

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

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

(EXACT NAME OF RESPONDENT)

955 E. 25 Street, Hialeah, FL 33013-3498

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2009

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

Name Bryan Seas Title Senior Vice President, Controller & CAO

Address 10 Peachtree Place, NE City Atlanta State Georgia

Telephone No. (404) 584-3400 PSC/ECR 020-G (12/03)

DEPARTMENT OF
ECONOMIC REGULATION

10 MAY 28 PM 3:11

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

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.

**Pivotal Utility Holdings, Inc.
D/B/A Florida City Gas**

**Audited Financial Statements
December 31, 2009 and 2008**

STAFF OF
ECONOMIC REGULATION
10 MAY 28 PM 3:11
COMMUNITY COLLEGE SERVICE
CORPORATION

Report of Independent Auditors

To the Shareholder of Florida City Gas:

We have audited the accompanying balance sheets of Florida City Gas as of December 31, 2009 and 2008 and the related statements of income for the years then ended and the related statement of retained earnings for the year ended December 31, 2008, included on pages one through five of the accompanying Annual Report of Natural Gas Utilities. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published account releases, which is a comprehensive basis of account on other than generally accepted accounting principles in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida City Gas at December, 31 2009 and 2008, and the results of its operations for the years than ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the shareholder and management of Florida City Gas and for filing with the Florida Public Service Commission and should not be used for any other purpose.

PricewaterhouseCoopers LLP

Atlanta, Georgia
May 14, 2010

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)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)		253,087,370	267,584,297
3	Construction Work in Progress (107)		12,388,732	8,541,072
4	TOTAL Utility Plant Total of lines 2 and 3)		265,476,102	276,125,369
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)		116,918,866	120,109,762
6	Net Utility Plant (Total of line 4 less 5)		148,557,236	156,015,607
7	Utility Plant Adjustments (116)			
8	Gas Stored (117.1, 117.2, 117.3, 117.4)			
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)		194,341	185,236
11	(Less) Accum. Prov. for Depr. and Amort. (122)		51,573	51,573
12	Investments in Associated Companies (123)			
13	Investment in Subsidiary Companies (123.1)			
14	Other Investments (124)			
15	Special Funds (125, 126, 128)			
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		142,768	133,663
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)		0	0
19	Special Deposits (132-134)			
20	Working Funds (135)			
21	Temporary Cash Investments (136)			
22	Notes Receivable (141)			
23	Customer Accounts Receivable (142)		12,524,681	10,117,060
24	Other Accounts Receivable (143)		83,400	114,593
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		160,346	266,057
26	Notes Receivable from Associated Companies (145)			
27	Accounts Receivable from Associated Companies (146)			
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)		107,514	92,326
32	Merchandise (155)			
33	Other Material and Supplies (156)			
34	Stores Expenses Undistributed (163)			
35	Gas Stored Underground & LNG Stored (164.1-164.3)		724,798	398,823
36	Prepayments (165)		114,050	1,914,759
37	Advances for Gas (166-167)			
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)		13,394,097	12,371,504
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)		214,991	186,016
45	Extraordinary Property Losses (182.1)			
46	Unrecovered Plant and Regulatory Study Costs (182.2)			
47	Other Regulatory Assets (182.3)		7,281,048	5,543,665
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)			
49	Clearing Accounts (184)			
50	Temporary Facilities (185)			
51	Miscellaneous Deferred Debits (186)		12	18
52	Deferred Losses from Disposition of Utility Plant. (187)			
53	Research, Development and Demonstration Expenditures (188)			
54	Unamortized Loss on Reacquired Debt (189)		1,685,706	1,571,655
55	Accumulated Deferred Income Taxes (190)		2,627,958	1,935,075
56	Unrecovered Purchased Gas Costs (191)		0	0
57	TOTAL Deferred Debits (Total of lines 44 through 56)		11,809,715	9,236,429
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		173,903,816	177,757,203

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

For the Year Ended
 Dec. 31, 2009

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)		46,826,607	47,419,920
5	Retained Earnings (215, 216)	5	15,275,682	15,292,559
6	Unappropriated Undistributed Subsidiary Earnings (216.1)			
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,102,289	62,712,479
9	LONG-TERM DEBT			
10	Bonds (221)		20,000,000	20,000,000
11	(Less) Reacquired Bonds (222)			
12	Advances from Associated Companies (223)		39,659,798	42,045,487
13	Other Long-Term Debt (224)			
14	Unamortized Premium on Long-Term Debt (225)			
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)			
16	TOTAL Long-Term Debt (Total of lines 10 through 15)		59,659,798	62,045,487
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)		3,583,875	2,762,082
19	Accumulated Provision for Property Insurance (228.1)			
20	Accumulated Provision for Injuries and Damages (228.2)			
21	Accumulated Provision for Pensions and Benefits (228.3)		4,191,264	3,532,556
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)		7,775,139	6,294,638
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)		0	0
27	Accounts Payable (232)		1,105,257	1,898,747
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,375,312	15,762,620
30	Customer Deposits (235)		3,188,692	3,427,405
31	Taxes Accrued (236)		4,355,016	822,739
32	Interest Accrued (237)		152,149	149,706
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		1,208,795	1,037,641
37	Miscellaneous Current and Accrued Liabilities (242)		150,797	130,256
38	Obligations Under Capital Leases-Current (243)		787,745	821,793
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		26,323,763	24,050,907
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)		0	0
44	Other Regulatory Liabilities (254)		825,444	2,336,844
45	Accumulated Deferred Investment Tax Credits (255)		8,824	7,565
46	Deferred Gains from Disposition of Utility Plant (256)			
47	Unamortized Gain on Reacquired Debt (257)			
48	Accumulated Deferred Income Taxes (281-283)		17,208,559	20,309,283
49	TOTAL Deferred Credits (Total of lines 42 through 48)		18,042,827	22,653,692
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		173,903,816	177,757,203

Note: Account 232 Accounts Payable and Account 228.3 Accumulated Provision for Pensions and Benefits are revised for 2008 to reflect proper classification of accounts.

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)		75,395,560	93,284,158
3	Operating Expenses			
4	Operation Expenses (401)		48,176,116	62,905,460
5	Maintenance Expenses (402)		1,067,007	1,113,190
6	Depreciation Expense (403)		9,796,349	9,440,299
7	Amortization & Depletion of Utility Plant (404-405)			
8	Amortization of Utility Plant Acquisition Adjustment (406)		721,895	721,895
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)			
10	Amortization of Conversion Expenses (407.2)		74,024	78,494
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)		7,608,553	8,269,798
14	Income Taxes - Federal (409.1)		(2,073,525)	(841,819)
15	- Other (409.1)		238,776	(31,429)
16	Provision for Deferred Income Taxes (410.1)		3,648,143	3,407,645
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)			
18	Investment Tax Credit Adjustment - Net (411.4)		(1,259)	(1,259)
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)		69,256,079	85,062,274
23	Net Utility Operating Income (Total of line 2 less 22)		6,139,481	8,221,884
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)		6,139,481	8,221,884
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)			
35	Interest and Dividend Income (419)			
36	Allowance for Other Funds Used During Construction (419.1)			
37	Miscellaneous Nonoperating Income (421)		258,268	298,158
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		258,268	298,158
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		(392)	
42	Miscellaneous Amortization (425)		0	0
43	Miscellaneous Income Deductions (426.1-426.5)		0	0
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(392)	0
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		(85,293)	(98,616)
48	Income Taxes - Other (409.2)		(14,183)	(16,399)
49	Provision for Deferred Income Taxes (410.2)			
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)			
51	Investment Tax Credit Adjustment - Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		(99,476)	(115,015)
54	Net Other Income and Deductions (Total of lines 39,44,53)		158,400	183,143
55	Interest Charges			
56	Interest on Long-Term Debt (427)		114,409	558,326
57	Amortization of Debt Discount and Expense (428)		14,883	23,177
58	Amortization of Loss on Reacquired Debt (428.1)		114,051	91,959
59	(Less) Amortization of Premium on Debt - Credit (429)			
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)			
61	Interest on Debt to Associated Companies (430)		2,371,180	3,015,233
62	Other Interest Expense (431)		634,203	501,781
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,248,726	4,190,476
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		3,049,155	4,214,551
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)		3,049,155	4,214,551

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.
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).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
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.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
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.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		15,275,682
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: Dividend for Periodic Adjustment to Capital Structure		
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)		3,049,155
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(3,281,326)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		249,048
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		15,292,559
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)			15,292,559

**Pivotal Utility Holdings, Inc.
D/B/A Florida City Gas**

Notes to Financial Statements

Note 1 - Accounting Policies and Methods of Application

General

Florida City Gas is an operating division of Pivotal Utility Holdings, Inc. (Pivotal Utility), a wholly-owned subsidiary of NUI Corporation, which is a wholly-owned subsidiary of AGL Resources Inc. (AGL Resources). Unless the context requires otherwise, references to "we," "us," "our" or the "Company" mean Florida City Gas. The Company is primarily engaged in the distribution of natural gas to approximately 103,000 residential, commercial and industrial customers in Florida's Miami-Dade and Brevard counties.

Basis of Accounting

The Company maintains its accounts in accordance with recognized policies prescribed by the Florida Public Service Commission (Florida Commission). In addition, the Company maintains its accounts in accordance with recognized policies prescribed or permitted by the Federal Energy Regulatory Commission (FERC). These policies conform with generally accepted accounting principles in the United States of America (GAAP) in all material respects.

Basis of Reporting and Presentation

The financial statements are presented in accordance with the reporting requirements of the FERC and the statements included herein are prescribed by the requirements of the Florida Commission. This is a comprehensive basis of accounting consistent with GAAP, except for:

- the balance sheet classification of accumulated removal costs
- the omission of the statement of retained earnings from the prior year
- the omission of the statement of cash flows from the current and prior year
- the balance sheet classification of accumulated deferred income taxes into asset and liability components for FERC reporting
- the financial statements included in this report reflect the recognition of a positive acquisition adjustment and regulatory assets related to the purchase of Florida City Gas by AGL Resources in 2004 as approved by the Florida Commission on December 6, 2007. The statements also reflect the amortization of these assets consistent with the approval. For GAAP purposes these assets are recorded in goodwill and are not amortized.

Certain amounts from prior periods have been reclassified and revised to conform to the current period presentation.

Cash and Cash Equivalents

Our cash and cash equivalents consist primarily of cash on deposit, money market accounts and certificates of deposit with original maturities of three months or less.

Receivables and Allowance for Uncollectible Accounts

Our receivables consist of natural gas sales and transportation services billed to residential, commercial, industrial and other customers. We bill customers monthly, and accounts receivable are due within 30 days. For the majority of our receivables, we establish an allowance for doubtful accounts based on our collection experience and other factors. On certain other receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts against amounts due to reduce the net receivable balance to the amount we reasonably expect to collect. However, if circumstances change, our estimate of the recoverability of accounts receivable could be different. Circumstances that could affect our estimates include, but are not limited to, customer credit issues, the level of natural gas prices, customer deposits and general economic conditions. We write-off our customer's accounts once we deem them to be uncollectible.

Inventories

We record natural gas stored underground at weighted average cost. The inventory balance of natural gas stored underground at December 31, 2009 and 2008 was \$398,823 and \$724,798 respectively.

Property, Plant and Equipment (PP&E)

PP&E expenditures consist of property and equipment that is in use, being held for future use and under construction. We report PP&E at its original cost, which includes:

- material and labor
- contractor costs
- construction overhead costs

We charge property retired or otherwise disposed of to accumulated depreciation since such costs are recovered in rates.

Depreciation Expense

We compute depreciation expense by applying composite, straight-line rates (approved by the the Florida Commission) to the investment in depreciable property. The composite, straight-line rate for Florida City Gas was approximately 3.9% for 2009 and 2008.

Acquisition Adjustment and Regulatory Assets Resulting from Acquisition

We have included the recognition of a positive acquisition adjustment and regulatory assets for pensions, and transaction and transition costs related to the acquisition of Florida City Gas by AGL Resources in December 2004. This recognition was approved by the Florida Commission on December 6, 2007. We also have included in income the amortization of these assets, net of income tax effects, consistent with the order approving the recognition. The unamortized balance of the acquisition adjustment was \$17.9 million at December 31, 2009 and \$18.7 million at December 31, 2008. The unamortized balance of the regulatory asset for pension costs net of related deferred tax balance was \$0.8 million at December 31, 2009 and \$0.9 million at December 31, 2008. Additionally, the regulatory assets for transaction costs and transitions cost, net of related deferred tax balance were zero at December 31, 2009 and \$0.6 million at December 31, 2008.

For GAAP purposes, the \$26.6 million acquisition adjustment and regulatory assets are considered goodwill. In accordance with the authoritative guidance, AGL Resources is required to perform an annual goodwill impairment test at a reporting unit level. Our impairment analysis for the years ended December 31, 2009 and 2008 indicated that the fair value substantially exceeded the carrying value. As a result, we did not recognize any impairment charges. We also assess goodwill for impairment if events or changes in circumstances may indicate an impairment of goodwill exists. When such events or circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value will be recovered through the expected future cash flows. In the event the sum of the expected future cash flows resulting from the use of the asset is less than the carrying value of the asset, we record an impairment loss equal to the excess of the asset's carrying value over its fair value. We conduct this assessment principally through a review of financial results, changes in state and federal legislation and regulation, regulatory and legal proceedings and the periodic regulatory filings for our regulated utilities, including Florida City Gas.

Fair Value measurements

The carrying values of cash and cash equivalents, receivables, accounts payable, pension and postretirement plan assets and liabilities, other current liabilities and accrued interest approximate fair value. See Notes 3 and 4 for additional fair value disclosures.

As defined in authoritative guidance related to fair value measurements and disclosures, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best

available information. Accordingly, we use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. We are able to classify fair value balances based on the observance of those inputs. The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy defined by the guidance are as follows:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Our Level 1 items consist of financial instruments with exchange-traded derivatives.

Level 2

Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial and commodity instruments that are valued using valuation methodologies. These methodologies are primarily industry-standard methodologies that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. We obtain market price data from multiple sources in order to value some of our Level 2 transactions and this data is representative of transactions that occurred in the market place.

Level 3

Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. We do not have any material assets or liabilities classified as level 3, except for retirement plan assets as described in Note 3.

In April 2009, additional authoritative guidance related to fair value measurements and disclosures established a two-step process to determine if the market for a financial asset is inactive and a transaction is not distressed. Currently, this authoritative guidance does not affect us, as our derivative financial instruments are traded in active markets.

Taxes

The reporting of our assets and liabilities for financial accounting purposes differs from the reporting for income tax purposes. The principal differences between net income and taxable income relate to the timing of deductions, primarily due to the benefits of tax depreciation since we generally depreciate assets for tax purposes over a shorter period of time than for book purposes. The determination of our provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items. We report the tax effects of depreciation and other differences in those items as deferred income tax assets or liabilities in our balance sheets in accordance with authoritative guidance related to income taxes. Investment tax credits of approximately \$7,565 previously deducted for income tax purposes have been deferred for financial accounting purposes and are being amortized as credits to income over the estimated lives of the related properties in accordance with regulatory requirements.

We do not collect income taxes from our customers on behalf of governmental authorities. We collect and remit various taxes on behalf of various governmental authorities. We are required to include these taxes as revenues and operating expenses. These taxes are not material for any periods presented.

