



West Florida Natural Gas Co.

"energy for all seasons"

J.E. McIntyre
President

Caller Box 1460
301 Maple Avenue
Panama City, FL 32402
(904) 872-6100

June 19, 1990

Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0870

900564-64

Dear Mr. Tribble:

Please find enclosed the original and twelve copies of West Florida Natural Gas Company's Application for Authority to Issue Securities.

Please acknowledge receipt by stamping the extra copy of this letter and returning it to me in the enclosed envelope.

Sincerely,

Patti Smith
Controller

PS:pc
enc.

cc: R. S. Goldman

RECEIVED & FILED

FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05434 JUN 20 1990

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of West :
Florida Natural Gas Company for :
Authority to Issue Securities :
_____ :

Docket No. 900568-GU
Filed:

**APPLICATION OF
WEST FLORIDA NATURAL GAS COMPANY
FOR AUTHORITY TO ISSUE SECURITIES**

Pursuant to Chapter 366, Florida Statutes and Chapter 25-8, Florida Administrative Code, West Florida Natural Gas Company ("WFNG" of "Company") hereby submits the following information and requests approval for authority to issue securities in the form of a promissory note or notes in the maximum principal amount of \$1,500,000.

- (1) Name of Applicant: West Florida Natural Gas Company
Address: 301 Maple Avenue
Panama City, FL 32401
- (2) Corporation formation and domestication: The Company was incorporated in the state of Florida in 1959 under the name Consolidated Natural Gas Company, and is domesticated only in the state of Florida.
- (3) Names and addresses of the persons authorized to receive notices and communications in respect to the Application:

James E. McIntyre, President
West Florida Natural Gas Company
Caller Box 1460
Panama City, Florida 32402

Robert S. Goldman, Esquire
Messer, Vickers, Caparello, French, Madsen & Lewis, P.A.
Post Office Box 1876
Tallahassee, Florida 32302-1876

DOCUMENT NUMBER-DATE

05434 JUN 20 1990

FPSC-RECORDS/REPORTING

(4) **Names, titles and addresses of the principal officers of West Florida Natural Gas Company:**

Ruben S. Martin, III, Chairman and Assistant Secretary
101 E. Sabine
Kilgore, TX 75662

J. E. McIntyre, President
301 Maple Avenue
Panama City, FL 32401

Daniel W. Hughes, Vice President-Operations and Secretary
301 Maple Avenue
Panama City, FL 32401

Russell B. Deegan, Vice-President
P. O. Box 579
Ocala, FL 32671

Robert D. Bondurant, Treasurer and Assistant Secretary
101 E. Sabine
Kilgore, TX 75662

Patti Smith, Assistant Secretary
301 Maple Avenue
Panama City, FL 32401

(5) **General character of applicant's business and territory:** West Florida Natural Gas Company owns and operates natural gas distribution systems in Panama City, Florida and Ocala, Florida which serve an aggregate of approximately 23,500 residential, commercial and industrial customers. The Company is a "public utility" within the meaning of Section 366.02, Florida Statutes, and is therefore subject to the jurisdiction of this Commission. A Map is included as Exhibit D to this application.

(6) **Brief description of facilities:** West Florida Natural Gas Company owns and

operates approximately 640 miles of natural gas distribution systems, consisting of approximately 389 miles of pipeline in and around Panama City, Florida and approximately 251 miles of pipeline in and around Ocala, Florida.

(7) Information regarding existing stock and debt:

Stock

- (a) Common stock
- (b) \$1 par value, one million shares authorized
- (c) 859,685 shares outstanding
- (d) None held as required securities.
- (e) None pledged by Applicant. Applicant's parent company has pledged the stock of WFNG.
- (f) 100% owned by West Florida Gas Inc., a Florida corporation, which is a wholly owned subsidiary of Martin Gas Corporation.
- (g) No amounts are held in any funds.

Funded Debt

The chart below answers items a, b and c:

<u>Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Balance due at 4/30/90</u>
1st Mtg Bonds	6/30/88	6/30/2003	\$6,500,000	11.18%	\$6,500,000

- (d) No amounts are required securities.
- (e) No amounts are pledged by Applicant.
- (f) No amounts are owned by affiliated corporations.

(g) No amounts are held in any funds.

The company also has a \$1,000,000 revolving line of credit in place as approved in Commission Order No. 22938 (May 14, 1990).

(8) Brief statement of transaction:

(a) Unsecured promissory note payable in equal monthly installments of principal and interest, calculated using a 10-year amortization. The note shall mature at the end of the third year.

(b) The maximum principal amount of debt securities shall be \$1,500,000. No equity securities shall be issued.

(c) The interest rate shall be fixed for three years at Sunbank's three-year cost of funds plus 250 basis points, as determined on the date of closing. As of June 12, 1990 the rate would be 11.6%.

(9) The primary purpose of this issue is to fund the clean-up and disposal of coal tar by-products. In the mid-1950's, the Company conducted a coal gasification operation in Ocala, Florida. At that time, coal tar by-products were routinely stored on the plant site, and this practice was not prohibited by then existing laws and regulations. However, current Florida regulations require the clean-up and disposal of the coal tar by-products at the plant site. In Docket No. 871255-GU the Company requested and was granted recovery of the estimated clean-up costs over a ten year period.

