GU602-10-AR

ANNUAL REPORT OF

NATURAL GAS UTILITIES

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, 2010

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

Name Bryan Seas	Title Senior Vice President & CAO	
Address 10 Peachtree Place, NE	City Atlanta	State Georgia
Telephone No. (404) 584-3400		PSC/ECR 020-G (12/03)

INSTRUCTIONS FOR FILING THE ANNUAL REPORT OF NATURAL GAS UTILITIES

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.

II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.

V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.

VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.

VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.

VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

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

II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

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

Audited Financial Statements
December 31, 2010 and 2009

pwc

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, 2010 and 2009 and the related statements of income for the years then ended and the related statement of retained earnings for the year ended December 31, 2010, 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 2010 and 2009, 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 18, 2011

PricewaterhouseCoopers LLP, 10 Tenth Street, Suite 1400, Atlanta, GA 30309-3851
T: (678) 419 1000, F: (678) 419 1239, www.pwc.com/us

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS				For the Year Ended Dec. 31, 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)		267,584,297	277,348,438
3	Construction Work in Progress (107)		8,541,072	7,264,807
4	TOTAL Utility Plant Total of lines 2 and 3)		276,125,369	284,613,245
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)		120,109,762	123,381,496
6	Net Utility Plant (Total of line 4 less 5)		156,015,607	161,231,749
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)		185,236	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)		133,663	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)		10,117,410	11,996,013
24	Other Accounts Receivable (143)		114,243	52,438
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		266,057	1,341,510
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)		73,916	64,509
32	Merchandise (155)			
33	Other Material and Supplies (156)		18,410	0
34	Stores Expenses Undistributed (163)			
35	Gas Stored Underground & LNG Stored (164.1-164.3)		398,823	377,113
36	Prepayments (165)		1,914,759	2,547,397
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)			1,450
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		12,371,504	13,697,410
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)		186,016	119,321
45	Extraordinary Property Losses (182.1)			
46	Unrecovered Plant and Regulatory Study Costs (182.2)			
47	Other Regulatory Assets (182.3)		5,543,665	6,384,947
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)			
49	Clearing Accounts (184)			
50	Temporary Facilities (185)			
51	Miscellaneous Deferred Debits (186)		18	69
52	Deferred Losses from Disposition of Utility Plant. (187)			
53	Research, Development and Demonstration Expenditures (188)			
54	Unamortized Loss on Reacquired Debt (189)		1,571,655	1,636,544
55	Accumulated Deferred Income Taxes (190)		1,935,075	2,198,172
56	Unrecovered Purchased Gas Costs (191)		0	0
57	TOTAL Deferred Debits (Total of lines 44 through 56)		9,236,429	10,339,053
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		177,757,203	185,401,875

Notes:

(1) Account 114 Gas Plant Acquisition Adjustments within Utility Plant, Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments and Account 182.3 Other Regulatory Assets reflect the inclusion of the acquision adjustment and regulatory assets consistent with the Florida Public Service Commission Order in Docket No. 060657-GU related to the 2004 Acquisition on December 6, 2007.

(2) Account receivable in the amount of $350 for re-routes reclassified from Account 143 Other Accounts Receivable to Account 142 Customer Accounts Receivable for 2009 for proper account classification.

(3) Materials and supplies in the amount of $18,410 reclassified from Account 154 Plant Materials and Operating Supplies to Account 156 Other Materials and Supplies for 2009 for proper account classification.

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

For the Year Ended
Dec. 31, 2010

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)		47,419,920	48,010,338
5	Retained Earnings (215, 216)	5	15,292,559	15,534,253
6	Unappropriated Undistributed Subsidiary Earnings (216.1)			
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,712,479	63,544,591
9	LONG-TERM DEBT			
10	Bonds (221)		20,000,000	20,000,000
11	(Less) Reacquired Bonds (222)			
12	Advances from Associated Companies (223)		42,045,487	43,762,674
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)		62,045,487	63,762,674
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)		2,762,082	1,898,414
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)		3,532,556	2,329,876
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)		6,294,638	4,228,290
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)		0	0
27	Accounts Payable (232)		1,898,747	2,704,531
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,762,620	15,572,528
30	Customer Deposits (235)		3,427,405	3,644,643
31	Taxes Accrued (236)		822,739	1,496,714
32	Interest Accrued (237)		149,706	165,815
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		1,037,641	1,151,228
37	Miscellaneous Current and Accrued Liabilities (242)		130,256	936,665
38	Obligations Under Capital Leases-Current (243)		821,793	863,668
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		24,050,907	26,535,792
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)		0	0
44	Other Regulatory Liabilities (254)		2,336,844	2,424,210
45	Accumulated Deferred Investment Tax Credits (255)		7,565	6,306
46	Deferred Gains from Disposition of Utility Plant (256)			
47	Unamortized Gain on Reacquired Debt (257)			
48	Accumulated Deferred Income Taxes (281-283)		20,309,283	24,900,012
49	TOTAL Deferred Credits (Total of lines 42 through 48)		22,653,692	27,330,528
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		177,757,203	185,401,875

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

For the Year Ended
Dec. 31, 2010

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year 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.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

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)		82,420,934	75,643,167
3	Operating Expenses			
4	Operation Expenses (401)		51,537,857	47,978,456
5	Maintenance Expenses (402)		1,281,191	1,265,763
6	Depreciation Expense (403)		9,823,249	9,796,322
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)		95,227	74,024
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)		8,257,184	7,608,554
14	Income Taxes - Federal (409.1)		(1,516,027)	(1,991,983)
15	- Other (409.1)		147,474	252,335
16	Provision for Deferred Income Taxes (410.1) (1)		4,577,834	3,648,143
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)		74,924,625	69,352,250
23	Net Utility Operating Income (Total of line 2 less 22)		7,496,309	6,290,917
24	(Carry forward to page 9, line 25)			

Notes:

(4) Operating Revenues revised for 2009 to include damaged billing revenues of $247,636 and misc. revenues of ($29) that were included in Account 421 Misc. Nonoperating revenues in prior year.

(5) Operating Expenses and Maintenance Expenses for prior year revised to reflect proper account classification. The primary cause of the reclassification from Operating to Maintenance expenses relates to vehicle maintenance expenses reclassified from operation to maintenance account. Overall operating and maintenance expenses increased by $1,096 due to the reclassification of a credit related to fines and penalties of $858 reclassified from operating expenses to Other income deductions and the reclassification to Operating Expenses $212 of expense included in Misc. Nonoperating income in the prior year's presentation.

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

Dec. 31, 2010

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		7,496,309	6,290,917
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)		3,914	29,806
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		3,914	29,806
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)		(76,550)	(18,074)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(76,550)	(18,466)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		24,025	(3,751)
48	Income Taxes - Other (409.2)		3,995	(624)
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)		28,020	(4,375)
54	Net Other Income and Deductions (Total of lines 39,44,53)		(44,616)	6,965
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)		47,659	114,410
57	Amortization of Debt Discount and Expense (428)		10,521	14,883
58	Amortization of Loss on Reacquired Debt (428.1)		123,239	114,051
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)		2,557,320	2,371,180
62	Other Interest Expense (431)		592,005	634,203
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,330,744	3,248,727
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		4,120,949	3,049,155
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)		4,120,949	3,049,155

Notes:

(6) Misc. Nonoperating income for 2009 revised for proper account classification to exclude damage billing revenues of $247,636 reclassified to operating revenues, non-jusridictional lobbying expenses of $18,932 reclassified to misc. income deductions, misc. operating expenses reclassified to operating expenses of ($212) and misc. revenues reclassified to operating revenues of ($30).

(7) Misc. Income deductions revised for 2009 for proper acccount classification to include non-jurisdictional lobbying expenses of $18,932 reclassifed from Misc. Nonoperating income and credit activity related to fines and penalties of $858 reclassifed from account 930.2 miscellaneous general expenses.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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		15,292,559
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)		4,120,949
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(3,479,691)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		(399,564)
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		15,534,253
	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)		15,534,253

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

Notes to Financial Statements

Note 1 - Organization and Basis of Presentation

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 polices 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.
- the income statement classification of provision for income taxes in income net utility operating income.

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

Note 2 – Significant Accounting Policies and Methods of Application

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 receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts to reduce the net receivable balance to the amount we reasonably expect to collect.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 was $377,113 as of December 31, 2010 and $398,823 as of December 31, 2009.

Fair Value measurements

The carrying values of cash and cash equivalents, receivables, derivative financial assets and liabilities, accounts payable, pension and postretirement plan assets and liabilities, other current liabilities and accrued interest approximate fair value. See Note 3 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 valuing 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. As we aggregate our disclosures by counterparty, the underlying transactions for a given counterparty may be a combination of exchange-traded derivatives and values based on other sources. Instruments in this category include shorter tenor exchange-traded and non-exchange-traded derivatives such as OTC forwards and options.

Level 3

Pricing inputs 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 have no assets or liabilities classified as Level 3, except for retirement plan assets as described in Note 3 and Note 6.

The authoritative guidance related to fair value measurements and disclosures also 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.

Debt

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. In determining the market interest yield curve, we considered our currently assigned ratings for unsecured debt.

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 depreciation rates (approved by the the Florida Commission) to the investment in depreciable property. Our composite depreciation rate was approximately 3.7% for 2010 and 3.9% for 2009.

Acquisition Adjustment and Regulatory Assets Resulting from Acquisition

We included the recognition of $26,629,879 in acquisition and regulatory assets related to the purchase of Florida City Gas by AGL Resources in December 2004. This recognition was approved by the Florida Commission on December 6, 2007. We also included in income the amortization of these assets, net of income tax effects, consistent with the order approving the recognition. This amount included $21,656,835 of acquisition adjustments, $1,365,897 of pension regulatory assets net of deferred taxes and $3,607,147 of transition and transfer costs net of deferred taxes. The unamortized balance of the acquisition adjustment was $17,205,152 at December 31, 2010 and $17,927,047 at December 31, 2009. The $1,177,119 unamortized regulatory asset for pension costs balance at December 31, 2010 is offset against a related deferred tax of $442,950. The $1,341,369 unamortized regulatory asset for pension costs balance at December 31, 2009 is offset against a related deferred tax of $504,757.

Goodwill

For GAAP purposes, our $26,629,879 acquisition adjustment and regulatory assets are considered goodwill. Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. In accordance with the authoritative guidance, AGL Resources annually evaluates goodwill balances for impairment or more frequently if impairment indicators arise. These indicators include, but are not limited to, a significant change in operating performance, the business climate, legal or regulatory factors, or a planned sale or disposition of a significant portion of the business among other factors. AGL Resources tests goodwill impairment utilizing a fair value approach at a reporting unit level.

AGL Resources' goodwill impairment analysis for the years ended December 31, 2010 and 2009 of the identifiable net assets acquired in business combinations indicated that the fair value substantially exceeded the carrying value, and are not at risk of failing step one of the impairment evaluation. As a result, we did not recognize any goodwill impairment charges and do not anticipate taking goodwill impairment charges in the foreseeable future.

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. We had unamortized investment tax credits of approximately $6,306 at December 31, 2010 and $7,565 at December 31, 2009, previously deducted for income tax purposes, deferred for financial accounting purposes, and are being amortized as credits to income over the estimated life of the related properties in accordance with regulatory requirements.

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. We collect and remit various taxes, except income taxes from our customers, on behalf of various governmental authorities. We are required to include these taxes as revenues and operating expenses.

Investment and Other Tax Credits

Deferred investment tax credits are included as a regulatory liability in our balance sheet. 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.

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 sheets. 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.

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 our 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 are measured based on the largest benefit that has a greater than 50% 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, 2010 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 2011.

