GU602-13-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, 2013

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

Name: Bryan E. Seas	Title: SVP & CAO	
Address: 10 Peachtree Place, NE	City: Atlanta	State: Georgia

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. <u>Btu per cubic foot -</u> 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. <u>Respondent -</u> The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent	02 Year of Report
PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	December 31 ,2013

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	06 Title of Contact Person
Bryan E. Seas	Senior Vice President and Chief Accounting Officer

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	09 Date of Report (Mo., Day, Yr)
(404) 584-3400	May 30, 2014

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, 2013 to December 31, 2013, 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: ______________________ Date: 5/27/2014

Bryan E. Seas — **Name**

Senior Vice President and Chief Accounting Officer — **Title**

Connie C. Harris

CONNIE C. HARRIS NOTARY PUBLIC ROCKDALE COUNTY

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

TABLE OF CONTENTS

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended December 31, 2013

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, 2013

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)(1)	Name of Officer (b)	Salary for Year (c)
President	Henry P. Linginfelter	*
EVP & Chief Financial Officer	Andrew W. Evans	*
EVP & General Counsel	Paul R. Shlanta	*
President, Elizabethtown Gas and Elkton Gas	Jodi Gidley	*
President, Florida City Gas	H. Bryan Batson	*
VP of Operations, Florida City Gas	Jesse Killings	*
VP of Operations, Virginia Natural Gas and Elkton Gas	Robert Duvall	*
VP, Gas Operations	Charles A. Rawson III	*
VP of Operations, Elizabethtown Gas	Brian MacLean	*
VP, Storage and Peaking Operations	Timothy J. Hermann (2)	*
VP, Gas Supply Operations	Tim Sherwood	*
Treasurer	L. Stephen Cave	*
Corporate Secretary	Myra C. Bierra	*
Assistant Corporate Secretary	Barbara P. Christopher	*
VP and Asst. Corporate Secretary, Elizabethtown Gas	M. Patricia Keefe	*
VP, Tax	Grace A. Kolvereid	*
VP, Assoc. General Counsel - Distribution Operations	David E. Slovenksy (3)	*
VP, System Operations	Clint Whybark (4)	*
VP, Compliance and Technical Services	Donald F. Carter (5)	*

*Such officers are compensated by an affiliate of the holding company, not the Respondent.
(1) Represents executive officers of Pivotal Utility Holdings, Inc. as of December 31, 2013.
(2) James Pitts resigned as "VP, Storage and Peaking Operations" as of March 22, 2013.
Timothy J. Hermann was elected "VP, Storage and Peaking Operations" as of March 27, 2013.
(3) David E. Slovensky was elected "VP, Associate General Counsel - Distribution Operations" as of March 7, 2013.
(4) Clint Whybark was elected "VP, System Operations" as of March 28, 2013.
(5) Donald F. Carter was elected "VP, Compliance and Technical Services" as of July 31, 2013.
Ira G. Pearl resigned as "VP, Environmental Health and Safety" as of June 24, 2013.

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)
Henry P. Linginfelter President, Pivotal Utility Holdings, Inc.	Ten Peachtree Place Atlanta, Georgia 30309	5 (1)	None

(1) 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.

Name (Title) and Address of Security Holder (a)	VOTING SECURITIES Number of votes as of (date): 7/31/2013 via written consent Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities	12,807,111	12,807,111		
TOTAL number of security holders	1	1		
TOTAL votes of security holders listed below	12,807,111	12,807,111		

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.
1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.
2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.
3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.
4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

1 None
2 None
3 None
4 Florida City Gas (FCG) is involved in litigation arising in the normal course of business. Although in some cases we are unable to estimate the amount of loss reasonably possible in addition to any amounts already recognized, it is possible that the resolution of these contingencies, either individually or in aggregate, will require us to take charges against, or will result in reductions in, future earnings. It is the opinion of management that the resolution of these contingencies, either individually or in aggregate, could be material to earnings in a particular period but will not have a material adverse effect on our financial position, results of operations or cash flows.
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, 2013

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	297,926,693	316,501,070 (1)
3	Construction Work in Progress (107)	12 & 17	18,645,561	19,292,790
4	TOTAL Utility Plant Total of lines 2 and 3)		316,572,254	335,793,860
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	141,725,105	152,667,741
6	Net Utility Plant (Total of line 4 less 5)		174,847,149	183,126,119
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)		187,057	186,288
11	(Less) Accum. Prov. for Depr. and Amort. (122)		93,291	99,095
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)		93,766	87,193
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)			
19	Special Deposits (132-134)			
20	Working Funds (135)			
21	Temporary Cash Investments (136)			
22	Notes Receivable (141)			
23	Customer Accounts Receivable (142)		10,092,975	10,330,819
24	Other Accounts Receivable (143)		394,544	170,620
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		291,861	304,178
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)		50,881	47,589
32	Merchandise (155)			
33	Other Material and Supplies (156)			
34	Stores Expenses Undistributed (163)			
35	Gas Stored Underground & LNG Stored (164.1-164.3)		254,555	595,670
36	Prepayments (165)	18	236,037	352,155
37	Advances for Gas (166-167)			
38	Interest and Dividends Receivable (171)			
39	Rents Receivable (172)			
40	Accrued Utility Revenues (173)			
41	Miscellaneous Current and Accrued Assets (174)			
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		10,737,131	11,192,675
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	21	116,861	155,577
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	3,995,206	14,108,939
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	0	0
52	Deferred Losses from Disposition of Utility Plant. (187)			
53	Research, Development and Demonstration Expenditures (188)			
54	Unamortized Loss on Reacquired Debt (189)	20	1,380,372	1,349,516
55	Accumulated Deferred Income Taxes (190)	24	3,671,247	3,420,607
56	Unrecovered Purchased Gas Costs (191)			
57	TOTAL Deferred Debits (Total of lines 44 through 56)		9,163,686	19,034,639
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		194,841,732	213,440,626

Notes:

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

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

For the Year Ended
Dec. 31, 2013

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)		43,720,044	42,105,528
5	Retained Earnings (215, 216, 219)	10	18,307,663	19,874,949
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,027,707	61,980,477
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	49,315,911	52,861,257
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)		69,315,911	72,861,257
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)			
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)		3,559,671	2,638,807
22	Accumulated Miscellaneous Operating Provisions (228.4)			85,132
23	Accumulated Provision for Rate Refunds (229)			
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		3,559,671	2,723,939
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)			
27	Accounts Payable (232)		1,853,479	3,005,898
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,160,965	26,461,089
30	Customer Deposits (235)		3,794,239	3,923,468
31	Taxes Accrued (236)		3,536,900	2,601,259
32	Interest Accrued (237)		234,158	346,863
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		978,711	968,194
37	Miscellaneous Current and Accrued Liabilities (242)	22	352,276	840,184
38	Obligations Under Capital Leases-Current (243)		990,738	(27)
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		26,901,466	38,146,928
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)	22	12,666	0
44	Other Regulatory Liabilities (254)	22	2,613,688	3,910,864
45	Accumulated Deferred Investment Tax Credits (255)	23	3,787	2,528
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	30,406,836	33,814,633
49	TOTAL Deferred Credits (Total of lines 42 through 48)		33,036,977	37,728,025
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		194,841,732	213,440,626

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC.	
D/B/A FLORIDA CITY GAS	Dec. 31, 2013

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	83,175,818	74,001,368
3	Operating Expenses			
4	Operation Expenses (401)	27-29	46,489,885	38,245,099
5	Maintenance Expenses (402)	27-29	1,445,821	1,180,654
6	Depreciation Expense (403)	15-16	11,395,928	11,181,517
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)		406,414	381,257
11	Regulatory Debits (407.3)		1,192,705	
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	23	7,406,548	7,026,100
14	Income Taxes - Federal (409.1)		646,731	2,571,575
15	- Other (409.1)		217,302	635,264
16	Provision for Deferred Income Taxes (410.1)	24	3,308,280	1,597,427
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)		73,230,250	63,539,529
23	Net Utility Operating Income (Total of line 2 less 22)		9,945,568	10,461,839
24	(Carry forward to page 9, line 25)			

Notes:

(1) Accounts 400, 409.1, 409.2, and 416 are revised for 2012 due to a minor reclassification of expense and the resulting income tax impacts from jurisdictional to non-jurisdictional.

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

For the Year Ended
Dec. 31, 2013

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)		9,945,568	10,461,839
26	**Other Income and Deductions**			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		1,089,663	
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)		(920,940)	(147)
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)		(5,698)	(7,583)
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		163,025	(7,730)
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	(61,574)	(69,697)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(61,574)	(69,697)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		(33,555)	25,609
48	Income Taxes - Other (409.2)		(5,580)	(39,373)
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)		(39,135)	(13,764)
54	Net Other Income and Deductions (Total of lines 39,44,53)		62,316	(91,191)
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)		152,137	28,172
57	Amortization of Debt Discount and Expense (428)	21	15,357	12,361
58	Amortization of Loss on Reacquired Debt (428.1)	20	167,107	128,086
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	2,560,487	2,344,079
62	Other Interest Expense (431)	33	323,969	613,240
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,219,057	3,125,938
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		6,788,827	7,244,710
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)		6,788,827	7,244,710

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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, 219)		
1	Balance - Beginning of Year		18,307,663
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)		6,788,827
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(5,777,855)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		556,314
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		19,874,949
	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)		19,874,949

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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
For the years ended December 31, 2013 and 2012

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. We are primarily engaged in the distribution of natural gas to approximately 104,600 residential, commercial and industrial customers in Florida's Miami-Dade and Brevard counties.

Basis of Presentation

The financial statements included herein are prescribed by the requirements of the Florida Public Service Commission (Florida Commission) and are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published releases. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP). The significant differences consist of the following:

- The presentation of accumulated removal costs as a component of accumulated depreciation rather than as a regulatory liability or asset retirement obligation.
- The presentation of deferred income tax assets and liabilities on a gross basis rather than as a single amount.
- The accounting treatment of the positive acquisition adjustment and regulatory assets related to the purchase of the Company by AGL Resources in 2004 as approved by the Florida Commission on December 6, 2007. The financial statements reflect the amortization of these assets consistent with the approval, but for GAAP purposes these assets are recorded in goodwill and not amortized.
- The liability for uncertain tax positions related to temporary differences is reported in the applicable accounts for FERC reporting, while such amounts are separately disclosed in the financial statements prepared in compliance with GAAP.
- The classification of provision for income taxes in income net of utility operating income.
- The omission of the statement of retained earnings for prior year for a comparative presentation.
- The omission of the statements of cash flows.

Note 2 – Significant Accounting Policies and Methods of Application

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist 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 primarily consist of natural gas sales and transportation services billed to residential, commercial, industrial and other customers. We bill customers monthly, and our 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. For receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts against amounts due to reduce the net receivable balance to the amount we reasonably expect to collect. However, if circumstances change, our estimate of the recoverability of accounts receivable could change as well. Circumstances that could affect our estimates include, but are not limited to, customer credit issues, customer deposits and general economic conditions. Customers' accounts are written off 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 $596 thousand and $254 thousand at December 31, 2013 and 2012, respectively.

Fair Value Measurements

We have financial and nonfinancial assets and liabilities subject to fair value measurement. The financial assets and liabilities measured and carried at fair value include cash equivalents and derivative assets and liabilities. The carrying values of receivables, accounts payable, short-term debt, other current assets and liabilities and accrued interest approximate fair value. See Note 4 for additional fair value disclosures.

As defined in the 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 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 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 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 exchange-traded derivatives, money market funds and certain retirement plan assets.

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 marketplace. Instruments in this category include shorter tenor exchange-traded and non-exchange-traded derivatives such as over-the-counter forwards and options and certain retirement plan assets.

Level 3 Pricing inputs include significant unobservable inputs that may be used with internally developed methodologies to determine management's best estimate of fair value from the perspective of market participants. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. Our Level 3 assets, liabilities and any applicable transfers are primarily related to our pension and other retirement benefit plan assets as described in Note 4 and Note 5. Transfers for retirement plan assets are described further in Note 4. We determine both transfers into and out of Level 3 using values at the end of the interim period in which the transfer occurred.

The authoritative guidance related to fair value measurements and disclosures also includes a two-step process to determine whether the market for a financial asset is inactive or a transaction is distressed. Currently, this authoritative guidance does not affect us as our derivative instruments are traded in active markets.

Debt

We estimate the fair value of 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 consider our currently assigned ratings for unsecured debt.

Property, Plant and Equipment (PP&E)

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

- material and labor;
- contractor costs; and
- construction overhead costs

We recognize no gains or losses on depreciable utility property that is retired or otherwise disposed, as required under the composite depreciation method. Such gains and losses are ultimately refunded to or recovered from customers through future rate adjustments.

Depreciation Expense

We compute depreciation expense by applying composite straight-line depreciation rates, as approved by the Florida Commission, to the investment in depreciable property. The composite depreciation rate was 3.8% for 2013 and 3.9% for 2012.

Acquisition Adjustment

Upon acquisition of Pivotal Utility, a $21,657 thousand plant acquisition adjustment was recorded for the difference between the cost of acquiring Florida City Gas and the original cost. This finite-lived intangible asset is being amortized over a period of 30 years and a rollforward of the accumulated amortization is as follows.

In thousands	Accumulated amortization
December 31, 2011	$5,173
2012 amortization expense	722
December 31, 2012	5,895
2013 amortization expense	722
December 31, 2013	$6,617

Taxes

Income 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 relates 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 temporary differences as deferred income tax assets or liabilities in our Statements of Financial Position.

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

Investment and Other Tax Credits Deferred investment tax credits are included as a regulatory liability in our Statements of Financial Position. These investment tax credits are being amortized over the estimated life of the related properties as credits to income tax expense.

Investment tax credits of approximately $3 thousand and $4 thousand at December 31, 2013 and 2012, respectively, previously deducted for income tax purposes have been deferred for financial accounting purposes and are being amortized as credits to income over the estimated lives of the related properties in accordance with regulatory requirements.

Accumulated Deferred Income Tax Assets and Liabilities As noted above, 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 using enacted income tax rates.

Regulatory Income Tax Liability We measure deferred income tax assets and liabilities using enacted income tax rates. Thus, when the statutory income tax rate declines before a temporary difference has fully reversed, the deferred income tax liability must be reduced to reflect the newly enacted income tax rates. However, the amount of the reduction is transferred to our regulatory income tax liability, which we amortize over the lives of the related properties as the temporary difference reverses or approximately 30 years.

Income 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 upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Tax Collections We do not collect income taxes from our customers on behalf of governmental authorities. However, we do collect and remit various other taxes on behalf of various governmental authorities. In the state of Florida, we record such taxes as operating expenses and record the corresponding customer charges as operating revenues. These taxes were immaterial for all periods presented.

Revenues

We record revenues when goods or services are provided to customers. Those revenues are based on rates approved by the Florida Commission. Our rate structure includes a volumetric rate design which allows recovery of certain costs based on 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 recognized for estimated deliveries of gas not yet billed to these customers, from the last bill date to the end of the accounting period. These are included in the Statements of Financial Position as unbilled revenue.

Cost of Goods Sold

We charge our utility customers for natural gas consumed using natural gas cost recovery mechanisms set by the state regulatory agencies. Under these mechanisms, all prudently incurred natural gas costs are passed through to customers without markup, subject to regulatory review. In accordance with the authoritative guidance for rate-regulated entities, we defer or accrue (that is, include as an asset or liability in the Statements of Financial Position and exclude from or include in the Statements of Income, respectively) the difference between the actual cost of goods sold and the amount of commodity revenue earned in a given period, such that no operating margin is recognized related to these costs. The deferred or accrued amount is either billed or refunded to our customers prospectively through adjustments to the commodity rate. Deferred natural gas costs are reflected as regulatory assets and accrued natural gas costs are reflected as regulatory liabilities. For more information, see Note 3.