Revenues

We record revenues when services are provided to customers. Those revenues are based on rates approved by the Florida Commission. The Company's rate structure includes volumetric rate design that allows recovery of costs through gas usage. Revenues from sales and transportation services are recognized in the same period in which the related volumes are delivered to customers. Revenues from residential and certain commercial and industrial customers are recognized on the basis of scheduled meter readings. In addition, revenues are recorded

for estimated deliveries of gas not yet billed to these customers, from the last meter reading date to the end of the accounting period. These are included in the balance sheet as unbilled revenue.

Cost of gas

We charge our utility customers for natural gas consumed using natural gas cost recovery mechanisms set by the Florida Commission. Under these mechanisms, we defer (that is, include as a current asset or liability in the balance sheet and exclude from the statement of income) the difference between the actual cost of gas and what is collected from or billed to customers in a given period. The deferred amount is either billed or refunded to our customers prospectively through adjustments to the commodity rate.

Regulatory Assets and Liabilities

We have recorded regulatory assets and liabilities in our balance sheet in accordance with authoritative guidance related to regulated operations. Our regulatory assets and liabilities are summarized in the following table.

	As of December 31,	
	2009	2008
Regulatory assets		
Deferred customer conversion costs	\$767,401	\$374,827
Unamortized loss on reacquired debt	1,571,655	1,685,706
Pension Costs – AGL Resources Acquisition	1,341,369	1,505,618
Transition Costs – AGL Resources Acquisition	-	532,307
Transaction Costs – AGL Resources Acquisition	-	269,191
Deferred natural gas piping costs	1,734,772	1,818,062
Energy conservation program	168,304	1,134,245
Unrecovered postretirement benefit cost	1,529,541	1,645,709
Other	2,279	1,088
Total regulatory assets	\$7,115,321	\$8,966,753
Regulatory liabilities		
Deferred purchased gas adjustment	\$2,330,351	\$818,161
Unamortized investment tax credit	7,565	8,824
Regulatory tax liability	4,742	5,533
Other	1,750	1,750
Total regulatory liabilities	\$2,344,408	\$834,268

Our regulatory assets are recoverable through either rate riders or base rates specifically authorized by the Florida Commission, with the exception of the regulatory assets related to pension, transition and transaction costs resulting from the acquisition of Florida City Gas by AGL Resources. Those assets are recorded for regulatory reporting purposes consistent with the Florida Commission approval on December 6, 2007. These assets are not recorded for GAAP purposes in accordance with authoritative guidance related to regulated operations.

Base rates are designed to provide both a recovery of cost and a return on investment during the period rates are in effect. As such, all our regulatory assets are subject to review by the Florida Commission during any future rate proceedings. In the event that the provisions of authoritative guidance related to regulated operations were no longer applicable, we would recognize a write-off of regulatory assets that would result in a charge to net income, and be classified as an extraordinary item.

Additionally, the regulatory liabilities would not be written-off. They would continue to be recorded as liabilities, but not as regulatory liabilities. Although the natural gas distribution industry is becoming increasingly competitive, we continue to recover costs through cost-based rates established by the Florida Commission. As a result, we believe that the accounting prescribed under the guidance remains appropriate. It is also our opinion that all regulatory assets are recoverable in future rate proceedings, and therefore we have not recorded any regulatory assets that are recoverable but are not yet included in base rates or contemplated in a rate rider. The regulatory liabilities are refunded to ratepayers through a rate rider or base rates. If the regulatory liability is included in base rates, the amount is reflected as a reduction to the rate base in setting rates.

Use of Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures of contingent assets and liabilities. We based our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, and we evaluate our estimates on an ongoing basis. Each of our estimates involve complex situations requiring a high degree of judgment either in the application and interpretation of existing literature or in the development of estimates that impact our financial statements. The most significant estimates include our regulatory accounting, uncollectible accounts and other allowance for contingencies, unbilled revenue recognition, pension and postretirement obligations and provision for income taxes. Our actual results could differ from our estimates.

Subsequent Events

In May 2009, the FASB established guidance for and disclosure of events that occur after the statements of financial position date, but before financial statements are issued, or are available to be issued. This guidance should now be applied by management to the accounting for and disclosure of subsequent events, but does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provide different guidance. In accordance with the guidance, we evaluated subsequent events until the time that our financial statements were issued.

Note 2 - Amounts Due to Affiliates

We had \$15,762,620 in payables at December 31, 2009 and \$15,375,312 in payables at December 31, 2008, due to AGL Resources and affiliated companies, which consists primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

Note 3 - Employee Benefit Plans

Accounting for employee benefit plans

The authoritative guidance related to retirement benefits requires that we recognize all obligations related to defined benefit pension and other postretirement benefits and quantify the plans' funding status as an asset or a liability on our balance sheet. The guidance further requires that we measure the plans' assets and obligations that determine our funded status as of the end of the fiscal year. We are also required to recognize as a component of OCI the changes in funded status that occurred during the year that are not recognized as part of net periodic benefit cost as explained in authoritative guidance related to pension and postretirement benefits.

Based on the funded status of our defined benefit pension and postretirement benefit plans as of December 31, 2009, we reported an after-tax gain to our other comprehensive income (OCI) of \$249 thousand, a net decrease of \$394 thousand to accrued pension and postretirement obligations and an increase of \$145 thousand to accumulated deferred income tax.

Oversight of Plans

The Retirement Plan Investment Committee (the Committee) appointed by AGL Resources' Board of Directors is responsible for overseeing the investments of the AGL Resources Inc. retirement plans. Further, AGL Resources has an Investment Policy (the Policy) for the retirement and postretirement benefit plans that aims to preserve these plans' capital and maximize investment earnings in excess of inflation within acceptable levels of capital market volatility. To accomplish this goal, the retirement and postretirement benefit plans' assets are actively managed to optimize long-term return while maintaining a high standard of portfolio quality and diversification.

AGL Resources will continue to diversify retirement plan investments to minimize the risk of large losses in a single asset class. AGL Resources does not have a concentration of assets in a single entity, industry, country, commodity or class of investment fund. The Policy's permissible investments include domestic and international equities (including convertible securities and mutual funds), domestic and international fixed income (corporate and U.S. government obligations), cash and cash equivalents and other suitable investments.

Equity market performance and corporate bond rates have a significant effect on the reported unfunded projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO), as the primary factors that

drive the value of the unfunded PBO and APBO are the assumed discount rate and the actual return on plan assets. Additionally, equity market performance has a significant effect on the market-related value of plan assets (MRVPA), which is used by AGL Resources largest pension plan. The MRVPA is a calculated value and differs from the actual market value of plan assets. The MRVPA also recognizes the difference between the actual market value and expected market value of plan assets and is determined by AGL Resources' actuaries using a five-year moving weighted average methodology. Gains and losses on plan assets are spread through the MRVPA based on the five-year moving weighted average methodology, which affects the expected return on plan assets component of pension expense.

Pension Benefits

AGL Resources sponsors two tax-qualified defined benefit retirement plans for eligible employees, the AGL Resources Inc. Retirement Plan (AGL Retirement Plan) and the Employees' Retirement Plan of NUI Corporation (NUI Retirement Plan). A defined benefit plan specifies the amount of benefits an eligible participant eventually will receive using information about the participant.

The benefits under the AGL Retirement Plan are calculated based on age, years of service and pay. The benefit formula for the AGL Retirement Plan is a career average earnings formula, except for participants who were employees as of July 1, 2000, and who were at least 50 years of age as of that date. For those participants, AGL Resources uses a final average earnings benefit formula, and will continue to use this benefit formula for such participants until December 31, 2010, at which time any of those participants who are still actively employed will accrue future benefits under the career average earnings formula.

The NUI Retirement Plan covers substantially all of NUI Corporation's employees who were employed on or before December 31, 2005, except Florida City Gas union employees, who until February 2008 participated in a union-sponsored multiemployer plan. Pension benefits are based on years of credited service and final average compensation as of the plan freeze date. Effective, January 1, 2006, participation and benefit accrual under the NUI Retirement Plan were frozen. As of that date, former participants in that plan became eligible to participate in the AGL Retirement Plan. Florida City Gas union employees became eligible to participate in the AGL Retirement Plan in February 2008. Because the union-sponsored multi-employer plan was not fully funded, Florida City Gas will be required to fund approximately \$2 million to this plan in future periods.

Postretirement Benefits

AGL Resources sponsors a defined benefit postretirement health care plan for eligible employees, the Health and Welfare Plan for Retirees and Inactive Employees of AGL Resources Inc. (AGL Postretirement Plan). Eligibility for these benefits is based on age and years of service.

The AGL Postretirement Plan includes medical coverage for all eligible AGL Resources employees who were employed as of June 30, 2002, if they reach retirement age while working for AGL Resources. Additionally, the AGL Postretirement Plan provides life insurance for all employees if they have ten years of service at retirement. The state regulatory commissions have approved phase-ins that defer a portion of other postretirement benefits expense for future recovery. AGL Resources expects to pay \$8 million of insurance claims for the postretirement plan in 2010, but AGL Resources does not anticipate making any additional contributions.

Effective December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law. This act provides for a prescription drug benefit under Medicare (Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D.

From January 1, through June 30, 2009, Medicare-eligible participants receive prescription drug benefits through a Medicare Part D plan offered by a third party and to which we subsidized participant premiums. Medicare-eligible retirees who opted out of the AGL Postretirement Plan were eligible to receive a cash subsidy which could be used towards eligible prescription drug expenses. Effective July 1, 2009, Medicare eligible retirees, including all of those at least age 65, receive benefits through our contribution to a retiree health reimbursement arrangement account.

Effective January 1, 2010, enhancements were made to the pre-65 medical coverage by removing the current cap on the expected costs and implementing a new cap determined by the new retiree premium schedule based on salary level and years of service. Consequently, a one-percentage-point change in the assumed health care cost trend rates does not materially affect the periodic benefit costs or our accumulated projected benefit obligation for our postretirement plan.

In March 2010, President Obama signed into law HR2590, the Patient Protection and Affordable Care Act, and the U.S. Congress passed HR4872, Reconciliation Act of 2010, which amends HR2590. With this healthcare reform, the cash subsidy is no longer tax-free. Accounting guidance requires that companies record the tax impacts of this healthcare reform on the date of enactment. However, we did not receive the Retiree Drug Subsidy and therefore did not recognize any additional expense.

Contributions

Our employees do not contribute to the retirement plans. AGL Resources funds the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by its actuary. However, AGL Resources may also contribute in excess of the minimum required amount. As required by The Pension Protection Act (the Act) of 2006, AGL Resources calculates the minimum amount of funding using the traditional unit credit cost method.

The Act contained new funding requirements for single employer defined benefit pension plans. The Act established a 100% funding target (over a 7-year amortization period) for plan years beginning after December 31, 2007. If certain conditions are met, the Worker, Retiree and Employer Recovery Act of 2008 (passed December, 2008) allowed AGL Resources to measure its 2008 and 2009 minimum required contributions based on a funding target at 92% and 94%, respectively. In 2010, this will increase to 96% and for 2011, it will increase to 100%. In 2009, AGL Resources contributed \$24 million to its qualified pension plans. In 2008, AGL Resources did not make contributions to its qualified pension plans as one was not required.

The following tables present details about the AGL Retirement Plan and the NUI Retirement Plan (retirement plans) and the AGL Postretirement Plan (postretirement plan).

<i>Dollars in millions</i>	Retirement plans		Postretirement plan	
	2009	2008	2009	2008
Change in plan assets				
Fair value of plan assets, January 1,	\$242	\$383	\$49	\$70
Actual gain (loss) on plan assets	61	(115)	14	(21)
Employer contribution	26	1	7	4
Benefits paid	(26)	(27)	(7)	(4)
Fair value of plan assets, December 31, (A)	\$303	\$242	\$63	\$49
Change in benefit obligation				
Benefit obligation, January 1,	\$442	\$427	\$95	\$94
Service cost	8	7	-	-
Interest cost	26	26	6	6
Plan amendment	-	-	1	-
Actuarial loss (gain)	13	9	6	(1)
Benefits paid	(26)	(27)	(7)	(4)
Benefit obligation, December 31, (B)	\$463	\$442	\$101	\$95
% funded (A/B)	65.4%	54.8%	62.4%	51.6%
Amounts recognized in the consolidated statements of financial position consist of				
Current liability	\$(1)	\$(1)	\$-	\$-
Long-term liability	(159)	(199)	(38)	(46)
Total liability at December 31,	\$(160)	\$(200)	\$(38)	\$(46)
Florida City Gas's share of net liability recorded on the statements of financial position	\$(2)	\$(2)	\$-	\$-
Assumptions used to determine benefit obligations				
Discount rate	5.8 - 6.0%	6.2%	5.8%	6.2%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%
Accumulated benefit obligation	\$448	\$425	Not applicable	

The components of AGL Resources pension and postretirement benefit costs are set forth in the following table.

<i>Dollars in millions</i>	Retirement plans		Postretirement plan	
	2009	2008	2009	2008
Net benefit cost				
Service cost	\$8	\$7	\$-	\$-
Interest cost	26	26	6	6
Expected return on plan assets	(29)	(32)	(4)	(6)
Net amortization	(2)	(2)	(4)	(4)
Recognized actuarial loss	9	3	2	1
Net annual pension cost	\$12	\$2	\$-	\$(3)
Florida City Gas's share of net annual pension and postretirement costs	\$1	\$-	\$-	\$-
Assumptions used to determine benefit costs				
Discount rate	6.2%	6.4%	6.2%	6.4%
Expected return on plan assets	9.0%	9.0%	9.0%	9.0%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%

There were no other changes in plan assets and benefit obligations recognized for AGL Resources retirement and postretirement plans for the year ended December 31, 2009. The 2010 estimated OCI amortization and expected refunds for these plans are set forth in the following table.

<i>In millions</i>	Retirement plans	Postretirement plan
Amortization of prior service credit	\$(2)	\$(4)
Amortization of net loss	11	2

The following table presents expected benefit payments for the years ended December 31, 2010 through 2019 for AGL Resources retirement and postretirement plans. There will be benefit payments under these plans beyond 2019.

<i>In millions</i>	Retirement plans	Postretirement plan
2010	\$27	\$8
2011	27	8
2012	27	8
2013	27	8
2014	27	7
2015-2019	154	37
Total	\$289	\$76

The following table presents the amounts not yet reflected in AGL Resources net periodic benefit cost and included in AGL Resources accumulated OCI as of December 31, 2009.

<i>In millions</i>	Retirement plans	Postretirement plan
Prior service credit	\$(17)	\$(12)
Net loss	187	33
Accumulated OCI	170	21
Net amount recognized in consolidated statements of financial position	(160)	(38)
Prepaid (accrued) cumulative employer contributions in excess of net periodic benefit cost	\$10	\$(17)

There were no other changes in plan assets and benefit obligations recognized in AGL Resources retirement and postretirement plans for the year ended December 31, 2009.

AGL Resources considers a number of factors in determining and selecting assumptions for the overall expected long-term rate of return on plan assets. AGL Resources considers the historical long-term return experience of our assets, the current and expected allocation of its plan assets, and expected long-term rates of return. AGL

Resources derives these expected long-term rates of return with the assistance of its investment advisors and generally base these rates on a 10-year horizon for various asset classes, its expected investments of plan assets and active asset management as opposed to investment in a passive index fund. AGL Resources base its expected allocation of plan assets on a diversified portfolio consisting of domestic and international equity securities, fixed income, real estate, private equity securities and alternative asset classes.