Tax Collections

We collect and remit various taxes, except income taxes from our customers, on behalf of governmental authorities. We are required to record taxes in the state of Florida in revenues and operating expenses. These Florida related taxes are immaterial for all periods presented.

Uncertain Tax Positions

We recognize accrued interest and penalties related to uncertain tax positions in operating expenses in the Statements of Income, which is consistent with the recognition of these items in prior reporting periods. As of December 31, 2010, we did not have a liability recorded for payment of interest and penalties associated with uncertain tax positions.

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. Additionally, 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 the 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. These amounts are reflected as regulatory assets identified as recoverable natural gas costs or regulatory liabilities which are identified as deferred natural gas costs within our balance sheets. For more information, see "Regulatory Assets and Liabilities" below.

Regulatory Assets and Liabilities

We account for the financial effects of regulation in accordance with authoritative guidance related to regulated entities whose rates are designed to recover the costs of providing service. In accordance with this guidance, incurred costs and estimated future expenditures that would otherwise be charged to expense are capitalized and recorded as regulatory assets when it is probable that the incurred costs or estimated future expenditures will be recovered in rates in the future. Similarly, we recognize regulatory liabilities when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have not yet been incurred. Generally, regulatory assets are amortized into expense and regulatory liabilities are amortized into income over the period authorized by the regulatory commissions. Our regulatory assets and liabilities are summarized in the following table.

	As of December 31,	
	2010	2009
Regulatory assets		
Deferred customer conversion costs	$863,614	$767,401
Unamortized loss on reacquired debt	1,636,544	1,571,655
Pension Costs – AGL Resources Acquisition	1,177,119	1,341,369
Deferred natural gas piping costs	1,511,033	1,734,772
Energy conservation program	1,386,195	168,304
Unrecovered postretirement benefit cost	1,444,707	1,529,541
Other	2,279	2,278
Total regulatory assets	$8,021,491	$7,115,320
Regulatory liabilities		
Deferred purchased gas adjustment	$2,418,442	$2,330,351
Unamortized investment tax credit	6,306	7,565
Regulatory tax liability	4,017	4,742
Other	1,750	1,750
Total regulatory liabilities	$2,430,515	$2,344,408

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 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. We are not aware of any evidence that these costs will not be recoverable through either rate riders or base rates, and believe that we will be able to recover these costs, consistently with our historical recoveries. 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.

Accounting for employee benefit plans

The authoritative guidance related to retirement benefits requires that we recognize all obligations related to defined benefit pensions and other postretirement benefits and quantify the plans' funding status as an asset or a liability on our balance sheets. 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. Our 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.

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. 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

We have evaluated subsequent events through the time that our financial statements were issued and determined that no significant events have occurred subsequent to period end.

Note 3 – Fair Value Measurements

The methods used to determine fair value for our assets and liabilities are fully described within Note 2.

Fair Value Measures

We have several financial and nonfinancial assets and liabilities subject to fair value measures. These financial assets and liabilities include cash and cash equivalents, accounts receivable, accounts payable and debt. For cash and cash equivalents, accounts receivable and accounts payable, we consider carrying value to materially approximate fair value due to their short-term nature. The nonfinancial assets and liabilities include pension and post-retirement benefits.

Pension and post-retirement benefits AGL Resources pension and postretirement target asset allocations consist of approximately 30% - 95% equity, 10% - 40% fixed income, 10% - 35% real estate and other and the remaining 0% - 10% in cash. See note 5 for an explanation of AGL Resources employee benefit plans.

AGL Resources actual retirement and postretirement plans' asset allocations by level within the fair value hierarchy for the year ended December 31, 2010, are presented in the table below.

	Retirement plans (1)					Postretirement plan				
In millions	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	$7	$-	$-	$7	2%	$1	$-	$-	$1	1%
Equity Securities										
U.S. large cap (2)	91	-	-	91	26%	-	36	-	36	57%
U.S. small cap (2)	51	-	-	51	15%	-	-	-	-	-
International companies (3)	-	43		43	12%	-	12	-	12	19%
Emerging markets (4)	-	16	-	16	4%	-	-	-	-	-
Fixed income securities										
Corporate bonds (5)	-	56	-	56	16%	-	15	-	15	23%
Other types of investments										
Global hedged equity (6)	-	-	35	35	10%	-	-	-	-	-
Absolute return (7)	-	-	30	30	9%	-	-	-	-	-
Private capital (8)	-	-	22	22	6%	-	-	-	-	-
Total assets at fair value	$149	$115	$87	$351	100%	$1	$63	$-	$64	100%
% of fair value hierarchy	42%	33%	25%	100%		1%	99%	-	100%	

(1) Includes $7 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 United States 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.

	Fair value measurements using significant unobservable inputs – Level 3				
In millions	Global hedged equity	Absolute return	Private capital	Equity securities – international companies	Total
Assets:					
Beginning balance	$33	$26	$13	$5	$77
Transfers out of Level 3 (1)	-	-	-	(4)	(4)
Gains included in changes in net assets	2	2	2	-	6
Purchases and issuances	-	14	8	-	22
Sales and settlements	-	(12)	(1)	(1)	(14)
Ending balance	$35	$30	$22	$-	$87

(1) Transferred to Level 2 as a result of change in investment vehicle and pricing inputs becoming directly observable.

Debt Our debt is recorded at carrying value. We estimate the fair value of our debt using a discounted cash flow technique that incorporates a market interest yield curve with adjustments for duration, optionality and risk profile. In determining the market interest yield curve, we considered our currently assigned ratings for unsecured debt. The following table presents the carrying value and fair value of our debt for the years ended December 31, 2010 and 2009:

	As of December 31,	
	2010	2009
Carrying amount	$66,524,756	$65,629,362
Fair value	$66,524,756	$65,629,362

Note 4 - Amounts Due to Affiliates

We had $15,572,528 in payables at December 31, 2010 and $15,762,620 in payables at December 31, 2009, due to and from AGL Resources and affiliated companies, which consists primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

Note 5 - Employee Benefit Plans

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.

AGL Resources generally calculates the benefits under the AGL Retirement Plan 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 used this benefit formula for such participants until December 31, 2010, at which time any of those participants who were still actively employed accrued future benefits under the career average earnings formula.

The NUI Retirement Plan covers substantially all 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.

Postretirement Benefits

AGL Resources sponsors a defined benefit postretirement health care plan for our 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. In addition, 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.

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 received prescription drug benefits through a Medicare Part D plan offered by a third party and to which AGL Resources 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 AGL Resources 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 our expected costs and implementing a new cap determined by the new retiree premium schedule based on salary level and years of service. Consequently, there is no impact on the periodic benefit cost or on our accumulated projected benefit obligation for the AGL postretirement plan for a change in the assumed healthcare cost trend.

Contributions

Our employees do not contribute to the retirement plans. We fund the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by our actuary. However, we may also contribute in excess of the minimum required amount. As required by The Pension Protection Act of 2006 (the Act), we calculate 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 allowed us to measure our minimum required contributions based on a funding target at 96% in 2009 and 100% in 2010. In 2010 AGL Resources contributed $31 million to the qualified pension plans. In 2009, AGL Resources contributed $24 million to the qualified pension plans. For more information on our 2011 contributions to our pension plans, see Note 6.

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 our retirement and postretirement benefit plans aimed 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 United States government obligations), cash and cash equivalents and other suitable investments.

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

Funded status

Based on the funded status of our defined benefit pension and postretirement benefit plans as of December 31, 2010, we reported a net after-tax loss to our other comprehensive income (OCI) of $399,564, an increase of $650,491 to accrued pension and postretirement obligations and a decrease of $250,927 to accumulated deferred income tax.

Assumptions

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 our plan assets, and expected long-term rates of return. AGL Resources derives these expected long-term rates of return with the assistance of our investment advisors and generally base these rates on a 10-year horizon for various asset classes, our expected investments of plan assets and active asset management as opposed to investment in a passive index fund. AGL Resources bases their 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 our assumptions for the discount rate at December 31. AGL Resources considers certain market indices including Moody's Corporate AA long-term bond rate, the Citigroup Pension Liability rate, and other high-grade bond indices a single equivalent discount rate derived with the assistance of their 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.

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

	Retirement plans		Postretirement plan	
Dollars in millions	**2010**	**2009**	**2010**	**2009**
Change in plan assets				
Fair value of plan assets, January 1,	$303	$242	$63	$49
Actual return on plan assets	37	61	8	14
Employer contribution	31	26	7	7
Benefits paid	(27)	(26)	(7)	(7)
Fair value of plan assets, December 31,	$344	$303	$71	$63
Change in benefit obligation				
Benefit obligation, January 1,	$463	$442	$101	$95
Service cost	11	8	-	-
Interest cost	27	26	6	6
Plan amendment	-	-	-	1
Actuarial loss	57	13	7	6
Benefits paid	(27)	(26)	(7)	(7)
Benefit obligation, December 31,	$531	$463	$107	$101
Funded status at end of year	$(187)	$(160)	$(36)	$(38)
Amounts recognized in the Consolidated Statements of Financial Position consist of				
Current liability	$(1)	$(1)	$-	$-
Long-term liability	(186)	(159)	(36)	(38)
Total liability at December 31,	$(187)	$(160)	$(36)	$(38)
Florida City Gas's share of net lability recorded on Balance Sheet	$(2)	$(2)	$-	$-
Assumptions used to determine benefit obligations				
Discount rate	5.2 - 5.4%	5.8 - 6.0%	5.2%	5.8%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%
Accumulated benefit obligation	$506	$448	Not applicable	

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

	Retirement plans		Postretirement plan	
Dollars in millions	**2010**	**2009**	**2010**	**2009**
Net benefit cost				
Service cost	$11	$8	$-	$-
Interest cost	27	26	6	6
Expected return on plan assets	(28)	(29)	(5)	(4)
Net amortization	(2)	(2)	(4)	(4)
Recognized actuarial loss	10	9	2	2
Net annual pension cost	$18	$12	$(1)	$-
Florida City Gas's share of net annual pension and postretirement costs	$1	$1	$-	$-
Assumptions used to determine benefit costs				
Discount rate	5.8 - 6.0%	6.2%	5.8%	6.2%
Expected return on plan assets	8.75%	9.0%	8.75%	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, 2010. The 2011 estimated OCI amortization for these plans are set forth in the following table.

In millions	Retirement plans	Postretirement plan
Amortization of prior service credit	$(2)	$(4)
Amortization of net loss	14	2

The following table presents expected benefit payments for the years ended December 31, 2011 through 2020 for AGL Resources' retirement and postretirement plans. There will be benefit payments under these plans beyond 2020.

In millions	Retirement plans	Postretirement plan
2011	$29	$8
2012	29	8
2013	29	7
2014	30	7
2015	31	7
2016-2020	168	38
Total	$316	$75

The following table presents the amounts not yet reflected in AGL Resources' net periodic benefit cost and included in accumulated OCI as of December 31, 2010.

In millions	Retirement plans	Postretirement plan
Prior service credit	$(15)	$(8)
Net loss	226	35
Accumulated OCI	211	27
Net amount recognized in Consolidated Statements of Financial Position	(187)	(36)
Prepaid (accrued) cumulative employer contributions in excess of net periodic benefit cost	$24	$(9)

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, 2010.

Employee Savings Plan Benefits

AGL 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, AGL Resources made matching contributions to participant accounts of $140,686 in 2010 and $144,901 in 2009.

Note 6 - 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. The following table shows all debt obligations included in our comparative balance sheets.