Repair and Maintenance Expense

We record expense for repair and maintenance costs as incurred.

Accounting for Retirement Benefit Plans

We recognize the funded status of our plans as an asset or a liability on our Statements of Financial Position, measuring the plans' assets and obligations that determine our funded status as of the end of the fiscal year. The changes in funded status that occurred during the year that are not yet recognized as part of net periodic benefit cost are part of equity in accumulated other comprehensive income. The assets of our retirement plans are measured at fair value within the funded status and are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement.

In determining net periodic benefit cost, the expected return on plan assets component is determined by applying our expected return on assets to a calculated asset value, rather than to the fair value of the assets as of the end of the previous fiscal year. For more information, see Note 5. In addition, we have elected to amortize gains and losses caused by actual experience that differs from our assumptions into subsequent periods. The amount to be amortized is the amount of the cumulative gain or loss as of the beginning of the year, excluding those gains and losses not yet reflected in the calculated value, that exceeds 10 percent of the greater of the benefit obligation or the calculated asset value; and the amortization period is the average remaining service period of active employees.

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. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our estimates may 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 relate to our regulatory accounting, uncollectible accounts and other allowance for contingent losses, goodwill, unbilled revenue recognition, retirement plan benefit obligations and provisions for income taxes. Our actual results could differ from our estimates.

Accounting Developments

On January 1, 2013, we adopted ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities* and ASU 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, which require disclosures about offsetting and related arrangements in order to help financial statement users better understand the effect of those arrangements on our financial position. This guidance had no impact on our financial statements.

Note 3 – Regulated Operations

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 in the current period are capitalized as regulatory assets when it is probable that such costs or 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 as of December 31 are summarized in the following table:

In thousands	As of December 31, 2013	2012
Regulatory assets – long-term		
Recoverable regulatory infrastructure program costs	$10,489	$-
Unamortized loss on reacquired debt	1,350	1,380
Recoverable retirement benefit costs	1,088	1,207
Deferred customer conversion costs	1,039	914
Deferred natural gas piping costs	809	1,025
Pension costs – AGL Resources Acquisition	684	849
Total regulatory assets	$15,459	$5,375
Regulatory liabilities – current		
Deferred purchased gas adjustment	$2,237	$1,640
Regulatory liabilities – current	2,237	1,640
Regulatory liabilities – long-term		
Energy conservation program	1,672	972
Unamortized investment tax credit	3	4
Regulatory tax liability	2	2
Total regulatory liabilities – long-term	1,677	978
Total regulatory liabilities	$3,914	$2,618

During the second half of 2012 we developed a project that makes use of the Area Extension Program Charge (AEP) provided for in the Company's tariff. Under the AEP, we are authorized to recover the costs of expansion to a single or multiple points in a geographical area when he cost of the facilities exceed the maximum allowable investment under its tariff and the margin from the investment plue the AEP is sufficient to recover the investment in 10 years from the date the project is placed in service. The AEP is adjusted after the earlier of the third anniversary of the date when facilities were placed in service or when 80% of the estimated load from customers related to the expansion is added to the system.

Our regulatory assets are probable of recovery. 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 of our regulatory assets recoverable through base rates are subject to review by the respective state regulatory commission during 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 we believe that we will be able to recover such costs, consistent 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, while some regulatory liabilities would be written-off, others would continue to be recorded as liabilities but not as regulatory liabilities.

Although the natural gas distribution industry is competing with alternative fuels, primarily electricity, our utility operations continue to recover their costs through cost-based rates established by the state regulatory commissions. 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 or proceeding. The regulatory liabilities that do not represent revenue collected from customers for expenditures that have not yet been incurred 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 used to periodically set base rates.

Note 4 – Fair Value Measurements

Retirement benefit plans

The allocations of the AGL Resources Inc. Retirement Plan (AGL Plan), the Employees' Retirement Plan of NUI Corporation (NUI Plan), and the Health and Welfare Plan for Retirees and Inactive Employees of AGL Resources Inc. (AGL Welfare Plan) were approximately 74% equity and 26% fixed income at December 31, 2013. The plans' investment policies provide for some variation in these targets. The actual asset allocations of our retirement plans are presented in the following table by Level within the fair value hierarchy. For additional information on the employee benefit plans, see Note 5.

	December 31, 2013									
	Pension plans (1)					Welfare plans				
In millions	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	$3	$1	$-	$4	-%	$1	$-	$-	$1	1%
Equity Securities:										
U.S. large cap (2)	93	205	-	298	33%	-	52	-	52	62%
U.S. small cap (2)	72	29	-	101	11%	-	-	-	-	-%
International companies (3)	-	139	-	139	15%	-	14	-	14	17%
Emerging markets (4)	-	34	-	34	4%	-	-	-	-	-%
Fixed income securities:										
Corporate bonds (5)	-	207	-	207	23%	-	17	-	17	20%
Other (or gov't/muni bonds)	-	29	-	29	3%	-	-	-	-	-%
Other types of investments:										
Global hedged equity (6)	-	-	43	43	5%	-	-	-	-	-%
Absolute return (7)	-	-	39	39	4%	-	-	-	-	-%
Private capital (8)	-	-	22	22	2%	-	-	-	-	-%
Total assets at fair value	$168	$644	$104	$916	100%	$1	$83	$-	$84	100%
% of fair value hierarchy	19%	70%	11%	100%		1%	99%	-%	100%	

In millions	December 31, 2012 Pension plans (1) Level 1	Level 2	Level 3	Total	% of total	Welfare plans Level 1	Level 2	Level 3	Total	% of total
Cash	$14	$2	$-	$16	2%	$1	$-	$-	$1	1%
Equity Securities:										
U.S. large cap (2)	69	181	-	250	30%	-	38	-	38	55%
U.S. small cap (2)	60	22	-	82	10%	-	-	-	-	-%
International companies (3)	-	120	-	120	14%	-	12	-	12	18%
Emerging markets (4)	-	34	-	34	4%	-	-	-	-	-%
Fixed income securities:										
Corporate bonds (5)	-	216	-	216	26%	-	18	-	18	26%
Other (or gov't/muni bonds)	-	30	-	30	3%	-	-	-	-	-%
Other types of investments:										
Global hedged equity (6)	-	-	38	38	4%	-	-	-	-	-%
Absolute return (7)	-	-	36	36	4%	-	-	-	-	-%
Private capital (8)	-	-	23	23	3%	-	-	-	-	-%
Total assets at fair value	$143	$605	$97	$845	100%	$1	$68	$-	$69	100%
% of fair value hierarchy	17%	72%	11%	100%		1%	99%	-%	100%	

(1) Includes $9 million at December 31, 2013 and $8 million at December 31, 2012 of medical benefit (health and welfare) component for 401h accounts to fund a portion of the other retirement benefits.
(2) Includes funds that invest primarily in U.S. common stocks.
(3) Includes funds that invest primarily in foreign equity and equity-related securities.
(4) Includes funds that invest primarily in common stocks of emerging markets.
(5) Includes funds that invest primarily in investment grade debt and fixed income securities.
(6) Includes funds that invest in limited / general partnerships, managed accounts, and other investment entities issued by non-traditional firms or "hedge funds."
(7) Includes funds that invest primarily in investment vehicles and commodity pools as a "fund of funds."
(8) Includes funds that invest in private equity and small buyout funds, partnership investments, direct investments, secondary investments, directly / indirectly in real estate and may invest in equity securities of real estate related companies, real estate mortgage loans, and real-estate mezzanine loans.

The following is a reconciliation of the AGL Plans' retirement plan assets in Level 3 of the fair value hierarchy.

In millions	Fair value measurements using significant unobservable inputs - Level 3 (1) Global hedged equity	Absolute return	Private capital	Total
Balance at December 31, 2011	$30	$34	$25	$89
Gains included in changes in net assets	3	2	3	8
Purchases	15	-	-	15
Sales	(10)	-	(5)	(15)
Balance at December 31, 2012	$38	$36	$23	$97
Gains included in changes in net assets	5	3	4	12
Purchases	-	-	-	-
Sales	-	-	(5)	(5)
Balance at December 31, 2013	$43	$39	$22	$104

(1) There were no transfers out of Level 3, or between Level 1 and Level 2 for any of the periods presented.

Debt

Our long-term debt is recorded at amortized cost. 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. Our long-term debt consists of $20,000 thousand variable rate revenue bonds and $52,861 thousand in advances from associated companies where the carrying value approximates fair value. The following table presents the carrying amount and fair value of our long-term debt as of the following dates.

	As of December 31,	
In thousands	**2013**	**2012**
Long-term debt carrying amount	$72,861	$70,307
Long-term debt fair value (1)	$72,861	$70,307

(1) Fair value determined using Level 2 inputs.

Note 5 - Employee Benefit Plans

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. defined benefit retirement plans. Further, AGL Resources has an Investment Policy (the Policy) for its pension and other retirement benefit plans whose goal is 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 plans' assets are 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 government obligations), cash and cash equivalents and other suitable investments.

Equity market performance and corporate bond rates have a significant effect on our reported funded status. Changes in the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO) are mainly driven by the assumed discount rate. Additionally, equity market performance has a significant effect on our market-related value of plan assets (MRVPA), which is used by the AGL Plan, to determine the expected return on the plan assets component of net annual pension cost. The MRVPA is a calculated value. Gains and losses on plan assets are spread through the MRVPA based on the five-year smoothing weighted average methodology.

Pension Benefits

AGL Resources sponsors the AGL Plan, which is a tax-qualified defined benefit retirement plan for our eligible employees. A defined benefit plan specifies the amount of benefits an eligible participant eventually will receive using information about the participant, including information related to the participant's earnings history, years of service and age. In 2012, AGL Resources also sponsored two other tax-qualified defined benefit retirement plans for eligible employees, a Nicor Plan and a NUI Plan. The participants of the former Nicor and NUI plans are now being offered their benefits, as described below, through the AGL Plan.

AGL Resources generally calculates the benefits under the AGL Plan based on age, years of service and pay. The benefit formula for the AGL Plan is currently a career average earnings formula. Participants who were employees as of July 1, 2000 and who were at least 50 years of age as of that date earned benefits until December 31, 2010 under a final average pay formula. Participants who were employed as of July 1, 2000, but did not satisfy the age requirement to continue under the final average earnings formula, transitioned to the career average earnings formula on July 1, 2000.

Effective January 1, 2012, the AGL Plan was frozen with respect to participation for non-union employees hired on or after that date. Such employees are entitled to employer provided benefits under their defined contribution plan that exceed defined contribution benefits for employees who participate in the defined benefit plan.

Participants in the former Nicor plan receive noncontributory defined pension benefits. These benefits cover substantially all employees of Nicor Gas and its affiliates that adopted the Nicor plan, hired prior to 1998. Pension benefits are based on years of service and the highest average annual salary for management employees and job level for collectively bargained employees (referred to as pension bands). The benefit obligation related to collectively bargained benefits considers the past practice of regular benefit increases.

Participants in the former NUI plan included substantially all of NUI Corporation's employees who were employed on or before December 31, 2005. Florida City Gas union employees, who until February 2008 participated in a union-sponsored multiemployer plan, became eligible to participate in the AGL Plan in February 2008. The AGL Plan provides pension benefits to these participants based on years of credited service and final average compensation as of the plan freeze date. Effective December 31, 2005, participation and benefit accrual under the NUI plan were frozen. As of January 1, 2006, former participants in that plan became eligible to participate in the AGL Plan.

Welfare Benefits

Until December 31, 2012, AGL Resources sponsored two defined benefit retiree health care plans for eligible employees, the AGL Welfare Plan and the Nicor Welfare Plan. Eligibility for these benefits is based on age and years of service. Effective December 31, 2012, the Nicor Welfare Plan was terminated and as of January 1, 2013, all participants under that plan became eligible to participate in the AGL Welfare Plan. This change in plan participation eligibility did not affect the benefit terms. The Nicor Welfare Plan benefits described below are now being offered to such participants under the AGL Welfare Plan.

The AGL Welfare Plan includes medical coverage for all eligible AGL Resources employees who were employed as of June 30, 2002, if they reach the plan's retirement age while working for us. In addition, the AGL Welfare Plan provides life insurance for all employees if they have ten years of service at retirement. The state regulatory commissions have approved phase-in plans that defer a portion of the related benefits expense for future recovery. The AGL Welfare Plan terms include a limit on the employer share of costs at limits based on the coverage tier, plan elected and salary level of the employee at retirement.

Medicare eligible retirees covered by the AGL Welfare Plan, including all of those at least age 65, receive benefits through our contribution to a retiree health reimbursement arrangement account. Additionally, on the pre-65 medical coverage of the AGL Welfare Plan, our expected cost is determined by a retiree premium schedule based on salary level and years of service. Due to the cap, there is no impact on the periodic benefit cost or on our accumulated projected benefit obligation for a change in the assumed healthcare cost trend rate for this portion of the plan.

The plan provisions that are applicable to prior participants in the Nicor Welfare Plan include health care and life insurance benefits to eligible retired employees and include a limit on the employer share of cost for employees hired after 1982.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 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. Prescription drug coverage for the Nicor Gas Medicare-eligible population changed, effective January 1, 2013, from an employer-sponsored prescription drug plan with the Retiree Drug Subsidy (RDS) to an Employer Group Waiver Plan (EGWP). The EGWP replaces the employer sponsored prescription drug plan. The expected savings is estimated to be approximately 12% of total Medicare eligible liability.

We recorded a regulatory asset for anticipated future recoveries of $1,088 thousand and $1,207 thousand as of December 31, 2013 and 2012, respectively. In addition, we recorded a liability of $159 thousand and $486 thousand as of December 31, 2013 and 2012, respectively, for our expected expenses under the AGL Welfare Plan.

Assumptions

AGL Resources considered a variety of factors in determining and selecting our assumptions for the discount rate at December 31. We based our discount rates separately for each plan on an above-mean yield curve provided by our actuaries that is derived from a portfolio of high quality (rated AA or better) corporate bonds with a yield higher than the regression mean curve and the equivalent annuity cash flows.

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

	Pension plans		Welfare plans	
Dollars in millions	**2013**	**2012**	**2013**	**2012**
Service cost	$29	$28	$3	$4
Interest cost	43	44	14	16
Expected return on plan assets	(62)	(64)	(6)	(5)
Net amortization of prior service credit	(2)	(2)	(5)	(3)
Recognized actuarial loss	35	34	8	9
Net periodic benefit cost	$43	$40	$14	$21
Florida City Gas's share of net periodic benefit cost recorded on Statements of Income	$1	$1	$-	$-
Assumptions used to determine benefit costs				
Discount rate (1)	4.2%	4.6%	4.0%	4.5%
Expected return on plan assets (1)	7.8%	8.4%	7.8%	8.5%
Rate of compensation increase (1)	3.7%	3.7%	3.8%	3.8%

(1) Rates are presented on a weighted average basis

The following tables present details about our pension and welfare plans.