(10) Facts supporting legality and compatibility with public interest: WFNG is authorized to issue this debt by its articles of Incorporation and Florida law. The issue will

enable the company to undertake remediation and restoration of a coal gasification site.

See attached Exhibit E for an estimate of the expenses associated with the clean-up.

- (11) Counsel who will pass on the legality of the issue:

Thompson & Knight
3300 First City Center
Dallas, TX 75201

- (12) Other required regulatory filings: None required.

(13) 100 percent of Applicant's stock is owned by West Florida Gas Inc., which in turn is a wholly owned subsidiary of Martin Gas Corporation.

WHEREFORE, WFNG requests approval of the issuance of securities described herein.

WEST FLORIDA NATURAL GAS COMPANY


James E. McIntyre, President
and Chief Executive Officer

WEST FLORIDA NATURAL GAS COMPANY
Application for Authority to
Issue and Sell Securities

List of Exhibits

Exhibit A	Articles of Incorporation with Amendments to Date
Exhibit B (1)	Balance Sheet as of December 31, 1989
Exhibit B (2)	Balance Sheet as of April 30, 1990
Exhibit B (3)	Summary of Utility Plant and Accumulated Provision for Depreciation, Amortization and Depletion
Exhibit B (4)	Income Statement for Twelve Months Ended April 30, 1990
Exhibit B (5)	Statement of Retained Earnings as of April 30, 1990
Exhibit B (6)	Statement of All Known Contingent Liabilities
Exhibit C (1)	Projected Sources and Uses of Funds
Exhibit C (2)	Projected Construction Budget
Exhibit D	Map of Service Area
Exhibit E	Estimate of Remaining Clean-Up Costs

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation, as amended to date, of WEST FLORIDA NATURAL GAS COMPANY, a corporation organized under the laws of the State of Florida, as shown by the records of this office.

The document number of this corporation is 221556.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
6th day of November, 1986.



George Firestone
Secretary of State

ARTICLES OF INCORPORATION
OF
CONSOLIDATED NATURAL GAS COMPANY

The undersigned subscribers to these Articles of incorporation, each a natural person competent to contract, hereby associate themselves together to form a corporation under the laws of the State of Florida.

ARTICLE I. NAME

The name of this corporation is CONSOLIDATED NATURAL GAS COMPANY.

ARTICLE II. NATURE OF BUSINESS

The general nature of the business to be transacted by this corporation is:

A. To manufacture, produce, buy, sell, dispose of and ... in gas, coke, tar and all other residual products resulting from the manufacture of gas, and to carry on all the businesses that are usually or may be conveniently carried on by gas companies, to supply gas for lighting, heating, motive power, or any other purpose whatsoever; to acquire, construct, erect, lay down, maintain, enlarge, alter, work and use all such lands, buildings, easements, gas and other works, machinery, plant, stock, pipes, lamps, motors, fittings, meters, apparatus, materials and things, and to supply all such materials, products and things as may be necessary, incident or convenient in connection with the production, use, storage, regulation, measurement, supply and distribution of any of the products of the company.

Approved by Bill
D. G. ...

B. To buy, sell, transport, dispose of and deal in natural gas and to exercise the same rights, powers and privileges with respect to the sale and disposition of such natural gas as is authorized under paragraph A hereof with respect to manufactured gas and to manage and operate gas distribution systems within and without the municipalities of the State of Florida, and to operate gas distribution systems for others, including counties and municipalities by contract or otherwise.

C. To buy, sell, mortgage, own, improve, rent, lease and otherwise acquire, encumber and dispose of real and personal property of all kinds for the purpose of carrying on the business of the corporation.

D. To borrow money and to lend money and to give and take security therefor, and generally to do and perform any and all other necessary or expedient acts in connection with the business aforesaid, and to have, use, exercise and enjoy all of the general powers of like corporations without limitations or restrictions of any kind, except as provided in the Laws of the State of Florida.

E. To contract debts when necessary for the transaction of its business or for the exercise of its corporate rights, privileges or franchises or for any other lawful purpose of its incorporation; to issue bonds, promissory notes, bills of exchange, debentures, and other obligations and evidences of indebtedness payable at a specified time or times, or payable upon the happening of a specified event or events, whether secured by a mortgage, pledge or otherwise or unsecured, for money borrowed or in payment for property purchased, or acquired or

any other lawful objects.

F. To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares or the capital stock of, or any bonds, securities, or evidences of indebtedness created by any other corporation or corporations of this State or any other state or Government, and while owner of such stock to exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

G. To purchase, hold, sell and transfer shares of its own capital stock; provided that said corporation shall not purchase its own shares of capital stock except from the surplus of its assets over its liabilities including capital; and provided further that shares of its own capital stock owned by the corporation shall not be voted upon directly or indirectly, not counted as outstanding for the purpose of any stockholder's quorum or vote.

H. To conduct business, have one or more offices and hold, purchase, mortgage, and convey real and personal property in this State and in any of the several states, territories, possessions and dependencies of the United States, the District of Columbia and in foreign countries; and

I. To do all and everything necessary and proper for the accomplishment of the objects enumerated in its Articles of Incorporation or any amendment thereof or necessary or incidental to the protection and benefit of the corporation, and in general to carry on any lawful business necessary or incidental to the attainment of the object of the corporation whether or not such business is similar in nature to the objects set forth in the Articles of Incorporation of such corporation

or any amendment thereof.