		December 31, 2010		December 31, 2009	
	Year(s) due	Weighted average interest rate	Outstanding	Weighted average interest rate	Outstanding
Short-term debt					
Current portion of capital leases	2011	4.9%	$863,668	4.9%	$821,793
Total short-term debt		**4.9%**	**$863,668**	**4.9%**	$821,793
Long-term debt					
Gas facility revenue bonds					
Issued July 1994	2024	0.4%	$20,000,000	0.6%	$20,000,000
Affiliate Promissory note	2034	6.1%	43,762,674	5.9%	42,045,487
Capital leases	2013	4.9%	1,898,414	4.9%	2,762,082
Total long-term debt		4.3%	65,661,088	4.2%	64,807,569
Total debt		**4.3%**	**$66,524,756**	**4.2%**	**$65,629,362**

Short-term Debt

Our short-term debt at December 31, 2010 and 2009 was composed of current portions of our capital lease obligations.

Long-term Debt

Our long-term debt at December 31, 2010 and 2009 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. These gas revenue bonds are issued by state agencies or counties to investors, and proceeds from the issuance are then loaned to us. In June 2010, the letter of credit supporting our $20,000,000 gas revenue bond was set to expire, and according to the terms of the bond indentures, AGL Resources repurchased the bonds prior to the expiration of the letters of credit using the proceeds of commercial paper issuances.

In October 2010, AGL Resources successfully remarketed the gas facility revenue bonds with rates that reset daily. The weighted average interest rate of our gas facility revenue bonds during 2010 was 0.4%. The new letter of credit, which will expire in year 2024, was issued by the banks to support our gas facility revenue bond.

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 adjusted from time to time to maintain the appropriate targeted capitalization percentages. Accordingly, during 2010, the Affiliate Promissory Note was increased by $1,717,187 to maintain such ratios. 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, 2010, the interest rate on this note was 6.1%. 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 to Pivotal Utility's target capitalization of 45% and with the authorizations of the New Jersey BPU and the Florida Commission. As of December 31, 2010, the amount outstanding under the Affiliate Promissory Note associated with Florida City Gas was $43,762,674.

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 $1,000,000 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, 2010, we had $2,762,082 outstanding under these capital leases.

Note 7 - 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, 2010.

	Total	2011	2012 & 2013	2014 & 2015	2016 & thereafter
Long-term debt	$65,661,088	$-	$1,898,414	$-	$63,762,674
Pipeline charges, storage capacity and gas supply	74,300,889	9,717,576	19,435,152	16,804,970	28,343,191
Pension contributions (1)	308,617	308,617	-	-	-
Interest charges	907,500	66,000	132,000	132,000	577,500
Short-term debt	863,668	863,668	-	-	-
Standby letters of credit, performance/surety bonds	485,000	485,000	-	-	-
Operating leases	26,694	26,694	-	-	-
Total	$142,553,456	$11,467,555	$21,465,566	$16,936,970	$92,683,365

(1) Based on the current funding status of the plans, we would be required to make a minimum contribution to our pension plans of approximately $308,617 in 2011. However we may make additional contributions in 2011.

Rental Expense

We incurred rental expense in the amounts of $719,000 in 2010 and $721,000 in 2009.

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 8 - Income Taxes

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.

In thousands	2010	2009
Current income taxes		
Federal	$(1,540)	$(1,988)
State	144	253
Deferred income taxes		
Federal	4,196	3,508
State	382	140
Amortization of investment tax credits	(1)	(1)
Total	$3,181	$1,912

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of tax for the years ended December 31, 2010 and 2009 on our statement of income are presented in the following table.

In thousands	2010	2009
Computed tax expense at statutory rate	$2,627	$1,775
State income tax, net of federal income tax benefit	296	145
Amortization of investment tax credits	(1)	(1)
Other – net	259	(7)
Total income tax expense at effective rate	$3,181	$1,912

Accumulated Deferred Income Tax Assets and Liabilities

Our deferred tax assets include $1,269 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.

	As of December 31,	
In thousands	2010	2009
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	$24,457	$19,805
Other	443	504
Total accumulated deferred income tax liabilities	$24,900	$20,309
Accumulated deferred income tax assets		
Unfunded pension and postretirement benefit obligation	$1,269	$789
Bad debts and insurance reserves	517	102
Other	412	1,044
Total accumulated deferred income tax assets	2,198	1,935
Net accumulated deferred tax liability	$22,702	$18,374

AGL Resources files a U.S. federal consolidated income tax return and state income tax returns. AGL Resources is no longer subject to income tax examinations by the Internal Revenue Service for years before 2008 or any state for years before 2006.

Note 9 - Related Party Transactions

We have an Asset Management and Agency Agreement (AMA) with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the managaement 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.

Dollars in thousands	Expiration date	Type of fee structure	Annual fee	Profit sharing / fees payments 2010	2009
Florida City Gas	Mar 2013	Profit -sharing	50%	$1,280	$911

See Note 4 and Note 6 for discussion of other affiliate 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 ,2010
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 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 31, 2011

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, 2010 to December 31, 2010, 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]
Signature

May 27, 2011
Date

Bryan E. Seas
Name

Senior Vice President and CAO
Title

Sworn to and subscribed before me this 27th day of May 2011.

Glynn S. Gamble
Notary - My Commission Expires January 2, 2014

GLYNN S. GAMBLE NOTARY PUBLIC EXP. Jan. 02, 2014 DEKALB COUNTY, GA

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

For the Year Ended
Dec. 31, 2010

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Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended 12/31/2010

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.			

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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	Andrew W. Evans (a)	*
EVP & General Counsel	Paul R. Shlanta	*
President, Elizabethtown Gas and Elkton Gas	Jodi Gidley	*
VP & General Manager, Elizabethtown Gas	Donald F. Carter	*
President, Florida City Gas	Suzanne Sitherwood	*
VP & General Manager, Florida City Gas	Melvin Williams	*
VP & General Manager, Virginia and Maryland	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	*
Treasurer	L. Stephen Cave (b)	*

(1) Represents executive officers of Pivotal Utility Holdings, Inc. as of December 31, 2010.
*Such officers are compensated by an affiliate of the holding company, not the Respondent.
(a) Treasurer title removed due to election of L. Stephen Cave as Treasurer as of 11/8/2010.
(b) Elected Treasurer as of 11/8/2010 to replace Andrew W. Evans.

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 (1) Chairman, President & CEO	Ten Peachtree Place Atlanta, Georgia 30309	2 (2)	None
Andrew W Evans (1) EVP & Chief Financial Officer	Ten Peachtree Place Atlanta, Georgia 30309	2 (2)	None
Henry P. Linginfelter Executive VP, Utility Operations	Ten Peachtree Place Atlanta, Georgia 30309	2 (2)	None
Paul R. Shlanta (1) EVP & General Counsel	Ten Peachtree Place Atlanta, Georgia 30309	2 (2)	None

(1) Served as Director through 7/30/2010.
(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 complied within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

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

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

	VOTING SECURITIES			
	Number of votes as of (date): 7/31/2010 via written consent			
Name (Title) and Address of Security Holder (a)	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.

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

For the Year Ended
Dec. 31, 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)	12	267,584,297	277,348,438
3	Construction Work in Progress (107)	12 & 17	8,541,072	7,264,807
4	TOTAL Utility Plant Total of lines 2 and 3)		276,125,369	284,613,245
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	120,109,762	123,381,496
6	Net Utility Plant (Total of line 4 less 5)		156,015,607	161,231,749
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)		185,236	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)		133,663	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)		10,117,410	11,996,013
24	Other Accounts Receivable (143)		114,243	52,438
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		266,057	1,341,510
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)		73,916	64,509
32	Merchandise (155)			
33	Other Material and Supplies (156)		18,410	0
34	Stores Expenses Undistributed (163)			
35	Gas Stored Underground & LNG Stored (164.1-164.3)		398,823	377,113
36	Prepayments (165)	18	1,914,759	2,547,397
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)			1,450
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		12,371,504	13,697,410
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	21	186,016	119,321
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	5,543,665	6,384,947
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	18	69
52	Deferred Losses from Disposition of Utility Plant. (187)			
53	Research, Development and Demonstration Expenditures (188)			
54	Unamortized Loss on Reacquired Debt (189)	20	1,571,655	1,636,544
55	Accumulated Deferred Income Taxes (190)	24	1,935,075	2,198,172
56	Unrecovered Purchased Gas Costs (191)		0	0
57	TOTAL Deferred Debits (Total of lines 44 through 56)		9,236,429	10,339,053
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		177,757,203	185,401,875

Notes:

(1) Account 114 Gas Plant Acquisition Adjustments within Utility Plant, Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments and Account 182.3 Other Regulatory Assets reflect the inclusion of the acquision adjustment and regulatory assets consistent with the Florida Public Service Commission Order in Docket No. 060657-GU related to the 2004 Acquisition on December 6, 2007.

(2) Account receivable in the amount of $350 for re-routes reclassified from Account 143 Other Accounts Receivable to Account 142 Customer Accounts Receivable for 2009 for proper account classification

(3) Materials and supplies in the amount of $18,410 reclassified from Account 154 Plant Materials and Operating Supplies to Account 156 Other Materials and Supplies for 2009 for proper account classification.

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

For the Year Ended
Dec. 31, 2010

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)		47,419,920	48,010,338
5	Retained Earnings (215, 216)	10	15,292,559	15,534,253
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,712,479	63,544,591
9	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	42,045,487	43,762,674
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)		62,045,487	63,762,674
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)		2,762,082	1,898,414
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)		3,532,556	2,329,876
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)		6,294,638	4,228,290
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)		0	0
27	Accounts Payable (232)		1,898,747	2,704,531
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,762,620	15,572,528
30	Customer Deposits (235)		3,427,405	3,644,643
31	Taxes Accrued (236)		822,739	1,496,714
32	Interest Accrued (237)		149,706	165,815
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		1,037,641	1,151,228
37	Miscellaneous Current and Accrued Liabilities (242)	22	130,256	936,665
38	Obligations Under Capital Leases-Current (243)		821,793	863,668
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		24,050,907	26,535,792
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)	22	0	0
44	Other Regulatory Liabilities (254)	22	2,336,844	2,424,210
45	Accumulated Deferred Investment Tax Credits (255)	23	7,565	6,306
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	20,309,283	24,900,012
49	TOTAL Deferred Credits (Total of lines 42 through 48)		22,653,692	27,330,528
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		177,757,203	185,401,875

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year 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.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

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	82,420,934	75,643,167
3	Operating Expenses			
4	Operation Expenses (401)	27-29	51,537,857	47,978,456
5	Maintenance Expenses (402)	27-29	1,281,191	1,265,763
6	Depreciation Expense (403)	15-16	9,823,249	9,796,322
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)		95,227	74,024
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	23	8,257,184	7,608,554
14	Income Taxes - Federal (409.1)		(1,516,027)	(1,991,983)
15	- Other (409.1)		147,474	252,335
16	Provision for Deferred Income Taxes (410.1) (1)	24	4,577,834	3,648,143
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)		74,924,625	69,352,250
23	Net Utility Operating Income (Total of line 2 less 22)		7,496,309	6,290,917
24	(Carry forward to page 9, line 25)			

Notes:

(4) Operating Revenues revised for 2009 to include damaged billing revenues of $247,636 and misc. revenues of ($29) that were included in Account 421 Misc. Nonoperating revenues in prior year.

(5) Operating Expenses and Maintenance Expenses for prior year revised to reflect proper account classification. The primary cause of the reclassification from Operating to Maintenance expenses relates to vehicle maintenance expenses reclassified from operation to maintenance account. Overall operating and maintenance expenses increased by $1,096 due to the reclassification of a credit related to fines and penalties of $858 reclassified from operating expenses to Other income deductions and the reclassification to Operating Expenses $212 of expense included in Misc. Nonoperating income in the prior year's presentation.

