

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for authority to issue debt security during calendar year 2005, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida City Gas.	DOCKET NO. 050082-GU ORDER NO. PSC-05-0398-FOF-GU ISSUED: April 18, 2005
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The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON
LISA POLAK EDGAR

FINAL ORDER GRANTING APPROVAL FOR
AUTHORITY TO ISSUE AND SELL DEBT SECURITIES

BY THE COMMISSION:

Florida City Gas, a division of Pivotal Utility Holdings, Inc. (Pivotal), formerly NUI Utilities, Inc., filed an application on February 1, 2005. On March 11, 2005, Florida City Gas filed an amended application seeking Commission approval pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, for authority to issue debt security and to enter into certain loan agreements to refinance certain existing indebtedness, under which payment of principal and interest is insured, and to make short-term borrowings during calendar year 2005. Notice of Florida City Gas' application was given in the Florida Administrative Weekly on March 25, 2005.

Pivotal seeks authority to redeem and refinance \$66.5 million, which includes \$46.5 million 6.35% New Jersey Economic Development Association (NJEDA) Notes and \$20 million 6.40% Brevard County Notes (Existing Indebtedness). Pivotal will repay the principal amount of the Existing Indebtedness, with the proceeds received by Pivotal from the issuance of two new series of exempt facility revenue bonds of equal principal amount as the series of Existing Indebtedness. Pivotal intends to issue the New Indebtedness through the NJEDA and Brevard County, Florida. The maximum aggregate amount of the New Indebtedness under the refinance transactions will be \$66.5 million (\$46.5 million with NJEDA and \$20 million with Brevard County). Pivotal is borrowing only up to the amount that will be necessary to repay the outstanding principal under the Existing Indebtedness.

Pivotal also seeks authority to finance on-going cash requirements through its participation and borrowings from and investments in AGL Resources' Utility Money Pool. Pursuant to AGL Resources Inc.'s (AGLR) financing authorization under the Public Utility Holding Company Act of 1935, Pivotal will make short-term borrowings not to exceed \$600

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million annually from the Utility Money Pool according to limits that are consistent, given the seasonal nature of the Company's business and its fluctuating cash demands, with the Company's capitalization.

Any exercise of the requested authority shall be for the benefit of Pivotal. At no time will Pivotal borrow funds, incur debt or assume liabilities or obligations as guarantor, endorser, or surety that are not for the benefit of Pivotal.

Pivotal shall file a consummation report with the Commission in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the close of the 2005 calendar year to report any securities issued during that year.

It appears that Pivotal has complied with the requirements of Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, in applying for the authority to issue debt securities, to enter into certain loan agreements to refinance certain existing indebtedness, and to make short-term borrowings. Having reviewed the application, it is the finding of this Commission that the issuance of the aforementioned debt securities, the loan agreements to refinance certain existing indebtedness, and short-term borrowings will not impair the ability of City Gas to perform the services of a public utility. Therefore, Pivotal's application is hereby granted as set forth in the body of this Order. Accordingly, the authority to issue and sell securities begins on the date of our decision, April 5, 2005.

Our approval of the proposed issuance of debt securities, the loan agreements to refinance certain existing indebtedness, and short-term borrowings by Pivotal does not indicate specific approval of any rates, terms or conditions associated with the issuance. Such matters are properly reserved for review by the Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application by Florida City Gas, a division of Pivotal Utility Holdings, Inc., formerly NUI Utilities, Inc., to issue debt securities, to enter into certain loan agreements to refinance certain existing indebtedness, and to make short-term borrowings is approved beginning April 5, 2005, as set forth in the body of this Order. It is further

ORDERED that Florida City Gas, a division of Pivotal Utility Holdings, Inc., formerly NUI Utilities, Inc.'s request to redeem and refinance \$66.5 million is hereby approved. The maximum aggregate amount of the New Indebtedness under the refinance transactions shall be \$66.5 million as set forth in the body of this Order. It is further

ORDERED that Florida City Gas, a division of Pivotal Utility Holdings, Inc., formerly NUI Utilities, Inc.'s request to issue short-term borrowings that shall not exceed \$600 million annually from AGL Resources' Utility Money Pool is hereby approved as set forth in the body of this Order. It is further

ORDERED that Florida City Gas, a division of Pivotal Utility Holdings, Inc., formerly NUI Utilities, Inc., shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days of the end of the fiscal year in which it issues any securities authorized by this Order. It is further

ORDERED that this docket shall remain open to monitor the issuance of debt securities until Florida City Gas, a division of Pivotal Utility Holdings, Inc., formerly NUI Utilities, Inc., submits and we have reviewed, the consummation report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 18th day of April, 2005.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.