ARTICLE III. CAPITAL STOCK

The maximum number of shares of stock that this corporation is authorized to have outstanding at any one time is One Hundred Thousand (100,000) shares of common stock, with a par value of One Dollar (\$1.00) per share, all of which when issued shall be fully paid and non-assessable.

ARTICLE IV. INITIAL CAPITAL

The amount of capital with which this corporation will begin business is Five Hundred Dollars (\$500.00).

ARTICLE V. TERM OF EXISTENCE.

This corporation is to exist perpetually.

ARTICLE VI. ADDRESS

The initial post office address of the principal office of this corporation in the State of Florida is Panama City, Florida. The Board of Directors may from time to time move the principal office to any other address in Florida.

ARTICLE VII. DIRECTORS

This corporation shall have not less than three, nor more than nine, Directors. The number of Directors may be increased or diminished from time to time by By-Laws adopted by the stockholders, but shall never be less than three.

ARTICLE VIII. INITIAL DIRECTORS AND OFFICERS

The names and post office addresses of the members of the first Board of Directors, the Chairman of the Board, the President, Vice President and Secretary-Treasurer, are:

<u>NAME</u>	<u>ADDRESS</u>	<u>OFFICE</u>
H. Lewis	Panama City, Florida	Chairman of the Board
H. Lewis	Panama City, Florida	President

ARTICLE IX. SUBSCRIBERS

The names and post office addresses of each subscriber to this corporation and these Articles of Incorporation, and the number of shares of stock which he agrees to take, are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>NUMBER OF SHARES</u>
A. M. Lewis	Panama City, Florida	100
H. M. Lewis	Panama City, Florida	100
A. M. Lewis, Jr.	Panama City, Florida	100

ARTICLE X. AMENDMENT

These Articles of Incorporation may be amended in the manner provided by law. Every amendment shall be approved by the Board of Directors, proposed by them to the stockholders, and approved at a stockholders' meeting by a majority of the stock entitled to vote thereon.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this 11th day of March, 1959.

Executed in the presence of:

A. M. Lewis (SEAL)
A. M. Lewis

H. M. Lewis (SEAL)
H. M. Lewis

A. M. Lewis, Jr. (SEAL)
A. M. Lewis, Jr.

STATE OF FLORIDA

COUNTY OF BAY

I hereby certify that on this day, before me, a Notary Public duly authorized in the state and county named above to take acknowledgments, personally appeared A. N. Lewis, N. M. Lewis and A. W. Lewis, Jr., to me known to be the persons described as subscribers in and who executed the foregoing Articles of Incorporation, and acknowledged before me that they subscribed to those Articles of Incorporation.

WITNESS my hand and official seal in the county and State named above this _____ day of March, 1959.



Notary Public

My commission expires:

Notary Public State of Florida
My Commission Expires _____

FIRST AMENDMENT OF CERTIFICATE OF
INCORPORATION OF CONSOLIDATED
NATURAL GAS COMPANY, CHANGING ITS
NAME TO GULF NATURAL GAS CORPORATION
AND OTHERWISE AMENDING ITS CERTIFICATE.

RECEIVED
JUN 25 1 30 PM '59
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA
COUNTY OF BAY

We, the undersigned, hereby certify that we are,
respectively, President and Secretary, of CONSOLIDATED NATURAL
GAS COMPANY; that we are authorized to execute and file this
Certificate; that the Board of Directors of Consolidated Natural
Gas Company on the 23rd day of June, 1959, adopted a resolution
declaring the advisability of amending the Certificate of incor-
poration, a copy of said amendment being hereinafter set forth
in full; and, the said Board of Directors called a meeting of the
stockholders of record entitled to vote for consideration thereof,
to be held on June 23, 1959, pursuant to waiver of notice and
consent of holding the meeting, signed by all of the holders of
the issued and outstanding capital stock of the corporation; that
all of the common stockholders were present, to-wit:

- A. M. Lewis, Sr., owner of 166 shares of common stock,
- A. M. Lewis, Jr., owner of 166 shares of common stock,
- H. M. Lewis, owner of 166 shares of common stock;

at said meeting the resolution providing for the amendment of the
Certificate of Incorporation, adopted by the Board of Directors,

was duly proposed and upon motion duly made and seconded, the resolution was adopted by unanimous vote by all of the holders of the issued and outstanding capital stock of the company. We further certify that the company by the action of its Board of Directors and stockholders determined that the Certificate of Incorporation should be amended in accordance with the resolution adopted by the Directors and stockholders, which is as follows:

"RESOLVED:

1. That the title of the Certificate of Incorporation be amended to read as follows: 'Certificate of Incorporation of GULF NATURAL GAS CORPORATION'.
2. That Article I be stricken in its entirety and the following substituted therefor: 'The name of this corporation is GULF NATURAL GAS CORPORATION'.
3. That Article III be stricken in its entirety and the following substituted in lieu thereof: 'The maximum number of shares of stock with nominal or par value that this corporation is authorized to have outstanding at any time shall be 1,000,000 shares of common stock of the par value of \$1.00 per share, all of which when issued shall be fully paid and non-assessable. Stockholders shall not be vested with pre-emptive rights with respect to any stock issued by the corporation.'