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

For the Year Ended
Dec. 31, 2010

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		7,496,309	6,290,917
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)		3,914	29,806
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		3,914	29,806
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		0	(392)
42	Miscellaneous Amortization (425)	33	0	0
43	Miscellaneous Income Deductions (426.1-426.5)	33	(76,550)	(18,074)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(76,550)	(18,466)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		24,025	(3,751)
48	Income Taxes - Other (409.2)		3,995	(624)
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)		28,020	(4,375)
54	Net Other Income and Deductions (Total of lines 39,44,53)		(44,616)	6,965
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)		47,659	114,410
57	Amortization of Debt Discount and Expense (428)	21	10,521	14,883
58	Amortization of Loss on Reacquired Debt (428.1)	20	123,239	114,051
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	2,557,320	2,371,180
62	Other Interest Expense (431)	33	592,005	634,203
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,330,744	3,248,727
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		4,120,949	3,049,155
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)		4,120,949	3,049,155

Notes:

(6) Misc. Nonoperating income for 2009 revised for proper account classification to exclude damage billing revenues of $247,636 reclassified to operating revenues, non-jusridictional lobbying expenses of $18,932 reclassified to misc. income deductions, misc. operating expenses reclassified to operating expenses of ($212) and misc. revenues reclassified to operating revenues of ($30).

(7) Misc. Income deductions revised for 2009 for proper acccount classification to include non-jurisdictional lobbying expenses of $18,932 reclassifed from Misc. Nonoperating income and credit activity related to fines and penalties of $858 reclassifed from account 930.2 miscellaneous general expenses.

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

For the Year Ended
Dec. 31, 2010

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		15,292,559
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)		4,120,949
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(3,479,691)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		(399,564)
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		15,534,253
	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)		15,534,253

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 - Organization and Basis of Presentation

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 polices 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.
- the income statement classification of provision for income taxes in income net utility operating income.

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

Note 2 – Significant Accounting Policies and Methods of Application

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 receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts to reduce the net receivable balance to the amount we reasonably expect to collect.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 was $377,113 as of December 31, 2010 and $398,823 as of December 31, 2009.

Fair Value measurements

The carrying values of cash and cash equivalents, receivables, derivative financial assets and liabilities, accounts payable, pension and postretirement plan assets and liabilities, other current liabilities and accrued interest approximate fair value. See Note 3 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 valuing 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. As we aggregate our disclosures by counterparty, the underlying transactions for a given counterparty may be a combination of exchange-traded derivatives and values based on other sources. Instruments in this category include shorter tenor exchange-traded and non-exchange-traded derivatives such as OTC forwards and options.

Level 3

Pricing inputs are generally less observable from objective sources. These inputs may be usec 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 have no assets or liabilities classified as Level 3, except for retirement plan assets as described in Note 3 and Note 6.

The authoritative guidance related to fair value measurements and disclosures also 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.

Debt

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. In determining the market interest yield curve, we considered our currently assigned ratings for unsecured debt.

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 depreciation rates (approved by the the Florida Commission) to the investment in depreciable property. Our composite depreciation rate was approximately 3.7% for 2010 and 3.9% for 2009.

Acquisition Adjustment and Regulatory Assets Resulting from Acquisition

We included the recognition of $26,629,879 in acquisition and regulatory assets related to the purchase of Florida City Gas by AGL Resources in December 2004. This recognition was approved by the Florida Commission on December 6, 2007. We also included in income the amortization of these assets, net of income tax effects, consistent with the order approving the recognition. This amount included $21,656,835 of acquisition adjustments, $1,365,897 of pension regulatory assets net of deferred taxes and $3,607,147 of transition and transfer costs net of deferred taxes. The unamortized balance of the acquisition adjustment was $17,205,152 at December 31, 2010 and $17,927,047 at December 31, 2009. The $1,177,119 unamortized regulatory asset for pension costs balance at December 31, 2010 is offset against a related deferred tax of $442,950. The $1,341,369 unamortized regulatory asset for pension costs balance at December 31, 2009 is offset against a related deferred tax of $504,757.

Goodwill

For GAAP purposes, our $26,629,879 acquisition adjustment and regulatory assets are considered goodwill. Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. In accordance with the authoritative guidance, AGL Resources annually evaluates goodwill balances for impairment or more frequently if impairment indicators arise. These indicators include, but are not limited to, a significant change in operating performance, the business climate, legal or regulatory factors, or a planned sale or disposition of a significant portion of the business among other factors. AGL Resources tests goodwill impairment utilizing a fair value approach at a reporting unit level.

AGL Resources' goodwill impairment analysis for the years ended December 31, 2010 and 2009 of the identifiable net assets acquired in business combinations indicated that the fair value substantially exceeded the carrying value, and are not at risk of failing step one of the impairment evaluation. As a result, we did not recognize any goodwill impairment charges and do not anticipate taking goodwill impairment charges in the foreseeable future.

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. We had unamortized investment tax credits of approximately $6,306 at December 31, 2010 and $7,565 at December 31, 2009, previously deducted for income tax purposes, deferred for financial accounting purposes, and are being amortized as credits to income over the estimated life of the related properties in accordance with regulatory requirements.

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. We collect and remit various taxes, except income taxes from our customers, on behalf of various governmental authorities. We are required to include these taxes as revenues and operating expenses.

Investment and Other Tax Credits

Deferred investment tax credits are included as a regulatory liability in our balance sheet. 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.

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 sheets. 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.

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 our 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 are measured based on the largest benefit that has a greater than 50% 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, 2010 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 2011.

Tax Collections

We collect and remit various taxes, except income taxes from our customers, on behalf of governmental authorities. We are required to record taxes in the state of Florida in revenues and operating expenses. These Florida related taxes are immaterial for all periods presented.

Uncertain Tax Positions

We recognize accrued interest and penalties related to uncertain tax positions in operating expenses in the Statements of Income, which is consistent with the recognition of these items in prior reporting periods. As of December 31, 2010, we did not have a liability recorded for payment of interest and penalties associated with uncertain tax positions.

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. Additionally, 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 the 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. These amounts are reflected as regulatory assets identified as recoverable natural gas costs or regulatory liabilities which are identified as deferred natural gas costs within our balance sheets. For more information, see "Regulatory Assets and Liabilities" below.

Regulatory Assets and Liabilities

We account for the financial effects of regulation in accordance with authoritative guidance related to regulated entities whose rates are designed to recover the costs of providing service. In accordance with this guidance, incurred costs and estimated future expenditures that would otherwise be charged to expense are capitalized and recorded as regulatory assets when it is probable that the incurred costs or estimated future expenditures will be recovered in rates in the future. Similarly, we recognize regulatory liabilities when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have not yet been incurred. Generally, regulatory assets are amortized into expense and regulatory liabilities are amortized into income over the period authorized by the regulatory commissions. Our regulatory assets and liabilities are summarized in the following table.

	As of December 31,	
	2010	2009
Regulatory assets		
Deferred customer conversion costs	$863,614	$767,401
Unamortized loss on reacquired debt	1,636,544	1,571,655
Pension Costs – AGL Resources Acquisition	1,177,119	1,341,369
Deferred natural gas piping costs	1,511,033	1,734,772
Energy conservation program	1,386,195	168,304
Unrecovered postretirement benefit cost	1,444,707	1,529,541
Other	2,279	2,278
Total regulatory assets	$8,021,491	$7,115,320
Regulatory liabilities		
Deferred purchased gas adjustment	$2,418,442	$2,330,351
Unamortized investment tax credit	6,306	7,565
Regulatory tax liability	4,017	4,742
Other	1,750	1,750
Total regulatory liabilities	$2,430,515	$2,344,408

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 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. We are not aware of any evidence that these costs will not be recoverable through either rate riders or base rates, and believe that we will be able to recover these costs, consistently with our historical recoveries. 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.

Accounting for employee benefit plans

The authoritative guidance related to retirement benefits requires that we recognize all obligations related to defined benefit pensions and other postretirement benefits and quantify the plans' funding status as an asset or a liability on our balance sheets. 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. Our 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.

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. 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

We have evaluated subsequent events through the time that our financial statements were issued and determined that no significant events have occurred subsequent to period end.

Note 3 – Fair Value Measurements

The methods used to determine fair value for our assets and liabilities are fully described within Note 2.

Fair Value Measures

We have several financial and nonfinancial assets and liabilities subject to fair value measures. These financial assets and liabilities include cash and cash equivalents, accounts receivable, accounts payable and debt. For cash and cash equivalents, accounts receivable and accounts payable, we consider carrying value to materially approximate fair value due to their short-term nature. The nonfinancial assets and liabilities include pension and post-retirement benefits.

Pension and post-retirement benefits AGL Resources pension and postretirement target asset allocations consist of approximately 30% - 95% equity, 10% - 40% fixed income, 10% - 35% real estate and other and the remaining 0% - 10% in cash. See note 5 for an explanation of AGL Resources employee benefit plans.

AGL Resources actual retirement and postretirement plans' asset allocations by level within the fair value hierarchy for the year ended December 31, 2010, are presented in the table below.

	Retirement plans (1)					Postretirement plan				
In millions	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	$7	$-	$-	$7	2%	$1	$-	$-	$1	1%
Equity Securities										
U.S. large cap (2)	91	-	-	91	26%	-	36	-	36	57%
U.S. small cap (2)	51	-	-	51	15%	-	-	-	-	-
International companies (3)	-	43		43	12%	-	12	-	12	19%
Emerging markets (4)	-	16	-	16	4%	-	-	-	-	-
Fixed income securities										
Corporate bonds (5)	-	56	-	56	16%	-	15	-	15	23%
Other types of investments										
Global hedged equity (6)	-	-	35	35	10%	-	-	-	-	-
Absolute return (7)	-	-	30	30	9%	-	-	-	-	-
Private capital (8)	-	-	22	22	6%	-	-	-	-	-
Total assets at fair value	$149	$115	$87	$351	100%	$1	$63	$-	$64	100%
% of fair value hierarchy	42%	33%	25%	100%		1%	99%	-	100%	

(1) Includes $7 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 United States 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.

	Fair value measurements using significant unobservable inputs – Level 3				
In millions	Global hedged equity	Absolute return	Private capital	Equity securities – international companies	Total
Assets:					
Beginning balance	$33	$26	$13	$5	$77
Transfers out of Level 3 (1)	-	-	-	(4)	(4)
Gains included in changes in net assets	2	2	2	-	6
Purchases and issuances	-	14	8	-	22
Sales and settlements	-	(12)	(1)	(1)	(14)
Ending balance	$35	$30	$22	$-	$87

(1) Transferred to Level 2 as a result of change in investment vehicle and pricing inputs becoming directly observable.

Debt Our debt is recorded at carrying value. We estimate the fair value of our debt using a discounted cash flow technique that incorporates a market interest yield curve with adjustments for duration, optionality and risk profile. In determining the market interest yield curve, we considered our currently assigned ratings for unsecured debt. The following table presents the carrying value and fair value of our debt for the years ended December 31, 2010 and 2009:

	As of December 31, 2010	2009
Carrying amount	$66,524,756	$65,629,362
Fair value	$66,524,756	$65,629,362

Note 4 - Amounts Due to Affiliates

We had $15,572,528 in payables at December 31, 2010 and $15,762,620 in payables at December 31, 2009, due to and from AGL Resources and affiliated companies, which consists primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

Note 5 - Employee Benefit Plans

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.

AGL Resources generally calculates the benefits under the AGL Retirement Plan 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 used this benefit formula for such participants until December 31, 2010, at which time any of those participants who were still actively employed accrued future benefits under the career average earnings formula.

The NUI Retirement Plan covers substantially all 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.

Postretirement Benefits

AGL Resources sponsors a defined benefit postretirement health care plan for our 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. In addition, 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.