AGL Resources considers a variety of factors in determining and selecting its assumptions for the discount rate at December 31. AGL Resources considers certain market indices and including Moody's Corporate AA long-term bond rate, the Citigroup Pension Liability rate, other high-grade bond indices a single equivalent discount rate derived with the assistance of its actuaries by matching expected future cash flows in each year to the appropriate spot rates based in high quality (rated AA or better) corporate bonds.

AGL Resources target asset allocations consists of approximately 30% - 95% equity, 10% - 40% fixed income, 10% - 35% real estate and other and the remaining 0% - 10% in cash. AGL Resources actual retirement and postretirement plans' asset allocations by level within the fair value hierarchy at December 31, 2009, are presented in the table below. AGL Resources retirement and postretirement plans' assets were accounted for at fair value and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. For more information on a description of the fair value hierarchy, see Note 1.

<i>In millions</i>	Retirement plans (1)					Postretirement plan				
	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	\$12	\$-	\$-	\$12	4%	\$1	\$-	\$-	\$1	2%
Equity Securities										
U.S. large cap (2)	73	-	-	73	24%	-	31	-	31	54%
U.S. small cap (2)	44	-	-	44	14%	-	-	-	-	-
International companies (3)	-	35	5	40	13%	-	11	-	11	19%
Emerging markets (4)	-	13	-	13	4%	-	-	-	-	-
Fixed income securities										
Corporate bonds (5)	-	55	-	55	18%	-	14	-	14	25%
Other types of investments										
Global hedged equity (6)	-	-	33	33	11%	-	-	-	-	-
Absolute return (7)	-	-	26	26	8%	-	-	-	-	-
Private capital (8)	-	-	13	13	4%	-	-	-	-	-
Total assets at fair value	\$129	\$103	\$77	\$309	100%	\$1	\$56	\$-	\$57	100%
% of fair value hierarchy	42%	33%	25%	100%		2%	98%	-	100%	

- (1) Includes \$6 million of medical benefit (health and welfare) component for 401h accounts to fund a portion of the postretirement obligation
- (2) Includes funds that invest primarily in U.S. common stocks
- (3) Includes funds that invest primarily in foreign equity and equity-related securities
- (4) Includes funds that invests primarily in common stocks of emerging markets
- (5) Includes funds that invest primarily in investment grade debt and fixed income securities
- (6) Includes funds that invest in limited / general partnerships, managed accounts, and other investment entities issued by non-traditional firms or "hedge funds"
- (7) Includes funds that invest primarily in investment vehicles and commodity pools as a "fund of funds"
- (8) Includes funds that invest in private equity and small buyout funds, partnership investments, direct investments, secondary investments, directly / indirectly in real estate and may invest in equity securities of real estate related companies, real estate mortgage loans, and real-estate mezzanine loans

The following is a reconciliation of assets in level 3 of the fair value hierarchy.

Retirement Plans

<i>In millions</i>	Total	International equity	Global hedged equity	Absolute return	Private capital
Beginning balance at December 31, 2008	\$65	\$3	\$27	\$23	\$12
Actual return on plan assets:					
Relating to assets still held at the reporting date	10	2	6	3	(1)
Relating to assets sold during the period:					
Purchases, sales and settlements (net)	2	-	-	-	2
Transfers in and/or out of Level 3	-	-	-	-	-
Ending balance at December 31, 2009	\$77	\$5	\$33	\$26	\$13

Employee Savings Plan Benefits

AGL Resources sponsors the Retirement Savings Plus Plan (RSP), a defined contribution benefit plan that allows eligible participants to make contributions to their accounts up to specified limits. Under the RSP, we made matching contributions to participant accounts of \$145 thousand in 2009 and \$148 thousand in 2008.

Note 4 - Debt

Our issuance of various securities, including long-term and short-term debt, is subject to customary approval, authorization or review by state and federal regulatory bodies, including the Florida Commission, and the FERC as granted by the Energy Policy Act of 2005. The following table shows our long-term debt included in our balance sheet. We estimate the fair value using a discounted cash flow technique that incorporates a market interest yield curve with adjustments for duration, optionality and risk profile.

	Year(s) due	Interest rate (1)	Weighted average Interest rate(1)	Outstanding as of	
				Dec.31, 2009	Dec. 31, 2008
Short-term debt					
Capital leases	2010	4.9%	4.9%	\$821,793	\$787,745
Long-term debt					
Gas facility revenue bonds, issued July 1994	2024	0.4%	0.6%	20,000,000	20,000,000
Affiliate Promissory note	2034	5.9	5.9	42,045,487	39,659,798
Capital leases	2013	4.9	4.9	2,762,082	3,583,875
Total long-term debt (2)		4.2%	4.2%	64,807,569	63,243,673
Total debt		4.2%	4.2%	\$65,629,362	\$64,031,418

(1) As of or for the year ended December 31, 2009.

(2) We estimate the fair value was \$65,629,362 as of December 31, 2009 and \$64,031,418 as of December 31, 2008.

Short-term Debt

Our short-term debt at December 31, 2009 and 2008 was composed of current portions of our capital lease obligations.

Long-term Debt

Our long-term debt at December 31, 2009 and 2008 matures more than one year from the balance sheet date and consists of gas facility revenue bonds, affiliate promissory note and capital leases.

Gas Facility Revenue Bonds Pivotal Utility is party to a series of loan agreements with the New Jersey Economic Development Authority (NJEDA) pursuant to which the NJEDA has issued a series of gas facility revenue bonds. In 2008, we completed letter of credit agreements for our \$20 million gas facility revenue bond. This agreement provided additional credit support and increased investor demand. As a result, this bond was successfully auctioned and issued as variable rate gas facility bonds. The bond now has an interest rate that resets weekly. There was no change to the maturity date on the bond. The letter of credit agreement is set to expire in 2010.

Affiliate Promissory Note Pivotal Utility entered into a promissory note with AGL Resources (Affiliate Promissory Note) for the purpose of refinancing short-term debt and recapitalizing the capital structure of Pivotal Utility and of its utility operating divisions, Elizabethtown Gas, Florida City Gas and Elkton Gas, in accordance with Pivotal Utility's target capitalization of 45% and with authorizations of the New Jersey Board of Public Utilities and the Florida Commission. The Affiliate Promissory Note is due December 31, 2034 and had an initial interest rate of 6.28%, which adjusts on a periodic basis based upon weighted-average costs and expenses of borrowing the then outstanding long-term debt of both AGL Resources and AGL Capital Corporation, a wholly-owned financing subsidiary of AGL Resources. As of December 31, 2009, the interest rate on this note was 5.9%. The principal amount of the Affiliate Promissory Note for Pivotal Utility including its operating division, Florida City Gas, is adjusted on at least annual basis to conform with Pivotal Utility's target capitalization of 45% and with the

authorizations of the New Jersey BPU and the Florida Commission. As of December 31, 2009, the amount outstanding under the Affiliate Promissory Note was \$42,045,487.

Capital Leases Our capital leases consist primarily of a sale/leaseback transaction completed in 2002 related to its gas meters and other equipment and will be repaid at approximately \$1,000 thousand per year until 2013. Pursuant to the terms of the lease agreement, we are required to insure the leased equipment during the lease term. In addition, at the expiration of the lease term, we have the option to purchase the leased meters from the lessor at their fair market value. The fair market value of the equipment will be determined on the basis of an arm's-length transaction between an informed and willing buyer. As of December 31, 2009, we had \$3,583,875 outstanding under these capital leases.

Note 5 - Commitments and Contingencies

We have incurred various contractual obligations and financial commitments in the normal course of our operating and financing activities. These obligations may result from both general financing activities and from commercial arrangements that are directly supported by related revenue-producing activities. The following table illustrates our expected future contractual payments such as debt and lease agreements, and commitment and contingencies as of December 31, 2009.

	Total	Payments due before December 31,			
		2010	2011 & 2012	2013 & 2014	2015 & thereafter
Long-term debt	\$64,807,569	\$-	\$2,762,082	\$-	\$62,045,487
Pipeline charges, storage capacity and gas supply	63,626,797	7,815,175	15,630,350	15,630,350	24,550,922
Pension contributions (1)	1,633,608	87,126	174,252	174,252	1,197,978
Interest charges	1,428,585	235,895	299,690	152,000	741,000
Short-term debt	821,793	821,793	-	-	-
Standby letters of credit, performance/surety bonds	95,000	95,000	-	-	-
Operating leases	80,082	53,388	26,694	-	-
Total	\$132,493,434	\$9,108,377	\$18,893,068	\$15,956,602	\$88,535,387

(1) Represent payments relating to the former union sponsored multi-employer retirement plan. See Note 3 for discussion of the retirement plan.

Litigation

We are involved in litigation arising in the normal course of business. We believe the ultimate resolution of such litigation will not have a material adverse effect on our financial position, results of operations or cash flows.

Note 6 - Income Taxes

We have two categories of income taxes in our statement of income: current and deferred. Current income tax expense consists of federal and state income tax less applicable tax credits related to the current year. Deferred income tax expense generally is equal to the changes in the deferred income tax liability and regulatory tax liability during the year.

Investment and Other Tax Credits

Deferred investment tax credits are included as a regulatory liability in our balance sheet (see Note 1, "Accounting Policies and Methods of Application"). These investment tax credits are being amortized over the estimated life of the related properties as credits to income in accordance with regulatory requirements. We reduce income tax expense in our statement of income for the investment tax credits.

Income Tax Expense

The relative split between current and deferred taxes is due to a variety of factors including true ups of prior year tax returns, and most importantly, the timing of our property-related deductions. Components of income tax expense shown in the statement of income are shown in the following table.

<i>In thousands</i>	2009	2008
Current income taxes		
Federal	\$(1,988)	\$(743)
State	253	(15)
Deferred income taxes		
Federal	3,508	3,031
State	140	376
Amortization of investment tax credits	(1)	(1)
Total	\$1,912	\$2,648

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of tax for the years ended December 31, 2009 and 2008 on our statement of income are presented in the following table.

<i>In thousands</i>	2009	2008
Computed tax expense at statutory rate	\$1,775	\$2,402
State income tax, net of federal income tax benefit	145	253
Amortization of investment tax credits	(1)	(1)
Other – net	(7)	(6)
Total income tax expense at effective rate	\$1,912	\$2,648

Accumulated Deferred Income Tax Assets and Liabilities

We report some of our assets and liabilities differently for financial accounting purposes than we do for income tax purposes. We report the tax effects of the differences in those items as deferred income tax assets or liabilities in our balance sheet. We measure the assets and liabilities using income tax rates that are currently in effect. Because of the regulated nature of the utilities' business, we recorded a regulatory tax liability in accordance with authoritative guidance related to income taxes, which we are amortizing over approximately 30 years (see Note 1). Our deferred tax assets include \$789 thousand related to an unfunded pension and postretirement benefit obligation.

Components that give rise to the net accumulated deferred income tax liability are as follows.

<i>In thousands</i>	As of December 31,	
	2009	2008
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	\$19,805	\$16,442
Other	504	767
Total accumulated deferred income tax liabilities	20,309	17,209
Accumulated deferred income tax assets		
Unfunded pension and postretirement benefit obligation	\$789	778
Bad debts and insurance reserves	102	62
Other	1,044	1,788
Total accumulated deferred income tax assets	1,935	2,628
Net accumulated deferred tax liability	\$18,374	\$14,581

Tax Benefits

The authoritative guidance related to income taxes requires us to determine whether tax benefits claimed or expected to be claimed on our tax return should be recorded in the financial statements. Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. This guidance also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of December 31, 2008 and December 31, 2009, we did not have a liability for unrecognized tax benefits. Based on current information, we do not anticipate that this will change materially in 2010.

Note 7 - Related Party Transactions

We have an Asset Management and Agency Agreement (AMA) with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the management of transportation and storage capacity assets owned by Florida City Gas. As part of the AMA arrangement, the parties have also executed a Gas Purchase and Sale Agreement where, to the extent requested by Florida City Gas, Sequent will purchase and sell natural gas to meet the gas supply requirements of Florida City Gas. The following table provides additional information on our asset management agreements with Sequent.

<i>Dollars in thousands</i>	Expiration date	Type of fee structure	Annual fee	Profit sharing / fees payments	
				2009	2008
Florida City Gas	Mar 2013	Profit-sharing	50%	\$911	\$842

See Note 2, Note 3, Note 4 and Note 5 for discussion of other intercompany transactions.

We also engage in transactions with AGL Resources' affiliates consistent with its services, money pool and tax allocation agreements.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS		02 Year of Report December 31, 2009
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 955 E. 25 Street, Hialeah, FL 33013-3498		
05 Name of Contact Person Bryan Seas	06 Title of Contact Person Senior Vice President, Controller and CAO	
07 Address of Contact Person (Street, City, State, Zip Code) 10 Peachtree Place, NE, Suite 1000, Atlanta GA 30309		
08 Telephone of Contact Person, Including Area Code (404) 584-3400	09 Date of Report (Mo., Day, Yr) May 26, 2010	

ATTESTATION

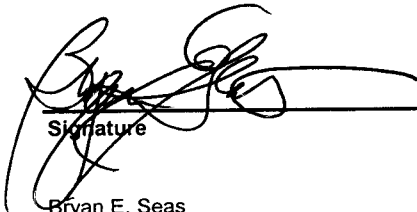
I certify that I am the responsible accounting officer of

PIVOTAL UTILITY HOLDINGS, INC. D/B/A 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, 2008 to December 31, 2008, 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

Bryan E. Seas

Name

5-26-2010

Date

Senior Vice President, Controller and CAO

Title

Helen R. Bowen



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Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended 12/31/2009
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s).

2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

Florida City Gas is a division of Pivotal Utility Holdings, Inc., which is wholly owned by NUI Corporation. NUI Corporation is a wholly owned subsidiary of AGL Resources Inc.

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)
Florida City Gas is a division of Pivotal Utility Holdings, Inc. and does not control, directly or indirectly, any corporation, business trust or similar organization.			

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)
President	Henry P. Linginfelter	*
EVP, Chief Financial Officer & Treasurer	Andrew W. Evans (a)	*
EVP & General Counsel	Paul R. Shlanta	*
President, Elizabethtown Gas and Elkton Gas	Jodi Gidley	*
VP, Elizabethtown Gas	Donald F. Carter	*
President, Florida City Gas	Suzanne Sitherwood	*
VP & General Manager, Florida City Gas	Melvin Williams (b)	*
VP&GM, Virginia and Maryland Operations	Robert Duvall	*
VP, Gas Operations & Business Process Services	Charles A. Rawson, III	*
Vice President and Corporate Secretary	Myra C. Bierra	*
Assistant Corporate Secretary	Barbara P. Christopher	*
VP & Asst Corporate Secretary, Elizabethtown Gas	M. Patricia Keefe (c)	*

(1) Represents executive officers of Pivotal Utility Holdings, Inc. as of December 31, 2009
 *Such officers are compensated by an affiliate of the holding company, not the Respondent.
 (a) Elected Treasurer as of May 31, 2009 to replace Brett A. Stovern.
 (b) Elected General Manager & VP, Florida City Gas, as of March 18, 2009 and September 2, 2009, respectively, to replace Jay Sutton.
 (c) Elected VP, Elizabethtown Gas, as of February 9, 2009.

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)
John W. Somerhalder II Chairman, President & CEO	Ten Peachtree Place Atlanta, Georgia 30309	3	None
Andrew W Evans EVP, Chief Financial Officer and Treasurer	Ten Peachtree Place Atlanta, Georgia 30309	3	None
Henry P. Linginfelter Executive VP, Utility Operations	Ten Peachtree Place Atlanta, Georgia 30309	3	None
Paul R. Shlanta EVP & General Counsel	Ten Peachtree Place Atlanta, Georgia 30309	3	None

(1) Represents Directors as of December 31, 2009.
 (2) Based on records contained in company minute book, represents actions by unanimous written consent.