WITNESSETH, the signatures of the President and Secretary of CONSOLIDATED NATURAL GAS COMPANY and the Seal of the corporation, this 23rd day of June, A.D., 1939.


J. H. LUSK, President


J. H. LUSK, President

STATE OF FLORIDA

COUNTY OF BAY

This day personally appeared before me N. M. Lewis and Frank Nelson, Jr., well known to me and known to me to be the President and Secretary, respectively, of Consolidated Natural Gas Company, and each did acknowledge and declare that they executed the foregoing Certificate for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal official this 23rd day of June, A.D., 1959.



Notary Public

My commission expires:

AGREEMENT FOR THE MERGER

of

OCALA GAS COMPANY, INC.,

with and into

GULF NATURAL GAS CORPORATION

JUN 30 1 51 PM '59
RECORDS OF STATE
TALLAHASSEE, FLORIDA

RECEIVED

RECORDED AND FILED
[Handwritten signature]

G. TAG
PLANS
B. COPY
LEGAL
N. BAPT
ALABAMA
REVENUE

THIS AGREEMENT made and entered into this 29th day

of June, 1959, by and between GULF NATURAL GAS CORPORATION, a Florida corporation, with its principal place of business in Panama City, Florida (hereinafter sometimes called "Gulf"), Party of the First Part, and OCALA GAS COMPANY, INC., a Florida corporation, having its principal place of business in Ocala, Florida (hereinafter sometimes called "Ocala"), Party of the Second Part,

WITNESSETH THAT:

WHEREAS, the above named corporations desire to merge under and pursuant to the applicable provisions of Chapter 608.20, Florida Statutes, so that Ocala Gas Company, Inc. shall be merged with and into Gulf Natural Gas Corporation, and thereupon Ocala Gas Company, Inc. as a separate entity shall cease to exist;

NOW THEREFORE, in consideration of the promises and of good and valuable considerations, by each of the parties to the other paid, the receipt whereof is hereby acknowledged,

the parties hereto have agreed and do hereby agree, as follows:

FIRST: Subject to the terms and conditions herein-
after set forth, Ocala shall be and it is hereby merged with
and into Gulf, and upon the filing of this agreement, duly
signed and acknowledged, in the office of the Secretary of
the State of Florida, as required by the laws of Florida, the
separate existence of Ocala shall cease.

SECOND: Gulf is hereby specified as a single
existing corporation to survive the merger.

THIRD: All of the issued and outstanding shares
of capital stock of Ocala shall be surrendered to the Secretary
of Gulf, to be retired, cancelled and exchanged for 622,807
shares of common stock of Gulf of a par value of \$ 632.807
each.

FOURTH: The amount of capital with which Gulf,
the continuing corporation, will begin business, at and after
the time of the merger, will be \$ 676,707.82.

FIFTH: All of the costs, charges, fees and expenses
of or incidental to the merger shall be paid by Gulf.

IN WITNESS WHEREOF, this agreement has been executed
by a majority of the Directors of each of the corporate parties

hereto, and the corporate seal of each of the corporate parties hereto have been affixed and attested this 29th day of June, 1959.

FOR:

GULF NATURAL GAS CORPORATION

ATTEST:

Frank Nelson, Jr.
Secretary

A. M. Lewis, Sr.
A. M. Lewis, Sr.

H. H. Lewis
H. H. Lewis

A. M. Lewis, Jr.
A. M. Lewis, Jr.

Frank Nelson, Jr.
Frank Nelson, Jr.

Directors

FOR:

UGALA GAS COMPANY, INC.,

ATTEST:

Frank Nelson, Jr.
Secretary

H. H. Lewis
H. H. Lewis

A. M. Lewis, Jr.
A. M. Lewis, Jr.

C. Ferrie Bryant

J. McHenry Jones
J. McHenry Jones

Frank Nelson, Jr.
Frank Nelson, Jr.

Directors


I, FRANK NELSON, JR., Secretary of Gulf Natural Gas Corporation, do hereby certify, under seal of said corporation, that the Agreement of Merger upon which this certificate is made, was duly approved by the Board of Directors and signed by a majority of the Directors of Gulf Natural Gas Corporation, as provided in Chapter 608.20, Florida Statutes; that a meeting of the stockholders of record of Gulf Natural Gas Corporation was duly called and held in accordance with law; that the holders of all of the issued and outstanding capital stock of the corporation were present at said meeting and voted unanimously in favor of the Merger, and the execution of the said Agreement of Merger by the proper officers of the corporation was at said meeting, authorized and directed.

WITNESS my hand and seal of Gulf Natural Gas Corporation, this 29th day of June, 1959.


Secretary
Gulf Natural Gas Corporation

I, EDITH HANDEKSON, Assistant Secretary of Ucala Gas Company, Inc., do hereby certify, under seal of said corporation, that the Agreement of Merger upon which this certificate is made, was duly approved by the Board of Directors and signed by a majority of the Directors of Ucala Gas Company, Inc., as provided in Chapter 608.20, Florida Statutes; that a meeting of the stockholders of Ucala Gas Company, Inc., was duly called and held in accordance with law, and that all of the issued and outstanding capital stock of the corporation was represented at said meeting, that said Agreement of Merger was considered and a vote by ballot was taken for the approval or rejection of the same; that the stockholders of Ucala Gas Company, Inc., all being present, unanimously voted to merge said corporation in accordance with the Agreement of Merger and unanimously voted to approve such Agreement of Merger for execution by the officers of the corporation.