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 received prescription drug benefits through a Medicare Part D plan offered by a third party and to which AGL Resources 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 AGL Resources 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 our expected costs and implementing a new cap determined by the new retiree premium schedule based on salary level and years of service. Consequently, there is no impact on the periodic benefit cost or on our accumulated projected benefit obligation for the AGL postretirement plan for a change in the assumed healthcare cost trend.

Contributions

Our employees do not contribute to the retirement plans. We fund the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by our actuary. However, we may also contribute in excess of the minimum required amount. As required by The Pension Protection Act of 2006 (the Act), we calculate 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 allowed us to measure our minimum required contributions based on a funding target at 96% in 2009 and 100% in 2010. In 2010 AGL Resources contributed $31 million to the qualified pension plans. In 2009, AGL Resources contributed $24 million to the qualified pension plans. For more information on our 2011 contributions to our pension plans, see Note 6.

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 our retirement and postretirement benefit plans aimed 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 United States government obligations), cash and cash equivalents and other suitable investments.

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

Funded status

Based on the funded status of our defined benefit pension and postretirement benefit plans as of December 31, 2010, we reported a net after-tax loss to our other comprehensive income (OCI) of $399,564, an increase of $650,491 to accrued pension and postretirement obligations and a decrease of $250,927 to accumulated deferred income tax.

Assumptions

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 our plan assets, and expected long-term rates of return. AGL Resources derives these expected long-term rates of return with the assistance of our investment advisors and generally base these rates on a 10-year horizon for various asset classes, our expected investments of plan assets and active asset management as opposed to investment in a passive index fund. AGL Resources bases their 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 our assumptions for the discount rate at December 31. AGL Resources considers certain market indices including Moody's Corporate AA long-term bond rate, the Citigroup Pension Liability rate, and other high-grade bond indices a single equivalent discount rate derived with the assistance of their 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.

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

	Retirement plans		Postretirement plan	
Dollars in millions	**2010**	**2009**	**2010**	**2009**
Change in plan assets				
Fair value of plan assets, January 1,	$303	$242	$63	$49
Actual return on plan assets	37	61	8	14
Employer contribution	31	26	7	7
Benefits paid	(27)	(26)	(7)	(7)
Fair value of plan assets, December 31,	$344	$303	$71	$63
Change in benefit obligation				
Benefit obligation, January 1,	$463	$442	$101	$95
Service cost	11	8	-	-
Interest cost	27	26	6	6
Plan amendment	-	-	-	1
Actuarial loss	57	13	7	6
Benefits paid	(27)	(26)	(7)	(7)
Benefit obligation, December 31,	$531	$463	$107	$101
Funded status at end of year	$(187)	$(160)	$(36)	$(38)
Amounts recognized in the Consolidated Statements of Financial Position consist of				
Current liability	$(1)	$(1)	$-	$-
Long-term liability	(186)	(159)	(36)	(38)
Total liability at December 31,	$(187)	$(160)	$(36)	$(38)
Florida City Gas's share of net lability recorded on Balance Sheet	$(2)	$(2)	$-	$-
Assumptions used to determine benefit obligations				
Discount rate	5.2 - 5.4%	5.8 - 6.0%	5.2%	5.8%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%
Accumulated benefit obligation	$506	$448	Not applicable	

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

	Retirement plans		Postretirement plan	
Dollars in millions	**2010**	**2009**	**2010**	**2009**
Net benefit cost				
Service cost	$11	$8	$-	$-
Interest cost	27	26	6	6
Expected return on plan assets	(28)	(29)	(5)	(4)
Net amortization	(2)	(2)	(4)	(4)
Recognized actuarial loss	10	9	2	2
Net annual pension cost	$18	$12	$(1)	$-
Florida City Gas's share of net annual pension and postretirement costs	$1	$1	$-	$-
Assumptions used to determine benefit costs				
Discount rate	5.8 - 6.0%	6.2%	5.8%	6.2%
Expected return on plan assets	8.75%	9.0%	8.75%	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, 2010. The 2011 estimated OCI amortization for these plans are set forth in the following table.

In millions	**Retirement plans**	**Postretirement plan**
Amortization of prior service credit	$(2)	$(4)
Amortization of net loss	14	2

The following table presents expected benefit payments for the years ended December 31, 2011 through 2020 for AGL Resources' retirement and postretirement plans. There will be benefit payments under these plans beyond 2020.

In millions	**Retirement plans**	**Postretirement plan**
2011	$29	$8
2012	29	8
2013	29	7
2014	30	7
2015	31	7
2016-2020	168	38
Total	$316	$75

The following table presents the amounts not yet reflected in AGL Resources' net periodic benefit cost and included in accumulated OCI as of December 31, 2010.

In millions	**Retirement plans**	**Postretirement plan**
Prior service credit	$(15)	$(8)
Net loss	226	35
Accumulated OCI	211	27
Net amount recognized in Consolidated Statements of Financial Position	(187)	(36)
Prepaid (accrued) cumulative employer contributions in excess of net periodic benefit cost	$24	$(9)

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, 2010.

Employee Savings Plan Benefits

AGL 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, AGL Resources made matching contributions to participant accounts of $140,686 in 2010 and $144,901 in 2009.

Note 6 - 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. The following table shows all debt obligations included in our comparative balance sheets.

		December 31, 2010		December 31, 2009	
	Year(s) due	Weighted average interest rate	Outstanding	Weighted average interest rate	Outstanding
Short-term debt					
Current portion of capital leases	2011	4.9%	$863,668	4.9%	$821,793
Total short-term debt		**4.9%**	**$863,668**	**4.9%**	$821,793
Long-term debt					
Gas facility revenue bonds					
Issued July 1994	2024	0.4%	$20,000,000	0.6%	$20,000,000
Affiliate Promissory note	2034	6.1%	43,762,674	5.9%	42,045,487
Capital leases	2013	4.9%	1,898,414	4.9%	2,762,082
Total long-term debt		4.3%	65,661,088	4.2%	64,807,569
Total debt		**4.3%**	**$66,524,756**	**4.2%**	**$65,629,362**

Short-term Debt

Our short-term debt at December 31, 2010 and 2009 was composed of current portions of our capital lease obligations.

Long-term Debt

Our long-term debt at December 31, 2010 and 2009 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. These gas revenue bonds are issued by state agencies or counties to investors, and proceeds from the issuance are then loaned to us. In June 2010, the letter of credit supporting our $20,000,000 gas revenue bond was set to expire, and according to the terms of the bond indentures, AGL Resources repurchased the bonds prior to the expiration of the letters of credit using the proceeds of commercial paper issuances.

In October 2010, AGL Resources successfully remarketed the gas facility revenue bonds with rates that reset daily. The weighted average interest rate of our gas facility revenue bonds during 2010 was 0.4%. The new letter of credit, which will expire in year 2024, was issued by the banks to support our gas facility revenue bond.

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 adjusted from time to time to maintain the appropriate targeted capitalization percentages. Accordingly, during 2010, the Affiliate Promissory Note was increased by $1,717,187 to maintain such ratios. 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, 2010, the interest rate on this note was 6.1%. 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 to Pivotal Utility's target capitalization of 45% and with the authorizations of the New Jersey BPU and the Florida Commission. As of December 31, 2010, the amount outstanding under the Affiliate Promissory Note associated with Florida City Gas was $43,762,674.

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 $1,000,000 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, 2010, we had $2,762,082 outstanding under these capital leases.

Note 7 - 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, 2010.

	Total	2011	2012 & 2013	2014 & 2015	2016 & thereafter
Long-term debt	$65,661,088	$-	$1,898,414	$-	$63,762,674
Pipeline charges, storage capacity and gas supply	74,300,889	9,717,576	19,435,152	16,804,970	28,343,191
Pension contributions (1)	308,617	308,617	-	-	-
Interest charges	907,500	66,000	132,000	132,000	577,500
Short-term debt	863,668	863,668	-	-	-
Standby letters of credit, performance/surety bonds	485,000	485,000	-	-	-
Operating leases	26,694	26,694	-	-	-
Total	$142,553,456	$11,467,555	$21,465,566	$16,936,970	$92,683,365

(1) Based on the current funding status of the plans, we would be required to make a minimum contribution to our pension plans of approximately $308,617 in 2011. However we may make additional contributions in 2011.

Rental Expense

We incurred rental expense in the amounts of $719,000 in 2010 and $721,000 in 2009.

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 8 - Income Taxes

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.

In thousands	2010	2009
Current income taxes		
Federal	$(1,540)	$(1,988)
State	144	253
Deferred income taxes		
Federal	4,196	3,508
State	382	140
Amortization of investment tax credits	(1)	(1)
Total	$3,181	$1,912

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of tax for the years ended December 31, 2010 and 2009 on our statement of income are presented in the following table.

In thousands	2010	2009
Computed tax expense at statutory rate	$2,627	$1,775
State income tax, net of federal income tax benefit	296	145
Amortization of investment tax credits	(1)	(1)
Other – net	259	(7)
Total income tax expense at effective rate	$3,181	$1,912

Accumulated Deferred Income Tax Assets and Liabilities

Our deferred tax assets include $1,269 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.

	As of December 31,	
In thousands	2010	2009
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	$24,457	$19,805
Other	443	504
Total accumulated deferred income tax liabilities	$24,900	$20,309
Accumulated deferred income tax assets		
Unfunded pension and postretirement benefit obligation	$1,269	$789
Bad debts and insurance reserves	517	102
Other	412	1,044
Total accumulated deferred income tax assets	2,198	1,935
Net accumulated deferred tax liability	$22,702	$18,374

AGL Resources files a U.S. federal consolidated income tax return and state income tax returns. AGL Resources is no longer subject to income tax examinations by the Internal Revenue Service for years before 2008 or any state for years before 2006.

Note 9 - Related Party Transactions

We have an Asset Management and Agency Agreement (AMA) with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the managaement 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.

Dollars in thousands	Expiration date	Type of fee structure	Annual fee	Profit sharing / fees payments 2010	2009
Florida City Gas	Mar 2013	Profit -sharing	50%	$1,280	$911

See Note 4 and Note 6 for discussion of other affiliate transactions.