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.

Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
	Number of votes as of (date): 7/31/2009 via written consent			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities	12,807,111	12,807,111		
TOTAL number of security holders	1	1		
TOTAL votes of security holders listed below	12,807,111	12,807,111		

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 None
- 2 None
- 3 None
- 4 Florida City Gas (FCG) is a party, as both a plaintiff and defendant, to a number of suits, claims and counter claims on an ongoing basis. Management believes that the outcome of all litigation which it is involved in will not have a material adverse effect on FCG's financial statements.
- 5 FCG engages in transactions with AGL Resources affiliates consistent with its services, tax allocation, Money Pool, and asset management agreements.

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)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	253,087,370	267,584,297
3	Construction Work in Progress (107)	12	12,388,732	8,541,072
4	TOTAL Utility Plant Total of lines 2 and 3)		265,476,102	276,125,369
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	116,918,866	120,109,762
6	Net Utility Plant (Total of line 4 less 5)		148,557,236	156,015,607
7	Utility Plant Adjustments (116)	11		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)			
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)		194,341	185,236
11	(Less) Accum. Prov. for Depr. and Amort. (122)		51,573	51,573
12	Investments in Associated Companies (123)			
13	Investment in Subsidiary Companies (123.1)			
14	Other Investments (124)			
15	Special Funds (125, 126, 128)			
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		142,768	133,663
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)		0	0
19	Special Deposits (132-134)			
20	Working Funds (135)			
21	Temporary Cash Investments (136)			
22	Notes Receivable (141)			
23	Customer Accounts Receivable (142)		12,524,681	10,117,060
24	Other Accounts Receivable (143)		83,400	114,593
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		160,346	266,057
26	Notes Receivable from Associated Companies (145)			
27	Accounts Receivable from Associated Companies (146)			
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)		107,514	92,326
32	Merchandise (155)			
33	Other Material and Supplies (156)			
34	Stores Expenses Undistributed (163)			
35	Gas Stored Underground & LNG Stored (164.1-164.3)		724,798	398,823
36	Prepayments (165)	18	114,050	1,914,759
37	Advances for Gas (166-167)			
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)		13,394,097	12,371,504
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	21	214,991	186,016
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	7,281,048	5,543,665
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	12	18
52	Deferred Losses from Disposition of Utility Plant. (187)			
53	Research, Development and Demonstration Expenditures (188)			
54	Unamortized Loss on Reacquired Debt (189)	20	1,685,706	1,571,655
55	Accumulated Deferred Income Taxes (190)	24	2,627,958	1,935,075
56	Unrecovered Purchased Gas Costs (191)		0	0
57	TOTAL Deferred Debits (Total of lines 44 through 56)		11,809,715	9,236,429
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		173,903,816	177,757,203

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)
PROPRIETARY CAPITAL				
1	Common Stock (201, 202, 203, 205, 206, 207)			
3	Preferred Stock Issued (204)			
4	Other Paid-In Capital (208-214)		46,826,607	47,419,920
5	Retained Earnings (215, 216)	10	15,275,682	15,292,559
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,102,289	62,712,479
LONG-TERM DEBT				
10	Bonds (221)	21	20,000,000	20,000,000
11	(Less) Reacquired Bonds (222)	21		
12	Advances from Associated Companies (223)	21	39,659,798	42,045,487
13	Other Long-Term Debt (224)	21		
14	Unamortized Premium on Long-Term Debt (225)	21		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21		
16	TOTAL Long-Term Debt (Total of lines 10 through 15)		59,659,798	62,045,487
OTHER NONCURRENT LIABILITIES				
18	Obligations Under Capital Leases - Noncurrent (227)		3,583,875	2,762,082
19	Accumulated Provision for Property Insurance (228.1)			
20	Accumulated Provision for Injuries and Damages (228.2)			
21	Accumulated Provision for Pensions and Benefits (228.3)		4,191,264	3,532,556
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)		7,775,139	6,294,638
CURRENT AND ACCRUED LIABILITIES				
26	Notes Payable (231)		0	0
27	Accounts Payable (232)		1,105,257	1,898,747
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,375,312	15,762,620
30	Customer Deposits (235)		3,188,692	3,427,405
31	Taxes Accrued (236)		4,355,016	822,739
32	Interest Accrued (237)		152,149	149,706
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		1,208,795	1,037,641
37	Miscellaneous Current and Accrued Liabilities (242)	22	150,797	130,256
38	Obligations Under Capital Leases-Current (243)		787,745	821,793
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		26,323,763	24,050,907
DEFERRED CREDITS				
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)	22	0	0
44	Other Regulatory Liabilities (254)	22	825,444	2,336,844
45	Accumulated Deferred Investment Tax Credits (255)	23	8,824	7,565
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	17,208,559	20,309,283
49	TOTAL Deferred Credits (Total of lines 42 through 48)		18,042,827	22,653,692
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		173,903,816	177,757,203

Note: Account 232 Accounts Payable and Account 228.3 Accumulated Provision for Pensions and Benefits are revised for 2008 to reflect proper classification of accounts.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2009
--	-------------------------------------

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	75,395,560	93,284,158
3	Operating Expenses			
4	Operation Expenses (401)	27-29	48,176,116	62,905,460
5	Maintenance Expenses (402)	27-29	1,067,007	1,113,190
6	Depreciation Expense (403)	15-16	9,796,349	9,440,299
7	Amortization & Depletion of Utility Plant (404-405)			
8	Amortization of Utility Plant Acquisition Adjustment (406)	15-16	721,895	721,895
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)			
10	Amortization of Conversion Expenses (407.2)		74,024	78,494
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	23	7,608,553	8,269,798
14	Income Taxes - Federal (409.1)		(2,073,525)	(841,819)
15	- Other (409.1)		238,776	(31,429)
16	Provision for Deferred Income Taxes (410.1) (1)	24	3,648,143	3,407,645
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
18	Investment Tax Credit Adjustment - Net (411.4)	23	(1,259)	(1,259)
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)		69,256,079	85,062,274
23	Net Utility Operating Income (Total of line 2 less 22)		6,139,481	8,221,884
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)		6,139,481	8,221,884
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)		258,268	298,158
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		258,268	298,158
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		(392)	
42	Miscellaneous Amortization (425)	33	0	0
43	Miscellaneous Income Deductions (426.1-426.5)	33	0	0
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(392)	0
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		(85,293)	(98,616)
48	Income Taxes - Other (409.2)		(14,183)	(16,399)
49	Provision for Deferred Income Taxes (410.2)	24		
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)			
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		(99,476)	(115,015)
54	Net Other Income and Deductions (Total of lines 39,44,53)		158,400	183,143
55	Interest Charges			
56	Interest on Long-Term Debt (427)		114,409	558,326
57	Amortization of Debt Discount and Expense (428)	21	14,883	23,177
58	Amortization of Loss on Reacquired Debt (428.1)	20	114,051	91,959
59	(Less) Amortization of Premium on Debt - Credit (429)			
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)			
61	Interest on Debt to Associated Companies (430)	33	2,371,180	3,015,233
62	Other Interest Expense (431)	33	634,203	501,781
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,248,726	4,190,476
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		3,049,155	4,214,551
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)		3,049,155	4,214,551

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

For the Year Ended
 Dec. 31, 2009

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.
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).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
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.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
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.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		15,275,682
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: Dividend for Periodic Adjustment to Capital Structure		
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)		3,049,155
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(3,281,326)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		249,048
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		15,292,559
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)		15,292,559

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

For the Year Ended

Dec. 31, 2009

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.

Please see attached.

**Pivotal Utility Holdings, Inc.
D/B/A Florida City Gas**

Notes to Financial Statements

Note 1 - Accounting Policies and Methods of Application

General

Florida City Gas is an operating division of Pivotal Utility Holdings, Inc. (Pivotal Utility), a wholly-owned subsidiary of NUI Corporation, which is a wholly-owned subsidiary of AGL Resources Inc. (AGL Resources). Unless the context requires otherwise, references to "we," "us," "our" or the "Company" mean Florida City Gas. The Company is primarily engaged in the distribution of natural gas to approximately 103,000 residential, commercial and industrial customers in Florida's Miami-Dade and Brevard counties.

Basis of Accounting

The Company maintains its accounts in accordance with recognized policies prescribed by the Florida Public Service Commission (Florida Commission). In addition, the Company maintains its accounts in accordance with recognized policies prescribed or permitted by the Federal Energy Regulatory Commission (FERC). These policies conform with generally accepted accounting principles in the United States of America (GAAP) in all material respects.

Basis of Reporting and Presentation

The financial statements are presented in accordance with the reporting requirements of the FERC and the statements included herein are prescribed by the requirements of the Florida Commission. This is a comprehensive basis of accounting consistent with GAAP, except for:

- the balance sheet classification of accumulated removal costs
- the omission of the statement of retained earnings from the prior year
- the omission of the statement of cash flows from the current and prior year
- the balance sheet classification of accumulated deferred income taxes into asset and liability components for FERC reporting
- the financial statements included in this report reflect the recognition of a positive acquisition adjustment and regulatory assets related to the purchase of Florida City Gas by AGL Resources in 2004 as approved by the Florida Commission on December 6, 2007. The statements also reflect the amortization of these assets consistent with the approval. For GAAP purposes these assets are recorded in goodwill and are not amortized.

Certain amounts from prior periods have been reclassified and revised to conform to the current period presentation.

Cash and Cash Equivalents

Our cash and cash equivalents consist primarily of cash on deposit, money market accounts and certificates of deposit with original maturities of three months or less.

Receivables and Allowance for Uncollectible Accounts

Our receivables consist of natural gas sales and transportation services billed to residential, commercial, industrial and other customers. We bill customers monthly, and accounts receivable are due within 30 days. For the majority of our receivables, we establish an allowance for doubtful accounts based on our collection experience and other factors. On certain other receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts against amounts due to reduce the net receivable balance to the amount we reasonably expect to collect. However, if circumstances change, our estimate of the recoverability of accounts receivable could be different. Circumstances that could affect our estimates include, but are not limited to, customer credit issues, the level of natural gas prices, customer deposits and general economic conditions. We write-off our customer's accounts once we deem them to be uncollectible.

Inventories

We record natural gas stored underground at weighted average cost. The inventory balance of natural gas stored underground at December 31, 2009 and 2008 was \$398,823 and \$724,798 respectively.

Property, Plant and Equipment (PP&E)

PP&E expenditures consist of property and equipment that is in use, being held for future use and under construction. We report PP&E at its original cost, which includes:

- material and labor
- contractor costs
- construction overhead costs

We charge property retired or otherwise disposed of to accumulated depreciation since such costs are recovered in rates.

Depreciation Expense

We compute depreciation expense by applying composite, straight-line rates (approved by the the Florida Commission) to the investment in depreciable property. The composite, straight-line rate for Florida City Gas was approximately 3.9% for 2009 and 2008.

Acquisition Adjustment and Regulatory Assets Resulting from Acquisition

We have included the recognition of a positive acquisition adjustment and regulatory assets for pensions, and transaction and transition costs related to the acquisition of Florida City Gas by AGL Resources in December 2004. This recognition was approved by the Florida Commission on December 6, 2007. We also have included in income the amortization of these assets, net of income tax effects, consistent with the order approving the recognition. The unamortized balance of the acquisition adjustment was \$17.9 million at December 31, 2009 and \$18.7 million at December 31, 2008. The unamortized balance of the regulatory asset for pension costs net of related deferred tax balance was \$0.8 million at December 31, 2009 and \$0.9 million at December 31, 2008. Additionally, the regulatory assets for transaction costs and transitions cost, net of related deferred tax balance were zero at December 31, 2009 and \$0.6 million at December 31, 2008.

For GAAP purposes, the \$26.6 million acquisition adjustment and regulatory assets are considered goodwill. In accordance with the authoritative guidance, AGL Resources is required to perform an annual goodwill impairment test at a reporting unit level. Our impairment analysis for the years ended December 31, 2009 and 2008 indicated that the fair value substantially exceeded the carrying value. As a result, we did not recognize any impairment charges. We also assess goodwill for impairment if events or changes in circumstances may indicate an impairment of goodwill exists. When such events or circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value will be recovered through the expected future cash flows. In the event the sum of the expected future cash flows resulting from the use of the asset is less than the carrying value of the asset, we record an impairment loss equal to the excess of the asset's carrying value over its fair value. We conduct this assessment principally through a review of financial results, changes in state and federal legislation and regulation, regulatory and legal proceedings and the periodic regulatory filings for our regulated utilities, including Florida City Gas.

Fair Value measurements

The carrying values of cash and cash equivalents, receivables, accounts payable, pension and postretirement plan assets and liabilities, other current liabilities and accrued interest approximate fair value. See Notes 3 and 4 for additional fair value disclosures.

As defined in authoritative guidance related to fair value measurements and disclosures, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best

available information. Accordingly, we use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. We are able to classify fair value balances based on the observance of those inputs. The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy defined by the guidance are as follows:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Our Level 1 items consist of financial instruments with exchange-traded derivatives.

Level 2

Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial and commodity instruments that are valued using valuation methodologies. These methodologies are primarily industry-standard methodologies that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. We obtain market price data from multiple sources in order to value some of our Level 2 transactions and this data is representative of transactions that occurred in the market place.

Level 3

Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. We do not have any material assets or liabilities classified as level 3, except for retirement plan assets as described in Note 3.

In April 2009, additional authoritative guidance related to fair value measurements and disclosures established a two-step process to determine if the market for a financial asset is inactive and a transaction is not distressed. Currently, this authoritative guidance does not affect us, as our derivative financial instruments are traded in active markets.

Taxes

The reporting of our assets and liabilities for financial accounting purposes differs from the reporting for income tax purposes. The principal differences between net income and taxable income relate to the timing of deductions, primarily due to the benefits of tax depreciation since we generally depreciate assets for tax purposes over a shorter period of time than for book purposes. The determination of our provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items. We report the tax effects of depreciation and other differences in those items as deferred income tax assets or liabilities in our balance sheets in accordance with authoritative guidance related to income taxes. Investment tax credits of approximately \$7,565 previously deducted for income tax purposes have been deferred for financial accounting purposes and are being amortized as credits to income over the estimated lives of the related properties in accordance with regulatory requirements.

We do not collect income taxes from our customers on behalf of governmental authorities. We collect and remit various taxes on behalf of various governmental authorities. We are required to include these taxes as revenues and operating expenses. These taxes are not material for any periods presented.

Revenues

We record revenues when services are provided to customers. Those revenues are based on rates approved by the Florida Commission. The Company's rate structure includes volumetric rate design that allows recovery of costs through gas usage. Revenues from sales and transportation services are recognized in the same period in which the related volumes are delivered to customers. Revenues from residential and certain commercial and industrial customers are recognized on the basis of scheduled meter readings. In addition, revenues are recorded

for estimated deliveries of gas not yet billed to these customers, from the last meter reading date to the end of the accounting period. These are included in the balance sheet as unbilled revenue.

Cost of gas

We charge our utility customers for natural gas consumed using natural gas cost recovery mechanisms set by the Florida Commission. Under these mechanisms, we defer (that is, include as a current asset or liability in the balance sheet and exclude from the statement of income) the difference between the actual cost of gas and what is collected from or billed to customers in a given period. The deferred amount is either billed or refunded to our customers prospectively through adjustments to the commodity rate.