	Pension plans		Welfare plans	
Dollars in millions	**2013**	**2012**	**2013**	**2012**
Change in plan assets				
Fair value of plan assets, January 1,	$837	$754	$77	$67
Actual return on plan assets	134	101	16	10
Employee contributions	-	-	3	1
Employer contributions	1	42	19	17
Benefits paid	(65)	(59)	(23)	(19)
Medicare Part D reimbursements	-	-	1	1
Plan curtailment and settlements	-	(1)	-	-
Fair value of plan assets, December 31,	$907	$837	$93	$77
Change in benefit obligation				
Benefit obligation, January 1,	$1,046	$968	$354	$397
Service cost	29	28	3	4
Interest cost	43	44	14	17
Actuarial (gain) loss	(93)	66	(26)	(22)
Plan amendments	-	-	-	(25)
Medicare Part D reimbursements	-	-	1	1
Benefits paid	(65)	(59)	(23)	(19)
Employee contributions	-	-	3	1
Plan curtailment and settlements	-	(1)	-	-
Benefit obligation, December 31,	$960	$1,046	326	354
Funded status at end of year	$(53)	$(209)	$(233)	$(277)
Amounts recognized in the Consolidated Statements of Financial Position consist of				
Long-term asset	$117	$33	$-	$-
Current liability	(2)	(2)	-	(12)
Long-term liability	(168)	(240)	(233)	(265)
Total liability at December 31,	$(53)	$(209)	$(233)	$(277)
Florida City Gas's share of net liability recorded on Statements of Financial Position	$(3)	$(3)	$-	$-
Accumulated benefit obligation (1)	$902	$983	n/a	n/a
Assumptions used to determine benefit obligations				
Discount rate	5.0%	4.2%	4.7%	4.0%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%

(1) APBO differs from the projected benefit obligation in that the APBO excludes the effect of salary and wage increases.

As a result of a cap on expected cost for the AGL Welfare Plan, a one-percentage-point increase or decrease in the assumed health care trend does not materially affect periodic benefit cost or accumulated benefit obligation of the Plan.

The following table presents the gross benefit payments expected for the years ended December 31, 2014 through 2023 for our pension and other retirement plans. There will be benefit payments under these plans beyond 2023.

In millions	Pension plans	Welfare plans
2014	$56	$20
2015	60	20
2016	63	21
2017	66	22
2018	68	23
2019-2023	366	123

Contributions

AGL Resources employees generally do not contribute to these pension and other retirement plans; however, pre-65 AGL retirees make nominal contributions to their health care plan. AGL Resources funds the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by our actuary. However, AGL Resources may also contribute in excess of the minimum required amount. As required by The Pension Protection Act of 2006 (the Act), AGL Resources calculates the minimum amount of funding using the traditional unit credit cost method.

The Act contained new funding requirements for single-employer defined benefit pension plans and established a 100% funding target (over a 7-year amortization period) for plan years beginning after December 31, 2007. In 2013, AGL Resources had no required contributions to the merged AGL Plan. In 2012, AGL Resources contributed a combined $40 million to the AGL Plan and the NUI Plan.

Employee Savings Plan Benefits

AGL Resources sponsors defined contribution retirement benefit plans that allow eligible participants to make contributions to their accounts up to specified limits. Under these plans, our matching contributions to participant accounts were $190 thousand and $143 thousand in 2013 and 2012, respectively.

Note 6 - Debt

The following table provides maturity dates, year-to-date weighted average interest rates and amounts outstanding for our various debt securities and facilities that are included in our Statements of Financial Position.

		December 31, 2013		December 31, 2012	
In thousands	Years due	Weighted average interest rate	Outstanding	Weighted average interest rate	Outstanding
Current portion of capital leases					
Current portion of capital leases	n/a	n/a	$-	4.9%	$991
Total current portion of capital leases		-%	$-	4.9%	$991
Long-term debt					
Gas facility revenue bonds	2024	0.8%	$20,000	1.2%	$20,000
Affiliate promissory note	2034	4.7%	52,861	5.4%	49,316
Total long-term debt		3.7%	$72,861	3.1%	$69,316
Total debt		3.7%	$72,861	3.1%	$70,307

Short-term Debt

Current Portion of Capital Leases The current portion of our capital leases at December 31, 2012 was composed of portions of our capital lease obligations that are due within the next twelve months. Our capital leases consisted primarily of a sale/leaseback transaction of gas meters and other equipment that was completed in 2002 by Florida City Gas and expired in the second quarter 2013.

Long-term Debt

Our long-term debt at December 31, 2013 and 2012 consists of gas facility revenue bonds and an affiliate promissory note.

Gas Facility Revenue Bonds Pivotal Utility is party to a series of loan agreements with the New Jersey Economic Development Authority (NJEDA) under 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.

During 2013, AGL Resources refinanced $200 million of Pivotal Utility's outstanding tax-exempt gas facility revenue bonds, $180 million of which were previously issued by the New Jersey Economic Development Authority and $20 million of which were previously issued by Brevard County, Florida. The refinancing involved a combination of the issuance of $60 million of refunding bonds to, and the purchase of $140 million of existing bonds by, a syndicate of banks. The relationship with the syndicate of banks regarding the bonds is governed by an agreement that contains representations, warranties, covenants and default provisions consistent with those contained in similar financing documents. All of the bonds are floating-rate instruments and there were no cash receipts or payments in connection with the refinancing.

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 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 BPU and the Florida Commission. The Affiliate Promissory Note is adjusted periodically to maintain the appropriate targeted capitalization percentages. During 2013, $1,615 thousand was converted from the Affiliate Promissory Note to Equity to maintain such ratios. The Affiliate Promissory Note is due December 31, 2034 and had an initial interest rate at December 31, 2004 of 6.3%, 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, 2013, the interest rate on this note was 5.0%. The initial principal amount of the Affiliate Promissory Note for Pivotal Utility including its operating division, Florida City Gas, is adjusted on an annual basis to conform to Pivotal Utility's target capitalization of 45%.

Note 7 - Commitments and Contingencies

We have incurred various contractual obligations and financial commitments in the normal course of our operating and financing activities that are reasonably likely to have a material effect on liquidity or the availability of capital resources. Contractual obligations include future cash payments required under existing contractual arrangements, such as debt and lease agreements. 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 under our obligations and other commitments as of December 31, 2013.

In thousands	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019 & Thereafter**
Recorded contractual obligations:							
Long-term debt	$72,861	$-	$-	$-	$-	$-	$72,861
Unrecorded contractual obligations and commitments (1):							
Pipeline charges, storage capacity and gas supply	$91,504	$10,878	$10,878	$10,878	$10,092	$9,001	$39,777
Interest charges	2,042	190	190	190	190	190	1,092
Operating leases	76	23	24	25	4	-	-
Performance surety bonds	401	401	-	-	-	-	-
Total	$94,023	$11,492	$11,092	$11,093	$10,286	$9,191	$40,869

(1) In accordance with GAAP, these items are not reflected in our Statements of Financial Position.

Litigation

We are involved in litigation arising in the normal course of business. Although in some cases we are unable to estimate the amount of loss reasonably possible in addition to any amounts already recognized, it is possible that the resolution of these contingencies, either individually or in aggregate, will require us to take charges against, or will result in reductions in, future earnings. Management believes that while the resolution of these contingencies, whether individually or in aggregate, could be material to earnings in a particular period, they 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 in the Statements of Income are shown in the following table.

In thousands	2013	2012
Current income taxes		
Federal	$680	$2,546
State	223	675
Deferred income taxes		
Federal	3,022	1,423
State	286	174
Amortization of investment tax credits	(1)	(1)
Total	$4,210	$4,817

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of income tax expense for the years ended December 31, in our Statements of Income are presented in the following table.

In thousands	2013	2012
Computed tax expense at statutory rate	$3,850	$4,239
State income tax, net of federal income tax benefit	331	461
Amortization of investment tax credits	(1)	(1)
Other – net	30	118
Total income tax expense at effective rate	$4,210	$4,817

Accumulated Deferred Income Tax Assets and Liabilities

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

	As of December 31,	
In thousands	2013	2012
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	$32,019	$30,088
Other	1,795	319
Total accumulated deferred income tax liabilities	$33,814	$30,407
Accumulated deferred income tax assets		
Unfunded pension and retiree welfare benefit obligation	$2,740	$2,855
Bad debts and insurance reserves	117	112
Other	563	704
Total accumulated deferred income tax assets	3,420	3,671
Net accumulated deferred tax liability	$30,394	$26,736

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

Note 9 - Related Party Transactions

We have an asset management and agency (AMA) agreement with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the management of transportation and storage capacity assets owned by Florida City Gas. The AMA agreement has a profit sharing structure without any minimum fixed fee, were the net margin is split evenly between Florida City Gas and Sequent. As part of the AMA agreement, 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 2013	Profit sharing 2012
Florida City Gas	Mar 2015	Profit sharing	50%	$1,128	$757

Amounts Due to Affiliates

We had $26,461 thousand and $15,160 thousand in accounts payable at December 31, 2013 and 2012, respectively, due to AGL Resources and affiliated companies, which consist primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

See Note 6 for discussion of other affiliate transactions.

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

Note 10 – Subsequent Event

Our management evaluated subsequent events for potential recognition and disclosure through May 28, 2014, the date these financial statements were filed with the Florida Commission, and determined that no significant events have occurred subsequent to period end.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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)	294,844,235	294,844,235
4	101.1 Property Under Capital Leases	0	0
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)	316,501,070	316,501,070
12	107 Construction Work in Progress	19,292,790	19,292,790
13	Accum. Provision for Depreciation, Amortization, & Depletion	(152,667,741)	(152,667,741)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	183,126,119	183,126,119
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	(146,050,374)	(146,050,374)
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)	(146,050,374)	(146,050,374)
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Total of lines 23 and 24)		
26	Held for Future Use		
27	108 Depreciation		
28	111 Amortization		
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)		
30	111 Abandonment of Leases (Natural Gas)		
31	115 Amortization of Plant Acquisition Adjustment	(6,617,367)	(6,617,367)
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	(152,667,741)	(152,667,741)

Analysis of Plant in Service Accounts

Company: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS
For the Year Ended December 31, 2013

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land-Distribution		83,569	270,008					353,577
389	Land-General		341,050	44,450		1			385,501
0	Land-Other								
Amortizable General Plant Assets:									
301	Organization								
302	Franchises and Consents		325,164						325,164
303	Miscellaneous Intangible Plant		25,522						25,522
399	Miscellaneous Intangible Property		197,352				(197,352)		0
Depreciable Assets: This schedu 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		0	4,685,577					4,685,577
369	Measuring & Regulating Equip								
371	Other Equipment								
375	Structures & Improvements	2.5	607,824						607,824
376.2	Mains - Plastic	3.0	74,351,342	2,246,230		(49,383)	72,109		76,620,298
376.1	Mains - Other	3.0	84,246,967	3,168,022		49,383	(279,520)		87,184,852
378	M & R Station Equipment		0				156,524		158,524
379	M & R Station Equipment - City Gate	3.3	6,317,198	(7,300)			16,127		6,326,025
380.2	Services - Plastics	3.9	39,789,729	3,136,838	(154,751)		1,280,963		44,052,779
380.1	Services - Other	7.0	16,018,563	149,824	(64,094)		(1,270,081)		14,834,212
381	Meters	4.5	12,561,591	2,462,070	(536,096)				14,487,565
382	Meter Installation	4.5/ 6.7	12,653,559	306,397			19,504		12,979,461
383	House Regulators	5.0	3,450,393	521,660	(17,301)		(14,561)		3,940,190
384	House Regulators Installation	3.2	1,340,868	176,204			110,030		1,627,102
385	Industrial M & R Station Equipment	3.4	3,178,940				(131,019)		3,047,920
386.5	Leased Water Heaters								0
386.6	Leased Dryers								0
386.7	Leased Rangers								0
387	Other Equipment	4.5	703,963				(84)		703,879
390	Structures & Improvements	2.5	4,454,126	182					4,454,307
391.1	Office Furniture	5.3	255,434				121,179		376,613
391.2	Office Equipment	8.3	181,370			1,997,579	(118,334)		2,060,615
391.3	Computers	7.6	10,419,118	341,692		(1,997,579)	35,982	1,703,301	10,502,513
392	Transportation Equipment	7.5	1,604,491	65,548	(136,569)		(21,948)		1,511,522
393	Stores Equipment	4.0	2,922						2,922
394	Tools, Shop and Garage Equipment	6.7	1,550,239	93,708		(1)			1,843,946
395	Laboratory Equipment	4.0	4,034						4,034
396	Power Operated Equipment		0	26,907			21,948		48,854
397	Communication Equipment	8.3	1,008,819						1,008,819
398	Miscellaneous Equipment	6.7	595,709	80,995			207,411		884,116

Note: The depreciation rates have been updated as of January 15, 2014 to reflect the appropriate set of rates as prescribed in Order No. PSC-09-0835-PAA-GU, issued Dec. 21, 2009. The incorrect rates included on the original filing on April 12, 2013 were a presentation error only. The correct rates were used for the actual accrual of depreciation and therefore no other pages within this filing are affected.

Note: The transmission mains additions reported have been reclassified in Q1 2014 to reflect proper classification as Distribution Mains - Other.

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, 2013

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
	Total Account 101*		276,269,857	17,769,009	(908,811)	0	10,878	1,703,301	294,844,234
Amortizable Assets:									
114	Acquisition Adjustment		21,656,835						21,656,835
118	Other Utility Plant								
106	Completed Construction not Calssified								
	Total Utility Plant		297,926,692	17,769,009	(908,811)	0	10,878	1,703,301	316,501,069

Note: The total beginning and ending balances must agree to accts. 101, Plant in Service, Line 3 and 101.1 Property Under Capital Lease, Line 4, and 114 Acquisition Adjustments, Page 12. The beginning balances of plant in service and accumulated depreciation and amortization were revised to reflect the reserve transfer per Order No. PSC-09-0835-PAA-GU in Docket No. 080182-GU related to the Company's most recent depreciation study.

Note: Adjustments column relates to reconcilitation item and reclassifications due to review of asset classifications during conversion to a new asset management system.

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, 2013

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
374	Land-Distribution									
389	Land-General	(184)								(184)
Amortizable General Plant Assets:										
302	Franchises and Consents	175,968	5,627							181,595
303	Miscellaneous Intangible Plant	22,309	15							22,324
399	Miscellaneous Intangible Property	27,432						(27,432)		-
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
367	Transmission-Main	135	176,890					(135)		176,890
369	Measuring & Regulating Equip	(44)						44		-
371	Other Equipment									
375	Structures & Improvements	150,990	15,196							166,185
376.2	Mains - Plastic	26,416,719	2,275,246	(3,281)				6,650		28,695,334
376.1	Mains - Other	54,550,244	2,610,924	3,281				(5,608)		57,158,842
378	M & R Station Equipment	-	8,375					21,944		30,320
379	M & R Station Equipment - City Gate	3,276,863	209,020					64,795		3,550,679
380.2	Services - Plastics	17,912,930	1,673,781	1	(154,751)			967,612		20,399,574
380.1	Services - Other	21,230,610	1,033,143		(64,094)			(967,611)		21,232,049
381	Meters	82,405	599,627		(536,096)			8		145,944
382	Meter Installation	3,710,484	718,766					(8)		4,429,241
383	House Regulators	1,402,961	186,466		(17,301)					1,572,126
384	House Regulators Installation	798,140	47,265					11,857		857,263
385	Industrial M & R Station Equipment	1,804,850	103,629					(76,652)		1,831,827
386.5	Leased Water Heaters									
386.6	Leased Dryers									
386.7	Leased Rangers									
387	Other Equipment	268,141	31,675							299,815
390	Structures & Improvements	457,102	111,358							568,460
391.1	Office Furniture	210,768	21,953					13,389		246,110
391.2	Office Equipment	245,795	4,791	1,404,188				(216,827)		1,437,946
391.3	Computers	4,748,489	817,321	(1,404,188)				208,882	1,289,616	5,660,120
392	Transportation Equipment	(111,943)	117,190		(136,569)	6,804		(983)		(125,502)
393	Stores Equipment	863	117							980
394	Tools, Shop and Garage Equipment	926,441	106,883							1,033,323
395	Laboratory Equipment	3,915	119							4,034
396	Power Operated Equipment	-	2,745					983		3,728
397	Communication Equipment	1,212,426	48,844							1,261,270
398	Miscellaneous Equipment	313,979	56,875							370,853

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, 2013

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:										
	Subtotal	139,838,786	10,983,842	1	(908,811)	6,804	0	908	1,289,616	151,211,146
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)										
Reserve for Amortization Adjustment										
Undistributed Retirement Work in Progress		(4,009,154)					(1,151,618)			(5,160,772)
115	Amort. Plant Acquisition Adjustment Adjustment	5,895,473	721,895							6,617,367
	Grand Total *	141,725,105	11,705,737	1	(908,811)	6,804	(1,151,618)	908	1,289,616	152,667,741

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

** Allocated Depreciation Expense of $405,374 is not included in Accumulated Depreciation Balance since it is included on the books of AGL Services Co. Also, depreciation expense above does not include non-utility plant depreciation expense of $6,712 included in depreciation expense included on the income statement.