WITNESS my hand and seal of Ucala Gas Company, Inc.,
this 29th day of June, A.D., 1959.


Assistant Secretary
Ucala Gas Company, Inc.

The above and foregoing Agreement of Merger having been duly authorized by a majority of the Directors of Gulf Natural Gas Corporation and Ocala Gas Company, Inc., over the respective corporate seals of each corporate party, and having been duly submitted to and considered by the stockholders of each corporate party thereto at special meetings of each corporate party, especially called and held in accordance with the laws of the State of Florida, and having been approved by the votes cast, by a majority of the stockholders of each corporate party hereto, and such facts having been certified on said Agreement of Merger by the respective Secretaries over the respective corporate seals of each of the corporate parties; the President and Secretary of Gulf Natural Gas Corporation and the President and Assistant Secretary of Ocala Gas Company, Inc., do now sign the said Agreement of Merger over the respective seals of such corporations, by authority of the Boards of Directors and Stockholders of such corporations, as the representative act, deed and agreement of each of said corporations, on this 29th day of June, A.D., 1959.

ATTEST:


Frank Nelson, Jr.
Secretary

ATTEST:


Edith Henderson
Assistant Secretary

GULF NATURAL GAS CORPORATION

By 
W. H. Lewis, President

OCALA GAS COMPANY, INC.,


By 
W. H. Lewis, President

STATE OF FLORIDA

COUNTY OF BAY

This day personally appeared before me N. M. LEWIS and FRANK NELSON, JR., President and Secretary, respectively, of Gulf Natural Gas Corporation, well known to me to be the individuals described in and who executed the foregoing Agreement of Merger, and they did acknowledge, under oath, that they executed the foregoing Agreement of Merger as the act, deed and agreement of Gulf Natural Gas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal official this 29th day of June, A.D., 1959.




Notary Public
My commission expires: _____
Notary
My term

STATE OF FLORIDA

COUNTY OF BAY

This day personally appeared before me N. M. LEWIS and EDITH HENDERSON, President and Assistant Secretary, respectively, of Ocala Gas Company, Inc., well known to me to be the individuals described in and who executed the foregoing Agreement of Merger, and they did acknowledge, under oath, that they executed the foregoing Agreement of Merger as the act, deed and agreement of Ocala Gas Company, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and seal official this 29th day of June, A.D., 1959.



Notary Public
My commission expires: _____

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
GULF NATURAL GAS CORPORATION**

FILED
JUN 11 1964
SEC. OF STATE
TALLAHASSEE, FLA.

Pursuant to the provisions of Section 607.107 of the Florida General Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE ONE

The name of the corporation is Gulf Natural Gas Corporation.

ARTICLE TWO

Article I of the Articles of Incorporation of the corporation is hereby amended to read in its entirety as follows:

"Article I

The name of the corporation is West Florida Natural Gas Company."

ARTICLE THREE

The foregoing amendment to the Articles of Incorporation of the corporation was adopted by the directors and sole shareholder of the corporation by written consents dated as of January 31, 1964.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Amendment as of the 31st day of January, 1966.

GULF NATURAL GAS CORPORATION

By: J. E. McIntyre
J. E. McIntyre, President

Daniel W. Hughes
Daniel W. Hughes, Secretary

STATE OF FLORIDA §
 §
COUNTY OF BAY §

BEFORE ME, a Notary Public authorized in the State and County set forth above, personally appeared J. E. McIntyre, known to me and known by me to be the person who, as President, executed the foregoing Articles of Amendment to the Articles of Incorporation of Gulf Natural Gas Company, and he acknowledged before me that he executed these Articles of Amendment.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the State and County aforesaid, this 31st day of January, 1966.

Charles V. Tamm
Notary Public in and for
Bay County, Florida

My Commission Expires:
Notary Public, State of Florida
My Commission Expires May 31, 1968

CHARLES V. TAMM
(Type or print name of notary)

CERTIFICATE OF APPROVAL BY SOLE SHAREHOLDER

I, Daniel W. Hughes, Secretary of Gulf Natural Gas Corporation, a Florida corporation (the "Corporation"), hereby certify, as such Secretary and under the seal of the Corporation, that the Articles of Amendment to the Articles of Incorporation of Gulf Natural Gas Corporation to which this Certificate is attached, (i) was duly submitted to the Directors of the Corporation in a Unanimous Consent of Directors in Lieu of Special Meeting, pursuant to the General Corporation Law of the State of Florida, dated as of January 31, 1986, and (ii) was duly submitted to the sole shareholder of the Corporation in a Consent of Sole Shareholder in Lieu of Special Meeting, pursuant to the General Corporation Law of the State of Florida, dated as of January 31, 1986, for the purpose of considering and taking action upon said Amendment to the Articles of Incorporation, that such Amendment to the Articles of Incorporation was approved by the affirmative vote of the sole shareholder and Directors, which vote constituted at least a majority of the total number of shares of the outstanding capital stock of the Corporation entitled to vote thereon; and that thereby the Amendment to the Articles of Incorporation was adopted as the act of the sole shareholder and Directors of the Corporation, and the duly adopted act of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate and affixed the corporate seal as of the 31st day of January, 1986.