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

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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)	255,056,784	255,056,784
4	101.1 Property Under Capital Leases	634,819	634,819
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)	277,348,438	277,348,438
12	107 Construction Work in Progress	7,264,807	7,264,807
13	Accum. Provision for Depreciation, Amortization, & Depletion	(123,381,496)	(123,381,496)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	161,231,749	161,231,749
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	(118,929,813)	(118,929,813)
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)	(118,929,813)	(118,929,813)
22	Leased to Others		
23	108 Depreciation	0	
24	111 Amortization and Depletion	0	
25	TOTAL Leased to Others (Total of lines 23 and 24)		0
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	(4,451,683)	(4,451,683)
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	(123,381,496)	(123,381,496)

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, 2010

Acct. No.	Account Description	Depr. Rate	Beginning Balance (1)	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance (1)
374	Land-Distribution		81,369						81,369
389	Land-General		333,111						333,111
	Land-Other								
Amortizable General Plant Assets:									
301	Organization								
302	Franchises and Consents		325,165						325,165
303	Miscellaneous Intangible Plant		27,722						27,722
399	Miscellaneous Intangible Property		38,828						38,828
Depreciable Assets:	**This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.**								
365	Rights-Of-Way								
367	Transmission-Main								
369	Measuring & Regulating Equip.	3.50	94,177	121	10,273				84,026
371	Other Equipment								
375	Structures & Improvements	2.50	750,667	18,822	177,684				591,804
376	Mains - Plastic	3.00	61,633,687	3,253,099	101,881				64,784,905
376	Mains - Other	3.00	84,298,954	2,086,187					86,385,141
379	M & R Station Equipment - City Gate	3.30	5,921,653	2,653	533				5,923,774
380	Services - Plastics	3.90	36,860,833	1,729,712	47,110				38,543,435
380	Services - Other	7.00	13,287,265	72,696	144,869				13,215,092
381	Meters	4.50	9,556,429	322,492	3,281,977				6,596,945
382	Meter Installation	4.5/6.7	5,792,019	6,851,014	16,574				12,626,458
383	House Regulators	5.00	2,656,655	422,757	49,483				3,029,929
384	House Regulators Installation	3.20	1,359,914	22,501	386				1,382,028
385	Industrial M & R Station Equipment	3.40	3,356,572	75,451					3,432,023
387	Other Equipment	4.50	697,027	4,921					701,948
390	Structures & Improvements	2.50	2,359,305	68,470	861,652				1,566,123
391.1	Office Furniture	5.30	1,065,676	10,372	925,634				150,414
391.2	Office Equipment	8.30	1,799,537	323,469					2,123,006
391.3	Computers	7.60	7,534,575		10,971				7,523,604
392	Transportation Equipment	7.50	3,109,902	242,001	308,039				3,043,864
393	Stores Equipment	4.00	7,422						7,422
394	Tools, Shop and Garage Equipment	6.70	1,340,572	148,205	7,188				1,481,590
395	Laboratory Equipment	4.00	4,034						4,034
397	Communication Equipment	8.30	1,197,509		170,579				1,026,930
398	Miscellaneous Equipment	6.70	436,883	228,780	4,749				660,913

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, 2010

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
	Total Account 101*		245,927,462	15,883,723	6,119,582	-	-	-	255,691,603
Amortizable Assets:									
114	Acquisition Adjustment		21,656,835						21,656,835
118	Other Utility Plant								-
106	Completed Construction not Calssified								-
	Total Utility Plant		267,584,297	15,883,723	6,119,582	-	-	-	277,348,438

Note: (1) 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.

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, 2010

Acct. No. Account Description	Beginning Balance (1)	Accruals (2)	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance (1)
374 Land-Distribution									
389 Land-General (6)		37,696							37,696
Amortizable General Plant Assets:									
302 Franchises and Consents	147,871	9,756							157,627
303 Miscellaneous Intangible Plant	23,358	1,034							24,393
399 Miscellaneous Intangible Property	6,782	782							7,564
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
367 Transmission-Main	418	391							809
369 Measuring & Regulating Equip	2,451	3,487							5,939
371 Other Equipment	4,271								4,271
375 Structures & Improvements	308,082	19,662		177,684					150,059
376 Mains - Plastic	20,909,649	2,396,491		101,881					23,204,258
376 Mains - Other	49,205,253	2,479,417							51,684,670
379 M & R Station Equipment - City Gate	2,637,319	226,216		10,804					2,852,730
380 Services - Plastics	14,335,657	1,172,208		47,110					15,460,755
380 Services - Other	17,144,842	1,234,862		144,869					18,234,835
381 Meters	(741,341)	347,143		3,281,977					(3,676,176)
382 Meter Installation	1,557,247	711,075		16,574					2,251,747
383 House Regulators	1,056,037	159,355		49,483					1,165,910
384 House Regulators Installation	683,429	35,987		386					719,031
385 Industrial M & R Station Equipment	1,483,595	111,601							1,595,196
387 Other Equipment	163,504	34,090							197,594
390 Structures & Improvements	508,564	54,345		861,652					(298,743)
391.1 Office Furniture	817,504	50,652		925,634					(57,478)
391.2 Office Equipment	124,121	29,087							153,208
391.3 Computers (5)	4,441,373	(152,730)		10,971					4,277,671
392 Transportation Equipment	1,339,996	130,824		308,039	27,070		6,929		1,196,780
393 Stores Equipment	3,355	327							3,682
394 Tools, Shop and Garage Equipment	603,651	90,974		7,188					687,437
395 Laboratory Equipment	(5,768)	161							(5,607)
397 Communication Equipment	1,066,462	115,026		170,579					1,010,909
398 Miscellaneous Equipment	216,594	32,264		4,749					244,109
	-								-

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, 2010

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:										
	Subtotal	118,044,277	9,332,183	-	6,119,582	27,070	-	6,929	-	121,290,877
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)	-								-
	Undistributed Retirement Work in Progress	(1,664,305)					(575,925)			(2,240,230)
115	Amort. Plant Acquisition Adjustment	3,729,789						721,894		4,451,683
	Adjustment (3)		(120,834)							(120,834)
	Grand Total (1)	120,109,762	9,211,349	-	6,119,582	27,070	575,925	728,823	-	123,381,496

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

(2) Allocated Depreciation Expense of $611,901 is not included in Accumulated Depreciation Balance since it is included on the books of AGL Services Co.

(3) Depreciation Expense includes adjustment to depreciation expense for 2009 of ($120,834) for the estimated impact of FERC account reclassifications.

(4) Amount in adjustment column of $6,969 represents accumulated depreciation for asset transferred from affiliate.

(5) Negative accrual due to the inclusion in 2010 of adjustments for 2009 related to the implementation of new depreciation rates effective January 1, 2009.

(6) Depreciation on land was incorrectly recorded in 2010. This transaction will be reversed in 2011.

Name of Respondent FLORIDA CITY GAS A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC.	For the Year Ended Dec. 31, 2010

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	0362-Service Blanket- Field Op	539,495	
2	Brevard New Facility	1,340,426	
3	0362-Jet Fuel Line Conversion	858,701	
4			
5			
6	Construction Work in Process (sum of Minor Projects in Dade, Port St. Lucie and Brevard County)	4,526,184	
7			
8			
9			
10			
11			
12			
13			
14	**TOTAL**	7,264,807	

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*	765,360	7,264,807
2	A&G Expenses Capitalized*	16,184	7,264,807
3	Benefits Capitalized**	226,349	7,264,807
4	Other Post Retirement Benefits Capitalized**	-	7,264,807
5	Pension Expense Capitalized**	34,541	7,264,807
6	Payroll Taxes Expense Capitalized**	59,306	7,264,807
7	Fleet Expense Capitalization	-	7,264,807
8	Engineering (Charged from AGL Services Company)	-	7,264,807
9			
10			
11	**TOTAL**	**1,101,739**	

* Includes capitalized adminstrative 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 FY2010 used to determine overhead allocations.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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	55,733
2	Debt Financing	92,475
3	Prepaid Taxes	2,283,672
4	Prepaid Interest	-
5	Gas Prepayments	-
6	Miscellaneous Prepayments: (AGA, FNGA Dues, Legal)	115,517
7		
8	TOTAL	2,547,397

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 Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
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 Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					0

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

For the Year Ended
Dec. 31, 2010

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: Account Charged (d)	Credits: Amounts (e)	Balance End of Year (f)
1	Conversion Cost (1)	767,400	191,440	407	95,227	863,613
2	Deferred Piping (1)	1,734,771	74,627	912	298,365	1,511,033
3	Energy Conservation Program	168,305	1,217,891	401		1,386,196
4	Regulatory Asset - Pension (2)	1,341,369		926	164,250	1,177,119
5	Unrecovered Pension Benefit	1,529,541	32,406	401	117,240	1,444,707
6	Other	2,279	0	401	0	2,279
7						
8						
9						
10	(1) Amortization period - 10 years					
11	(2) Amortization period - 13.3 years					
12						
13						
14						
15						
16						
17	TOTAL	5,543,665	1,516,364		675,082	6,384,947

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	18	51		0	69
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	18				69

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

SECURITIES ISSUED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR

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.
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.
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.
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.

May 28, 2010 tendered $20,000,000, variable rate due June 2032 with adjustable rate gas facility revenue bond. This was remarketed on October 13, 2010. The financing fees paid to remarket were $ $145,455.

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

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.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
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.

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	775,632	719,223
2						
3	Bond refinance & issuance	6/5/2008	20,000,000	889,213	796,023	738,381
4						
5	* Bond refinance & issuance	5/28/2010	20,000,000	181,507	0	178,940
6						
7					**1,571,655**	**1,636,544**
8						
9						
10						
11						
12						
13						

*Debit of $181,507 was reclassified as of May 28, 2010 from FERC account 181 Unamortized Debt Expense. Amortization expense booked for these items in 2010 was a credit of $8,061 which is combined with a credit of $507 to true-up the short-term portion of long-term debt. Additionally, debit of $7,127 was reclassified from PUHI in 2010; this was related to old issuance fees. The net impact for FERC account 189 is $181,507 - $9,187 - $507 + $7,127 = $178,940.

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

For the Year Ended
Dec. 31, 2010

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 Rate (in %) (e)	Interest for Year Amount (f)	Total Amount Outstanding (g)
1	20 Year Revenue Bonds Series 2024*	4/19/2005	10/1/2024	20,000,000	variable	47,658	20,000,000
2	Affiliate Promissory Note **	1/1/2005	1/1/2035	25,209,352	5.85%	2,467,019	43,762,674
3							
4	* This series of bonds was tendered in May 2010 and remarketed in October 2010. 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		2,514,677	63,762,674

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 Date From (d)	Amortization Period Date To (e)	Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
1	* 20 Year Revenue Bonds - Series 2024	20,000,000	994,728	4/19/2005	10/1/2024	186,016	(186,016)	-
2								
3	** Refinancing fees	20,000,000	223,173	6/5/2008	10/1/2024	0	119,321	119,321
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								

* Net credit of $186,016 was reclassified to FERC account 189 Unamortized Loss on Required Debt as a result of tendering and refinancing Florida City's $20,000,000 variable rate revenue bond in 2010. Prior to this reclassification, a credit of $4,509 was amortized for January - April 2010 from this account. The net impact for FERC account 189 is $186,016 - $4,509 = $181,507.

** Total debits of $145,455 are related to fees for remarketing the $20,000,000 variable rate revenue bond. Credit of $6,011 for amortization expense for these fees was booked in 2010 combined with a credit of 20,123 to true-up the short-term portion of long-term debt. The net impact for FERC account 181 is $145,455 - $6,011 - $20,123 = $119,321.

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	Misc. Liab. - Capital project reimbursements received not yet applied	811,168
2	Unclaimed Customer Checks	125,517
3	Others	(20)
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	936,665

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 Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance End of Year (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					

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 Contra Account (b)	Debits Amount (c)	Credits (d)	Balance End of Year (e)
1	Reg. Tax Liability	4,742	281	725		4,017
2	PGA	2,330,352	191	2,330,351	2,418,442	2,418,443
3	Other	1,750				1,750
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	2,336,844		2,331,076	2,418,442	2,424,210

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

For the Year Ended
Dec. 31, 2010

TAXES OTHER THAN INCOME TAXES (Account 408.1)

	Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environ-mental, Excise	Franchise	Other*	Total
1	U.S. Government	0	0	0	487,817	0	0	0	0	0	487,817
2	State of Florida	0	1,915,896	0	(87,243)	3,180,218	409,508	0	2,074,769	60,229	7,553,377
3	AGL Services Company Allocation	0	0	0	0	0	0	0	0	215,990	215,990
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	1,915,896	0	400,574	3,180,218	409,508	0	2,074,769	276,219	8,257,184

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)	Allocations to Current Year's Income: Acct. No. (d)	Allocations to Current Year's Income: Amount (e)	Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
1	Gas Utility							
2	3%							
3	4%			411.4				
4	7%							
5	10%	0		420	0		0	
6	8%	7,565		411.4	1,259		6,306	
7								
8								
9								
10	TOTAL	7,565			1,259		6,306	

Notes

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

For the Year Ended
Dec. 31, 2010

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. At Other (Specify), include deferrals relating to other income and deductions.