Note: Adjustments column relates to reconcilitation item and reclassifications due to review of asset classifications during conversion to a new asset management system.

Pivotal Utility Holdings, Inc. D/B/A Florida City Gas
AEP Reconciliation
As Of December 31, 2013

Revenue Start Date	Name of Facility	Balance @ Beg. Of Year			12 Mths Ended 12/13			Charges To Date			Over/ Under Collection
		Surcharge Revenues	Facilities Cost	Carrying Charges	Surcharge Revenues	Facilities Cost	Carrying Charges	Surcharge Revenues (A)	Facilities Cost (B)	Carrying Charges (C)	(A - B - C)
12-Nov	Glades Project	128,206	7,156,775	83,752	1,064,499	3,617,993	822,822	1,192,705	10,774,768	906,574	(10,488,638)

Name of Respondent FLORIDA CITY GAS D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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	Facilities Projects	5,022,366	
2	Mandatory	3,794,181	
3	New Business	1,539,816	
4	System Expansion	2,615,210	
5	Renewals	3,335,672	
6	Pressure Improvement	506,859	
7	Minor Projects Under $500,000 Grouped Together	2,478,686	
8			
9			
10			
11			
12			
13	TOTAL	19,292,790	

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*	990,575	19,365,811
2	A&G Expenses Capitalized*	26,485	19,365,811
3	Benefits Capitalized*	245,978	19,365,811
4	Pension Expense Capitalized*	139,929	19,365,811
5	Payroll Taxes Expense Capitalized*	114,818	19,365,811
6	Fleet Expense Capitalization	81,862	19,365,811
7	Engineering (Charged from AGL Services Company)	223,995	19,365,811
8			19,365,811
9			
10			
11	TOTAL	1,823,642	

* Includes FCG and AGL Services Company allocated amounts.
**Capital Expenditures during FY2013 excluding overhead allocations.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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	Energy Conservation Program Rebates	150,218
3	Miscellaneous Prepayments: (AGA, FNGA Dues, Legal, Odorant)	143,541
4	DOT Fees	2,663
5		
6		
7		
8	TOTAL	352,155

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					

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					

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

For the Year Ended
Dec. 31, 2013

OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (amounts less than $25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Conversion Cost (1)	914,081	264,905	407	140,170	1,038,816
2	Deferred Piping (1)	1,025,285	52,261	912	268,910	808,636
3	Regulatory Asset - Pension (2)	848,619	0	926	164,249	684,370
4	AEP Surcharge	0	13,006,662	various	2,518,023	10,488,639
5	Unrecovered Pension Benefit	1,207,221	0	401	118,743	1,088,478
6						
7						
8						
9						
10	(1) Amortization period - 10 years					
11	(2) Amortization period - 13.3 years					
12						
13						
14						
15						
16						
17	TOTAL	3,995,206	13,323,828		3,210,095	14,108,939

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						
2	None					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	Misc. Work in Progress					
18	Deferred Regulatory Comm. Expenses					
19	TOTAL					

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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.

February 26, 2013 refinanced $20,000,000, variable rate due September 2024 with refunding revenue bond. The financing fees paid to repurchase were $184,831. There was no cash payment or receipt in connection with refinancing.

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	606,403	549,994
2						
3	Bond refinance & issuance	6/5/2008	20,000,000	889,213	623,098	562,377
4						
5	Bond refinance & issuance	5/28/2010	20,000,000	181,507	150,871	136,837
6						
5	Bond refinance & issuance	2/26/2013	20,000,000	113,876	0	100,308
6						
7					**1,380,372**	**1,349,516**
8						
9						
10						
11						
12						
13						

*$113,876 debits included in column (d) for unamortized loss reclassified from FERC account 181 Unamortized Debt Expense as a result of refinancing in 2013.

**Ending balance does not include the current portion of unamortized debt expense and unamortized discount debt which is included in prepayments FERC account 165. The total as of December 31, 2013 was $138,374.

***Amortization to FERC account 428.1 includes debits of $144,732 from FERC account 189 and $22,375 from FERC account 165 for current debt issuance costs.

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	Dec. 31, 2013

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	2/26/2013	10/1/2024	20,000,000	variable	152,137	20,000,000
2	** Affiliate Promissory Note	1/1/2005	1/1/2035	25,209,352	4.70%	2,502,782	52,861,257
3							
4	* This series of bonds was refinanced in February 2013. 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		2,654,920	72,861,257

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								
2								
3	(2) Refinancing fees	20,000,000	184,831	2/26/2013	10/1/2024	116,861	38,716	155,577
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								

(1) Total of Account 427 and Account 430 is $2,712,624. This includes interest on revenue bonds of $152,137, interest on advances from associated companies of $2,502,782, and interest on short-term debt of $57,705.

(2) Total debits of $38,716 include debits of $184,831 of issuance costs associated with refinanced $20,000,000 revenue bond, credits of $15,957 to move short-term portion of long-term debt to prepayments account 165, credits of $113,876 to FERC account 189, and credits of $16,282 for amortization expense. $16,282 consists of $15,012 is in FERC account 428 and $1,270 is in FERC account 431. Amortization to FERC account 428 includes the amortization of $15,012 from FERC account 181 and $345 from FERC account 165 for current debt issuance costs.

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $50,000) may be grouped under appropriate title.

Line No.	Item	Balance at End of Year
1	Unclaimed Customer Checks	115,538
2	Others	2,230
3	Misc. Curr. & Accr. Liabilities	188,167
4	Variable Compensation	534,249
5		
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	840,184

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor Items (less than $25,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Other Liabilities	12,666	242	12,666		0
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	12,666				0

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	Reg. Tax Liability	2,379	281	791		1,588
2	PGA	1,639,556	191		597,322	2,236,878
3	Energy Conservation Program (1)	971,752			700,646	1,672,398
4						
5						
6						
7						
8	(1) Reclassified from 182.3 - Regulatory Assets for presentation purposes					
9						
10						
11						
12						
13	TOTAL	2,613,687		791	1,297,968	3,910,864

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

For the Year Ended
Dec. 31, 2013

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	501,101	0	0	0	0	0	501,101
2	State of Florida	0	1,899,996	0	(118,495)	2,482,380	410,238	0	1,978,799	29,751	6,682,668
3	AGL Services Company Allocation	0	0	0	0	0	0	0	0	222,779	222,779
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15	Less: Charged to Construction										
16	TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1	0	1,899,996	0	382,606	2,482,380	410,238	0	1,978,799	252,530	7,406,548

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%							
4	7%							
5	10%							
6	8%	3,787		411.4	1,259		2,528	
7								
8								
9								
10	TOTAL	3,787			1,259		2,528	

Notes

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

For the Year Ended
Dec. 31, 2013

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	3,147,610	119,388				283	1,867,905	282;283	1,929,491	2,966,636
3	State	523,637	19,853				283	55,146	283	104,959	453,971
4											
5											
6											
7											
8											
9											
10											
11	TOTAL Gas (Lines 2 - 10)	3,671,247	139,241					1,923,051		2,034,450	3,420,607
12	Other (Specify)										
13	TOTAL (Account 190) (Total of lines 11 and 12)	3,671,247	139,241					1,923,051		2,034,450	3,420,607

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	30,087,501	3,230,847				190	1,299,855	254	793	32,019,286
9	Other										0
10	TOTAL Account 282 (Lines 7 thru 9)	30,087,501	3,230,847					1,299,855		793	32,019,286
11	Account 283 - Other										
12	Electric										
13	Gas	319,335	(61,808)						190	1,537,820	1,795,347
14	Other										
15	TOTAL Account 283 - Other (Lines 12 thru 14)	319,335	(61,808)							1,537,820	1,795,347
16	GAS										
17	Federal Income Tax	27,110,082	2,902,641				190	1,299,855	190	1,349,126	30,061,994
18	State Income Tax	3,296,754	266,398							189,487	3,752,639
19											
20	TOTAL Gas (Lines 17 thru 19)	30,406,836	3,169,039					1,299,855		1,538,613	33,814,633
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)	30,406,836	3,169,039					1,299,855		1,538,613	33,814,633

Notes

Name of Respondent	For the Year Ended
Pivotal Utility Holdings Inc. d/b/a Florida City Gas	Dec. 31, 2013

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, 2013

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

Net Income for Fiscal Year Ended December 31, 2013		6,788,827
Adjustments For Federal Income Tax Purposes		
Income on Return Not on Books:		
Contributions in Aid of Construction		232,571
Expenses Booked Not Recorded on Return:		
Lobbying Expenses	73,426	
Meals and Entertainment	10,300	
		83,726
Deductions on Return Not Charged Against Book Income:		
Excess of allowable depreciation over that charged to depreciation and other book expenses	(4,006,261)	
Gain/Loss Difference	(162,308)	
Engineering Cost	(559,052)	
Deductible G&A	(1,051,496)	
Accrued Post Retirement Benefits	(9,243)	
AFUDC	121,345	
Removal Cost	(1,151,618)	
Meter Lease	(908,240)	
Relocation Cost	(918,388)	
Accrued bonus	534,249	
Restricted Stock	2,876	
Leasehold Improvements	406,414	
Restricted Stock Units	7,078	
Pension	614,399	
Bad Debts	12,317	
Current Federal Income Taxes	680,286	
Deferred Federal Income Taxes	3,022,028	
Deferred State Income Taxes	286,252	
Amortization of Deferred Investment Tax Credits	(1,259)	
Amortization of Pension and Transition Cost Reg. Assets	164,249	
		(2,916,371)
Total Net Adjustments for Federal Income Tax Purposes		(2,600,074)
Federal Taxable Income		4,188,754
State Taxes		0
Show Computation to Tax		
Federal Taxable Income		4,188,754
35% of Federal Taxable Income		1,466,064
Accrual to return and other adjustments		(785,777)
Current Federal Income Taxes at December 31, 2013		680,287
Allocated Tax Per Tax Agreement		0
Total Current Federal Income Tax		680,287

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC.	
D/B/A FLORIDA CITY GAS	Dec. 31, 2013

GAS OPERATING REVENUES (Account 400)

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

Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	**Gas Service Revenues**						
2	**Firm Sales Service**						
3	480 - Residential Sales	32,610,657	31,044,692	15,576,646	15,533,935	97,335	97,039
4	481 - Commercial & Industrial Sales	26,216,500	22,732,267	24,722,736	24,398,022	5,058	4,960
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.	20,551,864	18,011,971	84,989,465	70,807,966	1,907	1,824
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	**79,379,021**	**71,788,930**	**125,288,847**	**110,739,923**	**104,300**	**103,823**
22	483 Sales for Resale						
23	Off-System Sales						
24	TOTAL Nat. Gas Service Revenues	79,379,021	71,788,930			Notes	
25	TOTAL Gas Service Revenues	79,379,021	71,788,930				
26	**Other Operating Revenues**						
27	485 Intracompany Transfers						
28	487 Forfeited Discounts	1,193,147	1,252,831				
29	488 Misc. Service Revenues	2,424,846	858,297				
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	178,804	101,310				
36	Reconnect for Cause						
37	Collection in lieu of disconnect						
38	Returned Check						
39	Other						
40	495.1 Overrecoveries Purchased Gas						
41	TOTAL Other Operating Revenues	3,796,797	2,212,438				
42	TOTAL Gas Operating Revenues	83,175,818	74,001,368				
43	(Less) 496 Provision for Rate Refunds	0	0				
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	83,175,818	74,001,368				
45	Sales for Resale						
46	Other Sales to Public Authority						
47	Interdepartmental Sales						
48	TOTAL	$83,175,818	$74,001,368	125,288,847	110,739,923		

Notes:
(1) Account 488 is revised for 2012 due to a minor reclassification of an expense amount to account 416.

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

For the Year Ended
Dec. 31, 2013

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	24,735,277	19,537,362
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)	24,735,277	19,537,362
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	4,086	
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)	4,086	
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	(3,736)	(3,145)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(3,736)	(3,145)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	24,735,627	19,534,217
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	24,735,627	19,534,217
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)	63,337	70,496
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)	63,337	70,496
43	**3. Transmission Expenses**		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	1,267	1,333
45			
46			

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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	376	56
50	871 Distribution Load Dispatching	28	804
51	872 Compressor Station Labor and Expenses	0	6.55
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	1,186,462	963,547
54	875 Measuring and Regulating Station Expenses--General	1,070	-
55	876 Measuring and Regulating Station Expenses--Industrial		
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	111,891	109,972
57	878 Meter and House Regulator Expenses	531,951	579,474
58	879 Customer Installations Expenses	521,737	404,792
59	880 Other Expenses	200,700	185,853
60	881 Rents		
61	TOTAL Operation (Total of lines 49 through 60)	2,554,214	2,244,504
62	Maintenance		
63	885 Maintenance Supervision and Engineering	-	-
64	886 Maintenance of Structures and Improvements		
65	887 Maintenance of Mains	233,372	290,356
66	888 Maintenance of Compressor Station Equipment	-	3
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	50,984	75,557
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial		
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	29	74
70	892 Maintenance of Services	69,692	60,250
71	893 Maintenance of Meters and House Regulators	330,244	192,250
72	894 Maintenance of Other Equipment	(78)	31
73	TOTAL Maintenance (Total of Lines 63 through 72)	684,243	618,521
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	3,238,457	2,863,025
75	**5. Customer Accounts Expenses**		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	131,484	165,342
79	903 Customer Records and Collection Expenses	99,948	78,470
80	904 Uncollectible Accounts	569,600	(1,110,400)
81	905 Miscellaneous Customer Accounts Expenses	1,684	1,659
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	802,716	(864,929)
83	**6. Customer Service and Informational Expenses**		
84	Operation		
85	907 Supervision	-	272
86	908 Customer Assistance Expenses	8,028	15,311
87	909 Informational and Instructional Expenses	5,042,169	5,841,326
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	5,050,197	5,856,909
90	**7. Sales Expenses**		
91	Operation		
92	911 Supervision	65	-
93	912 Demonstrating and Selling Expenses	17,244	402
94	913 Advertising Expenses	29,815	33,262
95	916 Miscellaneous Sales Expenses	-	-
96	TOTAL Sales Expenses (Total of lines 92 through 95)	47,124	33,663
97			

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS			For the Year Ended Dec. 31, 2013	

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	7,667,554	6,158,692	
101	921 Office Supplies and Expenses	1,550,819	1,583,295	(1)
102	(Less) (922) Administrative Expenses Transferred--Credit	(2,186,665)	(2,043,558)	
103	923 Outside Services Employed	1,425,094	1,346,428	(1)
104	924 Property Insurance	315,175	370,513	
105	925 Injuries and Damages	527,698	292,469	(1)
106	926 Employee Pensions and Benefits	2,770,841	2,542,421	
107	927 Franchise Requirements			
108	928 Regulatory Commission Expenses			
109	(Less) (929) Duplicate Charges--Credit			
110	930.1 General Advertising Expenses	-	-	
111	930.2 Miscellaneous General Expenses	654,192	587,660	(1)
112	931 Rents	523,693	544,050	
113	TOTAL Operation (Total of lines 100 through 112)	13,248,402	11,381,969	
114	Maintenance			
115	932 Maintenance of General Plant	748,579	549,070	
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	13,996,980	11,931,039	
117				
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	47,935,705	39,425,753	
119				
120				

(1) FERC accounts 921, 923, 925, and 930.2 amounts reported previously for 2012 have been changed to more appropriately align the accounts within the FERC O&M account classification.