Daniel W. Hughes, Secretary of
Gulf Natural Gas Corporation, a
Florida corporation

(S E A L)

WEST FLORIDA NATURAL GAS COMPANY
Balance Sheet
December 31, 1989

ASSETS & OTHER DEBITS

Utility Plant

Utility Plant	23,324,187
Less Accumulated Depreciation	<u>(5,063,210)</u>
Net Utility Plant	18,260,977

Current & Accrued Assets

Cash	242,030
Notes Receivable	(310)
Customer Accounts Receivable	2,181,766
Other Accounts Receivable	141,697
Less Accum. Prov. for Uncollectible Accounts	(15,338)
Plant Material & Operating Supplies	280,403
Prepayments	<u>69,298</u>
Total Current & Accrued Assets	2,899,464

Deferred Debits

Unamortized Debt Expense	758,649
Clearing Accounts	(176,470)
Miscellaneous Deferred Debits	120,733
Unrecovered Purchased Gas Cost	<u>558,759</u>
Total Deferred Debits	<u>1,261,371</u>
Total Assets & Other Debits	<u>22,422,112</u>

LIABILITIES & OTHER CREDITS

Proprietary Capital

Common Stock Issued	859,685
Premium on Capital Stock	3,950,028
Retained Earnings	<u>4,226,855</u>
Total Proprietary Capital	9,036,568

Long-Term Debt

Bonds	6,500,000
Other Long-Term Debt	<u>310</u>
Total Long-Term Debt	6,500,310

Current & Accrued Liabilities

Accounts Payable	1,692,029
Accounts Payable to Associated Companies	1,979,773
Customer Deposits	689,699
Taxes Accrued	216,773
Interest Accrued	29,099
Tax Collections Payable	128,754
Miscellaneous Current & Accrued Liabilities	<u>100,419</u>
Total Current & Accrued Liabilities	4,836,546

Deferred Credits

Accumulated Deferred Investment Tax Credits	852,975
Other Deferred Credits	846,957
Accumulated Deferred Income Taxes	<u>348,756</u>
Total Deferred Credits	<u>2,048,688</u>
Total Liabilities & Other Credits	<u>22,422,112</u>

WEST FLORIDA NATURAL GAS COMPANY
Balance Sheet
April 30, 1990

ASSETS & OTHER DEBITS

Utility Plant

Utility Plant	23,941,867
Less Accumulated Depreciation	<u>(5,365,493)</u>
Net Utility Plant	18,576,374

Current & Accrued Assets

Cash	140,310
Notes Receivable	(800)
Customer Accounts Receivable	1,680,148
Other Accounts Receivable	124,922
Less Accum. Prov. for Uncollectible Accounts	(68,649)
Plant Material & Operating Supplies	280,621
Prepayments	<u>97,776</u>
Total Current & Accrued Assets	2,254,328

Deferred Debits

Unamortized Debt Expense	691,611
Clearing Accounts	(119,067)
Miscellaneous Deferred Debits	70,479
Unrecovered Purchased Gas Cost	<u>(99,174)</u>
Total Deferred Debits	<u>543,850</u>
Total Assets & Other Debits	<u>21,374,552</u>

LIABILITIES & OTHER CREDITS

Proprietary Capital

Common Stock Issued	859,685
Premium on Capital Stock	3,950,028
Retained Earnings	<u>4,980,795</u>
Total Proprietary Capital	9,790,509

Long-Term Debt

Bonds	<u>6,500,000</u>
Total Long-Term Debt	6,500,000

Current & Accrued Liabilities

Accounts Payable	727,700
Accounts Payable to Associated Companies	466,439
Customer Deposits	688,813
Taxes Accrued	408,415
Interest Accrued	284,641
Tax Collections Payable	279,849
Miscellaneous Current & Accrued Liabilities	<u>145,879</u>
Total Current & Accrued Liabilities	3,001,736

Deferred Credits

Accumulated Deferred Investment Tax Credits	814,072
Other Deferred Credits	1,028,958
Accumulated Deferred Income Taxes	<u>239,277</u>
Total Deferred Credits	<u>2,082,307</u>

Total Liabilities & Other Credits **21,374,552**

WEST FLORIDA NATURAL GAS COMPANY
Summary of Utility Plant and
Accumulated Provisions for
Depreciation, Amortization and Depletion
April 30, 1993

<u>Utility Plant</u>	
Gas Plant In Service	23,941,867
Acquisition Adjustments	<u>2,946,879</u>
Total Utility Plant	26,888,746
 <u>Accumulated Provisions for Depreciation,</u> <u>Amortization and Depletion</u>	
Plant In Service	7,679,887
Amortization of Other Utility Plant	35,876
Amortization of Plant Acquisition Adjustment	<u>596,609</u>
Total Accumulated Provisions	<u>8,312,372</u>
 Net Utility Plant	 <u>18,576,374</u>

WEST FLORIDA NATURAL GAS COMPANY
Income Statement
Twelve Months Ended April 30, 1990

Utility Operating Income

Operating Revenues	16,906,464
Operating Expenses	
Operations Expenses	13,241,144
Maintenance Expenses	303,244
Depreciation Expense	830,112
Amortization of Utility Plant	308,329
Taxes Other Than Income Taxes	572,853
Income Taxes - Federal	308,135
Income Taxes - Other	<u>54,104</u>
Total Utility Operating Expenses	<u>15,617,921</u>
Net Utility Operating Income	1,288,543