Regulatory Assets and Liabilities

We have recorded regulatory assets and liabilities in our balance sheet in accordance with authoritative guidance related to regulated operations. Our regulatory assets and liabilities are summarized in the following table.

	As of December 31,	
	2009	2008
Regulatory assets		
Deferred customer conversion costs	\$767,401	\$374,827
Unamortized loss on reacquired debt	1,571,655	1,685,706
Pension Costs – AGL Resources Acquisition	1,341,369	1,505,618
Transition Costs – AGL Resources Acquisition	-	532,307
Transaction Costs – AGL Resources Acquisition	-	269,191
Deferred natural gas piping costs	1,734,772	1,818,062
Energy conservation program	168,304	1,134,245
Unrecovered postretirement benefit cost	1,529,541	1,645,709
Other	2,279	1,088
Total regulatory assets	\$7,115,321	\$8,966,753
Regulatory liabilities		
Deferred purchased gas adjustment	\$2,330,351	\$818,161
Unamortized investment tax credit	7,565	8,824
Regulatory tax liability	4,742	5,533
Other	1,750	1,750
Total regulatory liabilities	\$2,344,408	\$834,268

Our regulatory assets are recoverable through either rate riders or base rates specifically authorized by the Florida Commission, with the exception of the regulatory assets related to pension, transition and transaction costs resulting from the acquisition of Florida City Gas by AGL Resources. Those assets are recorded for regulatory reporting purposes consistent with the Florida Commission approval on December 6, 2007. These assets are not recorded for GAAP purposes in accordance with authoritative guidance related to regulated operations.

Base rates are designed to provide both a recovery of cost and a return on investment during the period rates are in effect. As such, all our regulatory assets are subject to review by the Florida Commission during any future rate proceedings. In the event that the provisions of authoritative guidance related to regulated operations were no longer applicable, we would recognize a write-off of regulatory assets that would result in a charge to net income, and be classified as an extraordinary item.

Additionally, the regulatory liabilities would not be written-off. They would continue to be recorded as liabilities, but not as regulatory liabilities. Although the natural gas distribution industry is becoming increasingly competitive, we continue to recover costs through cost-based rates established by the Florida Commission. As a result, we believe that the accounting prescribed under the guidance remains appropriate. It is also our opinion that all regulatory assets are recoverable in future rate proceedings, and therefore we have not recorded any regulatory assets that are recoverable but are not yet included in base rates or contemplated in a rate rider. The regulatory liabilities are refunded to ratepayers through a rate rider or base rates. If the regulatory liability is included in base rates, the amount is reflected as a reduction to the rate base in setting rates.

Use of Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures of contingent assets and liabilities. We based our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, and we evaluate our estimates on an ongoing basis. Each of our estimates involve complex situations requiring a high degree of judgment either in the application and interpretation of existing literature or in the development of estimates that impact our financial statements. The most significant estimates include our regulatory accounting, uncollectible accounts and other allowance for contingencies, unbilled revenue recognition, pension and postretirement obligations and provision for income taxes. Our actual results could differ from our estimates.

Subsequent Events

In May 2009, the FASB established guidance for and disclosure of events that occur after the statements of financial position date, but before financial statements are issued, or are available to be issued. This guidance should now be applied by management to the accounting for and disclosure of subsequent events, but does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provide different guidance. In accordance with the guidance, we evaluated subsequent events until the time that our financial statements were issued.

Note 2 - Amounts Due to Affiliates

We had \$15,762,620 in payables at December 31, 2009 and \$15,375,312 in payables at December 31, 2008, due to AGL Resources and affiliated companies, which consists primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

Note 3 - Employee Benefit Plans

Accounting for employee benefit plans

The authoritative guidance related to retirement benefits requires that we recognize all obligations related to defined benefit pension and other postretirement benefits and quantify the plans' funding status as an asset or a liability on our balance sheet. The guidance further requires that we measure the plans' assets and obligations that determine our funded status as of the end of the fiscal year. We are also required to recognize as a component of OCI the changes in funded status that occurred during the year that are not recognized as part of net periodic benefit cost as explained in authoritative guidance related to pension and postretirement benefits.

Based on the funded status of our defined benefit pension and postretirement benefit plans as of December 31, 2009, we reported an after-tax gain to our other comprehensive income (OCI) of \$249 thousand, a net decrease of \$394 thousand to accrued pension and postretirement obligations and an increase of \$145 thousand to accumulated deferred income tax.

Oversight of Plans

The Retirement Plan Investment Committee (the Committee) appointed by AGL Resources' Board of Directors is responsible for overseeing the investments of the AGL Resources Inc. retirement plans. Further, AGL Resources has an Investment Policy (the Policy) for the retirement and postretirement benefit plans that aims to preserve these plans' capital and maximize investment earnings in excess of inflation within acceptable levels of capital market volatility. To accomplish this goal, the retirement and postretirement benefit plans' assets are actively managed to optimize long-term return while maintaining a high standard of portfolio quality and diversification.

AGL Resources will continue to diversify retirement plan investments to minimize the risk of large losses in a single asset class. AGL Resources does not have a concentration of assets in a single entity, industry, country, commodity or class of investment fund. The Policy's permissible investments include domestic and international equities (including convertible securities and mutual funds), domestic and international fixed income (corporate and U.S. government obligations), cash and cash equivalents and other suitable investments.

Equity market performance and corporate bond rates have a significant effect on the reported unfunded projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO), as the primary factors that

drive the value of the unfunded PBO and APBO are the assumed discount rate and the actual return on plan assets. Additionally, equity market performance has a significant effect on the market-related value of plan assets (MRVPA), which is used by AGL Resources largest pension plan. The MRVPA is a calculated value and differs from the actual market value of plan assets. The MRVPA also recognizes the difference between the actual market value and expected market value of plan assets and is determined by AGL Resources' actuaries using a five-year moving weighted average methodology. Gains and losses on plan assets are spread through the MRVPA based on the five-year moving weighted average methodology, which affects the expected return on plan assets component of pension expense.

Pension Benefits

AGL Resources sponsors two tax-qualified defined benefit retirement plans for eligible employees, the AGL Resources Inc. Retirement Plan (AGL Retirement Plan) and the Employees' Retirement Plan of NUI Corporation (NUI Retirement Plan). A defined benefit plan specifies the amount of benefits an eligible participant eventually will receive using information about the participant.

The benefits under the AGL Retirement Plan are calculated based on age, years of service and pay. The benefit formula for the AGL Retirement Plan is a career average earnings formula, except for participants who were employees as of July 1, 2000, and who were at least 50 years of age as of that date. For those participants, AGL Resources uses a final average earnings benefit formula, and will continue to use this benefit formula for such participants until December 31, 2010, at which time any of those participants who are still actively employed will accrue future benefits under the career average earnings formula.

The NUI Retirement Plan covers substantially all of NUI Corporation's employees who were employed on or before December 31, 2005, except Florida City Gas union employees, who until February 2008 participated in a union-sponsored multiemployer plan. Pension benefits are based on years of credited service and final average compensation as of the plan freeze date. Effective, January 1, 2006, participation and benefit accrual under the NUI Retirement Plan were frozen. As of that date, former participants in that plan became eligible to participate in the AGL Retirement Plan. Florida City Gas union employees became eligible to participate in the AGL Retirement Plan in February 2008. Because the union-sponsored multi-employer plan was not fully funded, Florida City Gas will be required to fund approximately \$2 million to this plan in future periods.

Postretirement Benefits

AGL Resources sponsors a defined benefit postretirement health care plan for eligible employees, the Health and Welfare Plan for Retirees and Inactive Employees of AGL Resources Inc. (AGL Postretirement Plan). Eligibility for these benefits is based on age and years of service.

The AGL Postretirement Plan includes medical coverage for all eligible AGL Resources employees who were employed as of June 30, 2002, if they reach retirement age while working for AGL Resources. Additionally, the AGL Postretirement Plan provides life insurance for all employees if they have ten years of service at retirement. The state regulatory commissions have approved phase-ins that defer a portion of other postretirement benefits expense for future recovery. AGL Resources expects to pay \$8 million of insurance claims for the postretirement plan in 2010, but AGL Resources does not anticipate making any additional contributions.

Effective December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law. This act provides for a prescription drug benefit under Medicare (Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D.

From January 1, through June 30, 2009, Medicare-eligible participants receive prescription drug benefits through a Medicare Part D plan offered by a third party and to which we subsidized participant premiums. Medicare-eligible retirees who opted out of the AGL Postretirement Plan were eligible to receive a cash subsidy which could be used towards eligible prescription drug expenses. Effective July 1, 2009, Medicare eligible retirees, including all of those at least age 65, receive benefits through our contribution to a retiree health reimbursement arrangement account.

Effective January 1, 2010, enhancements were made to the pre-65 medical coverage by removing the current cap on the expected costs and implementing a new cap determined by the new retiree premium schedule based on salary level and years of service. Consequently, a one-percentage-point change in the assumed health care cost trend rates does not materially affect the periodic benefit costs or our accumulated projected benefit obligation for our postretirement plan.

In March 2010, President Obama signed into law HR2590, the Patient Protection and Affordable Care Act, and the U.S. Congress passed HR4872, Reconciliation Act of 2010, which amends HR2590. With this healthcare reform, the cash subsidy is no longer tax-free. Accounting guidance requires that companies record the tax impacts of this healthcare reform on the date of enactment. However, we did not receive the Retiree Drug Subsidy and therefore did not recognize any additional expense.

Contributions

Our employees do not contribute to the retirement plans. AGL Resources funds the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by its actuary. However, AGL Resources may also contribute in excess of the minimum required amount. As required by The Pension Protection Act (the Act) of 2006, AGL Resources calculates the minimum amount of funding using the traditional unit credit cost method.

The Act contained new funding requirements for single employer defined benefit pension plans. The Act established a 100% funding target (over a 7-year amortization period) for plan years beginning after December 31, 2007. If certain conditions are met, the Worker, Retiree and Employer Recovery Act of 2008 (passed December, 2008) allowed AGL Resources to measure its 2008 and 2009 minimum required contributions based on a funding target at 92% and 94%, respectively. In 2010, this will increase to 96% and for 2011, it will increase to 100%. In 2009, AGL Resources contributed \$24 million to its qualified pension plans. In 2008, AGL Resources did not make contributions to its qualified pension plans as one was not required.

The following tables present details about the AGL Retirement Plan and the NUI Retirement Plan (retirement plans) and the AGL Postretirement Plan (postretirement plan).

<i>Dollars in millions</i>	Retirement plans		Postretirement plan	
	2009	2008	2009	2008
Change in plan assets				
Fair value of plan assets, January 1,	\$242	\$383	\$49	\$70
Actual gain (loss) on plan assets	61	(115)	14	(21)
Employer contribution	26	1	7	4
Benefits paid	(26)	(27)	(7)	(4)
Fair value of plan assets, December 31, (A)	\$303	\$242	\$63	\$49
Change in benefit obligation				
Benefit obligation, January 1,	\$442	\$427	\$95	\$94
Service cost	8	7	-	-
Interest cost	26	26	6	6
Plan amendment	-	-	1	-
Actuarial loss (gain)	13	9	6	(1)
Benefits paid	(26)	(27)	(7)	(4)
Benefit obligation, December 31, (B)	\$463	\$442	\$101	\$95
% funded (A/B)	65.4%	54.8%	62.4%	51.6%
Amounts recognized in the consolidated statements of financial position consist of				
Current liability	\$(1)	\$(1)	\$-	\$-
Long-term liability	(159)	(199)	(38)	(46)
Total liability at December 31,	\$(160)	\$(200)	\$(38)	\$(46)
Florida City Gas's share of net liability recorded on the statements of financial position	\$(2)	\$(2)	\$-	\$-
Assumptions used to determine benefit obligations				
Discount rate	5.8 - 6.0%	6.2%	5.8%	6.2%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%
Accumulated benefit obligation	\$448	\$425	Not applicable	

The components of AGL Resources pension and postretirement benefit costs are set forth in the following table.

<i>Dollars in millions</i>	Retirement plans		Postretirement plan	
	2009	2008	2009	2008
Net benefit cost				
Service cost	\$8	\$7	\$-	\$-
Interest cost	26	26	6	6
Expected return on plan assets	(29)	(32)	(4)	(6)
Net amortization	(2)	(2)	(4)	(4)
Recognized actuarial loss	9	3	2	1
Net annual pension cost	\$12	\$2	\$-	\$(3)
Florida City Gas's share of net annual pension and postretirement costs	\$1	\$-	\$-	\$-
Assumptions used to determine benefit costs				
Discount rate	6.2%	6.4%	6.2%	6.4%
Expected return on plan assets	9.0%	9.0%	9.0%	9.0%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%

There were no other changes in plan assets and benefit obligations recognized for AGL Resources retirement and postretirement plans for the year ended December 31, 2009. The 2010 estimated OCI amortization and expected refunds for these plans are set forth in the following table.

<i>In millions</i>	Retirement plans	Postretirement plan
Amortization of prior service credit	\$(2)	\$(4)
Amortization of net loss	11	2

The following table presents expected benefit payments for the years ended December 31, 2010 through 2019 for AGL Resources retirement and postretirement plans. There will be benefit payments under these plans beyond 2019.

<i>In millions</i>	Retirement plans	Postretirement plan
2010	\$27	\$8
2011	27	8
2012	27	8
2013	27	8
2014	27	7
2015-2019	154	37
Total	\$289	\$76

The following table presents the amounts not yet reflected in AGL Resources net periodic benefit cost and included in AGL Resources accumulated OCI as of December 31, 2009.

<i>In millions</i>	Retirement plans	Postretirement plan
Prior service credit	\$(17)	\$(12)
Net loss	187	33
Accumulated OCI	170	21
Net amount recognized in consolidated statements of financial position	(160)	(38)
Prepaid (accrued) cumulative employer contributions in excess of net periodic benefit cost	\$10	\$(17)

There were no other changes in plan assets and benefit obligations recognized in AGL Resources retirement and postretirement plans for the year ended December 31, 2009.

AGL Resources considers a number of factors in determining and selecting assumptions for the overall expected long-term rate of return on plan assets. AGL Resources considers the historical long-term return experience of our assets, the current and expected allocation of its plan assets, and expected long-term rates of return. AGL

Resources derives these expected long-term rates of return with the assistance of its investment advisors and generally base these rates on a 10-year horizon for various asset classes, its expected investments of plan assets and active asset management as opposed to investment in a passive index fund. AGL Resources base its expected allocation of plan assets on a diversified portfolio consisting of domestic and international equity securities, fixed income, real estate, private equity securities and alternative asset classes.

AGL Resources considers a variety of factors in determining and selecting its assumptions for the discount rate at December 31. AGL Resources considers certain market indices and including Moody's Corporate AA long-term bond rate, the Citigroup Pension Liability rate, other high-grade bond indices a single equivalent discount rate derived with the assistance of its actuaries by matching expected future cash flows in each year to the appropriate spot rates based in high quality (rated AA or better) corporate bonds.

AGL Resources target asset allocations consists of approximately 30% - 95% equity, 10% - 40% fixed income, 10% - 35% real estate and other and the remaining 0% - 10% in cash. AGL Resources actual retirement and postretirement plans' asset allocations by level within the fair value hierarchy at December 31, 2009, are presented in the table below. AGL Resources retirement and postretirement plans' assets were accounted for at fair value and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. For more information on a description of the fair value hierarchy, see Note 1.