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)	12/31/2013
3	2. Total Regular Full-Time Employees	97
4	3. Total Part-Time and Temporary Employees	0
5	4. Total Employees	97
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, 2013

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 *	40,751,785	25,914,010	$0.63590
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases		(370,963)	
9	805.1 - Purchased Gas Cost Adjustments		(807,770)	
10	TOTAL (Total of lines 1 through 9)	40,751,785	24,735,277	$0.60697

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	8,123	3,736
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL		8,123	3,736

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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)	Expenses Incurred During Year: Charged Currently to: Amount (e)	Expenses Incurred During Year: Deferred to Account 186 (f)	Amortized During Year: Contra Account (g)	Amortized During Year: Amount (h)	Deferred in Account 186 End of Year (i)
1	None								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17	TOTAL								

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	100,707
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	433,914
6	Fleet Expense Capitalization	(85,518)
7	Fleet - Employee Stipened Pay	7,842
8	Misc. Expenses	20,576
9	Parking Facilities	16,586
10	Civic Participation	19,226
11	Board of Director Fees	140,861
12		
13		
14		
15		
16		
17		
18	TOTAL	654,192

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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	1,863,406		
8	Customer Accounts	228,471		
9	Customer Service and Informational	76		
10	Sales	-		
11	Administrative and General	2,899,109		
12	TOTAL Operation (Total of lines 5 through 11)	4,991,062		
13	Maintenance			
14	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	80		
15	Transmission	1,244		
16	Distribution	370,328		
17	Administrative and General	2,745		
18	TOTAL Maintenance (Total of lines 14 through 17)	374,397		
19	Total Operation and Maintenance	5,365,459		
20	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	80		
21	Transmission (Enter Total of lines 6 and 15)	1,244		
22	Distribution (Total of lines 7 and 16)	2,233,734		
23	Customer Accounts (Transcribe from line 8)	228,471		
24	Customer Service and Informational (Transcribe from line 9)	76		
25	Sales (Transcribe from line 10)	-		
26	Administrative and General (Total of lines 11 and 17)	2,901,854		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	5,365,459		5,365,459
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	836,656		836,656
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	836,656		836,656
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	38,985		38,985
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	38,985		38,985
42				
43	Other Accounts (Specify):			
44				
45	Taxes other than Income	497,648		497,648
46	Misc payroll	10,535		10,535
47				
48				
49				
50				
51				
52				
53	TOTAL Other Accounts	508,183		508,183
54	TOTAL SALARIES AND WAGES	6,749,283		6,749,283

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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	13,913,870
2	ANGI ENERGY SYSTEMS, LLC	Engineering Services	748,025
3	GARLAND/DBS, INC.	Contractor	666,304
4	ALL ABOUT GAS SERVICE, LLC	Contractor	569,948
5	IMAGEN MARKETING AGENCY, INC	Marketing	557,348
6	CASH CYCLE SOLUTIONS	IT Services	435,165
7	BGL ASSET SERVICES, LLC	Contractor	336,263
8	QUALITY WELDING & FABRICATING	Contractor	308,425
9	KIMLEY-HORN AND ASSOCIATES, INC	Contractor	270,355
10	SOUTHERN CROSS CORP.	Contractor	254,885
11	SOUTHEAST CONNECTIONS	Contractor	249,694
12	BGL ASSET SERVICES LLC	Contractor	242,635
13	BENTLEY, BENTLEY AND BENTLEY	Legal Services	192,782
14	DOUBLE M INC	Contractor	169,605
15	INTEGRATED RESOURCE SOLUTIONS	Rebate Processing	146,449
16	MARKETING TALENT NETWORK	Marketing	128,155
17	TANNER COATINGS & PIPELINE SERVICE, INC.	Contractor	122,406
18	GONZALEZ SAGGIO & HARLAN LLP	Legal Services	111,449
19	GUNSTER YOAKLEY & STEWART, P.A.	Legal Services	107,456
20	BECK CONSTRUCTION LLC	Contractor	105,040
21	CARNAHAN, PROCTOR AND CROSS, INC	Engineering Services	85,202
22	ELITE GAS CONTRACTOR, INC	Contractor	84,016
23	SUNSHINE STATE ONE CALL OF FLORIDA, INC.	Contractor	81,028
24	NEW LIFE MAINTENANCE INC.	Contractor	80,318
25	AECOM, INC	Engineering Services	71,957
26	PHOENIX CONSULTING SERVICES, INC	Contractor	63,971
27	CORRPRO COMPANIES INC	Contractor	52,343
28	SINGLEPOINT AG	Contractor	48,178
29	TOMMY L. HORNSBY	Collection Services	46,739
30	HOLLAND & KNIGHT LLP	Legal Services	43,500
31	URS CORPORATION	Contractor	40,798
32	TOTAL BILLINGS	Billing Services	40,000
33	SEYFARTH SHAW	Legal Services	36,000
34	PRECISION ELECTRIC OF LAKELAND, INC	Contractor	33,576
35	ACHIEVEGLOBAL	Educational Training Services	28,861

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.
(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.
(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities: and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $25,000 may be grouped by classes within the above accounts.
(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

	Item	Amount
1		
2	MISCELLANEOUS INCOME DEDUCTIONS (426.1 - 426.5):	
3	Expenditures for Certain Civic, Political and Related Activities	(61,349)
4	Other Deductions	(225)
5		
6	TOTAL	(61,574)
7		
8	INTEREST ON DEBT TO ASSOCIATED COMPANIES (430):	
9	Interest on Money Pool Transactions	57,705
10	Affiliate Promissory Note	2,502,782
11		
12	TOTAL	2,560,487
13		
14	OTHER INTEREST EXPENSES (431):	
15	Financing Fees	78,474
16	Fleet Bank - Meter Leases (Weighted Average 4%)	20,213
17	Interest on Customer Deposits (2% Residential / 3% Non Residential)	222,084
18	PGA (Average 0.075%)	2,038
19	ECP (Average 0.075%)	1,160
20		
21	TOTAL OTHER INTEREST EXPENSES	323,969

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	Dec. 31, 2013

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

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

	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	**Description**	**Gross Operating Revenues per Page 26**	**Interstate and Sales for Resale Adjustments**	**Adjusted Intrastate Gross Operating Revenues**	**Intrastate Gross Operating Revenues per RAF Return**	**Difference (d) - (e)**
1	Total Sales to Ultimate Customers (480-482, 484)	58,827,157		58,827,157	58,827,157	
2	Sales for Resale (483)					
3	Total Natural Gas Service Revenues	58,827,157		58,827,157	58,827,157	
4	Total Other Operating Revenues (485-495)	24,348,661		24,348,661	23,263,318	1,085,343
5	Total Gas Operating Revenues	83,175,818		83,175,818	82,090,475	1,085,343
6	Provision for Rate Refunds (496)					
7	Other (Specify) - Off System Sales					
8	- PGA Over/Under Recoveries					
9	- CRA Over/Under Recoveries					
10	**Total Gross Operating Revenues**	83,175,818		83,175,818	82,090,475	1,085,343

Notes:

Gas Operating Revenues on page 26 includes accounts listed below not includable in the RAF.

Account	
Gas Management Fee	(35)
Damage Billing - Mains	90,422
Damage Billing - Services	88,382
AEP Carrying Charges	906,574
	1,085,343

CORPORATE STRUCTURE

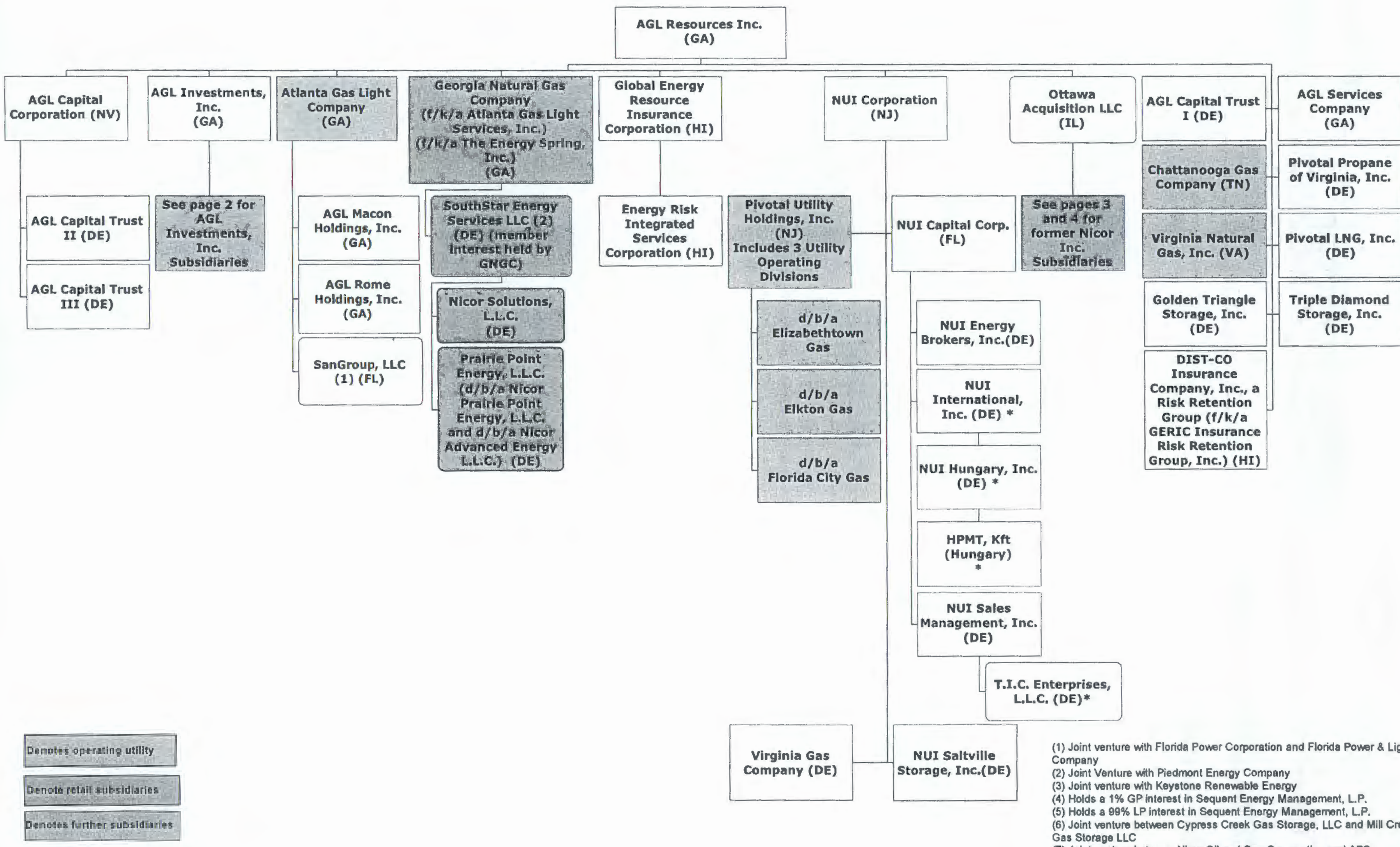
Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date: January 2014

Please see attached.

AGL Resources

Office of the Corporate Secretary
AGL Resources Inc. - Corporate Organizational Chart
October 1, 2013



(1) Joint venture with Florida Power Corporation and Florida Power & Light Company
(2) Joint Venture with Piedmont Energy Company
(3) Joint venture with Keystone Renewable Energy
(4) Holds a 1% GP interest in Sequent Energy Management, L.P.
(5) Holds a 99% LP interest in Sequent Energy Management, L.P.
(6) Joint venture between Cypress Creek Gas Storage, LLC and Mill Creek Gas Storage LLC
(7) Joint venture between Nicor Oil and Gas Corporation and APC Associates
(8) Joint venture between Nicor Horizon, Inc. and NGPL
(9) Doing business as Pivotal Home Solutions and other d/b/a names in various states

* Discontinued Operations

AGL Resources

Office of the Corporate Secretary
AGL Resources Inc. - Corporate Organizational Chart
October 1, 2013

- **AGL Resources Inc. (GA)**
  - **AGL Investments, Inc. (GA)**
    - **AGL C&I Energy Services Inc. (DE)**
      - **Sequent Energy Services Inc. (DE) (f/k/a NUI Energy, Inc.)**
    - **AGL Energy Services, LLC (GA)**
    - **AGL Renewables, LLC (GA)**
      - **Renewco, LLC (3) (DE)**
      - **Renewco - FCSL, LLC (DE)**
      - **Renewco-Meadow Branch, LLC (DE)**
      - **Renewco-Pine Ridge, LLC (DE)**
      - **Renewco-Richland Creek, LLC (DE)**
    - **AGL Southeast LNG, L.L.C. (GA)**
      - **Southeast LNG Distribution Company, LLC (DE)**
    - **Customer Care Services, Inc. (GA)**
    - **Georgia Gas Company (GA)**
    - **Magnolia Enterprise Holdings, Inc. (GA)**
    - **Organic Energy Solutions, LLC (GA)**
      - **PTC BioSolids, LLC (GA)**
    - **Pivotal Energy Services, Inc. (GA)**
    - **Pivotal Storage, Inc. (DE)**
      - **Pivotal Jefferson Island Storage & Hub, LLC.(DE)**
        - **Jefferson Island Storage & Hub, L.L.C. (DE)**
    - **Sequent Energy Canada Corp. (DE)**
    - **Sequent, LLC (4) (f/k/a AGL Energy Services, LLC) (GA)**
      - **Sequent Energy Management, L.P. (GA)**
      - **Sequent Holdings, LLC (5) (GA)**
    - **Southeastern LNG, Inc. (GA)**
    - **Trustees Investments, Inc. (GA)**