Other Income and Deductions

Nonutility Operating Income	(309,732)
Miscellaneous Amortization	106,192
Miscellaneous Income Deductions	161,741
Interest Charges	<u>820,732</u>
Total Other Income and Deductions	<u>778,933</u>
Net Income	<u>509,610</u>

WEST FLORIDA NATURAL GAS COMPANY
Statement of Retained Earnings
April 30, 1990

Unappropriated Retained Earnings

Balance - April 30, 1989	4,277,827
Balance Transferred from: Income	509,610
Audit Adjustments	<u>193,358</u>
Balance - April 30, 1990	<u>4,980,795</u>

WEST FLORIDA NATURAL GAS COMPANY
Schedule of All Known Contingent Liabilities

The only material contingent liability is an estimated \$1,552,875 liability for environmental cleanup (coal tar disposal site.)

WEST FLORIDA NATURAL GAS COMPANY
Projected Sources and Uses of Funds

Sources of Funds

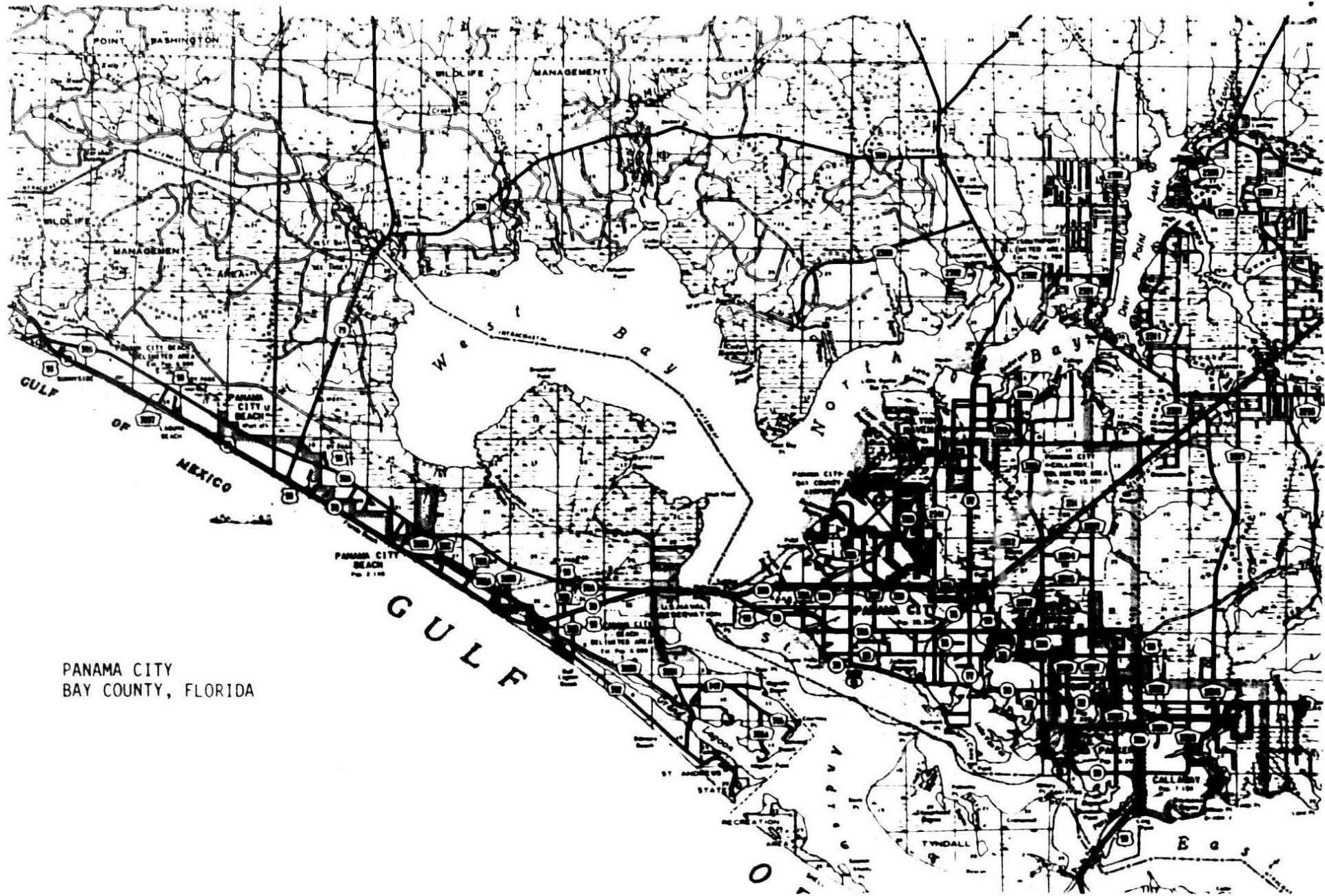
Funds Provided By Operations	\$ 1,400,000
SunBank Revolving Line of Credit	\$ 579,414
Term Loan for Environmental Clean-up	<u>\$ 1,500,000</u>
Total Sources	<u>\$ 3,479,414</u>

Uses of Funds

Construction Expenditures	\$ 1,060,100
Environmental Clean-up	\$ 1,552,875
Repayment of Intercompany Advance	\$ 466,439
Dividends on Common Stock	<u>\$ 400,000</u>
Total Uses	<u>\$ 3,479,414</u>