<i>In millions</i>	Retirement plans (1)					Postretirement plan				
	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	\$12	\$-	\$-	\$12	4%	\$1	\$-	\$-	\$1	2%
Equity Securities										
U.S. large cap (2)	73	-	-	73	24%	-	31	-	31	54%
U.S. small cap (2)	44	-	-	44	14%	-	-	-	-	-
International companies (3)	-	35	5	40	13%	-	11	-	11	19%
Emerging markets (4)	-	13	-	13	4%	-	-	-	-	-
Fixed income securities										
Corporate bonds (5)	-	55	-	55	18%	-	14	-	14	25%
Other types of investments										
Global hedged equity (6)	-	-	33	33	11%	-	-	-	-	-
Absolute return (7)	-	-	26	26	8%	-	-	-	-	-
Private capital (8)	-	-	13	13	4%	-	-	-	-	-
Total assets at fair value	\$129	\$103	\$77	\$309	100%	\$1	\$56	\$-	\$57	100%
% of fair value hierarchy	42%	33%	25%	100%		2%	98%	-	100%	

(1) Includes \$6 million of medical benefit (health and welfare) component for 401h accounts to fund a portion of the postretirement obligation

(2) Includes funds that invest primarily in U.S. common stocks

(3) Includes funds that invest primarily in foreign equity and equity-related securities

(4) Includes funds that invest primarily in common stocks of emerging markets

(5) Includes funds that invest primarily in investment grade debt and fixed income securities

(6) Includes funds that invest in limited / general partnerships, managed accounts, and other investment entities issued by non-traditional firms or "hedge funds"

(7) Includes funds that invest primarily in investment vehicles and commodity pools as a "fund of funds"

(8) Includes funds that invest in private equity and small buyout funds, partnership investments, direct investments, secondary investments, directly / indirectly in real estate and may invest in equity securities of real estate related companies, real estate mortgage loans, and real-estate mezzanine loans

The following is a reconciliation of assets in level 3 of the fair value hierarchy.

Retirement Plans

<i>In millions</i>	Total	International equity	Global hedged equity	Absolute return	Private capital
Beginning balance at December 31, 2008	\$65	\$3	\$27	\$23	\$12
Actual return on plan assets:					
Relating to assets still held at the reporting date	10	2	6	3	(1)
Relating to assets sold during the period:					
Purchases, sales and settlements (net)	2	-	-	-	2
Transfers in and/or out of Level 3	-	-	-	-	-
Ending balance at December 31, 2009	\$77	\$5	\$33	\$26	\$13

Employee Savings Plan Benefits

AGL Resources sponsors the Retirement Savings Plus Plan (RSP), a defined contribution benefit plan that allows eligible participants to make contributions to their accounts up to specified limits. Under the RSP, we made matching contributions to participant accounts of \$145 thousand in 2009 and \$148 thousand in 2008.

Note 4 - Debt

Our issuance of various securities, including long-term and short-term debt, is subject to customary approval, authorization or review by state and federal regulatory bodies, including the Florida Commission, and the FERC as granted by the Energy Policy Act of 2005. The following table shows our long-term debt included in our balance sheet. We estimate the fair value using a discounted cash flow technique that incorporates a market interest yield curve with adjustments for duration, optionality and risk profile.

	Year(s) due	Interest rate (1)	Weighted average Interest rate(1)	Outstanding as of	
				Dec.31, 2009	Dec. 31, 2008
Short-term debt					
Capital leases	2010	4.9%	4.9%	\$821,793	\$787,745
Long-term debt					
Gas facility revenue bonds, issued July 1994	2024	0.4%	0.6%	20,000,000	20,000,000
Affiliate Promissory note	2034	5.9	5.9	42,045,487	39,659,798
Capital leases	2013	4.9	4.9	2,762,082	3,583,875
Total long-term debt (2)		4.2%	4.2%	64,807,569	63,243,673
Total debt		4.2%	4.2%	\$65,629,362	\$64,031,418

(1) As of or for the year ended December 31, 2009.

(2) We estimate the fair value was \$65,629,362 as of December 31, 2009 and \$64,031,418 as of December 31, 2008.

Short-term Debt

Our short-term debt at December 31, 2009 and 2008 was composed of current portions of our capital lease obligations.

Long-term Debt

Our long-term debt at December 31, 2009 and 2008 matures more than one year from the balance sheet date and consists of gas facility revenue bonds, affiliate promissory note and capital leases.

Gas Facility Revenue Bonds Pivotal Utility is party to a series of loan agreements with the New Jersey Economic Development Authority (NJEDA) pursuant to which the NJEDA has issued a series of gas facility revenue bonds. In 2008, we completed letter of credit agreements for our \$20 million gas facility revenue bond. This agreement provided additional credit support and increased investor demand. As a result, this bond was successfully auctioned and issued as variable rate gas facility bonds. The bond now has an interest rate that resets weekly. There was no change to the maturity date on the bond. The letter of credit agreement is set to expire in 2010.

Affiliate Promissory Note Pivotal Utility entered into a promissory note with AGL Resources (Affiliate Promissory Note) for the purpose of refinancing short-term debt and recapitalizing the capital structure of Pivotal Utility and of its utility operating divisions, Elizabethtown Gas, Florida City Gas and Elkton Gas, in accordance with Pivotal Utility's target capitalization of 45% and with authorizations of the New Jersey Board of Public Utilities and the Florida Commission. The Affiliate Promissory Note is due December 31, 2034 and had an initial interest rate of 6.28%, which adjusts on a periodic basis based upon weighted-average costs and expenses of borrowing the then outstanding long-term debt of both AGL Resources and AGL Capital Corporation, a wholly-owned financing subsidiary of AGL Resources. As of December 31, 2009, the interest rate on this note was 5.9%. The principal amount of the Affiliate Promissory Note for Pivotal Utility including its operating division, Florida City Gas, is adjusted on at least annual basis to conform with Pivotal Utility's target capitalization of 45% and with the

authorizations of the New Jersey BPU and the Florida Commission. As of December 31, 2009, the amount outstanding under the Affiliate Promissory Note was \$42,045,487.

Capital Leases Our capital leases consist primarily of a sale/leaseback transaction completed in 2002 related to its gas meters and other equipment and will be repaid at approximately \$1,000 thousand per year until 2013. Pursuant to the terms of the lease agreement, we are required to insure the leased equipment during the lease term. In addition, at the expiration of the lease term, we have the option to purchase the leased meters from the lessor at their fair market value. The fair market value of the equipment will be determined on the basis of an arm's-length transaction between an informed and willing buyer. As of December 31, 2009, we had \$3,583,875 outstanding under these capital leases.

Note 5 - Commitments and Contingencies

We have incurred various contractual obligations and financial commitments in the normal course of our operating and financing activities. These obligations may result from both general financing activities and from commercial arrangements that are directly supported by related revenue-producing activities. The following table illustrates our expected future contractual payments such as debt and lease agreements, and commitment and contingencies as of December 31, 2009.

	Total	Payments due before December 31,			
		2010	2011 & 2012	2013 & 2014	2015 & thereafter
Long-term debt	\$64,807,569	\$-	\$2,762,082	\$-	\$62,045,487
Pipeline charges, storage capacity and gas supply	63,626,797	7,815,175	15,630,350	15,630,350	24,550,922
Pension contributions (1)	1,633,608	87,126	174,252	174,252	1,197,978
Interest charges	1,428,585	235,895	299,690	152,000	741,000
Short-term debt	821,793	821,793	-	-	-
Standby letters of credit, performance/surety bonds	95,000	95,000	-	-	-
Operating leases	80,082	53,388	26,694	-	-
Total	\$132,493,434	\$9,108,377	\$18,893,068	\$15,956,602	\$88,535,387

⁽¹⁾ Represent payments relating to the former union sponsored multi-employer retirement plan. See Note 3 for discussion of the retirement plan.

Litigation

We are involved in litigation arising in the normal course of business. We believe the ultimate resolution of such litigation will not have a material adverse effect on our financial position, results of operations or cash flows.

Note 6 - Income Taxes

We have two categories of income taxes in our statement of income: current and deferred. Current income tax expense consists of federal and state income tax less applicable tax credits related to the current year. Deferred income tax expense generally is equal to the changes in the deferred income tax liability and regulatory tax liability during the year.

Investment and Other Tax Credits

Deferred investment tax credits are included as a regulatory liability in our balance sheet (see Note 1, "Accounting Policies and Methods of Application"). These investment tax credits are being amortized over the estimated life of the related properties as credits to income in accordance with regulatory requirements. We reduce income tax expense in our statement of income for the investment tax credits.

Income Tax Expense

The relative split between current and deferred taxes is due to a variety of factors including true ups of prior year tax returns, and most importantly, the timing of our property-related deductions. Components of income tax expense shown in the statement of income are shown in the following table.

<i>In thousands</i>	2009	2008
Current income taxes		
Federal	\$(1,988)	\$(743)
State	253	(15)
Deferred income taxes		
Federal	3,508	3,031
State	140	376
Amortization of investment tax credits	(1)	(1)
Total	\$1,912	\$2,648

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of tax for the years ended December 31, 2009 and 2008 on our statement of income are presented in the following table.

<i>In thousands</i>	2009	2008
Computed tax expense at statutory rate	\$1,775	\$2,402
State income tax, net of federal income tax benefit	145	253
Amortization of investment tax credits	(1)	(1)
Other – net	(7)	(6)
Total income tax expense at effective rate	\$1,912	\$2,648

Accumulated Deferred Income Tax Assets and Liabilities

We report some of our assets and liabilities differently for financial accounting purposes than we do for income tax purposes. We report the tax effects of the differences in those items as deferred income tax assets or liabilities in our balance sheet. We measure the assets and liabilities using income tax rates that are currently in effect. Because of the regulated nature of the utilities' business, we recorded a regulatory tax liability in accordance with authoritative guidance related to income taxes, which we are amortizing over approximately 30 years (see Note 1). Our deferred tax assets include \$789 thousand related to an unfunded pension and postretirement benefit obligation.

Components that give rise to the net accumulated deferred income tax liability are as follows.

<i>In thousands</i>	As of December 31,	
	2009	2008
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	\$19,805	\$16,442
Other	504	767
Total accumulated deferred income tax liabilities	20,309	17,209
Accumulated deferred income tax assets		
Unfunded pension and postretirement benefit obligation	\$789	778
Bad debts and insurance reserves	102	62
Other	1,044	1,788
Total accumulated deferred income tax assets	1,935	2,628
Net accumulated deferred tax liability	\$18,374	\$14,581

Tax Benefits

The authoritative guidance related to income taxes requires us to determine whether tax benefits claimed or expected to be claimed on our tax return should be recorded in the financial statements. Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. This guidance also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of December 31, 2008 and December 31, 2009, we did not have a liability for unrecognized tax benefits. Based on current information, we do not anticipate that this will change materially in 2010.

Note 7 - Related Party Transactions

We have an Asset Management and Agency Agreement (AMA) with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the management of transportation and storage capacity assets owned by Florida City Gas. As part of the AMA arrangement, the parties have also executed a Gas Purchase and Sale Agreement where, to the extent requested by Florida City Gas, Sequent will purchase and sell natural gas to meet the gas supply requirements of Florida City Gas. The following table provides additional information on our asset management agreements with Sequent.

<i>Dollars in thousands</i>	Expiration date	Type of fee structure	Annual fee	Profit sharing / fees payments	
				2009	2008
Florida City Gas	Mar 2013	Profit -sharing	50%	\$911	\$842

See Note 2, Note 3, Note 4 and Note 5 for discussion of other intercompany transactions.

We also engage in transactions with AGL Resources' affiliates consistent with its services, money pool and tax allocation agreements.

Name of Respondent		For the Year Ended	
PIVOTAL UTILITY HOLDINGS, INC.			
D/B/A FLORIDA CITY GAS		Dec. 31, 2009	
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)	245,197,714	245,197,714
4	101.1 Property Under Capital Leases	729,748	729,748
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	21,656,835	21,656,835
11	TOTAL Utility Plant (Total of lines 3 through 10)	267,584,297	267,584,297
12	107 Construction Work in Progress	8,541,072	8,541,072
13	Accum. Provision for Depreciation, Amortization, & Depletion	(120,109,762)	(120,109,762)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	156,015,607	156,015,607
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	(116,379,973)	(116,379,973)
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights		
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)	(116,379,973)	(116,379,973)
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	(3,729,789)	(3,729,789)
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	(120,109,762)	(120,109,762)

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, 2009

Acct. No.	Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land-Distribution		81,369	0	0				81,369
389	Land-General		333,111	0	0				333,111
	Land-Other		0	0	0				0
Amortizable General Plant Assets:									
301	Organization		0	0	0				0
302	Franchises and Consents		325,165	0	0				325,165
303	Miscellaneous Intangible Plant		27,593	129	0				27,722
399	Miscellaneous Intangible Property		38,828	0	0				38,828
Depreciable Assets: This schedule sh 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	0				0
367	Transmission-Main	2.9	0	0	0				0
369	Measuring & Regulating Equip	3.5	0	94,177	0				94,177
371	Other Equipment	3.3	0	0	0				0
375	Structures & Improvements	2.2	742,835	12,898	5,067				750,667
376	Mains - Plastic	2.9	56,757,669	5,121,066	246,048				61,633,687
376	Mains - Other	2.8	82,482,048	2,163,052	326,146				84,298,954
379	M & R Station Equipment - City Gate	2.9	5,766,845	154,808	0				5,921,653
380	Services - Plastics	3.8	33,927,238	3,037,031	103,436.00				36,860,833
380	Services - Other	7.1	12,916,194	401,951.94	30,881				13,287,265
381	Meters	4.2	8,922,161	3,897,927.29	3,263,659				9,556,429
382	Meter Installation	3.5	3,155,081	2,650,830.22	13,892				5,792,019
383	House Regulators	4.4	2,497,834	362,472	203,651				2,656,655
384	House Regulators Installation	3.7	1,349,316	20,231	9,634				1,359,814
385	Industrial M & R Station Equipment	3.2	3,186,398	170,173	0				3,356,572
386.5	Leased Water Heaters	8.0	0	0	0				0
386.6	Leased Dryers	8.2	0	0	0				0
386.7	Leased Rangers	8.8	0	0	0				0
387	Other Equipment	2.9	454,680	242,347	0				697,027
390	Structures & Improvements	2.5	2,329,578	28,727	0				2,358,305
391.1	Office Furniture	4.3	1,044,078	21,598	0				1,065,676
391.2	Office Equipment	1.9	1,799,537	0	0				1,799,537
391.3	Computers	16.7	7,953,288	1,367,166.30	1,785,879				7,534,575
392	Transportation Equipment	2.7	2,837,972	478,970.76	179,584			(27,457)	3,109,902
393	Stores Equipment	3.6	7,422	0	0				7,422
394	Tools, Shop and Garage Equipment	6.7	955,530	385,042.63	0				1,340,572
395	Laboratory Equipment	4.0	4,034	0	0				4,034
397	Communication Equipment	6.9	1,118,684	51,368	0			27,457	1,197,509
398	Miscellaneous Equipment	6.7	436,046	836	0				436,883

**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, 2008

Page 2 of 2

Acct. No. Account Description (Continued)	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Total Account 101*		231,430,535	20,663,805	6,156,878	0	0	0	245,927,462
Amortizable Assets:								
114 Acquisition Adjustment		21,656,835						21,656,835
118 Other Utility Plant								
Total Utility Plant		253,087,370	20,663,805	6,166,878	0	0	0	267,584,297

Note: * The total beginning and ending balances must agree to accts. 101, Plant in Service, Line 3 and 101.1 Property Under Capital Lease, Line 4, and 114 Acquisition Adjustments, Page 12.