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* Discontinued Operations

AGL Resources

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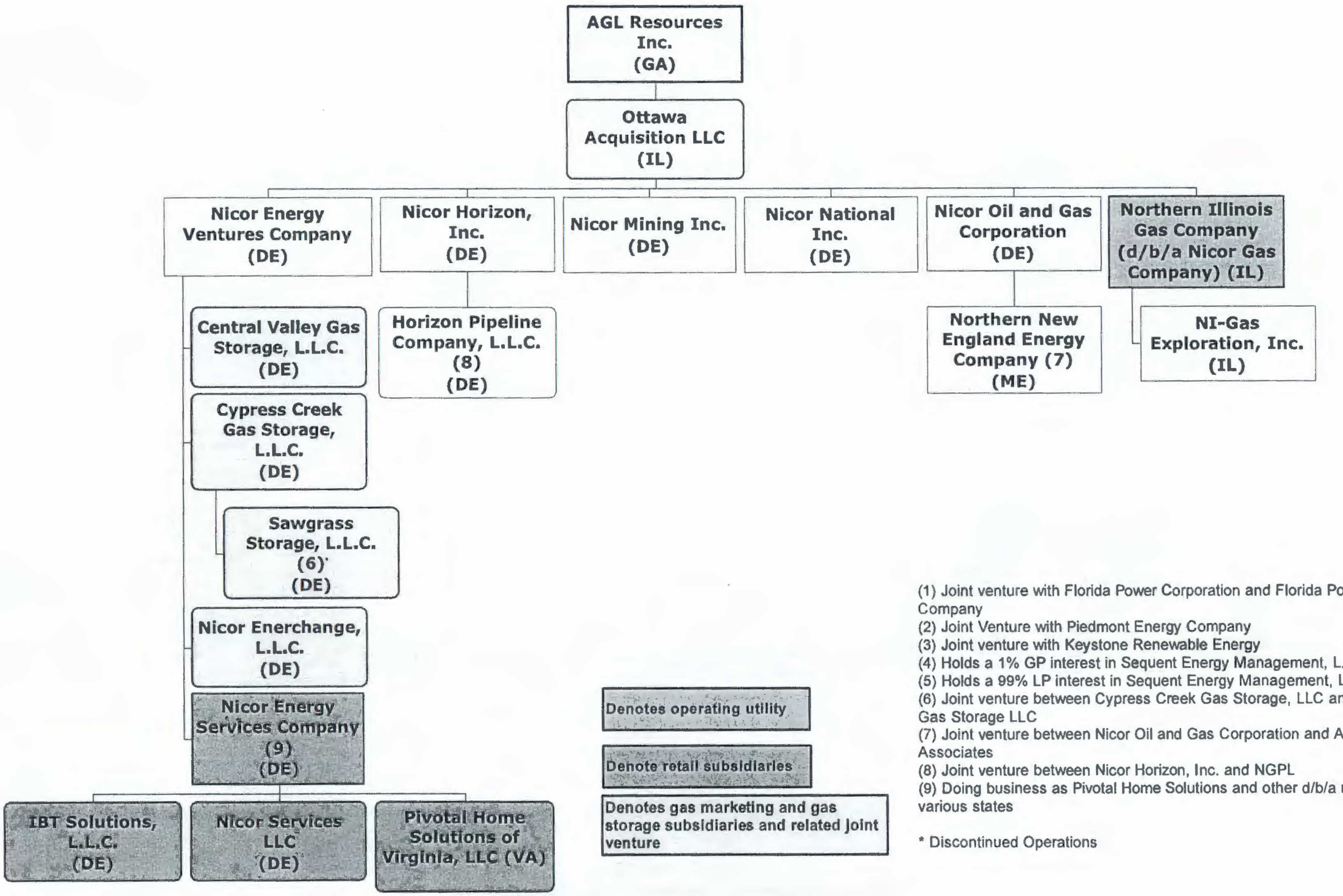
October 1, 2013



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* Discontinued Operations

AGL Resources

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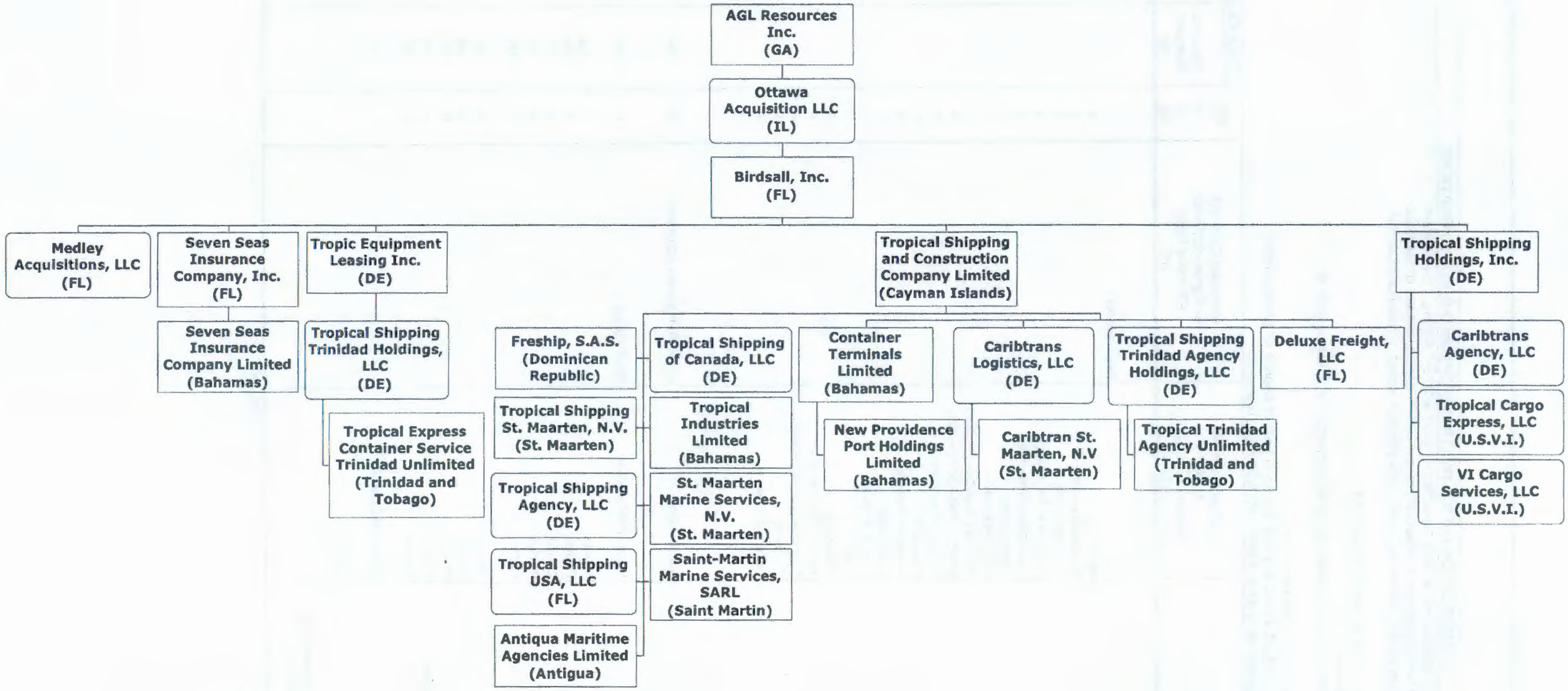
October 1, 2013



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* Discontinued Operations

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	For the Year Ended Dec. 31, 2013

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		325,066
	External Relations		P		47,886
	Customer Care		P		1,368,687
	Information Technology		P		1,487,224
	Corporate Compliance		P		128,281
	Fleet Services		P		33,420
	Direct Assigned		P		1,098,906
	Business Support - Facilities		P		285,417
	Supply Chain Management		P		52,964
	Employee Services		P		488,578
	Engineering		P		408,860
	Financial Services		P		278,613
	Gas Supply		P		288,448
	Internal Auditing		P		49,614
	Legal		P		254,253
	Marketing		P		74,377
	Rates & Regulatory		P		64,576
	Corporate Communications		P		40,204
	Corporate		P		14,841
	Retail Services		P		16,183
Sequent Energy Mgmt. LP	Gas Purchase	Asset Management Agreement	P	804	24,146,546
AGL Services Company	Money Pool Interest	See Footnote 2	P	430	57,705
AGL Resources Inc.	Payroll		S	232	(73,800)
AGL Resources Inc.	Payroll		S	920	(1,261)
AGL Services Company	Payroll		S	121	(318)
AGL Services Company	Payroll		S	920	(818)
Atlanta Gas Light Company	Payroll		S	920	(210)
AGL Services Company	Payroll		P	107	79,153
AGL Services Company	Payroll		P	108	13
AGL Services Company	Payroll		P	121	1,273
Pivotal Utility Holdings, Inc. d/b/a Elkton Gas Company	Payroll		P	920	952
Atlanta Gas Light Company	Payroll		P	107	9,108
AGL Services Company	Enterprise Software		P	101	413,685
	Total				31,438,425

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

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS	Dec. 31, 2013

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	24,146,546

Name of Respondent	For the Year Ended
PIVOTAL UTILITY HOLDINGS, INC.	
D/B/A FLORIDA CITY GAS	Dec. 31, 2013

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:		$	$	$	$	$	
AGL Services Company	Enterprise Software	1,703,301	1,289,616	413,685	(1)		
(1) No fair market value was determined. Value is assumed to approximate 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
Eddie Sweat - FCG	AGLC	Field Specialist	Field Specialist LM	Permanent
Michelle Korta - AGLC	FCG	Scheduling Assitant	Education & Outreach Specialist	Permanent
FCG - Florida City Gas				
AGLC - Atlanta Gas Light Company				

Pivotal Utility Holdings, Inc.

D/B/A Florida City Gas

Audited Financial Statements

December 31, 2013 and 2012

pwc

Report of Independent Certified Public Accountants

To the Shareholder of Florida City Gas:

We have audited the accompanying financial statements of Florida City Gas (a division of Pivotal Utility Holdings, Inc., a wholly owned subsidiary of AGL Resources, Inc.), which comprise the balance sheet as of December 31, 2013 and December 31, 2012, and the related statements of income for the years then ended and the related statement of retained earnings for the year ended December 31, 2013, included on pages one through five of the accompanying Annual Report of Natural Gas Utilities.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audit in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida City Gas as of December 31, 2013 and December 31, 2012, and the results of its operations for the years then 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 described in Note 1.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Florida City Gas on the basis of the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Federal Energy Regulatory Commission. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP, 1075 Peachtree Street, Suite 2600, Atlanta, GA 30309-3969
T: (678) 419 1000, F: (678) 419 1239, www.pwc.com/us

Other Matter

Our report is intended solely for the information and use of the board of directors and management of Florida City Gas and for filing with the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose.

PricewaterhouseCoopers LLP

May 28, 2014

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

For the Year Ended
Dec. 31, 2013

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)		297,926,693	316,501,070	(1)
3	Construction Work in Progress (107)		18,645,561	19,292,790	
4	TOTAL Utility Plant Total of lines 2 and 3)		316,572,254	335,793,860	
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)		141,725,105	152,667,741	
6	Net Utility Plant (Total of line 4 less 5)		174,847,149	183,126,119	
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)		187,057	186,288	
11	(Less) Accum. Prov. for Depr. and Amort. (122)		93,291	99,095	
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)		93,766	87,193	
17	CURRENT AND ACCRUED ASSETS				
18	Cash (131)				
19	Special Deposits (132-134)				
20	Working Funds (135)				
21	Temporary Cash Investments (136)				
22	Notes Receivable (141)				
23	Customer Accounts Receivable (142)		10,092,975	10,330,819	
24	Other Accounts Receivable (143)		394,544	170,620	
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)		291,861	304,178	
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)		50,881	47,589	
32	Merchandise (155)				
33	Other Material and Supplies (156)				
34	Stores Expenses Undistributed (163)				
35	Gas Stored Underground & LNG Stored (164.1-164.3)		254,555	595,670	
36	Prepayments (165)		236,037	352,155	
37	Advances for Gas (166-167)				
38	Interest and Dividends Receivable (171)				
39	Rents Receivable (172)				
40	Accrued Utility Revenues (173)				
41	Miscellaneous Current and Accrued Assets (174)				
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		10,737,131	11,192,675	
43	DEFERRED DEBITS				
44	Unamortized Debt Expense (181)		116,861	155,577	
45	Extraordinary Property Losses (182.1)				
46	Unrecovered Plant and Regulatory Study Costs (182.2)				
47	Other Regulatory Assets (182.3)		3,995,206	14,108,939	
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)				
49	Clearing Accounts (184)				
50	Temporary Facilities (185)				
51	Miscellaneous Deferred Debits (186)		0	0	
52	Deferred Losses from Disposition of Utility Plant. (187)				
53	Research, Development and Demonstration Expenditures (188)				
54	Unamortized Loss on Reacquired Debt (189)		1,380,372	1,349,516	
55	Accumulated Deferred Income Taxes (190)		3,671,247	3,420,607	
56	Unrecovered Purchased Gas Costs (191)				
57	TOTAL Deferred Debits (Total of lines 44 through 56)		9,163,686	19,034,639	
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		194,841,732	213,440,626	

Notes:

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

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

For the Year Ended
Dec. 31, 2013

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)		43,720,044	42,105,528
5	Retained Earnings (215, 216, 219)		18,307,663	19,874,949
6	Unappropriated Undistributed Subsidiary Earnings (216.1)			
7	(Less) Reacquired Capital Stock (217)			
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		62,027,707	61,980,477
9	LONG-TERM DEBT			
10	Bonds (221)		20,000,000	20,000,000
11	(Less) Reacquired Bonds (222)			
12	Advances from Associated Companies (223)		49,315,911	52,861,257
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)		69,315,911	72,861,257
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)			
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)		3,559,671	2,638,807
22	Accumulated Miscellaneous Operating Provisions (228.4)			85,132
23	Accumulated Provision for Rate Refunds (229)			
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		3,559,671	2,723,939
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)			
27	Accounts Payable (232)		1,853,479	3,005,898
28	Notes Payable to Associated Companies (233)			
29	Accounts Payable to Associated Companies (234)		15,160,965	26,461,089
30	Customer Deposits (235)		3,794,239	3,923,468
31	Taxes Accrued (236)		3,536,900	2,601,259
32	Interest Accrued (237)		234,158	346,863
33	Dividends Declared (238)			
34	Matured Long-Term Debt (239)			
35	Matured Interest (240)			
36	Tax Collections Payable (241)		978,711	968,194
37	Miscellaneous Current and Accrued Liabilities (242)		352,276	840,184
38	Obligations Under Capital Leases-Current (243)		990,738	(27)
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		26,901,466	38,146,928
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)			
43	Other Deferred Credits (253)		12,666	0
44	Other Regulatory Liabilities (254)		2,613,688	3,910,864
45	Accumulated Deferred Investment Tax Credits (255)		3,787	2,528
46	Deferred Gains from Disposition of Utility Plant (256)			
47	Unamortized Gain on Reacquired Debt (257)			
48	Accumulated Deferred Income Taxes (281-283)		30,406,836	33,814,633
49	TOTAL Deferred Credits (Total of lines 42 through 48)		33,036,977	37,728,025
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		194,841,732	213,440,626

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

For the Year Ended
Dec. 31, 2013

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)		83,175,818	74,001,368
3	Operating Expenses			
4	Operation Expenses (401)		46,489,885	38,245,099
5	Maintenance Expenses (402)		1,445,821	1,180,654
6	Depreciation Expense (403)		11,395,928	11,181,517
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)		406,414	381,257
11	Regulatory Debits (407.3)		1,192,705	
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)		7,406,548	7,026,100
14	Income Taxes - Federal (409.1)		646,731	2,571,575
15	- Other (409.1)		217,302	635,264
16	Provision for Deferred Income Taxes (410.1)		3,308,280	1,597,427
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)		73,230,250	63,539,529
23	Net Utility Operating Income (Total of line 2 less 22)		9,945,568	10,461,839
24	(Carry forward to page 9, line 25)			

Notes:
(1) Accounts 400, 409.1, 409.2, and 416 are revised for 2012 due to a minor reclassification of expense and the resulting income tax impacts from jurisdictional to non-jurisdictional.

Name of Respondent PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS				For the Year Ended Dec. 31, 2013

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)		9,945,568	10,461,839
26	**Other Income and Deductions**			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		1,089,663	
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)		(920,940)	(147)
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)		(5,698)	(7,583)
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 through 38)		163,025	(7,730)
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)			
43	Miscellaneous Income Deductions (426.1-426.5)		(61,574)	(69,697)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(61,574)	(69,697)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)			
47	Income Taxes - Federal (409.2)		(33,555)	25,609
48	Income Taxes - Other (409.2)		(5,580)	(39,373)
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)		(39,135)	(13,764)
54	Net Other Income and Deductions (Total of lines 39,44,53)		62,316	(91,191)
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)		152,137	28,172
57	Amortization of Debt Discount and Expense (428)		15,357	12,361
58	Amortization of Loss on Reacquired Debt (428.1)		167,107	128,086
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)		2,560,487	2,344,079
62	Other Interest Expense (431)		323,969	613,240
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)			
64	Net Interest Charges (Total of lines 56 through 63)		3,219,057	3,125,938
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		6,788,827	7,244,710
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)		6,788,827	7,244,710

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

For the Year Ended
Dec. 31, 2013

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, 219)		
1	Balance - Beginning of Year		18,307,663
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)		6,788,827
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(5,777,855)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	Other Comprehensive Income		556,314
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		19,874,949
	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)		19,874,949

Pivotal Utility Holdings, Inc.
D/B/A Florida City Gas
For the years ended December 31, 2013 and 2012

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. We are primarily engaged in the distribution of natural gas to approximately 104,600 residential, commercial and industrial customers in Florida's Miami-Dade and Brevard counties.