2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

Line No.		Balance at Beginning of Year	Changes During Year: Amounts Debited to Account 410.1	Amounts Credited to Account 410.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
1	GAS										
2	Federal	1,659,146		10,266			282	215,346	216; 283		1,884,758
3	State	275,929		1,708			282	35,777			313,414
4											
5											
6											
7											
8											
9											
10											
11	TOTAL Gas (Lines 2 - 10)	1,935,075	0	11,974				251,123		0	2,198,172
12	Other (Specify)										
13	TOTAL (Account 190) (Total of lines 11 and 12)	1,935,075	0	11,974				251,123		0	2,198,172

Notes

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

Line No.		Balance at Beginning of Year	Changes During 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	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
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										
8	Gas	19,804,526	4,651,615				190:283		254	922	24,457,063
9	Other										0
10	TOTAL Account 282 (Lines 7 thru 9)	19,804,526	4,651,615					0		922	24,457,063
11	Account 283 - Other										
12	Electric										
13	Gas	504,756	(61,807)						282		442,949
14	Other										
15	TOTAL Account 283 - Other (Lines 12 thru 14)	504,756	(61,807)	0				0		0	442,949
16	GAS										
17	Federal Income Tax	17,866,772	4,205,864				190; 283		254;282		22,072,636
18	State Income Tax	2,442,509	383,945				283		282		2,826,454
19											
20	TOTAL Gas (Lines 17 thru 19)	20,309,281	4,589,809					0		0	24,899,090
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)	20,309,282	4,589,808	0	0	0		0		922	24,900,012

Notes

Name of Respondent	For the Year Ended
Pivotal Utility Holdings Inc. d/b/a Florida City Gas	Dec. 31, 2010

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	This Report Is:		Year of Report
Pivotal Utility Holdings Inc. d/b/a Florida City Gas	(1) [x] An Original		
	(2) [ ] A Resubmission		Dec. 31, 2010

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

Net Income for Fiscal Year Ended December 31, 2010		4,120,949
Adjustments For Federal Income Tax Purposes		
Income on Return Not on Books:		
Contributions in Aid of Construction		$972,954
Expenses Booked Not Recorded on Return:		
Current Federal Income Taxes	(1,540,052)	
Deferred Federal Income Taxes	4,195,597	
Deferred State Income Taxes	382,237	
Amortization of Deferred Investment Tax Credits	(1,259)	
Amortization of Pension and Transition Cost Reg. Assets	164,249	
Fines and Penalties	328	
Lobbying Expenses	68,087	
Pension	589,033	
Accrued Bonus	9,023	
Bad Debts	1,075,454	
Meals and Entertainment	1,031	
Misc Accrued Liabilities	(1,633,608)	
Leasehold Improvements	298,365	
Restricted Stock Units	6,138	3,614,623
Deductions on Return Not Charged Against Book Income:		
Excess of allowable depreciation over that charged to depreciation and other book expenses	(6,701,453)	
Conservation Analysis		
Expenditures for Service on Customer Premises		
Cost of Removal		
Gain/Loss Difference	(2,628,484)	
Software Labor		
Engineering Cost	(178,955)	
Salaries Overhead-G&A	(33,675)	
Deductible G&A	(588,117)	
Accrued Post Retirement Benefits	(14,998)	
Software Amortization	(1,057,613)	
Environmental Clean-Up		
Removal Cost	(570,924)	
Meter Lease		
Relocation Cost	(2,112,495)	
Accrued bonus		
Deferred Compensation		(13,886,714)
Total Net Adjustments for Federal Income Tax Purposes		(9,299,137)
Federal Taxable Income		($5,178,188)
State Taxes		0
Show Computation to Tax		
Federal Taxable Income		($5,178,188)
35% of Federal Taxable Income		(1,812,366)
Accrual to return and other adjustments		(38,186)
Current Federal Income Taxes at December 31, 2010		($1,850,552)
Allocated Tax Per Tax Agreement		310,500
Total Current Federal Income Tax		(1,540,052)

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

For the Year Ended
Dec. 31, 2010

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: Amount for Year (b)	Operating Revenues: Amount for Previous Year (c)	Therms of Natural Gas Sold: Current Year (d)	Therms of Natural Gas Sold: Previous Year (e)	Avg. No. of Natural Gas Customers Per Mo.: Current Year (f)	Avg. No. of Natural Gas Customers Per Mo.: Previous Year (g)
1	**Gas Service Revenues**						
2	**Firm Sales Service**						
3	480 - Residential Sales	38,578,045	34,195,918	20,542,378	16,732,218	96,472	96,352
4	481 - Commercial & Industrial Sales	25,708,232	23,906,669	24,357,952	20,964,846	4,708	4,638
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.	15,249,026	14,527,700	53,846,178	50,586,684	1,718	1,657
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	79,535,303	72,630,287	98,746,508	88,283,748	102,898	102,647
22	483 Sales for Resale						
23	Off-System Sales	0	0	0			
24	TOTAL Nat. Gas Service Revenues	79,535,303	72,630,287			Notes	
25	TOTAL Gas Service Revenues	79,535,303	72,630,287				
26	**Other Operating Revenues**						
27	485 Intracompany Transfers						
28	487 Forfeited Discounts	1,288,362	1,276,587				
29	488 Misc. Service Revenues	1,437,206	1,488,656				
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	Damage Billing	160,063	247,637				
36	Reconnect for Cause						
37	Collection in lieu of disconnect						
38	Returned Check						
39	Other						
40	495.1 Overrecoveries Purchased Gas	0	0				
41	TOTAL Other Operating Revenues	2,885,631	3,012,880				
42	TOTAL Gas Operating Revenues	82,420,934	75,643,167				
43	(Less) 496 Provision for Rate Refunds	0	0				
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	82,420,934	75,643,167				
45	Sales for Resale						
46	Other Sales to Public Authority						
47	Interdepartmental Sales						
48	TOTAL	$82,420,934	$75,643,167	98,746,508	88,283,748		

Note: Operating Revenues revised for 2009 to include damaged billing revenues of $247,636 and misc. revenues of ($29) that were included in Account 421 Misc. Nonoperating revenues in prior year.

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

For the Year Ended
Dec. 31, 2010

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	29,053,400	25,305,955	(1)
14	804.1 Liquefied Natural Gas Purchases			
15	805 Other Gas Purchases			
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)			
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	29,053,400	25,305,955	
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	(2,622)	(7,538)	
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(2,622)	(7,538)	
35	813 Other Gas Supply Expenses			
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	29,050,778	25,298,417	
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	29,050,778	25,298,417	
38	**2. Natural Gas Storage, Terminaling 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)	105,281	83,798	(1)
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Total of Accounts 844.1 through 847.8)			
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	105,281	83,798	
43	**3. Transmission Expenses**			
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	-	1,773	
45				
46				

(1) For the reporting year 2010 the company established an automated FERC reporting system within its PeopleSoft general ledger accounting system. This improved reporting process resulted in account reclassifications for the prior reporting year.

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

For the Year Ended
Dec. 31, 2010

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	58,119	99,468	
50	871 Distribution Load Dispatching	45,073	71,210	
51	872 Compressor Station Labor and Expenses			
52	873 Compressor Station Fuel and Power			
53	874 Mains and Services Expenses	1,241,538	1,220,674	
54	875 Measuring and Regulating Station Expenses--General	87	447	
55	876 Measuring and Regulating Station Expenses--Industrial			
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	114,527	76,353	
57	878 Meter and House Regulator Expenses	939,670	470,098	
58	879 Customer Installations Expenses	471,857	301,591	
59	880 Other Expenses	217,490	178,359	(1)
60	881 Rents			
61	TOTAL Operation (Total of lines 49 through 60)	3,088,361	2,418,200	
62	Maintenance			
63	885 Maintenance Supervision and Engineering			
64	886 Maintenance of Structures and Improvements			
65	887 Maintenance of Mains	249,242	185,698	(1)
66	888 Maintenance of Compressor Station Equipment			
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	90,115	26,141	
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	89,986	162,289	(1)
71	893 Maintenance of Meters and House Regulators	91,136	95,668	
72	894 Maintenance of Other Equipment	5,032	10,342	(1)
73	TOTAL Maintenance (Total of Lines 63 through 72)	525,511	480,138	
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	3,613,872	2,898,338	
75	**5. Customer Accounts Expenses**			
76	Operation			
77	901 Supervision			
78	902 Meter Reading Expenses	297,734	551,506	
79	903 Customer Records and Collection Expenses	124,452	104,295	
80	904 Uncollectible Accounts	1,939,600	1,036,784	
81	905 Miscellaneous Customer Accounts Expenses	2,512	2,285	
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	2,364,298	1,694,870	
83	**6. Customer Service and Informational Expenses**			
84	Operation			
85	907 Supervision	459	0	
86	908 Customer Assistance Expenses	97,190	246,887	
87	909 Informational and Instructional Expenses	2,187,974	3,064,437	
88	910 Miscellaneous Customer Service and Informational Expenses			
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	2,285,623	3,311,324	
90	**7. Sales Expenses**			
91	Operation			
92	911 Supervision			
93	912 Demonstrating and Selling Expenses	298,209	267,275	
94	913 Advertising Expenses	87,332	46,685	
95	916 Miscellaneous Sales Expenses	257	-	
96	TOTAL Sales Expenses (Total of lines 92 through 95)	385,798	313,960	
97				

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

For the Year Ended
Dec. 31, 2010

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	5,950,499	5,542,328	(1)
101	921 Office Supplies and Expenses	1,935,835	1,949,870	(1)
102	(Less) (922) Administrative Expenses Transferred--Credit	1,858,798	1,738,270	(1)
103	923 Outside Services Employed	1,783,930	1,701,637	(1)
104	924 Property Insurance	277,309	171,992	
105	925 Injuries and Damages	1,061,514	1,623,801	
106	926 Employee Pensions and Benefits	3,758,602	3,543,888	(1)
107	927 Franchise Requirements			
108	928 Regulatory Commission Expenses			
109	(Less) (929) Duplicate Charges--Credit			
110	930.1 General Advertising Expenses	235	793	
111	930.2 Miscellaneous General Expenses	723,408	1,530,359	(1)
112	931 Rents	644,734	542,117	(1)
113	TOTAL Operation (Total of lines 100 through 112)	14,277,268	14,868,515	
114	Maintenance			
115	935 Maintenance of General Plant	736,130	773,224	(1)
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	15,013,398	15,641,739	
117				
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	52,819,048	49,244,219	
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)	12/31/2010
3	2. Total Regular Full-Time Employees	93
4	3. Total Part-Time and Temporary Employees	0
5	4. Total Employees	93
6		
7		
8		
9		
10		
11		
12		
13		

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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

1. Provide totals for the following accounts:
   - 800 - Natural Gas Well Head Purchases
   - 800.1- Natural Gas Well Head Purchases Intracompany Transfers
   - 801 - Natural Gas Field Line Purchases
   - 802 - Natural Gas Gasoline Plant Outlet Purchases
   - 803 - Natural Gas Transmission Line Purchases
   - 804 - Natural Gas City Gate Purchases
   - 804.1- Liquefied Natural Gas Purchases
   - 805 - Other Gas Purchases
   - 805.1- Purchases Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.