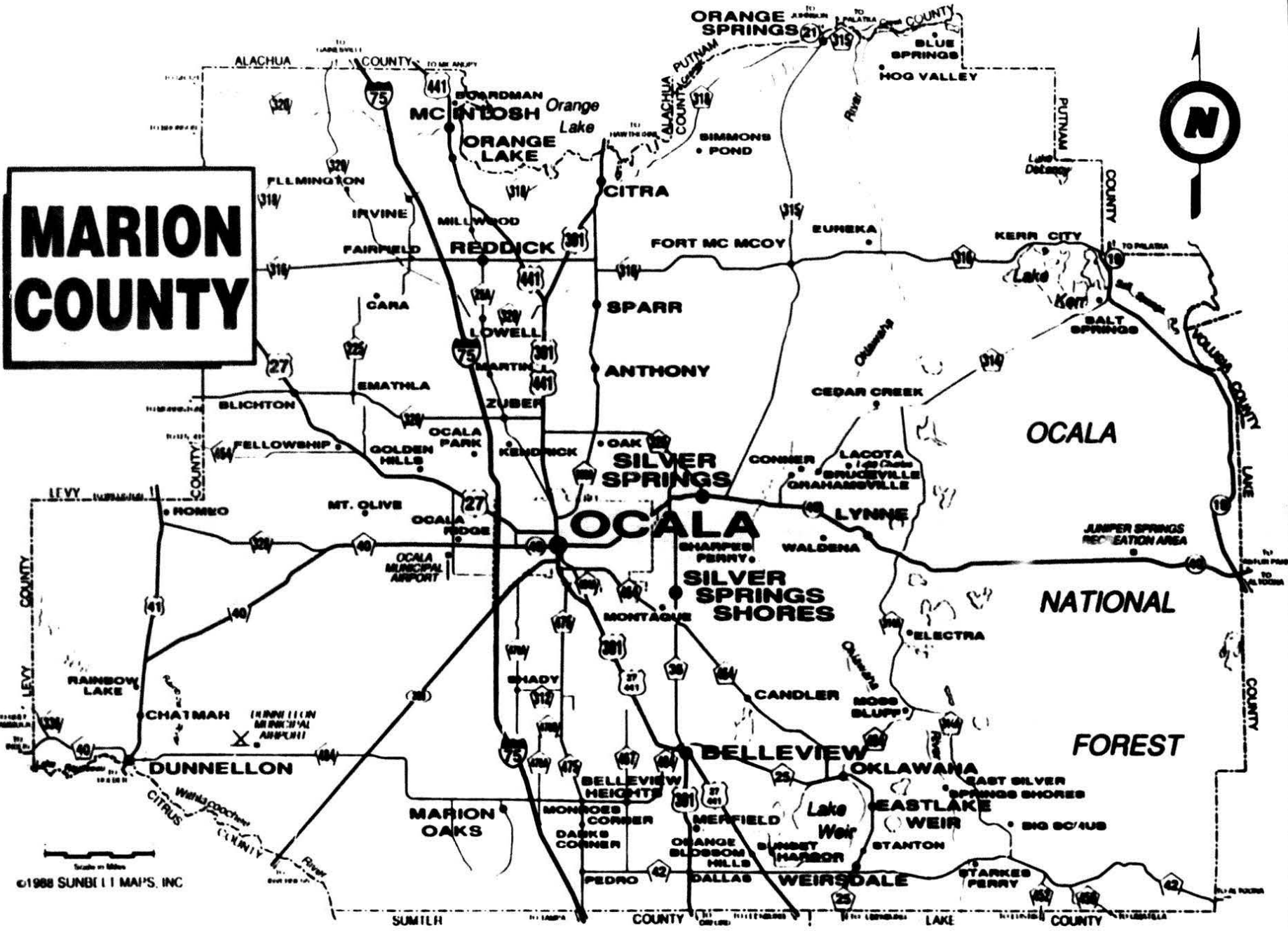
WEST FLORIDA NATURAL GAS COMPANY
Capital Budget Projections
Fiscal Year Ending June 30, 1991

Buildings	25,000
Mains	324,000
Measuring & Regulating Equipment	82,100
Services	200,750
Meters	107,000
Meter Installations	49,000
House Regulators	61,000
House Regulator Installations	49,000
Office Equipment	10,000
Data Equipment	12,400
Vehicles	100,000
Tools	15,300
Power Operated Equipment	1,500
Other	<u>23,050</u>
Total	<u>\$1,060,100</u>



PANAMA CITY
BAY COUNTY, FLORIDA

MARION COUNTY



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WEST FLORIDA NATURAL GAS COMPANY
Environmental Clean-Up
Estimate of Remaining Expenses*

GSX SERVICES, INC.

Excavation and disposal of contaminated soil
12,000 tons at \$121.50 per ton \$ 1,458,000

Clean backfill
4,000 cubic yards at \$9.53 per cubic yard 38,120

ENVIRONMENTAL CONSULTING & TECHNOLOGY, INC.

Collect and analyze soil borings 15,755

Soil testing 16,000

AKERMAN, SENTERFITT

Attorney's fees 25,000

TOTAL \$ 1,552,875

* Actual costs will depend upon the extent of contamination, which cannot be ascertained until excavation is underway.