Basis of Presentation

The financial statements included herein are prescribed by the requirements of the Florida Public Service Commission (Florida Commission) and are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published releases. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP). The significant differences consist of the following:

- The presentation of accumulated removal costs as a component of accumulated depreciation rather than as a regulatory liability or asset retirement obligation.
- The presentation of deferred income tax assets and liabilities on a gross basis rather than as a single amount.
- The accounting treatment of the positive acquisition adjustment and regulatory assets related to the purchase of the Company by AGL Resources in 2004 as approved by the Florida Commission on December 6, 2007. The financial statements reflect the amortization of these assets consistent with the approval, but for GAAP purposes these assets are recorded in goodwill and not amortized.
- The liability for uncertain tax positions related to temporary differences is reported in the applicable accounts for FERC reporting, while such amounts are separately disclosed in the financial statements prepared in compliance with GAAP.
- The classification of provision for income taxes in income net of utility operating income.
- The omission of the statement of retained earnings for prior year for a comparative presentation.
- The omission of the statements of cash flows.

Note 2 – Significant Accounting Policies and Methods of Application

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist 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 primarily consist of natural gas sales and transportation services billed to residential, commercial, industrial and other customers. We bill customers monthly, and our 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. For receivables where we are aware of a specific customer's inability or reluctance to pay, we record an allowance for doubtful accounts against amounts due to reduce the net receivable balance to the amount we reasonably expect to collect. However, if circumstances change, our estimate of the recoverability of accounts receivable could change as well. Circumstances that could affect our estimates include, but are not limited to, customer credit issues, customer deposits and general economic conditions. Customers' accounts are written off 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 $596 thousand and $254 thousand at December 31, 2013 and 2012, respectively.

Fair Value Measurements

We have financial and nonfinancial assets and liabilities subject to fair value measurement. The financial assets and liabilities measured and carried at fair value include cash equivalents and derivative assets and liabilities. The carrying values of receivables, accounts payable, short-term debt, other current assets and liabilities and accrued interest approximate fair value. See Note 4 for additional fair value disclosures.

As defined in the 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 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 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 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 exchange-traded derivatives, money market funds and certain retirement plan assets.

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 marketplace. Instruments in this category include shorter tenor exchange-traded and non-exchange-traded derivatives such as over-the-counter forwards and options and certain retirement plan assets.

Level 3 Pricing inputs include significant unobservable inputs that may be used with internally developed methodologies to determine management's best estimate of fair value from the perspective of market participants. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. Our Level 3 assets, liabilities and any applicable transfers are primarily related to our pension and other retirement benefit plan assets as described in Note 4 and Note 5. Transfers for retirement plan assets are described further in Note 4. We determine both transfers into and out of Level 3 using values at the end of the interim period in which the transfer occurred.

The authoritative guidance related to fair value measurements and disclosures also includes a two-step process to determine whether the market for a financial asset is inactive or a transaction is distressed. Currently, this authoritative guidance does not affect us as our derivative instruments are traded in active markets.

Debt

We estimate the fair value of 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 consider our currently assigned ratings for unsecured debt.

Property, Plant and Equipment (PP&E)

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

- material and labor;
- contractor costs; and
- construction overhead costs

We recognize no gains or losses on depreciable utility property that is retired or otherwise disposed, as required under the composite depreciation method. Such gains and losses are ultimately refunded to or recovered from customers through future rate adjustments.

Depreciation Expense

We compute depreciation expense by applying composite straight-line depreciation rates, as approved by the Florida Commission, to the investment in depreciable property. The composite depreciation rate was 3.8% for 2013 and 3.9% for 2012.

Acquisition Adjustment

Upon acquisition of Pivotal Utility, a $21,657 thousand plant acquisition adjustment was recorded for the difference between the cost of acquiring Florida City Gas and the original cost. This finite-lived intangible asset is being amortized over a period of 30 years and a rollforward of the accumulated amortization is as follows.

In thousands	Accumulated amortization
December 31, 2011	$5,173
2012 amortization expense	722
December 31, 2012	5,895
2013 amortization expense	722
December 31, 2013	$6,617

Taxes

Income 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 relates 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 temporary differences as deferred income tax assets or liabilities in our Statements of Financial Position.

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

Investment and Other Tax Credits Deferred investment tax credits are included as a regulatory liability in our Statements of Financial Position. These investment tax credits are being amortized over the estimated life of the related properties as credits to income tax expense.

Investment tax credits of approximately $3 thousand and $4 thousand at December 31, 2013 and 2012, respectively, previously deducted for income tax purposes have been deferred for financial accounting purposes and are being amortized as credits to income over the estimated lives of the related properties in accordance with regulatory requirements.

Accumulated Deferred Income Tax Assets and Liabilities As noted above, 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 using enacted income tax rates.

Regulatory Income Tax Liability We measure deferred income tax assets and liabilities using enacted income tax rates. Thus, when the statutory income tax rate declines before a temporary difference has fully reversed, the deferred income tax liability must be reduced to reflect the newly enacted income tax rates. However, the amount of the reduction is transferred to our regulatory income tax liability, which we amortize over the lives of the related properties as the temporary difference reverses or approximately 30 years.

Income 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 upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Tax Collections We do not collect income taxes from our customers on behalf of governmental authorities. However, we do collect and remit various other taxes on behalf of various governmental authorities. In the state of Florida, we record such taxes as operating expenses and record the corresponding customer charges as operating revenues. These taxes were immaterial for all periods presented.

Revenues

We record revenues when goods or services are provided to customers. Those revenues are based on rates approved by the Florida Commission. Our rate structure includes a volumetric rate design which allows recovery of certain costs based on 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 recognized for estimated deliveries of gas not yet billed to these customers, from the last bill date to the end of the accounting period. These are included in the Statements of Financial Position as unbilled revenue.

Cost of Goods Sold

We charge our utility customers for natural gas consumed using natural gas cost recovery mechanisms set by the state regulatory agencies. Under these mechanisms, all prudently incurred natural gas costs are passed through to customers without markup, subject to regulatory review. In accordance with the authoritative guidance for rate-regulated entities, we defer or accrue (that is, include as an asset or liability in the Statements of Financial Position and exclude from or include in the Statements of Income, respectively) the difference between the actual cost of goods sold and the amount of commodity revenue earned in a given period, such that no operating margin is recognized related to these costs. The deferred or accrued amount is either billed or refunded to our customers prospectively through adjustments to the commodity rate. Deferred natural gas costs are reflected as regulatory assets and accrued natural gas costs are reflected as regulatory liabilities. For more information, see Note 3.

Repair and Maintenance Expense

We record expense for repair and maintenance costs as incurred.

Accounting for Retirement Benefit Plans

We recognize the funded status of our plans as an asset or a liability on our Statements of Financial Position, measuring the plans' assets and obligations that determine our funded status as of the end of the fiscal year. The changes in funded status that occurred during the year that are not yet recognized as part of net periodic benefit cost are part of equity in accumulated other comprehensive income. The assets of our retirement plans are measured at fair value within the funded status and are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement.

In determining net periodic benefit cost, the expected return on plan assets component is determined by applying our expected return on assets to a calculated asset value, rather than to the fair value of the assets as of the end of the previous fiscal year. For more information, see Note 5. In addition, we have elected to amortize gains and losses caused by actual experience that differs from our assumptions into subsequent periods. The amount to be amortized is the amount of the cumulative gain or loss as of the beginning of the year, excluding those gains and losses not yet reflected in the calculated value, that exceeds 10 percent of the greater of the benefit obligation or the calculated asset value; and the amortization period is the average remaining service period of active employees.

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. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our estimates may 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 relate to our regulatory accounting, uncollectible accounts and other allowance for contingent losses, goodwill, unbilled revenue recognition, retirement plan benefit obligations and provisions for income taxes. Our actual results could differ from our estimates.

Accounting Developments

On January 1, 2013, we adopted ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities* and ASU 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, which require disclosures about offsetting and related arrangements in order to help financial statement users better understand the effect of those arrangements on our financial position. This guidance had no impact on our financial statements.

Note 3 – Regulated Operations

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 in the current period are capitalized as regulatory assets when it is probable that such costs or 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 as of December 31 are summarized in the following table:

	As of December 31,	
In thousands	**2013**	**2012**
Regulatory assets – long-term		
Recoverable regulatory infrastructure program costs	$10,489	$-
Unamortized loss on reacquired debt	1,350	1,380
Recoverable retirement benefit costs	1,088	1,207
Deferred customer conversion costs	1,039	914
Deferred natural gas piping costs	809	1,025
Pension costs – AGL Resources Acquisition	684	849
Total regulatory assets	$15,459	$5,375
Regulatory liabilities – current		
Deferred purchased gas adjustment	$2,237	$1,640
Regulatory liabilities – current	2,237	1,640
Regulatory liabilities – long-term		
Energy conservation program	1,672	972
Unamortized investment tax credit	3	4
Regulatory tax liability	2	2
Total regulatory liabilities – long-term	1,677	978
Total regulatory liabilities	$3,914	$2,618

During the second half of 2012 we developed a project that makes use of the Area Extension Program Charge (AEP) provided for in the Company's tariff. Under the AEP, we are authorized to recover the costs of expansion to a single or multiple points in a geographical area when he cost of the facilities exceed the maximum allowable investment under its tariff and the margin from the investment plue the AEP is sufficient to recover the investment in 10 years from the date the project is placed in service. The AEP is adjusted after the earlier of the third anniversary of the date when facilities were placed in service or when 80% of the estimated load from customers related to the expansion is added to the system.

Our regulatory assets are probable of recovery. 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 of our regulatory assets recoverable through base rates are subject to review by the respective state regulatory commission during 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 we believe that we will be able to recover such costs, consistent 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, while some regulatory liabilities would be written-off, others would continue to be recorded as liabilities but not as regulatory liabilities.

Although the natural gas distribution industry is competing with alternative fuels, primarily electricity, our utility operations continue to recover their costs through cost-based rates established by the state regulatory commissions. 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 or proceeding. The regulatory liabilities that do not represent revenue collected from customers for expenditures that have not yet been incurred 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 used to periodically set base rates.

Note 4 – Fair Value Measurements

Retirement benefit plans

The allocations of the AGL Resources Inc. Retirement Plan (AGL Plan), the Employees' Retirement Plan of NUI Corporation (NUI Plan), and the Health and Welfare Plan for Retirees and Inactive Employees of AGL Resources Inc. (AGL Welfare Plan) were approximately 74% equity and 26% fixed income at December 31, 2013. The plans' investment policies provide for some variation in these targets. The actual asset allocations of our retirement plans are presented in the following table by Level within the fair value hierarchy. For additional information on the employee benefit plans, see Note 5.

	December 31, 2013									
	Pension plans (1)					Welfare plans				
In millions	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	$3	$1	$-	$4	-%	$1	$-	$-	$1	1%
Equity Securities:										
U.S. large cap (2)	93	205	-	298	33%	-	52	-	52	62%
U.S. small cap (2)	72	29	-	101	11%	-	-	-	-	-%
International companies (3)	-	139	-	139	15%	-	14	-	14	17%
Emerging markets (4)	-	34	-	34	4%	-	-	-	-	-%
Fixed income securities:										
Corporate bonds (5)	-	207	-	207	23%	-	17	-	17	20%
Other (or gov't/muni bonds)	-	29	-	29	3%	-	-	-	-	-%
Other types of investments:										
Global hedged equity (6)	-	-	43	43	5%	-	-	-	-	-%
Absolute return (7)	-	-	39	39	4%	-	-	-	-	-%
Private capital (8)	-	-	22	22	2%	-	-	-	-	-%
Total assets at fair value	$168	$644	$104	$916	100%	$1	$83	$-	$84	100%
% of fair value hierarchy	19%	70%	11%	100%		1%	99%	-%	100%	

	December 31, 2012									
	Pension plans (1)					Welfare plans				
In millions	Level 1	Level 2	Level 3	Total	% of total	Level 1	Level 2	Level 3	Total	% of total
Cash	$14	$2	$-	$16	2%	$1	$-	$-	$1	1%
Equity Securities:										
U.S. large cap (2)	69	181	-	250	30%	-	38	-	38	55%
U.S. small cap (2)	60	22	-	82	10%	-	-	-	-	-%
International companies (3)	-	120	-	120	14%	-	12	-	12	18%
Emerging markets (4)	-	34	-	34	4%	-	-	-	-	-%
Fixed income securities:										
Corporate bonds (5)	-	216	-	216	26%	-	18	-	18	26%
Other (or gov't/muni bonds)	-	30	-	30	3%	-	-	-	-	-%
Other types of investments:										
Global hedged equity (6)	-	-	38	38	4%	-	-	-	-	-%
Absolute return (7)	-	-	36	36	4%	-	-	-	-	-%
Private capital (8)	-	-	23	23	3%	-	-	-	-	-%
Total assets at fair value	$143	$605	$97	$845	100%	$1	$68	$-	$69	100%
% of fair value hierarchy	17%	72%	11%	100%		1%	99%	-%	100%	

(1) Includes $9 million at December 31, 2013 and $8 million at December 31, 2012 of medical benefit (health and welfare) component for 401h accounts to fund a portion of the other retirement benefits.
(2) Includes funds that invest primarily in U.S. common stocks.
(3) Includes funds that invest primarily in foreign equity and equity-related securities.
(4) Includes funds that invest primarily in common stocks of emerging markets.
(5) Includes funds that invest primarily in investment grade debt and fixed income securities.
(6) Includes funds that invest in limited / general partnerships, managed accounts, and other investment entities issued by non-traditional firms or "hedge funds."
(7) Includes funds that invest primarily in investment vehicles and commodity pools as a "fund of funds."
(8) Includes funds that invest in private equity and small buyout funds, partnership investments, direct investments, secondary investments, directly / indirectly in real estate and may invest in equity securities of real estate related companies, real estate mortgage loans, and real-estate mezzanine loans.

The following is a reconciliation of the AGL Plans' retirement plan assets in Level 3 of the fair value hierarchy.

	Fair value measurements using significant unobservable inputs - Level 3 (1)			
In millions	Global hedged equity	Absolute return	Private capital	Total
Balance at December 31, 2011	$30	$34	$25	$89
Gains included in changes in net assets	3	2	3	8
Purchases	15	-	-	15
Sales	(10)	-	(5)	(15)
Balance at December 31, 2012	$38	$36	$23	$97
Gains included in changes in net assets	5	3	4	12
Purchases	-	-	-	-
Sales	-	-	(5)	(5)
Balance at December 31, 2013	$43	$39	$22	$104

(1) There were no transfers out of Level 3, or between Level 1 and Level 2 for any of the periods presented.

Debt

Our long-term debt is recorded at amortized cost. 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. Our long-term debt consists of $20,000 thousand variable rate revenue bonds and $52,861 thousand in advances from associated companies where the carrying value approximates fair value. The following table presents the carrying amount and fair value of our long-term debt as of the following dates.

	As of December 31,	
In thousands	**2013**	**2012**
Long-term debt carrying amount	$72,861	$70,307
Long-term debt fair value (1)	$72,861	$70,307

(1) Fair value determined using Level 2 inputs.

Note 5 - Employee Benefit Plans

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. defined benefit retirement plans. Further, AGL Resources has an Investment Policy (the Policy) for its pension and other retirement benefit plans whose goal is 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 plans' assets are 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 government obligations), cash and cash equivalents and other suitable investments.