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

Line No.	Account Title (a)	Gas Purchased-Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases			
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases	44,269,775	30,645,028	$0.69223
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases		284,806	
9	805.1 - Purchased Gas Cost Adjustments		(1,876,434)	
10	TOTAL (Total of lines 1 through 9)	44,269,775	29,053,400	$0.65628

Notes to Gas Purchases

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.
4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2				
3	Other General Use	401	2,750	2,622
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL		2,750	2,622

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

For the Year Ended
Dec. 31, 2010

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 docke 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: Charged Currently to: Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Amortized During Year: Contra Account (g)	Amount (h)	Deferred in Account 186 End of Year (i)
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	120,514
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	Fleet Fuel Expense	339,668
6	Fleet Expense Capitalization	(35,394)
7	Misc. Legal	544
8	AGL Service Company Allocated Costs (Represents amount assigned to FERC account 930.2)	247,936
9	Claim Settlements	24,250
10	Supplies	4,554
11	Insurance	3,894
12	Misc. Expenses (50 items)	17,442
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	723,408

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

For the Year Ended
Dec. 31, 2010

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 - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
6	Transmission			
7	Distribution	1,267,601		
8	Customer Accounts	457,763		
9	Customer Service and Informational			
10	Sales	476,657		
11	Administrative and General	2,018,472		
12	TOTAL Operation (Total of lines 5 through 11)	4,220,493		
13	Maintenance			
14	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
15	Transmission			
16	Distribution	1,023,415		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 14 through 17)	1,023,415		
19	Total Operation and Maintenance	5,243,908		
20	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	2,291,016		
23	Customer Accounts (Transcribe from line 8)	457,763		
24	Customer Service and Informational (Transcribe from line 9)	-		
25	Sales (Transcribe from line 10)	476,657		
26	Administrative and General (Total of lines 11 and 17)	2,018,472		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	5,243,908		5,243,908
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	1,227,624	-	1,227,624
35	Other			-
36	TOTAL Construction (Total of lines 33 through 35)	1,227,624	-	1,227,624
37	Plant Removal (By Utility Department)			
38	Electric Plant		-	-
39	Gas Plant	61,997		61,997
40	Other		-	-
41	TOTAL Plant Removal (Total of lines 38 through 40)	61,997	-	61,997
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	6,533,529	-	6,533,529

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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	8,570,200
2	BUILDING MANAGEMENT SYSTEM, INC.	Contractor	995,492
3	MARKETING TALENT NETWORK	Advertising	779,577
4	TOTAL BILLINGS	Billing Services	480,000
5	SOUTHERN CROSS CORP	Contractor	305,083
6	ALL ABOUT GAS SERVICE, LLC	Contractor	284,525
7	ELITE GAS CONTRACTOR, INC	Contractor	232,548
8	VSI METER SERVICES, INC	Contractor	124,870
9	AKERMAN SENTERFITT	Legal	124,790
10	MESSER, CAPARELLO & SELF, P.A.	Legal	116,074
11	BENTON-GEORGIA INC	Contractor	115,913
12	CASH CYCLE SOLUTIONS	IT Services	115,391
13	AROUND THE CLOCK GAS SERVICE	Contractor	102,602
14	SUNSHINE STATE ONE CALL OF FLORIDA, INC	Contractor	85,112
15	ITRON, INC.	Contractor	79,970
16	LITTLER MENDELSON, PC	Legal	70,833
17	TOMMY L. HORNSBY	Collection Services	64,117
18	A J IMAGES, INC	Printing Services	59,533
19	SEYFARTH SHAW	Legal	49,499
20	URS CORPORATION	Engineering Services	40,169
21	1 STOP GAS SERVICE INC	Contractor	39,543
22	ANTHONY J. MAZZA, AIA	Engineering Services	36,943
23	NEW LIFE MAINTENANCE INC.	Contractor	27,514
24	GRAY ROBINSON ATTORNEYS AT LAW	Legal	26,358
25	BGL ASSET SERVICES, LLC	Contractor	25,330
26			
27			
28			
29			
30			
31			
32			
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	(767)
4	Money Pool	91,068
5	Facility Fees	
6	Affiliate Promissory Note	2,467,019
7	TOTAL	2,557,320
8		
9		
10		
11		
12		
13		
14		
15		
16	OTHER INTEREST EXPENSES (431)	
17	Financing Fees	168,534
18	Fleet Bank - Meter Leases (Weighted Average 4%)	(186,974)
19	Interest on Customer Deposits (6%)	209,400
20	PGA (Average 0.2563%)	5,200
21	ECP (Average 0.2563%)	(1,576)
22	Central States Pension Liability	27,051
23	Property Tax Adjustment	0
24	Bank of Americal - Vehicles Lease	370,370
25	TOTAL OTHER INTEREST EXPENSES	592,005

Name of Respondent | For the Year Ended

PIVOTAL UTILITY HOLDINGS, INC.
D/B/A FLORIDA CITY GAS | Dec. 31, 2010

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)	64,286,277		64,286,277	64,293,445	(7,168)
2	Sales for Resale (483)	0		0	0	
3	Total Natural Gas Service Revenues	64,286,277		64,286,277	64,293,445	(7,168)
4	Total Other Operating Revenues (485-495)	18,134,657		18,134,657	17,967,465	167,192
5	Total Gas Operating Revenues	82,420,934		82,420,934	82,260,910	160,024
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**	82,420,934	0	82,420,934	82,260,910	160,024

Notes:

Gas Operating Revenues on page 26 includes Damaged Billing revenues of $160,063 not inlcudable in the RAF. The remaining amount of ($39) is misc. debits to revenues not included in the RAF. Also, revenues in the amount of $7,168 were classfied as sales revenues in the RAF and should have been classified as transportation.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

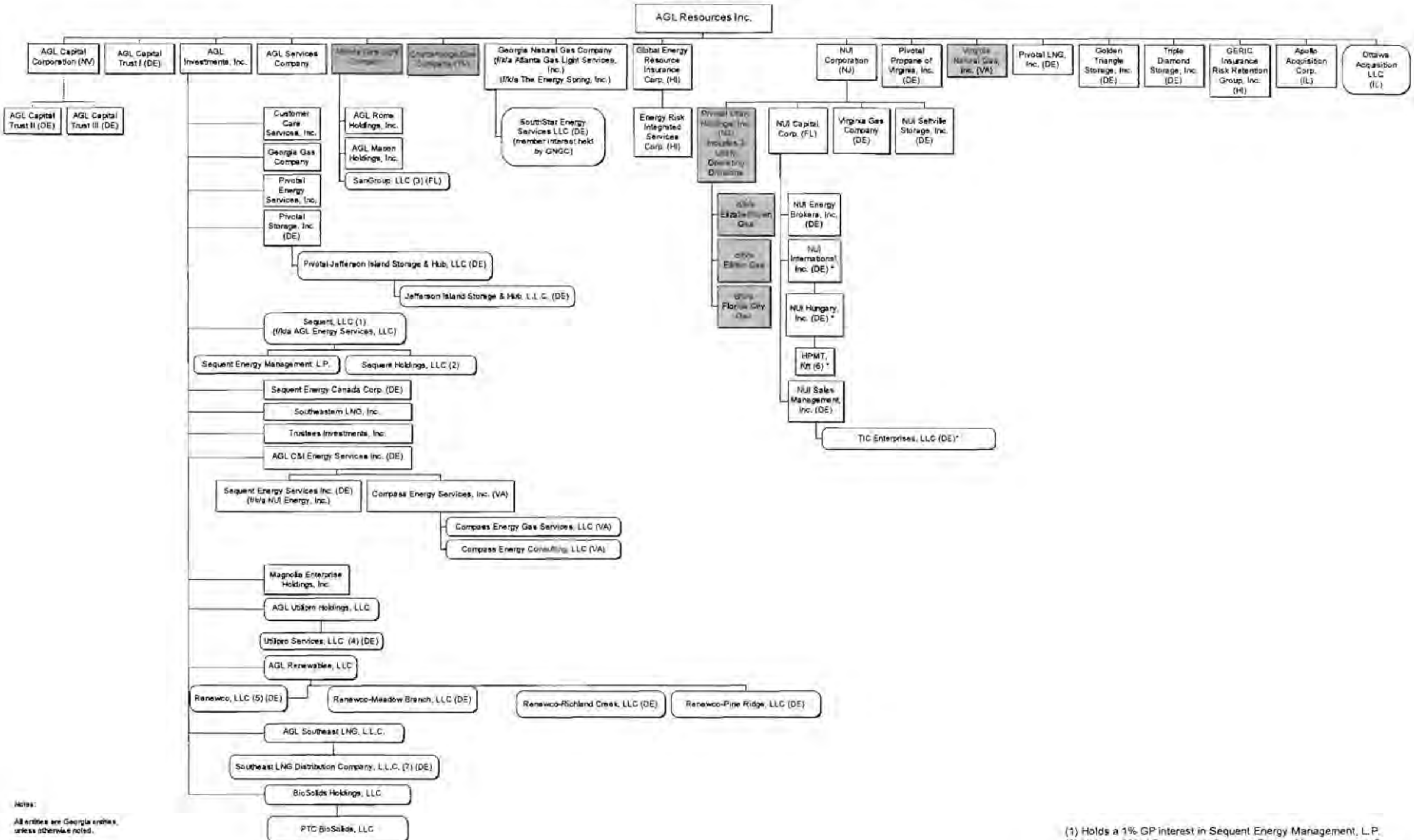
CORPORATE STRUCTURE

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

Effective Date: January 2011

Please see attached.

Office of the Corporate Secretary
AGL Resources Inc. - Corporate Organizational Chart
January 7, 2011



Notes:

All entities are Georgia entities, unless otherwise noted.

(1) Holds a 1% GP interest in Sequent Energy Management, L.P.
(2) Holds a 99% LP interest in Sequent Energy Management, L.P.
(3) Joint venture with Florida Power Corporation and Florida Power & Light Company
(4) Joint venture with MichCon Fuel Services and TECO Services
(5) Joint venture with Keystone Renewable Energy
(6) Hungarian limited liability company
(7) Joint venture with El Paso Corporation

* Discontinued Operations

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

For the Year Ended
Dec. 31, 2010

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)	"p" or "s" (d)	Total Charge for Year: Account Number (e)	Total Charge for Year: Dollar Amount (f)
See Footnote:					
AGL Services Company		See Footnote 1			
	Executive		P		388,593
	External Relations		P		128,072
	Customer Care		P		1,797,809
	Information Technology		P		1,772,477
	Corporate Compliance		P		148,595
	Fleet Services		P		53,293
	Benefits		P		1,821
	Direct Assigned		P		793,600
	Business Support - Facilities		P		538,374
	Supply Chain Management		P		47,980
	Employee Services		P		630,394
	Engineering		P		319,658
	Financial Services		P		486,249
	Gas Supply		P		410,340
	Internal Auditing		P		63,509
	Legal		P		365,575
	Marketing		P		159,902
	Rates & Regulatory		P		195,672
	Corporate Communications		P		111,116
Sequent Energy Mgmt. LP	Gas Purchase	Asset Management Agreement	P	804	28,275,835
AGL Services Company	Cost of Capital	See footnote 1	P	430	(767)
AGL Services Company	Money Pool Interest	See footnote 2	P	430	91,068
AGL Services Company	Payroll		P	107	70,710
AGL Services Company	Payroll		P	920	17
AGL Services Company	Payroll		P	926	25
AGL Services Company	Payroll		S	121	3,009
Pivotal Utility Holding Inc. d/b/a	Payroll		S	926	367
Atanta Gas Light Company	Vehicle		P	101	17,633
AGL Services Company	Data Processing Equipment		P	101	207,411
	Total				37,078,337

Footnote:
(1) Represents charges per the AGL Services Co. agreement.
(2) Represents charges per the money pool agreement

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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.	*Manage gas supply*	28,275,835

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2010

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	17,633	6,929	10,704	(1)		
AGL Services Company	Data Processing	207,411	5,842	201,569	(1)		
(1) No fair market value was determined. Value is assumed to approximate net book value.							
Total						$	
Sales to Affiliates		$	$	$	$	Sales Price	
None							
Total						$	

EMPLOYEE TRANSFERS

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

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