Capital Recovery Schedules:

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, 2009

Acct. No.	Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
374	Land-Distribution	0								0
389	Land-General	0								0
Amortizable General Plant Assets:										
302	Franchises and Consents	138,114	9,756							147,871
303	Miscellaneous Intangible Plant	22,325	1,033							23,358
399	Miscellaneous Intangible Property	5,999	782							6,782
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
367	Transmission-Main	0	418							418
369	Measuring & Regulating Equip	0	2,451							2,451
371	Other Equipment	0	4,271							4,271
375	Structures & Improvements	296,606	16,543		5,067					308,082
376	Mains - Plastic	19,198,521	1,840,569		246,400			116,969		20,909,649
376	Mains - Other	47,425,547	2,106,511		326,805					49,205,253
379	M & R Station Equipment - City Gate	2,458,819	178,500		122,120					2,637,319
380	Services - Plastics	13,175,292	1,282,484.60							14,335,657
380	Services - Other	16,178,029	1,006,209		39,396					17,144,842
381	Meters	2,135,076	387,242.52		3,263,659					(741,341)
382	Meter Installation	1,457,650	113,488		13,892					1,557,247
383	House Regulators	1,148,471	111,218		203,651					1,056,037
384	House Regulators Installation	643,953	49,110		9,634					683,429
385	Industrial M & R Station Equipment	1,387,642	95,953							1,483,595
386.5	Leased Water Heaters	0								0
386.6	Leased Dryers	0								0
386.7	Leased Rangers	0								0
387	Other Equipment	149,720	13,784							163,504
390	Structures & Improvements	449,523	59,041							508,564
391.1	Office Furniture	775,018	42,486							817,504
391.2	Office Equipment	119,731	4,390							124,121
391.3	Computers	4,567,129	1,660,123.67		1,785,879					4,441,373
392	Transportation Equipment	1,448,245	63,304	31	179,584	8,000				1,339,966
393	Stores Equipment	3,088	267							3,355
394	Tools, Shop and Garage Equipment	530,237	73,414							603,651
395	Laboratory Equipment	(5,930)	161							(5,768)
397	Communication Equipment	986,479	80,014	(31)						1,066,462
398	Miscellaneous Equipment	163,974	32,620							216,594
		0								0

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, 2008

Page 2 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
	(Continued)									
	Capital Recovery Schedules:									
	Subtotal	114,879,262	9,236,144	0	6,196,087	8,000	0	116,959	0	118,044,277
	List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.									
	Retirement of Land & Landrights (Propane Sales)	0								0
	Undistributed Retirement Work in Progress	(868,290)			12,380					(1,664,305)
	115 - Amort. Plant Acquisition Adjustment	3,007,694	721,895				(708,395)			3,729,789
	Grand Total *	116,918,866	9,958,039	0	6,208,467	8,000	708,395	116,959	0	120,109,762

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

** Allocated Depreciation Expense of \$568,051 is not included in Accumulated Depreciation Balance since it is included on the books of AGL Services Co. Income statement includes non-jurisdictional expense of \$4,164. Depreciation Expense for Mains includes adjustments depreciation of (\$103,257). (\$144,925) relates to a reduction in depreciation expense for various FERC accounts and \$41,668 relates to reconciling items. Additionally the Main - Plastic adjustment column contains a reconciling item of \$116,959 to reconcile to the general ledger.

Name of Respondent FLORIDA CITY GAS A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC.	For the Year Ended Dec. 31, 2009
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CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	ERT's Project (Miami and Brevard area)	4,944,061	
2			
3	Construction Work in Process (sum of Minor Projects in Dade, Port St. Lucie and Brevard County)	3,597,011	
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14	TOTAL	8,541,072	

CONSTRUCTION OVERHEADS-GAS

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.
 2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed
 and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
 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.

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	A&G Salaries Capitalized*	757,044	8,541,071.85
2	A&G Expenses Capitalized*	22,580.31	8,541,071.85
3	Benefits Capitalized**	220,391	8,541,071.85
4	Other Post Retirement Benefits Capitalized**	386	8,541,071.85
5	Pension Expense Capitalized**	59,703	8,541,071.85
6	Payroll Taxes Expense Capitalized**	112,001	8,541,071.85
7	Fleet Expense Capitalization	42,318	8,541,071.85
8	Engineering (Charged from AGL Services Company)	270,335	8,541,071.85
9			8,541,071.85
10			8,541,071.85
11	TOTAL	1,484,758	8,541,071.85

* Includes capitalized administrative and general expenses for all Florida City Gas Departments.
 ** Includes Benefits and Payroll taxes capitalized on A&G Salaries and on salaries direct charge to projects.
 **Capital Expenditures during FY2009 used to determine overhead allocations.

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

For the Year Ended
 Dec. 31, 2009

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	61,205
2	Debt Financing	72,410
3	Prepaid Taxes	1,720,948
4	Prepaid Interest	
5	Gas Prepayments	
6	Miscellaneous Prepayments: (FNGA Dues)	60,196
7		
8	TOTAL	1,914,759

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	None					
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	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					0

OTHER REGULATORY ASSETS (Account 182.3)

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).	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.
---	--

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)	374,827	466,597	407	74,024	767,400
2	Deferred Piping (1)	1,818,061	183,731	912	267,021	1,734,771
3	Energy Conservation Program	1,134,246		401	965,941	168,305
4	Regulatory Asset - Pension (2)	1,505,619		926	164,250	1,341,369
5	Regulatory Asset - Transition Costs (3)	532,307		930.2	532,307	0
6	Regulatory Asset - Transaction Costs (3)	269,191		930.2	269,191	0
7	Unrecovered Pension Benefit	1,645,709		401	116,168	1,529,541
8	Other	1,088	1,814	401	623	2,279
9						
10	(1) Amortization period - 10 years					
11	(2) Amortization period - 13.3 years					
12	(3) Amortization period - 5 years					
13						
14						
15						
16						
17	TOTAL	7,281,048	652,142		2,389,525	5,543,665

MISCELLANEOUS DEFERRED DEBITS (Account 186)

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).	3. Minor items (amounts less than \$25,000) may be grouped by classes.
---	--

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	Acquisition Cost	12	6		0	18
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	Misc. Work in Progress					0
18	Deferred Regulatory Comm. Expenses					
19	TOTAL	12				18

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2009
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>
NONE	

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	* 20 Year Revenue Bond	4/19/2005	20,000,000	1,093,562	832,042	775,632
2						
3	** Bond refinance & issuance	6/5/2008	20,000,000	889,213	853,664	796,023
4						
5						
6						
7					1,685,706	1,571,655
8						(1)
9						
10						
11						
12						
13						

(1) Does not include current portion of Unamortized Loss and Gain on Reacquired Debt (114,051) included in Prepayments Account 165.

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

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.

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 companies from which advances were received.

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.

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.

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	20 Year Revenue Bonds * Series 2024	4/19/2005	10/1/2024	20,000,000	variable	114,409	20,000,000
2	Affiliate Promissory Note **	1/1/2005	1/1/2035	25,209,352	5.86%	2,273,790	42,045,487
3							
4	* This series of bonds was repurchased in April 2008. See notes to financial statements for additional details.						
5	** Note balance is adjusted quarterly to align FCG capital structure with AGL Resources, Inc.'s capital structure.						
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL			45,209,352		2,388,199	62,045,487

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

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.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.

6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.

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.

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	* Refinancing fees	20,000,000	223,173	6/5/2008	10/1/2024	214,991	(28,975)	186,016
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								

* A credit of 14,882, which represents the current portion of bond issuance fees and letter of credit fees, was reclassified to Prepayments Account 165. In addition, a credit of 14,093 was amortized for 2009. Note that the amortization of \$14,883 included in account 428 - amortization of debt discount and expense includes amortization of \$790 the current portion of debt discount and expense included in the Prepaid Account - 165.

Name of Respondent For the Year Ended
 PIVOTAL UTILITY HOLDINGS, INC. Dec. 31, 2009
 D/B/A FLORIDA CITY GAS

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	Unclaimed Customer Checks	130,277
2	Others	(21)
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	130,256

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	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL				0.00	0.00

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	Reg. Tax Liability	5,533	281	791		4,742
2	PGA	818,161	191	818,160	2,330,350	2,330,351
3	Other	1,750				1,750
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	825,444		818,951	2,330,350	2,336,844

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	495,820	0	0	0	0	0	495,820
2	State of Florida	0	1,899,996	0	(93,963)	2,738,028	388,608	0	1,914,641	61,005	6,908,314
3	AGL Services Company Allocation									204,419	204,419
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	1,899,996	0	401,857	2,738,028	388,608	0	1,914,641	265,423	7,608,553
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)
					Amount (e)	Amount (e)			
1	Gas Utility								
2	3%			411.4					
3	4%								
4	7%								
5	10%	0		420	0			0	
6	8%	8,824		411.4	1,259			7,565	
7									
8									
9									
10	TOTAL	8,824			1,259			7,565	

Notes

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.	Description	Changes During Year				Balance at Beginning of Year	Adjustments			Balance at End of Year		
		Amounts Debited to Account 410.1	Amounts Credited to Account 410.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2		Debits Account No.	Credits Account No.	Amount			
1	GAS											
2	Federal		669,457			2,263,295		282		216: 283	133,885	2,798,867
3	State		111,323			364,663		282		216	10,570	465,416
4												
5												
6												
7												
8												
9												
10												
11	TOTAL Gas (Lines 2 - 10)	0	780,780			2,627,958			0		144,455	3,264,283
12	Other (Specify)											
13	TOTAL (Account 190) (Total of lines 11 and 12)	0	780,780			2,627,958			0		144,455	3,264,283

Notes

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

Line No.	Description	Changes During Year				Balance at Beginning of 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.	Amount			
1	Account 281 - Accelerated Amortization Property											
2	Electric											
3	Gas											
4	Other											
5	TOTAL Account 281 (Lines 2 thru 4)											
6	Account 282 - Other Property											
7	Electric					16,441,689						
8	Gas	4,691,037						190:283	1,328,773	254	791	19,804,744
9	Other											0
10	TOTAL Account 282 (Lines 7 thru 9)	4,691,037				16,441,689			1,328,773		791	19,804,744
11	Account 283 - Other											
12	Electric					766,870						
13	Gas	(262,114)										
14	Other											
15	TOTAL Account 283 - Other (Lines 12 thru 14)	(262,114)	0			766,870				282	1,328,991	1,833,747
16	GAS											
17	Federal Income Tax	4,177,593				14,827,693		190: 283	1,139,286	254:282	1,140,295	19,006,495
18	State Income Tax	251,330				2,380,666		283	189,487		189,487	2,631,996
19												
20	TOTAL Gas (Lines 17 thru 19)	4,428,923				17,208,559			1,328,773		1,329,782	21,638,491
21	OTHER											
22	Federal Income Tax											
23	State Income Tax											
24	TOTAL Other (Lines 22 and 23)											
25	TOTAL (Total of lines 5, 10 and 15)	4,428,923	0	0		17,208,559			1,328,773		1,329,782	21,638,491

Notes

**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)	
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7	See Page 25 a	
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:		Year of Report Dec. 31, 2009
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	

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

Net Income for Fiscal Year Ended December 31, 2009		3,049,155
Adjustments For Federal Income Tax Purposes		
Income on Return Not on Books:		
Contributions in Aid of Construction		\$546,897
Expenses Booked Not Recorded on Return:		
Current Federal Income Taxes	(1,988,232)	
Deferred Federal Income Taxes	3,508,139	
Deferred State Income Taxes	140,004	
Amortization of Deferred Investment Tax Credits	(1,259)	
Amortization of Pension and Transition Cost Reg. Assets	696,556	
Fines and Penalties	100	
Lobbying Expenses	10,932	
Pension	429,324	
Accrued Bonus	508,066	
Bad Debts	105,710	
Meals and Entertainment	9,697	
Misc Accrued Liabilities	1,633,608	
Leasehold Improvements	341,045	
Restricted Stock Units	3,458	5,397,148
Deductions on Return Not Charged Against Book Income:		
Excess of allowable depreciation over that charged to depreciation and other book expenses	(8,129,176)	
Conservation Analysis		
Expenditures for Service on Customer Premises		
Cost of Removal		
Gain/Loss Difference		
Software Labor		
Engineering Cost	(314,662)	
Salaries Overhead-G&A	(234,814)	
Deductible G&A	(702,270)	
Accrued Post Retirement Benefits	(25,092)	
Software Amortization	(1,880,541)	
Environmental Clean-Up		
Removal Cost	(696,015)	
Meter Lease	(631,020)	
Relocation Cost	(998,283)	
Accrued bonus		
Deferred Compensation		<u>(13,611,873)</u>
Total Net Adjustments for Federal Income Tax Purposes		<u>(7,667,828)</u>
Federal Taxable Income		<u>(\$4,618,673)</u>
State Taxes		0
Show Computation to Tax		
Federal Taxable Income		<u>(\$4,618,673)</u>
35% of Federal Taxable Income		(1,616,536)
Accrual to return and other adjustments		<u>(279,035)</u>
Current Federal Income Taxes at December 31, 2009		<u>(\$1,895,571)</u>
Allocated Tax Per Tax Agreement		<u>(92,661)</u>
Total Current Federal Income Tax		<u><u>(1,988,232)</u></u>

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

For the Year Ended

Dec. 31, 2009

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	34,195,918	40,569,265	16,732,218	16,806,451	96,352	97,437
4	481 - Commercial & Industrial Sales	23,906,669	35,286,268	20,964,846	23,558,962	4,638	4,552
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.	14,527,700	14,653,985	50,586,684	52,185,583	1,657	1,576
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	72,630,287	90,509,518	88,283,748	92,550,996	102,647	103,565
22	483 Sales for Resale						
23	Off-System Sales	0	0	0	0		
24	TOTAL Nat. Gas Service Revenues	72,630,287	90,509,518				
25	TOTAL Gas Service Revenues	72,630,287	90,509,518				
26	Other Operating Revenues						
27	485 Intracompany Transfers						
28	487 Forfeited Discounts	1,276,587	1,408,170				
29	488 Misc. Service Revenues	1,488,686	1,366,102				
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		368				
40	495.1 Overrecoveries Purchased Gas	0	0				
41	TOTAL Other Operating Revenues	2,765,273	2,774,640				
42	TOTAL Gas Operating Revenues	75,395,560	93,284,158				
43	(Less) 496 Provision for Rate Refunds	0	0				
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	75,395,560	93,284,158				
45	Sales for Resale						
46	Other Sales to Public Authority						
47	Interdepartmental Sales						
48	TOTAL	\$75,395,560	\$93,284,158	88,283,748	92,550,996		

Notes

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		
14	804.1 Liquefied Natural Gas Purchases	25,305,743	42,825,868
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)		
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	25,305,743	42,825,868
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	(7,538)	(4,176)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(7,538)	(4,176)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	25,298,205	42,821,692
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	25,298,205	42,821,692
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)	83,797	94,637
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)	83,797	94,637
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	1,773	928
45			
46			

