST EXPENSES (431): | |
| 15 | Interest allocation - short term debt (variable rate) | 3,088,926 |
| 16 | Fleet Bank - Meter Leases (Weighted Average 4%) | 371,790 |
| 17 | Interest on Customer Deposits (6%) | 347,134 |
| 18 | PGA (Average 1.47%) | 31,973 |
| 19 | Sovran Trans Lease (weighted Average 4%) | 18,107 |
| 20 | ECP (Average 1.47%) | 4,319 |
| 21 | TOTAL OTHER INTEREST EXPENSES | 3,862,249 |
| 22 | | |
| 23 | | |
| 24 | | |

Name of Respondent

For the Year Ended

PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS

Dec. 31, 2004

**Reconciliation of Gross Operating Revenues
Annual Report versus Regulatory Assessment Fee Return**

For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

| | (a) | (b) | (c) | (d) | (e) | (f) |
|----------|--|--------------------------------------|---|--|--|----------------------|
| Line No. | Description | Gross Operating Revenues per Page 26 | Interstate and Sales for Resale Adjustments | Adjusted Intrastate Gross Operating Revenues | Intrastate Gross Operating Revenues per RAF Return | Difference (d) - (e) |
| 1 | Total Sales to Ultimate Customers (480-482, 484) | 67,496,672 | | 67,496,672 | 67,496,672 | 0 |
| 2 | Sales for Resale (483) | 0 | | 0 | | |
| 3 | Total Natural Gas Service Revenues | 67,496,672 | | 67,496,672 | 67,496,672 | 0 |
| 4 | Total Other Operating Revenues (485-495) | 17,193,401 | | 17,193,401 | 17,193,450 | (49) |
| 5 | Total Gas Operating Revenues | 84,690,073 | | 84,690,073 | 84,690,122 | (49) |
| 6 | Provision for Rate Refunds (496) | 0 | | 0 | | 0 |
| 7 | Other (Specify) - Off System Sales | 23,078 | 23,078 | 0 | 0 | 0 |
| 8 | - PGA Over/Under Recoveries | 438,935 | | 438,935 | 438,935 | 0 |
| 9 | - CRA Over/Under Recoveries | (1,240,428) | | (1,240,428) | (1,240,428) | 0 |
| 10 | Total Gross Operating Revenues | 83,911,658 | 23,078 | 83,888,580 | 83,888,629 | (49) |

Notes:

Name of Respondent
PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS

For the Year Ended
Dec. 31, 2004

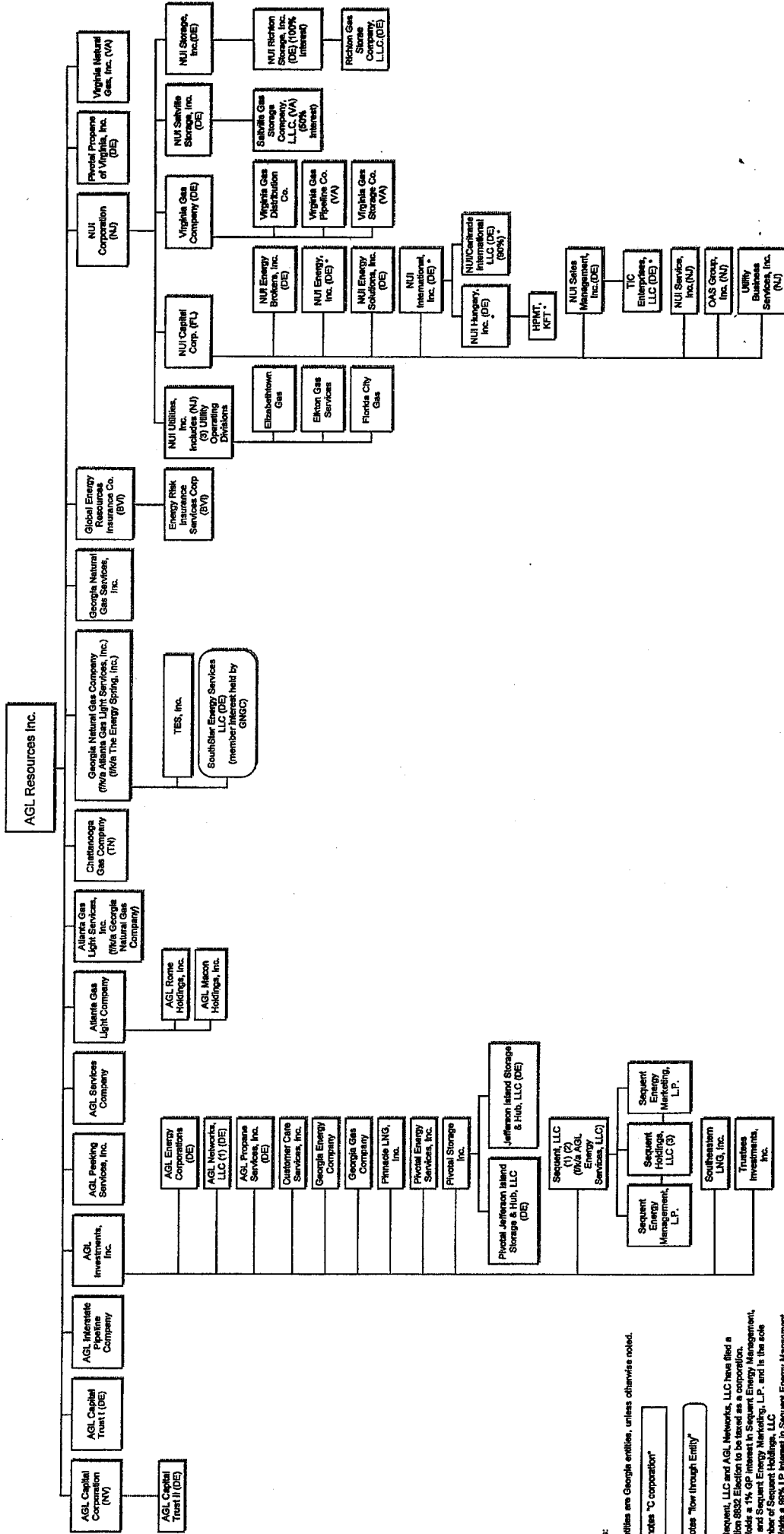
CORPORATE STRUCTURE

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date: January 5, 2005

See Attached

Office of the Corporate Secretary AGL Resources Inc. - Corporate Organizational Chart



Notes:

All entities are Georgia entities, unless otherwise noted.

Denotes "C corporation"

Denotes "flow through entity"

(1) Sequent, LLC and AGL Networks, LLC has filed a Section 8832 Election to be taxed as a corporation.
(2) Holds a 1% GP interest in Sequent Energy Management, L.P. and Sequent Energy Marketing, L.P. and is the sole member of Sequent Holdings, LLC
(3) Holds a 89% LP interest in Sequent Energy Management, L.P. and Sequent Energy Marketing, LP

* Discontinued Operations

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

| Name of Affiliate (a) | Type of Service and/or Name of Product (b) | Relevant Contract or Agreement and Effective Date (c) | Total Charge for Year | | |
|--|---|--|-----------------------|-----------------------|----------------------|
| | | | "p" or "s" (d) | Account Number (e) | Dollar Amount (f) |
| See Footnote* | Customer Care | NUI Cost Allocation Policy | S | various | (2,722,388) |
| | Human Resources | NUI Cost Allocation Policy | P | various | 25,404 |
| | Environmental Affairs | NUI Cost Allocation Policy | P | various | 68,007 |
| | Governance | AGL Cost Allocation Policy | P | various | 195,537 |
| | Insurance | NUI Cost Allocation Policy | P | various | 229,588 |
| | Supply Chain/Purchasing | NUI Cost Allocation Policy | P | various | 335,997 |
| | Rent & Building Services | NUI Cost Allocation Policy | P | various | 444,667 |
| | Legal | NUI Cost Allocation Policy | P | various | 540,287 |
| | Treasury | NUI Cost Allocation Policy | P | various | 799,324 |
| | Accounting Services | NUI Cost Allocation Policy | P | various | 1,304,581 |
| | Executive | NUI Cost Allocation Policy | P | various | 1,340,388 |
| | Information Technology | NUI Cost Allocation Policy | P | various | 1,855,230 |
| | Administrative Services | NUI Cost Allocation Policy | P | various | 1,940,126 |
| | Appliance Services | Direct Cost | P | various | 149,726 |
| | Energy Brokers | Direct Cost | P | various | 325,336 |
| | UBS | Direct Cost | P | various | 971,503 |
| | | Total | | | 7,803,313 |
| Footnote: All charges allocated from divisions or subsidiaries of NUI Corporation as identified in the notes to the financial pages. | | | | | |

| | |
|--|-------------------------------------|
| Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS | For the Year Ended Dec. 31, 2004 |
|--|-------------------------------------|

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

| Name of Affiliate | Synopsis of Contract |
|---------------------------------|---|
| Sequent Energy Management, L.P. | Sequent manages Florida City Gas' gas supply and capacity assets, and in return Sequent shares 50% of Net Margins as described in the contract. |

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

| Name of Affiliate | Description of Transaction | Dollar Amount |
|-------------------|----------------------------|---------------|
| NONE | | |

Name of Respondent
 PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS

For the Year Ended
 Dec. 31, 2004

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

| Name of Affiliate | Description of Asset or Right | Cost/Orig. Cost | Accumulated Depreciation | Net Book Value | Fair Market Value | Purchase Price | Title Passed Yes/No |
|----------------------------|-------------------------------|-----------------|--------------------------|----------------|-------------------|----------------|---------------------|
| Purchases from Affiliates: | | \$ | \$ | \$ | \$ | \$ | |
| None | | | | | | | |
| Total | | | | | | \$ | |
| Sales to Affiliates: | | \$ | \$ | \$ | \$ | Sales Price | |
| None | | | | | | | |
| Total | | | | | | \$ | |

EMPLOYEE TRANSFERS

List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.

| Company Transferred From | Company Transferred To | Old Job Assignment | New Job Assignment | Transfer Permanent or Temporary and Duration |
|--------------------------|------------------------|--------------------|--------------------|--|
| None | | | | |

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