Equity market performance and corporate bond rates have a significant effect on our reported funded status. Changes in the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO) are mainly driven by the assumed discount rate. Additionally, equity market performance has a significant effect on our market-related value of plan assets (MRVPA), which is used by the AGL Plan, to determine the expected return on the plan assets component of net annual pension cost. The MRVPA is a calculated value. Gains and losses on plan assets are spread through the MRVPA based on the five-year smoothing weighted average methodology.

Pension Benefits

AGL Resources sponsors the AGL Plan, which is a tax-qualified defined benefit retirement plan for our eligible employees. A defined benefit plan specifies the amount of benefits an eligible participant eventually will receive using information about the participant, including information related to the participant's earnings history, years of service and age. In 2012, AGL Resources also sponsored two other tax-qualified defined benefit retirement plans for eligible employees, a Nicor Plan and a NUI Plan. The participants of the former Nicor and NUI plans are now being offered their benefits, as described below, through the AGL Plan.

AGL Resources generally calculates the benefits under the AGL Plan based on age, years of service and pay. The benefit formula for the AGL Plan is currently a career average earnings formula. Participants who were employees as of July 1, 2000 and who were at least 50 years of age as of that date earned benefits until December 31, 2010 under a final average pay formula. Participants who were employed as of July 1, 2000, but did not satisfy the age requirement to continue under the final average earnings formula, transitioned to the career average earnings formula on July 1, 2000.

Effective January 1, 2012, the AGL Plan was frozen with respect to participation for non-union employees hired on or after that date. Such employees are entitled to employer provided benefits under their defined contribution plan that exceed defined contribution benefits for employees who participate in the defined benefit plan.

Participants in the former Nicor plan receive noncontributory defined pension benefits. These benefits cover substantially all employees of Nicor Gas and its affiliates that adopted the Nicor plan, hired prior to 1998. Pension benefits are based on years of service and the highest average annual salary for management employees and job level for collectively bargained employees (referred to as pension bands). The benefit obligation related to collectively bargained benefits considers the past practice of regular benefit increases.

Participants in the former NUI plan included substantially all of NUI Corporation's employees who were employed on or before December 31, 2005. Florida City Gas union employees, who until February 2008 participated in a union-sponsored multiemployer plan, became eligible to participate in the AGL Plan in February 2008. The AGL Plan provides pension benefits to these participants based on years of credited service and final average compensation as of the plan freeze date. Effective December 31, 2005, participation and benefit accrual under the NUI plan were frozen. As of January 1, 2006, former participants in that plan became eligible to participate in the AGL Plan.

Welfare Benefits

Until December 31, 2012, AGL Resources sponsored two defined benefit retiree health care plans for eligible employees, the AGL Welfare Plan and the Nicor Welfare Plan. Eligibility for these benefits is based on age and years of service. Effective December 31, 2012, the Nicor Welfare Plan was terminated and as of January 1, 2013, all participants under that plan became eligible to participate in the AGL Welfare Plan. This change in plan participation eligibility did not affect the benefit terms. The Nicor Welfare Plan benefits described below are now being offered to such participants under the AGL Welfare Plan.

The AGL Welfare Plan includes medical coverage for all eligible AGL Resources employees who were employed as of June 30, 2002, if they reach the plan's retirement age while working for us. In addition, the AGL Welfare Plan provides life insurance for all employees if they have ten years of service at retirement. The state regulatory commissions have approved phase-in plans that defer a portion of the related benefits expense for future recovery. The AGL Welfare Plan terms include a limit on the employer share of costs at limits based on the coverage tier, plan elected and salary level of the employee at retirement.

Medicare eligible retirees covered by the AGL Welfare Plan, including all of those at least age 65, receive benefits through our contribution to a retiree health reimbursement arrangement account. Additionally, on the pre-65 medical coverage of the AGL Welfare Plan, our expected cost is determined by a retiree premium schedule based on salary level and years of service. Due to the cap, there is no impact on the periodic benefit cost or on our accumulated projected benefit obligation for a change in the assumed healthcare cost trend rate for this portion of the plan.

The plan provisions that are applicable to prior participants in the Nicor Welfare Plan include health care and life insurance benefits to eligible retired employees and include a limit on the employer share of cost for employees hired after 1982.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 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. Prescription drug coverage for the Nicor Gas Medicare-eligible population changed, effective January 1, 2013, from an employer-sponsored prescription drug plan with the Retiree Drug Subsidy (RDS) to an Employer Group Waiver Plan (EGWP). The EGWP replaces the employer sponsored prescription drug plan. The expected savings is estimated to be approximately 12% of total Medicare eligible liability.

We recorded a regulatory asset for anticipated future recoveries of $1,088 thousand and $1,207 thousand as of December 31, 2013 and 2012, respectively. In addition, we recorded a liability of $159 thousand and $486 thousand as of December 31, 2013 and 2012, respectively, for our expected expenses under the AGL Welfare Plan.

Assumptions

AGL Resources considered a variety of factors in determining and selecting our assumptions for the discount rate at December 31. We based our discount rates separately for each plan on an above-mean yield curve provided by our actuaries that is derived from a portfolio of high quality (rated AA or better) corporate bonds with a yield higher than the regression mean curve and the equivalent annuity cash flows.

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

Dollars in millions	Pension plans		Welfare plans	
	2013	2012	2013	2012
Service cost	$29	$28	$3	$4
Interest cost	43	44	14	16
Expected return on plan assets	(62)	(64)	(6)	(5)
Net amortization of prior service credit	(2)	(2)	(5)	(3)
Recognized actuarial loss	35	34	8	9
Net periodic benefit cost	$43	$40	$14	$21
Florida City Gas's share of net periodic benefit cost recorded on Statements of Income	$1	$1	$-	$-
Assumptions used to determine benefit costs				
Discount rate (1)	4.2%	4.6%	4.0%	4.5%
Expected return on plan assets (1)	7.8%	8.4%	7.8%	8.5%
Rate of compensation increase (1)	3.7%	3.7%	3.8%	3.8%

(1) Rates are presented on a weighted average basis

The following tables present details about our pension and welfare plans.

Dollars in millions	Pension plans		Welfare plans	
	2013	2012	2013	2012
Change in plan assets				
Fair value of plan assets, January 1,	$837	$754	$77	$67
Actual return on plan assets	134	101	16	10
Employee contributions	-	-	3	1
Employer contributions	1	42	19	17
Benefits paid	(65)	(59)	(23)	(19)
Medicare Part D reimbursements	-	-	1	1
Plan curtailment and settlements	-	(1)	-	-
Fair value of plan assets, December 31,	$907	$837	$93	$77
Change in benefit obligation				
Benefit obligation, January 1,	$1,046	$968	$354	$397
Service cost	29	28	3	4
Interest cost	43	44	14	17
Actuarial (gain) loss	(93)	66	(26)	(22)
Plan amendments	-	-	-	(25)
Medicare Part D reimbursements	-	-	1	1
Benefits paid	(65)	(59)	(23)	(19)
Employee contributions	-	-	3	1
Plan curtailment and settlements	-	(1)	-	-
Benefit obligation, December 31,	$960	$1,046	326	354
Funded status at end of year	$(53)	$(209)	$(233)	$(277)
Amounts recognized in the Consolidated Statements of Financial Position consist of				
Long-term asset	$117	$33	$-	$-
Current liability	(2)	(2)	-	(12)
Long-term liability	(168)	(240)	(233)	(265)
Total liability at December 31,	$(53)	$(209)	$(233)	$(277)
Florida City Gas's share of net liability recorded on Statements of Financial Position	$(3)	$(3)	$-	$-
Accumulated benefit obligation (1)	$902	$983	n/a	n/a
Assumptions used to determine benefit obligations				
Discount rate	5.0%	4.2%	4.7%	4.0%
Rate of compensation increase	3.7%	3.7%	3.7%	3.7%

(1) APBO differs from the projected benefit obligation in that the APBO excludes the effect of salary and wage increases.

As a result of a cap on expected cost for the AGL Welfare Plan, a one-percentage-point increase or decrease in the assumed health care trend does not materially affect periodic benefit cost or accumulated benefit obligation of the Plan.

The following table presents the gross benefit payments expected for the years ended December 31, 2014 through 2023 for our pension and other retirement plans. There will be benefit payments under these plans beyond 2023.

In millions	Pension plans	Welfare plans
2014	$56	$20
2015	60	20
2016	63	21
2017	66	22
2018	68	23
2019-2023	366	123

Contributions

AGL Resources employees generally do not contribute to these pension and other retirement plans; however, pre-65 AGL retirees make nominal contributions to their health care plan. AGL Resources funds the qualified pension plans by contributing at least the minimum amount required by applicable regulations and as recommended by our actuary. However, AGL Resources may also contribute in excess of the minimum required amount. As required by The Pension Protection Act of 2006 (the Act), AGL Resources calculates the minimum amount of funding using the traditional unit credit cost method.

The Act contained new funding requirements for single-employer defined benefit pension plans and established a 100% funding target (over a 7-year amortization period) for plan years beginning after December 31, 2007. In 2013, AGL Resources had no required contributions to the merged AGL Plan. In 2012, AGL Resources contributed a combined $40 million to the AGL Plan and the NUI Plan.

Employee Savings Plan Benefits

AGL Resources sponsors defined contribution retirement benefit plans that allow eligible participants to make contributions to their accounts up to specified limits. Under these plans, our matching contributions to participant accounts were $190 thousand and $143 thousand in 2013 and 2012, respectively.

Note 6 - Debt

The following table provides maturity dates, year-to-date weighted average interest rates and amounts outstanding for our various debt securities and facilities that are included in our Statements of Financial Position.

		December 31, 2013		December 31, 2012	
In thousands	Years due	Weighted average interest rate	Outstanding	Weighted average interest rate	Outstanding
Current portion of capital leases					
Current portion of capital leases	n/a	n/a	$-	4.9%	$991
Total current portion of capital leases		-%	$-	4.9%	$991
Long-term debt					
Gas facility revenue bonds	2024	0.8%	$20,000	1.2%	$20,000
Affiliate promissory note	2034	4.7%	52,861	5.4%	49,316
Total long-term debt		3.7%	$72,861	3.1%	$69,316
Total debt		3.7%	$72,861	3.1%	$70,307

Short-term Debt

Current Portion of Capital Leases The current portion of our capital leases at December 31, 2012 was composed of portions of our capital lease obligations that are due within the next twelve months. Our capital leases consisted primarily of a sale/leaseback transaction of gas meters and other equipment that was completed in 2002 by Florida City Gas and expired in the second quarter 2013.

Long-term Debt

Our long-term debt at December 31, 2013 and 2012 consists of gas facility revenue bonds and an affiliate promissory note.

Gas Facility Revenue Bonds Pivotal Utility is party to a series of loan agreements with the New Jersey Economic Development Authority (NJEDA) under 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.

During 2013, AGL Resources refinanced $200 million of Pivotal Utility's outstanding tax-exempt gas facility revenue bonds, $180 million of which were previously issued by the New Jersey Economic Development Authority and $20 million of which were previously issued by Brevard County, Florida. The refinancing involved a combination of the issuance of $60 million of refunding bonds to, and the purchase of $140 million of existing bonds by, a syndicate of banks. The relationship with the syndicate of banks regarding the bonds is governed by an agreement that contains representations, warranties, covenants and default provisions consistent with those contained in similar financing documents. All of the bonds are floating-rate instruments and there were no cash receipts or payments in connection with the refinancing.

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 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 BPU and the Florida Commission. The Affiliate Promissory Note is adjusted periodically to maintain the appropriate targeted capitalization percentages. During 2013, $1,615 thousand was converted from the Affiliate Promissory Note to Equity to maintain such ratios. The Affiliate Promissory Note is due December 31, 2034 and had an initial interest rate at December 31, 2004 of 6.3%, 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, 2013, the interest rate on this note was 5.0%. The initial principal amount of the Affiliate Promissory Note for Pivotal Utility including its operating division, Florida City Gas, is adjusted on an annual basis to conform to Pivotal Utility's target capitalization of 45%.

Note 7 - Commitments and Contingencies

We have incurred various contractual obligations and financial commitments in the normal course of our operating and financing activities that are reasonably likely to have a material effect on liquidity or the availability of capital resources. Contractual obligations include future cash payments required under existing contractual arrangements, such as debt and lease agreements. 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 under our obligations and other commitments as of December 31, 2013.

In thousands	Total	2014	2015	2016	2017	2018	2019 & Thereafter
Recorded contractual obligations:							
Long-term debt	$72,861	$-	$-	$-	$-	$-	$72,861
Unrecorded contractual obligations and commitments (1):							
Pipeline charges, storage capacity and gas supply	$91,504	$10,878	$10,878	$10,878	$10,092	$9,001	$39,777
Interest charges	2,042	190	190	190	190	190	1,092
Operating leases	76	23	24	25	4	-	-
Performance surety bonds	401	401	-	-	-	-	-
Total	$94,023	$11,492	$11,092	$11,093	$10,286	$9,191	$40,869

(1) In accordance with GAAP, these items are not reflected in our Statements of Financial Position.

Litigation

We are involved in litigation arising in the normal course of business. Although in some cases we are unable to estimate the amount of loss reasonably possible in addition to any amounts already recognized, it is possible that the resolution of these contingencies, either individually or in aggregate, will require us to take charges against, or will result in reductions in, future earnings. Management believes that while the resolution of these contingencies, whether individually or in aggregate, could be material to earnings in a particular period, they 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 in the Statements of Income are shown in the following table.

In thousands	**2013**	**2012**
Current income taxes		
Federal	$680	$2,546
State	223	675
Deferred income taxes		
Federal	3,022	1,423
State	286	174
Amortization of investment tax credits	(1)	(1)
Total	$4,210	$4,817

The reconciliations between the statutory federal income tax rate, the effective rate and the related amount of income tax expense for the years ended December 31, in our Statements of Income are presented in the following table.

In thousands	**2013**	**2012**
Computed tax expense at statutory rate	$3,850	$4,239
State income tax, net of federal income tax benefit	331	461
Amortization of investment tax credits	(1)	(1)
Other – net	30	118
Total income tax expense at effective rate	$4,210	$4,817

Accumulated Deferred Income Tax Assets and Liabilities

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

	As of December 31,	
In thousands	**2013**	**2012**
Accumulated deferred income tax liabilities		
Property – accelerated depreciation and other property-related items	$32,019	$30,088
Other	1,795	319
Total accumulated deferred income tax liabilities	$33,814	$30,407
Accumulated deferred income tax assets		
Unfunded pension and retiree welfare benefit obligation	$2,740	$2,855
Bad debts and insurance reserves	117	112
Other	563	704
Total accumulated deferred income tax assets	3,420	3,671
Net accumulated deferred tax liability	$30,394	$26,736

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

Note 9 - Related Party Transactions

We have an asset management and agency (AMA) agreement with our affiliate, Sequent Energy Management, L.P. (Sequent) to facilitate the management of transportation and storage capacity assets owned by Florida City Gas. The AMA agreement has a profit sharing structure without any minimum fixed fee, were the net margin is split evenly between Florida City Gas and Sequent. As part of the AMA agreement, 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 2013	Profit sharing 2012
Florida City Gas	Mar 2015	Profit sharing	50%	$1,128	$757

Amounts Due to Affiliates

We had $26,461 thousand and $15,160 thousand in accounts payable at December 31, 2013 and 2012, respectively, due to AGL Resources and affiliated companies, which consist primarily of our participation in AGL Resources' money pool to fund our working capital requirements.

See Note 6 for discussion of other affiliate transactions.

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

Note 10 – Subsequent Event

Our management evaluated subsequent events for potential recognition and disclosure through May 28, 2014, the date these financial statements were filed with the Florida Commission, and determined that no significant events have occurred subsequent to period end.