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

For the Year Ended
 Dec. 31, 2009

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	99,468	123,793
50	871 Distribution Load Dispatching	71,210	135,642
51	872 Compressor Station Labor and Expenses	0	1
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	1,220,674	1,426,503
54	875 Measuring and Regulating Station Expenses--General	447	313
55	876 Measuring and Regulating Station Expenses--Industrial		
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	76,353	56,238
57	878 Meter and House Regulator Expenses	470,098	258,064
58	879 Customer Installations Expenses	301,591	319,208
59	880 Other Expenses	748,313	919,965
60	881 Rents		
61	TOTAL Operation (Total of lines 49 through 60)	2,988,153	3,239,727
62	Maintenance		
63	885 Maintenance Supervision and Engineering		
64	886 Maintenance of Structures and Improvements		
65	887 Maintenance of Mains	153,232	117,898
66	888 Maintenance of Compressor Station Equipment		34
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	26,141	18,031
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial		
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station		
70	892 Maintenance of Services	194,755	307,723
71	893 Maintenance of Meters and House Regulators	95,668	67,268
72	894 Maintenance of Other Equipment	127,111	75,672
73	TOTAL Maintenance (Total of Lines 63 through 72)	596,907	586,626
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	3,585,060	3,826,353
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	551,506	597,266
79	903 Customer Records and Collection Expenses	104,295	94,934
80	904 Uncollectible Accounts	1,036,784	1,294,630
81	905 Miscellaneous Customer Accounts Expenses	2,285	3,407
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	1,694,869	1,990,237
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	246,887	118,354
87	909 Informational and Instructional Expenses	3,064,437	1,478,879
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	3,311,324	1,597,233
90	7. Sales Expenses		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	267,275	257,128
94	913 Advertising Expenses	46,685	53,195
95	916 Miscellaneous Sales Expenses	-	4,450
96	TOTAL Sales Expenses (Total of lines 92 through 95)	313,959	314,773
97			

Name of Respondent		For the Year Ended	
PIVOTAL UTILITY HOLDINGS, INC.		Dec. 31, 2009	
D/B/A FLORIDA CITY GAS			
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	5,542,324	5,699,681
101	921 Office Supplies and Expenses	1,743,953	1,554,107
102	(Less) (922) Administrative Expenses Transferred—Credit	1,738,266	1,572,773
103	923 Outside Services Employed	1,701,636	1,929,190
104	924 Property Insurance	171,992	140,621
105	925 Injuries and Damages	1,623,801	318,827
106	926 Employee Pensions and Benefits	3,749,786	2,970,204
107	927 Franchise Requirements		42
108	928 Regulatory Commission Expenses		
109	(Less) (929) Duplicate Charges—Credit		
110	930.1 General Advertising Expenses	793	10,469
111	930.2 Miscellaneous General Expenses	1,247,081	1,301,901
112	931 Rents	451,964	511,087
113	TOTAL Operation (Total of lines 100 through 112)	14,495,064	12,863,357
114	Maintenance		
115	935 Maintenance of General Plant	459,071	509,440
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	14,954,135	13,372,797
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	49,243,123	64,018,650
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) 12/31/2009
3	2. Total Regular Full-Time Employees 104
4	3. Total Part-Time and Temporary Employees 0
5	4. Total Employees 104
6	
7	
8	
9	
10	
11	
12	
13	

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

- | | |
|--|---|
| <p>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</p> | <p>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.)</p> |
|--|---|

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	36,255,325	25,336,348	\$0.69883
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases		(369,373)	
9	805.1 - Purchased Gas Cost Adjustments		338,768	
10	TOTAL (Total of lines 1 through 9)	36,255,325	25,305,743	\$0.69799

Notes to Gas Purchases

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

- | | |
|---|---|
| <p>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.</p> | <p>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.</p> |
|---|---|

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	4,550	7,538
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL		4,550	7,538

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		Amortized During Year		Deferred in Account 186 End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Contra Account (g)	
1	None							0
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17	TOTAL	0	0		0	0	0	0

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	81,239
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.)	
5	Employee Matters	17,588
6	AGL Services Company Allocations (Represents component assigned to FERC Account 930.2)	303,791
7	2009 Acquisition Adjustment Amortization	801,498
8	Legal Services - Union Issues (1 items)	1,083
9	Legal Services - Regulatory Matters (19 items)	7,493
10	Legal Services - Contractor Matters (1 items)	10,000
11	Employee Uniforms	8,843
12	Insurance	3,909
13	Various (85 items)	11,537
14	Tax Penalty	100
15		
16		
17		
18		
19		
20	TOTAL	1,247,081

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	1,292,767		
8	Customer Accounts	693,884		
9	Customer Service and Informational			
10	Sales	403,770		
11	Administrative and General	2,024,539		
12	TOTAL Operation (Total of lines 5 through 11)	4,414,960		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing			
15	Transmission	1,371		
16	Distribution	781,136		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 14 through 17)	782,507		
19	TOTAL Operation and Maintenance	5,197,467		
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)	1,371		
22	Distribution (Total of lines 7 and 16)	2,073,903		
23	Customer Accounts (Transcribe from line 8)	693,884		
24	Customer Service and Informational (Transcribe from line 9)	-		
25	Sales (Transcribe from line 10)	403,770		
26	Administrative and General (Total of lines 11 and 17)	2,024,539		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	5,197,467		5,197,467
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	1,421,956	-	1,421,956
35	Other			-
36	TOTAL Construction (Total of lines 33 through 35)	1,421,956	-	1,421,956
37	Plant Removal (By Utility Department)			
38	Electric Plant			-
39	Gas Plant	86,616		86,616
40	Other			-
41	TOTAL Plant Removal (Total of lines 38 through 40)	86,616	-	86,616
42				
43	Other Accounts (Specify):			
44	Accrued Liability - Severences	-	-	-
45				-
46				-
47				-
48				-
49				-
50				-
51				-
52				-
53	TOTAL Other Accounts	-	-	-
54	TOTAL SALARIES AND WAGES	6,706,039	-	6,706,039

Name of Respondent		For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS		Dec. 31, 2009
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 INFRASOURCE UNDERGROUND CONSTRUCTION	Contractor	9,168,435
2 ITRON, INC.	Contractor	1,106,047
3 AROUND THE CLOCK GAS SERVICE	Contractor	561,392
4 ELITE GAS CONTRACTOR	Contractor	365,656
5 SOUTHERN CROSS CORP.	Contractor	302,822
6 AKERMAN SENTERFITT	Legal	153,000
7 TOTAL BILLINGS	Billing Services	85,878
8 TOMMY L. HORNSBY	Collection Services	54,648
9 A J IMAGES, INC	Printing Services	51,091
10 CORPORATE RELOCATION, INC.	Relocation Services	45,585
11 LITTLER MENDELSON, PC	Legal	41,042
12 ACS, INC.	Contractor	32,339
13 CASH CYCLE SOLUTIONS	IT Services	28,457
14 TROUTMAN SANDERS LLP	Legal	28,322
15		
16		
17		
18		
19		
20		
21		
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23		
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30		
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33		
34		

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 INTEREST ON DEBT TO ASSOCIATED COMPANIES (430)		
3 Allocated Cost of Capital		(3,655)
4 Money Pool		101,045
5 Affiliate Promissory Note		2,273,790
6 TOTAL		2,371,180
7		
8		
9		
10		
11		
12		
13		
14		
15 OTHER INTEREST EXPENSES (431):		
16 Financing Fees		157,982
17 Fleet Bank - Meter Leases (Weighted Average 4%)		(125,495)
18 Interest on Customer Deposits (6%)		196,048
19 PGA (Average 0.6425%)		4,856
20 ECP (Average 0.6425%)		(2,514)
21 Central States Pension Liability		46,375
22 Property Tax Adjustment		(40,571)
23 Bank of America - Vehicles Lease		397,522
24 TOTAL OTHER INTEREST EXPENSES		634,203

**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)	58,102,587		58,102,587	58,102,587	0
2	Sales for Resale (483)	0		0	0	
3	Total Natural Gas Service Revenues	58,102,587		58,102,587	58,102,587	0
4	Total Other Operating Revenues (485-495)	17,292,973		17,292,973	17,292,973	0
5	Total Gas Operating Revenues	75,395,560		75,395,560	75,395,560	0
6	Provision for Rate Refunds (496)	0		0	0	0
7	Other (Specify) - Off System Sales	0		0	0	0
8	- PGA Over/Under Recoveries	0		0	0	0
9	- CRA Over/Under Recoveries	0		0	0	0
10	Total Gross Operating Revenues	75,395,560	0	75,395,560	75,395,560	0

Notes:

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

For the Year Ended

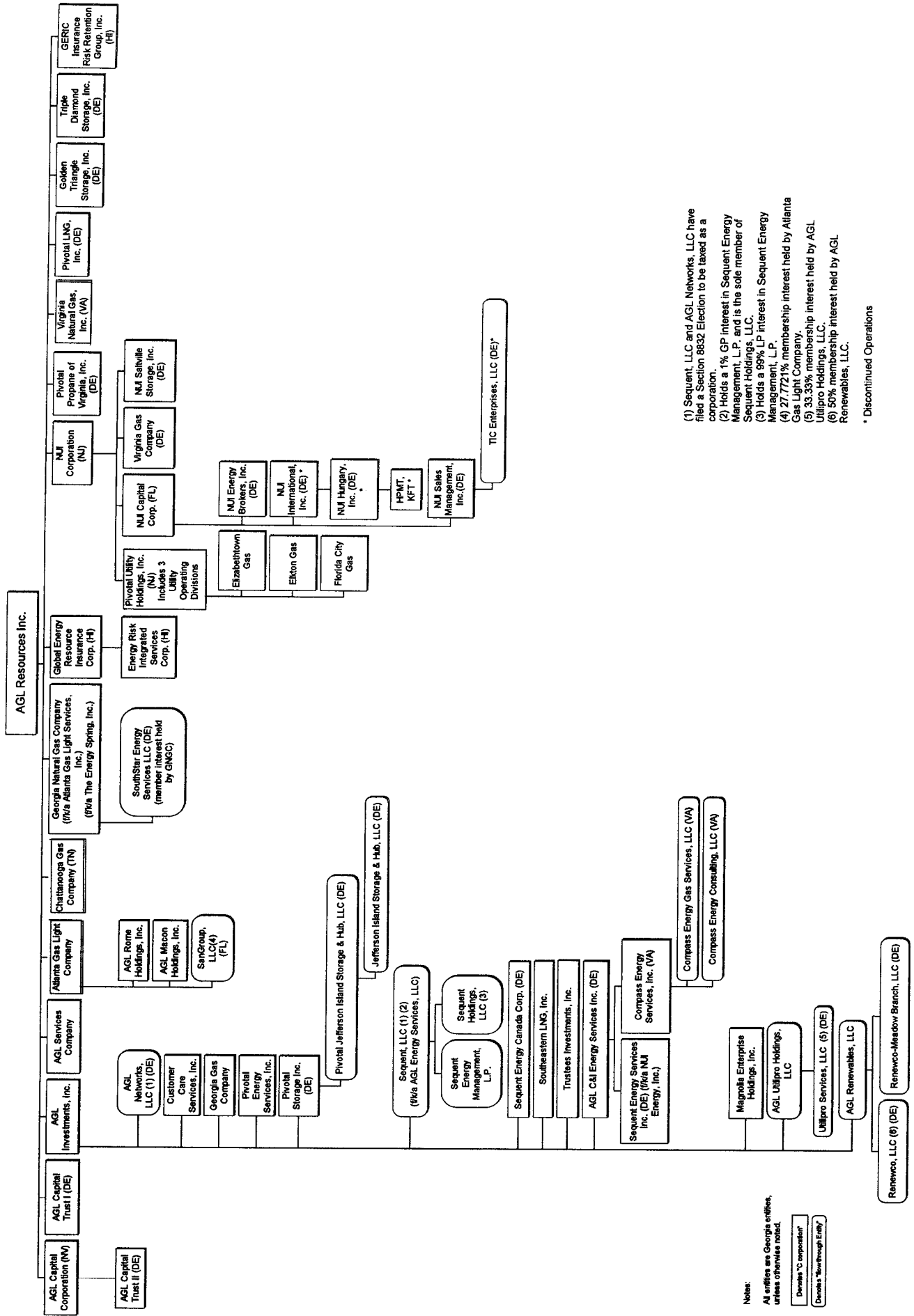
Dec. 31, 2009

CORPORATE STRUCTURE

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

Effective Date: Feb. 15, 2010

Please see attached.



Notes:
 All entities are Georgia entities, unless otherwise noted.
 Dashes "-" composition
 Dashes "through" Entity
 * Discontinued Operations

(1) Sequent, LLC and AGL Networks, LLC have filed a Section 8832 Election to be taxed as a corporation.
 (2) Holds a 1% GP interest in Sequent Energy Management, L.P. and is the sole member of Sequent Holdings, LLC.
 (3) Holds a 99% LP interest in Sequent Energy Management, L.P.
 (4) 27.7721% membership interest held by Atlanta Gas Light Company.
 (5) 33.33% membership interest held by AGL Utilpro Holdings, LLC.
 (6) 50% membership interest held by AGL Renewables, LLC.

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: AGL Services Company		See Footnote 1			
	Executive		P		402,500
	External Relations		P		110,381
	Customer Care		P		1,192,035
	Information Technology		P		2,007,947
	Corporate Compliance		P		192,476
	Fleet Services		P		62,226
	Benefits		P		10,916
	Direct Assigned		P		624,947
	Business Support		P		542,177
	Supply Chain Management		P		42,138
	Employee Services		P		605,765
	Engineering		P		317,985
	Financial Services		P		483,002
	Gas Supply		P		376,800
	Internal Auditing		P		62,063
	Investor Relations		P		10,648
	Legal		P		354,865
	Marketing		P		120,767
	Rates & Regulatory		P		138,617
	Corporate Communications		P		111,112
	Emergency Response		P		130,284
Sequent Energy Mgmt. LP	Gas Purchase	Asset Management Agreement	P	804	23,743,472
AGL Services Company	Cost of Capital	See footnote 1	P	430	(3,655)
AGL Services Company	Money Pool Interest	See footnote 2	P	430	101,045
AGL Services Company	Payroll		P	107	78,544
AGL Services Company	Payroll		P	108	1,290
Atlanta Gas Light Company	Payroll		P	107	2,143
AGL Services Company	Payroll		P	920	6,936
Atlanta Gas Light Company	Payroll		S	920	2,174
Atlanta Gas Light Company	Payroll		S	879	408
AGL Services Company	Payroll		S	920	4,169
Chattanooga Gas Company	Liquefied Natural Gas		P	481	5,423
Atlanta Gas Light Company	Vehicle		P	107	18,503
	Total				31,860,103
Footnote:					
	(1) Represents charges per the AGL Services Co. agreement.				
	(2) Represents charges per the money pool agreement				

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
None	

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
Sequent Energy Management, L.P.	<i>Manage gas supply</i>	23,743,472

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2009
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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:							
Atlanta Gas Light Company	Vehicle	\$ 18,503	\$ 11,204	\$ 7,299	\$ (1)	\$	
(1) No fair market value was determined. Value is assumed to approximate net book value.							
Total						\$	
Sales to Affiliates:							
None		\$	\$	\$	\$	Sales Price	
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
Rosie Abreu - FCG	AGSC	Regulatory Analyst	Sr. Financial Analyst	Permanent
Carolyn Bermudez - FCG	AGSC	Business Operations Mgr	Dir. Strategic Bus. & Financial Planning	Permanent
Eban Grasty - AGLC	FCG	Field Svce Rep II	Operations Foreman	Permanent
Tommy Sypsy - AGLC	FCG	Construction Coordinator Supv.	Operations Supervisor	Permanent
AGSC - AGL Services Company FCG - Florida City Gas				